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**RSPO NOTIFICATION OF PROPOSED
NEW PLANTING**

Document and Field Verification	:	March 22 – 24, 2017
Document Verification	:	March 22, 2017
1st Satellite Imagery Reassurance	:	June 14, 2017
2nd Reassurance Verification Satellite Imagery	:	August 24, 2017
Name of Grower	:	Siat Group
Name of Subsidiary	:	Presco PLC
RSPO Membership No.	:	1-0005-04-000-00
Date of Joining RSPO	:	August 2, 2004

RSPO New Planting Procedure Assessment Report PRESCO Plc – Sakponba Estate Orhionwon Local Government Area (LGA) State of Edo, Nigeria	 TÜVRheinland® Precisely Right.
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NPP Notification Statement (Including Verification Statement by CB)

1.	Date of Notification	March 22 – 24, 2017
2.	Name of Grower	SIAT GROUP
3.	Name of Subsidiary (if any)	Presco Plc Nigeria
4.	RSPO Membership No.	1-0005-04-000-00
5.	Legal land entity	Certificate of Occupancy No.EDSR17448, this certify that PRESCO Plc about land 14,436.823 hectares for Agriculture purpose only. Issued on June 11, 2013 by Governor of Edo State of Nigeria.
6.	Location of proposed new planting:	Orhionmwon Local Government Area (LGA) of Edo State – Nigeria
	i. Grower Address	Oberatin, km 22, Benin – Sapele Road, Edo State, Nigeria
	ii. Size total (ha)	14,436.823
	iii. Size proposed for NPP (ha)	14,436.823
	iv. Contact person	Florent Robert
	v. Phone/Fax	+233 24 320 0233
	vi. E-mail address	florent.robert@siat-group.com
	vii. Geographical location	
	North	Degraded Urhonigbe Forest Reserve
	East	Ehinmwinn Stream
	South	Ethiope River
	West	Ethiope River
	viii. Spatial Reference	Latitude 5°47'49.4" N; Longitude 5°57'47.73" E
	ix. Hydrology	Ethiope River
	x. Boundary map	Complete explanation of boundry map is presented in the SEIA and HCV summary and management document. Boundary map presented in Figure 1.
	xi. Area and time plan for new planting	During on site visi, areal condition is not opened by company. Mpre explanation presented in summary and management document. Time plan for new planting per year presented in Figure 2.
7.	Current condition	Current condition to ensure there is no any activity in propose area for NPP carried out on August 24, 2017 by satelite imagery on google earth, presented in Figure 4.
8.	Statement of Acceptance of Responsibility for NPP	The management of the SIAT Group (member of the RSPO since 2004) and its subsidiary Presco 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	Presco Plc Nigeria
	Name of Person Responsible	Florent Robert
	Position	Sustainability Group Manager
	Signed	
	Date	August 24, 2017
10.	Verification Statement by Certification Body (CB)	
	<p>The NPP verification of Presco Plc (Sakponba Estate) was conducted through document and on site visit verification. TUV Rheinland Indonesia auditor conducted preliminary document review during March 22, 2017. This was followed up with on site visit verification to the proposed new planting site at Sakponba estate on March 23 – 24, 2017. The information on the proposed new planting has been communicated transparently to the surrounding community who might be affected by the proposed new planting. At the time of field verification, clearing and preparation for planting had not commenced (concession area still not opened by company). It was further verified by satellite imagery on June 14, 2017 (google earth tools) that no activities has been conducted by the company. Then, current condition to ensure there is no activity conducted on August 24, 2017 by imagery satellite. Based on that imagery satellite the proposed area not opened yet by company.</p>	

Presco Plc is a subsidiary of SIAT GROUP, and has been a RSPO member since August 2, 2004. All developments had completed the RSPO New Planting Procedure (NPP).

