

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: 6 June 2014

Tick whichever is appropriate

<input type="checkbox"/>	This is a completely new development and stakeholders may submit comments.
<input checked="" type="checkbox"/>	This is part of an ongoing planting and is meant for notification only.

COMPANY : FIRST RESOURCES Ltd

SUBSIDIARY (If any) : PT Mitra Karya Sentosa

RSPO Membership No. 1-0047-08-000-00

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

Table 1. Organizational information and contact persons

Name of company	PT. Mitra Karya Sentosa subsidiary of First Resources Ltd
RSPO membership number	1-0047-08-000-00 belong to First Resources Ltd
Location	Kampar Sebomban Village, Simpang Dua SubDistrict, Ketapang District, West Kalimantan- Indonesia
Administrative Address Corporate First Resources Office	APL Tower –Central Park, 28th Floor Podomoro City, Jl. Letjen. S.Parman Kav.28, Grogol-Petamburan, Jakarta, Indonesia
Regional Office	Komplek Perdana Square Blok J 8 – 12, Jalan Perdana, Pontianak, West Kalimantan, Indonesia.
Contact Person	Corporate Sustainability Head – Bambang Dwi Laksono Email Address: bambang.dwilaksono@first-resources.com
Geo Coordinate	00°49'36" – 00°56'06" S 110°06'54" – 111°22'50" E
Tax Registration Number	02.080.783.4-701.001
Surrounding Area	<ul style="list-style-type: none"> • North Palm Oil Plantation • South Palm Oil Plantation • West Palm Oil Plantation • East Forest and Community Land

Table 2 List of Legal documents, regulatory permits and property deeds related to the areas assessed

No	Legal Documents	Issued by	Number and Date
1	Company establishment	Notary: Petrus Yani Sukardi, SH	Act No. 22 30 January 2003
2	Endorsement of company establishment	Minister of Justice and Human Rights	Decree of Minister of Justice and Human Rights No. C-08018 HT.01.01.TH.2003 11 April 2003
3	Plantation Permit (<i>Izin Usaha Perkebunan</i>)	District Head of Ketapang	Decree of District Head of Ketapang No. 551.31/0632/DISBUN-C 1 April 2005
4	Location Permit	District Head of Ketapang	Decree of District Head of Ketapang No. 112 year 2005 27 April 2005
5	Extension of Location Permit	District Head of Ketapang	Decree of District Head of Ketapang No. 36 year 2008 25 January 2008
6	Location Permit (Renew)	District Head of Ketapang	Decree of District Head of Ketapang No. 54 year 2009 19 February 2009
7	Releasing of the Convertible Production Forest Areas	Ministry of Forestry	Minister of Forestry Decree No. 203/Menhut-II/2011 11 April 2011
8	Environmental Feasibility Approval for Plantation Activities (AMDAL)	Governor of West Kalimantan	Decree of Governor West Kalimantan No. 635/BLHD/2011 12 December 2011
9	Land Use Right (HGU)	National Land Agency (BPN)	Decree of BPN No.94/HGU/BPN-RI/2013 10 September 2013

