

RSPO NOTIFICATION OF PROPOSED NEW PLANTING

This notification shall be on the RSPO website for 30 days as required by the RSPO procedures for new plantings (<http://www.rspo.org/?q=page/535>). It has also been posted on local on-site notice boards.

Date of notification: 26 August 2013

Tick whichever is appropriate

	This is a completely new development and stakeholders may submit comments.
✓	This is part of an ongoing planting and is meant for notification only.

COMPANY : **GOLDEN AGRI RESOURCES Ltd**
SUBSIDIARY (If any) : **PT KRESNA DUTA AGROINDO**
RSPO Membership Number : **1-0096-11-000-00**
Dated 31 March 2011

LOCATION OF PROPOSED NEW PLANTING

- Company Name : PT Kresna Duta Agroindo
- Location : Village of Sidomulyo, Marga Mulya, Makmur Jaya, Sukamaju, Konbeng Indah, Sri Pantun, Miau Baru, Sub-District of Kongbeng, Village of Jak Luay, Long Wehwa and Wanasari Sub-District of Wahau, Village of Rantau Panjang and Baturedi, Sub-District of Telen, District of Kutai Timur, Province of East Kalimantan, **INDONESIA**
- Geographical Location : (116°46'57,845" E- 116°51'52,614" East)
(0°54'38,332' N - 1°2'4,947" North)
- Surrounding Entities
 - a. North : Forest Concession (Hak Pengusahaan Hutan) of PT Basuimex, land of Industrial Forest Plantation (HTI) of PT Sumalindo, land of people along Pesab River
 - b. East : Forest Concession (Hak Pengusahaan Hutan) of PT Basuimex, Industrial Forest Plantation (HTI) of PT Kiani Lestari, reserved area of Nehes Liang Bing Village
 - c. West : Transmigration site of East Muara Wahau and plantation of PT Pratita Laksana Setia.
 - d. South : Forest Concession (Hak Pengusahaan Hutan) of PT Kiani Lestari, Palm plantation of PT Pratita Laksana Setia
- New Planting Area (planted) : **561.67 ha**
- New Planting area (remaining) : **209.79 ha**

- Permit:
 - a. Location Permit: District Head of East Kutai Decree Number 156/02.188.45/HK/V/2005 dated 30 May 2005 for a total area of ± 6,500 ha.
 - b. Extension of Location Permit: District Head of East Kutai Decree No. 241/02.188.45/HK/VI/2007 dated 14 June 2007 for a total area of ± 4,813 ha.
 - c. Plantation Business License (IUP): District Head of East Kutai No. 500/233/EK-VII/2005 dated 27 July 2005 for a total area of 6,500 ha.
 - d. Land Use Title (HGU):
 - Certificate of HGU No. 112 Dated 20 July 2010 with area of 6.025 ha
 - Certificate of HGU No. 113 Dated 20 July 2010 with area of 847,19 ha
 - Certificate of HGU No. 52 Dated 25 June 2009 with area of 4.753,54 ha
- Location Map : Figure 1, Figure 2 and Figure 3

