



Roundtable on Sustainable Palm Oil

RSPO Secretariat Sdn Bhd  
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PT Bumitama Gunajaya Agro  
Oil Palm Plantation and Mills  
Jalan Melawai Raya  
No.10 Jakarta  
12160 Indonesia

Attn : Mr Michael Raben

1 July 2013

Dear Mr Raben,

RE: Complaint - PT Ladang Sawit Mas - Bumitama Gunajaya Agro(BGA)

We refer to our letter on our preliminary findings dated 7 May and your subsequent reply dated 7 June 2013.

In the light of your membership of the Roundtable on Sustainable Palm Oil and following repeated concerns regarding your organisation's sustainability practices highlighted in the complaint by Centre for Orang Utan Protection on 11 March 2013; the RSPO Complaints Panel notifies you of the following:

The RSPO takes all infringements of its Statutes, By-Laws, Code of Conduct and Principles and Criteria by its members very seriously. Its ultimate sanctions for such infringements are to suspend and terminate the membership in RSPO. A complaints procedure has been started in this case as a result of the RSPO Complaint Panel's decision that there was sufficient evidence in the complaint concerning the member PT Ladang Sawit Mas/Bumitama Gunajaya Agro.

The Complaints Panel finds that there has been a non-compliance with the RSPO New Planting Procedure and the RSPO Principles and Criteria by PT Ladang Sawit Mas /Bumitama Gunajaya Agro(BGA), specifically;

1) Clearing and development of land before carrying out the necessary activities specified under the RSPO's New Planting Procedure and Principle 7 of the RSPO P&C; in particular on HCV and SEIA assessments.

This evidence was discerned from admirably, through your own clarification via the recent communications with the secretariat.

As a result, this suggests a possibility of infringements where:

- Inadequacy in identification and hence the avoidance and/or maintenance of High Conservation Areas in the said development (Principle 5).

The Complaints Panel also note that this particular complaint has parallels with the complaint on PT Nabatindo Karya Utama ,another company within the Bumitama Gunajaya Agro group, with the allegation of clearing High Conservation Value forests in Tumbang Koling Central



Kalimantan. This has bearing on the decision of the complaints panel, in that the issues faced by your company may not be ad-hoc but systemic in nature.

The RSPO Complaints Panel, therefore, requests its member PT Ladang Sawit Mas/Bumitama Gunajaya Agro:

1. To respond within four (4) weeks to the requirements listed below (2-9);
2. A joint public acknowledgment to be issued by RSPO and PT Ladang Sawit Mas/Bumitama Gunajaya Agro, that the company has been found to have infringed the Principles and Criteria of the RSPO;
3. For area cleared without a prior HCV assessment, company is required to conduct Land Use Change (LUC) Analysis and develop a compensation plan. The LUC analysis and Compensation Plan shall be submitted to the RSPO Compensation Task Force for approval. This exercise will provide further clarity on the potential infringements mentioned above. To be completed within three(3) months.
4. The LUC analysis and Compensation Plan shall be presented to the RSPO and the complainants shall be consulted in the review and subsequent implementation of any recommendations.
5. For future development, New Planting Procedure (NPP) shall be strictly adhered and company shall carry out a full HCV assessment of the entire area by an RSPO approved HCV assessor.  
\*For the terms of reference, please refer to the HCV assessments for RSPO certification: Reporting Requirements  
[http://www.rspo.org/file/HCV%20assessment%20report%20for%20RSPO%20certification\\_Oct%202012\\_final%281%29.pdf](http://www.rspo.org/file/HCV%20assessment%20report%20for%20RSPO%20certification_Oct%202012_final%281%29.pdf)  
\*\*the costs of the HCV assessment shall be borne by the member.
5. The member should submit a Time Bound Plan, listing all units belonging to the Group with timelines for certification .To be completed within three (3) months.
6. To declare to RSPO, explicitly, the total areas that may have been developed, by PT Ladang Sawit Mas, which may infringed Principle 7 of the RSPO P&C, but yet undisclosed to the RSPO. To be completed within three(3) months.
7. Following the NPP procedures, the Group shall provide NPP notifications for all plantings done after January 2010.To be completed within three (3) months.
8. Allow the complainant, Centre for Orang Utan Protection ,access to the PT Ladang Sawit Mas estate in order to assess and evaluate the condition of the orangutans present in the area, and develop a plan on how to protect these orangutans. To be completed within one(1) month.
9. The company shall review its Standard Operating Procedure (SOP) and incorporate NPP as part of the procedure to avoid being non-compliant for future developments.



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The RSPO requests the ceasing of development of this said piece of land owned by PT Ladang Sawit Mas, pending satisfactory completion of items 2-9 above. Activities that will help to arrest further deterioration of the area may be allowed. This however, will be upon providing relevant information to and obtaining explicit agreement from, the RSPO Secretariat. An example of such activities will be the planting of cover crops on bare soil in the cleared areas to reduce further erosion.

We look forward to your reply by 31 July 2013.

Thank you.

Yours sincerely,

Ravin Krishnan  
Complaints Coordinator  
For and on behalf of the Roundtable on Sustainable Palm Oil Complaints Panel

Cc – Friends of Borneo  
Yayasan IARI