

RSPO

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: 7th April 2015

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: PT Sukajadi Sawit Mekar

RSPO Membership No.: PT Agrowiratama 1-0054-08-000-00 [PT Sukajadi Sawit Mekar is a subsidiary of PT Agrowiratama who is a member of RSPO]

Location of proposed new planting: description or maps and GPS coordinates.

Company Name : PT Sukajadi Sawit Mekar

Company Address : Spring Tower 06 - 62, Jl. K. L. Yos Sudarso Km. 7.8 Tanjung Mulia, Medan Deli Medan 20241 Sumatera Utara

Type of Business : Oil Palm Plantation & Processing

Contact Person : Dr. Gan Lian Tiong

email: liantiong.gan@musimmas.com

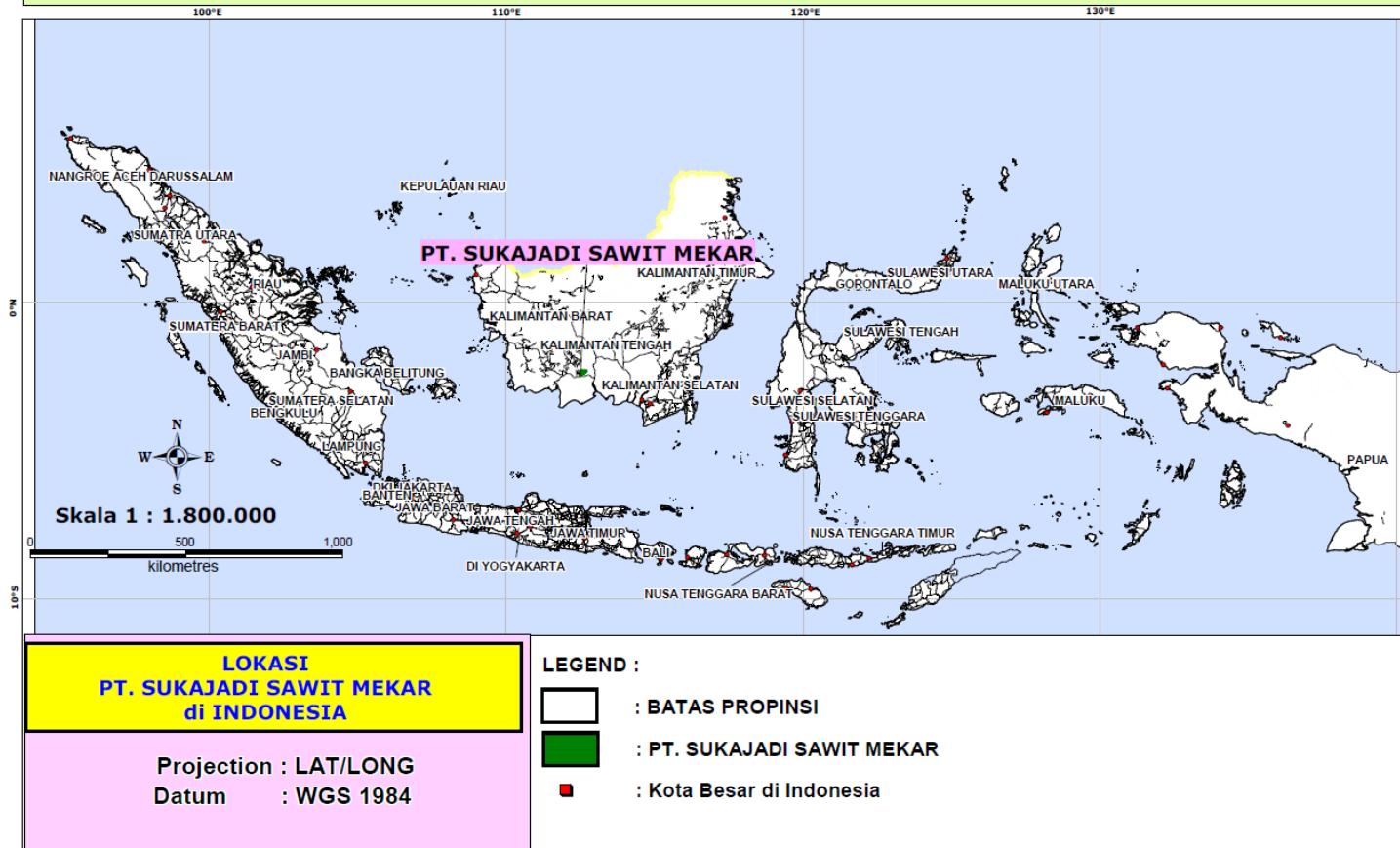
Location : Sebaby Village, Tanah Putih Village, and Kenyala Village, Kota Besi Sub District, Kotawaringin Timur District, Central Kalimantan Province, see Figure 1,2,3,4 and 5

GPS References : 112°28'54.12" E – 112°42'43.63" E
2°17'47.04" S – 2°27'16.02" S

Surrounding Entities : Golden Mines (PETI), PT. Feron (Mining), PT. Mustika Sembuluh, PT. Maju Aneka Sawit, PT. Bumi Palm, PT. Karunia Kencana Permai Sejati, and KUD. Sinar Intan. The land use around PT. SSM is dominated by palm oil plantations and mining company.

