

## 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: ~~October 13<sup>th</sup>, 2022~~ October 13<sup>th</sup>, 2022***

<b>NAME OF GROWER</b>	:	<b>PT Mitra Karya Sentosa</b>
<b>SUBSIDIARY (If any)</b>	:	<b>First Resources Limited</b>
<b>RSPO Membership Number</b>	:	1-0047-08-000-00 dated 10 March 2008
<b>Location of proposed new planting</b>		
• Plantation address	:	District of Noyam and Sekayam; Sanggau Regency, Kalimantan Barat Province, Indonesia
• Business Permit	:	No. 17 year of 2015 issued by Head of One-Stop Permit and Licensing Services Sanggau Regency.
• Type of Business	:	Oil Palm Plantations.
• Size (ha)	:	9,688.91 Ha (GIS data 9.686,30 Ha)
• Contact persons	:	Ardi Candra Yuniyanto
• Email address	:	<a href="mailto:ardi.yuniyanto@first-resources.com">ardi.yuniyanto@first-resources.com</a>
• Geographical location	:	North : PT Sepanjang Inti Surya Utama II South : IUPHHK-HT PT Duta Andalan Sukses West : PT Global Kalimantan Makmur East : PT Bumi Tata Lestari
• Spatial Reference (GPS Coordinates)	:	0° 42' 19.207" – 0° 50' 55.991" SL 110° 33' 20.884" - 110° 43' 23.686 ES
• Boundary map	:	See Figure 2
• Areas and time plan for new plantings	:	See Table 1 and Figure 3