Presco Plc – Sakponba estate located in in Orhiomwon Local Government Area (LGA), Edo State, Nigeria, a subsidiary of Siat Group is developing approximately ± 14,438.832 ha of oil palm plantation and rubber plantation based on:

- a. Bendel State of Nigeria; State Lands Law (Cap.156) Application for Customary Rights of Occupancy, located in Orhiomwon (Local Government), Customary Rights Occupancy No. 17/1990 local government Orhiomwon (Land for Communal Purpose Only), this certifies that OMO’N OBA N’ EDO UKU AKPOLOKPOLO, OBA EREDIAUWA, OBA of BENIN have customary rights on about land 14,438.823 hectares. This letter issued on September 14, 1990.
- b. THIS DEED of ASSIGNMENT between HIS ROYAL MAJESTY OMO’N OBA N’ EDO UKU AKPOLOKPOLO, OBA EREDIAUWA, CFR (Assignor) and PRESCO PLC (assignee) dated on December 19, 2011. This agreement explained that Assignor (HIS ROLAY MAJESTY) release the customary rights about 14,438.823 hectares to Assignee (PRESCO PLC) through the compensation process.
- c. Certificate of Occupancy No.EDSR17448, this certifies that PRESCO PLC has right on about land 14,438.823 hectares, whereas this land for Agriculture purpose only. This certificate issued on June 11, 2013 by Governor of Edo State of Nigeria.

The HCV assessment was conducted on October 2015 until December 2016, whereas the field work commenced on October 19 until December 13, 2016, with size of assessment areas about 14,438.832 ha located at Orhiomwon Local Government Area, State of Edo, Nigeria. This HCV assessment conducted by Proforest Assessors registered under the HCV Resource Network Assessor Licensing Scheme No.ALS15006AB on behalf Mr. Abraham Baffoe. The HCV assessment with ALS tier 1 was peer reviewed by HCVRN approved reviewer in February 2017 as an additional means quality assurance with status is "**Satisfactory 2**". Complete review result please follow this link <https://www.hcvnetwork.org/als/public-summaries>.

While the EIA assessment was conducted with same consultant and finalized on March 2017. The EIA study was carried out after due consultation with the Federal Ministry of Environment (FMEEnv), and in accordance with Ministry’s procedural Guidelines, and Term of Reference (TOR) and scope of work approved by the Ministry. During the field and document check, Presco Plc Sakponba Estate has being in the process to obtain EIA approval but due to government bureaucracy the approval process is yet to be obtained.

The SIA assessment also carried out by Foremost Development Services Limited, started at December 14 – 16, 2016. There were some stakeholder 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 Presco Plc; Local Community Member representatives; and Local Formal Head of Village Institutions (covered 7 village such as Ekiqbe; Iwevbo; Obagie; Obanakhoro; Orogho; Owuo; and Ugbigun).

Based on consultation with affected stakeholders during on site visit, found several issues raised by stakeholders and it is 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
Iwevbo,	During discussions with the community members it was realized that some people in the community had earlier on objected to the project but as at the time of the audit there was understanding and wanted the project to start. They confessed being contacted by Presco Representatives seeking their Free Prior and Informed Consent on the project. The community members had given Presco their Free Prior and Informed Consent for the development of the project. They were also happy that they are going to be offered employment by Presco. They also knew the negative effects of the project on the community. They mention some of them as land scarcity or loss of farm lands and food insecurity. Some of the members of community also expressed concern about the crop enumeration and that they were not satisfied with the amount given as compensation. However, this activity was carried out by the

	<p>Nigeria Government's Ministry of Agriculture. Presco Representatives also said that they were only paying for crop to be destroyed but not land because that has been done already. The rightful land owners have been paid. They also expressed concern about the relatively small size of lands to be used for farming. Presco has started working on access roads leading to the community. The people were happy and promised to support Presco's oil palm development project in the area.</p>
<p>Obagie</p>	<p>During interaction with the community members it was revealed the people were aware of Presco's Upcoming Oil palm plantation development project at Sakponba. They confessed being contacted by Presco Representatives seeking their Free Prior and Informed Consent on the project. The community members had given Presco their Free Prior and Informed Consent for the development of the project. They however stated that Presco has not finished with them in finding solution to the buffer lands in other words lands to be used by the people for farming purposes. They also mentioned some of the benefits of the project as a major source of employment, introduction of high yielding palm varieties, tax revenue and economic benefit for the state and national economy, contribution to rural development and Training and capacity building for employees and smallholders. They also praised Presco for initiating road maintenance within the community and requested that the company should try to pay the remaining affected farmers their crop compensations.</p>

Based on explanation above, in general all communicates are happy with Presco upcoming to develop palm oil plantation in that area, and the company promised to increase them to work in the company also increase welfare through the CSR program such as road development, clean water and others have done by company. Also, based on intercation with local community, to ensure that paid process is done by Nigeria Government, basically they siad the paid rates is not sufficient, but they are happy without any coercion from any person (government or company). Then the important statement from the local committees it is that they agree freely without coercion and support to Presco plc project to develop the oil palm plantation immediately, because they want to immediately work and improve their lives.

