

RSPO NEW PLANTING PROCEDURE

(NOTIFICATION STATEMENT)
INCLUDING VERIFICATION STATEMENT BY GGC



GLOBAL GATEWAY CERTIFICATIONS

SDN BHD

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NOTIFICATION NUMBER: GGC/ IDN/2021/SPF/01/01

| | | |
|----|------------------------------------|---|
| 1. | Date of Notification | 20th April 2021 |
| 2. | Name of Grower | PT Agro Kati Lama - II |
| 3. | Name of Subsidiary (if any) | Sipef Group |
| 4. | RSPO Membership No. | 1-0021-05-000-00 |
| 5. | Location of proposed new planting: | |
| | a) Grower Address | Office address: Jl. Zakaria Amin, Kompleks Perumahan Paku Alam, Desa Paku Alam - Lubuk Linggau, Kabupaten Musi Rawas, Provinsi Sumatera Selatan – Indonesia Location: Muara Beliti and Tiang Pumpung Kepungut District, Musi Rawas Regency, Sumatera Selatan Province - Indonesia |
| | b) Business permit | <i>Izin Lokasi (Location permit):</i> - Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kabupaten Musi Rawas Nomor 49/ KPTS/II/DPM-PTSP/2011, tanggal 18 July 2011 Tentang Pemberian Izin Lokasi Untuk Keperluan Pembangunan Perkebunan Kelapa Sawit Dan/Atau Karet Atas Nama PT.Agro Kati Lama, seluas : 10,500 Ha. - Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kabupaten Musi Rawas Nomor 75/ KPTS/II/DPM-PTSP/2018, tanggal 27 Agustus 2018 Tentang Pemberian Izin Lokasi Untuk Keperluan Pembangunan Perkebunan Kelapa Sawit Dan/Atau Karet Atas Nama PT.Agro Kati Lama, seluas : 3,090.9 Ha. <i>Izin Usaha Perkebunan (IUP) / Business permit:</i> - Izin Usaha Perkebunan/IUP (Operational Business Permit) approved by Bupati Musi Rawas Nomor 423/KPTS/DISBUN/ 2012 tentang Pemberian Izin Usaha Perkebunan |

