

# RSPO

## 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: 18<sup>th</sup> June 2015**

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 MUSIM MAS**

**RSPO Membership No.:** 1-0073-04-000-00

**Location of proposed new planting:** description or maps and GPS coordinates.

Company Name : PT Musim Mas

Company Address : Jl. K.L. Yos Sudarso Km 7,8 Tanjung Mulia - Medan  
20241, Indonesia

Type of business : Oil Palm Plantation & Processing

Subsidiary (If any) : PT Lestari Abadi Perkasa

Status of concession land : Land Use Title (HGU) No03/94 (3,383.2 Ha), No. 04/94  
(3,788.4673 Ha), No. 05/94 (1,956.4294 Ha), No. 01/97  
(9,700 Ha), No. 02/97 (5,331 Ha), No. 03/97 (399 Ha),  
No. 01/97 (3,775 Ha), KKPA Merbau Sakti, KKPA  
Rawa Tengkuluk, Kebun Kas Desa.

Contact person : Dr Gan Lian Tiong  
email: [liantiong.gan@musimmas.com](mailto:liantiong.gan@musimmas.com)

# RSPO

- Location : Pangkalan Lesung Sub-District and Pangkalan Kuras Sub-District, Pelalawan District, Riau Province (See Picture 1, 2, 3, 4 and 5)
- GPS References : 101°56'18.46'' E - 102°7'14.30''E  
0°6'19.29''N - 0°8'2.32''S
- Surrounding Entities : PT Musim Mas plantation border with other entities: PT Serikat Putra, PT Surya Bratasena, PT Sari Lembah Subur, PT Indo Sawit, PT RAPP, PT Arara Abadi. The land use around PT Musim Mas is dominated by oil palm plantations and forest plantations (HTI).

# RSPO



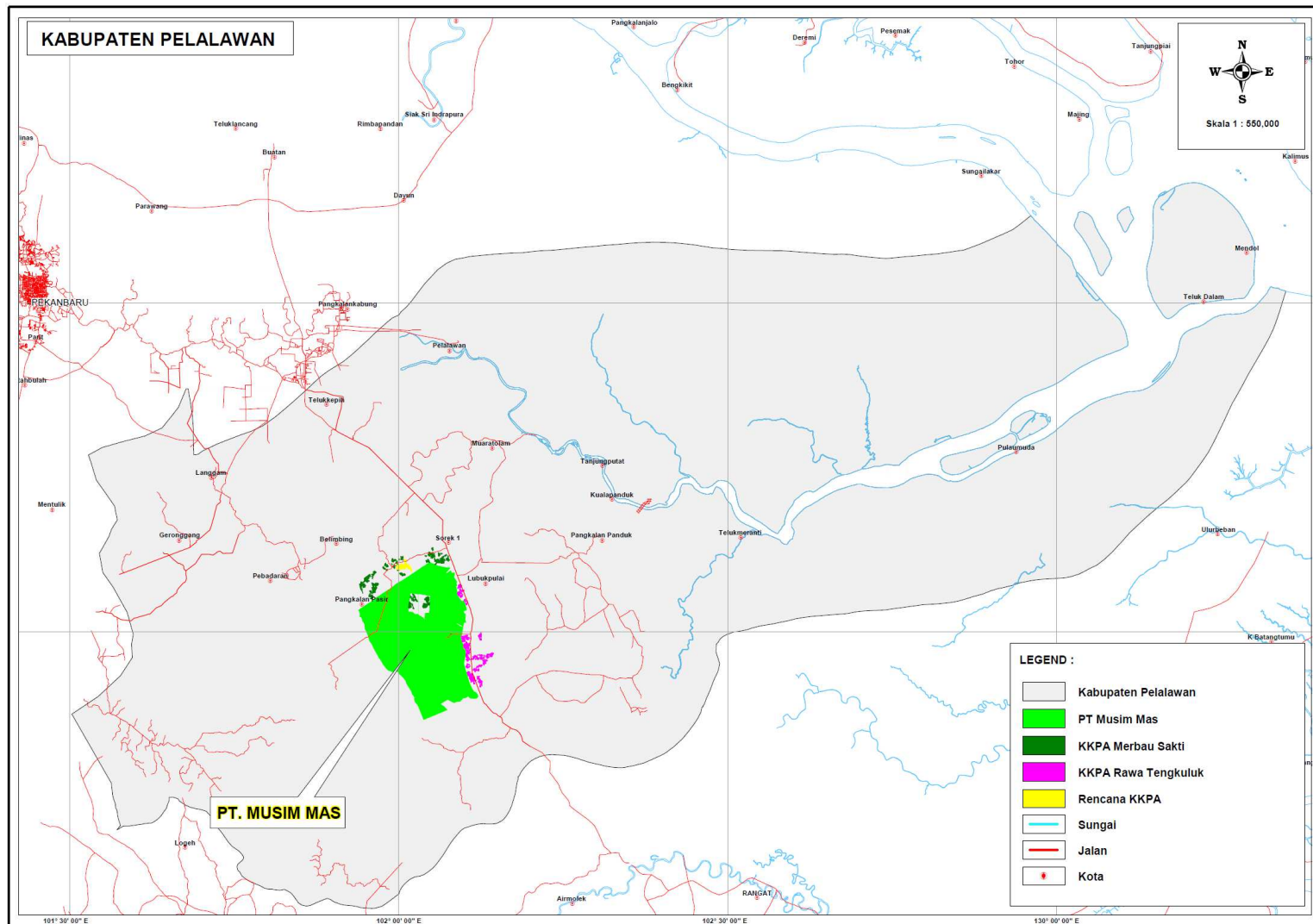
Picture 1 Location of PT Musim Mas in Indonesia

