



Roundtable on Sustainable Palm Oil

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: 29 November 2013

Tick whichever is appropriate

<input checked="" type="checkbox"/>	This is a completely new development and stakeholders may submit comments.
<input type="checkbox"/>	This is part of an ongoing planting and is meant for notification only.

Details Information	
COMPANY	PT. Sumber Terang Agro Lestari
SUBSIDIARY (If any)	N.A
RSPO Membership No.	2-0215-11-000-00
Contact Person	President Director – Bagus Setiagung Budi Email Address: Bagus_Setiagung@cargill.com Group Program Assurance Manager – Yunita Widiastuti Email Address: Yunita_Widiastuti@cargill.com
Geographical Location	The concession area, extending from latitude 102°49" to 102°55'21.9" longitude 03°09'48.9" - 03°10'42.5" South
New Planting Area	13,877 Ha
Region Boundaries	To the northeast of STAL concession are three other palm oil plantations owned by PT.Sinar Musi Mitra Sukses and PT.Campang Tiga and PT.Hindoli, Mukut. Borders with PT.Hindoli, Mukut and PT.Sinar Musi Mitra Sukses on the eastern and southern boundaries, Bertak river, Air Hitam River, Kuningan River, Teluk Tenggulang River, Kalong island, and berendam Island. And on the western edge, with concession area belong to PT.Gandajaya Pratama Agro Lestari and PT.Sinar Musi Mitra Sukses.
Status of concession land and Permit	a. AMDAL letter No.189/KPTS/BLH/2013, Tanggal: 01 Maret 2013, Bupati Banyuasin b. Izin lokasi KEPUTUSAN BUPATI BANYUASIN NOMOR 774 TAHUN 2009/Tgl: 22 Oktober 2009/Bupati Banyuasin c. No need IPK, since the area is in APL and as per survey micro report says NO trees above 20cm diameter. d. Izin lingkungan 380/Kpts/BLH/2013, Tanggal: 8 April 2013, Bupati Banyuasin e. Izin Usaha Perkebunan (IUP) 190 Tahun 2008 – 3 April 2008

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	f. HGU: i. 1. 039/2013 7 Feb 2013 (62,75 ha) ii. 2. 040/2013 7 Feb 2013 (742,5 ha) iii. 3. 041/2013 7 Feb 2013 (2.931,94 ha) iv. 4. 044/2013 6 May 2013 (560,81 ha)
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Location of proposed new planting:

PT. Sumber Terang Agro Lestari is a company operating palm oil plantation in the area of South Sumatera Province. In its operation, the company always follows and implements government policies, both in production, environment and social economy. The company remains holding the commitment to construct its own palm oil plantation, harmonious relationship with the social community, among others by constructing plasma oil palm in order to contribute some income for the community.

PT. Sumber Terang Agro Lestari plans to develop 13,877 ha of land for company own oil palm. Situated in 5 villages in Pulau Rimau and Tungkai Ilir Sub-district, Banyuasin District, South Sumatera Province; and can be reached from the capital of Banyuasin District or Sungai Lilin Sub-district through land transportation and river for 25 to 30 km. PT. Sumber Terang Agro Lestari is adhering to adopt sustainable palm oil practices based on New Planting Procedure which was enforced on 1st January 2010.

