

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: 26 August 2013

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 : **GOLDEN AGRI RESOURCES Ltd.**
SUBSIDIARY (If any) : **PT CAHAYA NUSA GEMILANG**
RSPO Membership Number : **1-0096-11-000-00**
Dated 21 March 2013

LOCATION OF PROPOSED NEW PLANTING

- Company Name : PT Cahaya Nusa Gemilang
- Location : Rangkung Village, Randai Village and Batu Payung Dua Village, Sub District of Marau, District of Ketapang, Province of West Kalimantan.
- Geographical Location : 2° 4' 31,546" S - 2° 10' 47,611" South
110° 29' 49,007" E - 110° 33' 44,729" East
- Surrounding Entities
 - a. North : Conservation Forest and Production Forest
 - b. East : Permit area of PT Kencana Graha Permai
 - c. West : Pimping River and Production Forest area
 - d. South : Kendawangan River
- New Planting Area (planted) : **476,02 Ha**
- New Planting Area (remaining) : **302,91 Ha**
- Permit :
 - a. Location Permit :
Decree of Head of Ketapang District No. 384 of 2004 dated 21 December 2004 granting Location Permit for Oil Palm Development by PT Cahaya Nusa Gemilang for 35,000 ha.
 - b. Location Permit Extension:
 - Decree of Head of Ketapang District No. 432 of 2007 dated 12 December 2007 on Extension and Revision of Location Permit for Oil Palm Development by PT Cahaya Nusa Gemilang for ± 9,000 ha.
 - Decree of Head of Ketapang District No. 38 of 2009 on Extension and Revision of Location Permit for Oil Palm Development by PT Cahaya Nusa Gemilang for

- ± 3.444,17 ha.

c. Land Use Permit application process :

- PT Cahaya Nusa Gemilang had conducted the processing of Land Tenure document (LUP) and had been examined by the Land Committee "B" with the publication of the Land Inspection Committee "B" Treatise Document No.11/HGU-HTPT/BPN/2010 dated 5 October 2010 covering 2,906.81 ha..
- Furthermore, the last process of HGU application submitted by the National Land Agency Regional Office of West Kalimantan to the National Land Agency in Jakarta through letter No. 75/9.61/I/2013 about petition regarding Land Use Permits on behalf of PT Cahaya Nusa Gemilang on a land area of 2,906.81 ha located in Ketapang District, West Kalimantan Province.
- The whole area which the HGU would cover is classified as Other Uses (APL). The Company is awaiting a reply from the National Land Agency.

d. Cultivation Plantation Business Permit/IUP-B :

PT Cahaya Nusa Gemilang has obtained an oil palm plantation business permit (IUP-B) 3,312 Ha in accordance with Head of Ketapang District Decree No. 230/DISBUN-D/2012 dated 7 May 2012.

