

## 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

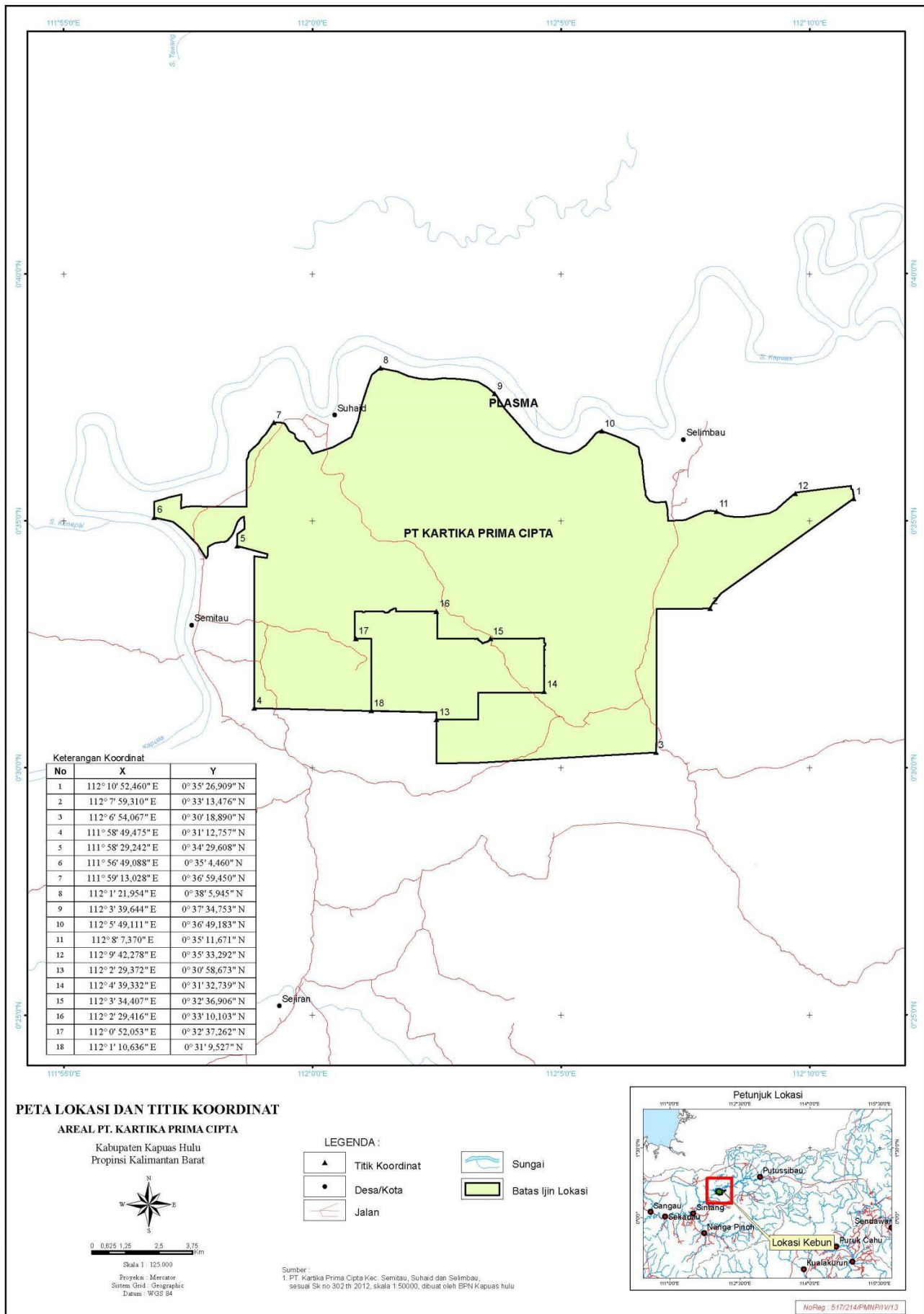
	This is a completely new development and stakeholders may submit comments.
√	This is part of an ongoing planting and is meant for notification only.

