



Bumitama Agri Ltd

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NEWS RELEASE

Bumitama Refers To FOE's Report and Press Release Named 'Up In Smoke'

Jakarta, 11 December 2015 – Bumitama Agri Ltd and its group (Bumitama) refers to Friends of the Earth Europe (FOE) report released on 8 December 2015 titled "Up in Smoke" (Report).

Bumitama reaffirms it strictly adheres to its Zero-burning policy, banning all use of fire for land clearing and waste disposal, upholding its Buyer's policies, its own Sustainability policy and the RSPO P&C in all of its plantations and plasma developments. In the wake of this year's unprecedented hot and dry weather worsened by the El Niño, Bumitama has continued with its responsibility of conducting trainings and awareness programmes to its staff and local community, cooperating with the local government in mitigation of its effects.

Similarly, in conformity with Bumitama's September 2014 announcement and "No Deforestation, No Peat and No Exploitation Policy (Policy) in August 2015, we reaffirm there has not been any planting on peat. Bumitama applies Best Management Practices across existing plantations with peat areas and examines the prospect of rehabilitating peatland when and where necessary and viable.

Our constructive activities were criticized by FOE's latest Report. Despite the [News Release \(ASMR Report\)](#) on 26 November 2015 and our detailed clarifications to FOE prior to the publication, the Report builds on inaccurate data, tendentious statements and unclear images.

Bumitama strongly refutes both these assertions by FOE:

- a) Burning is used to intentionally degrade protected land to allow subsequent development of oil palm plantations on the land; and
- b) Deliberate burning in a strategy used to increase the yield of oil palms.

Moratorium and Peat

Bumitama has not developed any peatland in violation of the peat moratorium, its own new Sustainability Policy and Wilmar's Sustainability Policy and destruction of high carbon stock or high conservation value in ASMR. In the ASMR Report, none of the land inside of the plantation permit of PT Andalan Sukses Makmur (ASMR) overlaps with the current moratorium map. This clearly highlights FOE Report's inaccurate maps, especially in figure 10, which alludes to 685 ha of peatland under moratorium v5 in ASMR concession.



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We reiterate ASMR Report page 1 and 2, based on the Instruction of the President of Indonesia (INPRES) 10/2011 and INPRES 6/2013, the Moratorium map on peatland development is indicative, therefore designed to be reviewed and amended where necessary. Regular revisions are made by Ministry of Forestry of the Republic of Indonesia (MOF), which can be triggered by on-going process of identification/validation/verification in a development of a more accurate peatland map.

The moratorium map v5 dated 13 November 2013 as seen from image 2 in the ASMR Report shows there is no peatland under moratorium in ASMR concession based on the plantation permit map. However, in a peat delineation survey conducted in April 2014 and its result announced in September 2014, 1,756 ha of peatland was identified in the eastern and northeastern area of ASMR concession which are being set-aside for conservation; subjected to Free, Prior, and Informed Consent (FPIC) procedure.

The legal effects of the INPRES and the Ministerial Decree are prospective and therefore apply to future issuance of permits in the areas covered by the moratorium map. As PT. Bumitama Gunajaya Abadi (BGB) permits, even HGU, were issued prior to the INPRES, the permits that BGB has been operating on are all valid and legitimate.

Canals

Bumitama would like to make it clear, as per our earlier communication to FOE, that the canals were present in the area long before ASMR received its permit. In the context of the report, it might falsely be perceived that these were constructed to drain peat areas. According to information from the community, this canal highlighted in FOE's report, was built by the local government in 2009 to provide irrigation water for the community's plantations and it does not pass through any peatland inside of ASMR concession.

Fires

Bumitama recognises the environmental and health related risks accompanying use of fire in plantation operations. Therefore, we are very strict about applying no use of fire for land clearing or waste disposal across all our nucleus and plasma plantations. Prevention of fires forms an essential part of sustainable plantation management.

FOE incorrectly inferred from the paper¹ they cited that "oil palm trees between 2 and 5 years old are not harmed by burning" and "burning the trees has been shown to result in increased yield and therefore a higher rate of return". These statements by FOE completely contradict the findings of the paper, which are (i) the total yield from burnt palms are lower than those from unburnt palms, and (ii) the annual loss in income are

¹ Effects of Fires in Juvenile Oil Palm Fields on Yield and Oil Palm Breeding
https://agritrop.cirad.fr/561051/1/document_561051.pdf



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approximately 14% and 17% from lowered yield in partially burnt and totally burnt palms, respectively. The article itself concludes “the importance of preventing fires among oil palms at all ages”.

Bumitama has a well-established system to counter fire incidents as shown in our ASMR report from page 5 - 10. We run prevention programmes involving local community, including trainings, refresher programmes and simulation exercises on fire fighting.

Although we use the intelligence of NASA and Badan Meteorologi, Klimatologi dan Geofisika (BMKG) as a forewarning system, it is also important to understand that not all identified hotspots represent an actual fire. The most accurate hotspot data from the Fire Information for Resource Management System (FIRMS-NASA) only achieve about 64% accuracy².

Despite our best efforts, fires occasionally occur in our concessions, particularly during dry season. The source of fire for most of these incidents are sparks from land that was not compensated to the local community, cigarette butts or external fires blown to our concession. No fires were a result of deliberate burning and were all promptly and permanently extinguished.

To date, ASMR was only able to release about a third of the land in the IUP; the rest is still owned by the local community. For instance, the area marked in FOE’s photograph Figure 7 - “Young palms in peat” belongs to the local community. Despite our awareness and training programmes, there are only limited avenues for ASMR to stop the community from clearing their own land, even by burning – which was allowed by the Central Kalimantan Governor regulation no. 15/2010³ on land that belongs to the community. In any of such situation, ASMR helps the local community to put out the fires emerged in their land and reports to the relevant authorities of the events.

Similar to ASMR, BGB has the same fire prevention and firefighting management programmes. Most of the fires in BGB originated from the outside of our concession and were brought in by wind or land topography. All were dealt with quickly and decisively.

As part of our sustainability policy implementation, we are exploring further ways to develop more advanced fire prevention measures and will continue to work with relevant stakeholders to find long-term solutions in order to address the root causes of forest fires. Bumitama will not plant on burnt areas that were peat, HCV and HCS as per its Sustainability Policy and will instead rehabilitate and reforest such areas.

² Validasi Hotspot Modis di Wilayah Sumatera dan Kalimantan Berdasarkan Data Penginderaan Jauh Spot-4
http://sinasinderaja.lapan.go.id/wp-content/uploads/2014/06/bukuprosiding_310-320.pdf

³ Pergub Kalteng nomor 15 tahun 2010
<http://jdih.kalteng.go.id/uploads/prokum-2012072715093273.pdf>



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Left: ASMR concession, Central Kalimantan, September 2015.

ASMR concession, Central Kalimantan, September 2015

The two pictures of persons extinguishing the fire above do not belong to ASMR - the uniform and the cap features an unknown logo and the hose has a different colour than the one used by ASMR.



The tree maturity in the picture displayed leads us to disprove that this picture would be taken inside of ASMR concession, as stated next to it.

Left: Burning in ASMR plantation, September 15, 2015.



Figure 7 page 18 – Young palms in peat & Page 9 - Burning palms and peat in BGA plantation, September 15, 2015.

This image clearly displays sandy soil instead of peat. This was taken at the boundary of ASMR, not BGB, and belongs to the local community.



Figure 12 page 23 – Palms in peat with canal

The image above displays low-lying area that is not peat in BGB concession.

* some of the pictures show no coordinates, and therefore cannot be verified.

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