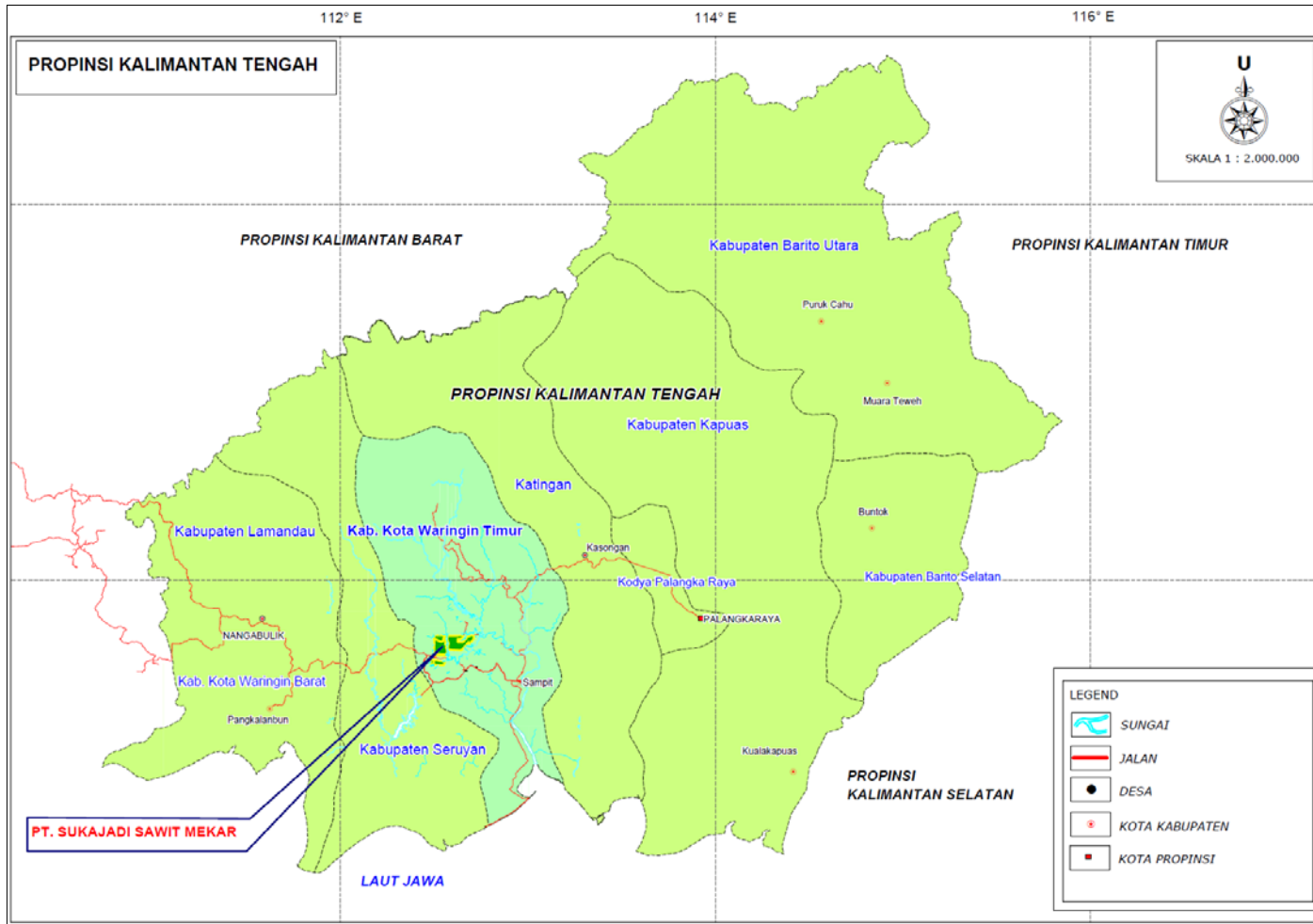
RSPO

LOKASI PT. SUKAJADI SAWIT MEKAR DALAM PETA INDONESIA



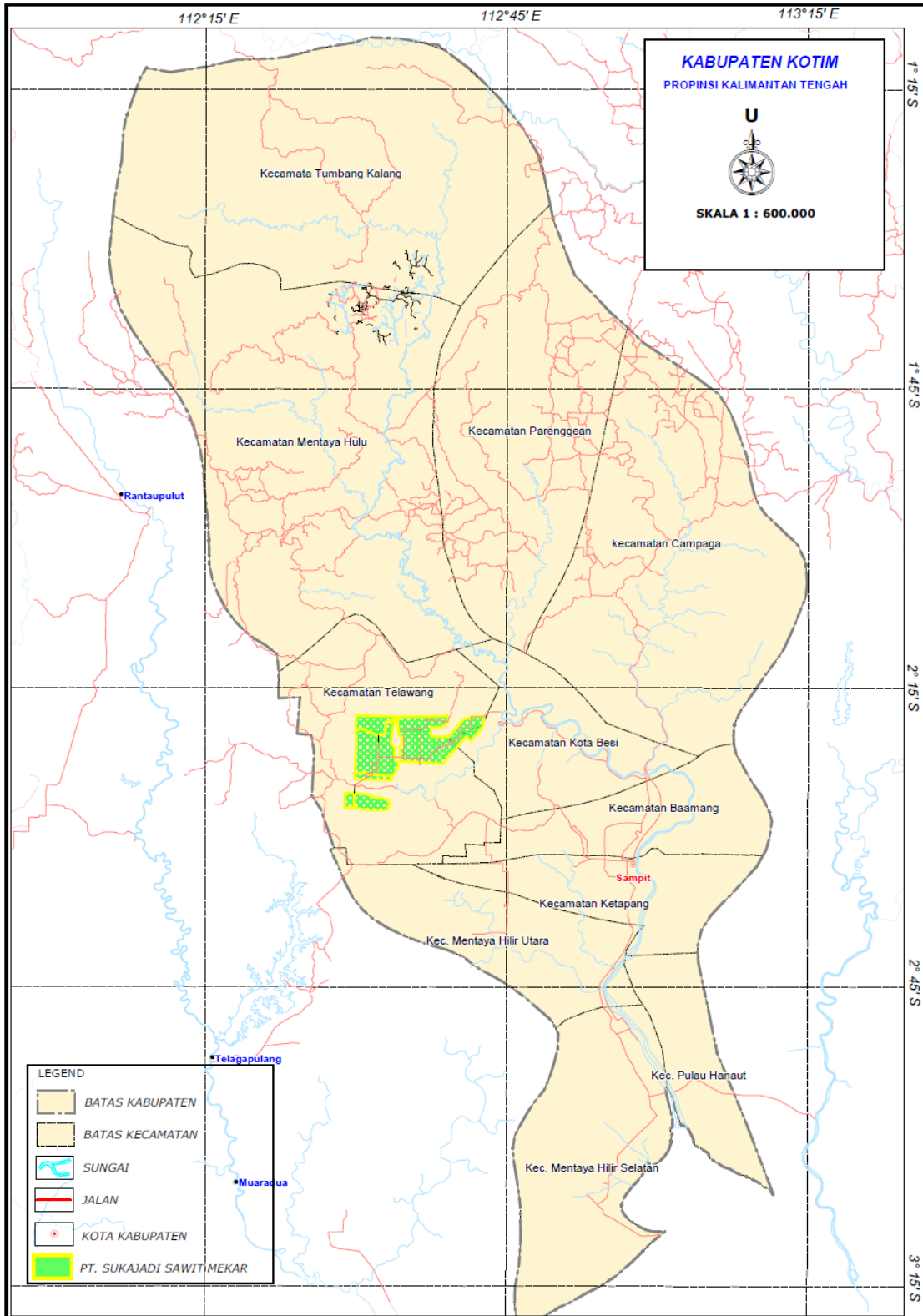
Picture 1 Location of PT SSM in Indonesia

