

RSPO



PT TIMBANG DELI INDONESIA

(SIPEF GROUP)

KABUPATEN DELI SERDANG

NORTH SUMATRA PROVINCE

INDONESIA

SUMMARY OF PLANNING AND MANAGEMENT

DECEMBER 2014



RSPO NEW PLANTING PROCEDURE

Summary Report of Planning and Management

PT TIMBANG DELI INDONESIA – DELI SERDANG REGION

1. Executive Summary

PT Timbang Deli Indonesia is a company established in Indonesia that under the management of PT Tolan Tiga Indonesia, a subsidiary of SIPEF (Societe Internationale de Plantations et de Finance), a Belgian agro-industri company listed on NYSE-Euronext, Brussel. The Sipef group has long been guided by a strong focus on sustainability, and has based its commitment to sustainable palm oil on the Principles and Criteria of the Roundtable on Sustainable Palm Oil (RSPO). Including the requirement of P&C 2013 for New Planting Procedure (NPP) which was enforced 1st January 2010.

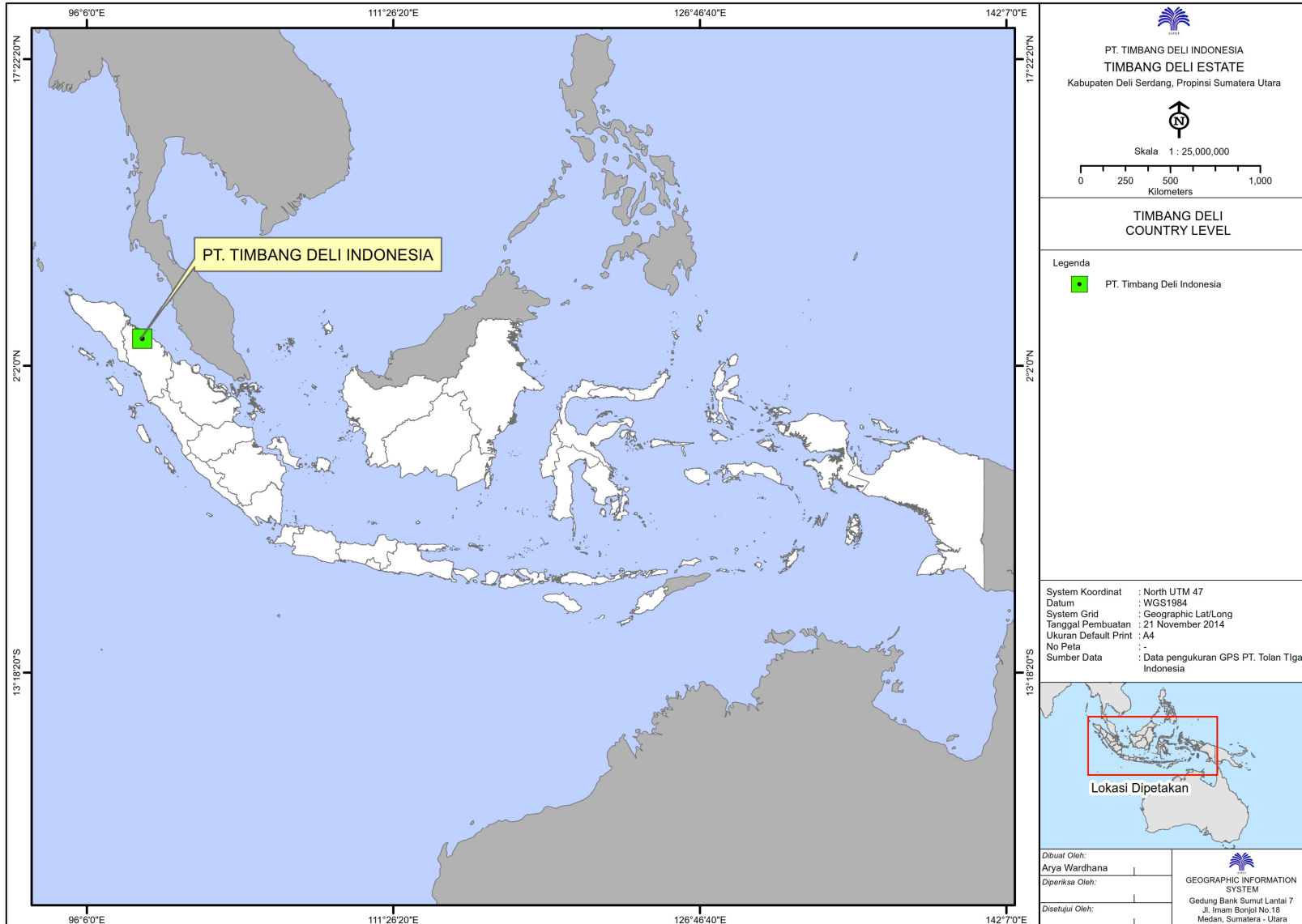
PT TDI engaged in rubber plantation and has obtained permanent land use title (“HGU”) for oil palm plantation covering an area of ± 972.19 ha through the Decree No. 69/HGU/BPN/97 dated 10th July 1997. Agricultural crops cultivated in the area is rubber and the existing lower area were planted with oil palm. Rubber were planted since 1978 with latex as its product and directly put into latex tank to be delivered to PT Bandar Sumatera Indonesia, part of SIPEF group too. Subsequently, PT TDI does not have sheet factory. The yield of Fresh Fruit Bunches from oil palms areas are sold to other parties. PT TDI is going to convert part of its rubber area to oil palm cultivation.