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 and rubber plantation. LUC analysis conducted on March 2017, by company internal team based on Proforest maps and satellite imagery. The study consisted of a systematic land use change analysis with the use of comparative satellite imagery which shows the land use of the proposed area for the period 2005-2016. The LUCA was divided into four section i.e.: November 2005 – November 2007; December 2007 – December 2009; January 2010 – May 2014; and after March 2016.

The Carbon Stock Assessment and GHG Emissions were conducted by Proforest on February 08, 2017. Based on HCS analysis report, the estimated total carbon stock was: 0.03 tC/ha, 1.20 tC/ha, 3.61 tC/ha, and 4.67 tC/ha for grassland, farmland, low to medium density forest, and plantations respectively. For the entire proposed concession, the total carbon stock obtained was 21,823.35 tC (1.32 tC/ha). No significant carbon sink was identified. The complete carbon stock assessment per vegetation type are:

Vegetation types	Sampled area			Total concession	
	Sampled area (ha)	Total carbon (tC)	Carbon (tC/ha)	Total area (ha)	Total carbon (tC)
Farmland	13.04	15.63	1.20	3747.9	4497.48
Grassland	67.68	1.78	0.03	6456.0	193.68
Low to medium density forest	28.68	103.59	3.61	2097.5	7571.98
Plantation	7.04	32.91	4.67	1960.7	9156.47
Riparian forest	0.04	0.17	4.25	95.0	403.75
Water bodies	0	0	0.00	79.0	0.00
Total	116.48	154.08	1.32*	14436	21823.35

The preceding section makes recommendations to set-aside areas for protection as HCV management areas and has pointed out the inexistence of high carbon stocks areas within the proposed concession. Therefore, an area of 136 ha (representing 0.94% of the total concession areas, 262 ha and 2% with the buffezone) has been set aside as HCV management areas to protect.

For GHG calculation, Presco Plc used the New delopment GHG calculator and the results are explained in the Summary Report and Management Plan provided by the external consultant (Proforest). In page 14 mentions that GHG Calculator is provide by RSPO (www.rspo.org/certification/ghg-assessment-procedure). The GHG results are explained in Figure 16 page 39 in the Summary Report and Management Plan. All the GHG mitigation scenarios are already explained in Summary Report and Management Plan.

Based on HCV assessment 2017, the major soil type in Sakponba concession area is sandy loam. The texture of the soil is responsible for its high permeability and high base-leaching. And in the page of HCV assessment (page No.23) mentioned that soil in concession area is predominantly sandy, the risk of critical soil erosion due to steep slopes in and around the Sakponba concession appears low mainly because the area is low-lying and the topography is generally flat. For this, company has established procedure with document No. PRE-AGPO-325\AGR-SOP-15 Verison 02, this procedure about management of soil with sand.

No peat soil has been identified within the proposed NPP area.

The TUV Rheinland auditors were present with the management team of Presco Plc Sakponba Estate 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 auditors that the HCV, SEIA, GHG, CS, LUCA assessment and management plan at Presco Plc Sakponba estate are comprehensive, professional and complied to RSPO principles, criteria and indicators.

Conclusion

The TUV Rheinland Indonesia auditors were present with the management team of Presco Plc Sakponba Estate 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 Presco Plc Sakponba estate are comprehensive, professional and complied to RSPO NPP procedure.

11.	Signed	Signed on behalf of TUV Rheinland Indonesia  Mhd Fundy C Kurniawan Lead Auditor
	Date	August 24, 2017

**RSPO New Planting Procedure Assessment Report
PRESCO Plc – Sakponba Estate
Orhiomwon Local Government Area (LGA)
State of Edo, Nigeria**