MAP OF PT MITRA KARYA SENTOSA LOCATION

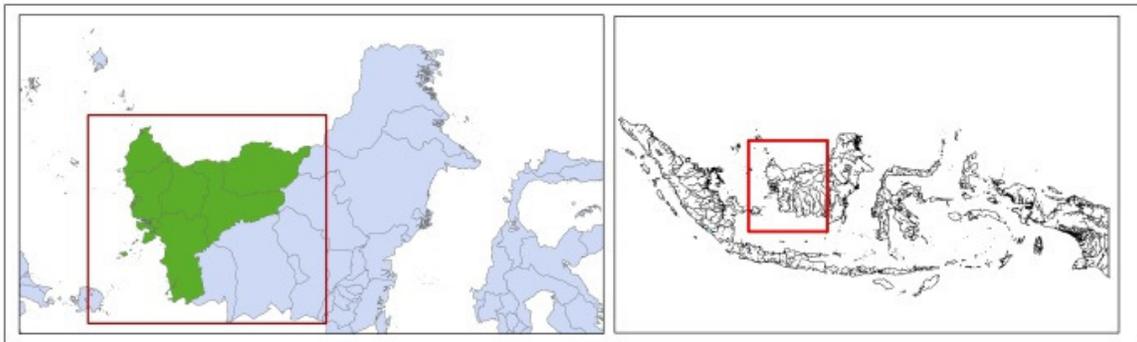
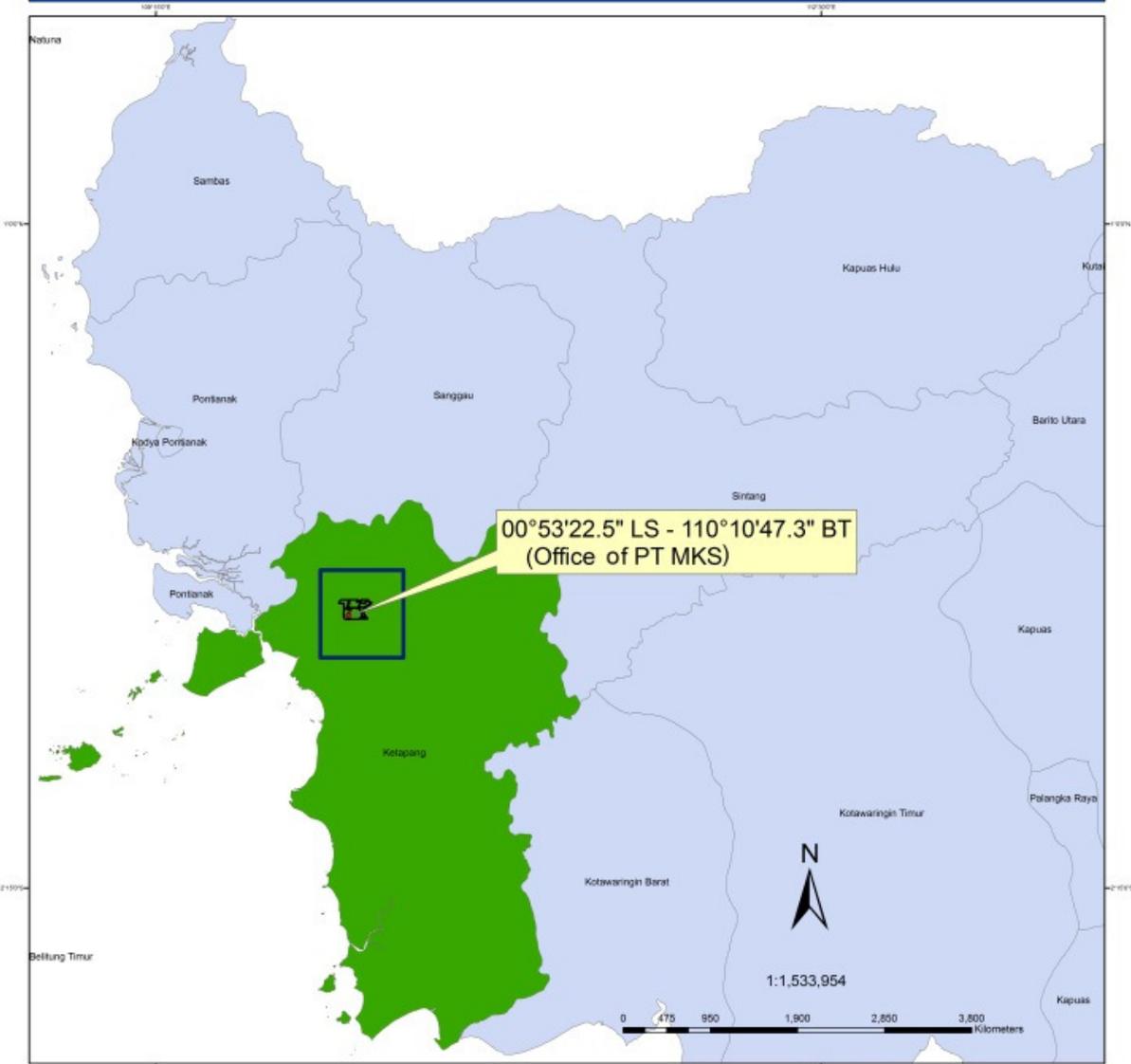


