

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: November 2014

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.

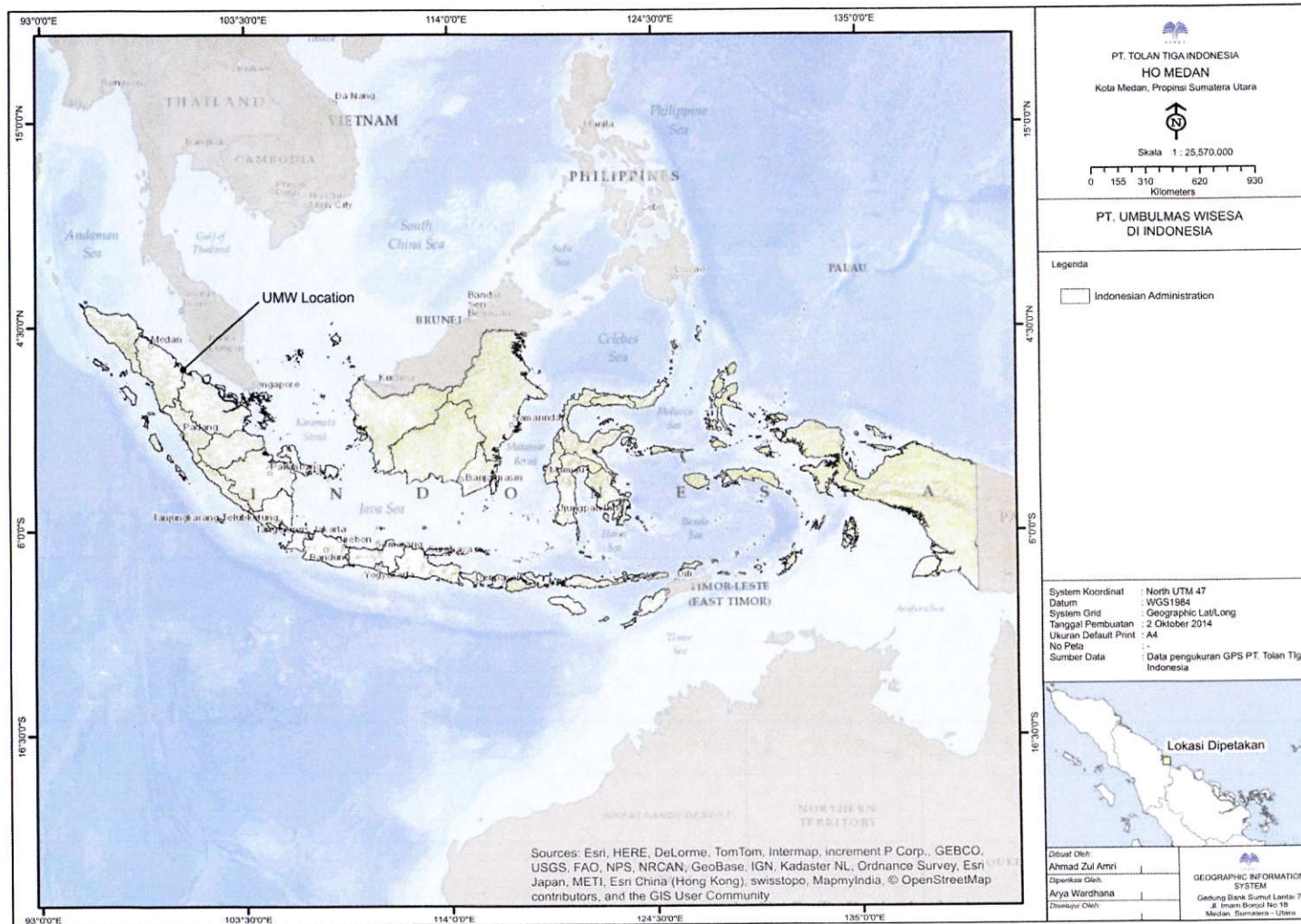
Company	PT. UMBUL MAS WISESA (SIPEF GROUP)
Subsidiary	--
RSPO Membership	1-0021-05-000-00
Location of Proposed new planting	Kecamatan Kampung Rakyat and Panai Tengah, Kabupaten Labuhan Batu Induk and Labuhan Batu Selatan, Sumatera Utara, Indonesia
Coordinates	E 100° 16' 17.205" N 2° 12' 41.276"

PT Umbul Mas Wisesa (UMW) is a company established in Indonesia, as a subsidiary of SIPEF, a member of RSPO, for the development of 8,719 Ha into palm oil estates. The area is located in the Kabupaten Labuhan Batu Induk and Labuhan Batu Selatan, Province of North Sumatra. The land status is "APL" ("other land use", allowed for development) according to the current government land use master plan.