**COMPANY** : **GOLDEN AGRI RESOURCES Ltd**  
**SUBSIDIARY (If any)** : **PT KARTIKA PRIMA CIPTA**  
**RSPO Membership Number** : **1-0096-11-000-00**  
**Dated 31 March 2011**

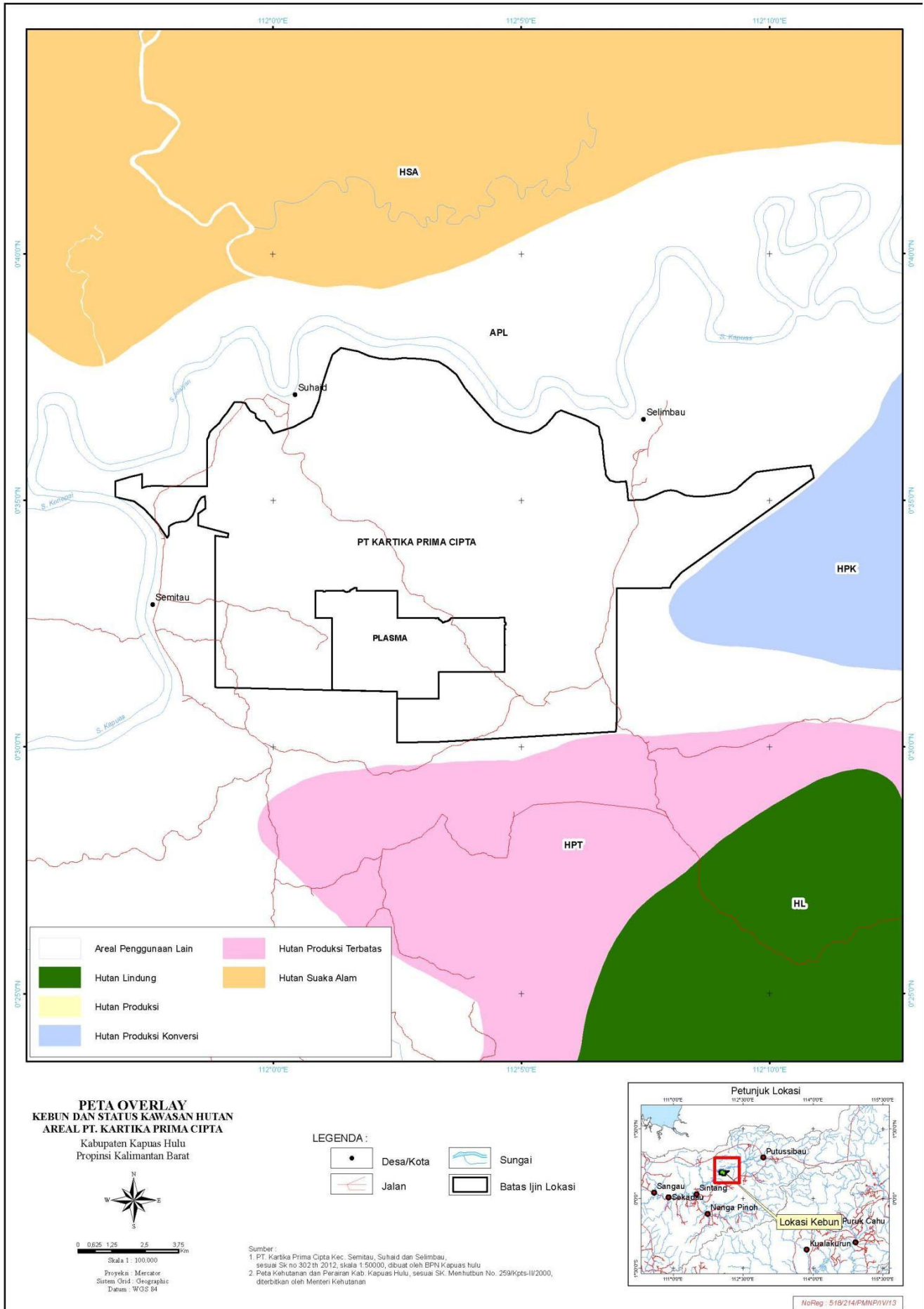
### LOCATION OF PROPOSED NEW PLANTING

- Name of Company : PT Kartika Prima Cipta
- Location : Semitau Sub District, Suhaid Sub District and Selimbau Sub District, Kapuas Hulu Regency, West Kalimantan
- Geographical location : (111° 56' 49,088" E - 112° 10' 52,460" E) and (0°30'18,890" N - 0° 38' 5,945" N)
- Surrounding area :
  - a. North : Kapuas River
  - b. East : Production Forest
  - c. West : State-owned Forest
  - d. South : Kapuas Forest and APL/Other Usage Area
- New Planting Area (planted) : **362,55 Ha**
- New Planting area (rest of area) : **16.612,10 Ha**
- Permits :
  - a. Permit of location: Decree of Kapuas Hulu Regent number 16 of 2007 on 23 January 2007 total area ± 20,000 Ha.
  - b. Extension of Permit Location: Decree of Kapuas Hulu Regent number 302 of 2012 on 1 October 2012 total area ± 19,200 Ha.
  - c. Cultivation Plantation Business Permit (IUP): Decree of Kapuas Hulu Regent number 25/61/DisperhutBun-A on January 22nd, 2007 total area 18,000 ha.
  - d. HGU: still in the process in the National Land Agency.
- Map of Location : Figure 1, Figure 2, and Figure 3

**Figure 1. Location Map of PT Kartika Prima Cipta in Kapuas Hulu Regency**



**Figure 2. Overlay Map of Estate and Forest Area Status of PT Kartika Prima Cipta (relevant to the HGU process)**



## SUMMARY OF SEI ASSESSMENT

The Environmental Impact Assessment (EIA) of Kartika Prima Cipta was conducted by consultant CV. Intergraha Citra. It was approved by the Kapuas Hulu Regent`s Decree No. 290 of 2006 on 22 December 2006 concerning the Environmental Feasibility of Palm Estate Activity by Kartika Prima Cipta in Semitau Sub-District, Suhaid Sub-District and Selimbau Sub-District, Kapuas Hulu Regency.

Methods used in data collection and analysis for the EIA were:

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