To plan this development, PT TDI has commissioned a HCV and SI assessment conducted by Forestry Faculty of Bogor Agriculture Institute (IPB) lead by assessor approved by the RSPO, and a soil suitability survey. The results of the HCV assessment

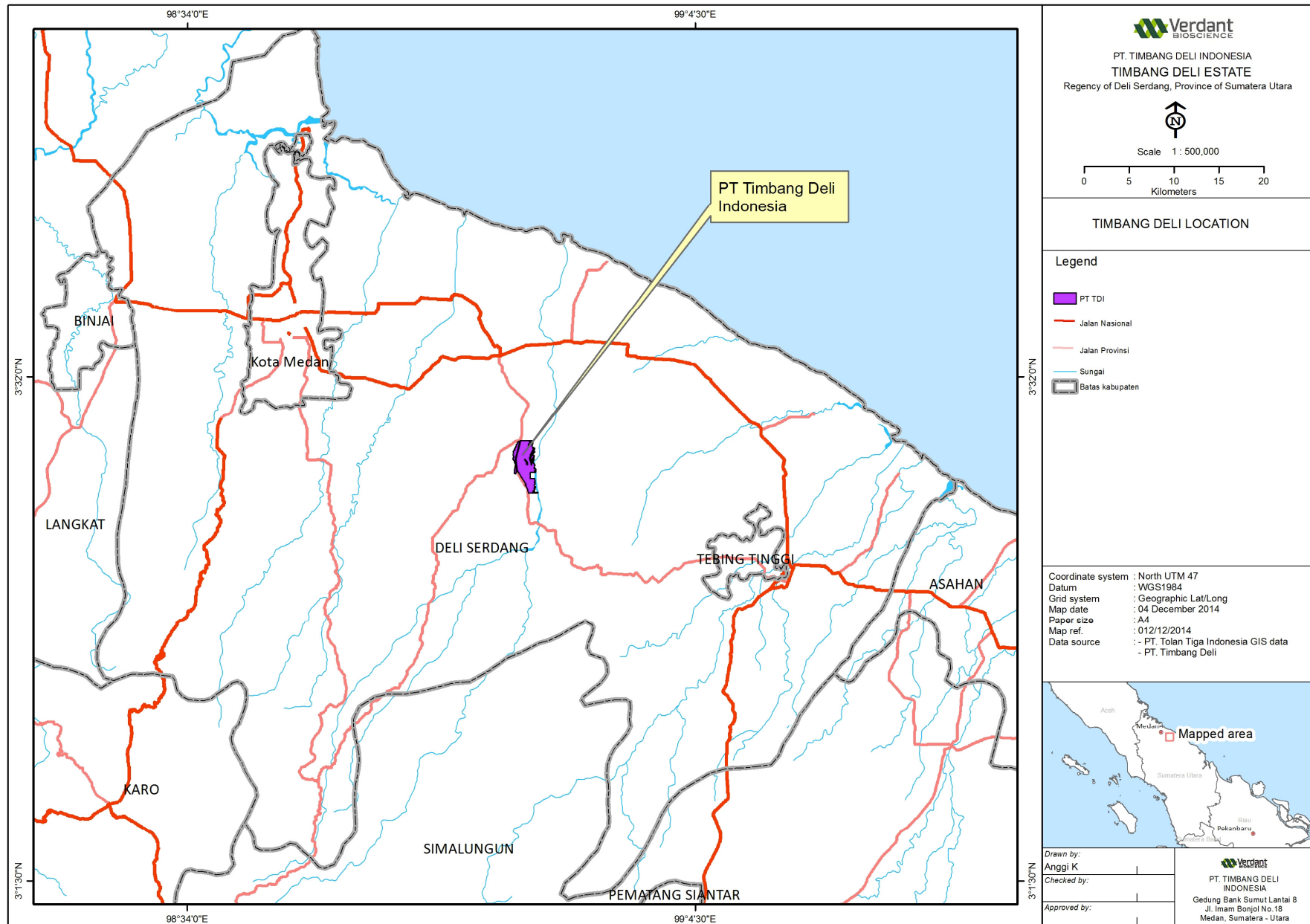
and SEIA are summarised separately, and have been incorporated in the development plans. HCV peer review assessment completed by an independent consultant, Rachmad Hermawan, in May 2014.

