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NEWS RELEASE

BUMITAMA CLARIFIES ON ITS SOURCING POLICY COMMITMENTS

Jakarta, 24 November 2022 – Bumitama would like to ensure all stakeholder that it strictly adheres to its NDPE commitments in regards to all of its own operations as well as for third party sourced FFB. However, due to a misrepresentation from one of our former suppliers, PT Pertama Sawit Mandiri (PSM), there was a period when fruits from a concession engaged in deforestation entered our supply chain through our Bukit Belaban Jaya Mill in West Kalimantan.

Prior to signing PT PSM as an external supplier in 2021, our team conducted a due diligence study which established that PT PSM had sufficient legality (ILOK, AMDAL, IUP and HGU), and as an RSPO member conducted an NPP assessment, whereby any land clearing in this PT would follow the requirements on HCV, HCS, peat, SIA and FPIC. As part of our sourcing policy requirements, PT PSM also signed a declaration, stating that its FFB does not originate from areas of deforestation, HCV & HCS or peat.

However, a routine check of their compliance uncovered the scale of the ongoing plantation development and further investigation established that PT PSM is no longer an RSPO member and that its land development is non-compliant with the earlier NPP documents. Their land clearing in areas of HCV & HCS was also in conflict with the information provided directly to Bumitama during the initial due diligence checks.

Bumitama took immediate steps to respond to the situation. All FFB supply to any of our mills from PT PSM has been stopped from August 2022 and request for clarification from the PT PSM management has been sent. To date, no written response has been obtained. Hence, the contract has been terminated and PT PSM has been blacklisted from our future supply.

Going forward, prior to signing any new suppliers, Bumitama will check against the updated RSPO and internal complaint list and consult with our partners from Earthqualizer to ensure that FFB from plantations that engage in deforestation or otherwise violate our supply policy, do not enter our supply chain.

For further information, please email:

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