The Company also has a Social Impact Assessment (SIA) prepared by an internal team from PT SMART. The five-member team was led by Mr. Yosaphat Ardhilla Renato S.Ant. a registered specialist in socio-economic and cultural matters, and conflict resolution.

Data for the SIA was gathered using an indirect collection system through study of literature such as the EIA document, High Conservation Value (HCV) identification study and official data from relevant websites.

Primary data collection was done by studying literature containing information able to represent the required data. Secondary data was collected from documents such as records of the Corporate Social Responsibility (CSR) programme and local maps.

Results of the SIA of PT Kartika Prima Cipta are as follows:

No.	Social Impact	Social Issue
1.	Increasing job opportunities and community income	Before the Company's infrastructure development, community income was stagnant. Now, through the Company's operations, the community has seen income grow.
		The Company use s specific contractors on an ongoing basis in accordance with its needs.
		The emergence of stores selling daily necessities is a result of the Increase in economic activity in the
		Plasma programme conducted in partnership with the community.

No.	Social Impact	Social Issue
2.	Community Unrest and Social Conflict	The quota of local workers should be noted and adjusted to the Company`s manpower needs.
		Community unawareness of the Company`s investment plan and management.
		Land acquisition activity may drive conflict because of misunderstandings over the land price and crop removal.
		Clarity of plasma programme and planned CSR
		The involvement of government, community figures and customary institutions in every activity of land acquisition and at the pre-construction phase.
3.	Public Health Disruption	Waste from the Company`s operations is reused responsibly; B3 waste (hazardous and toxic waste) is managed well in collaboration with a third party.
		Water quality management and monitoring of the water supply for the community.
		Fresh fruit bunch delivery to the mill causes dust and pollution that may cause upper respiratory infections. The company makes efforts to reduce such pollution.

