



TÜVRheinland®
Precisely Right.

RSPO

**RSPO NOTIFICATION OF PROPOSED
NEW PLANTING**

Document Verification	:	March 30, 2018
Field Verification	:	April 2 - 3, 2018
1st Satellite Imagery Reassurance	:	March 30, 2018
2nd Reassurance Verification Satellite Imagery	:	n/a
Name of Grower	:	Dharma Satya Nusantara, Tbk
Name of Subsidiary	:	PT Agro Andalan
RSPO Membership No.	:	105-1035-12-000-00
Date of Joining RSPO	:	December 4, 2012

NPP Notification Statement (Including Verification Statement by CB)

1.	Date of Notification	April 4, 2018
2.	Name of Grower	Dharma Satya Nusantara, Tbk
3.	Name of Subsidiary (if any)	PT Agro Andalan
4.	RSPO Membership No.	105-1035-12-000-00
5.	Legal land entity	<p>Location Permit (Izin Lokasi):</p> <p>a. Revision of location permit No.400-07/IL-41-2008 for palm oil plantation development on behalf PT Agro Andalan, located in Setawar, Mondri, Sungai Sambang, Tapang Perodah and Cupang Gading village, Sekadau Hulu subdistrict, Sekadau district, with added some area about 424 Ha located in Nanga Menterap village (previously under PT Multi Jaya Perkasa) to include that area in location permit of PT Agro Andalan. The total location permit of PT Agro Andalan now is 18174 Ha. Issued on December 09, 2009 in Sekadau.</p> <p>b. Location permit No.593.41/169.a/Ekon/2011 for Renewal of location permit No.400-189/REV/IL-41-2009 regarding revised location permit for oil palm plantation development on behalf PT Agro Andalan. The permit explained, from total previous location permit 18174 Ha, part of those area with total 6993.2 Ha already has Land Use Rights (HGU) certificate. Following the condition, government issued renew of location permit for remain area 11,180.8 Ha. This license valid for 12 month since the issued on October 10, 2011 in Sekadau.</p> <p>c. Location permit No. 593.41/205/Ekon/2015 on 11 May 2015 for Renewal of location permit No. 593.41/169.a/Ekon/2011 regarding revised location permit for oil palm plantation development on behalf PT Agro Andalan. Following the condition, government issued renew of location permit for remain area 11,047.6 Ha. This license valid for 12 month since the issued on Mei 2015 in Sekadau.</p> <p>Permission to Undertake Plantation Activities (IUP/Izin Usaha Perkebunan):</p> <p>Decree Head of Sekadau district, No.525.26/261/Hutbun/2015 regarding revision of plantation business license (IUP) of PT Agro Andalan with total area about 12600 Ha based on Location permit No.593.41/205/Ekon/2015 dated on May 11, 2015 and land use rights (HGU) No.35/HGU/BPN RI/2011, complete with palm oil mill development with production capacity per tonne FFB is 60 tonne FFB/hours. Issued on July 27, 2015.</p> <p>Land use rights (HGU):</p> <p>Decree letter of National Land Agency No.35/HGU/BPN RI/2011 regarding land use rights approval for PT Agro Andalan, located in Sekadau district. This decree mentioned approved the total area of 6993.2 Ha located in Mondri, Boti, Nanga Menterap, Setawar, Sungai Sambang, Tapang Perodah, Cupang Gading village, Sekadau Hulu subdistrict, Sekadau district, West Kalimantan province. Issued on July 21, 2011 in Jakarta.</p>
6.	Location of proposed new planting:	Tapang Perodah, Nanga Pemubuh, Setawar, Boti, Sungai Sambang, Mondri, and Nanga Menterap village, Sekadau Hulu subdistrict, Sekadau district, West Kalimantan Province, Indonesia.
	i. Grower Address	Setawar village, Sekadau Hulu subdistrict, Sekadau district, West Kalimantan Province, Indonesia.
	ii. Size total (ha)	18040 Ha (based on location permit)
	iii. Size proposed for NPP (ha)	8016 Ha
	iv. Contact person	Agustinus Triwibowo
	v. Phone/Fax	+62 21 4618 135 / +62 21 460 642