Figure 1. Location Map of PT Kresna Duta Agroindo in the District of East Kutai

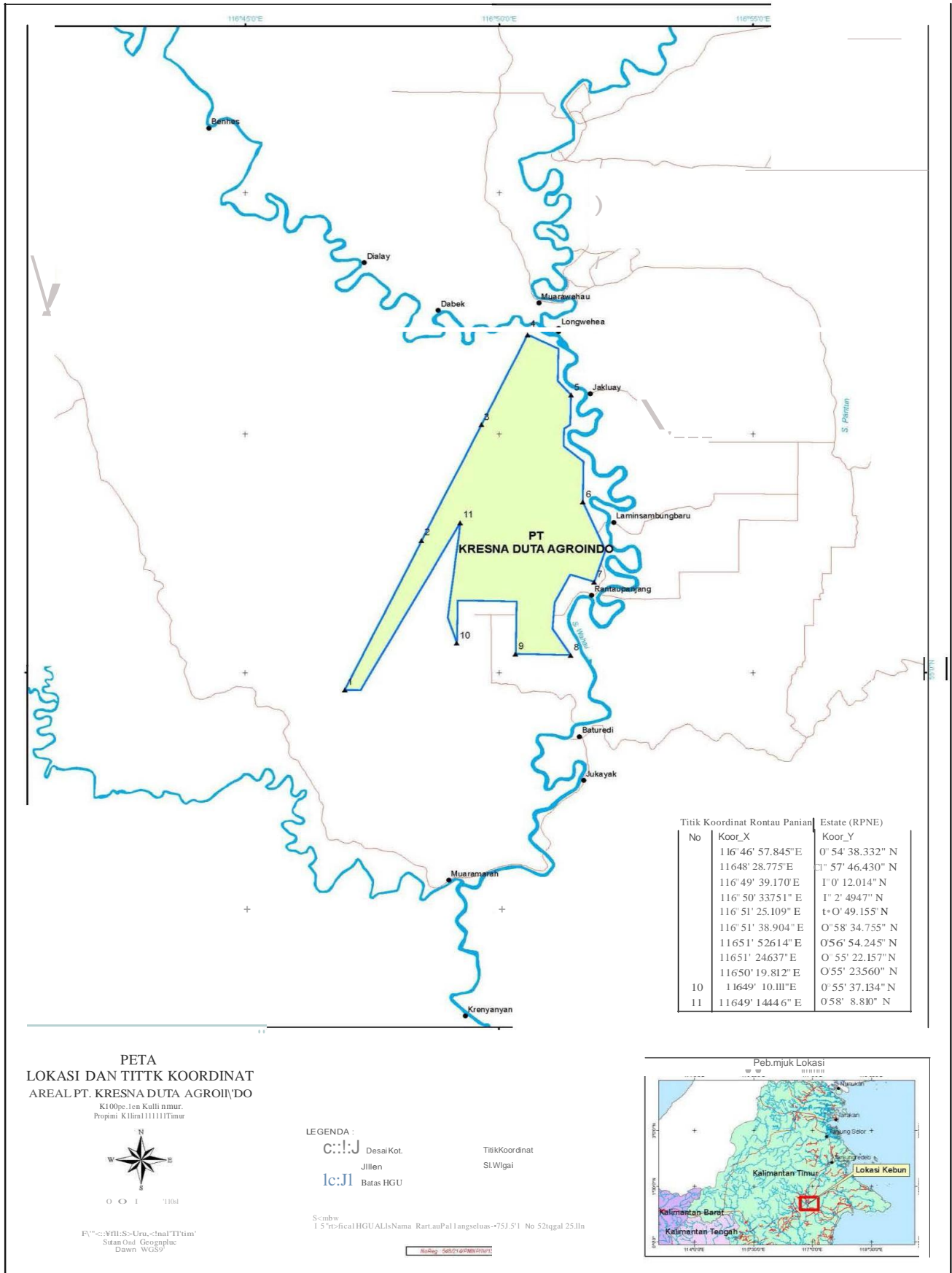
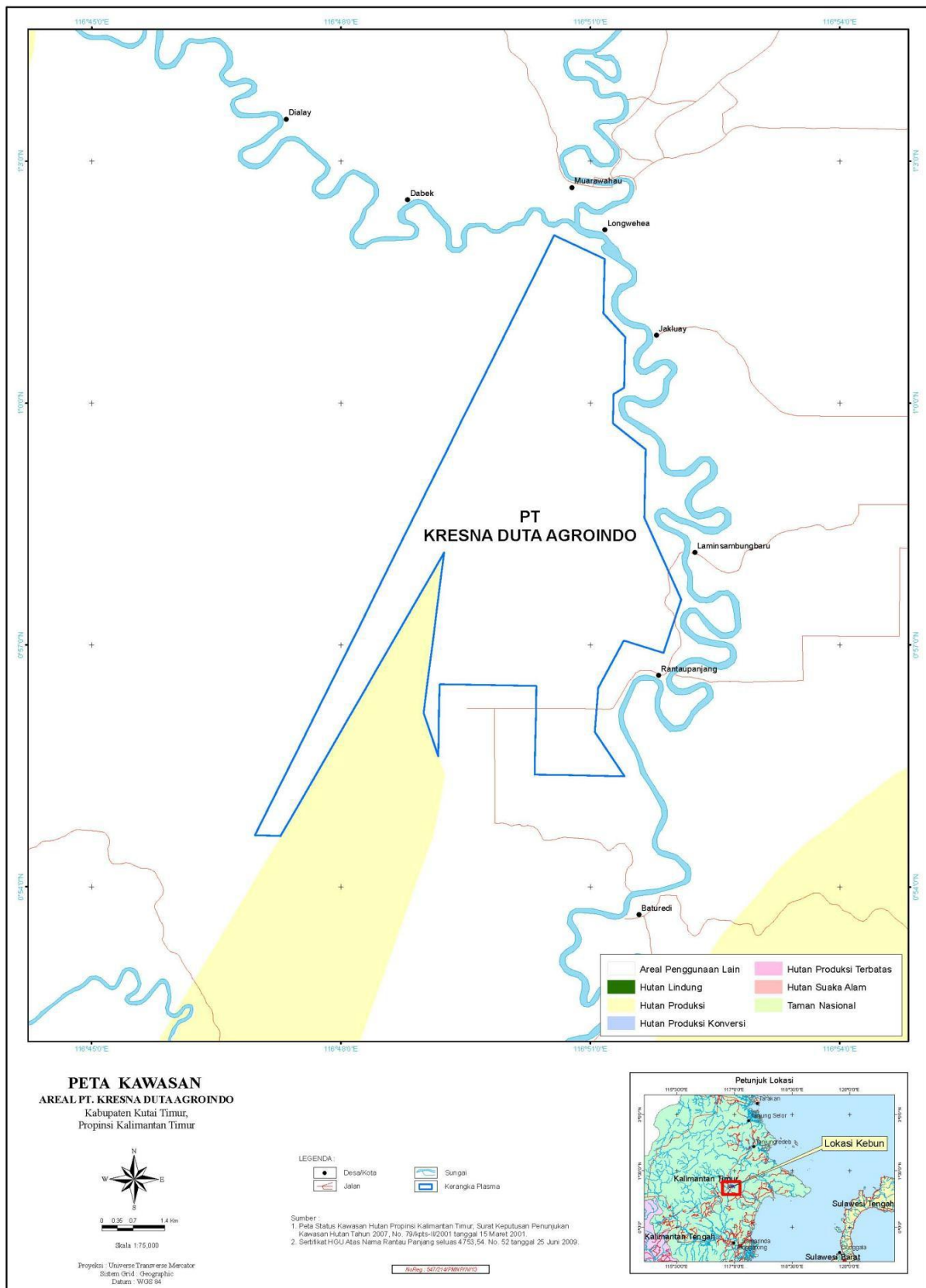