# RSPO



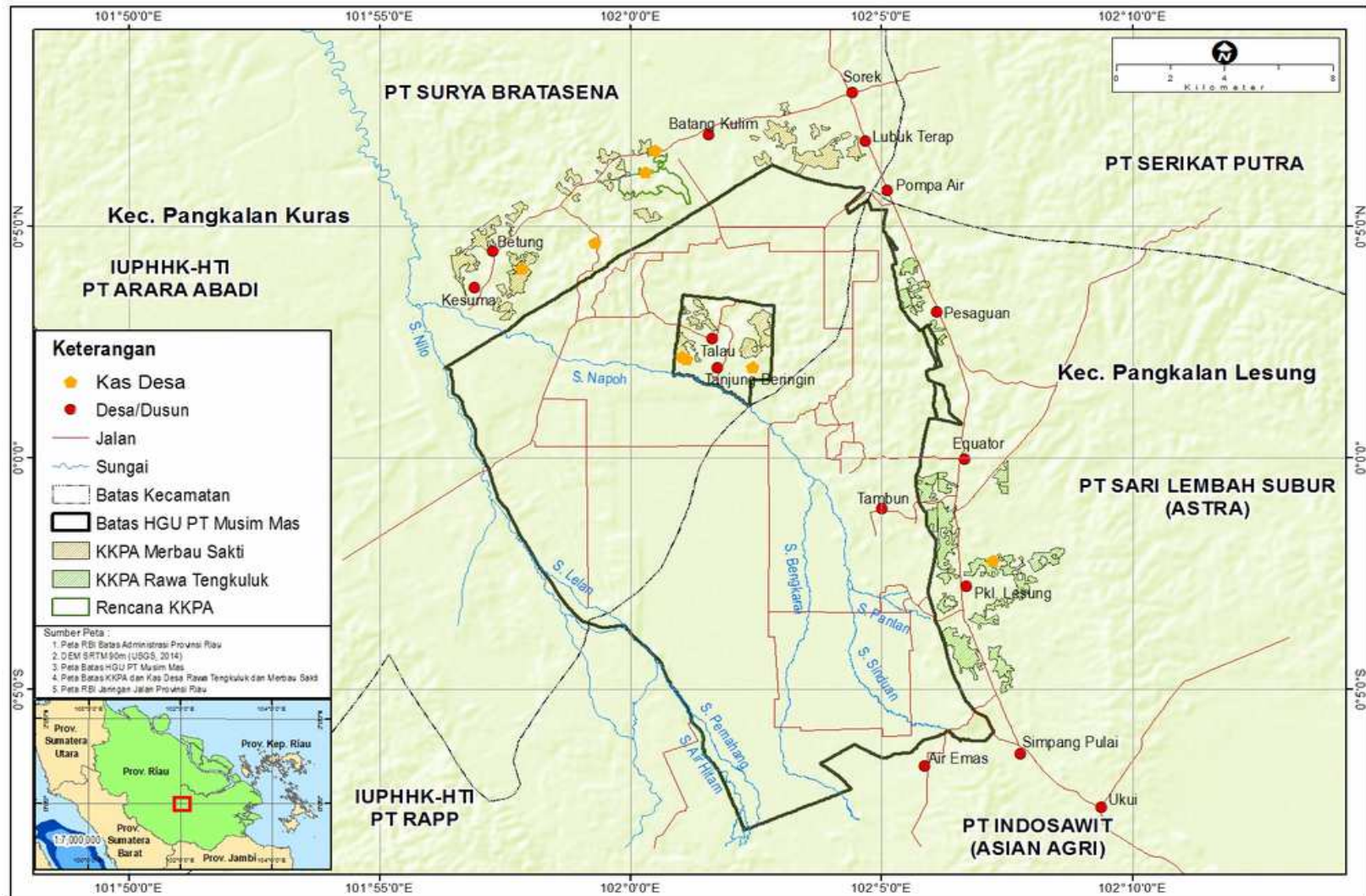
Picture 2 Location of PT Musim Mas in Riau Province

# RSPO



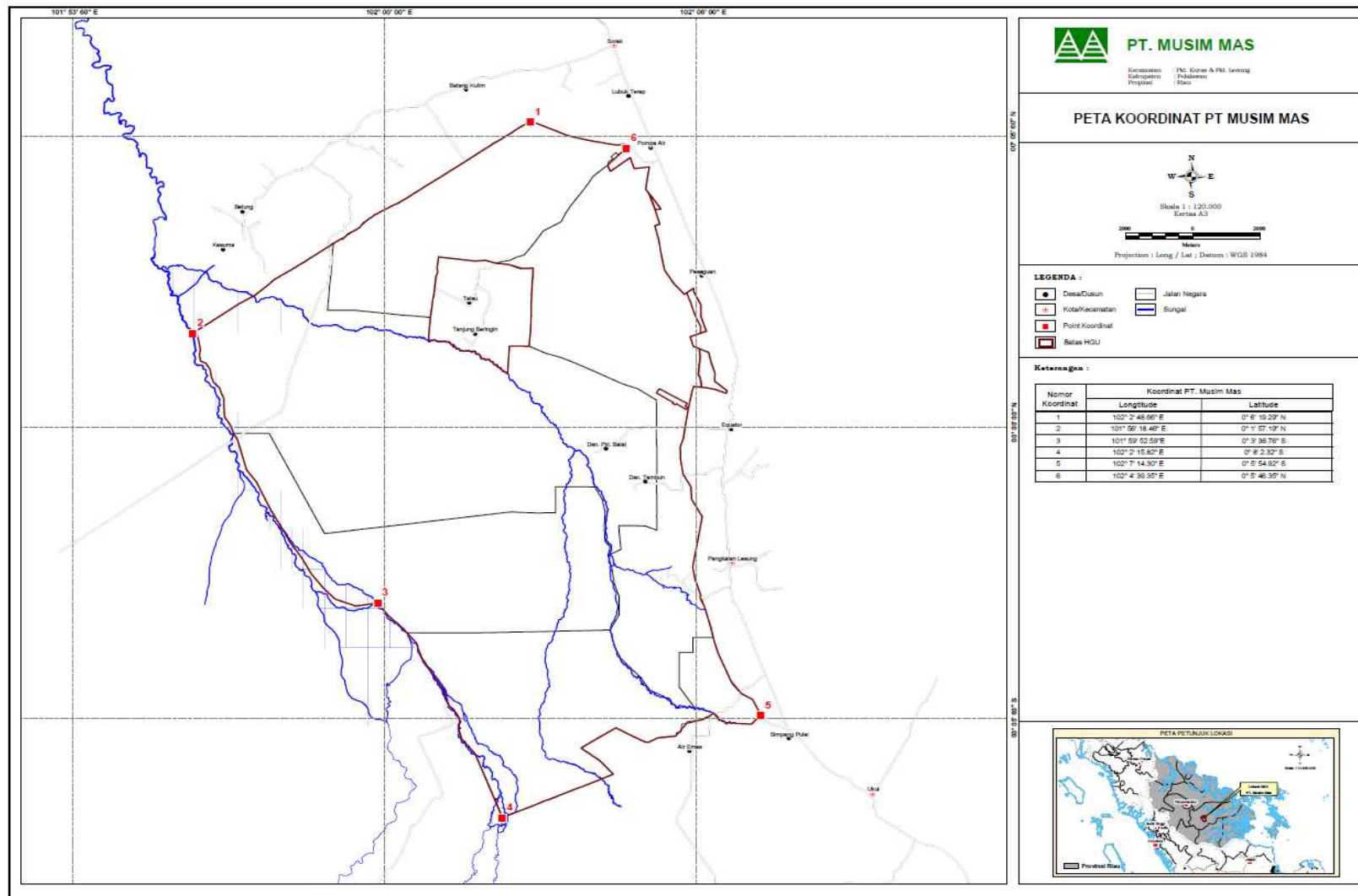
Picture 3 Location of PT Musim Mas in Pelalawan District