RSPO New Planting Notification Report
Dharma Satya Nusantara, Tbk – PT Agro Andalan
Sekadau Hulu Subdistrict, Sekadau District
West Kalimantan Province, Indonesia



	vi. E-mail address	agustinus.triwibowo@dsngroup.co.id													
	vii. Geographical location														
	North	Kerabat river, and Oil Palm Company PT Multi Prima Entakai; Multi Jaya Perkasa													
	East	Kayulapis street													
	South	Palm Oil Company PT Bintang Sawit Lestari; PT Seguri Serasau Sejahtera													
	West	Menterap river and Oil Palm Company PT Sumatera Makmur Lestari.													
	viii. Spatial Reference	0 ⁰⁵ 58.18"S ; 111 ⁰⁰ 33.36"E													
	ix. Hydrology	Kerabat river and Menterap river													
	x. Boundary map	Complete explanation of boundry map is presented in the SEIA and HCV assessment summary and management document. Boundary map presented in Figure 1 .													
	xi. Area and time plan for new planting	Planting time: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Year</th> <th>Planting plan (ha)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>968</td> </tr> <tr> <td>2019</td> <td>2357</td> </tr> <tr> <td>2020</td> <td>3121</td> </tr> <tr> <td>2021</td> <td>1570</td> </tr> <tr> <td>Total</td> <td>8016</td> </tr> </tbody> </table> Source: Summary Management Plan, Table 1.1 page 2		Year	Planting plan (ha)	2018	968	2019	2357	2020	3121	2021	1570	Total	8016
Year	Planting plan (ha)														
2018	968														
2019	2357														
2020	3121														
2021	1570														
Total	8016														
7.	Current condition	Some area has been planted by former management (Dharma Satya Nusantara, Tbk., takeover the area on April 2015) with total oil palm planted were 3446 Ha, and other facilities (building, road, nursery, palm oil mill on progress) were 293 Ha. Total area has been opened by former management unit are 3739 Ha.													
8.	Statement of Acceptance of Responsibility for NPP	The management of the Dharma Satya Nusantara, Tbk (member of the RSPO since December 4, 2012) and its subsidiary PT Agro Andalan acknowledge the veracity of this report. We commit ourselves to making every effort to comply with its provisions and to implement the mitigation action plans of the various assessments related to the new planting procedures and the studies carred out to realize it.													
9.	Name of Grower	Dharma Satya Nusantara, Tbk													
	Name of Person Responsible	Agustinus Triwibowo													
	Position	Management Representative													
	Signed	 PT. AGRO ANDALAN													
	Date	April 4, 2018													
10.	Verification Statement by Certification Body (CB)	<p>The NPP verification of Dharma Satya Nusantara (PT Agro Andalan) conducted through document verification and on site visit. TUV Rheinland auditor conducted preliminary document reviewed on March 30, 2018. This was follow up with onsite visit verification to the proposed area for new planting site at PT Agro Andalan on April 2 – 3, 2018. The information on the proposed area for new planting has been communicated transparently to the surrounding community who might be affected the proposed new planting. At the time of field verification, clearing and preparation for proposed area for new planting has not commenced, but found some area inside the location permit (Izin Lokasi), land use rights (HGU) and permission to undertake plantation activities (IUP) was developed by former management before DSN group taken over the land.</p> <p>There is further verification to ensure the conditions through satellite imagery on March 23, 2018 (google earth tools) there is no activity found inside the concession area for proposed area.</p>													

Based on forest and water designated area map of West Kalimantan province issued by Ministry of Forestry No.SK.733/Menhut-II/2014, September 2, 2014 all PT Agro Andalan concession area belongs to the Other Land Uses (APL) and based on Spatial Development Plan of West Kalimantan Province 2014 – 2034, all concession area of PT Agro Andalan is inside Plantation and Agriculture Area not forest area.

PT Agro Andalan is a subsidiary of Dharma Satya Nusantara, Tbk, and become RSPO membership since December 4, 2012. All development area following to RSPO New Planting Procedure (NPP 2015).

PT Agro Andalan located in Setawar village, Sekadau Hulu subdistrict, Sekadau district, West Kalimantan Province, Indonesia is developing approximately ± 8016Ha of oil palm plantation based on:

1. Revision of location permit No.400-07/IL-41-2008 for palm oil plantation development on behalf PT Agro Andalan, located in Setawar, Mondri, Sungai Sambang, Tapang Perodah and Cupang Gading village, Sekadau Hulu subdistrict, Sekadau district, with added some area about 424 Ha located in Nanga Menterap village (previously under PT Multi Jaya Perkasa) to include that area in location permit of PT Agro Andalan. So the total location permit of PT Agro Andalan increased 18174 Ha. Issued on December 09, 2009 in Sekadau.
2. Permission to undertake plantation activities (IUP) Decree Head of Sekadau district, No.525.26/261/Hutbun/2015 regarding revision of permission to undertake plantation activities of PT Agro Andalan with total area about ± 12600 Ha based on Location permit No.593.41/205/Ekon/2015 dated on May 11, 2015 and land use rights (HGU) No.35/HGU/BPN RI/2011, complete with palm oil mill development with production capacity per tonne FFB is 60 tonne FFB/hours. Issued on July 27, 2015.
3. Land use rights (HGU) Decree of Land National Bodies No.35/HGU/BPN RI/2011 regarding land use rights approval on behalf PT Agro Andalan, located in Sekadau district. This decree mentioned approved the total area of 6993.2 Ha located in Mondri, Boti, Nanga Menterap, Setawar, Sungai Sambang, Tapang Perodah, Cupang Gading village, Sekadau Hulu subdistrict, Sekadau district, West Kalimantan province. Issued on July 21, 2011 in Jakarta.

