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**RSPO NOTIFICATION OF PROPOSED
NEW PLANTING**

Document Verification	:	December 12, 2018
Field Verification	:	January 24-25, 2019
1st Satellite Imagery Reassurance	:	January 24, 2019
2nd Reassurance Verification Satellite Imagery	:	n/a
Name of Grower	:	Bumitama Agri Ltd
Name of Subsidiary	:	PT Hungarindo Persada
RSPO Membership No.	:	1-0043-07-000-00
Date of Joining RSPO	:	October 7, 2007

NPP Notification Statement (Including Verification Statement by CB)

1.	Date of Notification	30 January 2019						
2.	Name of Grower	Bumitama Agri Ltd						
3.	Name of Subsidiary (if any)	PT Hungarindo Persada						
4.	RSPO Membership No.	1-0043-07-000-00						
5.	Legal land entity	<p>Location Permit (Izin Lokasi): Location permit No.676/PEM/2016 for palm oil plantation development on behalf PT Hungarindo Persada located in Sungai Melayu Rayak and Matan Hilir Selatan Subdistrict. The total location permit of PT Hungarindo Persada is 3,700 Ha. Issued on November 16, 2016 in Ketapang. This license valid for 3 years since issued on November 16, 2016.</p> <p>Permission to Undertake Plantation Activities (IUP-B/Izin Usaha Perkebunan - Budidaya): Decree Head of Ketapang District, No.1454/DPMPTSP-D.B/2017 regarding plantation business license (IUP-B) of PT Hungarindo Persada with total area about 3,100 Ha located in Sungai Melayu Rayak and Matan Hilir Selatan Subdistrict, Ketapang District. Issued on November 16, 2017</p>						
6.	Location of proposed new planting:	Kemuning Biutak village and Sungai Melayu Rayak village, Sungai Melayu Rayak and Matan Hilir Selatan Subdistrict, Ketapang District, West Kalimantan Province, Indonesia.						
	i. Grower Address	Kemuning Biutak village and Sungai Melayu Rayak village, Sungai Melayu Rayak and Matan Hilir Selatan Subdistrict, Ketapang District, West Kalimantan Province, Indonesia.						
	ii. Size total (ha)	3,700 Ha (based on location permit)						
	iii. Size proposed for NPP (ha)	2,409.39 Ha						
	iv. Contact person	Lim Sian Choo						
	v. Phone/Fax	+62 21 2783 8200 / +62 21 7270 8665						
	vi. E-mail address	lim.sian.choo@bumitama.com						
	vii. Geographical location							
	North	Plantation area of farmers group and PT Limpah Sejahtera						
	East	Plantation area of Hutan Produksi						
	South	Plantation area of PT Arrtu Borneo Plantation and group of farmers						
	West	Plantation area of the communities and PT Duta Sumber Nabati Hutan Produksi						
	viii. Spatial Reference	1°48'52.43" - 1°53'14.60" S ; 110°20'12.10" - 110°24'32.20" E						
	ix. Hydrology	Pesaguan and Pawan						
	x. Boundary map	Complete explanation of boundry map is presented in the SEIA and HCV assessment summary and management document. Boundary map presented in Figure 1 .						
	xi. Area and time plan for new planting	<p>Planting time:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Planting plan (ha)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>2,409.39</td> </tr> <tr> <td>Total</td> <td>2,409.39</td> </tr> </tbody> </table> <p>Source: Summary Management Plan, Table 3 page 5</p>	Year	Planting plan (ha)	2019	2,409.39	Total	2,409.39
Year	Planting plan (ha)							
2019	2,409.39							
Total	2,409.39							
7.	Current condition	Some area has been planted by local community with total oil palm planted about 395.39 ha and other facilities (road) about 45.75 Ha.						
8.	Statement of Acceptance of Responsibility for NPP	The management of the Bumitama Agri (member of the RSPO since October 7, 2007) and its subsidiary PT Hungarindo Persada 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	Bumitama Agri Ltd						