Figure 1 Location maps – both at landscape level and property level

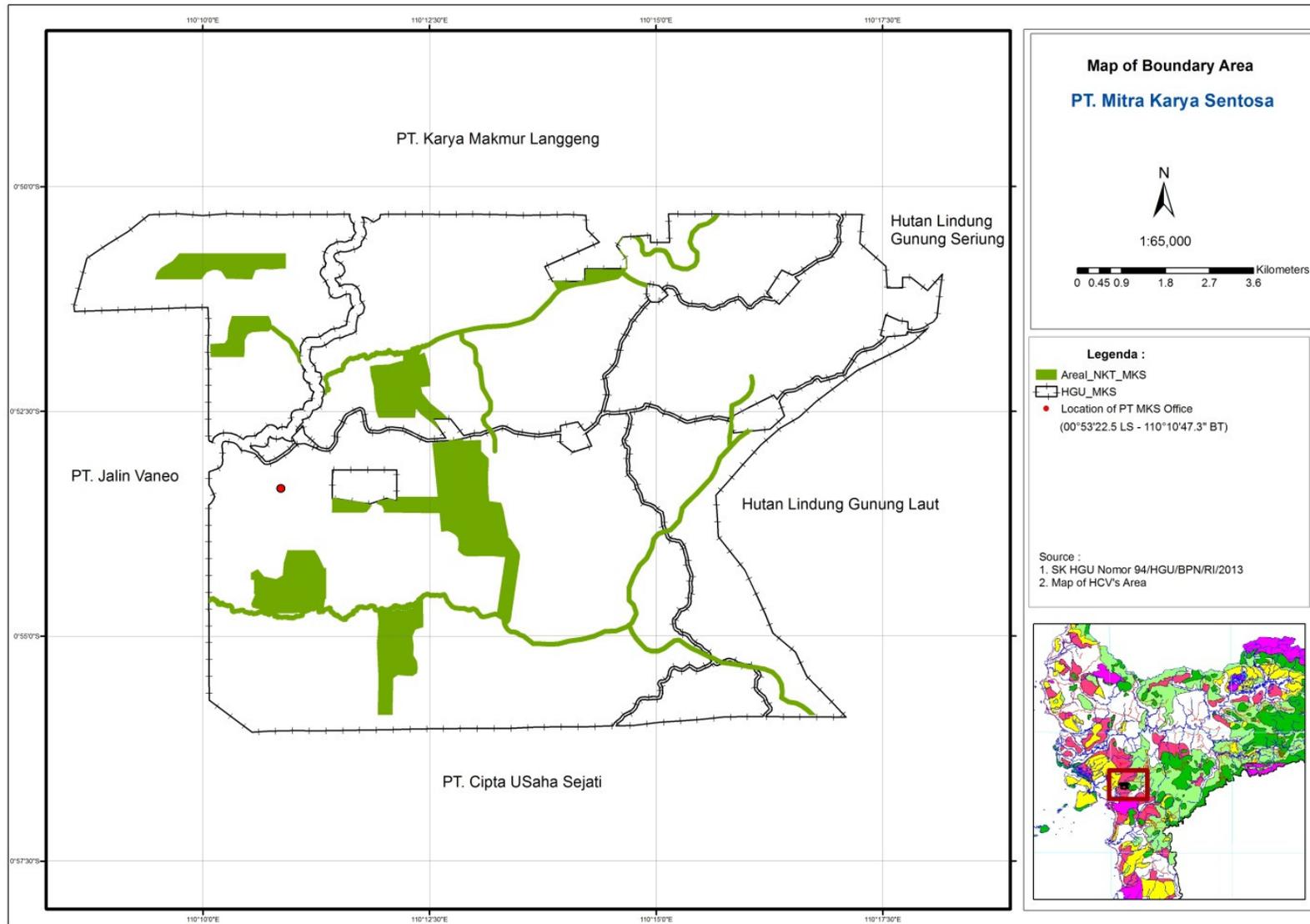


Figure 2 PT MKS surrounding and HCV area
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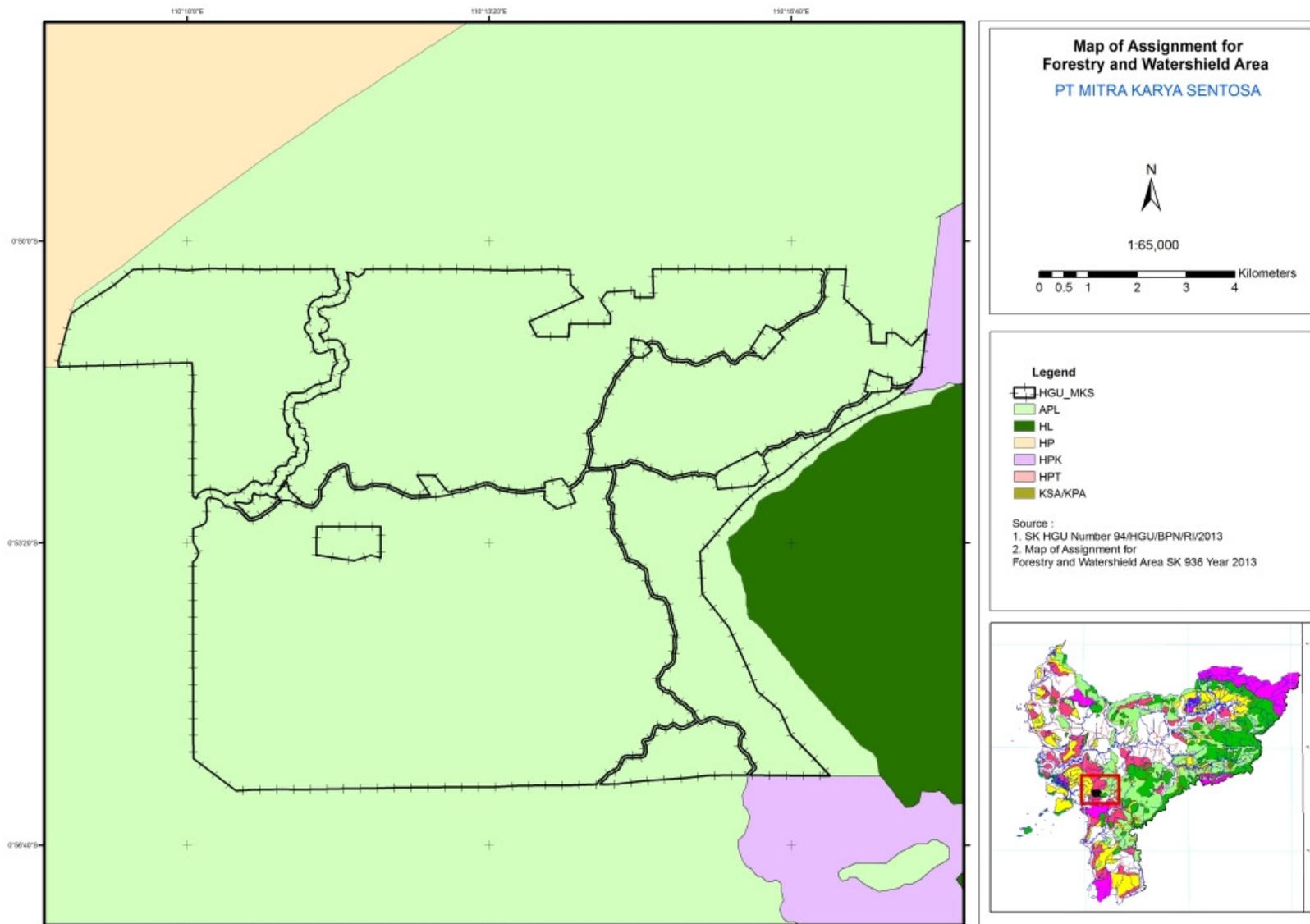