- Location Map : Figure 1, Figure 2, and Figure 3

Figure 1. Location of PT Cahaya Nusa Gemilang in District of Ketapang

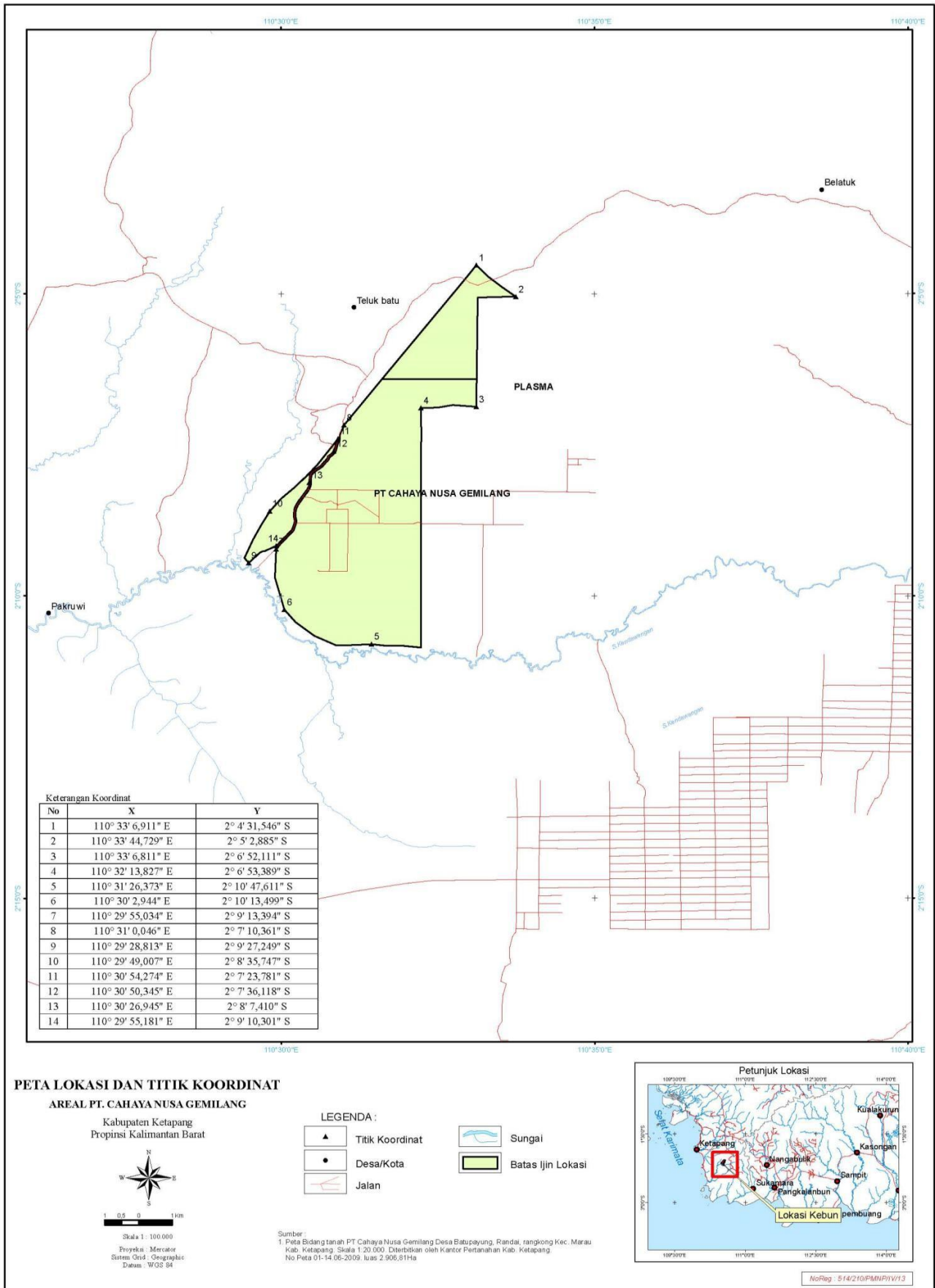
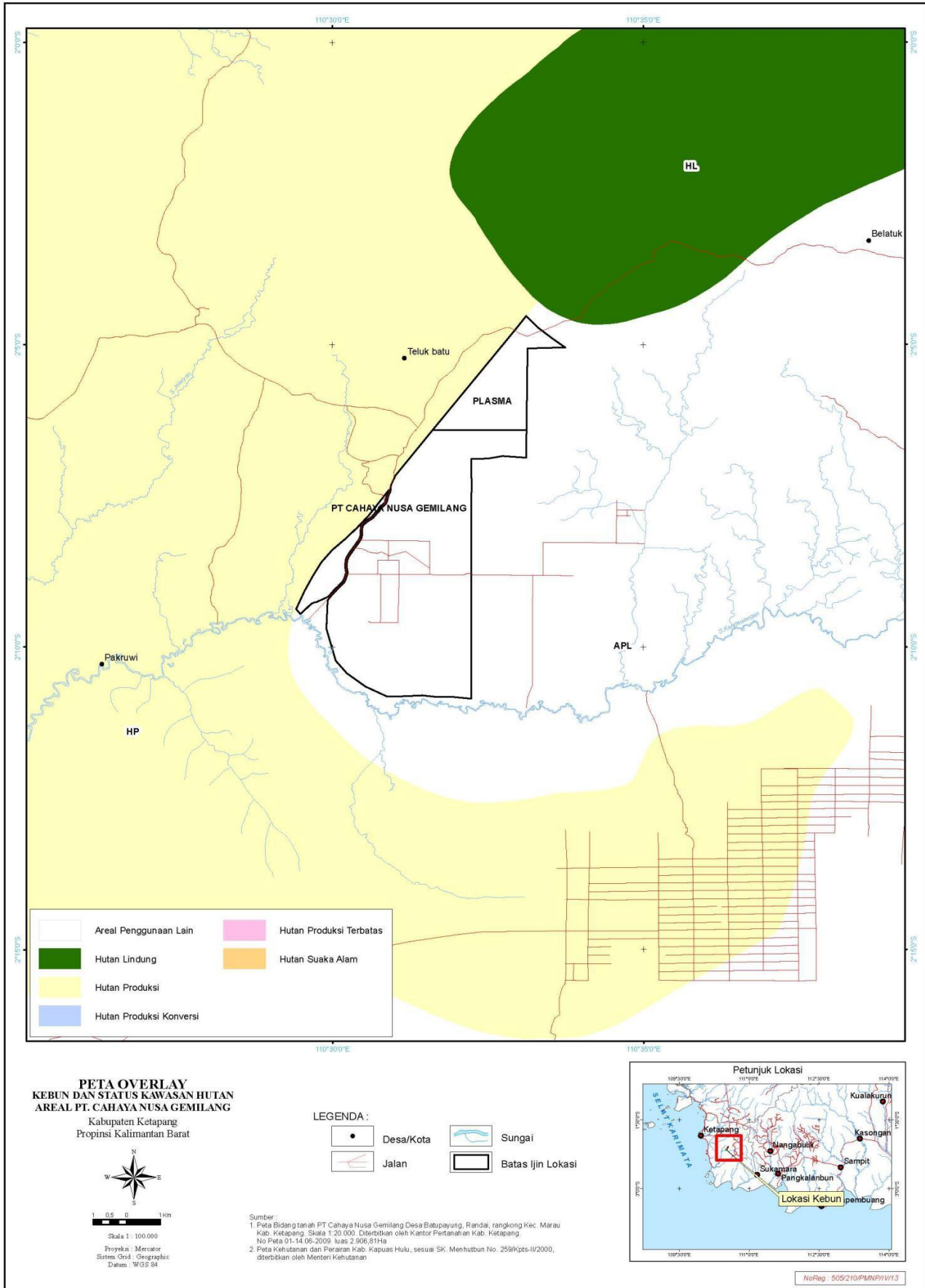