**RSPO New Planting Notification Report
Bumitama Gunajaya Agro – PT Hungarindo Persada
Matan Hilir Selatan and Sungai Melayu Rayak Subdistrict,
Ketapang District
West Kalimantan Province, Indonesia**



	Name of Person Responsible	Lim Sian Choo
	Position	Head of Corporate Secretariat and Sustainability
	Signed	
	Date	24 January 2019
10.	Verification Statement by Certification Body (CB)	
	<p>The NPP verification of Bumitama Agri Ltd (PT Hungarindo Persada) conducted through document verification and on site visit. TUV Rheinland auditor conducted preliminary document reviewed on December 12, 2018. This was follow up with onsite visit verification to the proposed area for new planting site at PT Hungarindo Persada on January 24-25, 2019. The information on the proposed area for new planting has been communicated transparently to the surrounding community who might be affected the proposed new planting. At the time of field verification, clearing and preparation for proposed area for new planting has not commenced, but found some area inside the location permit (Izin Lokasi) and permission to undertake plantation activities (IUP) was developed by local community and road construction by the company.</p> <p>There is further verification to ensure the conditions through satellite imagery on January 18, 2019 (google earth tools) there is no activity found inside the concession area for proposed area.</p> <p>Based on forest and water designated area map of West Kalimantan province issued by Ministry of Forestry No.SK.733/Menhut-II/2014, September 2, 2014 all PT Hungarindo Persada concession area belongs to the Other Land Uses (APL) and based on Spatial Development Plan of Ketapang District 2015 - 2035, all concession area of PT Hungarindo Persada is inside Agriculture Area not forest area.</p> <p>PT Hungarindo Persada is a subsidiary of Bumitama Agri Ltd, and become RSPO membership since October 7, 2007. All development area following to RSPO New Planting Procedure (NPP 2015).</p> <p>PT Hungarindo Persada located in Kemuning Biutak village and Sungai Melayu Rayak village, Sungai Melayu Rayak and Matan Hilir Selatan Subdistrict, Ketapang District, West Kalimantan Province, Indonesia is developing approximately ± 3,100 Ha of oil palm plantation based on:</p> <ol style="list-style-type: none"> 1. Location permit No.676/PEM/2016 for palm oil plantation development on behalf PT Hungarindo Persada located in Sungai Melayu Rayak and Matan Hilir Selatan Subdistrict. The total location permit of PT Hungarindo Persada is 3,700 Ha. Issued on November 16, 2016 in Ketapang. This license valid for 3 years since issued on November 16, 2016. 2. Decree Head of Ketapang District, No.1454/DPMPTSP-D.B/2017 regarding plantation business license (IUP-B) of PT Hungarindo Persada with total area about 3,100 Ha located in Sungai Melayu Rayak and Matan Hilir Selatan Subdistrict, Ketapang District. Issued on November 16, 2017 <p>The HCV assessment conducted on July to August 2017. This is consist of preliminary study carried out on July 5 – August 2, 2017 and field assessment on August 4 – 16, 2017. Total area include in HCV assessment about ± 3,700.00 ha, located at Kemuning Biutak village, Matan Hilir Selatan Sub District and Sungai Melayu village, Sungai Melayu Rayak Sub District, Ketapang District, West Kalimantan Province, Indonesia. This HCV assessment conducted by external consultant PT Gagas Dinamiga Aksenta registered under the HCV Resource Network Assessor Licensing Scheme No. ALS15037NM on behalf Mr. Nandang Mulyana, since March 22, 2016. The HCV assessment with ALS tier 1 was peer reviewed by HCVRN approved reviewer in November 29, 2018 as an additional means quality assurance with status is “Satisfactory”. For the complete review result, please follow the link https://hcvnetwork.org/reports/hcv-pt-hungarindo-persada-kabupaten-ketapang-provinsi-kalimantan-barat-indonesia/.</p> <p>The EIA assessment was conducted by a consultant – PT Alam Indo Lestari, lead by Mr. Naveri, S.Hut and finalized on October 2017. The EIA study was carried out after due consultation with the Province Level of National Environmental Body of Indonesia (BLH-Provinsi), and in accordance with Ministry’s procedural Guidelines, and Term of Reference (TOR) and scope of work approved by Head of Ketapang District based on an issued letter No. 1415/DPMPTSP-D/2017 dated 10 October 2017.</p>	

