

Update on the Long Isun Case – October 2024

Matters Related to Operational Areas

We appreciate the continued interest of our stakeholders on this matter. Bumitama, as well as PT Kemakmuran Berkah Timber (KBT) and PT Roda Mas Tbr Kalimantan (RMTK) recognise that the map of indigenous areas of Long Isun does not align with the administrative boundaries defined under SK Bupati Kutai Barat No. 136.146.3/K.197/2011, and certain areas claimed by the Long Isun community are located outside the legally set boundaries, specifically in the neighboring Naha Aruq village.

It is important to clarify that the determination of village boundaries is a matter to be decided between the concerned villages and the relevant government body. This is not within the purview of a logging permit operator to decide. However, in recognition of the sensitive nature of the situation and in line with the commitments made in the 2016 MOU, PT KBT and PT RMTK have reaffirmed their commitment to avoid any commercial activities in both Long Isun and Naha Aruq. This commitment was reiterated in the 2023 clarification issued on the respective websites, and the areas were marked as no-go zones to avoid potential escalation of existing land disputes.

For added clarity, Bumitama, PT KBT and PT RMTK acknowledge that the Long Isun community has refused to give their Free, Prior, and Informed Consent (FPIC) for any logging operations, and thus PT KBT and PT RMTK will:

- Exclude all areas of the Long Isun community that are not subject to a boundary dispute with the neighboring Naha Aruq community from PT KBT's and PT RMTK's future harvesting plans (RKUPHHK); and
- Remove all areas within Naha Aruq's administrative boundaries, including those claimed to be Long Isun's customary lands that overlap with the 2011 administrative boundary of Naha Aruq.

In summary, any new logging developments by PT. KBT and PT. RMTK will be located outside the administrative boundaries of Long Isun and Naha Aruq. This commitment is clearly reflected in the companies' current 10-year work plans, and any new 10-year work plans will be published on the relevant websites as they become available.

We believe that this commitment is clear and sufficient to ensure that no logging operations or business activities will be undertaken by PT. KBT and PT. RMTK across the entirety of the claimed Long Isun community's ancestral lands.

Matters Related to Revision of Operational Permits

We would like to remind all parties that, under the applicable law (Pasal 86 ayat (2) Permen LHK No. 08/2021), neither PT KBT nor PT RMTK has the authority to alter the permits (IUPHHK), except under specific circumstances:

- a) Overlapping forest utilization business permits with other business actors;
- b) Changes in the status and/or function of forest areas resulting from changes in spatial planning; or
- c) Government policies, including national strategic projects, national economic recovery, food security (food estate), and other strategic activities, as well as forest area arrangements within the forest utilization business permits.

Nevertheless, Bumitama, PT KBT and PT RMTK remain committed to supporting the legal recognition of the Long Isun Indigenous territories, necessary for such excision. At this point, we must emphasize that any additional requests or actions, such as “issuing letters to the Mahakam Ulu district government and the Ministry of Environment and Forestry to request for the excision of the customary lands of the Long Isun community from their concessions”, may adversely impact the business operations of PT KBT and PT RMTK beyond the aforementioned areas. Such actions fall outside the scope of our legal and operational responsibilities and could lead to unintended negative consequences. Therefore, PT KBT nor PT RMTK will not be engaging in these actions until the legal basis for such excision has been formed, as the process of obtaining legal recognition of the Long Isun Indigenous territories is still ongoing.

Matters Related to BAL’s Sustainability Policy

We acknowledge the stakeholder’s request for Bumitama Agri Ltd (BAL) to issue a revised sustainable palm oil policy or an addendum to clarify our commitments. We appreciate the emphasis on adherence to high standards and wish to address the points raised:

High Carbon Stock Approach (HCSA):

- Bumitama is committed to following the HCSA, including its social requirements, to the best of our ability. However, as a non-member of the HCSA, we do not, by default, commit to every change the HCSA Steering Committee adopts. Bumitama’s commitment is to sustainable practices that align with our operational capabilities and regulatory requirements.

Zero Tolerance for Intimidation, Violence, and Criminalization of Human Rights Defenders:

- Bumitama has a clear policy of zero tolerance for violence against, intimidation of, and the criminalization of Human Rights Defenders. This policy applies to our own operations as well as to our suppliers, as explicitly stated in our Sustainability Policy updated in 2022. We are dedicated to upholding these principles in accordance with international human rights norms and best practices.

Both Bumitama Agri, PT KBT and PT RMTK remain committed to transparent and constructive engagement with all stakeholders to ensure a sustainable and respectful resolution to these complex issues.