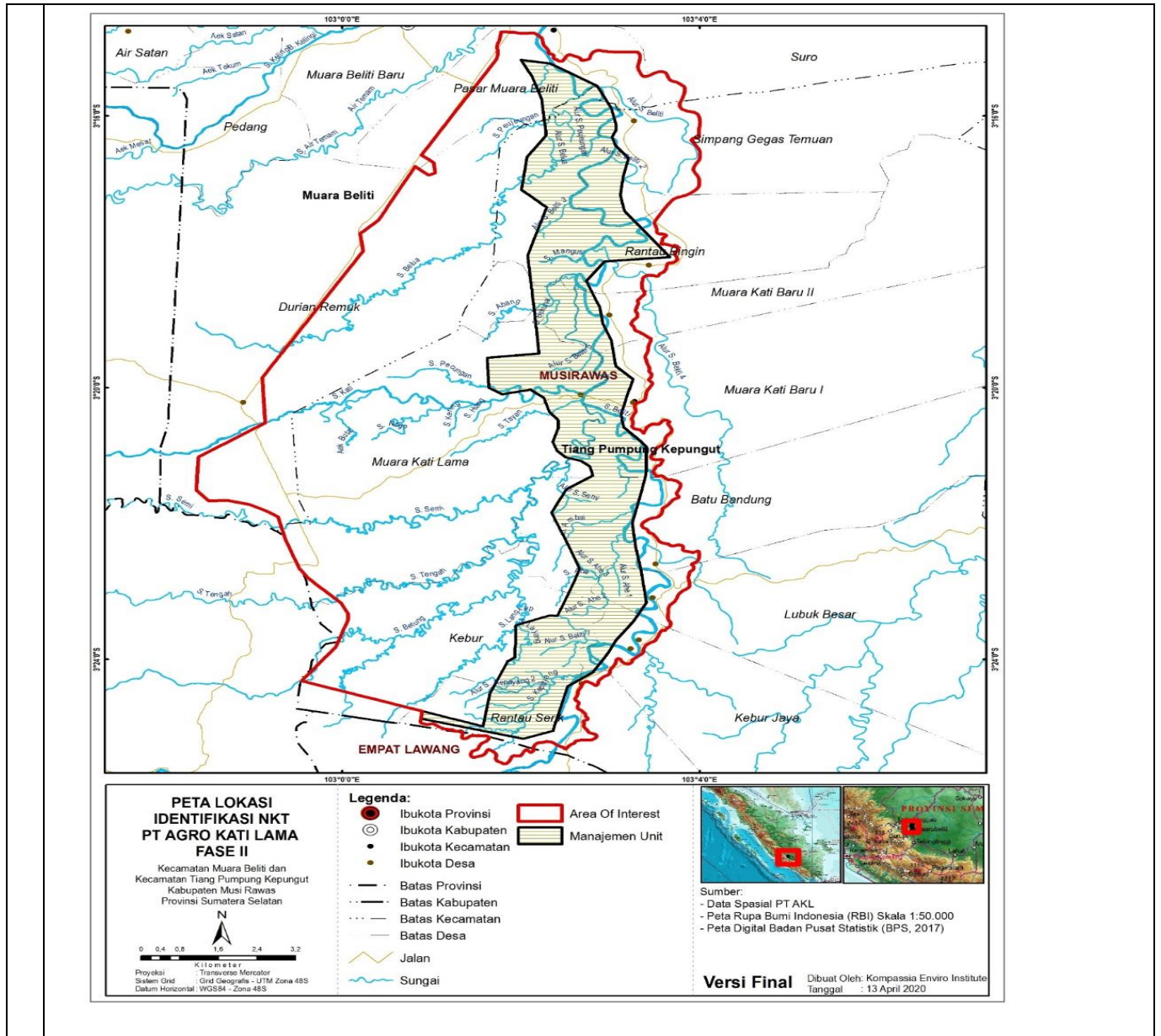


NOTIFICATION NUMBER: GGC/ IDN/2021/SPF/01/01

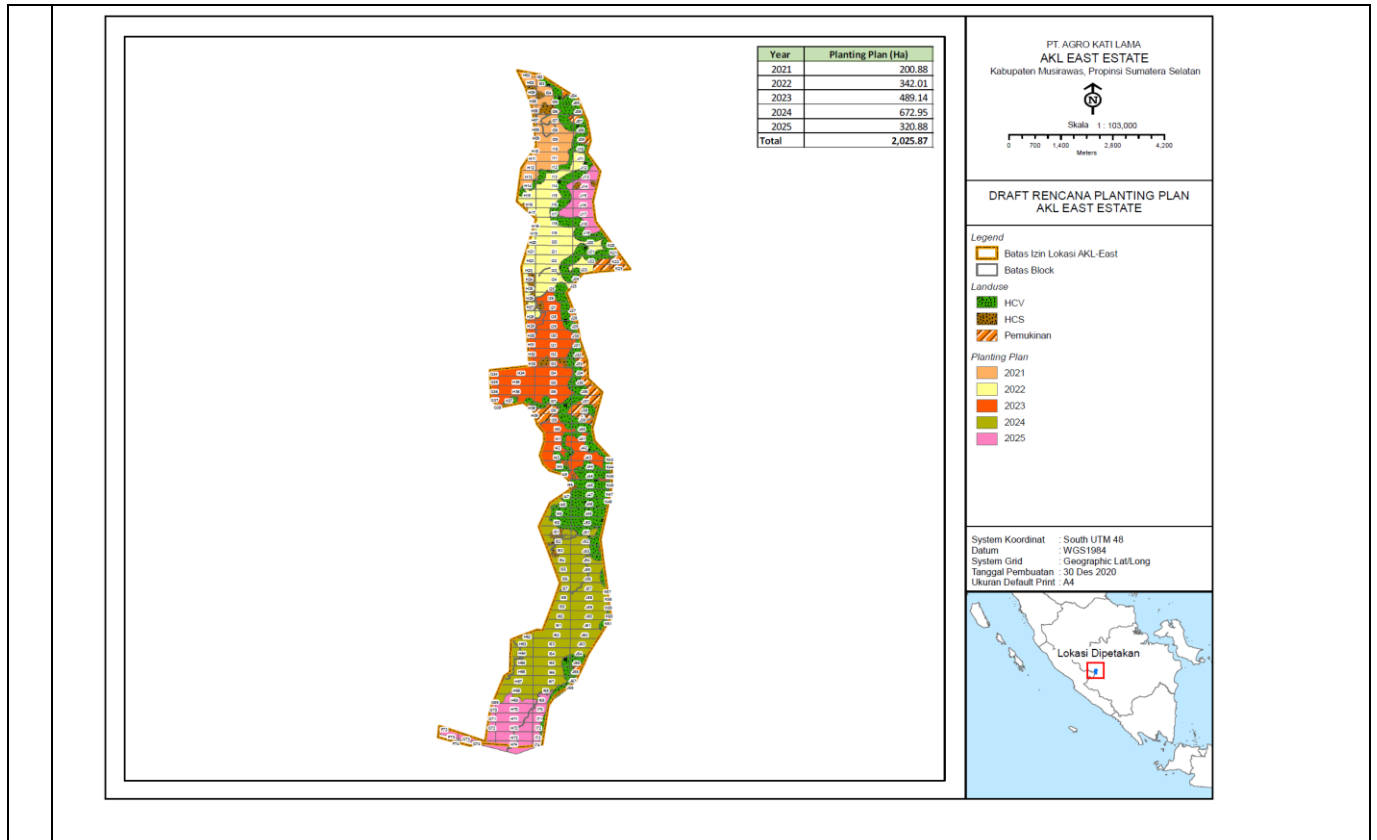
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| | (IUP) atas nama PT Agro Kati Lama for areas 10,500 ha. - Izin Usaha Perkebunan (IUP) no. 8120219042726, dated 01 September 2020 |
| c) Type of business | Oil palm plantation |
| d) Size total (ha) | 3,090.90 |
| e) Size proposed for NPP (ha) | 2,025.87 |
| f) Contact person | Hamdani |
| g) Phone/Fax | + 62 61 415 2043 |
| h) E-mail address | Hamdani@sipef.com |
| i) Geographical location | North: Community Settlement East: Community Settlement, PT. Gunung Sawit Selatan Lestari, PT. Evans Lestari South: Community Settlement West: PT. Agro Kali Lama 1 |
| j) Spatial Reference | 03°15'09.37" – 03°25'10,25 S 102°58'21,68" – 103°03'40,12" E |
| k) Boundary map | |