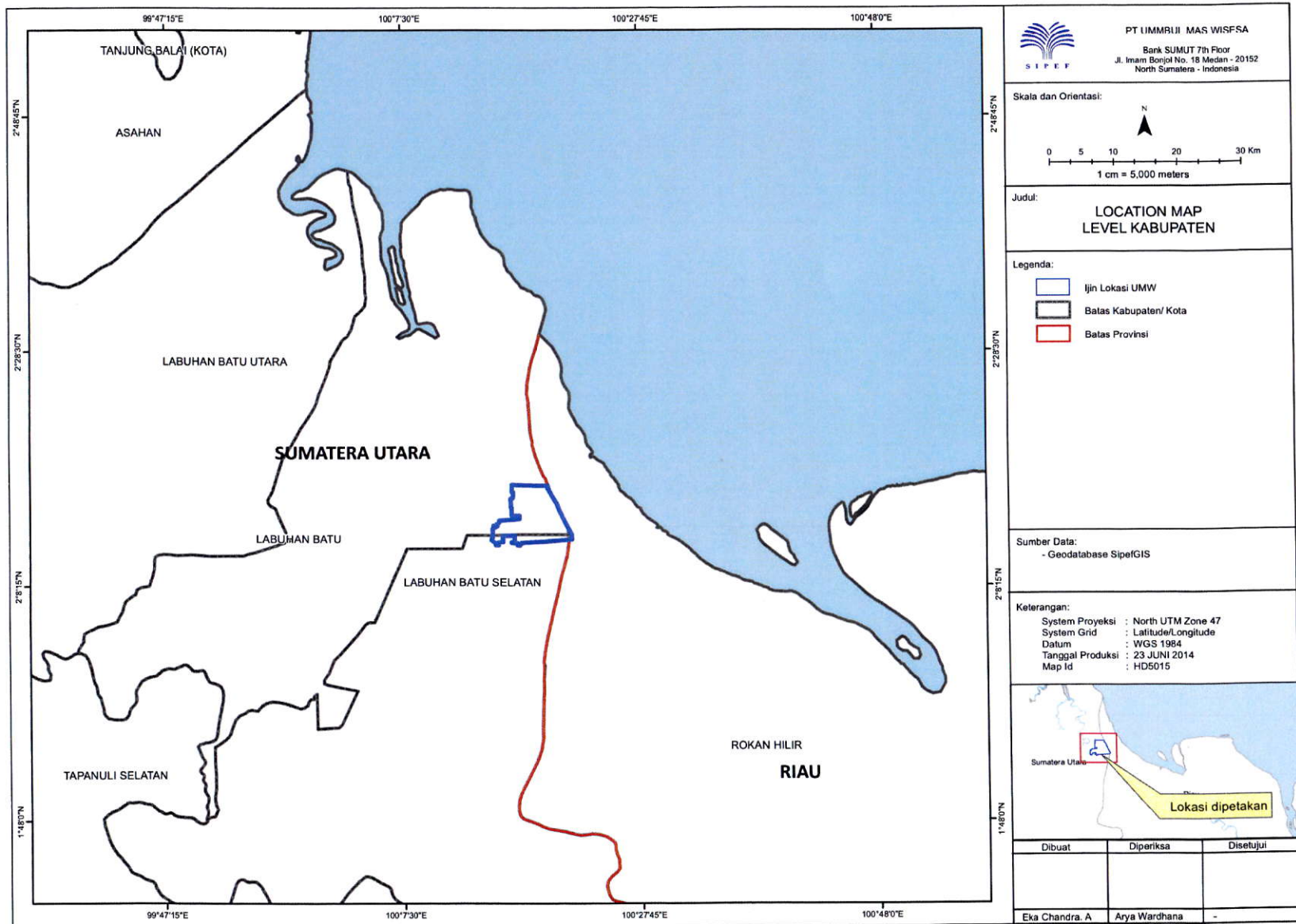
PT UMW was established in 1997, the initial development planting was started in 2005 then the SIPEF group requisite the area in March 2007 and continued the development from the previous party until 2012, so should necessitated an NPP submission, and this submission was overlooked. The HCV assessment was conducted in 2009, so no areas were land-clearing without HCV assessment after 01 January 2010.