2. Reference Documents

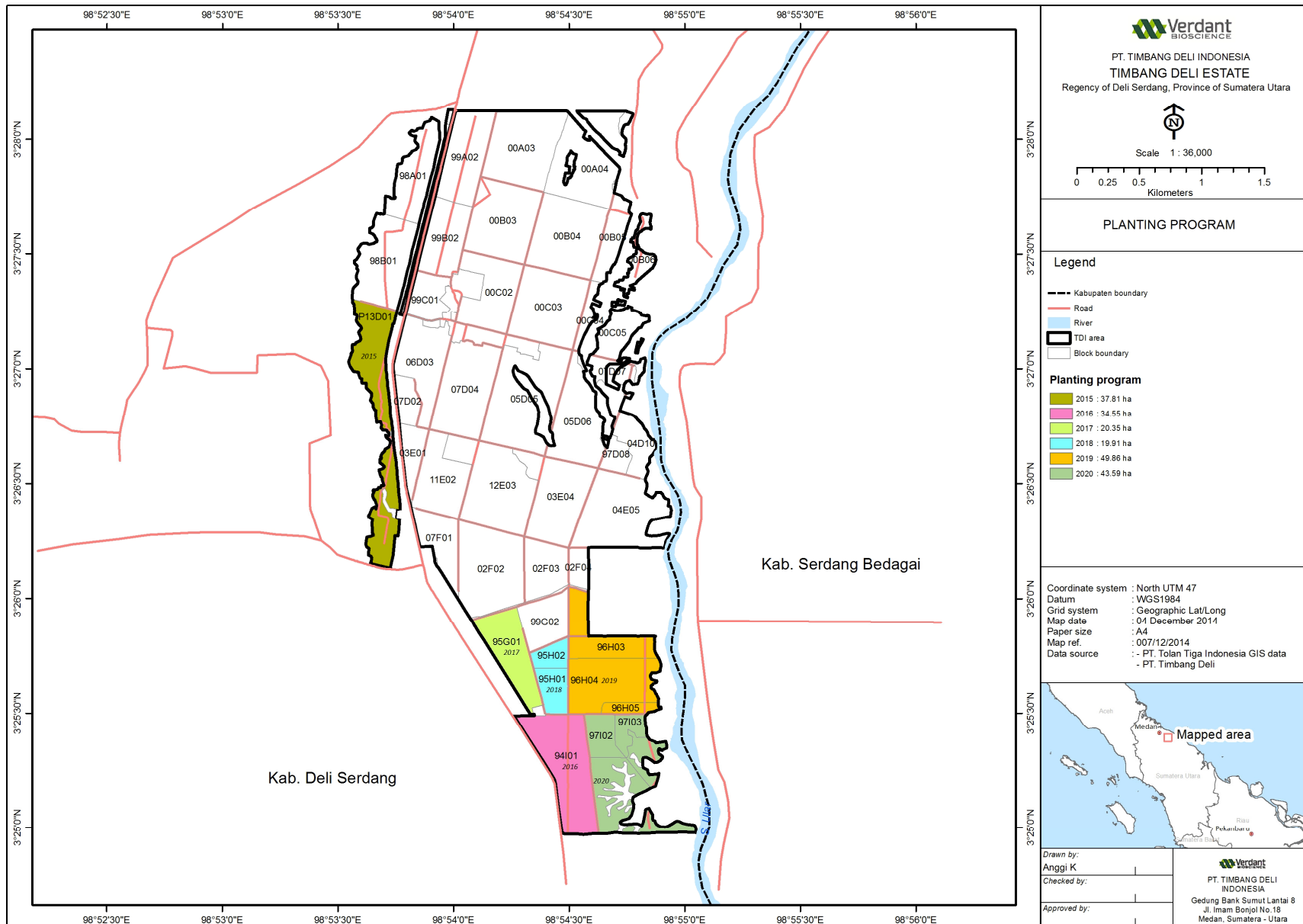
- Tax Registration Number (NPWP) No.01.001.800.0-058.000, Stamp and initials by tax office of foreign investment, dated 14 November 1982
- Permanent Land Use Title (HGU=Hak Guna Usaha), No. 4, signed by Head Office of Land Deli Serdang District, dated 10 July 1997.
- Decision Letter of Permanent Land Use Title, No. 69/HGU/BPN/97, Signed by Minister of Agraria, Head of National Land Agency, dated 10 July 1997.
- Permanent Business Permit (“Izin Usaha Tetap”), No. 386/T/Kehutanan/Perkebunan/1998, Signed by Minister of Forestry and Plantation, Minister of Investment, Chief of Investment Coordinating Body, dated 21 August 1998.
- Plantation Business Permit (“Izin Usaha Perkebunan”), No. 209/Menhutbun-VII/2000, Signed by Minister of Forestry and Plantation, Directorate General of Plantation, dated 10 March 2000.
- Company Registration Number (“Tanda Daftar Perusahaan”), No.02.12.1.01.00927/2518/2422/2443/07/2011, Signed by Head of Licensing Service for the Mayor of Medan, dated 18 July 2011.
- Principle Permit (“Izin Prinsip”), No. 602/1/IP-PB/PMA/2014, Signed by Head of Coordinator Investment Republic of Indonesia, dated 12 March 2014.
- UKL / UPL, No. APDL.T/305A/VII/2014, Signed by Head of Environmental Impact Control Agency of Deli Serdang District, dated 06 August 2014.
- Social Impact Assessment and High Conservation Value Assessment were conducted and report prepared by RSPO approved assessors from Forest Faculty of Bogor Agriculture Institute.
- Soil Survey and Suitability : “Detailed reconnaissance soil survey and oil palm suitability assessment report of PT Timbang Deli Indonesia” by JH Agriculture Services, May 2014.
- HCV Resource Network toolkit Indonesia, 2008
- Map of Planting programme PT Timbang Deli Indonesia.