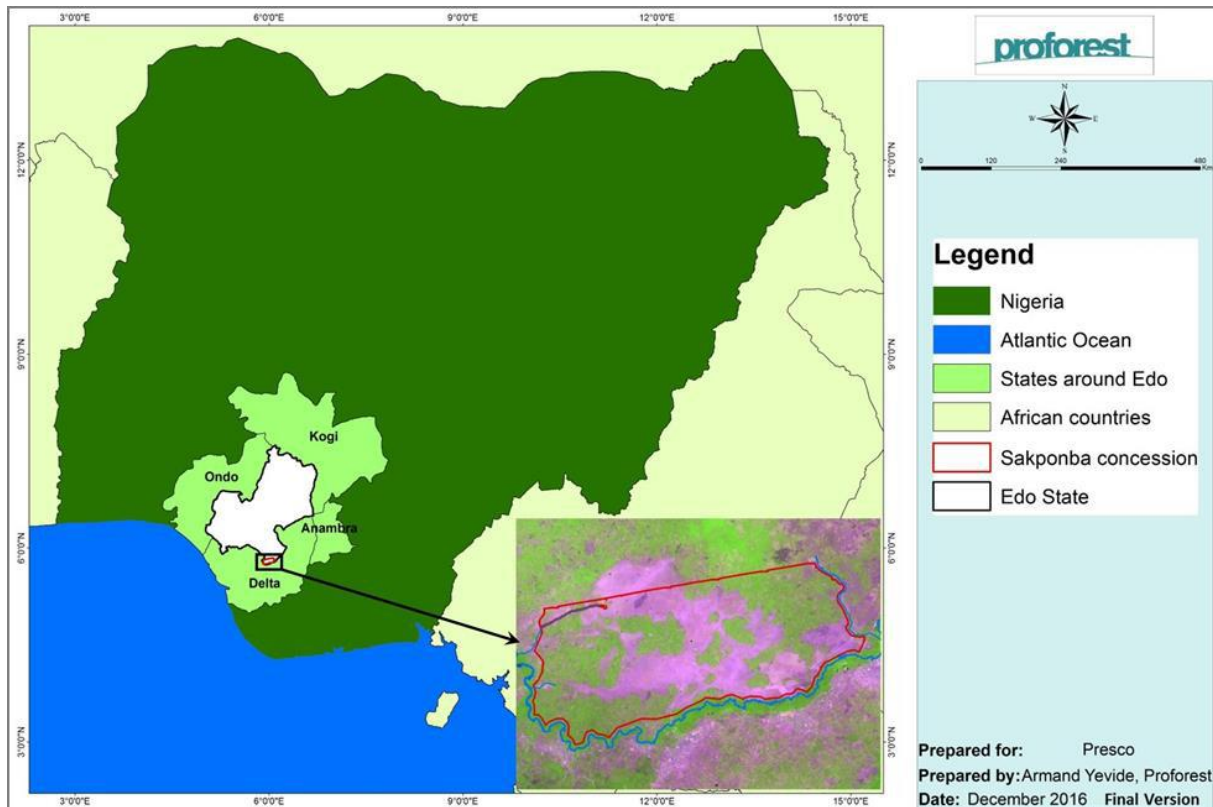


The summary of assessment reports (SEIA, HCV, LUC, Carbon Stock, Soil analysis and Topography) and summary of management plans shall be present with this NPP Notification Statement. The management plans will be in ANNEX of this report.

