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GROUP

Supplier Engagement & Environmental Initiatives in Aceh

September 2025



Introduction

Permata Group's NDPE Commitment & The Importance of Aceh as a Priority Area

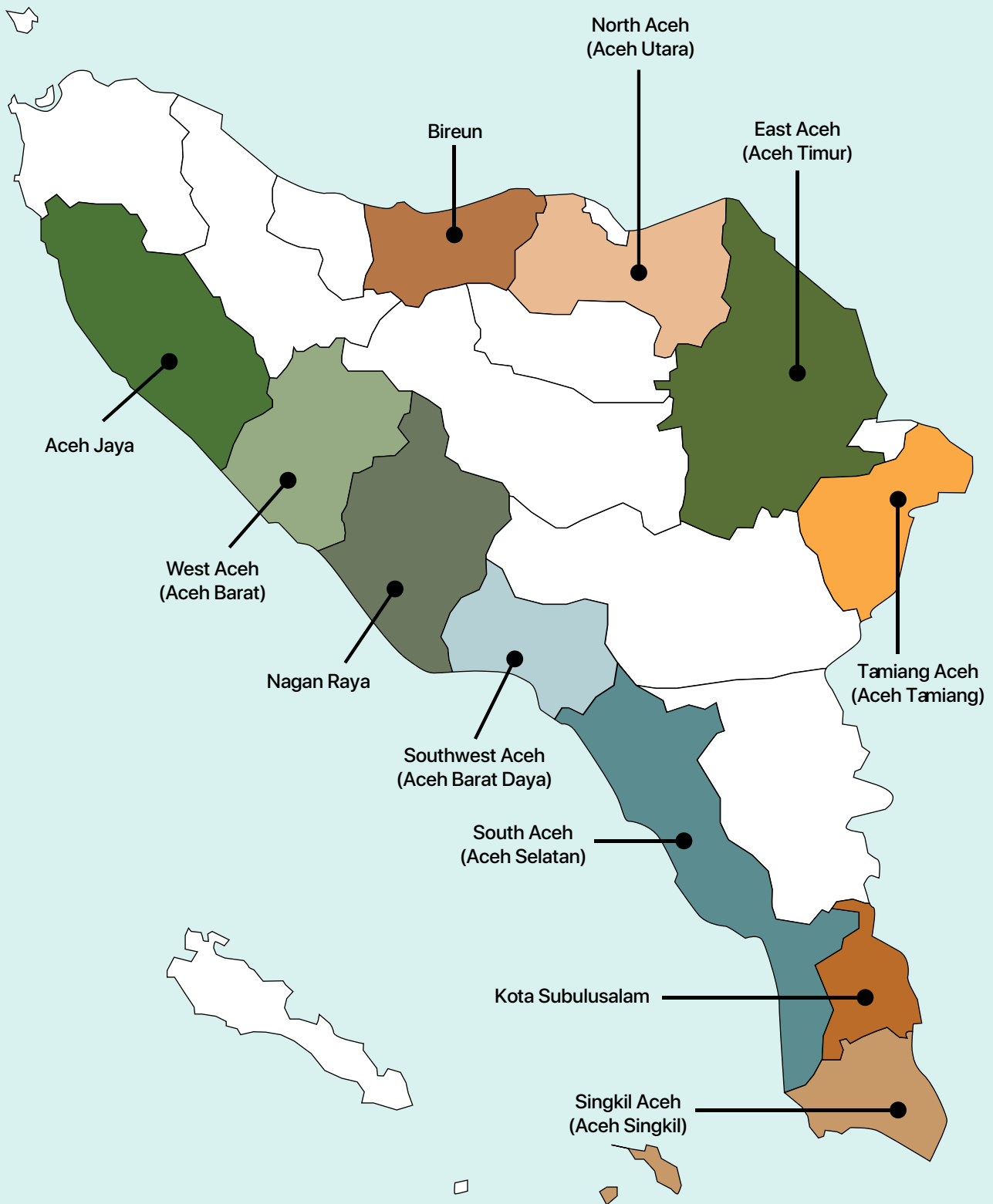
Permata Group is committed to conducting responsible and sustainable business by implementing the No Deforestation, No Peat, No Exploitation (NDPE) policy across its entire supply chain. This policy forms the foundation of our operations and guides our engagement with suppliers, fostering strong and lasting partnerships that safeguard the environment. Our commitment to NDPE is manifested through various initiatives such as supplier mapping and assessments, supplier engagement and audit as well as partnership with local governments, communities, and other strategic partners to promote natural ecosystem protection and conservation programs.