As a member of RSPO, PT UMW prepared and submits this "on going" NPP, so as to complete the RSPO certification process of PT UMW.

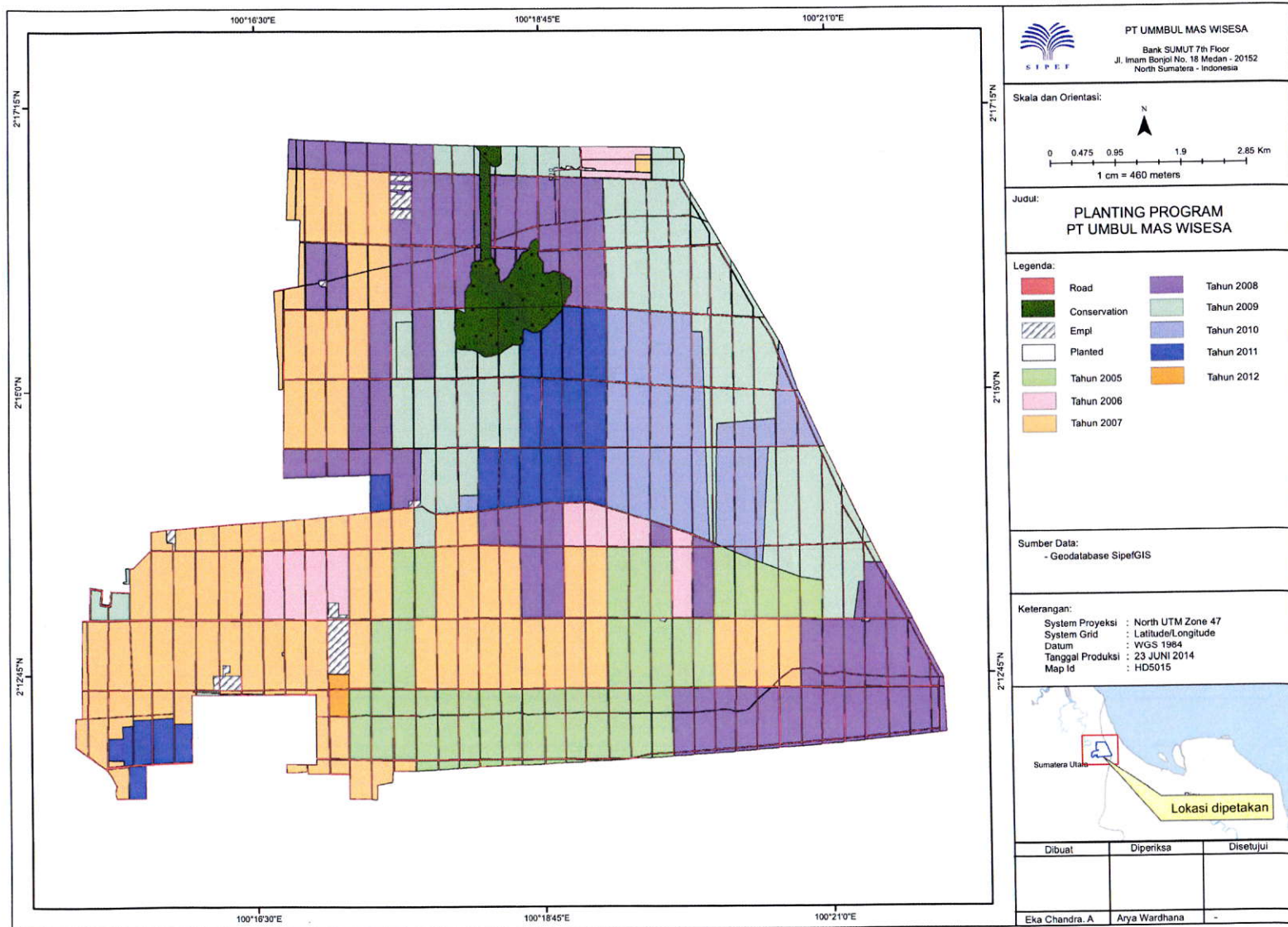
The document of ANDAL (Analysis Impact of Environment) was signed by Governor of North Sumatra on 31st December 2008, which was the first public consultation of PT UMW. Then on 14-17 February 2014, SIA was conducted by Forestry Faculty of IPB.