## SUMMARY OF HCV ASSESSMENT

PT Kartika Prima Cipta has identified HCV areas in its concession. The HCV assessment was conducted by Fauna & Flora International Indonesia Programme, an NGO that focuses on biodiversity, located at Jl. Harsono RM, No. 1 Ragunan, South Jakarta (12550). The HCV identification team was led by Dr. Ir. Asep Adhikerena MSc, an Animal Ecologist, Biodiversity and Environmental Service Specialist. The other 10 team members are experts in various fields. The HCV identification was conducted in 2008, and the process was as follows:

1. Data collection from the field was conducted from 18 November 2008 to 15 December 2008 by the 11-member team.
2. Public consultation was conducted on 27 October 2009 at the Suhaid Sub-District Office, Kapuas Hulu Regency. It was attended by 71 participants representing the villages, sub-districts, and community.
3. The HCV assessment was peer reviewed by Rahayu Hatjanthi & Gary Paoli (Daemeter Consulting) from 19 April to 27 July 2011, which concluded:
  - a. There was no description about the company and the operation in allowed area and proposed area. The phase of land clearing and the operational activity of the company were not described such as conducted assessment.
  - b. Identification report of involved stakeholders at each process. The detail of management and recommendation of monitoring was not described in the report. It did not allow for involved stakeholder evaluation during the assessment process phase.
  - c. The recommendations for HCV management were too general and not specific to each HCV.

The method of HCV identification followed the Guidance for High Conservation Value Area Identification in Indonesia (2008) and Principles and Criteria of RSPO and National Interpretation P/C RSPO. Data collection was conducted through sampling and stratification namely Stratified Purposive Cluster Sampling and Spatial information study as well as field observation (ground check). The process of HCV identification and assessment was as follows:

Assessment Process	Methodology	Data Collection
Management and Land Cover	Overlay of Work Area Map (Location Permit), Map of Forest Area Designation, waters in Kapuas Hulu Regency, Landsat Image	Digital Analysis and Landsat Image Interpretation
Flora and Fauna	Interview and survey	Data was studied to identify the species and distribution of flora/fauna and checked against the list of protected species (per the government of Indonesia, IUCN)
Peat Area	The measurement of peat depth and interpolation to identify the distribution of peat. Measurement of pH, ash content test,	Field measurement and laboratory test

	water binding capacity, material density, organic carbon and nitrogen content.	
Socio-economic and Cultural Aspects.	Interview and field observation through in-depth interviews, field observation, participatory mapping and modelling, focus group discussion and document analysis.	Use of natural resources to meet the needs of local culture

Five categories of HCV were identified in the concession of PT Kartika Prima Cipta:

No.	HCV Attri	Yes	No	Area of HCV (ha)	Note
1.	HCV1				
	1.1	√		2,786.27	Riparian and peat area with the depth of > 3 metres.
	1.2	√		2,346.24	Forest area with CR category of flora according to the IUCN Red List ( <i>Hopea coriacea</i> and <i>Shore gibbosa</i> )
	1.3	√		2,571.06	Area with natural coverage as the habitat for flora and fauna especially those in the IUCN Red List VU category. The species of flora are <i>Hopea coriacea</i> , <i>Shorea gibbosa</i> , <i>Combretocarpus rotundatus</i> , <i>Nepenthes bicalcarata</i> , <i>Gonystylus bancanus</i> , while the species of fauna are <i>Setornis criniger</i> , <i>Felis bengalensis</i> , <i>Hylobates agilis</i> , <i>Presbytis rubicunda</i> , <i>Manis javanicus</i> , <i>Cervus unicolor</i> , <i>Helarctos malayanus</i> , <i>Ratufa</i>
	1.4.		X	-	
2.	HCV 2				
	2.1		X	-	There was no wide natural landscape with a capacity to maintain the process and ecology dynamics.

No.	HCV Attri	Yes	No	Wide Area of HCV (Ha)	Note
	2.2	√		982.89	Peat forest area, riparian and lowland forest ecosystem.
	2.3		X	-	There was no area with population of representative natural species.
3.	HCV 3				
		√		1,637.55	Peat ecosystem
4.	HCV 4				
	4.1	√		5,113.10	HCV 4.1 is found in the riparian area, green belt of lake/dam, green belt of spring, and <i>tembawang</i> .
	4.2		X	-	There was no area with important function as erosion and sedimentation control for the downstream community.
	4.3	√		5,245.62	There was no area with important function in preventing forest/land fires.
5.	HCV 5				
		√		497.32	Cultivation and agricultural area claimed by the community as tenants.
6.	HCV 6				
			X	-	
<b>Total Area with HCV</b>				<b>7,514.49</b>	

Following up on several important points in the HCV identification, such as the presence of an extensive peat ecosystem, the Company has conducted an analysis of peat forest with HCV in its concession area. It was conducted by the Biodiversity and Wetland Community Research Centre (PPKMLB), University of Tanjungpura (Gusti Anshari) in March 2009. The results are as follows:

- a. Most of the peat is distributed by following hill gap. Its mature level is *fibris* (<3 metres deep).  
Some of the other peat is 40–550 cm deep.
- b. Most of this peat ecosystem has been opened and planted with palm during the survey.