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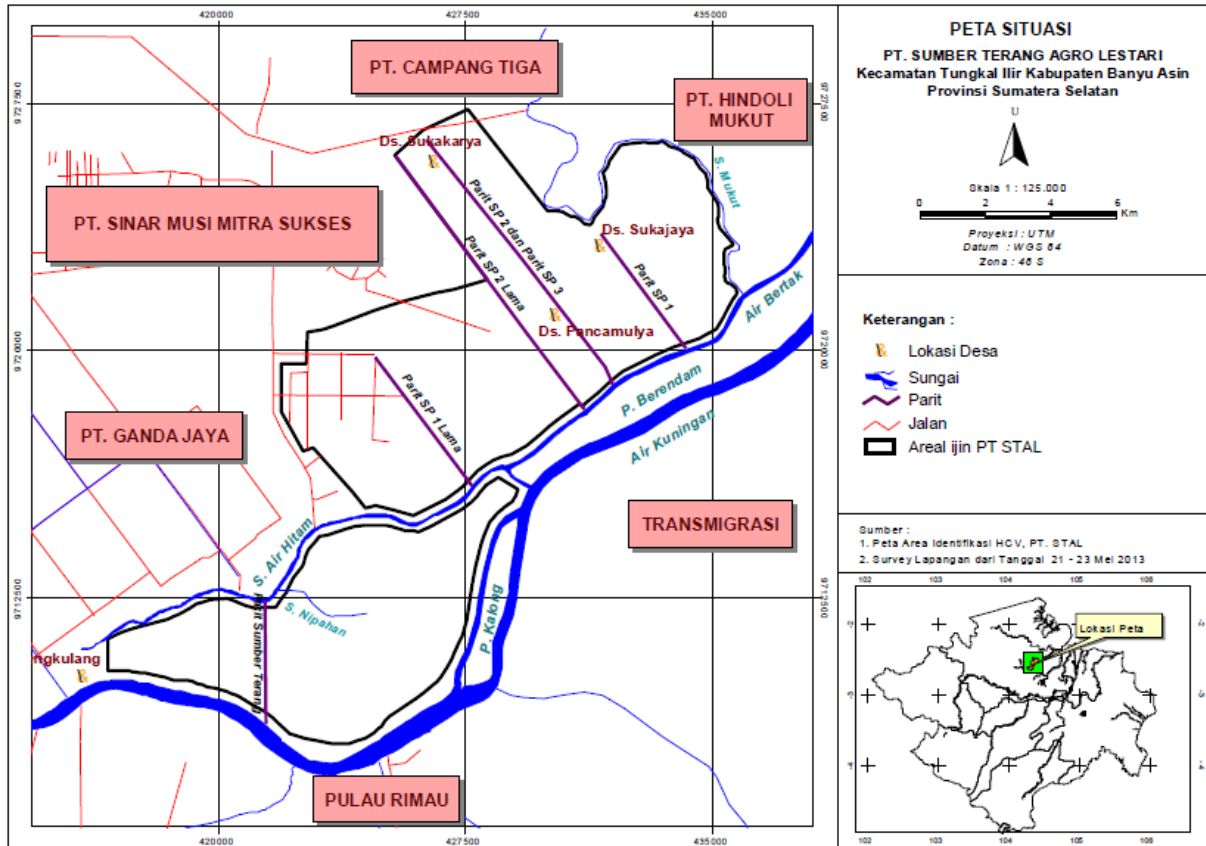


Figure 1: Location & Project Plan of PT Sumber Terang Agro Lestari

SUMMARY FROM SEI ASSESSMENTS:

The analysis of social risk shows that the utilization of environment services (HCV 5) by the community around Sumber Terang project is low, while HCV 6 is located in Teluk Tenggelang Village of which community interest toward the existing region is average. Nevertheless, HCV 6 area is located outside the project area. Relatively, its location will not be affected by the project development.

High risk is seen on the social vulnerability in TelukTenggelang. The area within SumberTerang location permit in the village does not only face the unfinished compensation payment or is enclave by the community, but also sold to other party. There are now some versions of the estimated amount of compensation paid by Sumber Terang as well as the width of the area acquired by the company. Yet, the versions are not final yet because the attitude and opportunistic behavior of Teluk Tenggelang community allow any change of the versions. While in Mukut village, inspite of the relatively proactive community in term of

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its closeness to Sumber Terang, there are still project areas in the village having high vulnerability because the areas are considered as disputed areas between Mukut and Teluk Tenggara community. This condition shows high risk of social management to be faced by all stakeholders in their attempt to develop Sumber Terang palm project.

Next, based on the results of the above social risk analysis, to invest on Sumber Terang project has a high social risk. Refuse the take-over offered by Sumber Terang, concerning Even though the existence of HCV 5 and HCV 6 is relatively low, the high social vulnerability has caused any investment on this project will not be socially efficient. Out of the investment on the aspects of technical project, the social cost which is relatively bigger shall be prepared to anticipate repeated land claims, compensation claims, control of land rights recognition letters within the project areas, the control of ordinary bandit, land administrator costs, and consultation and audience costs as well as cost of social problem management. Basically, to invest on Sumber Terang project is an investment with a high social risk.