RSPO



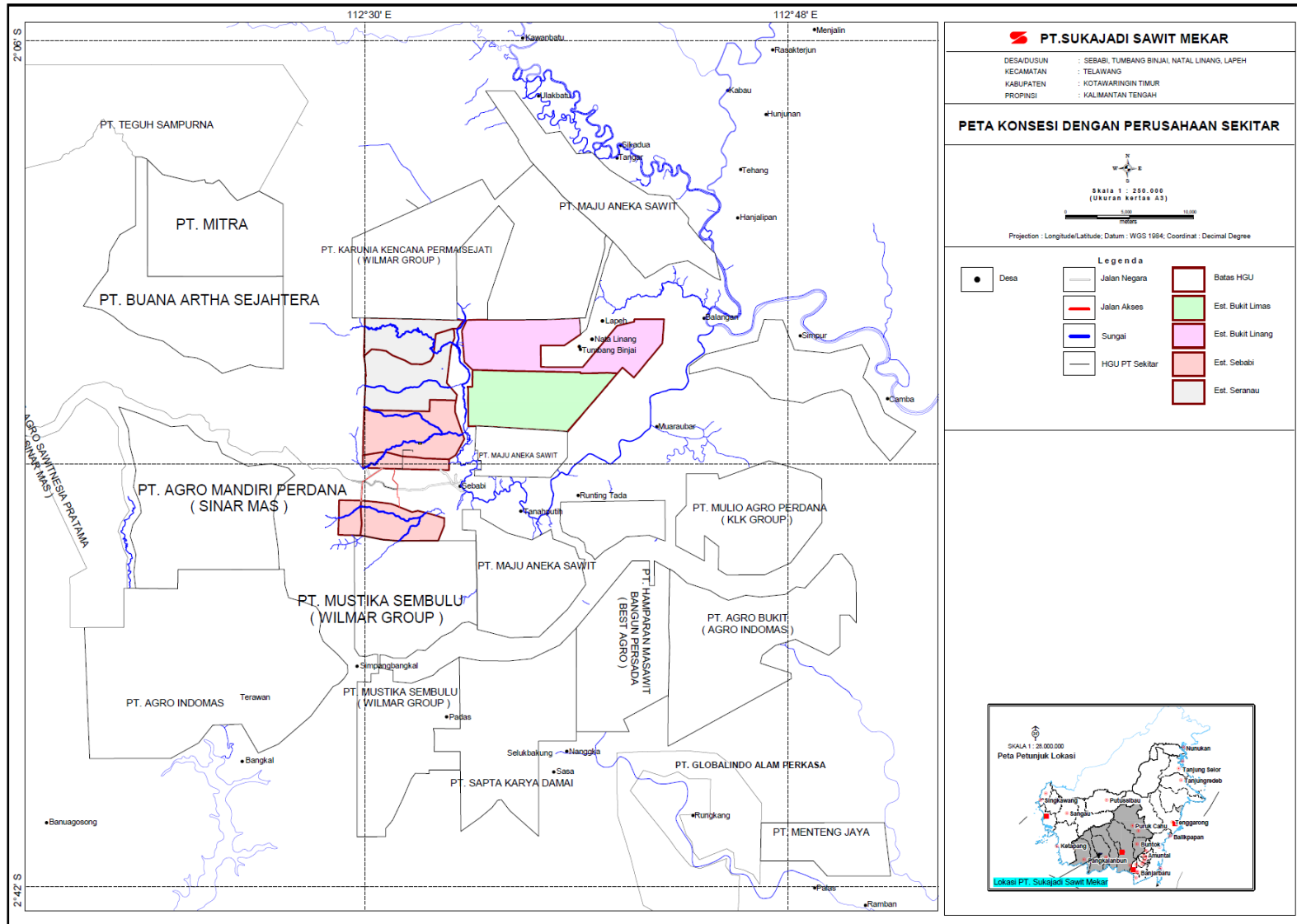
Picture 2 Location of PT SSM in Central Kalimantan