During field verification and hectarge statement verification found some part of concession area planted by former management and also planted by new management (PT AAN – DSN Group). The actual condition of concession area, presented below:

Location Permit (Izin Lokasi):

Information	Planted (ha)	Not planted (ha)
Total	1412.31	9349.43

Plantation business license (IUP):

Information	Planted (ha)	Not planted (ha)
Total	2797.22	9765.35

Land use rights (HGU)

Information	Planted (ha)	Not planted (ha)
Total	2033.78	4950.45

Land compensated (after takeover)

Information	Planted (ha)	Not planted (ha)
Total	319.01	312.51

The HCV assessment conducted on May 3 – 12, 2017. This is consist of preliminary study carried out on May 3 – 5, 2017 and field assessment on May 9 – 12, 2017. Then, special field assessment conducted on July 18 – 21, 2017. Total area include in HCV assessment about ± 17,745.75 ha, located at Tapang Perodah, Nanga Pemubuh, Setawar, Boti, Sungai Sambang, Mondri, and Nanga Menterap village, Sekadau Hulu subdistrict, Sekadau district, West Kalimantan Province, Indonesia. This HCV assessment conducted by external consultant PT Remark Asia Assessors registered under the HCV Resource Network Assessor Licensing Scheme No.ALS15020CS on behalf Mr. Cecep Saepulloh, since January 20, 2015. The HCV assessment with ALS tier 1 was peer reviewed by HCVRN approved reviewer in February 26, 2018 as an additional means quality assurance with status is "**Satisfactory 2**". For the complete review result, please follow the link <https://www.hcvnetwork.org/als/public-summaries>.

While the EIA assessment was conducted by a consultant – Center of Environmental Research (PPLH) University of Tanjungpura Pontianak, lead by The Head of PPLH - and finalized on February 2008. The EIA study was carried out after due consultation with the Province Level of National Environmental Body of Indonesia (BLH-Provinsi), and in accordance with Ministry's procedural Guidelines, and Term of Reference (TOR) and scope of work approved by District Office Head of Forestry, Plantation and Mining, based on an issued letter No. 660.1/526/Hutbuntam/IV, September 25th 2008. A document regarding environmental impact management are available and routinely reported to related stakeholders, such as:

1. EIA Management Plan and Report, Semester I, 2017
2. EIA Monitoring Plan and Report, Semester I, 2017

The SIA assessments conducted in August 2015, and officially issued in February 2016, carried out by PT Anugrah Lintas Zaman. There were some stakeholders that appointed as informant, respondent and consultee, such as management, sub-district officer, formal village officer, workers, local community and community leaders. Affected parties that has participated in consultation process were: Management and workers at PT Agro Andalan; Local Community Member representatives; and Local Formal Head of Village Institutions (covered all villages surrounding PT AAN Location Permit, such as Boti; Nanga Pemubuh; Setawar; Tapang Peradah; Sungai Sambang; Mondri; Nanga Manterap; and Boti).

Based on consultation with affected stakeholders during on site visit, found several issues raised by stakeholders and it is categorized as four (4) rank level. The first level is the major issues about Socio-Economic Infrastructural Limitations, the second level is about Environmental insecurity, the third level is Economic and Social Insecurity and the fourth level is about Institutional Incapacities. SIA document already completely record all of major issue and gave the comments. Issue raised by stakeholders during on site visit follow are:

Community	Key remarks/concerns raised
Sungai Gotin (Sungai Sambang)	During field visit and interview with local community of Kampung Sungai Gintong found that they aware of PT AAN Activities regarding Palm Oil Plantation projects, since the old PT AAN until the ne PT AAN (owned and managed by DSN Group). They admit that they well informed regarding impacted areas, and were offered for land compensation options: a) Fully Cash Compensation; b) Cash With Schemed Smallholder Compensations. Since the earlier land compensation process (2009 – 2010), some of community member choose to keep the land, some of them pick the first options and most of community who submitted their land pick to be part of Schemed Smallholder program. The community members had given PT AAN their Free Prior and Informed Consent for the development of the project. Community aware of Palm Oil Plantation Projects run by PT AAN impacts, such as Land compensation, Job and business opportunity, infrastructure improvements that giving direct improvement to local community welfare. They know where to submit their complaints and grievances if any problem occurs during the Palm Oil Plantation project operational process. All community's needs and wants regarding the palm oil projects have been represented by local community customary and formal leaders.
Engkorong (Sungai Sambang)	Interview result with local Community leader found that not all of community members agree with the scheme of smallholder program. The scheme of smallholder as part of land compensations, share distribution pattern, in "one roof scheme" (all smallholder project activities will be managed company), and smallholders will not knowing their share area (<i>kavling</i>) until the smallholder's installment has fully paid (estimated in 13 th year of agreement). The problem is not referring to the share distribution or the "one roof scheme", but the communities emphasize their disagreement regarding the specific information regarding the location of their share. They stated that, another company operating not far from their village applied the scheme which divide the smallholder's areas and communicate the location of each member <i>kavling</i> earlier. The reason why some of community member expecting this type of scheme is, if there is any economical domestic (smallholder household) problem occur, they could sell and/or pawn their asset to other parties. In-depth interview result found that they also aware the current smallholder

		<p>scheme basic policies. They refer to company and district office of plantation officer's statements during socialization (Smallholder Socialization Team), by this type of agreement, smallholder members will be assured accepting their share, at least until the installment fully paid. This scheme will effectively preventing the smallholder assets transferred to non-local communities, means that, the major positive impacts of palm oil plantation will be affected to the wrong parties (outside community who buy their land). This is the reason why the scheme offered by company agreed by most of affected community. Other issues raised during stakeholder consultation are: a) Community expectation regarding the increase of recruited workers from Local Community; b) improvement on quantity and quality of main road maintenance; c) The speed of Smallholder Program implementation, specifically on conversion phase; d) land compensation cash value improvement from old PT AAN to the current PT AAN (operated by DSN Group); e) Miss information regarding the 70:30 smallholder share. These latest issues have been part of company-community relational dynamics and have been well maintain by both parties in order to meet agreements.</p>
	<p>Tapang Birah (Boti)</p>	<p>During field check there is no rejection from local community regarding PT AAN Palm Oil Plantation projects. Community has been properly informed in a series of socializations. Affected parties who doesn't want to release their land still keep their right to their land. None of the community member who has being part of smallholders program refuse the share pattern nor the scheme procedure. No significant conflict between community and company occur, the only social issues risen is community complaints/grievances regarding main road maintenance. The problem has been well responded and managed by PT AAN within 1 or 2 days. About 20 percent of local community has recruited as workers at PT AAN, as field workers, foreman and operator.</p>
	<p>Tapang Perodah (Tapang Perodah)</p>	<p>Consultation with local community found that most of community member expect Oil Palm Plantation Project impacted to their village. There are several companies that has been operated and has been successfully developed smallholders scheme program with community in other areas near their village. First socialization and land compensation process regarding PT AAN Palm Oil Plantation Project was run smoothly without any collective declination. The first phase program of smallholder conversion has also achieved by some of local community, the positives impacts (share) has accepted by them. These has been seen (by disagree community at the first phase) as evidence of positive impacts and has rise other community members (who has not yet join the program) expection to be part of the next smallholder scheme program. Local customary leader claimed that 80% of local workforces has recruited by PT AAN projects. Social issues rise among community is related to the late of the 2nd phase conversion program, but it has been well managed as the 2nd conversion program has been implemented (during field visit). The other issue rise is that the community worries about possibility of the next smallholder program cancelation. This issues rise because of some area that has been compensated has not yet been processed by the company and leave it as submitted condition. There is no land clearing or palm oil planting on that area. According to company officer statement, these type of compensated land areas will be process after the NPP.</p>
	<p>Tembawang Nangka (Tapang Perodah)</p>	<p>Consultation result emphasizes social issues that shall be well maintain and require more attention by company: a) Land Compensation value of new PT AAN (DSN) was bigger than the old PT AAN, but the process of payment take longer time; b) There are land that has been submitted and compensated by company has not been processed yet; c) There are land that has been compensated and planted, but according to community, the plant not in well maintenance practice; d) There are local opinion rise among community that if PT AAN (DSN) doesn't process the compensated land within 3-4 years, the old land owner will process the land as their own land productive fields; e) Community expectation to be recruited as</p>

PT AAN worker. These issues indicate that community has accept the existance of PT AAN an expecting that all of the positive impacts program will continue.