Figure 3 Land suitability PT MKS

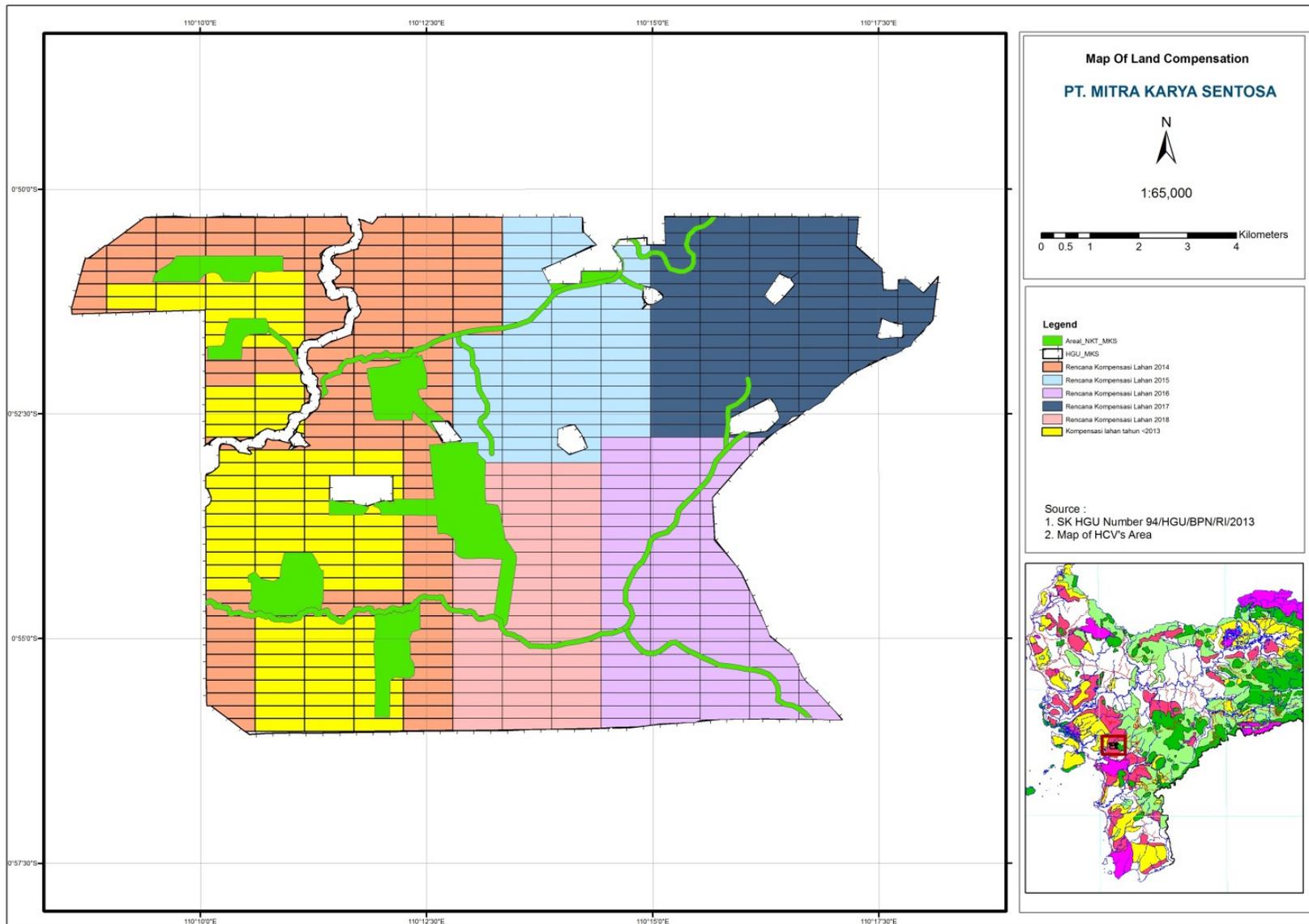


Figure 4 Area for new compensation program

SUMMARY FROM SEI ASSESSMENTS:

The legal Environmental Impact Assessment (EIA-AMDAL) was prepared by government accredited consultant PT Tiara Pilar Kreasi, Pontianak. The AMDAL document has also been recognized by the Governor of West Kalimantan through Decree of Governor West Kalimantan No. 635/BLHD/2011 dated 12 December 2011 on the document 'Environmental Feasibility Activities of Plantations and Palm Oil Processing Plant in Simpang Dua SubDistrict, Ketapang District, West Kalimantan.

Additional Social Environmental Impact Assessment (SEIA) prepared in February 2012 by Faculty of Forestry, Bogor Agriculture University, Bogor Agriculture University.

Legal EIA-AMDAL method is Modified Leopold Method which is combination between Leopold Matrix and Fisher & Davis matrix added by weighting scale for magnitude of impact and importance impact.

SEI Assessment collect map and secondary data from government and other related institution. Primary data collected via interview and focus group discussion from surrounding communities and employees.

