



Bumitama Agri Ltd

10 Anson Road #11-19

International Plaza, Singapore 079903

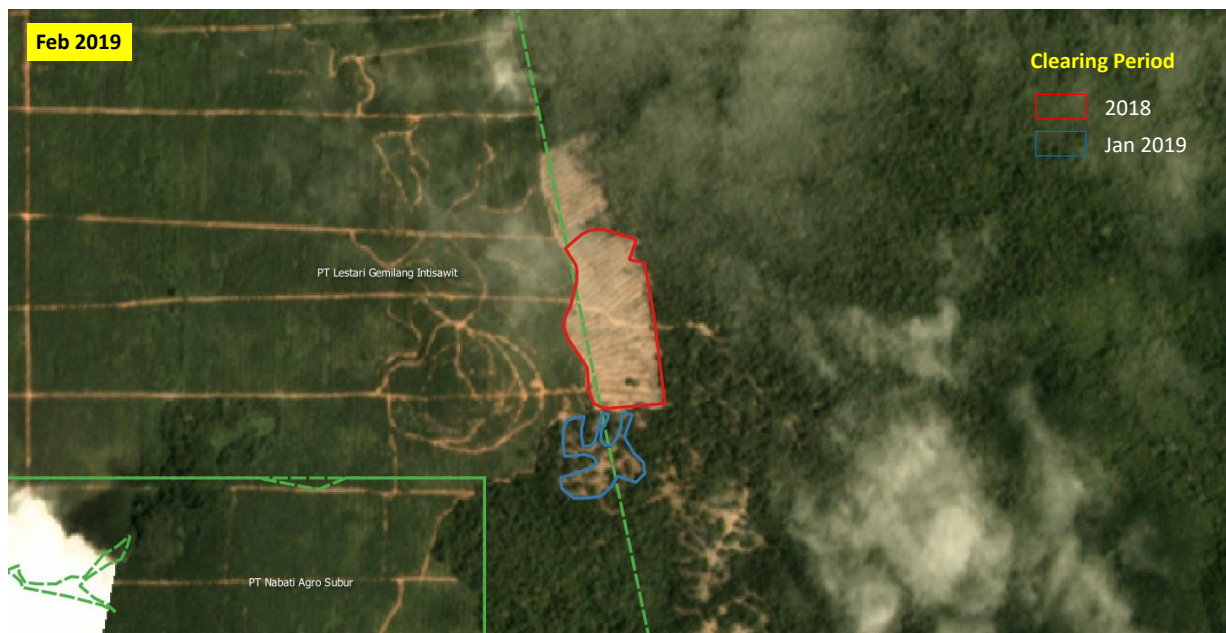
Tel : +65 6222 1332

Fax : +65 6222 1336

NEWS RELEASE

UPDATE ON LAND CLEARING NEAR PT LGI (MARCH 2019)

Jakarta, 21 March 2019 - Bumitama had been alerted by our own internal as well as external sources about a land clearing in an area consisting of mostly secondary forest land cover, occurring just outside the border of our concession PT Lestari Gemilang Intisawit (LGI) in West Kalimantan. Our team of Sustainability specialists had been sent to the site.



The site inspection and discussion with the personnel revealed that the land clearing was conducted by PT Simas Sawit Madriri (SSM). This PT does not hold a location permit (*Izin Lokasi*) or a plantation business permit (IUP), but is acting as an operator for the SKT land certificate holders from the local community from dusun Riam Batu of the Kayong Utara village. These individuals would later be associated into a cooperative, managed by SSM.

The interviewed SSM staff estimated that to date an area of 450 hectares had been opened, with a development plan of around 830 hectares in total. SSM is aware of the land zoning and presence of nearby areas of Protected Forest (*Hutan Lindung*) and Production Forest (*Hutan Produksi*). They had stated that all clearing will be conducted inside the area delineated as 'Other Uses Area (APL)' and in line with relevant Indonesian regulations.



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We had briefed the SSM staff about Bumitama's Sustainability policy, RSPO Principles and Criteria 2018, latest Indonesian law and regulation, inclusive of the moratorium issued by President Jokowi and our requirements for external FFB suppliers not to deforest and not to plant on peat soil; pointing out that Bumitama will not be able to conduct business with SSM unless all required conditions have been fulfilled by its operations. We will proceed to contact the directors of this company and the community to share with them on sustainable practices and will continue to monitor their activities and keep interested stakeholders updated.