Figure 2. Overlay Map of Plantation and Status of PT Cahaya Nusa Gemilang Forest Area in District of Ketapang



SUMMARY FROM SEI ASSESSMENT

PT Cahaya Nusa Gemilang has done an Environmental Impact Assessment (EIA) in line with the Minister of Environment Regulation No.11 of 2006, which is required for cultivation of a plantation area exceeding 3,000 ha. The EIA was approved by the Governor of West Kalimantan through Governor's Decree No. 265/BLHD/2010 dated 24 May 2010 on the Environmental Feasibility of Palm Oil Plantation Activities (Total Area: 3,374.17 ± ha) of PT Cahaya Nusa Gemilang in Sub-District of Marau, District of Ketapang, West Kalimantan Province, as well as the EIA Audit Commission of West Kalimantan Province.

The SEIA (Social Environmental Impact Assessment) was reviewed by consultant Intergraha Citrapersada in 2010.

The following methods were used to collect data for the EIA:

- a. Secondary data collection through literature review
- b. Data collection through observation and field orientation
- c. Data collection through observation
- d. Data collection through laboratory analysis
- e. Data and information collection through public hearing and focus group discussion

A Social Impact Assessment (SIA) of PT Cahaya Nusa Gemilang was also conducted by an internal team from PT SMART, consisting of team members competent in their respective fields including one RSPO-approved assessor. Data was collected indirectly by reviewing available literature including the EIA documents, HCV identification study and official data from relevant websites.

Primary data collection was done by studying literature containing collected information that represented necessary data. Secondary data that was collected other than through documents and literature consisted of the implementation of the Company's Corporate Social Responsibility (CSR) programme and local maps.

Results from the SIA of PT Cahaya Nusa Gemilang are as follows:

No.	Social Impact	Social Issues
1.	Increase in Community Income	The community receives more income compared with before the company's infrastructure development.
		The company uses particular contractors regularly.