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SUMMARY FROM HCV ASSESSMENT(S):

The results of the HCV assessment shown that there is no peat swamp forest, soil types throughout the area is *Tropaquept* (Gleisol), *Fluvaquent* (Aluvial), and *Sulfaquent*.

All six HCVs defined in the Toolkit were evaluated in the 13-ha area of interest, of which seven sub-value were determined to be present (see table below). Potential HCV areas identified and mapped total 158.84 ha (with overlaps among different sub-values).

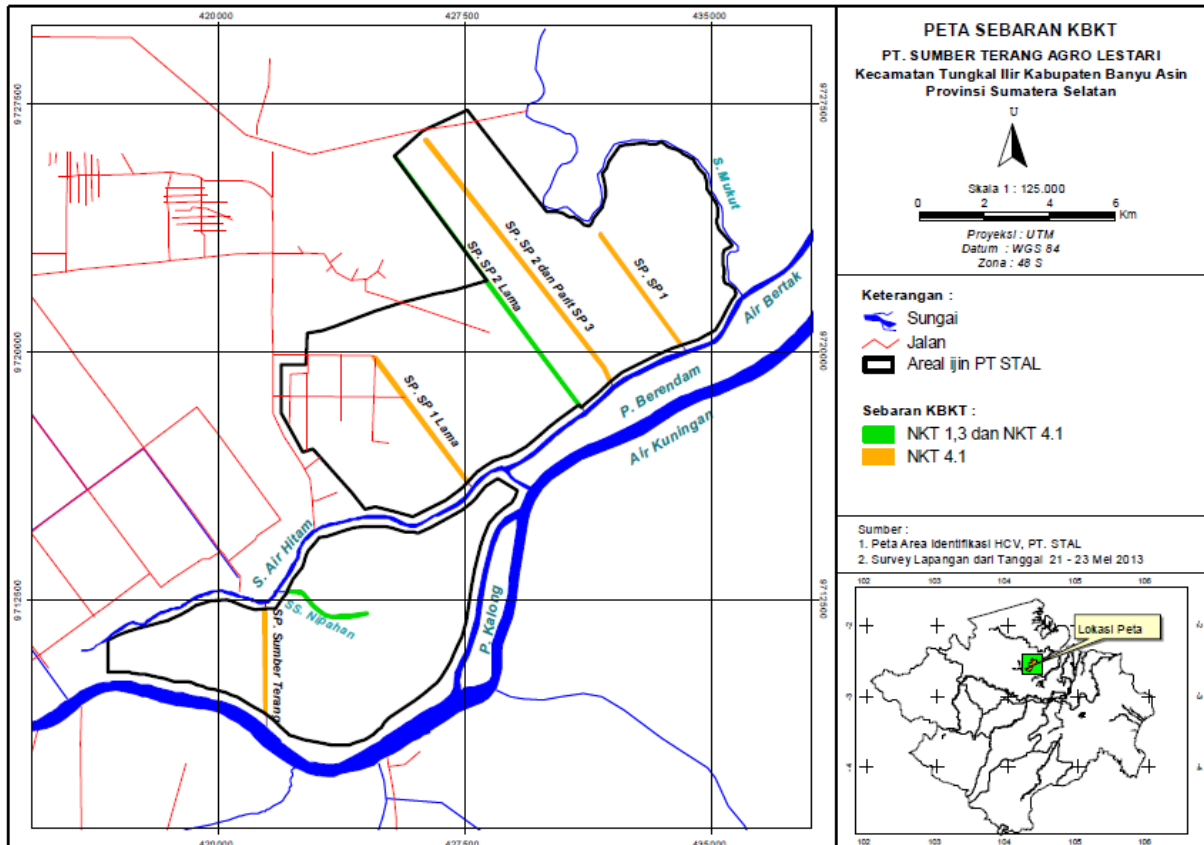


Figure 2: Identification and Analysis of HCVs of PT.Sumber Terang Agro Lestari

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HCV Component	HCV Exist? Y/N	HCV Area	Area (Ha)
HCV 1. Areas with Important Levels of Biodiversity			
1.1. Areas that Contain or Provide biodiversity Support Function to Protection or Conservation Areas	No		
1.2. Critically Endangered Species	No		
1.3. Areas that Contain Habitat for Viable Populations of Endangered, Restricted Range or Protected Species	Yes	Sempadan Sungai Nipahan	13,62
		Sempadan Parit SP 2 Lama	34,64
1.4. Areas that Contain Habitat of Temporary Use by Species or Congregations of Species	No		
HCV 2. Natural Landscapes & Dynamics			
2.1. Large Natural Landscapes with Capacity to Maintain Natural Ecological Processes and Dynamics	No	-	-
2.2. Areas that Contain Two or More Contiguous Ecosystems	No	-	-
2.3. Areas that Contain Representative Populations of Most Naturally Occurring Species	No		
HCV 3. Rare or Endangered Ecosystems	No	-	-
HCV 4. Environmental Services			
4.2 Areas or Ecosystems Important for the Provision of Water and Prevention of Floods for Downstream communities	Yes	Sempadan Sungai Nipahan	13,62
		Sempadan Parit SP P-1 Lama	3,55
		Sempadan Parit SP Sumber Terang	15,96
		Sempadan Parit SP P-2/P-3	46,23
		Sempadan Parit SP P-2 Lama	34,64
		Sempadan Parit SP P-1	20,84
		Sempadan Parit SP P-1 Lama	23,55
4.2. Areas Important for the Prevention of Erosion and Sedimentation	No		
4.3. Areas that Function as Natural Barriers to the Spread of Forest or Ground Fire	No	-	-
HCV5. Natural Areas Critical for Meeting the Basic Needs of Local People	No		-
HCV6. Areas Critical for Maintaining the Cultural Identity of Local Communities	No	-	-
Total HCV areas			158,84

SUMMARY OF PLANS:

PT. Sumber Terang Agro Lestari development plan has incorporated the findings from SEIA (AMDAL), HCV Assessments and Social Impact Assessments when implementing the operational plans.

The SEIA development and preparation of management and monitoring Plan for PT.Sumber Terang Agro Lestari is prepared under the Cooperation Agreement between PT.Sumber Terang Agro Lestari and AMDAL consultant and PT.LINKS. The preparation of such report refers to the result of identification and analysis of Social Impact Assessment in the area of