Primary and secondary data collected, then analyzed using combination of quantitative and qualitative methods.

Finding of EIA AMDAL report are:

- PT MKS is environmentally and socially feasible.
- PT MKS need to conserve some area from its location permit.
- PT MKS need to enclave some area for people's settlement.
- PT MKS need to follow environment management and monitoring plan so effluent and emission of it activities will not against government's environmental quality standards.
- PT MKS need to follow social management plan to avoid social disturbance.

Issues raised by stakeholders and assessors comments on each issue are:

Communities Perceptions

According to the interviews and FGD, it was revealed that the village community of Dusun Lembawang showed their acceptance towards the company's presence. While the village community of Dusun Tunas kampar showed their acceptance towards the company's presence under some certain conditions. The village community of Dusun Merangin have not shown their acceptance. The village community of Dusun Pantan and Mentawabiring showed clearly their rejection on the PT. MKS

Tenure Issues

According to the FGD, it was revealed the issues related to the tenure :

1) The intense custom rules applicable in a land problem settlement, 2) the existing custom institution is not fully able to control land problems, 3) There is no formal reference in the custom penalties, 4) Most of the village community are willing to hand over their land to the company due to the lack of information and communication, 5) land acquisition by local investors (speculators), 6) Individual land ownerships are evenly distributed, 7) Decision on a land utilization is a personal decision not a communal decision, 8) Officially, a dusun showed their rejection to join in the company but some village community have shown their interests to join, 9) Average of land ownership in the village is around 30 ha/household.

Labor Issues

According to the FGD, it was revealed the issues related to the labor :

1) Most of the community's livelihoods are field farming and rubber crop farming,
2) Income of tapping rubber is greater than the company's wage standard,
3) village community's work culture.

Socio Economic Issues

Strategic issues arised related to the socio economic in the surrounding communtie are 1) Intense custom rules are applicable in a land problem settlement, the existing custom institution is not fully able to control land problems related to the land utilization, 2) Custom rules are applicable in a community's problem settlement such as community's conflicts, theft etc, 3) evenly distribution of local power to the chief of a dusun, custom institution, informal leaders and local investors, 4) local economy is controlled only by some rubber traders, 5) local economy depends on the rubber trading, 6) It is easy for the village community to earn money over Rp 5 million.

Educational and Public Health Issues

According to the FGD, it was revealed the issues related to public education and health are 1) Lack of educational facilities (only elementary school), 2) Some of the village are graduated from university or even post graduated who have considerable influence in building public perception towards the company, 3) It is not provided with adequate community's education level, in increasing the community's participations to the company's activities.

Environmental Issues

According to the FGD, it was revealed that almost all of the village communities have not known the negative impacts that will be generated by the company's presence on the environment such as water pollution, ground water availability, air pollution due to dust and smell, and damage to roads.

SUMMARY FROM HCV ASSESSMENT(S):

(use prescribed templates)

High Conservation Value Assessment was conducted together with SEI Assessment in February 2012 by Faculty of Forestry, Bogor Agriculture University, Bogor Agriculture University. It was conducted in area of 14,125.02 ha, based on highest legal permit for PT MKS at that time: Minister of Forestry Decree No. 203/Menhut-II/2011 regarding Releasing of the Convertible Production Forest Areas for PT MKS dated 11 April 2011. In 2013 after the issuance of Decree of BPN No.94/HGU/BPN-RI/2013 dated 10 September 2013 regarding land use title for PT MKS, some area being excluded from PT MKS. The area are enclave for settlement village area, small river riparian, Semandang riparian, Mount Laut forest area, Mount Seruing forest area, and peat. The comparison of HCV area can be seen on table 3.

HCV toolkits employed for HCV Assessment is Toolkit for Identification of High Conservation Values in Indonesia by Consortium to Revise the HCV Toolkit for Indonesia JAKARTA - June 2008. Peer Review is scheduled in July 2014 by RSPo Accredited Assessor: DR Rahmad Hermawan,

Table 3 The Results of Identification and Analysis of HCV 1-6's Presence in The Area of PT. MKS

HCV / Component	HCV Presence	HCV Area	2012	2013
HCV1. Areas with important				
HCV1.1. Areas that contain or provide biodiversity support functions to protection or conservation areas	Present	- Bufer zones of Gunung Seruing Protection Forest	459,56	0
		- Bufer zones of Gunung Laut Protection Forest	332,69	0
HCV1.2. Critically endangered species	Present	- Riparian of Semandang River	214,16	0
		- Deep Peat Land > 3 m	1.167,44	965.70
		- Bufer zones of Gunung Seruing Protection Forest	*)	*)
		- Bufer zones of Gunung Laut Protection Forest	*)	*)
HCV 1.3. Areas that contain habitat for viable population of endangered, Restricted range or protected species	Absent	-		
HCV1.4. Areas that contain habitat of temporary use of species or	Absent	-		
HCV2. Natural Landscape and		-		