Map 1. Location of PT UMW in Indonesia



Map 2. Location of PT UMW in Labuhan Batu and Labuhan Batu Selatan District



Map 3. Planting Programme

SUMMARY FROM SOCIAL IMPACT ASSESSMENTS:

A participative SIA has been conducted for the project area of PT Umbul Mas Wisesa, by Forestry Faculty of IPB (Bogor Agriculture University). Data collection was facilitated by the staff of the enterprise and assisted by the village community, the assessment was from 14 until 17 February 2014 with team leader registered on RSPO assessors, Mr. Handian Purwawangsa, S.Hut, M.Si.

The SIA covered a review of documentary sources, field surveys, individual interviews and public consultation meetings for the villages within the project area and for affected land-owners of surrounding communities. Summaries and findings of the interviews and public consultation meetings are included in the SEIA report.

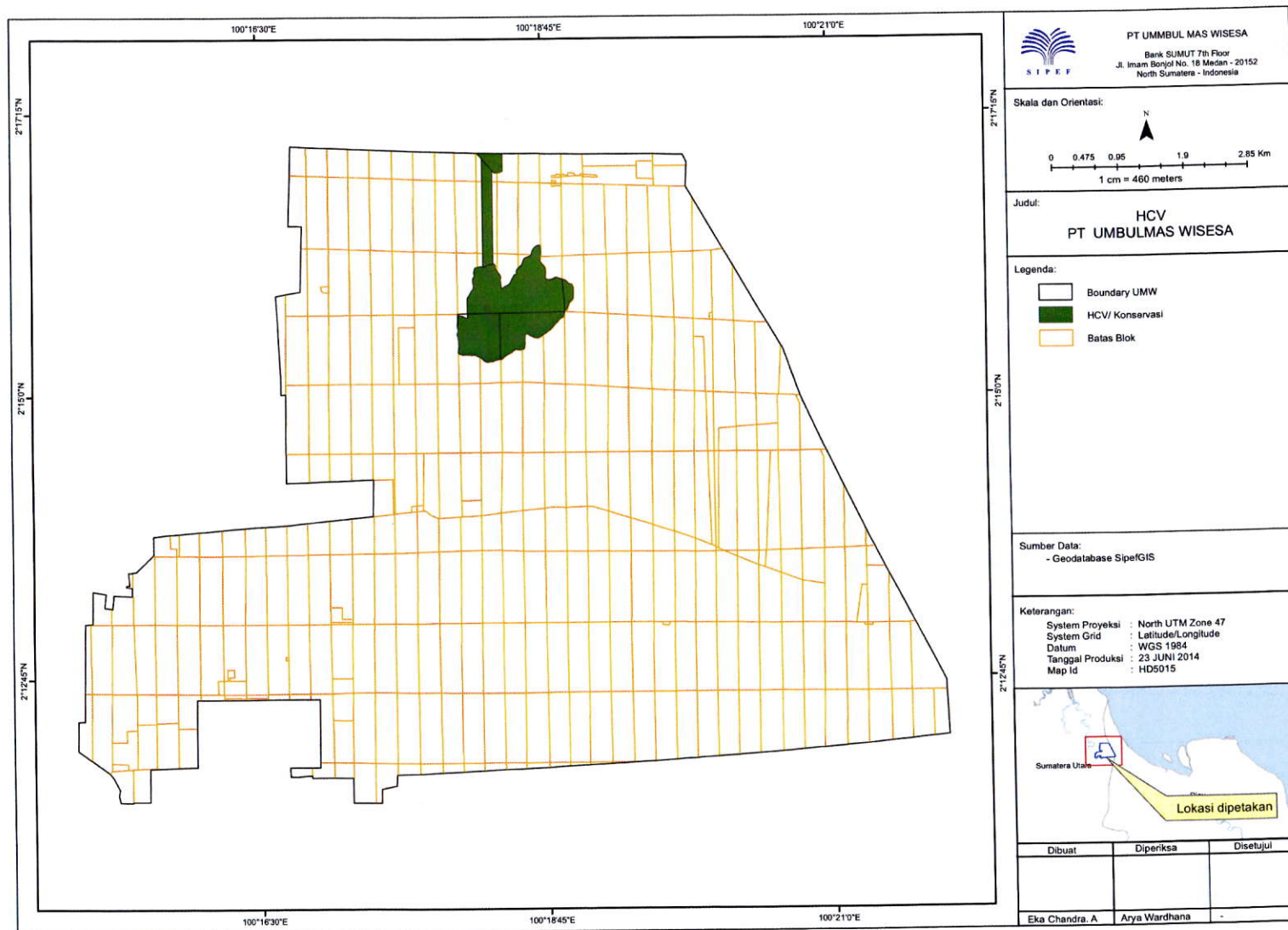
Villages where SIA assessments were conducted are: Sei Siarti and Tanjung Mulia villages which in Panai Tengah district and Kampung Rakyat district. Based on the assessment, there are no indigenous people in the area.