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Area and time plan for new planting:

| New Planting Plan (ha) | | | | | Sub total (ha) | HCV/HCS (ha) | Replanting | Mill & Facilities | Total (ha) |
|------------------------|--------|--------|--------|--------|----------------|--------------|------------|-------------------|------------|
| 2021 | 2022 | 2023 | 2024 | 2025 | | | | | |
| 200.88 | 342.01 | 489.14 | 672.95 | 320.88 | 2,025.86 | 943.25 | 118.16 | 3.63 | 3,090.90 |

l) Current condition


The proposed oil palm plantation concession is located Pasar Muata Beliti and Tiang Pumpung Kepungut Sub-district, Musi Rawas District, Sumatera Selatan Province, Indonesia.

The proposed area is mainly mix crops which owned and managed by local communities, mostly planted with rubber.

m) Statement of acceptance of Responsibility for NPP

The management of Sipef Group as a RSPO member and its subsidiary - PT. Agro Kati Lama II

NOTIFICATION NUMBER: GGC/ IDN/2021/SPF/01/01

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| | | <p>has acknowledged acceptance and responsibility for this NPP.</p> <p>PT. Agro Kati Lama II has demonstrated commitment to comply with the RSPO NPP requirements. The EIA, HCV, SIA, Land Use Change Analysis and Carbon Stock-GHG Assessment in PT. Agro Kati Lama II has been done and completed in accordance with the RSPO NPP, 2015 requirements.</p> |
| 7. | Signed | <p>Signed on behalf of PT. Agro Kati Lama II</p>  <p>Sander Pan Den Ende Director of Sustainability</p> |
| | Date | 18 April 2021 |

8. Verification Statement by Certification Body (CB)

The CB Verification Team of Global Gateway Certification Sdn, Bhd (comprising Haeruddin as Lead Auditor and Doni as team member) has conducted the New Planting Procedure verification desk study on 5th January 2021 and documents review and field visits on 12th – 13th January 2021 at PT. Agro Kati Lama II. The company had prepared and submitted the corrections needed for the documentations and verification follow up done, which was completed on 19th January 2021

PT. Agro Kati Lama II areas were not located in the forest area based on overlapping with ‘Peta Kawasan Hutan dan Perairan – SK. Menhut no. 454/MenLHK/Setjen/PLA-2/6/2016 indicated that PT. Agro Kati Lama II areas are located in the “Areal Penggunaan Lain-APL” (Non-forest area) and there is no areas included in the ‘Peta Indikatif Penundaan izin baru (PIPPIB) Rev. XV.