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PT. Sumber Terang Agro Lestari, Banyuasin Regency, South Sumatera Province and the frame of reference of the agreed work.

The Management and Mitigation Plan as per SIA Assessment and AMDAL document of PT.Sumber Terang Agro Lestari is described as following:

- a. The social management should be oriented to the management of social problems at local communities. Efforts to manage this social problem as well as answer the needs of the community management and development of cooperatives and farmers KKPA, increase revenue and unconditioned stability of income.
- b. The social management should be oriented to social cohesion (social cohesion). In the case of the management has not develop an optimal social communication with the local community or the analysis related to the degree of proximity of the reactive (negative relationship patterns) between the management and the public, should used as a basis for evaluating and developing social cohesion improvements management of the community around the project. However the situation conducive social will ensure the smooth operation of the project STAL, and assist management in developing project management as well as social problems that exist.
- c. Human resource oriented and strengthening the local economy. STAL Management need to respond to the needs of the local community to be able to work in the project through a special recruitment mechanism. Given that local people around this area and has a hard character and low competence in the work, before the hiring is done, companies need to develop an agreement on the terms of recruitment, training, problem solving and termination of employment that involves government officials and representatives of rural communities. This agreement by both parties to be your labor recruitment and resolution of employment issues that arise after the implementation of recruitment. In addition, community empowerment and strengthening local economies around the STAL project also could be developed through education scholarship assistance, social services and free medicine, training technical agriculture and industry as well as revolving credit to the SMEs.
- d. Company in partnership with communities and governments around the village area gardens can also support joint advocacy agenda conveyed to the government districts and provinces, such as electricity, road improvement district and village, as well as construction of public facilities to gradually condition of quasi state was experiencing at this time be addressed.