# RSPO



Picture 4 Location of PT Musim Mas and its surrounding entities (include KKPA & Kas Desa)

# RSPO



Picture 5 Location Map of PT Musim Mas with GPS references

## SUMMARY FROM SEI ASSESSMENTS:

### a. SEI Assessment

#### Assessors and their credentials:

The Social Impact Assessment of PT Musim Mas was carried out by Aksenta which is located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: [aksenta@aksenta.com](mailto:aksenta@aksenta.com). The Aksenta team for the Social Impact Assessment consists of members with multi-discipline in the social/economic aspects and professional in social assessment, resource economy and social relationships. The team members are:

Name	Expertise	Social Impact Assessment
Dwi R. Muhtaman	Forest and timber product certification, RSPO certification, coffee certification, social strategy.	Team leader, social auditor, certification
Ganip Gunawan	Social relation, trainer, facilitator	Social
Bayu Shantiko	Natural resource economy and study on social development in rural areas.	Social/Economy

#### Assessment Methods (data sources, collection, dates, program, and visited places)

Social Impact Assessment on the ground was carried out as bellows:

#### Data and information collection method

Methods used to collect data and information were:

- a. **Document review.** Conducted for documents available with the company and other documents obtained from other important stakeholders.
- b. **Observation.** Conducted for condition, utilization, and management of land and natural resources, and the community livelihoods.
- c. **Semi-structured interviews.** Conducted for plantation management, staffs, employees, formal and informal leaders, and members of the community.
- d. **FGD (Focus Group Discussion).** Community FGD was conducted including the employee and staff representatives.
- e. **Workshop.** Inter-village workshop.



## **Methods of Data and Information Analysis**

The SIA for PT Musim Mas was conducted using two combined methodology namely; stakeholder analysis and social impact assessment employing sustainable livelihood framework. Data were compiled through literature study, observation, interview and focus group discussion, thus several important points were highlighted / concluded in the latter part. In the focus group discussion, the respondents expressed their opinions of important issues which were compiled in the framework of sustainable livelihood with the form of asset which resulted in specific impact assessment in the social aspect of communities. Five aspects related to sustainable livelihood, namely human, physical, social, financial and natural assets using the identified components and displayed in matrix table, analyzed and scored qualitatively and quantitatively.

The steps in SIA implementation include the following, although there were several modifications in the assessment activity:

- Identifying and describe activities leading to scoping
- Predicting (or analyzing) impact trend and identifying how the parties make their responses
- Formulating recommendation and necessary action plan
- Assessing the process and preparing recommendations for compensation (financial or non financial)
- Describing potential for skill development and capacity building for communities
- Recommending institutions and coordination among parties
- Planning implementation and program monitoring.

The findings obtained from the methods above were analyzed. The baseline of the analysis was based on RSPO criteria which relevant to sustainable social aspects. The recommendations also covered other issues which were not entailed in the RSPO criteria, in the form of ideas or aspirations as the result of the field analysis.

## Summary of SEI Findings

Plantation area of PT Musim Mas is immediately adjacent to the community settlement. Village directly interacted with the plantation include Tanjung Beringin Village, Talau Village, Betung Village, Desa Batang Kulim, Kesuma Village, Pangkalan Lesung Village, and Air Hitam Village. The first two villages are located in the plantation surrounded by HGU area, both villages are considered as “major enclave” in the plantation area. The existence of PT Musim Mas has cumulatively changed of community's livelihood. The change of land use management in this area bears major impact on the economic and culture of the communities. Facts in the field shows the handover of land property through purchase and sell transaction in area near PT Musim Mas is become more intensive since the large scale oil palm operation.

The positive impacts of PT Musim Mas’ development are financial contributions to the regency area and national development generally through taxes and retributions instrument. Infrastructure improvement such as transportation access, health care service and education are positive contributions from this large scale investment. At the local level, the management provides opportunities to build partnership with local village community in the form system of plasma-nucleus oil palm and many social support types to local village community.

The presence of PT Musim Mas has become motivator of developments within the local plantation community. The Positive change is the economic development which is improved in aggregate better than before. On the other hand, there are potential negative impacts on the local community. For instance this relates to the limitation of work and business opportunity. Low adaptation ability of the community may be the hindrance for the community to reap the potential benefits. The potential negative social risks will need management inputs to transform social risk into social potential for betterment or improvement to the livelihood of the local communities. PT Musim Mas has mitigated the potential social impacts by assisting the local communities and villages in developing their land into oil palm holdings to generate income and improve their livelihood.

PT Musim Mas has developed scheme smallholder in form of KKPA with surrounding villagers, with total area of 2 ha for each family. The development was carried out in stages starting from 2001. The company has collaborated with two cooperation namely Rawa Tengkuluk Cooperation in Pangkalan Lesung Sub District and Merbau Sakti Cooperation in Pangkalan Kuras Sub District to develop KKPA.

Rawa Tengkuluk Cooperation consists of four farmer groups with members of 401 families from Pangkalan Lesung Village and Pesaguan Village with a total area of 802 ha. Merbau Sakti Cooperation consists of nine farmer groups with members of 432 families from Sorek

Satu Village, Batang Kulim Village, Betung Village and Tanjung Beringin Village with a total area of 864 ha.