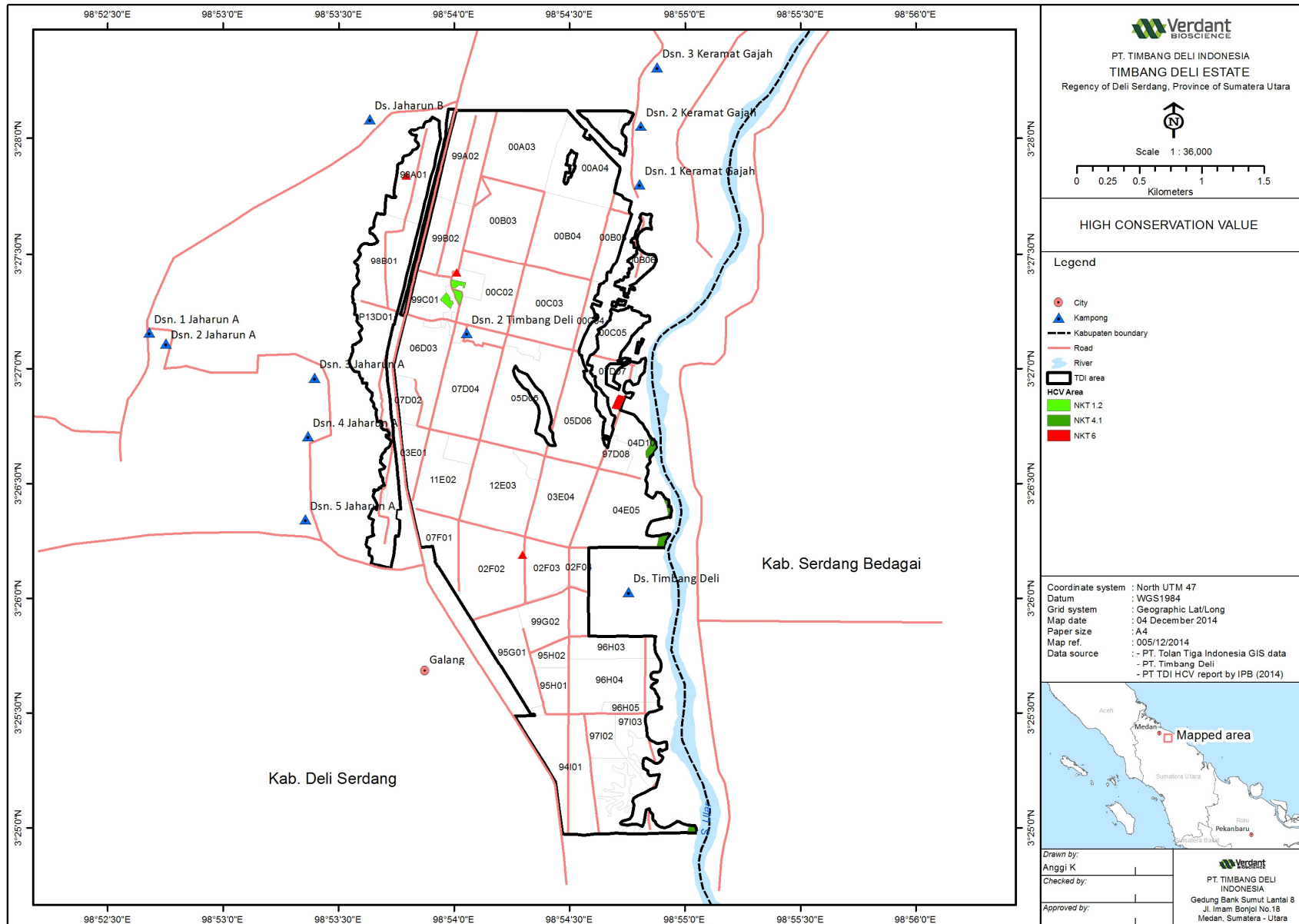


Map 1. Location PT TDI on country level



Map 2. Location of PT Timbang Deli Indonesia (Kabupaten level)





Map 4. PT TDI - HCV Area

3. SEIA and HCV Management and Key Personnel

Organizational information and contact person

Company Name	: PT Timbang Deli Indonesia
RSPO membership number	: 1-0021-05-000-00 (as part of SIPEF)
Capital status	: Foreign Investment (Penanaman Modal Asing – PMA)
Type Of Business	: Oil palm plantation.
Address	
Regional Office	: Desa Timbang Deli, Kabupaten Deli Serdang, Propinsi Sumatera Utara, Indonesia
Head Office	: Bank Sumut building 7 floor. Jl Imam Bonjol No 18, Medan – North Sumatera
Telephone	: 061 – 4152043
E-Mail	: gmo_sumut@sipef.com (valid for all people mentioned below).
Contact Person	: Mr. Hamdani (Manager EnC)

Personnel involved in planning and implementation

- : Mr. Stephen Peter Connor Nelson (President Director)
- : Mr. Adam Christian Quentin James (Director)
- : Mr. Ahmad Subagio (General Manager)
- : Mrs. Anita Ridhani (Senior Manager, Corporate Affairs)
- : Mr. Efri Paryanto (Coordinator Environment, Health and Safety, North Sumatra)

Stakeholders involved during implementation

1. Government officers : Forestry Services (Dinas Kehutanan), Regional Development Deli Serdang District (BPD), National Land Services, Police.
2. Local government representatives (at Kabupaten, Kecamatan and Village level) : representative office of Deli Serdang District, Head Village of Timbang Deli, Head Village of Keramat Gajah and Head Village of Jahuran A.
3. Company employees and their representatives.