HCV 2.1. Large natural landscape with capacity to maintain natural ecological	Absent	-		
HCV 2.2.Areas that contain two or more contiguous	Absent	-		
HCV2.3. Areas that contain representatives population of most	Absent	-		
HCV3.Rare or endangered ecosystem	Present	- Deep Peat Land > 3 m	*)	*)
HCV4. Environmental				
HCV4.1. Areas or ecosystems important for the provision of water and and Prevention of Floods for Downstream Communities	Present	- Riparian of Semandang River	*)	*)
		- Riparian of Empawang	97,1	97,1
		- Riparian of S.Pelapis, S.Dadap	110,3	74,02
		- Riparian of Tanduh	71,8	46,73
		- Riparian of Temiang	11,8	9,15
		- Riparian of Paku	119,00	106,14
		- Riparian of Tentunyak	31,1	27,80
		- Riparian of Sorie	12,6	5,83
HCV4.2. Areas important for the prevention of erosion and sedimentation	Present	- Bufer zones of Gunung Seriung Protection Forest	*)	0
		- Bufer zones of Gunung Laut Protection Forest	*)	0
HCV4.3. Areas that function as natural barriers to the spread of forest or ground fire	Present	- Bufer zones of Gunung Seriung Protection Forest	*)	0
		- Bufer zones of Gunung Laut Protection Forest	*)	0
HCV5. Natural areas critical for Meeting the basic needs of local	Absent			
HCV6. Areas critical for maintaining the cultural identity of local communities	Present	Merangin Scared River. Prohibition of fishing from the upstream of Merangin River to the intersection		
		Sacred Tengang, Hutan Raja Ali. Kayu belian that has been fallen. Roots lifted up and budding grows. In the right side of Semandang River.		
		Sacred Tunas Kampar which in the form of 2 "Belian Trees" on the. Aik Putih River (tributaries of Paku River), behind Rodi's House as. a place for people putting "sesaji"		
		Old Kampong and tembawang Mentawabiring. An ex betang house which abandoned in 1985 due to no clean water as an impact of HPH Hutan Raya's activities.		
		Ancestral Tomb Mentawa Biring. It is still used by the community.		
		Sacred Tarojun Konakng. In the form of water fall of. Sorie		
		Sacred Tama' Galung. In the form of an old tomb. It was not used anymore.		

		Sacred Dadap. In the form of ponti and stone covered with bamboo. There are big tengkawang and kayu ara trees.		
		An old kampong and tembawang Dadap. There are 3 ex betang houses. Village peoples moved to Kampong Merangin in the Dutch era in 1947.		
		An old tomb of Mak Ripang's father (a community's elder of Kampong Merangin), marked by 3 durian trees.		
		Sandung Orang Buko. In the form of kayu ara (<i>Ficus sp.</i>). Peak point of the hill. Buko people inhabit Dadap before Dayak people from Sukadana coming		
		Sacred Tarojun Merangin. In the form of water fall. A place for people putting "sesaji".		
		Sacred Ponti (wood statue) Pengaduh Peningki, and white small stone. Kek Patih Jogam. A place for people praying and requesting something.		
		An old tomb ("market") Tama' Sebomban. Has been utilized. Containing big trees inserted by rattan and bamboo.		
		Sacred Sekawan. In the form a stone in the upstream of Sekawan River located within protection forest area		
Total of HCVA			2,627,99	1,332,47
COMPANY's AREA			14,125,02	12,548,53
% of HCVA			18,61	10,62