The company has also developed Kas Desa with a total area of 17 ha, which consist of 5 ha for Pangkalan Lesung, Betung and Tanjung Beringin villages respectively and 1 ha for Talau and Batang Kulim villages respectively. These Kas Desa are for village development.

KKPA and Kas Desa program conducted by PT Musim Mas is seen as successful by the local communities. They have requested PT Musim Mas to expand the KKPA scheme and Kas Desa. The village communities believe that the support of the company under KKPA scheme will significantly increase the income of the KKPA farmers and village.

Merbau Sakti Cooperation plans to develop new oil palm holdings with a total of 202.13 ha, while Batang Kulim village has proposed to develop 5 ha and Talau village has proposed to develop 4 ha of new plantation (Kebun Kas Desa).

PT Musim Mas has agreed to the request of Merbau Sakti Cooperation and will develop these as the company's corporate social responsibility (CSR) projects /smallholders scheme (KKPA & Kas Desa) in villages in the vicinity outside of the HGU.

## SUMMARY FROM HCV ASSESSMENT(S):

### Assessors and their credentials

The HCV assessment in the Land Use Title (HGU), KKPA and its surrounding entities included KasDesa of PT Musim Mas by Aksenta located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: [aksenta@aksenta.com](mailto:aksenta@aksenta.com). The team leader from Aksenta has been licensed by the HCV Assessor Licensing Scheme (Provisional ALS15025MM). The team members are:

Name	ALS License	Institution	Role	Expertise
Muayat Ali Mushi <a href="mailto:muayat@aksenta.com">muayat@aksenta.com</a>	Provisional (ALS15025MM)	Aksenta	Team Leader, Socio-cultural Assessment (HCV 5 HCV 6)	Social and culture, conduct HCV assessment since 2010
Yanto Ardiyanto <a href="mailto:yanto@aksenta.com">yanto@aksenta.com</a>	N/A	Aksenta	Team Member, Environmental Assessment	Hydrologist, soil conservation, spatial analysis and remote sensing, water management system, conduct HCV assessment since 2010
Wibowo A. Djatmiko <a href="mailto:bowie@aksenta.com">bowie@aksenta.com</a>	N/A	Aksenta	Team Coordinator, Biodiversity Assessment (HCV1-3)	Wildlife ecology, forest ecology, biodiversity conservation specialist; conduct HCV assessment since 2006
Reza Abdillah <a href="mailto:reza@aksenta.com">reza@aksenta.com</a>	N/A	Aksenta	Team Member, GIS Specialist	Experience with GIS since 2013, remote sensing for biological conservation and land use issue

### Assessment Methods (Data sources, data collection, dates, program, and visited places)

#### HCV Identifying Methods

The assessment covers of the total area 28,333.10 ha based on The Land Use Title. It also expands the coverage into, KKPA Merbau Sakti, KKPA Rawa Tengkuluk, villages – Kebun Kas Desa and other areas which are of considerable importance to the proposed surrounding plantation area. HCV reassessment was conducted in May 2015, the assessment consists of three main activities: desk-based study (conducted on 3-4 May 2015 in Jakarta), field work (conducted on 5-10 May 2015) and stakeholder consultation (conducted on 12 May 2015). Please refer to table 1.

Table 1 Schedule of HCV Assessment in PT Musim Mas

Activities	Time	Location
Pre-assessment & Preparation	3-4 May 2015	Aksenta Office, Jakarta
Opening meeting	5 May 2015	PT Musim Mas
Participatory mapping	5 May 2015	PT Musim Mas
Field Survey	6-10 Mei 2015	Land Use Title Area of PT Musim Mas and its surrounding landscape, includes 6, 2 KKPA and the surrounding villages included Kebun Kas Desa
Closing meeting	11 May 2015	PT Musim Mas
Public Consultation	12 May 2015	Training Centre PT Musim Mas
Interim report	12 May 2015	PT Musim Mas

The HCV assessment was conducted based on step-wise screening that harmonizes the required information to the scale reference (see guidance on HCVRN, 2013). The scale reference used for the assessment of HCV 1-3 covers the global, regional and national levels, before ground truthing is conducted. Whilst, the assessment of HCV 4-6 focuses on landscape assessment or local level before ground truthing is conducted. The process of HCV assessment begins with pre-assessment, data collection from the site and public consultation. The collected data and information will be analyzed further and the discovered HCV will be mapped out.

### **Pre-assessment**

Pre-assessment is the initial process of HCV identification. Pre-assessment covers activities as follow: (i) collect the data and information on the development and the management of the existing estate and management planning, (ii) collect the secondary data and information from various sources (report, journal, book, statistic data, basic map), including information on biodiversity aspect and issue (global, regional, national, even local level), environment (especially on soil and water conservation) and socio-cultural, and (iii) analyze and validate the collected data and information and spatial analysis of basic map.

## **Data collection**

Data collection in the field focuses on the area potentially classified as HCV area based on pre-assessment result. The collection of data and information is focused on the HCV element and attribute by using the methods as follow:

- 1) Participatory mapping
- 2) Ground truthing

Ground truthing is the field verification of the land cover from the interpretation of Landsat satellite that is conducted during pre-assessment. At the same time when ground truthing is conducted, the collection of data and information also being conducted on site. The activity is being done by HCV assessor, either being done as a group per location or parallel for each section of assessment. This depends on the area potentially classified as HCV area.

- 3) Data collection on site

The collection of data on site is being done simultaneously with ground truthing. The purpose of this activity is to verify the existence of HCV element and attribute, in which it will be the basic to determine whether there is HCV in that particular area.

- 4) Interview with the community in the assessment area

Interview with the community or the company worker is being conducted to gain information about the existence of HCV element and attribute.

## **Public Consultation**

Public consultation is a face-to-face meeting with key stakeholders in the assessment area, such as local community, village government, regency government, relevant institutions in the regency and companies operating around the assessment area.

## **Data analysis and HCV mapping**

The data collected on site are compiled and tabulated based on the area of assessment. Initially, the data collected on site are compiled and tabulated separately in accordance with each section assessed (biodiversity, environmental service, and socio-cultural). For each section, the HCV element and attribute found on site is listed. Furthermore, the analysis will be conducted to justify the existence or non-existence of HCV elements and to determine the boundary of HCV area.