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The activity of Management and Monitoring Plan of High Conservation Area of PT. Sumber Terang Agro Lestari is conducted in line with the preparation for achieving the certificate of RSPO (Roundtable on Sustainable Palm Oil). The following is a summary of HCV management recommendations that are applicable for the whole STAL concession for the HCVs identified in the 13,877 ha area are:

No.	HCV Area	Inventarisasi dan identifikasi kondisi penutupan lahan di HCV Area (ha)	Penandaan batas HCV area (km)	Pemeliharaan tanda batas (km)	Perlindungan Areal, Flora dan Fauna				Rehabilitasi dan Pengkayaan di areal KBKT (Ha)	Penyuluhan kepada Masyarakat	Pelatihan Karyawan (orang)	Penyusunan/Perbaikan SOP	Keorganisasian	Konsultasi dengan stakeholder
					Papan Nama (pcs)	Papan Larangan Berburu dan Merusak Flora (pcs)	Pemeliharaan papan nama dan larangan	Patroli (ha)						
1	Sempadan Sungai Nipahan	13,62	2,82	2,82	2	2	4	13,62	13,62	Desa Teluk Tenggulang, Desa Suka Jaya, Desa Panca Mulya, Desa Suka Karya.	20	Kantor kebun sawit PT. Sumber Terang Agro Lestari	Kantor kebun sawit PT Sumber Terang Agro Lestari	Penyusunan MoU tentang perburuan satwaliar: dilakukan di Kantor kebun sawit PT Sumber Terang Agro Lestari
2	Sempadan Parit SP P-1 Lama	23,55	4,81	4,81	3	3	6	23,55	23,55					Koordinasi dengan instansi terkait: tingkat desa, Kecamatan dan Kabupaten yang berada dan disekitar wilayah kebun sawit PT. Sumber Terang Agro Lestari dan dilakukan oleh manajer
3	Sempadan Parit SP Sumber Terang	15,96	3,29	3,29	2	2	4	15,96	15,96					
4	Sempadan Parit SP P-2/P-3	46,23	9,35	9,35	4	4	8	46,23	46,23					
5	Sempadan Parit SP P-2 Lama	34,64	7,03	7,03	3	3	6	34,64	34,64					
6	Sempadan Parit SP P-1	20,84	4,27	4,27	3	3	6	20,84	20,84					
Periode dan waktu Pengelolaan KBKT		Hanya sekali dan dilakukan pada RKAP 2013	Secara bertahap dan dimulai pada RKAP 2013	Setiap Tahun	Secara bertahap dan mulai dilakukan pada RKAP 2013	Secara bertahap dan mulai dilakukan pada RKAP 2013	Setiap tahun dan mulai dilakukan pada RKAP 2013	Setiap minggu atau sebulan sekali dan dimulai pada RKAP 2013	Secara bertahap dan mulai dilakukan pada RKAP 2013	Setiap 6 bulan sekali dan dimulai pada RKAP 2013	Setiap tahun dan dimulai pada RKAP 2013	Hanya sekali dan dilakukan pada RKAP 2013	Hanya sekali dan dilakukan pada RKAP 2013	Sebulan sekali

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VERIFICATION STATEMENT:

The company opted for a document audit. SGS auditors conducted desk study, pre-assessment check, discussions with the RSPO team before the main document audit. During the main document audit, 2 (two) SGS's auditors conducted desk review and discussions with the PT STAL's management to verify and review the relevant NPP documents from 26 – 28 October 2013 without field verification.

PT Sumber Terang Agro Lestari 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) approved by the government as well as incorporating the HCV and SIA assessments findings by consultants accredited and approved by the RSPO.

SGS confirmed that the assessment and plans are comprehensive, professional and compliant of RSPO New Planting Procedure. It is the opinion of the SGS auditors that PT Sumber Terang Agro Lestari has complied with the RSPO New Planting Procedures enforced on January, 1st 2010.

<p>Signed on behalf of SGS Malaysia</p>  <p>Abdul Haye Semail Manager, Natural Resources</p>	<p>Signed on behalf of PT.STAL</p> 
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