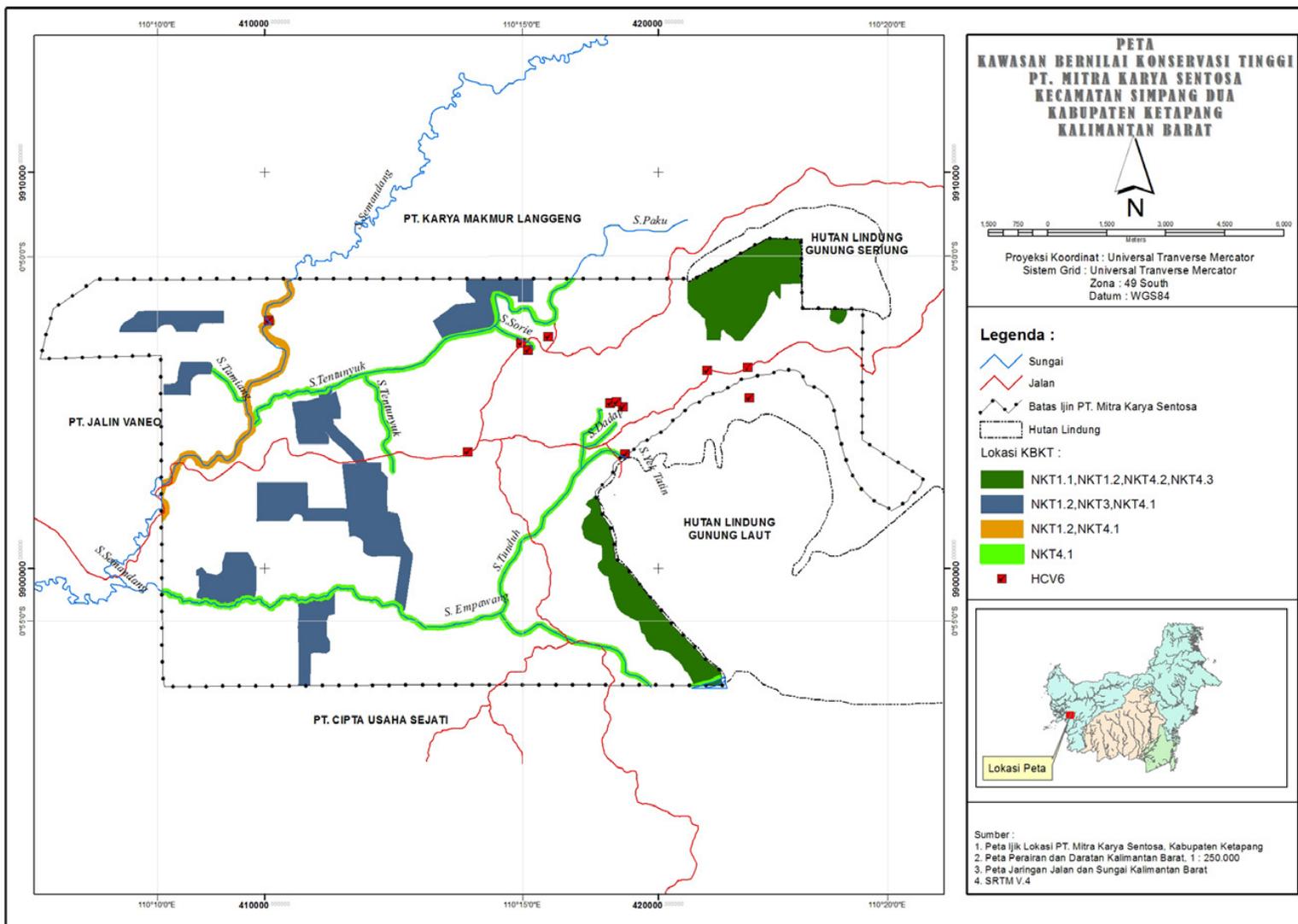


Figure 5 Identified HCV area base on assessor report 2012

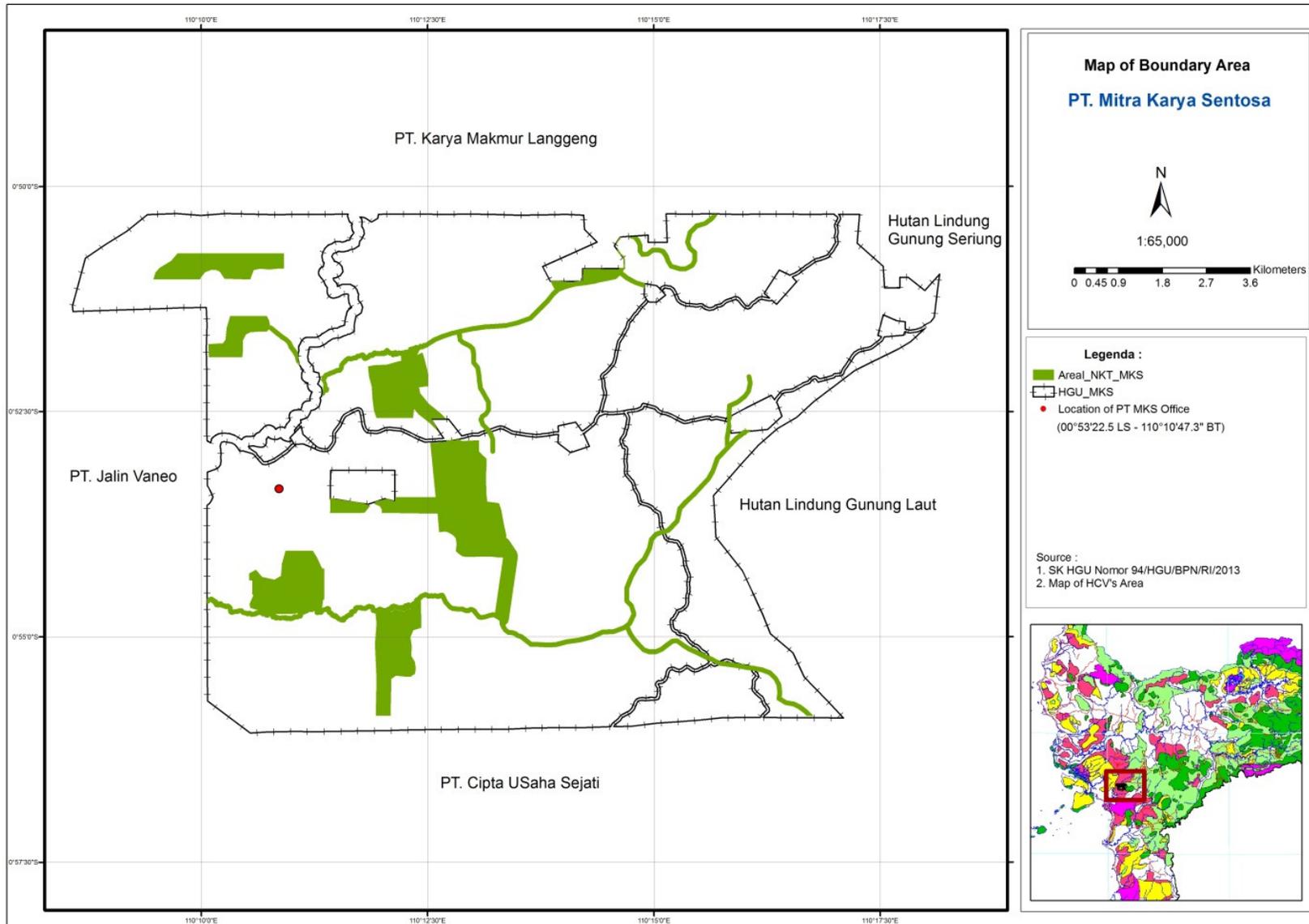


Figure 6 HCV area in PT MKS land use permit

SUMMARY OF PLANS:

(Recommendations from SEIA and HCV assessments are taken into planning and management of the new plantings.)