Based on explanation above, in general all community has been well informed regarding the Palm Oil plantation projects, including the positive and negative impacts that may occur. Community showed their positive acceptance of upcoming program as part of palm oil plantation development in that area. The company promised to increase positive impacts that could improve community welfare through the CSR program such as infrastructure development, religion and education support, smallholder scheme program. Then the important statement from the local communities it is that they agree freely without coercion and support to PT AAN project to continue the development of palm oil plantation immediately, because they want to immediately be part of smallholders scheme program and recruited as worker, business partner in all level projects.

To fulfill the NPP requirement, company also conducted Land Use Change Analysis (LUC analysis) to ensure that there is no deforestation due to land development for palm oil. LUC analysis conducted on March 2018, by external consultant on behalf Sonokeling Akreditas Nusantara. The study consisted of a systematic land use changes analysis with the use of comparative satellite imagery, which shows the land use of the proposed area for the period 2005 – 2015. The LUCA was divided into several section i.e.: before November 2005, November 1, 2005 until November 31, 2005; December 1, 2007 until December 31, 2009; January 1, 2010 until May 9, 2014 and May 9, 2014 until HCV assessment.

The company conducted carbon stock assessment and GHG Emissions by PT Sonokeling Akreditas Nusantara. The final report mentioned that total carbon stock in PT Agro Andalan is 513,781.63 ton C following on RSPO GHG procedure.

The information on soil analysis result that was conducted by company on 2018 by R&A Department of DSN Group. In section IV, page 3 mentioned information regarding soil Paleudults, Tropudults dan Tropaquets dengan land system Lawanguwang, based on field verification on block No.F12 (0° 7' 4.71" S ; 111° 0' 29.49" E) and field No.G02 (0° 5' 12.17" S ; 111° 0' 3.99" E) that was planted by former management.

Actual conditon in PT AAN concession area, was disturbed forest with mix agriculture land and paddy land owned by communcity, also found several palm oil planted by community and old management of PT AAN (before takeover).

Based on HCV assessment July 31, 2017, the soil type in PT AAN concession area consist of:

Soil type	Total area (ha)	Total area (%)
Paleudults, Tropudults, tropoquepts	8329.44	46.17
Tropudults, Tropohumults, Dystropepts	110.05	0.61
Tropudults, Dystropepts	1704.86	9.45
Tropudults, Paleudults, Dystropepts	7896.46	43.77

Note: HCV assessment conducted coverage all location permit of PT AAN.

For GHG calculation, PT AAN used the New delopment GHG calculator and the results are explained in the Summary Report and Management Plan provided by the external consultant. In page 63 mentioned "The prediction of PT AAN GHG emission is calculated using New Development GHG Calculator – English from RSPO. The GHG results are explained in page 68 (section 3.5) in the Summary Report and Management Plan. This GHG emission prediction are including mill emission. All the GHG mitigation scenarios are already explained in Summary Report and Management Plan.

The summary report and management containt about Summary Management and Mitigation plan of SEIA, HCV and GHG.

Conclusion

The TUV Rheinland Indonesia auditors were present with the management team of PT AAN on that time to verify the findings of the desk study and held further discussions on the review and verification conducted. It is the opinion of the TUV Rheinland Indonesia auditors that the HCV, SEIA, GHG, HCS and LUCA assessment and management plan at PT AAN are comprehensive, professional and complied to RSPO principles, criteria and indicators.

**RSPO New Planting Notification Report
Dharma Satya Nusantara, Tbk – PT Agro Andalan
Sekadau Hulu Subdistrict, Sekadau District
West Kalimantan Province, Indonesia**