No.	Social Impact	Social Issues
		<p data-bbox="699 203 1453 277">Emergence of stalls and kiosks selling daily essentials as a result of increasing economic activity in the community.</p> <p data-bbox="699 288 1430 362">A plasma program me has been implemented through partnership between the company and the community.</p>
2.	Social Anxiety	<p data-bbox="699 423 1461 497">Local labour quotas need to be considered and adapted to the needs of the company's recruitment needs.</p> <p data-bbox="699 508 1430 627">Community lacks clarity on the Company's investment and management plan. This can be minimised by immediate proactive efforts.</p> <p data-bbox="699 638 1386 757">Land acquisition activities may trigger conflict because of disagreement over the land acquisition price.</p> <p data-bbox="699 768 1334 804">Management and monitoring of water quality.</p>
3.	Community Health Disorders	<p data-bbox="699 848 1453 1003">Residual waste from the Company 's operations is responsibly reused; waste classified as B3 is managed properly and in collaboration with third parties.</p> <p data-bbox="699 1014 1445 1133">Adverse environmental sanitation in the community is due to degradation of environmental quality after land clearing.</p> <p data-bbox="699 1144 1453 1299">Delivery of FFB to the factory often creates dust and pollution that can cause upper respiratory tract diseases. The Company makes an effort to reduce such pollution.</p>

SUMMARY OF HCV ASSESSMENT

A High Conservation Value (HCV) assessment was done for PT Cahaya Nusa Gemilang, covering 4,692.46 ha. The study was conducted by the Faculty of Forestry, Bogor Agricultural Institute, from June to September 2010, with the field assesment from 11 to 16 June 2010. The team consisted of seven experts, of whom three had been registered as RSPO HCV Assessors.

A public consultation was conducted on 16 June 2010 in the hall of Marau Sub-District, Ketapang District, West Kalimantan Province. It was attended by 26 participants including representatives of the sub-district, village heads and staff, community leaders, traditional leaders, youth leaders and the plantation manager. The HCV assessment was peer reviewed by independent consultant Resit Sozer in April 2011.

The HCV identification method followed the “Identification Guide for High Conservation Value area in Indonesia” (2008) as well as assessment of aspects such as Wild Animals, Plants, Socio-cultural, Analysis and Mapping. Analysis of the existence of HCV was done for every HCV attribute from HCV 1 to HCV 6.

The following HCV areas were identified at PT Cahaya Nusa Gemilang:

No.	HCV Attributes	Width of HCVA (Ha)	Annotation
1.	HCV 1. Area Having Important Biodiversity Level		
	Area having or giving supported function to biological diversity for protected forest area and/or conservation area.	181,91	HCV 1.1 area covering watershed of rivers, springs and reservoir.
	Endangered species	75,19	Species of <i>Shorea belangeran</i> (Red Balau) that exists at the demarcation of Puayan river
	Area as habitat for population of threatened species, limited distribution or protected species which are able to survive (Viable Population)	232,50	HCV 1.3 area covering demarcation of rivers, demarcation of lake/reservoir, demarcation and demarcation of agro-forest/ <i>Tembawang</i> .
2.	HCV 2. Area of Landscape which is Essentials for Natural Ecological Dynamic		
	2.3. Area containing population of natural species representative.	232,50	In the form of habitat for high-level predators (such as Grey-headed-fish Eagle/ <i>Icthyophaga icthyaetus</i> , Red-backed Sea-Eagle/ <i>Haliastur indus</i> , Black Eagle/ <i>Ictinaetus malayensis</i>) which exist at the watershed of rivers, lake/reservoirs, springs and <i>Tembawang</i> agro-forest.
5.	HCV 4. Area Providing Natural Environmental Services		