## References

The sources of information collected and analyzed during pre-assessment (Table 2) and being used for HCV assessment in PT Musim Mas are tabulated below:

Table 2 Data and Information collected and analyzed during HCV pre-assessment

Category	Main Sources
General	<ul style="list-style-type: none"> <li>• Concession Map of PT Musim Mas (source: PT Musim Mas)</li> <li>• Forest Area Designation Map and Marine Ecosystem of Riau Province (Director General of Forestry Planology, Forestry Department, 2001)</li> <li>• Spatial plan (RTRW) (2012)</li> <li>• Indicative Map of New Permit Suspension (PPIB) Forest Utilization, Forest Areas Utilization and Forest Areas Zoning Changes and Forest for Other Land Use version 6 (2013)</li> <li>• Distribution Map of Peatland, Size and Carbon Content (Wetland International-Indonesia Program. 2004)</li> <li>• Land Cover from Landsat Imagery 8 (USGS, March 2015)</li> <li>• HCV Identification Report PT Musim Mas 2007 (Aksenta, 2007)</li> <li>• HCV Identification Report for KKPA Rawa Tengkuluk and KKPA Merbau Sakti PT Musim Mas (MM Group, 2010)</li> <li>• HCV Management and Monitoring Plan PT Musim Mas (PT MM)</li> <li>• HCV Management and Monitoring Report PT Musim Mas (PT MM)</li> </ul>
HCV 1, 2, 3	<ul style="list-style-type: none"> <li>• Sumatran Ecosystem Ecology (Whitten <i>et al.</i> 1987; Published UGM)</li> <li>• Birds in Sumatra, Java, Bali and Borneo (MacKinnon <i>et al.</i> 2000)</li> <li>• Fresh Water Fish of West Indonesia and Celebes (Kottelat <i>et al.</i> 1993)</li> <li>• Tortoise and Crocodile of Indonesia &amp; Papua New Guinea (Iskandar 2000)</li> <li>• Borneo Mammals, Sabah, Sarawak and Brunei Darussalam (With Note for Sumatran and Java Mammals) (Payne <i>et al.</i> 2000)</li> <li>• Snakes of Sumatra (David &amp; Vogel 1997)</li> <li>• Ramsar Area in Indonesia, source: <a href="http://www.ramsar.org">http://www.ramsar.org</a></li> <li>• CITES Appendices I, II and III, valid from 05February 2015 (CITES 2015)</li> <li>• Endemic Bird Area Factsheet: Sumatra and Peninsular Malaysia (BirdLife International 2015)</li> <li>• Important Bird Areas in Asia: Key Sites for Conservation (Birdlife International 2004)</li> <li>• IUCN Red List of Threatened Species, ver. 2015.1. <a href="http://www.iucnredlist.org">http://www.iucnredlist.org</a></li> </ul>
HCV 4	<ul style="list-style-type: none"> <li>• Data digital Shuttle Radar Topography Mission Elevation Data (USGS, 2004)</li> <li>• Land System Map (RePPPProt, 1991)</li> <li>• Elevation Map (based on the results of SRTM data processing)</li> <li>• Slope Map (based on the results of DEM SRTM data processing)</li> <li>• Land Cover Map (based on the results of Landsat Imagery 8, 2014)</li> </ul>
HCV 5, 6	<ul style="list-style-type: none"> <li>• Pelalawan District in Numbers 2013</li> <li>• Village Distribution Map of Pelalawan District (Source: RBI)</li> </ul>

Beside the HCV Assessment, PT Musim Mas also conducted land use change analysis (LUC) to determine changes to vegetation since 2005. Land use change analysis is done using satellite imagery from 2005, 2007, 2009 and 2015. In addition to the spatial data in the form of satellite imagery, Land use change analysis have also used some of the data supporting, that is, (i) land clearing data of PT MM, and (ii) legality data of operating areas. Stages and processes land use change analysis-LUCA are as follows:

1. Pre-processing Image
2. Image Classification: Supervised Classification / Visual Interpretation
3. Field Verification
4. Contingency and Accuracy Test matrix with Kappa Index

## **Summary of HCV Findings**

Based on the Land Use Change Analysis in PT Musim Mas area (Aksenta, 2015), since November 2005 there is no primary forest in assessment area. The landsat satellite imagery of 2005 showed that oil palm is the dominant land cover in the concession. Current condition based on satellite imagery of Landsat 8, March 2015 also showed that most of the land in assessment area has been planted with oil palm. The remaining land covers are degraded secondary forest, shrub and open land. The condition of natural peat swamp vegetation around Napoh and Bengkarai rivers is still good as conservation area.

The assessment area is located outside the Important Bird Area (IBA) territory. The nearest IBA territory is Siak-Kampar Peat swamp Forest, which located approximately 30 km to the east. The assessment area is not a Ramsar area. The nearest conservation area is Tesso Nilo National Park, which located approximately 20 km to the southwest and Kerumutan wildlife reserve, which located 25 km to the east. Between the plantation and Tesso Nilo National Park there are Nilo River and PT Arara Abadi concession.

There are four HCV categories present in assessment area, which are HCV 1, HCV 3, HCV 4 and HCV 6. There are two types of HCV in assessment area; first, a suitable area to maintain the continuity of HCV elements so it is feasible as a HCV area; second, an area which not HCV, but their presence can support the HCV areas. The second type is categorized as HCV Management Area (HCV-MA). The assessment area consists of Estates Plantations, KKPA and Kas Desa. The result of HCV assessment shows that there are no HCV areas present in KKPA Rawa Tengkuluk and KKPA Merbau Sakti. HCV areas are also not present in Kas Desa Pangkalan Lesung, Kas Desa Betung, Kas Desa Tanjung Beringin, Kas Desa Talau and Kas Desa Batang Kulim. HCV areas are not found in the areas that will be developed into



new oil palm holdings/plantation (expansion oil palm in KKPA Merbau Sakti, Kas Desa Batang Kulim and Kas Desa Talau). HCV areas are only sighted within the HGU PT Musim Mas.