The SIA assessments conducted in 2017, and officially issued in August 2017, carried out by Aksenta. 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 PT Hungarindo; Local Community Member representatives; and Local Formal Head of Village Institutions (covered all villages surrounding PT HPD Location Permit, such as Sungai Melayu Rayak Village and Kemuning Biutak Village.

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 (low access road conditions), the second level is about Environmental insecurity (land degradation because of illegal gold mining activity), the third level is Economic and Social Insecurity (working and business opportunity and schemed smallholder program and land disputes potentials) and the fourth level is about Institutional Incapacities (schemed smallholder program institutions). All of those issues regarding the company's operational impacts to community's capitals, such as: a) Human capital; b) Financial Capital; c) Physical Capital; d) Social Capital and; e) Natural capital. 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
Sungai Melayu Rayak	During field visit and interview with local community of Sungai Melayu Rayak Village found that, they aware of BGA new project under PT HPD Activities regarding Palm Oil Plantation projects. They also aware that BGA is the company who bought PT BIG, palm oil plantation company surround their village. They admit that they well informed regarding impacted areas, and has offered for land compensation options: a) Fully Cash Compensation; b) Schemed Smallholder program for community. Since the earlier land compensation process (2016), some of community member choose to keep the land, some of them pick the first options and most of community who submitted their land because of one main reason, they want to be part of Schemed Smallholder program. The community members had given by PT HPD their Free Prior and Informed Consent for the development of the project. Community aware of Palm Oil Plantation Projects run by PT HPD impacts such as Land compensation, Job and business opportunity, infrastructure improvements that giving direct improvement to local community welfare. They know where to submit their complaints and grievances if any problem occurs during the Palm Oil Plantation project operational process. All community's needs and wants regarding the palm oil projects have represented by local community customary and formal leaders. Community stated that The palm oil plantation planed by PT HPD has give new hope for community for new economic access and resources opportunity, especially regarding schemed smallholder program. Land disputes issues raised between company and illegal gold miner. In order to solve these problems, company has engaged the prior owner of the land to keep and watch the land from mining activities. Agreement has established between company and community (prior owners) in order to maintain the land.
Kemuning Biutak	Interview result with community leaders found that they concern about some specific issues, such as: a) The land owned by community and the area that has compensated by company is in fragile conditions. So many spots of open land as impacts of illegal gold mining activities; b) Community has no enough resource if they want to manage the land into agricultural activities; c) There are very big expectations of community members, compant could operate and develop palm oil plantation surround their village. It will contribute positive impacts to community, such as work and business opportunity and schemd smallholder program. During interview result found that community knows and aware of Company's officer, the previous and the recent one. They admitted that BGA team members is kind, polite and has strong relation with communities. Regarding the land ownership patern, interview result found that: a) Land ownership villages area only hold by local genuine

community village (Dayak); b) if there are non-genuine community members has the land inside village areas, it can be assumed that they buy from local community; c) As the consequences, community members who has the right to Schemed Smallholder program involvement only local genuine community member; d) Local genuine community members who will be part of schemed smallholder program would be listed and registered by local community leaders based on individual criteria, and the criteria is only age compliance (has hold KTP); e) Community would not differentiate the rights to schemed smallholder involvement based on gender.

Land disputes issues raised during interview such as: a) land demarcation among villages; b) land area demarcation among community. The first issues was administrative village border issues because of district level government policy. This issue has impacts and consequences on land acquisition and compensation process. The second issue is low level issue that has been resolved by land acquisition team, local customary leaders who has enough knowledge of land history and individuals who related to the dispute. This kind of issue has been well handled immediately during the land acquisition process.