Figure 2. Overlay Map of Plantation and Status of Forest Area of PT Kresna Duta Agroindo in the District of East Kutai



SUMMARY OF SEI ASSESSMENT

Toward area which is conducted by NPP (Certificate HGU No. 52 of 2009 with area 4,753.54 ha) has been done the Environmental Impact Assessment (EIA) as stipulated in the Decree of AMDAL’s Commission Head of East Kutai District No. 500/233/EK-VII/2005 dated 27 July 2005 covering area 6,500 ha and PKS Capacity 45 ton FFB/hour. The EIA document was compiled by The Centre of Research and Development Areas of Mulawarman University, Samarinda.

The Company also has a Social Impact Assessment (SIA) conducted by an internal team from PT SMART led by Mr. Yosaphat Ardhilla Renato, an RSPO-approved social impact assessment expert.

The methods of data collection relied on the EIA report, High Conservation Value (HCV) identification study and official government data. Secondary data were obtained from the Corporate Social Responsibility (CSR) reports and local maps.

Results of the SIA of PT Kresna Duta Agroindo are as follows:

No.	Social Impact	Social Issues	Management of Social Impact
1.	Social Unrest	The introduction of palm plantations threatens the sustainability of other farming as a livelihood	Provide training to maintain other agriculture such as cultivation of paddy, sago, and vegetables
		Activities of land acquisition may trigger social conflict particularly when there are disputes over land price or land ownership	Pro-active and intensive outreach to local residents, local government, informal leaders and traditional institutions as stakeholders
			Set up definitive boundaries and inventory land for which compensation will be paid
		Provide clear plasma programme and well-planned CSR	Continue empowering people through well-planned community programmes
2	Air Pollution	Use of heavy vehicles to transport fresh fruit bunches (FFB) generates dust.	Call for transporters to obey speed limits when passing residential areas

No.	Social Impacts	Social Issues	Management of Social Impacts
			Regularly water the road access near the people housing area, particularly during dry season
		Process of FFB treatment in the factory creates smoke and liquid waste. This could cause air pollution and affect public health	Apply waste treatment of palm oil production
			Keep monitoring potential sources of pollution
			Keep educating workers about work safety and health programmes
			Call on sub-contractors to implement environmental measures
3	Increasing Job Opportunities	Recruitment of local workers should be prioritised	Provide detailed information on the Company's manpower needs to local government
		Provide supporting facilities to improve quality of life for employees	Provide public facilities and standard salaries as stipulated by government
		Provide transparency of vacancies to people so as to maximise recruitment of local employees	
		The company is responsible for its employees' welfare, competence, rights, and others through occupational health and safety programmes	
4	Economic Development and Increase in Incomes	Villagers' know-how in palm cultivation will increase and lead others to do the same	Increasing contribution of the Company through its commitment to pay taxes and implement well-planned CSR programmes
		Building public facilities and giving priority to local	Increasing the company's contribution in education by giving

No.	Social Impacts	Social Issues	Management of Social Impacts
		contractors and workers	scholarships to local students
		The Company supports the community's cultural and social activities	Increasing the Company's contribution to local government in order to support traditional and cultural activities.
		The Company prioritises purchasing local products in order to grow the local economy.	Promoting local businesses and industry by initiating partnership programmes
		Promoting food stalls, small shops, and other small-scale businesses so as to improve local incomes.	Facilitating partnership programmes by socialising, implementing and establishing plasma plantations.

SUMMARY OF HCV ASSESSMENT

An HCV assessment covering an area of 11,625.73 ha was conducted for the Company by an internal team from the Environment Department of PT SMART Tbk. The five-member team consisted entirely of RSPO-approved HCV assessors and was led by Dr. Kunkun Gumaya.

A public consultation on 11 April 2013 at the JLYA office and BSRE office was attended by 24 participants representing the village administration, sub-district, Ethnical Community, the Company and the Palm Cooperative. The HCV assessment was peer reviewed by independent consultant Resit Sozer in January 2013.