Figure 1. Location map of PT Mitra Karya Sentosa

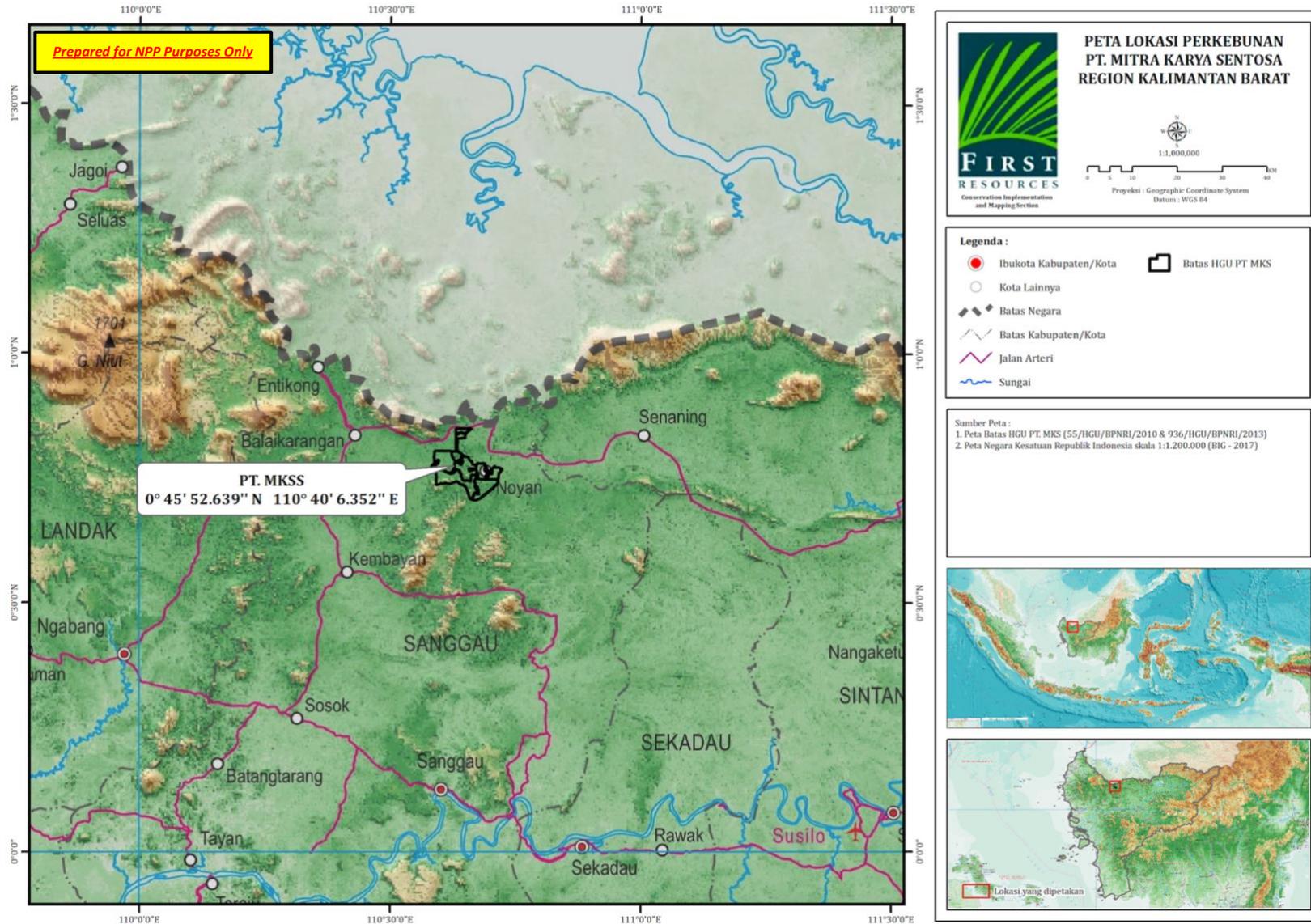
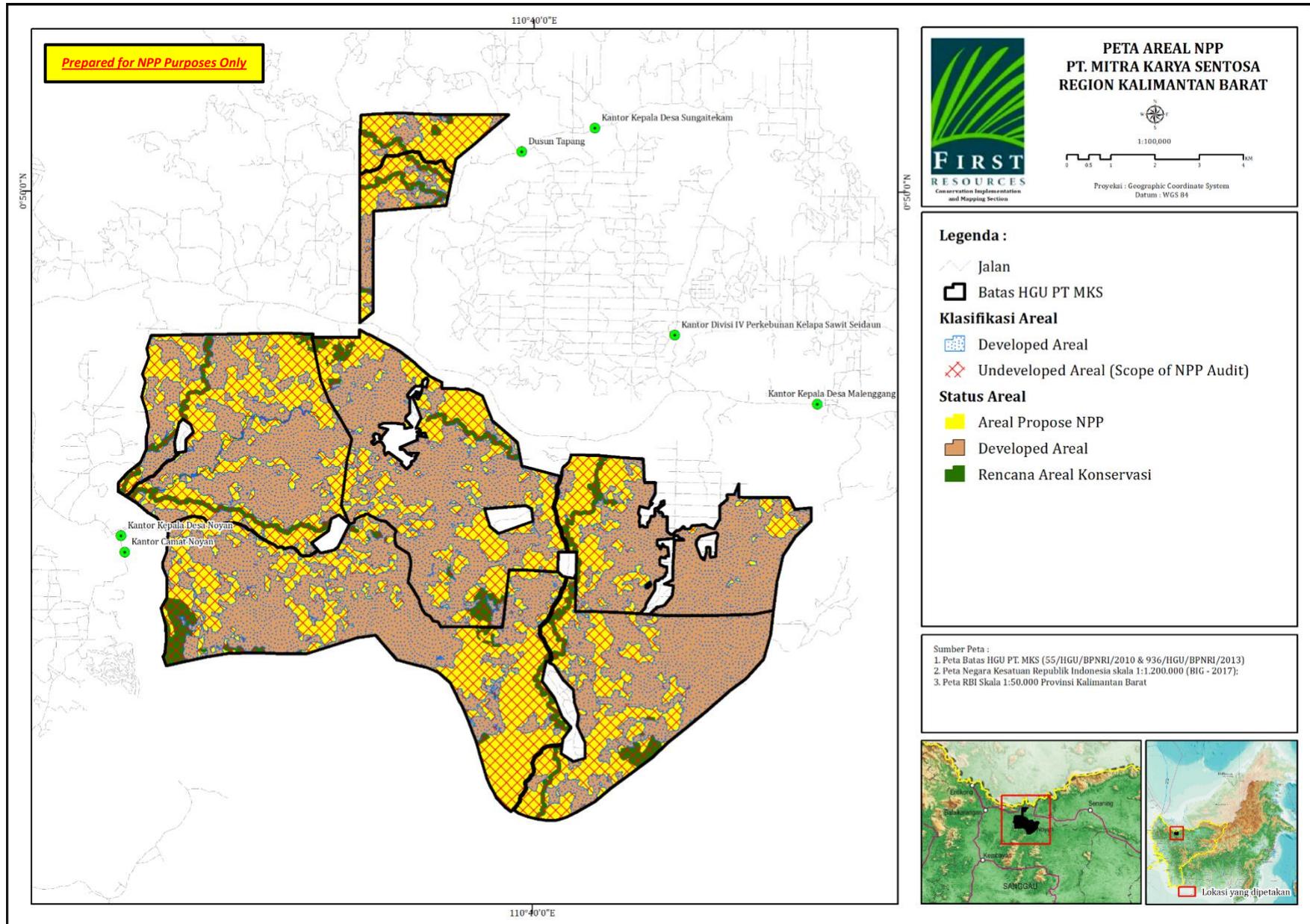