Based on explanation above, in general all community has been well informed regarding the Palm Oil plantation projects, including the positive and negative impacts that may occur. Community showed their positive acceptance of upcoming program as part of palm oil plantation development in that area. The company promised to increase positive impacts that could improve community welfare through the CSR program such as infrastructure development, religion and education support, smallholder scheme program. Then the important statement from the local communities it is that they agree freely without coercion and support to PT HPD project to continue the development of palm oil plantation immediately, because they want to immediately be part of smallholder scheme program and recruited as worker, business partner in all level projects.

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. LUC analysis conducted on 4-16 August 2017, by external consultant on behalf PT Gagag Dinamiga Aksenta. The study consisted of a systematic land use changes analysis with the use of comparative satellite imagery, which shows the land use of the proposed area for the period 2005 – 2017. The LUCA was divided into several section i.e.: before November 2005, November 1, 2005 until November 31, 2007; December 1, 2007 until December 31, 2009; January 1, 2010 until May 9, 2014 and May 9, 2014 until HCV assessment.

The company conducted carbon stock assessment and GHG Emissions by PT Gagag Dinamiga Aksenta. The final report mentioned that total carbon stock in PT Hungarindo Persada is 1,659.70 ton C following on RSPO GHG procedure.

The company conducted high carbon stock approach from August to October 2018. The HCSA conduct by external consultant on behalf PT Gagag Dinamiga Aksenta.

The information on soil analysis result that was conducted by external parties during establish the environmental document. In section II, page II-19 mentioned information regarding soil type such as Fluvaquentic endoaquepts, typic Hapludults and Typic Quarzipsamments.

The actual condition in the concession area of PT Hungarindo Persada is land that is carried out by illegal mining by the community and also found oil palm plants planted by the community about 395.39 Ha. The company has conduct opening of infrastructure i.e. roads about 45.75 ha.

Based on HCV assessment 4-16 August 2017, the soil type in PT Hungarindo Persada concession area consist of:

Soil type	Total area (ha)	Total area (%)
Placaquods, Tropopsamments	2886.00	78.00
Tropohemist, Tropaquents	370.00	10.00
Tropudults, Paleudults, Tropaquepts	444.00	12.00

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Total	3,700.00	100.00
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Note: HCV assessment conducted coverage all location permit of PT Hungarindo Persada.

For GHG calculation, PT Hungarindo Persada used the New delopment GHG calculator and the results are explained in the Summary Report and Management Plan provided by the external consultant. In page 35 mentioned "The prediction of PT Hungarindo Persada GHG emission is calculated using New Development GHG Calculator – English from RSPO. The GHG results are explained in page 35 in the Summary Report and Management Plan is:

Alt.	Land Clearing	Corp. Squest	Fertiliser	N2O	Fuel	Peat	Conservation
Alt 1	7,783.57	-13,789.21	1,037.70	1,472.93	528.49	0.00	-45.25
Alt 2	12,912.45	-21,481.97	1,616.62	2,294.66	823.32	0.00	-45.25
Alt 3	14,473.91	-24,717.03	1,860.08	2,640.22	947.31	0.00	-45.25

This GHG emision prediction from estate (plantation). All the GHG mitigation scenarios are already explained in Summary Report and Management Plan.

The summary report and management containt about Summary Management and Mitigation plan of SEIA, HCV and GHG.

Conclusion

The TUV Rheinland Indonesia auditors were present with the management team of PT Hungarindo Persada 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 PT Hungarindo Persada are comprehensive, professional and complied to RSPO principles, criteria and indicators.

11.	Signed	Signed on behalf of TUV Rheinland Indonesia  Naik Monang Parlindungan Lingga Lead Auditor
	Date	January 24, 2019

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.