The province of Aceh encompasses one of the most strategically and ecologically significant areas. It includes a large portion of the Leuser Ecosystem, one of the richest tropical rainforest ecosystems in the world, home to numerous endangered species, and a vital source of livelihood for millions of people. This area is categorized as a High Conservation Value (HCV) landscape due to its rich biodiversity, critical ecosystem functions, and essential role in supporting the well-being of local communities. Given these unique attributes, Permata Group identifies Aceh as a critical sourcing area, where protecting environmental integrity while supporting responsible production and community development is of the utmost importance.

This report has been prepared to provide an update on Permata Group's ongoing engagement efforts in Aceh, aligning our sourcing practices with the region's ecological significance and ensuring that our operations contribute to both environmental protection and community well-being.



Overview of Suppliers in Aceh



40

Suppliers

11

Regency

Supplier Engagement in Aceh

Engagement activities include distributing questionnaires, conducting workshops and training, carrying out mill visits, and performing audits. Through these efforts, we aim to drive continuous improvements across the operational, environmental, and social aspects of our suppliers' practices.

Objectives of Supplier Engagement



Ensuring Compliance with the NDPE Policy

Through our engagement, we seek to ensure that all suppliers understand and implement the No Deforestation, No Peat, No Exploitation (NDPE) principles, including the prohibition of sourcing from protected areas, HCV and HCS forests, and peatlands.



Assessing Human Rights and Environmental Performance

Our engagement seeks to assess human rights and environmental aspects within our suppliers' operations, including workers' rights, FPIC principles, waste management, environmental protection, the application of Good Agricultural Practices (GAP), and compliance with Occupational Health and Safety (OHS) standards.



Strengthening Supply Chain Traceability

We aim to strengthen the suppliers' traceability system for Fresh Fruit Bunch (FFB) with the goal of achieving 100% traceability to plantation.



Encouraging Supplier Capacity Building

Suppliers are provided with recommendations, training, and guidance to improve operational, social, and environmental practices, including preparation for sustainability certifications such as ISPO or RSPO.



Building Long-Term Relationships

Transparent and collaborative communication is established to drive continuous improvement and strengthen long-term relationships with suppliers.

Progress in Aceh



90%

Signed the
Code of Conduct



85%

Completed the NDPE
Questionnaire



85%

Traceability to Plantation
(Risk-Based)

Monitoring & Assurance

Permata Group applies a Monitoring & Assurance approach to ensure supplier compliance with the NDPE policy, identify risks early in the supply chain, and implement timely corrective actions.



Supply Chain Monitoring

We use Satellite tools such as Global Forest Watch (GFW) and Nusantara Atlas to monitor our suppliers and their supply shed to identify any potential violations.



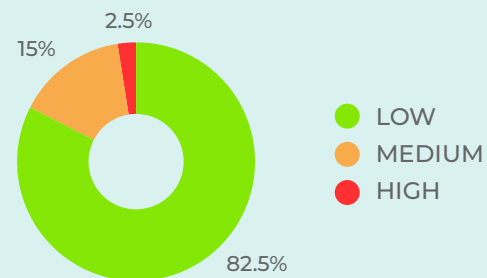
Monitored Area in Aceh :
164,704.06 Ha



Supplier Risk Assessment

We carry out in-depth risk assessment of our suppliers and apply a risk classification system that categorizes them into low, medium, and high risk. Suppliers identified as high-risk are given priority for closer monitoring and in-depth engagement.