Table 4 shows that there are 13 locations of HCV areas in the nucleus, that is one HCV 6 in Estate 1 (Tambun Village). Five single HCV 4, five single HCV 1 and two compounds HCV (HCV 1, 3 and 4). HCVMA are located in four locations.

The total areas identified as HCV and Management Area (HCV-MA) about 1,448.47 ha. Potential areas for oil palm plantings as corporate social responsibility (CSR) projects /smallholders scheme (KKPA & Kas Desa) in villages in the vicinity outside of the HGU do not contain primary forest, HCV area and the general land covers are cultivated area and shrub mixed with tree crops.

## **SUMMARY OF PLANS:**

### **Development of HCV and SIA Management Plans**

The process of HCV and SIA development and preparation of management and monitoring plans for PT Musim Mas was implemented in phases involving several parties: that is Estate Department, the Public Relation (Humas Department) and Sustainability Department. The implementation of the HCV and SIA management & monitoring plans in the field will be implemented by experienced personnel who possessed the relevant knowledge and technical skills. Sustainability Staff, Audit & Certification (A&C) Staff, with the assistance of the Public Relation (Humas) Team, stationed at the location, will provide support in these activities. The Estate Manager is directly responsible on the implementation of the plans of management and monitoring. In addition, the Senior Estate Manager is accountable in fulfilling of the requirements for the plan and as well as responsible in analyzing the input results from the monitoring plans. The General Manager is accountable and responsible to ensure that the Overall Development Plan including the management of HCV and SIA is implemented according to the time plan and budget. The management team is supported and supervised by the Regional General Manger. The detail of the responsibilities and roles of the HCV and SIA development and preparation of management plans and monitoring are summarized in the “The Management & Monitoring Plans of HCV/SIA PT Musim Mas” document. The Head Office Estate Department, Public Relation (Humas) Department, and Sustainability Department will provide the overall support in the implementation of the development plan.

## **Stakeholders to be involved**

The process of the HCV and SIA development and preparation of management plans and monitoring PT Musim Mas also involved relevant stakeholders such as governmental offices, The Plantation and Forestry Office, The Office for River Management-BPDAS, local communities, the government of local village and Sub-District, and other company's (private sector) of Forestry and Plantation include peer review HCV Management & Monitoring by expertise.

Consultation with the relevant stakeholders to provide opportunities for communication and sharing the information/opinion/suggestions between the PT Musim Mas and the workers, contractors, suppliers, consumers, government agencies and communities to move forward for the benefit and common progress. This is also part of the process of free, prior and informed consent procedures to ensure that there is a balance in the social and environmental harmony in the development of the oil palm planting project between PT Musim Mas and the local communities, the relevant government agencies, concerned stakeholders, NGOs etc.

## **SIA Management Plan**

PT Musim Mas has developed the plans for the conservation impacts and social impacts as the operational efforts on social and conservation mitigation. The social development and preparation of management & monitoring plans for PT Musim Mas was mainly based on SEIA and the Social Impact Assessment, in principle, referred to the related laws in Indonesia.

Based on the SIA results for PT Musim Mas by Aksenta and the Environmental Management & Monitoring Plans (*Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan*) of PT Musim Mas document, the management for the Social and Environmental Impacts aimed to be managed consistently with appropriate work performance standards. The scope of the development and preparation of management & monitoring plans included all of the potential impacts by the plantation activities. The development and preparation of management & monitoring plans guidelines include:

### **1. Land Acquisition (and Compensation) Program Through Sustainable Communication & Relationships**

Based on the Social Impact Assessment has been carried out, the general social conditions PT Musim Mas were pretty good. Therefore the emphasis the company in land acquisition program is clear and transparent. The scope for this management and monitoring included the process of land acquisition and land compensation which referred to the principles of Free, Prior and Informed Consent (FPIC) such as: socializing

and communicating regarding the activities involving the acquisition of land by the local government, verification of the legality of land ownership, land compensation in accordance with SOP and documenting activities.

## **2. Participation Program Improvement Companies in the Health, Education and Environmental Management Around Good Company**

- a. Health Sector: Generally, most people are very dependent on the quality of river water, given these conditions, the company designing health programs and infrastructure that relies on participation in activities for improved health in the community. Activities in the form of health education and fogging collaboration with the local health agency and participate in the provision of clean water.
- b. Education: The Company recognizes that communities around the company can be developed to be prosperous, but because the location is remote the lack of access to education and jobs that require higher education is evident. As a result, the average level of education is relatively low. The scope for this management and monitoring included the participation of the company in increasing the human resource such as;  
a) encourage local people who are poor financially to enable continuous education until college with scholarship program, b) participate in increasing the level basic education (Peduli Pendidikan) and c) giving opportunity to pursue senior High School of Vocational for (*Praktek Kerja Lapangan*).
- c. Field of Environmental Management: neighborhood improvement activities include: river water quality testing and socialization to maintain the condition of river border. Focus of activity in the form of management and monitoring of water quality, preparation and implementation of Environmental Management & Monitoring Plans (RKL & RPL).

## **3. The Management Plans of PT Musim Mas, Participation of Company in Increasing Local Economic**

The scope for this management and monitoring included: a) recruit local people as workers accord with the needed of the company, b). opening opportunity of cooperation for contractor and local supplier accord with standard and quality requirements of the company, c) Participate in the development of local economy and CSR projects such as smallholders scheme (KKPA and village oil palm development).

## HCV Management Plan

The HCV development and preparation of management & monitoring plans was based on the recommendations by independent consultants from Aksenta. This process provides data and information related to the presence of the HCV areas in the Land Use Title (HGU), the key HCV elements, the actual conditions included the potential threats, and the recommendations for the management.

## Plan for HCV Monitoring and Regular Review of Data

The basic programs and activities that fulfill the HCV management are in regular monitoring and review. The purpose of review is to measure the achievements, effectiveness, efficiency, impacts, and sustainability of the programs. Thus, the purpose of monitoring is to evaluate whether the activities run as they are expected; whether the outputs of the process are as they were projected previously; and whether the resources investments (human, fund, time) are as they were planned.

Monitoring and review are aimed to a set of indicators as the key performance indicators and should be managed systematically, consistently, and well documented. The monitoring should be implemented regularly and it is dependent on the classifications of the activities and the target indicator to evaluate [the detail of such activities is presented in the Activities Plan Matrix (*Matriks Rencana Kegiatan*). The review should be conducted at the end of the management periodical plan, that is in the end of the third years (summation review) and every six months (formative review).