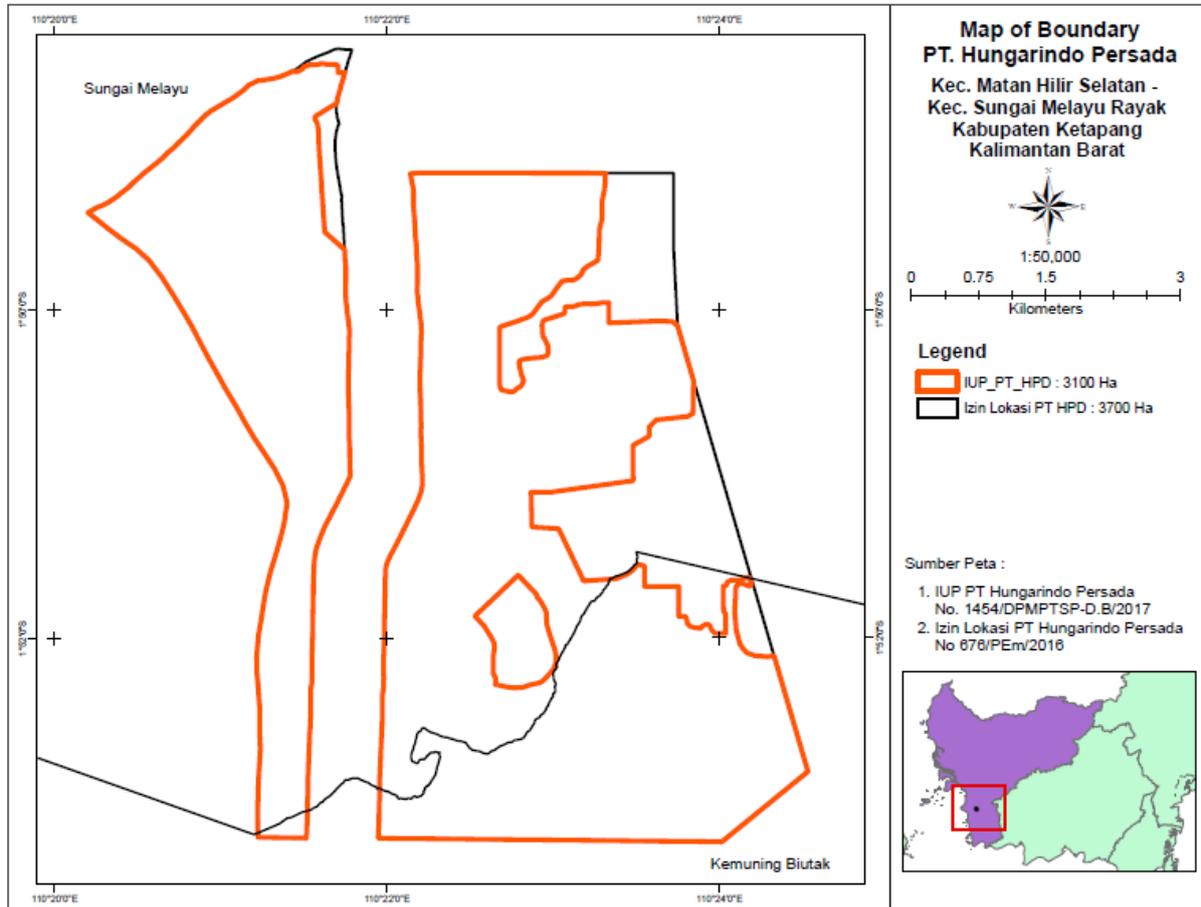
Spatial Reference (GPS Coordinates)

1°48'524,3"-1°53'14,6" S, 110°20'12,1"-110° 24'32,2" E with elevation < 50 m asl (based on HCV assessment document).