For the previous round of land clearing (1,022 ha), the Company had an HCV assessment conducted by the Forestry Faculty of Bogor Agricultural University in 2011. Details are listed below:



1. Land coverage in 2007 - 2009

No.	Type of Land	Coverage area (ha)		
		2007	2008	2009
1	Shrubs	88	70	-
2	Secondary forest	228	129	-
3	Dry land farming	706	-	-
4	Bare land	-	823	-
5	Palm oil	-	-	1,022
<b>Total</b>		<b>1,022</b>	<b>1,022</b>	<b>1.22</b>

2. Results of Historical HCV Assessment for Suhaid Village

No.	Item	HCV Presence in Village Area	Description (planted before 2010)
<b>A.</b>	<b>FULFILMENT OF BASIC NEEDS</b>		
1	Food	-	Shifting cultivation, not sustainable, exchangeable, Not identified as HCV
2	Freshwater	-	There are alternatives: ground-water well
3	Material	-	Not sustainable, exchangeable, Not identified as HCV
<b>B.</b>	<b>LAND HISTORY</b>		
1	Opened location before 2010	Positive	First planting year was 2008
2	Land condition before oil palm introduced	Rubber and shifting cultivation	No primary forest, only shrubs and wasteland
3	Land status	State-owned land/customary land	Shrubs/wasteland, farming
4	Logging Concession Company (HPH)/Industrial Forest Plantation (HTI) Company	Illegal logging	No primary forest
5	Important location for basic needs before 2010	-	Rubber, exchangeable, not identified as HCV
6	Important location for basic needs before 2010	-	Shifting cultivation, not sustainable, Not identified as HCV
<b>C.</b>	<b>TRADITIONAL CULTURE</b>		
1	Dominant ethnicity	Malay	-
2	Dominant livelihood	Fisherman, farming and day labour	-
3	Tembawang, honey trees	-	Negative
4	Local cultural zones	-	Negative
5	Archaeological sites (cemetery, sacred place, temple)	-	Negative

6	Ritual ceremonies	-	Negative
7	Biodiversity distribution for cultural purposes (wild boars, hornbills)	-	Negative
8	Significant values for cultural identity	-	Negative
<b>D. BIODIVERSITY</b>			
1	The presence of orang utan/ <i>kelempiyau/bekantan</i>	-	
2	Migrant fauna	-	Stork; in dry season by Mentaya River located outside the concession
3	Peat land	Positive	Different depths, in the form of cavity and not extensive
4	Wetland	-	Negative
<b>E. ENVIRONMENTAL SERVICES</b>			
1	Rivers		Already an HCV
2	Freshwater source		Negative
3	Caves		Negative
4	Lakes		Negative