RSPO

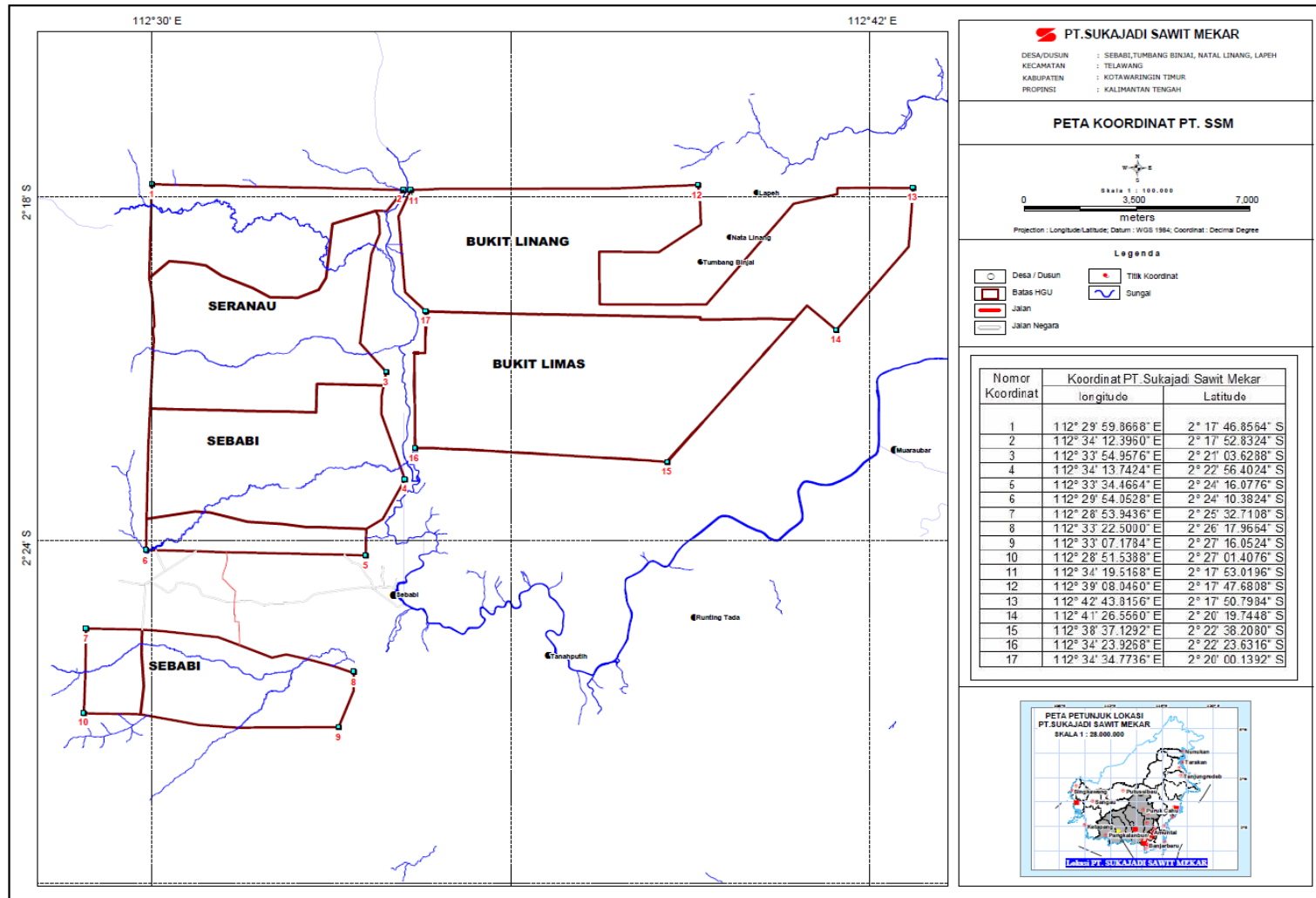


Picture 3 Location of PT SSM in Kotawaringin Timur District

RSPO



RSPO



Picture 5 Location Map of PT Sukajadi Sawit Mekar with GPS references

SUMMARY FROM SEI ASSESSMENTS:

a. SEI Assessment

Assessors and their credentials:

The Social Impact Assessment of PT SSM was carried out by Aksenta which is located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. The Aksenta team for the Social Impact Assessment consists of members with multi-discipline in the social/economic aspects and professional in social assessment, resource economy and social relationships. The team members are:

Name	Expertise	Social Impact Assessment
Agus E. Munoraharjo	Cultural anthropology, community based information and communication facilitator, community development tourism, and peace studies.	Socio-cultural
Dwi R. Muhtaman	Forest and timber product certification, RSPO certification, coffee certification, social strategy.	Team leader, social auditor, certification
Ganip Gunawan	Social relation, trainer, facilitator	Social
Sigit B. Setyanto	Coffee certification, sustainable agriculture, Organic, RSPO certification and social strategy.	Social

Assessment Methods (data sources, collection, dates, program, and visited places)

Social Impact Assessment on the ground was carried out as bellows:

Data and information collection method

Methods used to collect data and information were:

- a. **Document review.** Conducted for documents available with the company and other documents obtained from other important stakeholders.
- b. **Observation.** Conducted for condition, utilization, and management of land and natural resources, and the community livelihoods.
- c. **Semi-structured interviews.** Conducted for plantation management, staffs, employees, formal and informal leaders, and members of the community.

- d. **FGD (Focus Group Discussion).** Community FGD was conducted included with employee and staff representatives.
- e. **Workshop.** Inter-village workshop.

Methods of Data and Information Analysis

The SIA for PT SSM is conducted using two combined methodology namely; stakeholder analysis and social impact assessment employing sustainable livelihood framework. Data are compiled through literature study, observation, interview and focus group discussion, thus several important points may be conclude in the letter part. In the focus group discussion, the respondents participative expressed their opinions of important issues are compiled in the framework of sustainable livelihood with the form of asset thus it produces specific impact assessment in the social aspect of communities. Five aspects related to sustainable livelihood, namely human, physical, social, financial and natural assets using the identified components and displayed in matrix table, analyzed and score thus qualitatively and quantitatively.

The steps in SIA implementation include the following, although there are several modifications in the assessment activity:

- Identifying and describe activities leading to scoping
- Predicting (or analyzing) impact trend and identifying how the parties make their responses
- Formulating recommendation and necessary action plan
- Assessing the process and preparing recommendations for compensation (financial or non financial)
- Describing potential for skill development and capacity building for communities
- Recommending institutions and coordination among parties
- Planning implementation and program monitoring.

The findings obtained from the methods above were analyzed. The baseline of the analysis was based on RSPO criteria which relevant to sustainable social aspects. The recommendations also covered other issues which were not entailed in the RSPO criteria, in the form of ideas or aspirations as the result of the field analysis.

Summary of SEI Findings

The SIA for PT SSM is conducted using two combined methodology namely; stakeholders analysis and social impact assessment employing sustainable livelihood framework. Data are compiled through literature study, observation, interview and focus group discussion, thus several important points may be conclude in the letter part. In the focus group discussion, the respondents participative expressed their opinions of important issues are compiled in the framework of sustainable livelihood with the form of asset thus it produces specific impact assessment in the social aspect of communities. Five aspects related to sustainable livelihood, namely human, physical, social, financial and natural assets using the identified components and displayed in matrix table, analyzed and score thus qualitatively and quantitatively.

Based on stakeholders profiling and confirmed from information collected through interviews with village officials and community and focus group discussion, the communities are from four villages around the concession of PT Sukajadi Sawit Mekar and those operating in the concession as enclaves with mixed rubber and agriculture crops. The villages are: Tanah Putih, Palangan, Sebabi, and Kenyala. These villages are dominated by Dayak tribe; practices shifting cultivation; main source of livelihood is from farming and rubber tapping.

In general, the positive impacts resulting from the presence of company also have social negative impact. The direct impacts are local manpower absorption and new business opportunities. The indirect positive impacts are: job opportunities, improved education facilities and health services resulting in better education and health quality. The potential negative social impact is related to the company's operations such as, the rivers which are used by the village communities may be polluted by the company's activities. Nevertheless, the outcomes of Social Impact Assessment are aimed at supporting the functions of production sustainability. The social circumstances in which the operations of company are related to stakeholders have been interpreted as part of integration and the success of company in has contributed and there is mechanism of control over possible impacts.

However, it should be carefully noted that the presence of PT SSM is not the only factor causing social changes as illustrated above, in Kotawaringin Timur District, especially Telawang Sub District, there are other plantations companies, forestry companies, people's rubber plantation and people's mining which also bear impact on social changes. In addition, social, process before the presence of the company also affect the present social system.

