

BUMITAMA UPDATES ON THE KINJIL CASE

Jakarta, 27 March 2025 – Bumitama upholds transparent and fair grievance mechanism where land tenure and customary rights are concerned. All reported grievances are managed in accordance with national laws, RSPO standards, and our Sustainability Policy including the whistle blowing and internal grievance mechanism, prioritising constructive dialogue and where possible, amicable resolution over litigation. The Kinjil village dispute presents a complex case involving individuals who were previously compensated, yet later sought to reclaim the land, leading to unauthorised harvesting of FFB on plasma cooperative lands. This matter has been previously informed on through a [News release published on our website on 5 July 2023](#).

At the center of the dispute is Pak Aleng, a figure with a long history of engagement with Bumitama. He was directly involved in the 2005–2006 land relinquishment process as a village-appointed task force leader overseeing the transition of land from smallholders to the company for plantation development. In addition to receiving financial compensation at the time, Aleng as a local land owner, was also allocated plasma partnership rights as part of the cooperative program. However, nearly two decades later, he and a few others began disputing ownership over the land, leading to the ongoing tensions. Efforts to mediate and find alternative solutions have been extensive. The Kompak Maju Bersama plasma cooperative offered Aleng financial compensation for his claim, who however refused the offer, instead passing his authority over to his legal representative.

Recognising the sensitivity of the matter, Bumitama’s regional engagement team approached Aleng again, reiterating the legal basis of the land acquisition and the plasma cooperative’s rights. He was informed that if he continued to dispute BGA’s rightful ownership, the company would have no choice but to proceed with a formal lawsuit to protect the legal interests of the company and the local cooperative.

As the case escalated, legal proceedings were initially chosen as the preferred way to protect company’s assets and those of its plasma cooperative partners. However, after a series of constructive dialogues with village authorities and local stakeholders, it was recently decided to address the claims through customary mechanisms within the community instead. This decision reflects not a retreat from legal principles, but a conscious choice to prioritise community stability through cooperative engagement.

Looking ahead, Bumitama is exploring alternative ways to ensure our operations remain in harmony with surrounding communities for the long term. In some cases, like the recent dispute involving Aleng, we have chosen to step back from legal proceedings and instead support local leaders and community representatives in resolving the matter through traditional community-based dialogue. We believe this approach can strengthen relationships and create more lasting outcomes, while still upholding our responsibility to protect the rights of our cooperative partners and maintain legal compliance.

Moving forward, we remain open to working with local leaders, regulatory authorities, and community representatives to improve land management frameworks and prevent similar disputes from arising, and by maintaining open communication we hope to strike a fair balance between community interests and the protection of company's assets.

Peatland stewardship and regulatory alignment

We acknowledge that in the past, some of our peatland areas may have been developed at a time when assessments of peat depth were not systematically required. Today, we ensure full compliance with all relevant Indonesian peatland regulations, including Government Regulation (PP) No. 71/2014 and its amendment PP No. 57/2016, which classify deep peat areas as having protected status. We also align with the RSPO's Best Management Practices for existing plantations on peat and conserve and rehabilitate large areas of peat in partnership with expert organisations. This includes the protection of a significant peat dome that provides habitat for orangutans and other protected species, in line with our 2015 NDPE-based Sustainability Policy and our ongoing commitment to sustainable landscape management.

Bumitama maintains optimal water levels and actively monitors subsidence to mitigate greenhouse gas emissions and soil degradation. Ahead of any replanting on peat, we conduct drainability assessments to inform responsible land use decisions. Where areas are found to be unsuitable for long-term cultivation or inconsistent with our broader sustainability policy commitments, we are prepared to rehabilitate the land. These practices reflect our proactive, data-driven, and future-oriented approach to peatland management.

At Bumitama, we understand that sustainability is an ongoing process, and managing real-life social and environmental issues can be complex. As we are committed to learning from past experiences and continuing to improve, we welcome open dialogue with all parties who may have questions or concerns about our practices. We believe that open communication is key to building better solutions and creating long-term positive impact.