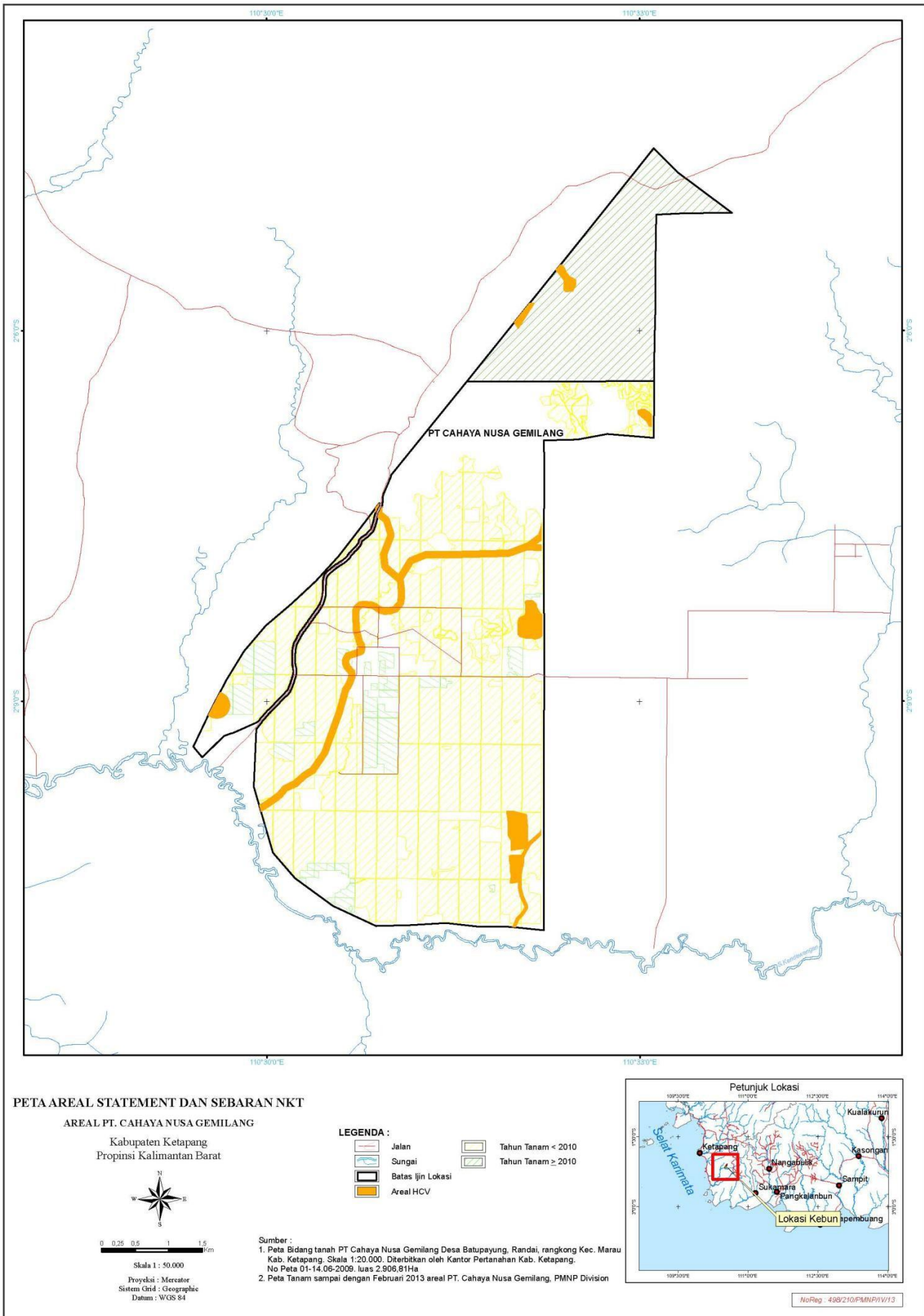
No.	HCV Attributes	Width of HCVA (Ha)	Annotation
	4.1. Area or ecosystem which is essential as water supply and flood control for community at the downstream.	232,50	HCV 4.1 area covering demarcation of river, demarcation of lake/reservoir, demarcation of water spring and Tembawang agro-forest.
6.	HCV 5. Area Having Essentials Function in Fulfilling Local Community Basic Needs		
		11,65	Utilization of Sadukan River to fulfill water needs for community in Batu Payung Dua Village
7.	HCV 6. Area having Essentials Function in Maintaining the Cultural Identity of Local Communities		
		51,10	In the form of Tembawang (agro-forest area which is considered sacred by the community and is still used for traditional ceremony), sacred places and cemeteries.
Total Width of HCVA		233,01	

Identification reveals species of flora and fauna which are protected, rare and endangered, as many as 24 species (four species of flora, eight species of mammals, 10 species of birds and two species of reptiles), as follows;

No.	Common Name	Scientific Name	Status of Scarcity		
			PP No 7 Th 1999	CITES	IUCN
A.	Plant				
1.	Aloewood	<i>Aquilaria malaccensis</i>			VU
2.	Red Durian	<i>Durio kutejensis</i>			VU
3.	Borneo Ironwood	<i>Eusideroxylon zwageri</i>			VU
4.	Red Balau	<i>Shorea balangeran</i>			CR
B.	Animals				
Mammals					
1	Agile Gibbon	<i>Hylobates agilis</i>	√	App I	EN
2	Porcupine	<i>Hystrix brachyura</i>	√		LC
3	Barking Deer	<i>Muntiacus muntjak</i>	√		LC
4	Sambar Deer	<i>Cervus unicolor</i>	√		VU
5	Mouse-deer	<i>Tragulus javanicus</i>	√		LC
6	Greater Mouse-deer	<i>Tragulus napu</i>	√		LC
7	Asian Palm Civet	<i>Paradoxurus hermaphroditus</i>		App III	LC
8	Borneo Bearded Pig	<i>Sus barbatus</i>			VU
Aves					
1	Blue-eared Kingfisher	<i>Alcedo meninting</i>	√		
2	Black Hornbill	<i>Anthracoceros malayanus</i>	√	App II	LR/n