SUMMARY FROM HCV ASSESSMENT(S):

Assessors and their credentials

The HCV assessment in the Land Use Title (HGU) of PT SSM by Aksenta located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. The team leader from Aksenta has been licensed by the HCV Assessor Licensing Scheme (Provisional ALS15026PN). The team members are:

Name	ALS License	Institution	Role	Expertise
Pupung F Nurwatha pupung@aksenta.com	Provisional (ALS15026PN)	Aksenta	Team Leader, Biodiversity Assessment (HCV 1, HCV 2 and HCV 3)	Research and wild animal survey, ornithologist, facilitator of community biodiversity assessment, participative mapping, conduct HCV assessment since 2007
Yanto Ardiyanto yanto@aksenta.com	N/A	Aksenta	Team Member, Environmental Assessment	Hydrologist, soil conservation, spatial analysis and remote sensing, water management system, conduct HCV assessment since 2010
Nandang Mulyana nandang@aksenta.com	N/A	Aksenta	Team Member, socio-cultural Assessment (HCV 5 HCV 6)	Regional Planning and Village Development, Community empowerment, Management of Conflict, Participative Mapping, conduct HCV assessment since 2009
Reza Abdillah reza@aksenta.com	N/A	Aksenta	Team Member, GIS Specialist	Experience with GIS since 2013, remote sensing for biological conservation and land use issue

Assessment Methods (Data sources, data collection, dates, program, and visited places)

HCV Identifying Methods

The assessment covers of the total area 19,802.34 ha based on The Land Use Title (Hak Guna Usaha) No 12 and HGU No 27. It is also expanded into villages and other areas which considerably important to the proposed surrounding plantation area. HCV reassessment was conducted in February 2015, the assessment consists of three main activities: desk-based study (conducted on 2 – 4 February 2015 in Jakarta), field work (conducted on 6 – 13 February 2015) and stakeholders consultation (conducted on 13 February 2015). Please refer to table 2.

Table 2 Schedule of HCV Assessment in PT SSM

Activities	Time	Location
Pre-assessment & Preparation	2-4 Feb2015	Aksenta Office, Jakarta
Opening meeting	6 Feb 2015	PT SSM
Participatory mapping	6 Feb 2015	PT SSM
Field Survey	6-12 Feb2015	Land Use Title Area of PT SSM and its surrounding landscape, includes 4 estates as follow : Sebabi, Seranau, Bukit Linang, Bukit Limas and the surrounding villages
Public Consultation	13 Feb 2015	Training Centre
Closing meeting & interim report	13 Feb 2015	PT SSM

The HCV assessment was conducted based on step-wise screening that harmonizes the required information to the scale reference (see guidance on HCVRN, 2013). The scale reference used for the assessment of HCV 1-3 covers the global, regional and national levels, before ground truthing is conducted. Whilst, the assessment of HCV 4-6 focuses on landscape assessment or local level before ground truthing is conducted. The process of HCV assessment begins with pre-assessment, data collection from the site and public consultation. The collected data and information will be analyzed further and the discovered HCV will be mapped out.

Pre-assessment

Pre-assessment is the initial process of HCV identification. Pre-assessment covers activities as follow: (i) collect the data and information on the development and the management of the existing estate and management planning, (ii) collect the secondary data and information from various sources (report, journal, book, statistic data, basic map), include information on biodiversity aspect and issue (global, regional, national, even local level), environment (especially on soil and water conservation) and socio-cultural, and (iii) analyze and validate the collected data and information and spatial analysis of basic map.

Data collection

Data collection in the field focuses on the area potentially classified as HCV area based on pre-assessment result. The collection of data and information is focused on the HCV element and attribute by using the methods as follow:

- 1) Participatory mapping
- 2) Ground truthing

Ground truthing is the field verification of the land cover from the interpretation of landsat satellite that is conducted during pre-assessment. At the same time when ground

truthing is conducted, the collection of data and information also being conducted on site. The activity is being done by HCV assessor, either being done as a group per location or parallel for each section of assessment. This depends on the area potentially classified as HCV area.

3) Data collection on site

The collection of data on site is being done simultaneously with ground truthing. The purpose of this activity is to verify the existence of HCV element and attribute, in which it will be the basic to determine whether there is HCV in that particular area.

4) Interview with the community in the assessed area

Interview with the community or the company worker is being conducted to gain information about the existence of HCV element and attribute.

Public Consultation

Public consultation is a face-to-face meeting with key stakeholders in the assessed area, such as local community, village government, regency government, relevant institutions in the regency and companies operating around the assessed area.

Data analysis and HCV mapping

The data collected on site will be compiled and tabulated based on the area of assessment. Initially, the data collected on site will be compiled and tabulated separately in accordance with each section assessed (biodiversity, environmental service, and socio-cultural). For each section, the HCV element and attribute found on site is listed. Furthermore, analysis will be conducted to justify the existence or non-existence of HCV elements and to determine the boundary of HCV area.

References

The sources of information collected and analyzed during pre-assessment (Table 3) and being used for HCV assessment in PT SSM are tabulated below:

Data and Information collected and analyzed during HCV pre-assessment

HCV	Main Sources
1, 2, 3	<ul style="list-style-type: none"> • Land title map of PT SSM in Kotawaringin Timur District, Central Kalimantan (source : PT SSM) • Peta Penunjukan Kawasan hutan dan Perairan Provinsi Kalimantan Tengah (Dirjen Planologi Kehutanan, Departemen Kehutanan, Tahun 2001) • Conservation map of Central Kalimantan Province (BKSDA Kalteng, 2009). • Rencana Tata Ruang Wilayah (RTRW) Kabupaten Kotawaringin Timur (2012) • Peta Indikatif Penundaan Pemberian Izin Baru (PIIB) Pemanfaatan Hutan, Penggunaan Kawasan hutan dan Perubahan Peruntukan Kawasan Hutan dan Areal