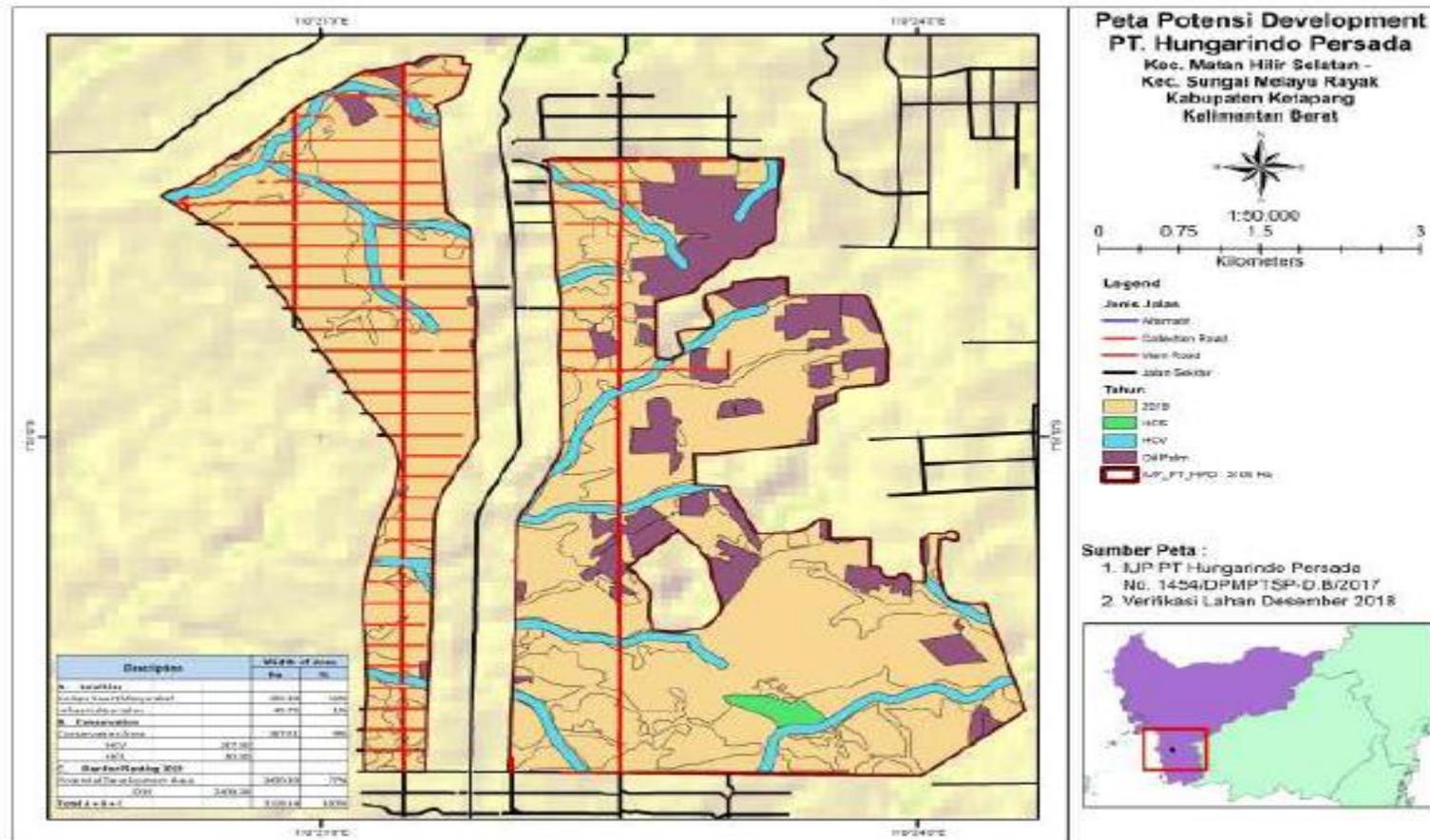
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Location and boundry location propose for New Planting (Figure 1).



Overlay Map of Propose New Planting area with HCV area in PT Hungarindo Persada concession area (Location Permit, IUP) and planted plan year 2019 (Figure 2).



Information of planting plans:

1. Orange colour: planting plan for 2019 about 2,409.39 Ha;

Result of Satellite Imagery to ensure there is no activity in NPP proposed area in PT Hungarindo Persada.

Source:

<https://www.google.com/maps/place/Sungai+Melayu,+Sungai+Melayu+Rayak,+Kabupaten+Ketapang,+Kalimantan+Barat/@-1.870575,110.3670384,3199m/data=!3m1!1e3!4m5!3m4!1s0x2e05a4584411b86d:0x90a0a178857ec033!8m2!3d-1.8719727!4d110.4619591> verified on January 24, 2019.



