1. Profile

Guidance: The following information, notably the operational structure, will help report users to adequately understand (and respond to) the context of your report. Give a brief description of operating companies and locations, subsidiaries, joint ventures, most important products and/or brands, estimated palm oil production or trade volume. This will only need to be supplied once, unless profile information has changed during the reporting period (e.g. through mergers or acquisitions).

| Name of the organisation: | PT. Rea Kaltim Plantations |
| Membership type (tick one only): | Ordinary |
| | Affiliate |
| Membership category (tick one only): | Oil palm growers |
| | Palm oil processors and traders |
| | Consumer goods manufacturers |
| | Retailers |
| | Banks and investors |
| | Environmental/nature conservation organisations (NGOs) |
| | Social/development organisations (NGOs) |
| Operational structure of the organisation: | |

Responsible Contact(s)

| Primary contact for questions, feedback: | Name: Geetha Govindan |
| Address: PT. Rea Kaltim Plantations, Samarinda, East Kalimantan, Indonesia |
| Telephone: +62811589339, 0542-593719-20 |
| Email: Geetha.govindan@rea.co.id |
| Senior representative, authorising commitments: | Hans Schaefer – President Director |
| Person submitting progress report: | Geetha Govindan – Vice President Director |
| Financial contact for membership fee: | Yanti Tan – Director of Finance |

Guidance: The standard reporting period is 12 months or less. The date of submitting the report should not be longer than 3 months after the end of the reporting period.

| Reporting Period: | From: September 2009 To: August 2010 |
| Date of Report: | 31st August 2010 |
2. Details of Progress

A. Analysis and Strategy for Sustainable Palm Oil

1. High-level strategic view of the organisation’s relation to sustainable palm oil and related longer term objective.

PT. Rea Kaltim has embarked on various sustainability initiatives to achieve a high sustainability standard.

The various measures introduced proves the commitment of the company to the principles and criteria laid down in the RSPO charter.

The sustainability objective has been incorporated in the vision and mission statement of the company. It is of the view that the company will market its produce as Certified Sustainable Palm Oil by 1st January 2011.

It also important to note that some of the initiatives introduced are above RSPO standards with a clear commitment to achieve sustainability.

2. Time bound plan with milestones/targets.

- Certification expected to start in [27/09/2010] and completed by end of [31/12/2010]
- Purchasing certified sustainable palm oil products expected to start in [01/01/2011] and completed for all my requirements by [mm/yy]
- Activities to promote and support RSPO and RSPO palm oil expected to start in [01/01/2011] and completes by [mm/yy].

3. Targets for the next reporting period.

31st August 2011

4. Statement from the organisation’s senior representative.

PT. Rea Kaltim Plantations has come a long way and has embarked on many sustainability initiatives.

The formation of a Conservation Department, initiatives on Composting and Bio Gas (as a Clean Development Mechanism Project) to counter environmental pollution and commitment to continuous improvement; are dedicated initiatives that will take the Company to greater heights.

Our commitment to conduct a pre-audit by September 2010 is evidence that we want to be compliant on all sustainability standards required.

The eight principles and 39 criteria in the RSPO charter has enabled us to benchmark our own sustainability standard against the principles and criteria.

Its is envisaged that interest on certified sustainable palm oil will grow and India and China will also allow more use of certified sustainable palm oil in their products.
Guidance: Depending on the member organisation’s profile or specific keywords provided by the organisation, it needs to consider and report how it will contribute to the RSPO mission. The objective translates into operational, time-bound deliverables on the longer term (3 to 5 years, with annual review) and the short term (one year, with annual updates). Justify any changes from last year. A sufficiently senior decision-maker confirms the commitments made.

B. Progress made in producing, procuring/utilizing and supporting sustainable palm oil

Guidance: Provide a report or update in relation to:

- the time-bound plan,
- applicable requirements (citing relevant principles and criteria, Chain of Custody/Trade and Traceability rules and certification, Communication and Claims rules, supporting activities, Code of Conduct where possible); and
- efforts in engaging key stakeholders (interest groups, business relations, civil society, public, etc).

Information provided should be objective and verifiable, where possible quantified (volumes, hectarage, numbers of smallholders/labour/communities, number of promotional activities/publications/websites, etc).

The Company has achieved a lot of progress in engaging external stakeholders especially local communities on the various sustainability initiatives.

We are committed to a RSPO pre-audit on 26th September 2010 and intends to obtain certification by 31st December 2010.

We have six estates which are geared for the pre-audit RSPO, and 2 mills, and we are committed to obtain RSPO certification by end of 2010.
C. Challenges

1. Significant economic, social or environmental obstacles encountered in production, procurement, use of sustainable palm oil or in promotion of RSPO and RSPO oil and efforts made to mitigate or resolve them.

The biggest challenge is to socialise the various sustainability initiatives with external stake holders.

Some of the external stake holders may not be aware of the benefit of and thus need to be convinced and briefed adequately.

RSPO should gain a strong reputation on their members initiatives on sustainability.

Implementation of the various principles and criteria are not legislated and thus many companies are not obliged to carry out there sustainability measures.

Economic, social and environmental standards comes with true commitment but with a cost.

We hope there will be due recognition on certified sustainable palm oil e.g. low tariffs and higher premium.

2. Suggestions on how the RSPO can assist your organisation's sustainability performance.

RSPO can promote its certified sustainable palm oil as a way for future sustainability.

The various initiatives undertaken by RSPO could be advertised to its members which is already being done.

RSPO could endeavour for better recognition in the international forum and area rs criteria to promote sustainable palm oil.

RSPO could also lobby Government bodies to legislate the tough principles and criteria as a way of sustainable land use.

3. Suggestions on how your organisation can assist RSPO's overall progress.

PT. Rea Kaltim has established various sustainability initiatives which are above some of the standards advocated by RSPO.

The initiatives are done with a true sense of commitment to sustainability. This would be promoted as sustainability initiatives.

Company executives could be on the RSPO board (ECB) to discuss and give various inputs on the various initiatives undertaken by RSPO.

Guidance: RSPO encourages openness about problems encountered as a way to provide a balanced and credible picture of performance and to invite solutions or views from other stakeholders.

For suggestions on how the RSPO can assist your organisation meet its commitments to the RSPO and sustainable palm oil, spell out if your suggestions are for the Executive Board, the Secretariat, your membership category or RSPO members in general.