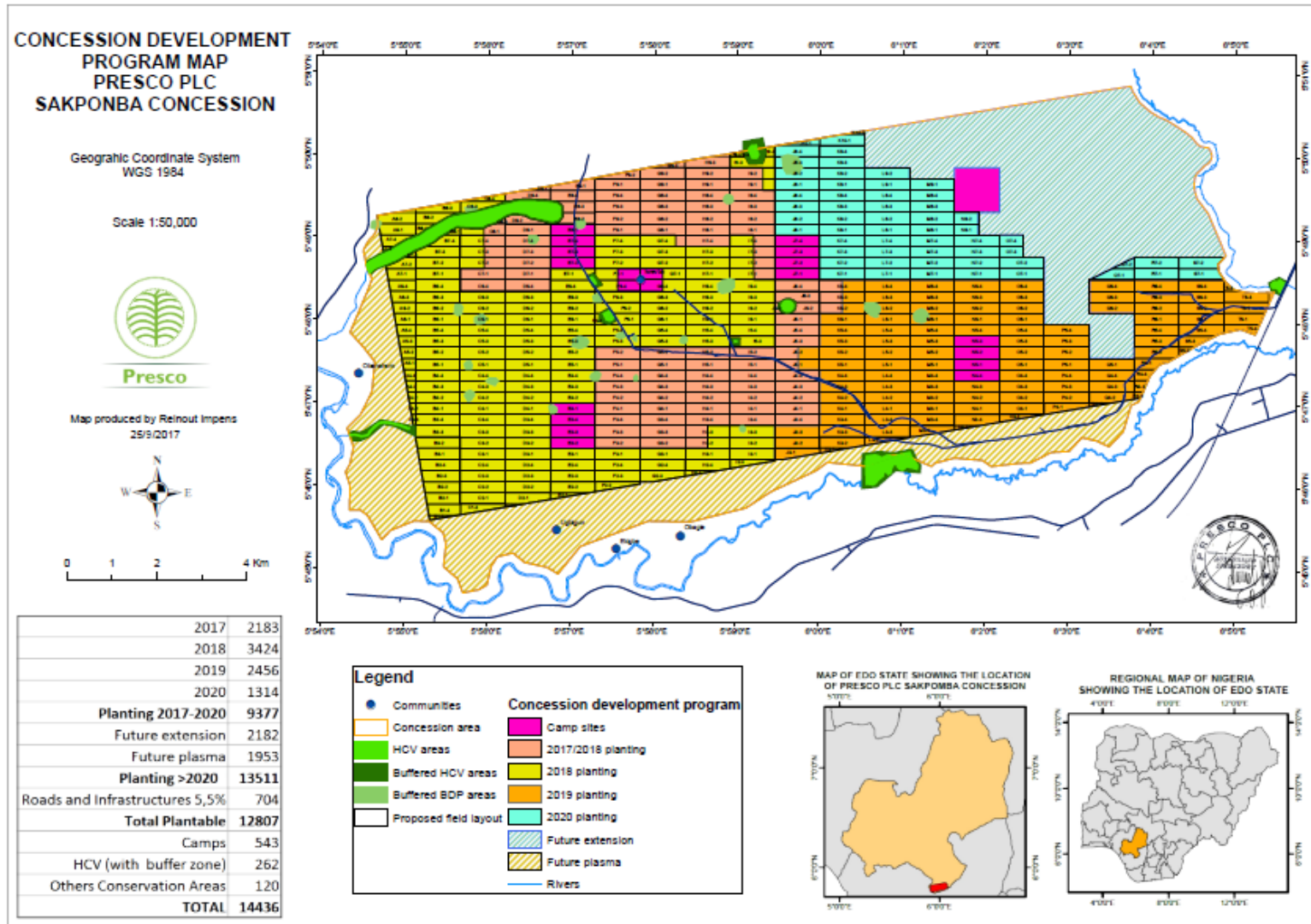
Spatial Reference (GPS Coordinates)

Latitude 5°47'49.4" N; Longitude 5°57'47.73" E

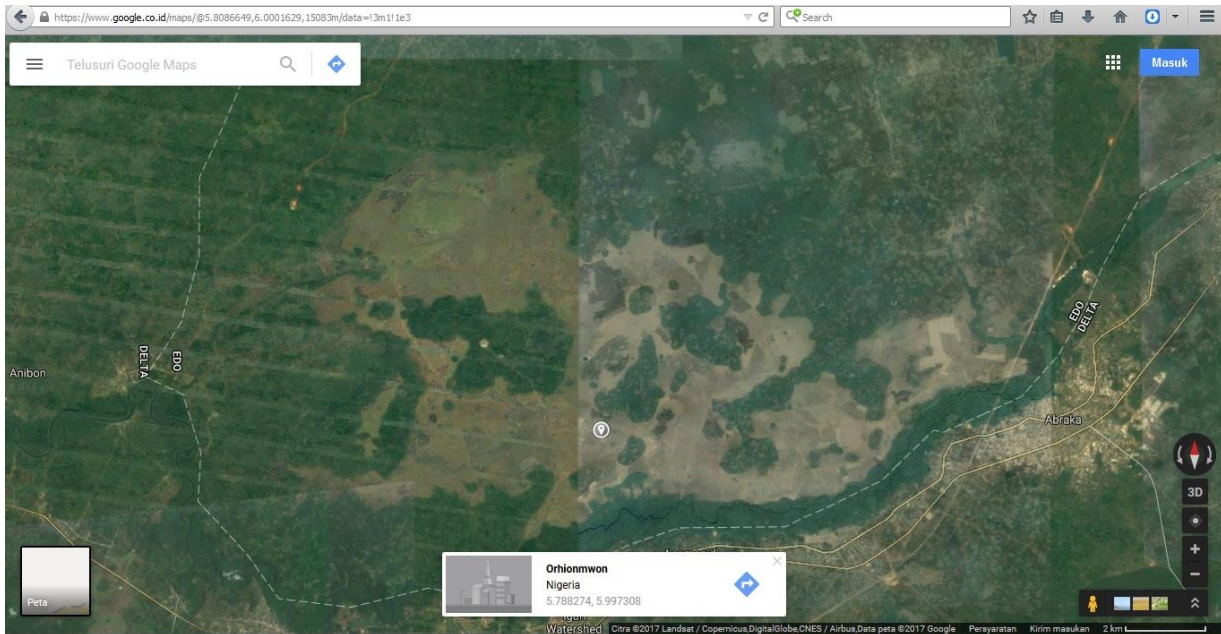
Location and boundry location propose for New Planting (Figure 1).