## Plan for HCV Management and Monitoring

The identified basic activities which are planned to run in order to achieve the basic targets for the enhancement and maintenance of the HCV areas are:

HCV	Threat	Management	Monitoring
1	<ul style="list-style-type: none"> <li>○ Animal hunting for food supply</li> <li>○ River fragmentation</li> <li>○ River contamination</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that RTE species is not hunted by local communities and workers</li> <li>• Rehabilitate riparian buffer zone, in which the stream passing through the concession</li> <li>• Enhance the river management by acquiring riparian buffer zone within the concession.</li> <li>• Cooperate with local community to protect the river.</li> <li>• Cooperate with local government to protect the river and rehabilitate the riparian buffer zone.</li> </ul>	<ul style="list-style-type: none"> <li>• To monitor the situation and to control if there are RTE species being trapped</li> <li>• To monitor fishing activity that can cause damage to biotic</li> <li>• To monitor the illegal hunting and trading of wildlife.</li> </ul>
3	<ul style="list-style-type: none"> <li>○ Logging activity and conversion of peat area</li> <li>○ Fire incident in forest</li> </ul>	<ul style="list-style-type: none"> <li>• Create signboard to prevent fire</li> <li>• Patrols, especially during dry season</li> </ul>	<ul style="list-style-type: none"> <li>• To monitor any potential disturbance from human to peat area situated within and outside the concession.</li> </ul>

HCV	Threat	Management	Monitoring
	and peat area		<ul style="list-style-type: none"> <li>To monitor fire hotspot periodically.</li> </ul>
4	Contamination from the application of fertilizer and pesticide the river.	<ul style="list-style-type: none"> <li>Appropriate distance for the application of herbicide and pesticide is available and to switch to organic fertilizer and pesticide applied around the determined riparian buffer zone area.</li> <li>Installation of signboard to limit the application of chemical in the particular riparian buffer zone.</li> </ul>	<ul style="list-style-type: none"> <li>Water sampling method is conducted once in every 6 months. The sample will be further analyzed in the laboratories to find out the quality and content of the water.</li> </ul>
	Sedimentation from soil erosion and riverbanks	<ul style="list-style-type: none"> <li>Enrichment of vegetation in river. Proper vegetation would filter the material from soil erosion before getting into the river and prevent the potential of riverbanks erosion.</li> </ul>	
	Uncontrolled logging activity by the community in peat area	<ul style="list-style-type: none"> <li>Create signboard to inform the community, company staff and worker about the value of HCV in the area that has been determined as HCV area.</li> <li>Actively patrol the concession to monitor logging activity.</li> </ul>	<ul style="list-style-type: none"> <li>Record any incident regarding HCV</li> <li>Identify the types of vegetation in the peat area.</li> </ul>
	Fire incident in peat area during dry season	<ul style="list-style-type: none"> <li>To maintain the peat area in wet condition and to control the water surface level around peat area is in a suitable condition.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the level of water surface in a suitable condition</li> </ul>
6	Company's operational activity that pays less attention to the existence of HCV 6, especially during land clearing and replanting.	<ul style="list-style-type: none"> <li>Conduct socialization to the community, company worker and staff and contractors regarding the presence, location, and the value of HCV 6, and the company's commitment to sustain HCV 6.</li> <li>To provide access to the community whom would like to pay a visit</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the presence and physical condition of and area valued as HCV 6</li> <li>Evaluate the effectiveness of managing the HCV 6 area</li> </ul>

In order to make such activities effective, it is required that the reinforcement to the human resources competencies be applied so that they have sufficient knowledge and life skills to implement all the determined activities. Moreover, it is essential to provide appropriate infrastructures so that the implementation of the activities is possible to be effective.

## Development Plan

PT Musim Mas has been certified by RSPO certified on 6<sup>th</sup> January 2009 and the KKPA certified on 2<sup>nd</sup> March 2011. The total concession area of PT Musim Mas is 28,333.10 ha. Total planted area in PT Musim Mas (nucleus) is 23,360.19 ha, KKPA Merbau Sakti is 864 ha, KKPA Rawa Tengkuluk 802 ha, Kas Desa 17 ha. The total HCV areas included Management Area (HCV-MA) of 1,448.47 ha. HCV management plan has been developed for these areas and implementation is on-going.

The proposed expansion of oil palm areas in PT Musim Mas is a mix of i) acquiring the enclave land within the location of the Land Use Title (HGU) and ii) corporate social responsibility (CSR) project of oil palm expansion of area KKPA Merbau Sakti and oil palm expansion of Kas Desa. Thus the new planting of oil palm is an on-going development and

# RSPO

requires only public notification adhering to the RSPO New Planting Procedures guidance of 12<sup>th</sup> May, 2010.

Expansion of new oil palm areas entails enclave land of  $\pm 853.89$  ha in HGU which the land owners will be negotiated for land acquisition and compensation to the land owners through Free, Prior and Informed Consent Process.

Oil palm plantings as corporate social responsibility (CSR) projects/Smallholders scheme (KKPA & Kas Desa) in villages in the vicinity outside of the HGU i.e. KPPA Merbau Sakti - Batang Kulim planed about 202.13 ha, Kas Desa Talau about 4 ha and Kas Desa Batang Kulim about 5 ha.

The enclaves' areas of  $\pm 853.89$  ha and areas for CSR oil palm development of  $\pm 211.13$  ha do not contain primary forest, HCV area and the general land covers are cultivated area and shrub mixed with tree crops.

The process of land development and palm oil planting adheres to the procedures of RSPO New Planting Procedures (NPP) for on-going development for notification. The detail of area statements and time-plan for new plantings are presented in report "Development plan of PT Musim Mas 2015", and summarized in Table 3 & Table 4. The proposed expansion area along with HCV area is presented in picture 6.