### 3. Results of Historical HCV Assessment for Mantan Village

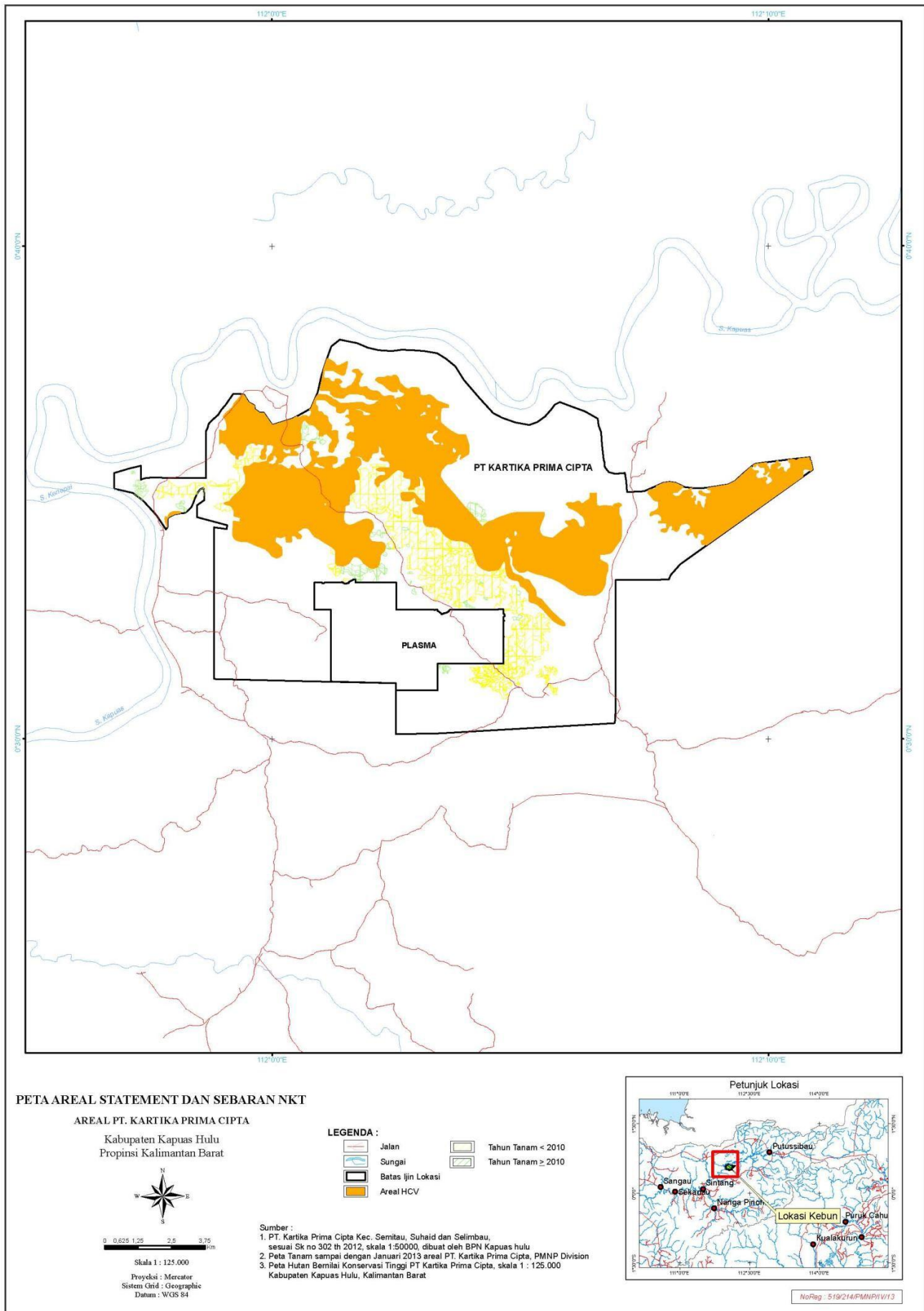
No.	Item	HCV Presence in Village Area	Description (planted before 2010)
<b>A. FULFILMENT OF BASIC NEEDS</b>			
1	Food	-	Shifting cultivation, not sustainable, exchangeable, Not identified as HCV
2	Freshwater	-	Negative
3	Material	-	Not sustainable , exchangeable, Not identified as HCV
<b>B. LAND HISTORY</b>			
1	Opened location before 2010	Positive	First planted year was 2008
2	Land condition before oil palm introduced	Rubber and formerly shifting	No primary forest, only shrubs and wasteland
3	Land status	State-owned land/Customary land	Shrubs/wasteland, farming
4	Logging Concession Company (HPH)/Industrial Forest Plantation (HTI) Company	Illegal logging	No primary forest
5	Important location for basic needs before 2010	-	Rubber, exchangeable , not identified as HCV