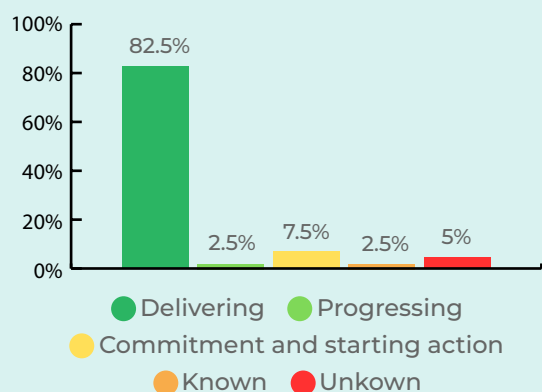
Aceh Supplier Risk Classification



Assurance Actions

We conduct site visits and assessments both according to our planned schedule and in response to reported concerns. When non-compliances are identified, we work closely with suppliers to develop and implement corrective action plans, providing guidance and support to help them improve their practices.

Aceh Supplier NDPE-IRF Status



This Monitoring & Assurance approach ensures that sustainability is not only a written commitment but also consistently implemented on the ground through a monitoring system that is transparent, responsive, and data-driven.

Natural Ecosystem Conservation and Rehabilitation

In addition to engaging our suppliers to ensure NDPE compliance, we also actively participate in forest restoration and wildlife conservation projects. In the Gayo Highlands of Aceh, within the Leuser ecosystem zone, we collaborated with the Leuser International Foundation to plant 18,000 hardwood trees such as avocado, durian, candlenut, mindi, lekap, and others. This project began in 2021 and has rehabilitated 140 hectares of degraded forest over the past two years.



Rehabilitation of Degraded Land in Aceh With Yayasan Leuser International

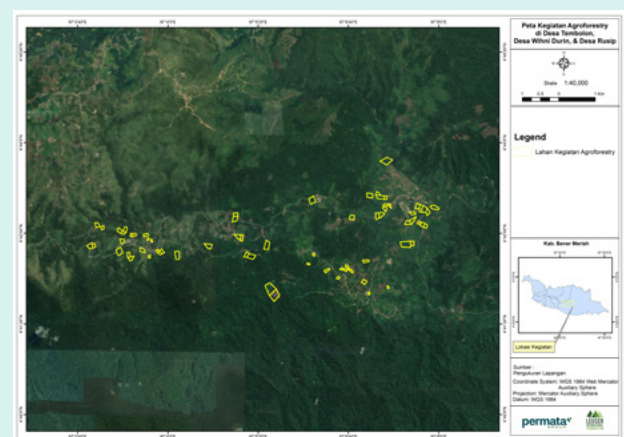
The Leuser Ecosystem is a vast forest area in Aceh and North Sumatra, home to diverse species, many of which are endangered. It is the only place where four critically endangered species still coexist: the orangutan, Sumatran rhinoceros, Sumatran tiger, and Asian elephant. Beyond biodiversity, the forests store large amounts of carbon to mitigate climate change and regulate the water cycle for millions of people.

Challenges in the Gayo Highlands

On the northern edge of the Leuser Ecosystem lies the Gayo Highlands, home to the Gayo people and renowned Gayo Coffee. The area has suffered deforestation and degradation from logging, land-use change, and social conflicts. Fires during the Aceh conflict worsened damage, and degraded hillsides have often been converted to monoculture coffee plantations, increasing erosion, reducing biodiversity, and weakening water storage.

Restoration Efforts by Permata Group

Permata Group partnered with the Leuser International Foundation to rehabilitate degraded areas by planting hardwood trees and transforming coffee monocultures into shade-grown systems. Tree species include avocado, durian, and candlenut for economic value, along with pangbabi, mindi, and lekap for environmental benefits



Collaborative Action for Sustainable Palm Oil in Aceh

Permata Group has joined forces with leading global companies and partners in the launch of the **Aceh Sustainable Palm Oil Working Group**, a multi-stakeholder platform aimed at advancing sustainable palm oil production in the province.

This voluntary and non-binding platform supports the implementation of the **Aceh Sustainable Palm Oil Roadmap**, mandated under **Governor's Regulation No. 9/2024**, with the goal of ensuring that palm oil is produced in a way that is **deforestation-free, inclusive of smallholders, and aligned with Aceh's sustainable development priorities**.



This collaboration marks an important milestone for Aceh, signaling the readiness of both government and industry to lead globally in sustainable palm oil production, ensuring that economic benefits go hand in hand with environmental protection and community well-being.