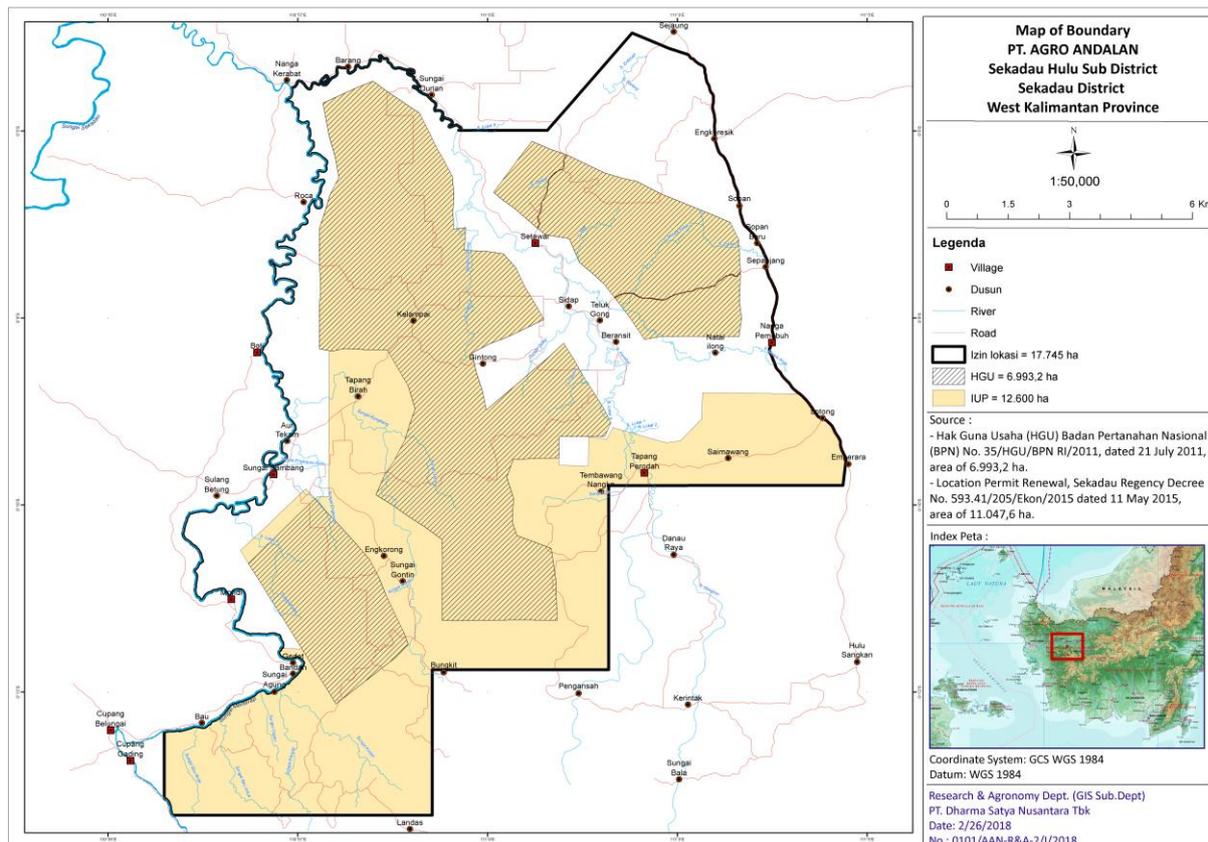
11.	Signed	Signed on behalf of TUV Rheinland Indonesia <i>M. Oetovianan</i> Muhammad Fundy C Kurniawan Lead Auditor
	Date	April 4, 2018

The summary of assessment reports (SEIA, HCV, LUC, Carbon Stock, Soil analysis and Topography) and summary of management plans shall be present with this NPP Notification Statement. The management plans will be in ANNEX of this report.

