


General Announcement::News Release 12 September 2014 - Bumitama Pilots High Carbon Stock Assessment

Issuer & Securities

Issuer/ Manager	BUMITAMA AGRI LTD.
Securities	BUMITAMA AGRI LTD. - SG2E67980267 - P8Z
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	12-Sep-2014 20:00:51
Status	New
Announcement Sub Title	News Release 12 September 2014 - Bumitama Pilots High Carbon Stock Assessment
Announcement Reference	SG140912OTHRTHQI
Submitted By (Co./ Ind. Name)	Lim Gunawan Hariyanto
Designation	Executive Chairman & CEO
Description (Please provide a detailed description of the event in the box below)	Please see attached.
Attachments	<p> News Release-Rapid HCS Pilot-12092014.pdf</p> <p>Total size =166K</p>



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BUMITAMA AGRI LTD.

(Incorporated in Singapore)

(Company Registration Number: 200516741R)

News Release 12 September 2014 - Bumitama Pilots High Carbon Stock Assessment

In April 2014, Bumitama Agri Limited (“BAL”) and its subsidiaries (collectively referred as the “Group”) commenced work on piloting a Rapid High Carbon Stock Assessment (“the HCS Assessment”). The initiative was in response to the changing global trend on sustainability as well as to provide practical experiences towards reviewing and reformulating the Group’s new environmental and social policies at the end of 2014.

The HCS Assessment allows the engagement of multi-stakeholders, some of whom are the Group’s customers, Wilmar International Limited (“Wilmar”) and Golden Agri-Resources Limited (“GAR”); experienced consultant company, PT Ata Marie (Ata Marie); and Aidenvironment¹.

The HCS Assessment was conducted for five subsidiaries of BAL in Kalimantan which involves:

- (a) an estimation of the current natural forest carbon stocks; and
- (b) identification and subsequent conservation of areas of natural forest holding high carbon stocks.

In addition, peat soil boundary delineation was also carried out. The HCS Assessment methodology is similar to that used by GAR and Wilmar. The Group has to cease all the development and planting of its five subsidiaries to conduct the RSPO New Planting Procedure (“NPP”) and the HCS Assessment.

Summary of the HCS Assessment Report (the “Report”) is as follows :

	PT Andalan Sukses Makmur (in ha)	4 Other subsidiaries (in ha)	Total (in ha)	In percentage
Area	7,000	48,190	55,190	100%
HCV	94*	4,595	4,689	8.5%
HCS**	2,469	5,990	8,459	15.3%
Peat ***	1,756	926	2,682	4.9%
Agroforestry	-	16,567	16,567	30.0%
Total developed & potential development area ****	4,437	37,605	42,042	76.2%

* Excludes 809 ha of *Tanjung Harapan*

** HCS consists of HK (*Hutan Kerapatan*) and BT (*Belukar Tua*). HK and BT which overlap with the High Conservation Area (“HCV”) are taken to be HCV and not repeated in HCS in this report

*** Overlaps with the HCS

**** Includes Agroforestry, shrub, open area and others; Agroforestry can be released through a Free Prior Informed Consent process

¹ Aidenvironment surveyed the 16,700 ha in PT Karya Makmur Langgeng which is part of 4 other subsidiaries using unmanned aerial vehicle (UAV). This high resolution imagery (10cm) enables very precise mapping of potential “go” and “no-go” area. The aerial work complemented with field verification and participatory mapping was then fed into the HCS mapping.

In this pilot HCS Assessment, HK is characterized as “closed canopy natural forest ranging from high density to low density forest”, while BT is described as “old scrub and highly disturbed remnant forest”. Agroforestry is smallholder agriculture areas consisting of traditional smallholder rubber plantations and other planted species occupying less than 10% of small and scattered residual patches of residual scrub and forest which are not considered as HCS area.

The Group is setting aside HCV and HCS areas of about 13,148 ha (23.8%) for conservation and will work closely with the community and other stakeholders in the development of the potential development area. The Group recognises the challenge for conserving this additional area and is looking at opportunities for community-based businesses and other activities to enhance the economy of the community.

The Group will use the results of the Report to review and reformulate its sustainable policy while closely monitoring any research finding and progress in this field of carbon stock. Constant communication with and updating to stakeholders on the Group’s progress is of key importance to the success of this HCS Assessment initiative.

For further information, please email:

Christina Lim

Email: clim@bumitama-agri.com

Lim Sian Choo

Email: lim.sian.choo@bumitama-agri.com