Looking ahead, the Working Group is expected to create broader positive impacts by integrating smallholders into global supply chains, restoring degraded areas, and ensuring transparency across the palm oil sector in Aceh.

For more details, please visit:

[Permata Group – Companies Support Deforestation-Free Inclusive Palm Oil in Aceh.](#)

Grievance Handling & Transparency

As part of its accountability commitment, Permata Group provides an open grievance mechanism accessible through the company's official website. This mechanism allows all stakeholders—including communities, NGOs, and third parties—to submit reports related to potential violations of the No Deforestation, No Peat, No Exploitation (NDPE) policy.



Transparency

by publicly disclosing the list of grievances.



Accountability

by recording the resolution status of each case.



Continuous improvement

through the development and implementation of a Corrective Action Plan (CAP) together with the relevant supplier.

Aceh Grievance Cases

The following is a summary of Aceh grievances recorded on the Permata Group website :

Company Names	Grievance Case
Dua Perkasa Lestari	In August 2020, Permata Group received a report from RAN alleging that PT Dua Perkasa Lestari (DPL) was involved in deforestation and land grabbing. Although Permata had no direct relationship with DPL, the company immediately reached out to its direct supplier, PT Beurata Subur Persada (BSP), which had sourced from DPL at that time, to seek clarification. Since BSP was not an active supplier then, clarification was deferred. When BSP reentered Permata's supply chain in November 2020, it began facilitating engagement with DPL. In April 2022, a new report indicated that DPL had allegedly developed 4 hectares of peatland. BSP shared government permits from Aceh authorities regarding the legal use of the land; however, Permata emphasized that any peat development was inconsistent with its NDPE policy. Despite efforts to communicate, DPL did not cooperate. Consequently, in September 2022, Permata deemed DPL non-compliant and suspended it from the supply chain, instructing BSP to cease all sourcing. BSP promptly complied with the directive.
Indo Alam	In August 2020, Permata Group received a report from RAN indicating that PT Teupini Lada was sourcing from PT Indo Alam, which was allegedly involved in deforestation. Permata immediately contacted Teupin Lada for clarification. On 25 August 2020, Teupin Lada confirmed that it had ceased sourcing from PT Indo Alam. In response, Permata suspended PT Indo Alam from its supply chain and obtained a formal commitment from Teupin Lada to refrain from purchasing from Indo Alam until the company resolved its deforestation issues. Teupin Lada also expressed its readiness to provide traceability-to-plantation data to Permata as part of ongoing transparency efforts.
Tualang Raya	Sept 2020 - RAN reported that PT Tualang Raya allegedly continued deforestation despite the Indonesian Government's moratorium. Permata engaged Syaukath Sejahtera for clarification. On 23 Sept, Permata suspended PT Tualang Raya from its supply chain. Syaukath Sejahtera confirmed it had already stopped sourcing from PT Tualang Raya and committed not to resume sourcing until the deforestation issue is resolved.
Mopoli Raya	Jan 2022 - Allegation of deforestation involving PT Mopoli Raya's subsidiary, PT Gading Bhakti. Permata engaged with Mopoli Raya for clarification. Feb 2022 - Mopoli Raya shared concession map showing land clearing occurred outside Gading Bhakti's concession. Further investigations found encroachment by local villagers into part of Gading Bhakti's HGU. Mopoli Raya engaged with villagers to stop encroachment and planned to install boundary signposts.