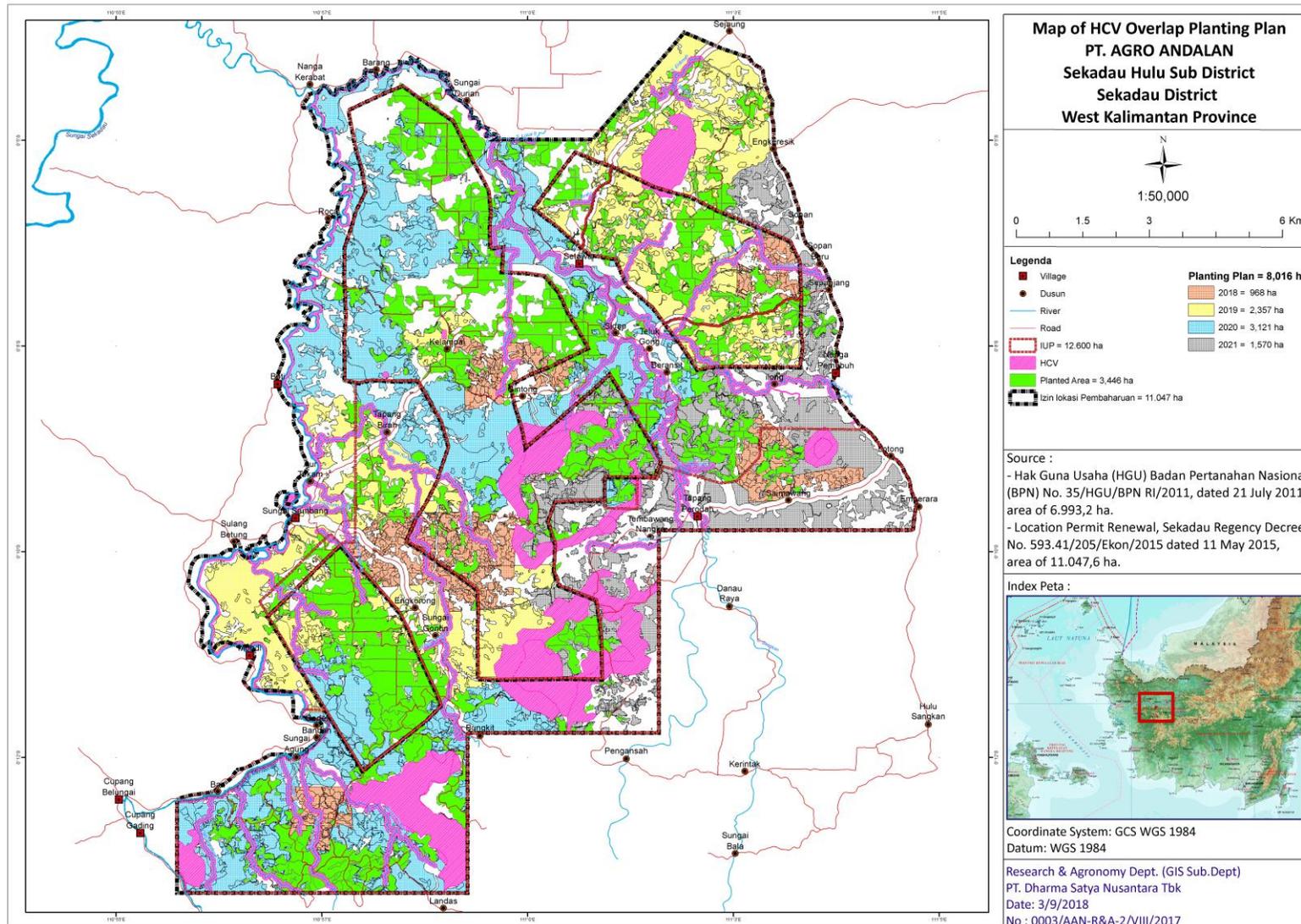
Spatial Reference (GPS Coordinates)

0°3' 41.40" - 0° 14' 8.71" S ; 110° 55' 44.41" - 111° 1' 54.20" E, with elevation 20-240 m asl (based on HCV assessment document).

Location and boundry location propose for New Planting (Figure 1).



Overlay Map of Propose New Planting area with HCV area in PT AAN concession area (Location Permit, IUP, HGU) and planted plan per year until 2021 (Figure 2).

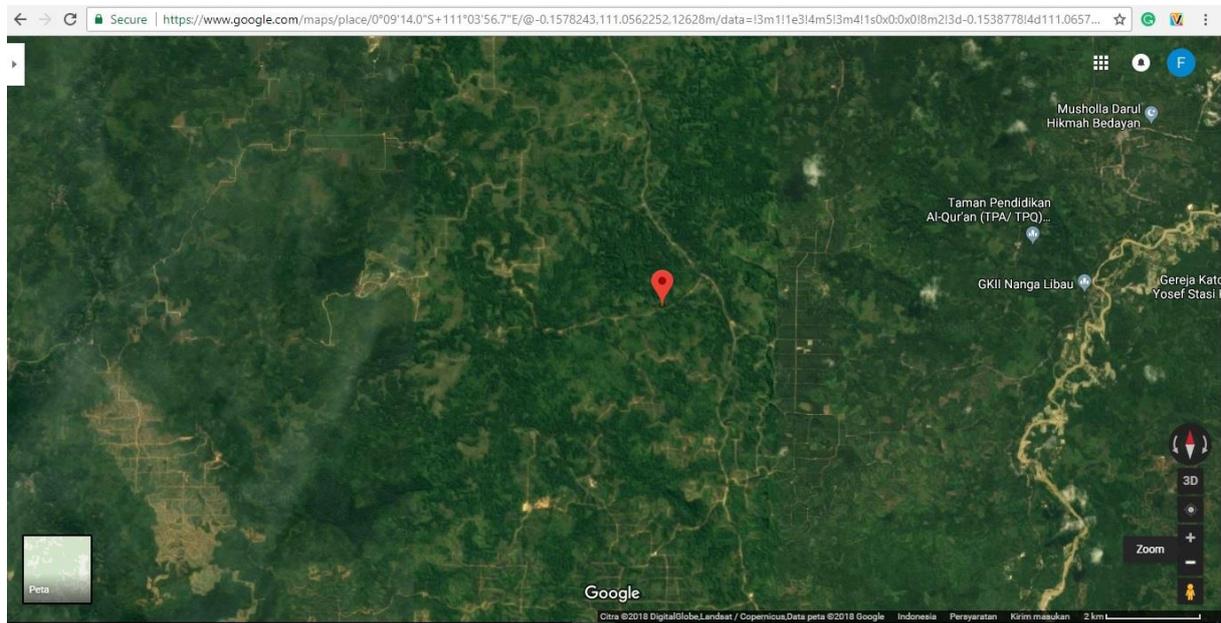


Information of planting plans:

1. Orange colour: planting plan for 2018 about 968 Ha;
2. Yellow colour: planting plan for 2019 about 2357 Ha;
3. Blue colour: planting plan for 2020 about 3121 Ha;
4. Grey colour: planting plan for 2021 about 1570 Ha.

Result of Satellite Imagery to ensure there is no activity in NPP proposed area in PT AAN.

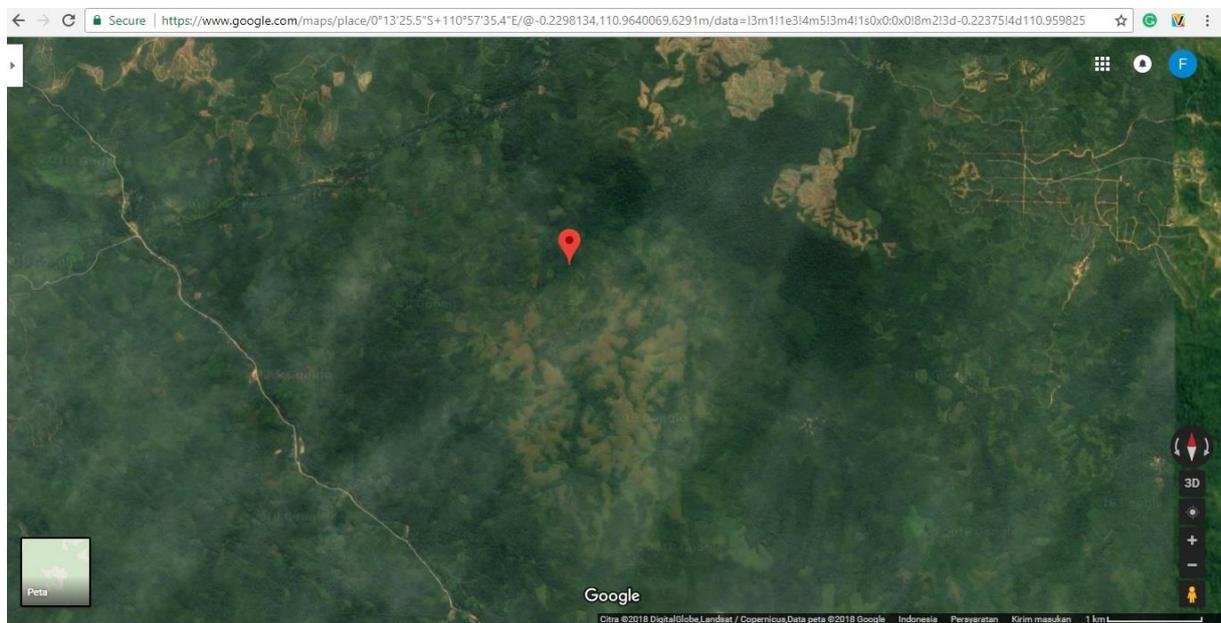
Source: <https://www.google.com/maps/place/0%C2%B009'14.0%22S+111%C2%B003'56.7%22E/@-0.1578243,111.0562252,12628m/data=!3m1!1e3!4m5!3m4!1s0x0:0x0!8m2!3d-0.1538778!4d111.0657556>) verified on March 30, 2018.



Geographical information 0°9'13.96" S ; 111°2'56.72" E

Result of Satellite Imagery to ensure there is no activity in NPP proposed area in PT AAN.

Source: <https://www.google.com/maps/place/0%C2%B013'25.5%22S+110%C2%B057'35.4%22E/@-0.2298134,110.9640069,6291m/data=!3m1!1e3!4m5!3m4!1s0x0:0x0!8m2!3d-0.2237514d110.959825>. Verified on March 30, 2018.



Geographical information 0°13'25.50" S ; 110°57'35.37" E



Figure 5. Onsite condition in proposed area for new planting. Take on April 3, 2018
Geographical information 0°9'13.96" S ; 111°2'56.72" E



Figure 5. Onsite condition in proposed area for new planting. Take on April 3, 2018
Geographical information 0°13'25.50" S ; 110°57'35.57"