No.	Item	HCV Presence in Village Area	Description (planted before 2010)
6	Important location for basic needs before 2010	-	Shifting cultivation, not sustainable, Not identified as HCV
<b>C. TRADITIONAL CULTURE</b>			
1	Dominant ethnicity	Dayak	-
2	Dominant livelihood	Rubber tapping, day labor and shifting cultivation	-
3	Tembawang, honey trees	-	Negative
4	Local cultural zones	-	Negative
5	Archaeological sites (cemetery, sacred place, temple)	-	Negative
6	Ritual ceremonies	-	Mount Nibung Tujuh (already an HCV area)
7	Biodiversity distribution for cultural purposes (wild boars, hornbills)	-	Negative
8	Significant values for cultural identity	-	Negative
<b>D. BIODIVERSITY</b>			
1	The presence of orang utan/ <i>kelempiyau/bekantan</i>	-	
2	Migrant fauna	-	Stork; in dry season by Mentaya River located outside the concession
3	Peat land	-	Different depths, in the form of cavity and not extensive
4	Wetland	-	Negative
<b>E. ENVIRONMENTAL SERVICES</b>			
1	Rivers	Suhaid, Semangka, Mantan	Already an HCV
2	Freshwater source	-	Negative
3	Caves	-	Negative
4	Lakes	-	Negative

Based on these three documents, there was land clearing for palm oil cultivation in most of the HCV areas before 2010. However, no new crops were planted after January 2010 in HCV areas.

PT Kartika Prima Cipta has drawn up a plasma development plan and all planned plasma areas are located outside the HCV areas (see Figure 3).

**Figure 3. Identification of HCV and Planned Project Area of PT Kartika Prima Cipta**



## **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. PT Kartika Prima Cipta has documentation of the FPIC process including a list of beneficiaries of compensation for land/crops acquired by the Company. The list contains information such as: name of beneficiary, compensation area (ha), *Persil*, date of compensation payment, phase, minutes of meeting reference number, village and sub-district. In total there were 2,096 recipients of land compensation for a total area of 4,966.32 ha.

A sample compensation delivery receipt on behalf of Rudi Setiawan was receipt number 1,432, for compensation amounting to Rp 100,000 for an area of 1,000 m<sup>2</sup>, paid on 5 August 2009. This document contained details like minutes of meeting number 1417/KPC-MTN/VIII/2009, located in Mantan Village, Suhaid Sub-District, Kapuas Hulu Regency, West Kalimantan Province. These minutes of meeting stated a clear name of owner, land area, location of land, land boundaries, statement of delivery to buyer, statement of no dispute over the land, and witnesses.

## **SUMMARY OF PLAN**

PT Kartika Prima Cipta drew up an HCV management and monitoring plan in 2013. This document describes the type of programmes, targets, units, locations, timeframes, persons in charge, etc.

The Company also has an Environmental Management and Monitoring Plan published in December 2006. It is a translation of the EIA document, and contains details such as the timeframe for monitoring and measuring the environmental impact of the mill and estate management activities.

In addition, the company has a Social Impact Management Plan describing the type of social impact, source of impact, impact management efforts, measurement standards, location, period/schedule, and relevant parties (initiator, supervisor). Parameters of social impact are described in the Environmental and Monitoring Plan and refined by the Social Impact Management Plan.

## **VERIFICATION STATEMENT**

PT Kartika Prima Cipta opted for a document audit. Three auditors from Mutuagung Lestari studied and audited the relevant documents. The audit was conducted at the head office of Sinarmas in Jakarta on 12 April 2013. During the audit, interviews were also conducted with management representatives of PT Kartika Prima Cipta, namely the Head of Sustainability, Conservation and Biodiversity Division, certification officer, law officer, and monitoring officer.

The review of all the documents, such as legal documents, HCV identification, SIA and EIA documents, showed that:

1. There was no land clearing in 2010 in HCV, primary forest or peat protection areas.
2. The Company has considered HCV and the SIA in planning new land clearing.
3. The Company has adhered to principles of FPIC in the land acquisition process.
4. The Company has met legal requirements for new estate opening, such as the Location Permit and Plantation Business Permit (IUP). The Land Use Permit (HGU) is still being processed by the relevant authorities (Central BPN/ National Land Agency).

PT Kartika Prima Cipta has implemented the RSPO New Planting Procedure. Documentation of assessment and planning has been done completely and professionally in accordance with RSPO requirements and the RSPO Principles and Criteria for New Plantings. This is part of an ongoing planting and this report is meant for notification only.

Signed on behalf of

**MUTUAGUNG LESTARI**



**Oktovianus Rusmin**  
Lead Auditor  
20 June 2013

**PT. KARTIKA PRIMA CIPTA**



**Dr Haskarlianus Pasang**  
Division Head of Sustainability  
20 June 2013