HCV	Main Sources
	<p>Penggunaan Lain versi 6 (2013)</p> <ul style="list-style-type: none"> • Peatland map, the area and the carbon content in Kalimantan. (Wetland International-Indonesia Program. 2004) • Land covers from landsat satellite imagery 8 (USGS, September 2014). • The Ecology of Kalimantan. Periplus Edition, HK. (MacKinnon, et al., 2006). • Field Guide to The Mammals of Borneo (Payne dkk. 2000) • Birds in Sumatera, Jawa, Bali and Kalimantan (MacKinnon, <i>et al.</i> 2000) • Indonesian and Papua New Guinea Turtle and Crocodile (Iskandar, 2000) • IUCN Red List of Threatened Species. www.iucnredlist.org • Endemic Bird Area Factsheet: Borneo (BirdLife International, 2012). • Appendices I, II and III, valid from 14 April 2014 (CITES, 2014). • Important Bird Areas in Asia: Key Sites for Conservation (Birdlife International, 2004) • Ramsar area in Indonesia, source: http://www.ramsar.org • Kajian Ekosistem Pulau Kalimantan (Prihatna/WWF Indonesia, 2009) • Rapid Assessment HCV in PT SSM, June 2007 • HCV Identification Report of PT Sukajadi Sawit Mekar 2008 (Aksenta, 2008) • Management & Monitoring Plan of HCV PT SSM • Report of implementation management and monitoring plan PT SSM
4	<ul style="list-style-type: none"> • Land title map of PT SSM in Kotawaringin Timur District, Central Kalimantan (source : PT SSM) • Landsat satellite imagery 8 (USGS, 2014) • Data digital Shuttle Radar Topography Mission Elevation Data (USGS, 2004) • Land System Map (RePPPProt, 1991). • Peta Ketinggian Tempat (hasil pengolahan berdasarkan data SRTM). • Elevation map (hasil pengolahan berdasarkan data DEM SRTM). • Land cover map (hasil pengolahan berdasarkan citra Landsat 8, 2014). • Rapid Assessment HCV in PT SSM, June 2007 • HCV Identification Report of PT Sukajadi Sawit Mekar 2008 (Aksenta, 2008) • Management & Monitoring Plan of HCV PT SSM • Report of implementation management and monitoring plan PT SSM
5, 6	<ul style="list-style-type: none"> • Land title map of PT SSM in Kotawaringin Timur District, Central Kalimantan (source : PT SSM) • Kotawaringin Timur Regency in 2013 (BPS Kabupaten Kotawaringin Timur, 2014) • Telawang sub-district in 2013 (BPS Kabupaten Kotawaringin Timur, 2014) • Village map in sub-district, regent of Kotawaringin Timur. (Sumber: RBI) • Landsat satellite imagery 8 (Landsat 8, September 2014) • Rapid Assessment HCV in PT SSM, June 2007 • HCV Identification Report of PT Sukajadi Sawit Mekar 2008 (Aksenta, 2008) • Management & Monitoring Plan of HCV PT SSM • Report of implementation management and monitoring plan PT SSM Status review of HCV 5 on land that has been released by the owner in PT SSM Concession (Aksenta, 2014).

Summary of HCV Findings

Based on landsat satellite imagery in September 2014, the assessed area does not have natural forest. Land Use Change Analysis report shows that since November 2005 the assessed area does not contain primary forest. The current land cover in the assessed area is dominated by oil palm. Whilst, according to Peta Indikatif Penundaan Izin Lokasi Baru (PIPIB) revision VI/2014 by the Ministry of Forestry, there is no area occupied by primary forest within and around the assessed area. The area outside the assessed area is indicated as peatland area. The peatland area is situated in the southern east of Bukit Linang and Bukit Limas Estate following the stream of Seranau River.

The assessed area is situated in the area with low biodiversity, outside the Important Bird Area, Heart of Borneo, and Ramsar area. There is no area determined or recommended as conservation area within the landscape of the assessed area. The closest conservation areas are TN Tanjung Puting, located approximately 47 km in the Southwest and TN Sebangau, located approximately 77 km in the Southeast. Between the concession and the conservation area lies oil palm plantation and agriculture land and there is no corridor connecting the concession to the conservation area.

The summary of results from HCV assessments within the PT SSM concession showed four out of six high conservation values (or HCV) areas, namely HCV 1, HCV 3, HCV 4, HCV 6 are present in PT SSM concession. The important element of HCV 1 is significant concentrations of species RTE (*Orlitia borneensis*, *Amyda cartialginea* and *Cuora amboninensi*) at regional level and corridor of Sun Bear (*Helarctos malayanus*). The important element of HCV 3 is ecosystem of peat swap forest. The HCV 4 related with basic ecosystem for significant erosion control area. Lastly, HCV 6 is identified by places designated as sacred by the community which are found scattered within the concession. The total areas identified as HCV and Management Area (HCV-MA) 1,048 ha. Potential areas for oil palm plantings as corporate social responsibility (CSR) projects in villages in the vicinity outside of the HGU do not contain primary forest and the general land covers are cultivated area and shrub mixed with tree crops.

SUMMARY OF PLANS:

Development of HCV and SIA Management Plans

The process of HCV and SIA development and preparation of management and monitoring plans for PT SSM was implemented in phases involving several parties: that is Estate Department, the Public Relation (Humas Department) and Sustainability Department. The implementation of the HCV and SIA management & monitoring plans in the field will be implemented by experienced personnel who possessed the relevant knowledge and technical skills. Sustainability Staff, Audit & Certification (A&C) Staff, with the assistance of the Public Relation (Humas) Team, stationed at the location, will provide support in these activities. The Estate Manager is directly responsible on the implementation of the plans of management and monitoring. In addition, the Senior Estate Manager is accountable in fulfilling of the requirements for the plan and as well as responsible in analyzing the input results from the monitoring plans. The General Manager is accountable and responsible to ensure that the Overall Development Plan including the management of HCV and SIA is implemented according to the time plan and budget. The management team is supported and supervised by the Regional General Manager. The detail of the responsibilities and roles of the HCV and SIA development and preparation of management plans and monitoring are summarized in the “The Management & Monitoring Plans of HCV/SIA PT SSM” document. The Head Office Estate Department, Public Relation (Humas) Department, and Sustainability Department will provide the overall support in the implementation of the development plan.

Stakeholders to be involved

The process of the HCV and SIA development and preparation of management plans and monitoring PT SSM also involved relevant stakeholders such as governmental offices, The Plantation and Forestry Office, The Office for River Management-BPDAS, local communities, the government of local village and Sub-District, and other company’s (private sector) of Forestry and Plantation include peer review HCV Management & Monitoring by expertise.

Consultation with the relevant stakeholders to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT SSM and the workers, contractors, suppliers, consumers, government agencies and communities to move forward for the benefit and common progress. This is also part of the process of free, prior and informed consent procedures to ensure that there is a balance in the social and environmental

harmony in the development of the oil palm planting project between PT SSM and the local communities, the relevant government agencies, concerned stakeholders, NGOs etc.

SIA Management Plan

Based on the SIA results for PT SSM by Aksenta and the Environmental Management & Monitoring Plans (*Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan*) of PT SSM document, the management for the Social and Environmental Impacts aimed to be managed consistently with appropriate work performance standards. The scope of the development and preparation of management & monitoring plans included all of the potential impacts by the plantation activities. The development and preparation of management & monitoring plans guidelines include:

1. Land Acquisition (and Compensation) Program Through Sustainable Communication & Relationships

Based on the Social Impact Assessment has been carried out, the general social conditions PT SSM were pretty good. Therefore the emphasis the company in land acquisition program is clear and transparent. The scope for this management and monitoring included the process of land acquisition and land compensation which referred to the principles of Free, Prior and Informed Consent (FPIC) such as: socializing and communicating regarding the activities involving the acquisition of land by the local government, verification of the legality of land ownership, land compensation in accordance with SOP and documenting activities.

