

Joint Statement by PT Ladang Sawit Mas (LSM) and the RSPO

Kuala Lumpur, 24 September 2013 – The Roundtable on Sustainable Palm Oil (RSPO) Complaints Panel (the “Panel”) addresses alleged breaches by RSPO members of the RSPO rules, including the Code of Conduct, and recommends the course of action for resolution.

The RSPO received a complaint from the Yayasan IAR and Friends of Borneo against the Bumitama Gunajaya Agro subsidiary, PT Ladang Sawit Mas on 8 April 2013.

The complaints process started on 19 April 2013 and since then PT Ladang Sawit Mas have presented to the Panel with a full written response detailing the actions that they have taken in resolving the issues with the full support and commitment of its Management and Board.

The Panel having evaluated the responses and actions of PT Ladang Sawit Mas recommended a course of actions for the resolution of the complaint on 1 July 2013.

Subsequently, the representatives of LSM met with the RSPO Secretariat and entered into a constructive dialogue with the objective of resolving the non-compliance with the RSPO Principle & Criteria, and New Planting Procedure (NPP).

LSM has presented to the RSPO Secretariat with a full written response detailing the action plan on 30 July 2013. LSM is committed to address each of the Panel's concerns.

The agreed actions are listed below.

1. Conduct Land Use Change Analysis on the LSM concession area.

LSM had appointed RSPO registered consultants to conduct the High Conservation Value (“HCV”) assessment on the whole of the LSM concession area and to carry out Land Use Change Analysis (LUC). The LUC analysis is expected to take 6 months to complete. A compensation proposal will be developed and submitted to the RSPO Compensation Task Force for approval after the completion of LUC analysis.

Furthermore, a consultant from Tanjung Pura University in Pontianak Kalimantan has been appointed to conduct the Carrying Capacity (CC) assessment together with Balai Konservasi Sumber Daya Alam (BKSDA) (an Authorised Government Institution). These assessments are still on-going and targeted to be completed by end of September 2013.

2. Submit an appropriate Time Bound Plan to the RSPO, listing all units belonging to the group, to be completed in three (3) months from the date of this joint statement.

LSM will provide the RSPO with a Time Bound Plan as defined under Criteria 4.2.2 (b) of RSPO Certification System within the time frame.

3. LSM agrees to cooperate with the complainants, in particular IAR and the Authorized Governmental Institution (BKSDA) to monitor the existence and the condition of orangutans in the whole concession area.

LSM had held a few discussions with IAR and BKSDA on the specifics for the relocation of the remaining orangutans from the LSM concession area. LSM will coordinate with the local community and provide assistance to IAR and BKSDA during the process of relocating the remaining orangutans. This process will start as soon as possible.

4. **Compliance with New Planting Procedure**

The LSM management will provide information on the total area that has been developed and will indicate if there is any infringement to Principle 7.3 of the RSPO P&C after completing the processes as **listed in (1) above**.

LSM agrees to provide NPP notifications for all planting done after January 2010 within a three(3) month period from the date of this joint statement.

LSM will review all their internal Standard Operating Procedures (SOP) and incorporate the RSPO Principles and Criteria including the **New Planting Procedure into the same** and undertakes to comply with it in all its future developments.