4.a. SUMMARY OF SEIA MANAGEMENT AND MITIGATION PLAN

No	Description	Management Objective	Action Plan	PIC	Target
1	FPIC	Maintain communication with stakeholders associated with PT TDI	<ul style="list-style-type: none"> • FPIC has been done. • Regular communication or meeting with stakeholders. • Make documentation for every meeting / gathering. • Follow up results of the meeting if needed. • If any conflicts happen, will refer to SOP CA02 and will be documented and complete recorded all the legal documents. 	Estate Manager Field Head Assistant	2014 and continuously.
2	Conversion from rubber to oil palm	Communities to understand the benefits of oil palm in their area at the present time.	<ul style="list-style-type: none"> • Informal information to the villagers and stakeholders, through the workers and employee of PT TDI. 	Estate Manager Field Head Assistant	2014 and continuously
3	Boundary	Monitoring and evaluation of the boundary area / markers.	<ul style="list-style-type: none"> • Mapping the area according to the land use permanent, using precise mapping tools and is recorded carefully. • Routinely do checking based on the list to every boundary marks and quickly change or replace the markers if any missing/broken. • Monitoring routinely of the drainage along the boundary, according to the SOP of boundary drainage. 	Estate Manager GIS Field Head Assistant	Continuously
4	Cattle grazing	Villagers to understand the company's position on cattle grazing.	<ul style="list-style-type: none"> • Communication with the villagers (especially who have cattle) accompanied by head of villagers and traditional elders in villages, the reasons why cattle (cows) forbidden to graze in plantation and company only tolerates goats and sheeps graze in the plantation. • Guidance the villagers planting on their own land certain grasses for their cattle, example odot grass (<i>Pennisetum purerium cvmoot</i>). 	Estate Manager Field Head Assistant	Continuously 2015 and continuously

<u>Construction Phase</u>					
1	Air Pollution	Minimize the negative impact and maintain the quality in the range of standard/regulation, PP No. 41/1999.	<ul style="list-style-type: none"> • Road leveling and avoid soil scattered on the road. • All vehicles must pass the emission gas test. • Spread some water to the road on dry season when needed. • Planting more plants along the road of office and emplacement. 	Estate Manager Field Head Assistant	Continuously
2	Transportation / vehicles mobility	Minimize the possibility of accidents.	<ul style="list-style-type: none"> • Put some signs along the road informing that there is project running. • Arrange the maximum quantity of vehicle per day. 	Estate Manager Field Head Assistant	2015
3	Community welfare	Employment opportunities and Ensure that local communities are given fair access to work opportunities in the project.	<ul style="list-style-type: none"> • Establish job opportunities for 178 workers. • Give priority to local people with the right skills. • Ensure that information on job vacancies is well disseminated within the local communities. 	Estate Manager Field Head Assistant	2015
4	Communities' attitudes and perceptions	Employment opportunities	<ul style="list-style-type: none"> • Give priority to local people with the right skills. • Questionnaire and interview with community collaboration with head of sub-district, then analyse the data collection. 	Estate Manager Field Head Assistant	2015
5	Sound Pollution	Minimize the negative impact and maintain the quality in the range of standard/regulation, Kep.48/MENLH/11/1996	<ul style="list-style-type: none"> • Training the drivers for all vehicles of the project, example maximum driving 25 km/hour along the roads of emplacement . • Avoid pressing the horn on the road of villages and emplacement. 	Estate Manager Field Head Assistant	Continuously