Table 3 Proposed expansion of oil palm area for nucleus (Estate)

<b>Planted (Ha)</b>	<b>Building, roads, nursery, enclave, etc (Ha)</b>	<b>HCV &amp; HCVMA</b>	<b>Proposed expansion of oil palm 2015 – 2020</b>	<b>Total HGU (Ha)</b>
23,360.19	2,670.55	1,448.47	853.89	28,333.10

# RSPO

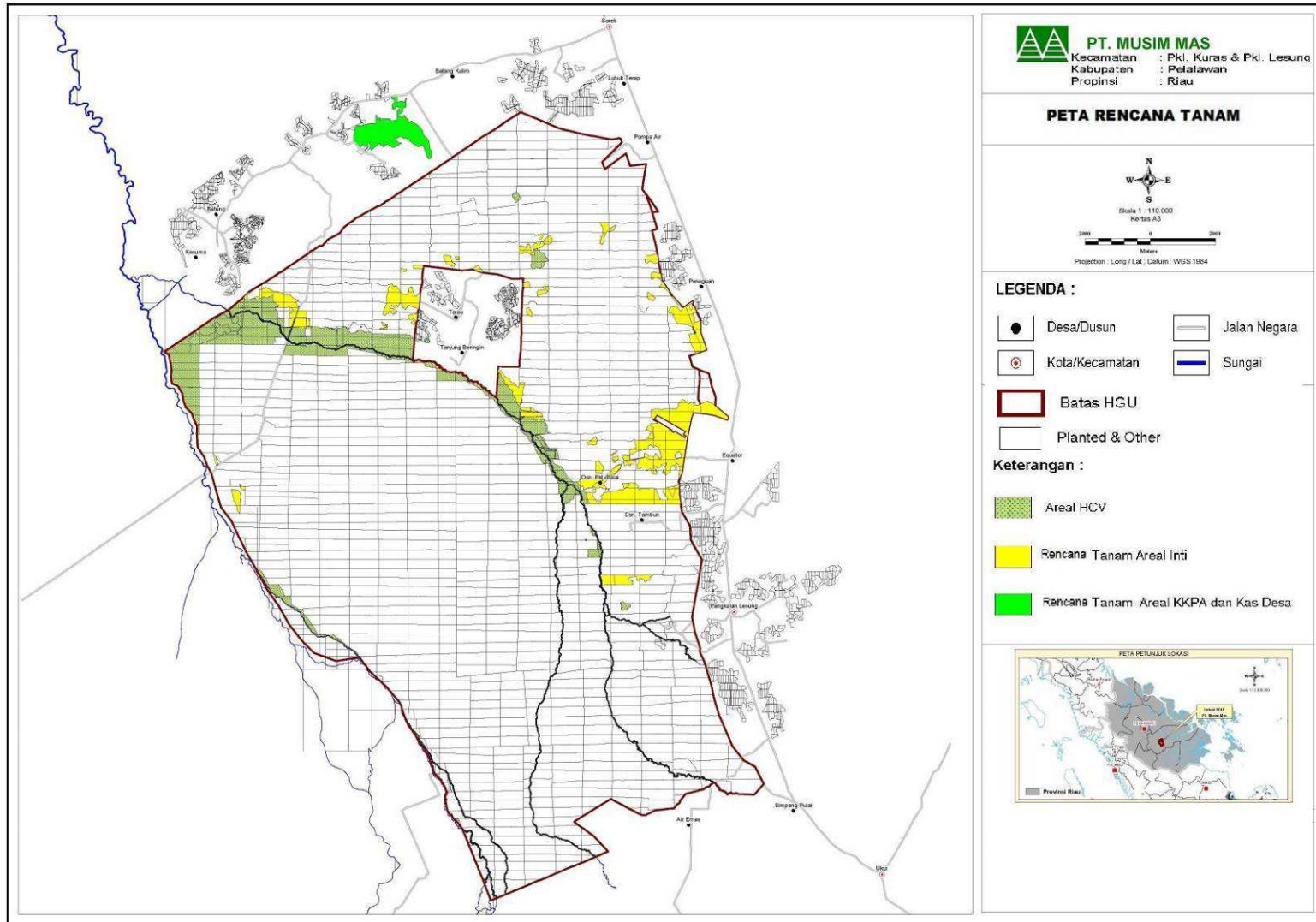
Detail proposed expansion of oil palm area for nucleus (Estate) as per year

Total Proposed (ha)	Year (ha)					
	2015	2016	2017	2018	2019	2020
853.89	17.16	127.83	103.97	146.47	265.38	193.08

Table 4 Proposed expansion of oil palm area for KKPA & Kas Desa

Location	Planted Area (Ha)	HCV	Proposed expansion of oil palm 2015 – 2016
KKPA Rawa Tengkuluk	802	0 ha	-
KKPA Merbau Sakti	864	0 ha	202.13
Kas Desa	17	0 ha	9

# RSPO



Picture 6 Location of HCV & HCV-MA and planned planting area (Nucleus, KKP and Kas Desa)



## VERIFICATION STATEMENT:

The company opted for a desk-top audit against the relevant documents required by the RSPO NPP. A pre-audit review was carried out and during the document audit, two Control Union auditors were present with the management team of PT Musim Mas at their head office in Medan on 18 June 2015 to verify and review the relevant documents including interviewing the management team members. Control Union Certifications confirmed the oil palm expansion/new planting plan is part of going planting and is meant for notification only.

PT Musim Mas 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) conducted by the government approved consultants as well as incorporating the HCV and SIA assessments findings by independent consultants. PT Musim Mas has also adhered to the requirements of the RSPO P&C 2013 on analysis of land use change, estimation of carbon stock and calculation of potential GHG emissions using the RSPO Carbon Assessment Tool for New Oil Palm Planting dated December 2014. The latter report is submitted to the RSPO Emission Reduction Working Group separately as per RSPO requirements.

Control Union Certifications confirmed that the assessment and plans are comprehensive, professional and compliant of RSPO principles, criteria and indicators. It is the opinion of the Control Union Certifications auditors that PT Musim Mas has complied with the RSPO New Planting Procedures enforced on 1<sup>st</sup> January, 2010 and requirements of criterion 7.8 of the RSPO P&C 2013.

Signed on behalf of Control Union Certifications



Mahaswaran Maliyapan

Lead Auditor

Date: 18<sup>th</sup> June 2015

Signed on behalf of PT Musim Mas



Dr Gan Lian Tiong

Head of Sustainability Department

Date: 18<sup>th</sup> June 2015