Figure 3: Geographical information 1°52'14.00" S ; 110°22'02.00" E



Figure 4. Onsite condition in proposed area for new planting.
Geographical information 1°52'14.00" S ; 110°22'02.00" E



Figure 5. Onsite condition in proposed area for new planting.
Geographical information 01°53'12.40" S ; 110°22'30.0

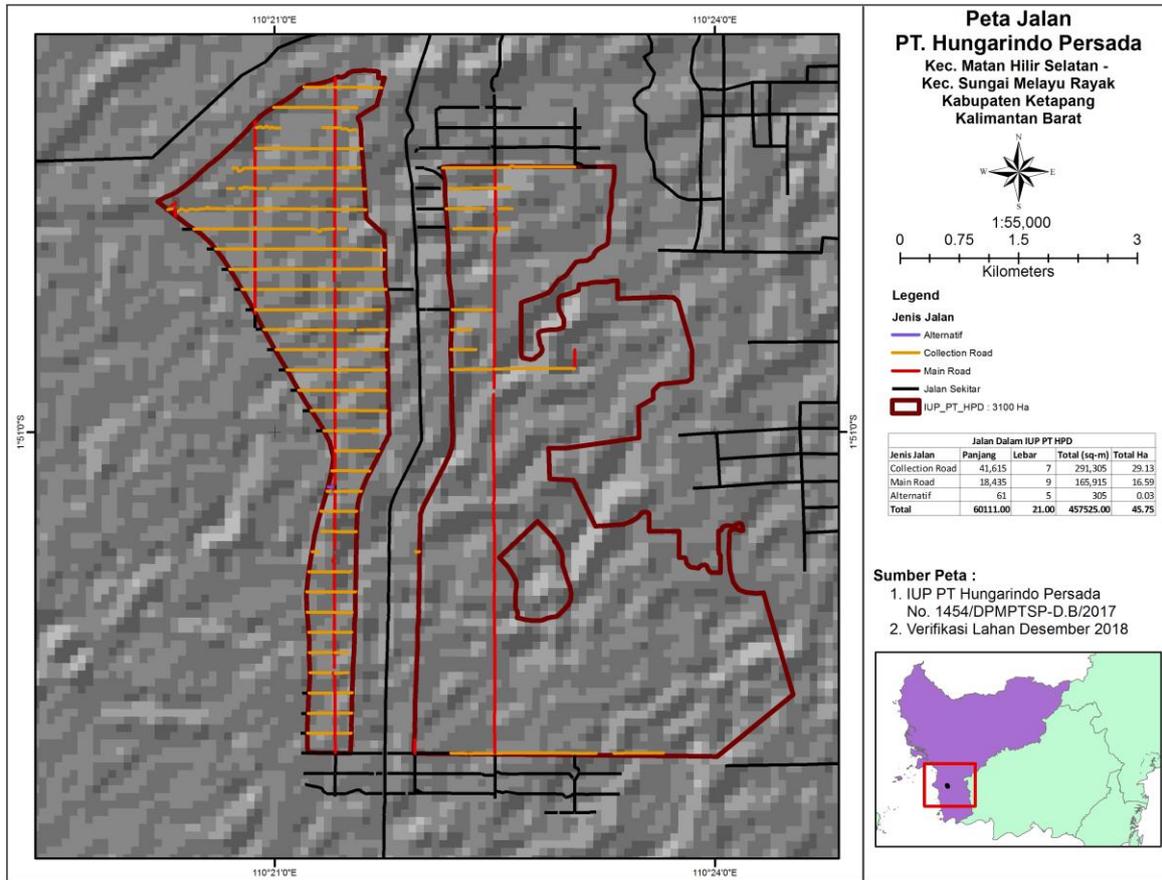


Figure 6: Note: Red, orange and blue colour explained about the road developed by company about 45.75 ha inside the proposed NPP area