2. Participation Program Improvement Companies in the Health, Education and Environmental Management Around Good Company

- a. Health Sector: Generally, most people are very dependent on the quality of river water, given these conditions, the company designing health programs and infrastructure that relies on participation in activities for improved health in the community. Activities in the form of health education and fogging collaboration with the local health agency and participate in the provision of clean water.
- b. Education: The Company recognizes that communities around the company can be said to be prosperous, but because the location is remote to say the very lack of access to education and jobs that require higher education. As a result, the average level of education is relatively low. The scope for this management and monitoring included the participation of the company in increasing the human resource such as; a) encourage local people who are poor financially to enable continuous education until college with scholarship program, b) participate in increasing the level basic

education (Peduli Pendidikan) and c) giving opportunity to pursue senior High School of Vocational for (*Praktek Kerja Lapangan*).

- c. Field of Environmental Management: neighborhood improvement activities include: river water quality testing and socialization to maintain the condition of river border. Focus of activity in the form of management and monitoring of water quality, preparation and implementation of Environmental Management & Monitoring Plans (RKL & RPL).

3. The Management Plans of PT SSM, Participation of Company in Increasing Local Economic

The scope for this management and monitoring included: a) recruit local people as workers accord with the needed of the company, b). opening opportunity of cooperation for contractor and local supplier accord with standard and quality requirements of the company, c) Participate in the development of local economy and CSR projects such as village oil palm development, d) organize trainings for communities for capacity building and enhancing capabilities, knowledge and skills to promote local economic growth (sewing, rubber cultivation), e) developing education scholarship program covering wide scope of the communities including elementary to higher education

HCV Management Plan

The HCV development and preparation of management & monitoring plans was based on the recommendations by independent consultants from Aksenta. This process provides data and information related to the presence of the HCV areas in the Land Use Title (HGU), the key HCV elements, the actual conditions included the potential threats, and the recommendations for the management.

Plan for HCV Monitoring and Regular Review of Data

The basic programs and activities that fulfill the HCV management are in regular monitoring and review. The purpose of review is to measure the achievements, effectiveness, efficiencies, impacts, and sustainability of the programs. Thus, the purpose of monitoring is to evaluate whether the activities run as they are expected; whether the outputs of the process are as they were projected previously; and whether the resources investments (human, fund, time) are as they were planned.

Monitoring and review are aimed to a set of indicators as the key performance indicators and should be managed systematically, consistently, and well documented. The monitoring should be implemented regularly and it is dependent on the classifications of the activities

and the target indicator to evaluate [the detail of such activities is presented in the Activities Plan Matrix (*Matriks Rencana Kegiatan*). The review should be conducted at the end of the management periodical plan, that is in the end of the third years (summative review) and every six months (formative review).

Plan for HCV Management and Monitoring

The identified basic activities which are planned to run in order to achieve the basic targets for the enhancement and maintenance of the HCV areas are:

HCV	Threat	Management	Monitoring
1	<ul style="list-style-type: none"> ○ Animal hunting for food supply ○ River fragmentation ○ River contamination 	<ul style="list-style-type: none"> • Ensure that RTE species is not hunted by company staff and workers • Rehabilitate riparian buffer zone, in which the stream passing through the concession • Enhance the river management by acquiring riparian buffer zone within the concession. • Cooperate with local community to protect the river. • Cooperate with local government to protect the river and rehabilitate the riparian buffer zone. 	<ul style="list-style-type: none"> • To monitor the situation and to control if there are RTE species being trapped • To monitor fishing activity that can cause damage to biotic • To monitor the illegal hunting and trading of wildlife.
3	<ul style="list-style-type: none"> ○ Logging activity and conversion of peat area ○ Fire incident in forest and peat area 	<ul style="list-style-type: none"> • Allocate the secondary forest in peat area in Bukit Linang Estate to be a buffer area for the surrounding peat area. • Create signboard to prevent fire • Patrols, especially during dry season 	<ul style="list-style-type: none"> • To monitor any potential disturbance from human to peat area situated within and outside the concession. • To monitor fire hotspot periodically.
4	Contamination from the application of fertilizer and pesticide the river.	<ul style="list-style-type: none"> • Appropriate distance for the application of herbicide and pesticide is available and to switch to organic fertilizer and pesticide applied around the determined riparian buffer zone area. • Installation of signboard to limit the application of chemical in the particular riparian buffer zone. 	<ul style="list-style-type: none"> • Water sampling method is conducted once in every 6 months. The sample will be further analyzed in the laboratories to find out the quality and content of the water. • Record any incident regarding HCV • Identify the types of vegetation in the peat area. • Monitor the level of water surface in a suitable condition
	Sedimentation from soil erosion and riverbanks	<ul style="list-style-type: none"> • Enrichment of vegetation in river. Proper vegetation would filter the material from soil erosion before getting into the river and prevent the potential of riverbanks erosion. 	
	Uncontrolled logging activity by the community in peat area	<ul style="list-style-type: none"> • Create signboard to inform the community, company staff and worker about the value of HCV in the area that has been determined as HCV area. • Actively patrol the concession to monitor logging activity. 	
	Fire incident in peat area during dry season	<ul style="list-style-type: none"> • To maintain the peat area in wet condition and to control the water surface level around peat area is in a suitable condition. 	
6	Company's operational activity that pays less attention to the existence of HCV 6, especially during land clearing and replanting.	<ul style="list-style-type: none"> • Conduct socialization to the community, company worker and staff and contractors regarding the presence, location, and the value of HCV 6, and the company's commitment to sustain HCV 6. • To provide access to the community whom would like to pay a visit 	<ul style="list-style-type: none"> • Monitor the presence and physical condition of and area valued as HCV 6 • Evaluate the effectiveness of managing the HCV 6 area

In order to make such activities effective, it is required that the reinforcement to the human resources competencies be applied so that they have sufficient knowledge and life skills to implement all the determined activities. Moreover, it is essential to provide appropriate infrastructures so that the implementation of the activities is possible to be effective.

Development Plan

The total concession area of PT SSM is 19,802.34 ha. Total planted area in PT SSM is 15,988.13 ha and the HCV areas included Management Area (HCV-MA) of 1,048 ha. HCV management plan has been developed for these areas and implementation is on-going. PT SSM has been certified by RSPO on 28 August 2010. The expansion of oil palm areas in PT SSM is an on-going development within the location of the Land Use Title (HGU). These are enclave land of ± 1,883.27 ha which the land owners will be negotiated for land acquisition and compensation to the land owners through Free, Prior and Informed Consent Process. Potential areas for oil palm plantings as corporate social responsibility (CSR) projects in villages in the vicinity outside of the HGU will be included. The enclaves' areas and areas in the vicinity outside the HGU with potential for CSR oil palm development do not contain primary forest and the general land covers are cultivated area and shrub mixed with tree crops.