The local populations will expect some positive outcomes from the development of PT Umbul Mas Wisesa in the area. And they are expecting for the maintenance and others improvement. Roads would be a priority outcome for the local population, to improve access to the area, and access to school for the children. Related to this, improved education facilities is a positive result of the presence of the company, with possibility better school buildings, support to the teachers (allowances) and/or scholarships for children in the area. Improvement in the health sector with clinic and ambulance to serve the communities.

The establishment of a plantation, and the numerous job opportunities, mid-size palm oil growers are likely to feel some competition between them and the company to obtain labour. The land acquisition are already done and according to the HGU, completed with documentation.

Related to the plasma program, the company provides continuous clear information to the villagers, including financial aspects (bank loans and repayment model), management (cooperatives) and time schedules for the establishment of the plasma blocks (location, size, land titles). The company supports the establishment of cooperatives for the plasma members, including training in management and administration; ensure that the cooperatives operate in a democratic and transparent manner.

Villagers was very wary of any perceived water pollution or over-usage by the company due to their reliance on the rivers to supply them with water for their daily needs. Considering their needs of water, CSR effort by the company to supply clean water for the villagers. The impact of water filter to supply clean water for the villagers is significantly high.



Map 4. HCV area in PT. UMW

SUMMARY FROM HCV ASSESSMENTS:

The HCV assessment of PT UMW was conducted by YASBI (Yayasan Kelapa Sawit Berkelanjutan Indonesia). HCV assessor team, which involved experts in Biodiversity, Environmental Services, Social and Culture and supported by GIS expert, had conduct field data collection on 10 until 16 November, 2009.

This assessment used the toolkits of HCV Resource Network Indonesia, 2008.

The observation in the field then analyse based on CITES Appendix 1, Red List of IUCN and No. 5 Indonesian law year of 1990, it was found HCV 1 for conservation forest with total area 167 Ha, and potential forest of buffer and main drain with total area 197,53 Ha.

The assessment included satellite imagery analysis, extensive field surveys, and public consultations with the communities living in the project area. The HCV assessment report included recommendations for the management and improvement of the HCV found within the project area.

For HCV 1, it is found 167 Ha (or 1.91%) of the total area PT UMW. HCV 3 is found 187.79 Ha or 2.15% from total of PT UMW. But then HCV 3 is over lap with HCV 1 (Conservation forest = 167 Ha and Corridor = 20.79 Ha). And HCV 4 is 9.74 Ha (or 0.11% from total area), which is over lap with HCV 1 (outlet drain buffer zone and boundary drain = 9.74 Ha).

Based on Citra satellite image in 2007, it is found that almost all covering surface of the area of PT UMW was not a forest anymore, it was already an open landscape and shrubs, even some parts of the area have been planted palm oil plants. The land ownership average is 2 Ha/family, and some even already have certificate ownership documents from BPN (National Land Agency) but only 30% for Tanjung Mulia village and 10% of Sei Siarti. Some villagers only have reference letter from head of village or district, and some do not own any legal document.

Table 1. Summary of HCV findings at PT. Umbul Mas Wisesa

Area	HCV Atribute	Ha
Conservation forest	HCV 1 & Potential HCV 3	167.00
Buffer zone drainage (main and outlet drain)	HCV 4 & Potential HCV 1	9.74
Corridor	HCV 3 & Potential HCV 1	20.79
Total		197.53

SUMMARY OF PLANS:

The Management Plan for PT Umbul Mas Wisesa is based on the best practices that have been applied at other oil palm operations of the Sipef group in Indonesia. The findings and recommendations of the SEI and HCV assessments have been integrated in the management plan.