<u>Operational Phase</u>					
1	Soil Fertility	To avoid the damage of soil structure and decreasing of soil fertility.	<ul style="list-style-type: none"> • Use herbicides that according to the national law recommendation. • Give fertilizers based on laboratorium analysis. • Soil conservation using cover crops and terracing. 	Estate Manager	2015 and continuously
2	Ground Water	Maintain the water around the area of project from the negative impact of operations and keep the water surface base on government standart (PP No. 82/2001)	<ul style="list-style-type: none"> • Processing the waste as standard and keep the rivers in clean condition. • Maintain the water river flow, not changing the direction. • Regularly conduct analyses by the registered and certified laboratory of waste water, ground water and surface water. 	Estate Manager Field Head Assistant	2015 and continuously
3	Air Pollution	Minimize the negative impact and maintain the quality in the range of standard/regulation, PP No. 41/1999.	<ul style="list-style-type: none"> • Training the drivers for all vehicles of the project on how to reduce the air dust, example maximum driving 25 km/hour along the roads of emplacement . • All vehicles must pass the emission gas test. • Spread some water to the road on dry season when needed. • Planting more plants along the road of office and emplacement. 	Estate Manager Field Head Assistant	2015 and continuously
4	Estetica	Avoid scattered polybags in plantation.	<ul style="list-style-type: none"> • Collect all the plastic bags / polybags and give them all to be recycled. 	Estate Manager Field Head Assistant	2015 and continuously
5	Community welfare	Employment opportunities and increase level income of community.	<ul style="list-style-type: none"> • Minimum salary of workers is based on the minimum salary of Deli Serdang District or North Sumatera province. • Give priority to local people with the right skills. • Ensure that information on job vacancies is well disseminated within the local communities. 	Estate Manager Field Head Assistant	2015 and continuously

6	Communities' attitudes and perceptions	Employment opportunities	<ul style="list-style-type: none"> • Give priority to local people with the right skills. • Provide funds for community as CD (Community development) and CSR (Coorporate Social Responsibility) • Questionnaire and interview with community collaboration with head of sub-district, then analyse the data collection. 	Estate Manager Field Head Assistant	2015
7	Communities' Health	Maintain health of community and workers especially from the negative effect of pesticides and herbicides.	<ul style="list-style-type: none"> • Do spraying according to recommendation. • Spraying not against wind. • Wear appropriate personel protective equipment. 	Estate Manager Field Head Assistant	2015
8	Sound Pollution	Minimize the negative impact and maintain the quality in the range of standard/regulation, Kep.48/MENLH/11/1996	<ul style="list-style-type: none"> • Training the drivers for all vehicles of the project, example maximum driving 25 km/hour along the roads of emplacement . • Avoid pressing the horn on the road of villages and emplacement. 	Estate Manager Field Head Assistant	Continuously
9	CD/CSR Programme	Provide social benefits to the communities in the project area.	<ul style="list-style-type: none"> • Prepare a CSR/CD program tailored to the needs of the local communities, through social surveys conducted by dedicated personnel, example : increase quantity of scholarship based on the children achievement and/or the economic liability of their parents. 	Estate Manager	Continuously
10	Harzardous Waste	Delegate disposal to a third party that have license to handle harzardous waste.	<ul style="list-style-type: none"> • Obtain the permit for temporary storage of harzardous waste (No. 784 year of 2010, dated 06th August 2010). • Implementation relevant company SOP for storage and disposal of harzardous waste. 	Estate Manager Field Head Assistant	Continuously

4.b. SUMMARY OF HCV MANAGEMENT AND MITIGATION PLANS

No	HCV area	Buffer zone/riparian area (m)	Total Area (ha)	HCV Criteria	Management Program					
					Purpose	Objective	Program	Method	PIC	Target
1	Arboretum	--	1.52	HCV 1.2	The protection of Biodiversity	To maintain the function of Arboretum	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. 	Estate Manager Field Head Assistant	2014
2	Riparian zone of Ular river	50	3.79	HCV 4.1	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. • 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	Soil, water, natural vegetation and wildlife inside riparian area are	<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 	Estate Manager Field Head Assistant	

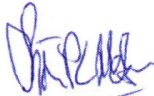
					and wild life inside riparian area.	preserved		plantation activities. <ul style="list-style-type: none"> • If necessary, dig a trench along the sides of the river to collect runoffs after heavy rains to avoid silting of the river. 		
3	Cemeteries	--	0.89	HCV 6	The protection of the HCV area	To maintain the social function of HCV 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. • 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. • 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. • Specially for the cemeteries still in use, allow access and use of the area. 	Estate Manager Field Head Assistant	2014

5. Internal Responsibility

This Summary of Planning and Management has been approved by the management of PT Timbang Deli Indonesia.

11 December 2014

PT TIMBANG DELI INDONESIA



Stephen Peter Connor Nelson
President Director



Ahmad Subagio
General Manager

-

+++++