3	Common hill Mynah	<i>Gracula religiosa</i>		App II	
4	Blue-crowned hanging Parrot	<i>Loriculus galgulus</i>		App II	
5	Straw-headed Bulbul	<i>Pycnonotus zeylanicus</i>		App II	VU
6	Brown-throated Sunbird	<i>Anthreptes malacensis</i>	√		
7	Great Argus	<i>Argusianus argus</i>	√	App II	
8	Red-backed Sea-Eagle	<i>Haliastur indus</i>	√	App II	
9	Grey-headed Fish-Eagle	<i>Ichthyophaga ichthyaetus</i>	√	App II	LR/n
10	Black Eagle	<i>Ictinaetus malayensis</i>	√	App II	
Reptiles					
1	Earless Monitor Lizard	<i>Varanus borneensis</i>	√	App II	
2	Common Monitor Lizard	<i>Varanus salvator</i>	√	App II	

Figure 3. Identification of HCV Area and Project Plan of PT Cahaya Nusa Gemilang



DOCUMENTATION OF FREE, PRIOR AND INFORMED CONSENT

The RSPO requires the free, prior and informed consent (FPIC) of the local community that influences the development of a concession area or area that has been opened or will be opened.

Documentation showing that PT Cahaya Nusa Gemilang has adhered to FPIC principles is as follows:

1. The Company has shown proof of FPIC for the development of PT Cahaya Nusa Gemilang plantation such as:
 - a. The socialisation of the Oil Palm Plantation Development Partnership was held on 6 September 2005, facilitated by the Regent of Ketapang through a team formed by Ketapang District Secretary (Department of Plantation, Bapeda, Forest Service, Department of Industry, BPN, Cooperation Body, Head of District and Security Officer) at SDN Louth, Kendawangan Sub-District, Ketapang District, West Kalimantan Province. The meeting was attended by 100 participants as follows:
 - Pangkal Pinang Village: 28 participants
 - Air Merah Village: 12 participants
 - Dungun Village: 12 participants
 - Pelaik Village: 12 participants
 - Teluk Bayur Village: 12 participants
 - Pangkalan Batu Village: 12 participants
 - Kelampai Village: 12 participants
 - b. Agreements obtained during the meeting:
 - Implementation of partnership plantation development programme on behalf of community cooperative and the company.
 - The Company acts as a guarantor for bank loans to cooperatives in developing plantations after obtaining the authority of the cooperative.
 - The core company will undertake technical work ranging from land preparation to harvesting.
 - Compensation is paid for land that is used by the core company with reference to Ketapang Regent Decree No. 140 of 2002.
 - Agricultural land handed down by the ancestors which is recognised traditionally by the community is eligible for compensation of an amount determined by deliberation.
 - The Company observed other kinds of businesses which became the villagers' livelihood in addition to oil palm plantations.
 - The Company recruited labour, prioritising local employment in accordance with its requirements.
 - In the process of the plantation development, the Company utilised materials that could be supplied by the community as far as possible.
 - Before carrying out operations, the company engaged the community to identify the existence of customary rights, cemeteries, sacred places, productive fields or crops to be considered in an enclave (excluded from nuclei plant development plans).
 - Residents of the community, through community representative, are able to accept the Presence of PT Cahaya Nusa Gemilang.