The management plan is consistent with the current RSPO P&C for New Planting Procedure.

4.a. Summary of Management and Mitigation Plan (HCV)

No	HCV area	Buffer zone/riparian area (m)	Total Area (ha)	HCV Criteria	Management Program					
					Purpose	Objective	Program	Method	PIC	Target
1	Conservation Area	--	167.00	1.1, 3.1	The protection of Biodiversity/Conservation area	To maintain the function of conservation area	HCV Area management and monitoring	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Made a some kind of security ditch to prevent intrusion, surrounding the conservation forest. Field demarcation using permanent poles. Routinely patrol the HCV area, collect data with data sheet monitoring to be reviewed monthly and carry out restoration in case of damage. Put camera-traps, to know about the diversity of wild life inside and know how to maintain it. Also to know human behaviour that can harm them and find ways to deal with it. 	Estate Manager Field Head Assistant	Continuously
					To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> HCV Area Socialization Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. Minimize soil erosion from plantation activities. Maintaining a water source within or adjacent to the HCV in the UP (inundation areas, terracing, cover crops, soil pits / rorak) 	Estate Manager Field Head Assistant	Continuously.
2	Buffer Zone Main Drain and Outlet Drain (Potential	—	9,74		Protection of Biodiversity / Conservation area		HCV Area management and monitoring	<ul style="list-style-type: none"> Maintain the depth and width according to SOP. 	Estate Manager Field Head Assistant	Continuously

	HCV)				To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> •HCV Area Socialization •Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> • Conduct socialization with communities surrounding the company and employees about the presence of potential HCV area. Inform and put signs about what activities are allowed and forbidden at the riparian. • Minimize soil erosion from plantation activities. • Forbid wash and / or throw waste of pesticide into the drain and soil. All the waste and equipment have to be taken back to be cleaned at it place. 	Estate Manager Field Head Assistant	Continu osoussd
3	Corridor (Potential HCV)	--	20,79	1.1, 1.3,	The protection of Biodiversity/Conservation area	To maintain the function of riparian area	HCV Area management and monitoring	<ul style="list-style-type: none"> • Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. • Field demarcation using permanent poles. • Put camera-traps to know the diversity of wild life that pass the corridor and know how to maintain it. Also to know human behaviour that can harm them and find ways to deal with it. • Routinely patrol the HCV area, collect data with data sheet monitoring to be reviewed monthly and carry out restoration in case of damage. 	Estate Manager Field Head Assistant	2014
					To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> •HCV Area Socialization •Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> • Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. 	Estate Manager Field Head Assistant	2014

.b. Summary of Management and Mitigation Plan (SEIA)

No	Description	Management Objective	Action Plan	PIC	Target
1	FPIC	Ensure good awareness of the project by communities within the lisenca area.	<ul style="list-style-type: none"> • Already carried out, with awareness sessions in the villages within the projects, using both formal and informal approaches. Done in transparent and responsible manner. • Already obtained full acquisition of land-use rights (HGU). • Relation with communities is good and maintain continuously. 	Estate Manager Field Head Assistant	Done and continuously
2	Smallholders of palm-oils	Communities to understand the benefits of oil palm in their area.	<ul style="list-style-type: none"> • Provide clear comparison (advantages and disadvantages) between smallholders and company oil palm. 	Estate Manager Field Head Assistant	Done and continuously
3	Land acquisition by the company	Conduct land transactions in a transparent manner, reducing potential future land disputes.	<ul style="list-style-type: none"> • Mapping of land offer for acquisition has been conducted in a participatory manner, using precise mapping tools, and recorded carefully. • Land acquisition negotiations have been conducted in fair and open manner and documented. • Payments for land rights made directly with landowners. 	DFAD GM -RMO CA Manager	Continuously
4	Associated smallholders ("plasma") programme	Ensure good understanding of the "plasma" program and provide communities within the project area opportunity to join the "plasma" program based on their own free will.	<ul style="list-style-type: none"> • Provide clear information related to the plasma program, including financial aspects (bank loans and repayment modes), management (cooperatives) and time schedules for the establishment of the plasma blocks (location, size, land titles). • Support the establishment or the already established of cooperatives for the plasma members, including trading in management and administration, ensure that the cooperatives operate in a democratic and transparent manner. • During the land acquisition process, it was ensure that land owners are given the opportunity to join the plasma scheme of the company, pro rata of the land they own. 	GM –RMO Plasma Manager	Continuously
5	Employment opportunities	Ensure that local communities area given fair access to have opportunities for	<ul style="list-style-type: none"> • Give priority to local people with the right skills. • Ensure that information on job vacancies is well disseminated within the local communities. • Trainings of workers are regularly held. 	HRAD	As needed