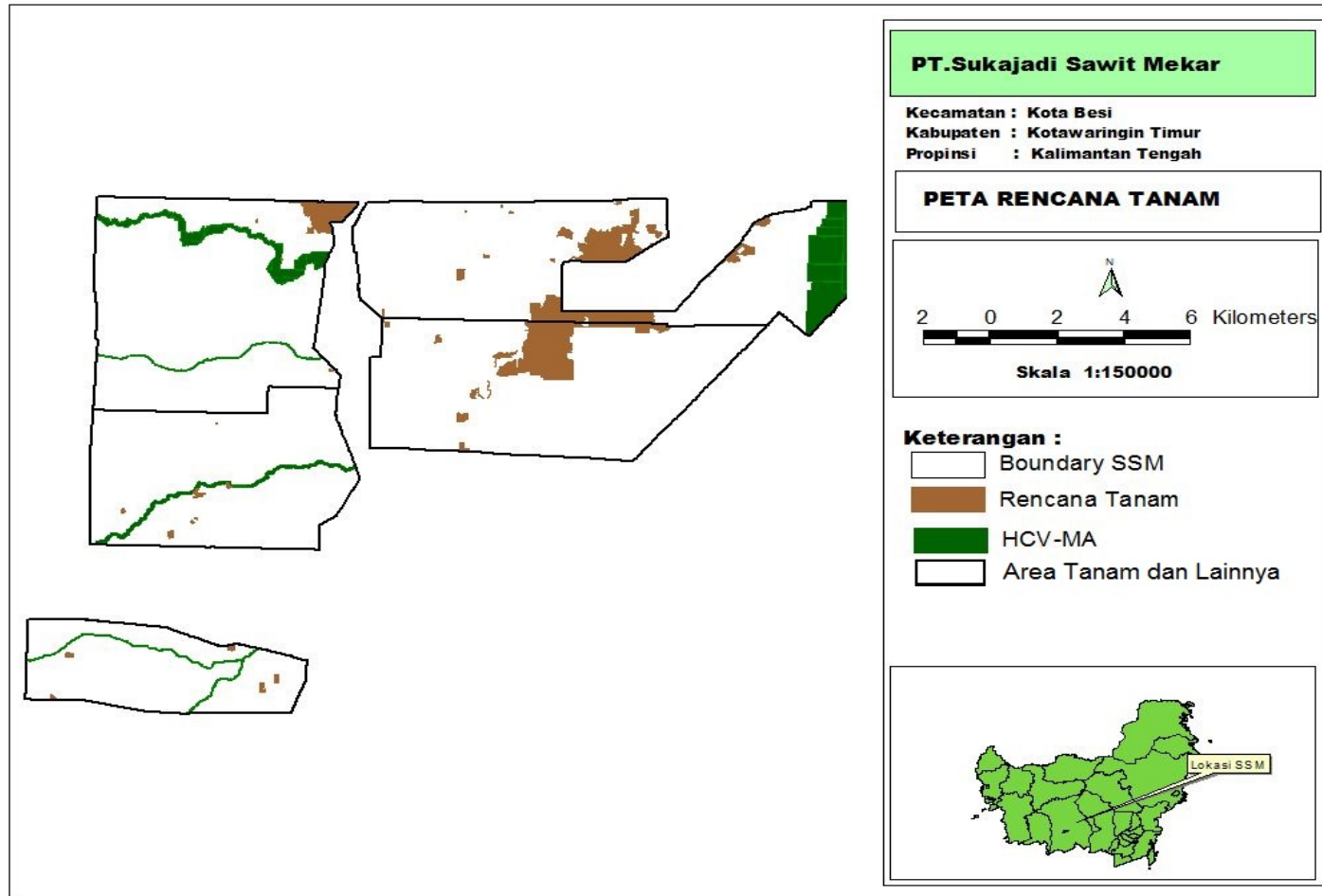
The process of land development and palm oil planting adheres to the procedures of RSPO New Planting Procedures (NPP) for on-going development for notification. The detail of area statements and time-plan for new plantings are presented in report "Development plan of PT Sukajadi Sawit Mekar 2015", and summarized in bellow.

Proposed expansion of oil palm area

Total HGU (ha)	Planted area (ha)	Proposed expansion of oil palm area (Ha)						
		2015	2016	2017	2018	2019	2020	Total
19,802.34	15,988.13	187.82	342.81	341.06	338.90	342.17	330.51	1,883.27

The proposed expansion of oil palm area along with HCV area is presented in picture 6.

RSPO



Picture 5 Location of HCV & HCV-MA and planned planting area within PT Sukajadi Sawit Mekar


VERIFICATION STATEMENT:

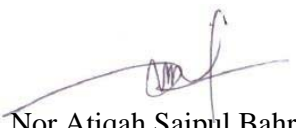
The company opted for a desk-top audit against the relevant documents required by the RSPO NPP. A pre-audit review was carried out and during the document audit, four Control Union auditors were present with the management team of PT Sukajadi Sawit Mekar at their head office in Medan on 6-7 April 2015 to verify and review the relevant documents including interviewing the management team members. Control Union Certifications confirmed the oil palm expansion/new planting plan is part of going planting and is meant for notification only.

PT Sukajadi Sawit Mekar has adhered to the RSPO New Planting Procedures and has documented the assessments and plans according to the RSPO templates issued in May, 2010. The social and environmental assessments were detail, comprehensive and professionally carried out. The management plan has included the findings of the SEIA (AMDAL) conducted by the government approved consultants as well as incorporating the HCV and SIA assessments findings by independent consultants. PT Sukajadi Sawit Mekar has also adhered to the requirements of the RSPO P&C 2013 on analysis of land use change, estimation of carbon stock and calculation of potential GHG emissions using the RSPO Carbon Assessment Tool for New Oil Palm Planting dated December 2014. The latter report is submitted to the RSPO Emission Reduction Working Group separately as per RSPO requirements.


Control Union Certifications confirmed that the assessment and plans are comprehensive, professional and compliant of RSPO principles, criteria and indicators. It is the opinion of the Control Union Certifications auditors that PT Sukajadi Sawit Mekar has complied with the RSPO New Planting Procedures enforced on 1st January, 2010 and requirements of criterion 7.8 of the RSPO P&C 2013.

Signed on behalf of Control Union Certifications


Mohd Rizal Kassim
Lead Auditor
Date: 7th April 2015


Nor Atiqah Saipul Bahri
Auditor

Signed on behalf of PT Sukajadi Sawit Mekar


Dr Gan Lian Tiong
Head of Sustainability Department
Date: 7th April 2015