2. Document of Land Investigation Committee “B” Treatise No. 11/HGU-HTPT/BPN/2010 dated 5 October 2010 stated that;

- a. Land held by the company covering an area of 3,444 ha with 1,349.27 ha in the form of stated land under the community’s control for which compensation of Rp 677,171,500 was payable and 2,094.73 ha of state land that did not require compensation. More details are in the table below;

No.	Village	Compensation		No Compensation (ha)	Total area (ha)	Annotation
		Area (ha)	Compensation Value (Rp)			
1	Randai	1,202.08	588,368,000	1,401.92	2,604	Supported by Head of Randai Village Reference No. 141/Ket/132/2009 dated 21 January 2010
2	Rangkong	144.76	87,588,500	155.24	300	Supported by Head of Rangkong Village Reference No. 140/Ket/46/2009/DS.R/P EM dated 21 January 2009
3	Batu Payung	2.43	1,215,000	537.57	540	Supported by Head of Batu Payung Village Reference No. 140/Ket/169/2009/PEM dated 21 January 2009
Total		1,349.27	677,171,500	2,094.73	3,444	

- b. Based on Reviews on Forest Area Technical Function (Kepmenhut No. 259/Kpts-II/2000) it is stated that area requested by PT Cahaya Nusa Gemilang of 2,906.81 ha was on Area of Other Uses in accordance with the Map of West Kalimantan Forests Appointment (Ministry of Forestry Decree No. 259/Kpts.II/2000) or Dry Land Cultivation Agriculture Zone in accordance with RTRWP of West Kalimantan was not overlapped with Area of Sungai Tengar –Sungai Pesaguhan Production Forest, Gunung Raya Protected Forest as well as transmigration area.
- c. To date the Company has been proceeding with the compensation process in areas that have not been acquired, such as the compensation claim by Mr. Munyar for 2.73 ha located in Batu Payung Dua village which was submitted to the Company in accordance with Submission Statement No. 145/BA/CMPE/I/2012 dated 14 January 2012. The document was supported by a Letter of Land Ownership, Certificate of Cultivation Location, Map of Measurement and receipts of compensation payable of Rp 6,825,000,000.

3. Based on the verification of the documents, the Company has conducted the FPIC process with the participation of relevant parties and with processes agreed with the community.

SUMMARY OF PLAN

The Company has established an Environmental Management Plan document (RKL) and Environmental Monitoring Plan document (RPL) as part of the EIA documents in accordance with Governor's Decree No. 265/BLHD/2010 dated 24 May 2010.

The company has also compiled an HCV Area Management and Monitoring Plan that was constituted by the same team which compiled the HCV identification. The plan outlines management and monitoring of HCV areas comprising the following activities:

- a. Management of HCV area
 1. Inventory and identification of land cover conditions
 2. Designation of area boundary
 3. Maintenance of boundary markers
 4. Protection for the area, flora and fauna
 5. Rehabilitation and enrichment of species
 6. Counselling of the community
 7. Employee training
 8. Preparation / improvement to the relevant standard operating procedures
 9. Coordination with relevant institutions

- b. Monitoring of HCV Area
 1. Intensity of land disturbance including fire hazards
 2. Diversity and density of flora species including protected and endangered species
 3. Diversity and abundance of fauna species including protected and endangered species
 4. Progress in implementing the activities and the survival percentage of the closure of the rehabilitation activities
 5. Changes in river width
 6. Water quality of rivers, lakes, and springs
 7. Aquatic biota of rivers and lakes

The Company has established management and monitoring plans for the social impact described in the SIA.

These three documents guide PT Cahaya Nusa Gemilang in managing environmental and social impacts in accordance with the principles of the RSPO Principles & Criteria for New Plantings.

VERIFICATION STATEMENT

PT Cahaya Nusa Gemilang opted for a document audit. Three auditors from Mutuagung Lestari reviewed and audited the relevant documents. The audit was conducted at the head office of Sinarmas in Jakarta on 16 April 2013. In addition, interviews were done during the audit, with representatives of the management of PT Cahaya Nusa Gemilang, namely the Head of the Sustainability Division, Conservation and Biodiversity, Certification Officer, Legal and Monitoring section.

The SEIA (AMDAL) was conducted by the government-accredited consultant whereas the SIA and HCV assessments were conducted by RSPO-approved assessors. Therefore PT Cahaya Nusa Gemilang has adhered to the RSPO New Planting Procedure. Documentation of the assessments and plans is comprehensive and was professionally carried out in accordance with RSPO requirements and the RSPO Principles and Criteria for New Planting. This is part of an ongoing planting, and this report is meant for notification only.

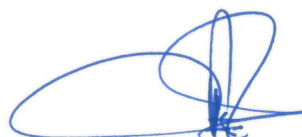
Signed on behalf of

MUTUAGUNG LESTARI



Taufik Margani
Lead Auditor
13 May 2013

PT CAHAYANUSA GEMILANG



Dr Haskarlianus Pasang
Division Head of Sustainability
13 May 2013