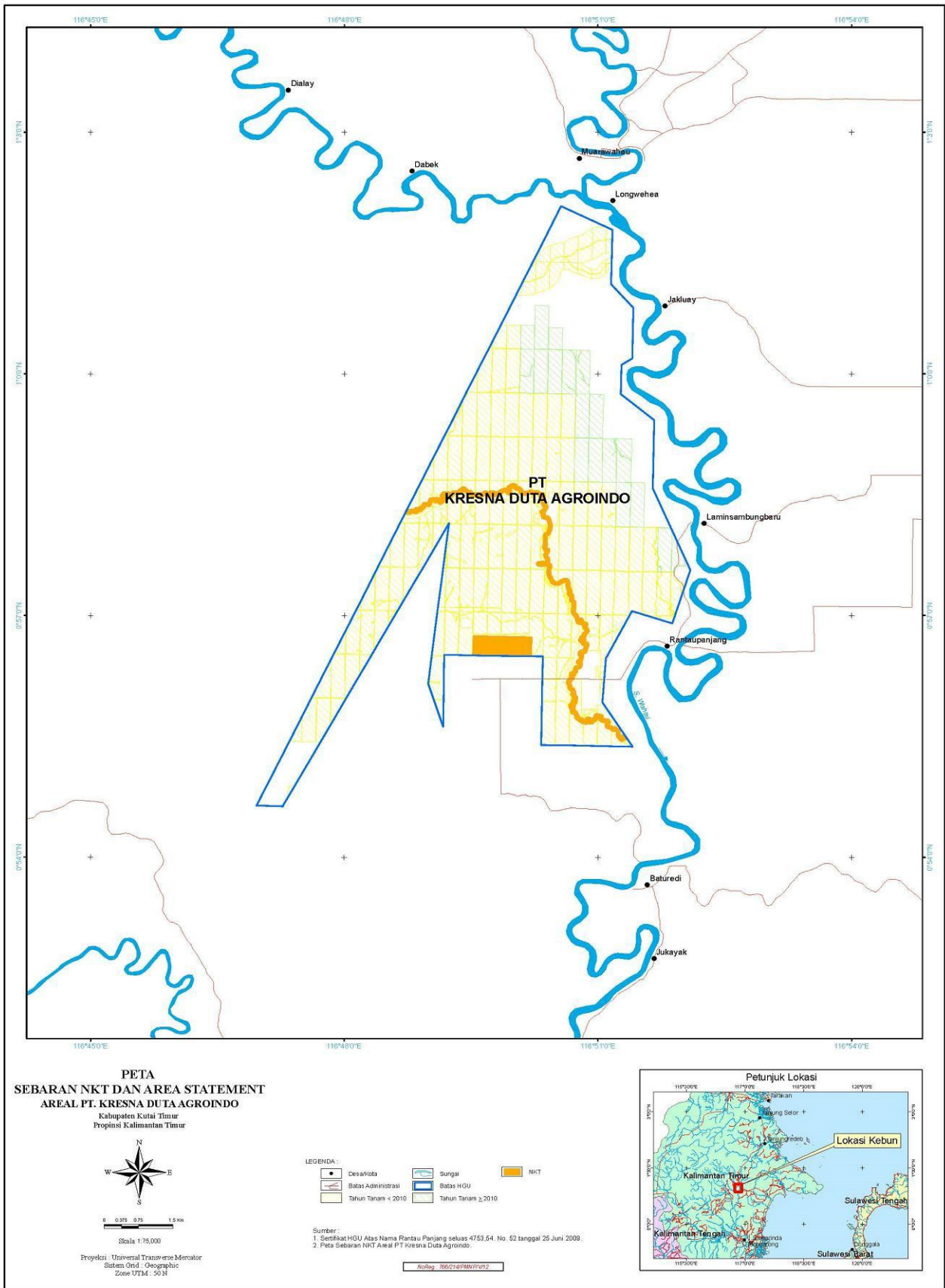
The HCV identification method followed the “Identification Guide to High Conservation Areas in Indonesia (2008)” and RSPO Principles and Criteria and National Interpretation of the RSPO Principles and Criteria. Data were obtained in the following ways:

- a. Data collection method for HCV 1, 2 and 3
Data on the eco-system condition were obtained by field survey including recording of various wild animals, focusing on several observation spots indicated as HCV by using Rapid Assessment based on the Map from Citra Landsat 7 ETM 543, Map of Semi-detailed Land Survey and Final Mapping. The recorded plants and wild animals were then labelled using “Binomial nomenclature” to identify their species. Their conservation status was determined by referring to the list of protected species under IUCN, CITES and Government Decree No. 7 of 1999.
- b. Data collection method for HCV 4
A field survey was conducted in certain areas with HCV potential such as streams, lakes and springs, wetland eco-systems, areas with inclination of 40% or more, highly eroded land, land after fires, cleared land, seedling areas, and the clean water supply for staff and the community.
- c. Data collection method for HCV 5
Detailed data and information about each village were obtained by interviewing residents and through a focus group discussion, followed by field visits. The data were then completed by referring to EIA documents. Identification of the locations was done using a Geographic Information System.
- d. Data collection method for HCV 6
Data on HCV 6 was obtained at the same time as data for HCV 5.

Based on the HCV assessment of PT Kresna Duta Agroindo, five different HCV types were identified:

No.	HCV Type	Identified	Not identified	Area (ha)	Remarks
1.	HCV 1				
	1.1	√		721.45	Riparian of Pantun River, Elang River, Long Aji and Customary forest of Rantau Panjang
	1.2	√			All area
	1.3	√		129.03	Customary forest of Rantau Panjang
	1.4		X	-	
2.	HCV 2				
	2.1		X	-	Not identified as land with capacity to maintain ecological process and changes.
	2.2		X	-	
	2.3		X	-	
4.	HCV 3				
			X	-	
5.	HCV 4				
	4.1	√		592.42	Riparian of Pantun River and Elang River, Long Aji
	4.2		X		
	4.3		X		
6.	HCV 5				
		√		129.03	Customary forest of Rantau Panjang
6.	HCV 6				
		√		-	Cemetery
Total Area with HCV				721.45	