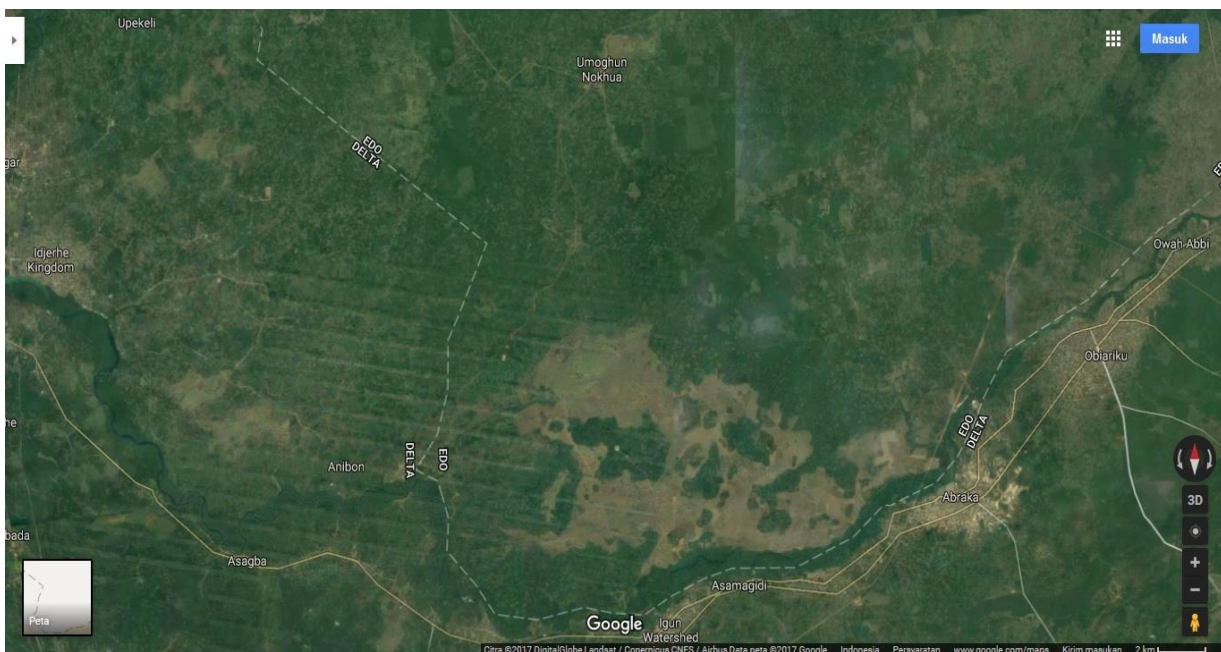
Overlay Map of Propose New Planting area with HCV area in the Sakponba Concession area and planted plan per year until 2020 (Figure 2).



Result of Satellite Imagery to ensure there is no activity in NPP proposed area in Sakponba estate. (Source: <https://www.google.co.id/maps/place/Edo+Nigeria/>) June 14, 2017. (Figure 3).



Second (2nd) verification to ensure there is no activity in NPP proposed area in Sakponba estate. (Source: <https://www.google.co.id/maps/place/Edo,+Nigeria/@5.8468874,5.9698463,25013m/data=!3m1!1e3!4m5!3m4!1s0x1046b589ff8c77ff:0xb55eddf6c194156a!8m2!3d6.5438101!4d5.8987139>) August 24, 2017. (Figure 4).



Then, the second verification to ensure there is no activity in Sakponba NPP proposed area, also conduct photograph verification through communication with the management representative of the company. And based on photograph below (Figure 5), it can be ensure, there is no activity until this verification conducted. The company has committed to not carrying out activity on that proposed area until NPP notification approved by RSPO, whereas this commitment stated in company policy.



Figure 5. Photograph verification to ensure there is no activity in Sakponba NPP proposed area on August 22, 2017