		working in the project..	<ul style="list-style-type: none"> • Improve quality and quantity of workers' facilities. 		
6	CD/CSR Programme	Provide social benefits to the communities in the project area.	<ul style="list-style-type: none"> • Prepare programs that beneficial to local communities and correlated with their needs. Company has built a school and plan to increase its capacity as local population arose. • Improve road conditions in the area, as both local community and government identify the road as a priority. 	GM- RMO Estate Manager	Continuously
7	Air Pollution	Minimized the negative impact and maintain the quality in the range of standard/regulation	<ul style="list-style-type: none"> • Training the drivers for all vehicles of the project, to reduce the air dust. • All vehicles must pass the emissions gas test. 	Estate Manager Field Head Assistant	Continuously
8	Sound Pollution	Minimized the negative impact and maintain the quality in the range of standard/regulation	<ul style="list-style-type: none"> • Regular hearing test is carried out. • Processing facility has been built far from villages and emplacement. 	Estate Manager Field Head Assistant	Continuously
9	Surface Water	Maintain the water around the area of project from the negative impact of mill's waste and keep the water surface base on government standard (PP No. 82/2001)	<ul style="list-style-type: none"> • "Grey water" is tested before release in all emplacement. • Regularly conduct analyses (monthly basis) by the registered and certified laboratory. 	Estate Manager Field Head Assistant	Continuously
10	Liquid Waste	There is no pollution to the rivers from the waste, as it's already processed and according to the waste standard.	<ul style="list-style-type: none"> • Mill is equipped with latest effluent treatment system to achieve minimal negative impact of disposal. • Regularly conduct analyses (monthly basis) by the registered and certified laboratory. 	Estate Manager Field Head Assistant	Continuously

Summary of Development plant

PT. UMW Gross Block Area (\pm Ha)	Planting Area (Ha)	Left out of Planting (\pm Ha)				
		HCV Area	Emplacement	Mill	Roads / Drains/others	Total
7,763.35	7,038.27	197.53	58	5.4	464.15	725.08

Time Plan for Planting

Cultivation of palm oil in net area (\pm Ha)	Planted before 2010	Planted after 1 st January 2010			
		2010	2011	2012	Total
\pm 7,038.27	6,215.21	496.74	309.32	17.00	823.06

VERIFICATION STATEMENT:

PT. Umbul Mas Wisesa in has opted for RSPO NPP desktop audit against relevant documents, BSI's auditor (Haeruddin) conducted desk review the relevant New Planting Procedure documents from 29th September 2014. Subsequently, PT. Umbul Mas Wisesa prepared and submitted the correction of documents by email for verification purposes until finalized verification report in PT. Umbul Mas Wisesa's office, Medan on 6th - 8th October 2014 and BSI auditor conducted re-verification documents in PT. Umbul Mas Wisesa's office, Medan on 10th November 2014. Based on review of new planting plan, it was noted that this part of an on-going planting and is meant for notification only.

The auditor conclude that the social and environmental assessment were comprehensive, detailed and professionally carried out. The management plan has incorporated the findings from Social and Environmental Impact Assessment conducted by government-approved consultants, Social Impact Assessment by Forestry Faculty – IPB (Bogor Agriculture University) and High Conservation Value by YASBI who are assessor approved by RSPO.

Based on RSPO announcement related New Planting Procedure where NPP report submission after 1st August 2014 shall include the requirement of criterion 7.8 of the RSPO P & C 2013. Land use changes, identified and estimated of carbon stock and minimize net GHG emission plan will be submitted to the "Emission Reduction Working Group – ERWG" before end 2014.

It is the opinion of BSI auditor through desk review that PT. Umbul Mas Wisesa has complied with the RSPO New Planting Procedures comes into effect 1st January 2010.

Signed for on Behalf of
BSI Group



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Mr. Haeruddin
Lead Assessor
Date: 10th November 2014

Signed for on Behalf of
PT. Umbul Mas Wisesa



Adam Christian Quentin James
President Director
Date: 10th November 2014