Figure 3. Identification of HCV Areas and Project Plan Area at PT Kresna Duta Agroindo



DOCUMENTATION OF FREE, PRIOR AND INFORMED CONSENT

A programme introducing the first stage of plantation development for PT Kresna Duta Agroindo was conducted on 2-4 April 2005. It involved all residents of Jak Luay Village and the sub-district head. This can be verified from the EIA documents of PT Kresna Duta Agroindo dealing with the plantation development in accordance with the location permit issued by the East Kutai District Head No. 500/233/EK-VII/2005 dated 27 July 2005, for an area of 6,500 ha, and the subsequent HGU No. 52 of 2009 for an area of 4,753.54 ha.

The next introduction programme was conducted on 12 September 2008 in conjunction with the partnership programme of inti-plasma plantation .

When land is acquired from local residents, the Company has arranged meetings with the land owner, village head, traditional leaders, head of Village Supervisory Body (Badan Pengawas Desa) and sub-district head; an example of this is the case of a land owner named Nung, who willingly released 3.01 ha in Kebun Rantau Panjang Estate.

SUMMARY OF PLANS

PT Kresna Duta Agroindo has proposed an HCV Management and Monitoring Plan covering the following:

1. HCV management: types of HCV, locations, objectives, threats, management options, indicators of success.
2. HCV monitoring: types of HCV, locations, monitored indicators, objectives, methods of monitoring (methods of data collection and analysis, and monitoring timeframes).

The Company has also drawn up a Master Plan for HCV Management for the period 2013-2015, which describes programmes, targets, stages of action, indicators, location, implementation timeframes, persons in charge, contractors/operators, other supporting resources and additional information.

In addition, there is an Environmental Management and Monitoring Plan issued in September 2006, which explains and describes monitoring timeframes for the environmental impact of the plantation and factory activities.

Finally, the Company also has a Social Impact Management and Monitoring Plan that was drawn up in February 2013.

These three documents guide to PT Kresna Duta Agroindo in managing its social and environmental impacts in accordance with the RSPO Principles and Criteria for New Plantings.

VERIFICATION STATEMENT

PT Kresna Duta Agroindo opted for a document audit. Three auditors from Mutuagung Lestari analysed the documents and audited the relevant documents. The audit was conducted at Sinarmas head office in Jakarta on 8 April 2013. In addition, during the audit, some management representatives of PT Kresna Duta Agroindo were interviewed, i.e. the head of division for sustainability, conservation and biodiversity, certification officers, legal and monitoring officers.

Based on the review of all documents, including legal, HCV identification, SIA and EIA documents, it can be concluded that:

- There is no evidence of the Company opening any new palm plantation after 2010 in HCV areas, primary forest or protected peatland
- The Company has conducted and taken into consideration the HCV identification and SIA in opening planned areas of new plants.
- The Company has complied with the FPIC process in the acquisition of land for its palm plantation.
- The Company has met the legal requirements for opening a new plantation, namely a Location Permit, IUP and HGU as the legal basis for palm plantation.

The EIA was conducted by the Centre for Research and Development of Areas, Mulawarman University, Samarinda. The SIA was conducted by an internal team from PT Smart, consisting of one RSPO-approved assessor, supported by other professionally competent members. The HCV assessment was conducted by a team from the Environment Department of PT SMART Tbk, consisting of five members led by Dr. Kunkun J Gurmaya..

PT Kresna Duta Agroindo has applied the RSPO New Planting Procedure, while documentation of assessment and planning was conducted thoroughly and professionally in accordance with RSPO requirements and the RSPO Principles and Criteria for New Planting. This is part of an ongoing planting and this report is meant for notification only.

Signed on behalf of

MUTUAGUNG LESTARI



Octo HPN Nainggolan
Lead Auditor
20 June 2013

PT.KRESNA DUTAAGROINDO



Dr Haskarlianus Pasang
Division Head of Sustainability
20 June 2013