Social and Environmental Impact Assessment (SEIA / AMDAL)

The SEIA (AMDAL) was conducted by an approved independent consultant - “Survindo Link” started in December 2018 and it was approved by “Dinas Penanaman Modal dan Pelayanan Terpadu satu Pintu Kabupaten Musi Rawas No. 503/01/KPTS/DPM-PTSP/VII/2020, dated 07 July 2020

The SEIA (AMDAL) had undergone a public consultation as described in the AMDAL report. Comments/feedbacks from stakeholders during public consultations (Rapat Pembahasan AMDAL) were considered and incorporated in the SEIA (AMDAL), RKL and RPL documents.



NOTIFICATION NUMBER: GGC/ IDN/2021/SPF/01/01

Social and Environmental impacts were identified, and mitigation plans to reduce negative impacts and promote the positive impacts were detailed in the documents - Rencana Kelola Lingkungan (RKL) and Rencana Pemantauan Lingkungan (RPL) – Management and Monitoring of Social & Environmental Plan.

Social Impact Assessment (SIA)

Social Impact Assessment was also done by the independent consultant “Koompasia Enviro Institue” in December 2018 – January 2019.

HCV Assessment

The HCV assessment was conducted by PT. Koompasia Enviro Institute in November 2018 – July 2019 with Lead Assessor – Sigit Budhi Setyanto who was approved under the HCV-RN Assessor Licencing Scheme (ALS15024BS), and assisted by competent team members.

The HCV report was approved by HCV – RN reviewer on 22 December 2020 with “Satisfactory” status.

Land Use Changes (LUC)

Land Use Change Analysis was conducted earlier by PT. Koompasia Enviro Institute in May – September 2020.

Soil and Topography

The Soil survey and Topography survey was done by independent consultant, namely: Bogor Agriculture University (IPB) in October 2019. Based on soil survey report, there were no marginal and/or fragile soils or peat soils within PT. AKL II’s land area.

Free, prior informed consent (FPIC)

FPIC study was done by independent consultant, namely PT. Koompasia Enviro Institute in November 2018 – May 2019. PT. Agro Kati Lama II has a FPIC process / procedure for new development of oil palm as documented in “LCA – 01-01/23-09-202/Rev.2, the procedure covered: data land status, history of land / land tenure, participatory mapping, negotiation, land compensation, and FPIC documents”. This procedure was communicated and socialised to the local communities who were affected through public consultations and approach with local community by FPIC officer in daily basis.

The company had appointed a responsible team in the FPIC process, i.e. Estate Manager, FPIC officer and support by operation management in Msui Rawa.

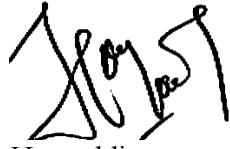

The FPIC process was carried out by the GRIT Manager and team, who were qualified and experienced in conducting the FPIC process.

Based on direct interviews done with Head of villages, it is verified that the company had communicated and socialised the FPIC process and development plans of PT. Agro Kati Lama II to the local communities.

Verified that the FPIC process as per NPP (2015) was adhered.



NOTIFICATION NUMBER: GGC/ IDN/2021/SPF/01/01

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| GHG and HCS | | |
| High Carbon Stock Assessment was conducted by PT. Koompasia Enviro Institute in May – September 2020 by competent assessors. | | |
| The High Carbon Stock and GHG Assessment report was done as per the “RSPO GHG Assessment Procedure” template and GHG emissions was estimated and had complied with RSPO P&C criterion 7.8. | | |
| Summary of findings and management plans for SEIA, HCV, soil topography, mitigation of GHG emissions were presented in the NPP Summary report. | | |
| The NPP verification had undergone Internal Technical reviews to ensure adherence to the NPP reporting requirements. | | |
| Conclusion: | | |
| Based on the above verification, it is the opinion of the GGC’s assessment team that PT. Agro Kati Lama II has complied with the RSPO New Planting Procedures 2015. The Certification Body - Global Gateway Certificaton Sdn, Bhd’s assessment team confirm that the management plans developed by PT. Agro Kati Lama II are comprehensive, of professional quality and has complied with the relevant RSPO Principles, Criteria and Indicators. | | |
| In addition, our lead auditors verified that the company has obtained legal permit to develop the land and has implemented adequate FPIC process. | | |
| 9. | Signed | Signed on behalf of : Global Gateway Certifications, Sdn Bhd  Haeruddin Lead Auditor |
| | Date | 18 April 2021 |
| 10. | Signed | Signed on behalf of : Global Gateway Certifications  Muhd. Jamalul Arif Certifier |
| | Date | 19 April 2021 |

*The Summary of assessment reports (SEIA, HCV, soil and topography, LUC, GHG) and Summary of management plans available in “Assessment Summaries and Management Plans”