(use prescribed templates)

PT MKS proposed New Planting Area as its land use permit: 12,548.53 ha. New planting area planted > 2010 is 1,409.61 ha and no high conservation area being planted.

Table 4 Time plan for new planting

No	Activity	unit	> 2010	2014	2015	2016	2017	2018	TOTAL
1	Planted Area	(Ha)	1,409.61						
2	FPIC program	(Ha)		1,937.09	1,923.57	2,014.87	2,034.53	1,896.39	9,806.45
3	Land Compensation Program	(Ha)		1,876.77	1,903.44	2,204.33	1,987.48	1,834.43	9,806.45
4	Land Clearing Program								
	Nucleus	(Ha)		1,518.05	1,481.65	1,576.11	1,787.41	1,481.94	7,845.16
	Smallholders	(Ha)		379.51	370.41	394.03	446.85	370.49	1,961.29
	Total	(Ha)		1,897.56	1,852.06	1,970.14	2,234.26	1,852.43	9,806.45
5	Nursery	pcs		379,512	370,412	394,028	446,852	370,486	1,961,290
6	Plantable Area								
	Nucleus	(Ha)		1,518.05	1,481.65	1,576.11	1,787.41	1,481.94	7,845.16
	Smallholders	(Ha)		379.51	370.41	394.03	446.85	370.49	1,961.29
	Total	(Ha)		1,897.56	1,852.06	1,970.14	2,234.26	1,852.43	9,806.45

After reducing planted and HCV area, total PT MKS plantable area is predicted 9,806.45 ha and will be develop in 5 years started from 2014 to 2018 (see table 4). To fulfill RSPO standard for Free Prior Informed Consent (FPIC) mechanism, PT MKS creating FPIC program to whole plantable area. It will start from the nearest sub village (dusun) Lembawang then moving to Tunas Kampar, Merangin, Mentawa Biring, Pantan then village Kampar Sebomban. Each FPIC program will be followed by Land Compensation program for each individual who have land rights. Compensation program should be done as PT MKS Standard Operational Procedure. All compensated area will be land cleared and planted at the same year for both smallholder and nucleus area. Nursery will be built in PT MKS area from 2014.

VERIFICATION STATEMENT:

PT Mitra Karya Sentosa (PT MKS) was going for desktop audit against relevant documents. Two (2) BSI auditors conducted desk review and discussion with PT MKS management to verify and review the relevant New Planting Procedure documents from 26th and 28th May 2014 with no field verification. Subsequently, PT MKS prepared and submitted the correction of documents through email for verification purposes until completed by BSI on 17th June 2014. The desktop review was carried out by BSI lead auditor Aryo Gustomo accompanied with Pratama Agung Sedayu as team member.

PT Mitra Karya Sentosa has done some work on the ground before 2010 and between 2010 and 2014 had planted 1,409.61 Ha of oil palm. This planted area has meet legal requirement since the initial permit such as Izin Lokasi (Location Permit) and Izin Usaha Perkebunan (Plantation Business Permit) was issued back in 2005. Out of 1,409.61 Ha planted area, a proportion of which identified with HCV status has been excluded.

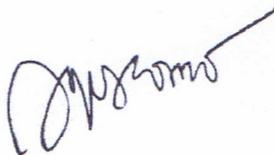
Audit team conclude that the social and environmental assessment were comprehensive, detailed and professionally carried out. The management plan has incorporated the findings from Social and Environmental Impact Assessment conducted by professional consultants as well as the High Conservation Value assessment findings by qualified consultants. The High Conservation Value assessment team was led by RSPO-approved lead assessor, namely Ir. Nyoto Santoso and Handian Purwawangsa S.Hut. MS. PT Mitra Karya Sentosa has adhered to the RSPO New Planting Procedures and has documented the assessment and plans according to RSPO templates issued in May, 2010. The company is in process to obtain Peer Review upon their HCV Assessment report, incorporated into Summary of Planning and Management.

PT Mitra Karya Sentosa has demonstrate effort to comply with all relevant applicable legislation and regulation, completed the process for AMDAL (legally required Social Environmental Impact Assessment), Izin Lokasi (Location Permit) and Izin Usaha Perkebunan (Plantation Business Permit). Furthermore, PT Mitra Karya Sentosa has been awarded with Hak Guna Usaha (Land use certificate) with statement of Pelepasan Kawasan Hutan (Forest Area release) from Ministry of Forestry.

It is the opinion of BSI audit team through desk review that PT Mitra Karya Sentosa has complied with the RSPO New Planting Procedures comes into effect 1st January 2010 and confirmed that the documented assessment reports and plans are comprehensive and in compliance to RSPO New Planting Procedures for Ongoing planting.

Signed on behalf of

BSI Group,



Aryo Gustomo
Lead Auditor
17th June 2014

Signed on behalf of

PT Mitra Karya Sentosa



Ratmaja Eka Putra
Director
17th June 2014