Company Names	Grievance Case
Cemerlang Abadi	Aug 2022 - RAN reported that PT Cemerlang Abadi (CA) cleared ~24 acres of secondary forest and ~740 acres of regenerating forest between Sept 2021 – Feb 2022. Earthworm Foundation's analysis linked PT CA to PT Raja Marga (RM), a Permata supplier. Permata engaged PT RM for clarification. PT CA claimed the activity was replanting of old plantations (established in 1990–1995) that were damaged by flood, fire, pests, and political unrest. Permata's internal review confirmed land clearing dated back to 1992–1994, so the replanting is not considered new development. However, investigation also revealed PT CA had compliance issues with land legality (HGU renewal reduced from 4,847 ha to 2,002 ha). As a result, Permata decided to suspend PT CA from its supply chain.
Nia Yulided Bersaudara	Dec 2022 - RAN reported PT Nia Yulided Bersaudara (NYB) linked to deforestation; traced via RAM UD Makmur Jaya to PT Bumi Sama Ganda (BSG). Permata engaged PT BSG and suspended PT NYB. PT BSG clarified it sourced from RAM UD Makmur Jaya and committed not to buy from NYB. However, further checks showed NYB's FFB still entered PT BSG's supply chain through agents/ FFB dealers. Permata reinforced preventive measures and issued a No Buy List Plantation to suppliers.
Perkebunan Nusantara I	April 2023 - Allegation of ~50 ha deforestation at plasma estate Pirsus (Krueng Bayeun). Permata requested clarification. May 2023 - PTPN I confirmed the estate has not been under their management since 1989 and no FFB sourcing from the area. Permata concluded no FFB links, reinforced by written commitments from PTPN I and their suppliers.
Aceh Trumon Anugerah Kita	Mar 2024 - RAN reported potential deforestation linked to ATAK near Rawa Singkil. ATAK engaged, clarified it does not source from the Reserve, and committed to NDPE. Permata conducted field visit and training to strengthen traceability and grievance handling. May 2024 - ATAK attended NDPE workshop and Permata provided field support. Weaknesses found in traceability mechanism and grievance implementation; timebound action plan developed. Nov 2024 - New RAN report alleged illegal FFB from Rawa Singkil entering via dealer UD Iqbal Jaya. ATAK agreed on updated action plan including monitoring, NDPE workshops, and requiring UD Iqbal Jaya to stop illegal sourcing. Jan 2025 - Permata instructed ATAK to cease sourcing from UD Iqbal Jaya and added the dealer to its "No Buy List." ATAK agreed and began strengthening GIS and monitoring capacity. Sep 2025 - ATAK has developed a time-bound plan to achieve 100% supplier plantation mapping by December 2025 as part of its traceability improvement. As of September 2025, the mapping progress has reached 96.80% .

(Complete data can be accessed through the official Permata Group website)

Permata Group believes that transparency in grievance handling is a fundamental foundation for building trust, strengthening collaboration, and ensuring sustainable supply chain practices

Plan 2026

To support the Company's mission and sustainability commitments, Permata Group has prepared a work plan for 2026 focusing on expanding supplier engagement, strengthening monitoring systems, and enhancing contributions to environmental conservation and community well-being.



Expanding Supplier Engagement

Engagement will be extended to suppliers across Aceh. This effort includes field visits, assessments of compliance with the NDPE policy, and constructive dialogue to build a shared understanding of sustainable practices. With broader coverage including suppliers categorized as low risk, Permata Group aims to accelerate supply chain transformation at the regional level.



Enhancing Supplier Capacity

Capacity building will be prioritized through workshops and technical training sessions. Topics will cover environmental management, traceability systems, and good social governance. This approach is intended to ensure that suppliers not only understand sustainability standards but are also able to consistently implement them in their operations.



Strengthening Technology-Based Monitoring

Monitoring will be reinforced through the integration of satellite surveillance systems and digital reporting. This technology will enable early detection of land cover changes and allow for faster, more transparent verification processes. The digital system will also facilitate real-time two-way communication between Permata Group and suppliers.



Transparent Grievance Resolution

Grievance handling will be further enhanced through the mechanism available on Permata Group's official website. All reports and complaints submitted will be followed up based on principles of transparency, accountability, and public disclosure. This effort is expected to strengthen stakeholder trust while serving as a driver for continuous improvement.



Multi-Stakeholder Collaboration

Collaboration with local governments, research institutions, and civil society organizations will continue to be strengthened. This cooperation is essential to ensure consistent implementation of NDPE principles while fostering a sustainable partnership ecosystem. Through inclusive collaboration, Permata Group aims to create broader positive impacts, both environmentally and socially.

With this 2026 plan, **Permata Group** reaffirms its step forward toward a sustainable supply chain, transparent grievance handling, and improved community well-being in Aceh.



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