Figure 2. Concession map of PT Mitra Karya Sentosa



**Table 1.** The summarized of area and time-plan for new plantings

<b>Planting Year Plan</b>	<b>Area (Ha)</b>
2023	907,16
2024	911,67
2025	782,39
2026	640,02
2027	570,44
<b>Sub Total</b>	<b>3.811,68</b>



**STATEMENT OF ACCEPTANCE OF RESPONSIBILITY FOR NPP**

*Notes: The oil palm grower signs to confirm that the necessary assessments have been done and completed in accordance to the NPP.*

Name of Grower : PT Mitra Karya Sentosa  
Name of Person Responsible : Ardi Candra Yunianto  
Position : Strategic Sustainability & Stakeholder  
Engagement Manager  
Signed :   
Date : October 13<sup>th</sup>, 2022

## VERIFICATION STATEMENT BY CERTIFICATION BODY:

PT Mitra Karya Sentosa (hereinafter referred to as "PT MKS") is a legal entity domiciled in Sanggau Regency, Kalimantan Barat Province, duly established as per Deed No. 22 dated 30 January 2003. PT MKS planned to develop the remaining concession area for Palm Oil Plantation for its own estate and scheme smallholders. To ensure that all the process complies with RSPO Principle and Criteria, the PT MKS must be assessed through the new planting procedures (NPP) required by the RSPO prior to land-clearing activities. The proposed new planting is located in the PT MKS permits area.

Mutuagung Lestari auditors conducted a desk study on 10 – 11 February 2022 and field observation on 30 March – 01 April 2022. The auditors are Moh Arif Yusni (Legal, FPIC, Soil & topography) and Asystasya Aishah Silalahi (HCV, SEIA, Land Use Change and Carbon Assessment). The auditors use the RSPO NPP guidance document for FPIC for auditors (RSPO-GUI-T01-022 V1.0 ENG)

PT MKS has obtained Plantation Business Permit (*Ijin Usaha Perkebunan-IUP*) No. 17 of 2015, dated 11 March 2015, covering 9,688,91 Ha issued by the Head of Permit and Licensing, Sanggau Regency. In addition, PT MKS already holds a Right to Cultivation ("HGU") concession managed under PT MKS Management Unit ("MU"). This concession is listed per National Land Agency Head Decree No. 55/HGU/BPN/RI/ 2010, dated 31 August 2010 and No. 93/HGU/BPN/RI, 2013, dated 10 September 2013, with a total concession area is 9,688.91 Ha (GIS data 9.686,30 Ha).

Based on the West Kalimantan Province's forest and water designated area map issued by the Ministry of Forestry (Ref No.SK.733/Menhut-II/2014, 02 September 2014), the entire PT MKS concession area constitutes Other Land Uses (APL). Based on the Indicative Termination Map 2021 2nd Period is an attachment of the Forestry Ministerial Decree of The Republic of Indonesia Number: SK.5446/MENLHK-PKTL/IPSDH/PLA.1/8/2021, the entire concession areas of PT MKS not in the area as classification of Primary Forest or Peat Area. Furthermore, according to an interview with the Plantation Agency and National Land Agency of Sanggau, PT MKS permits and land legality documents are fully completed, belong to the Other Land Uses (APL), and have no peat area.

Since the report was made, 5.276,00 Ha has already been developed over the concession area (4.972,08 ha of existing oil palm plantations and 303,92 ha of infrastructure). There are still areas with potential new planting covering 3.811,68 Ha outside of HCV-HCS. The detail of the proposed new planting area is shown in the following table:

Table 2. Utilization area of PT MKS

<b>PT MKS</b>	<b>Hectarage</b>
Developed area (planted & infrastructure)*	5.276,00
HCV-HCS Area	598.61
Proposed New Planting Area	3.811,68
Total Land use	9,686.30

\*) The area planted without NPP are subject to sanction as per RSPO Announcement

The Land Use Change Analysis (LUCA) assessment was conducted on January 2020. The LUC analysis covered the proposed new development HGU area of PT MKS. The analysis period used included: a) between November 2005 - November 2007, b) between November 2007 - December 2009, c) between January 2010 - May 2014 d) after May 2014. Based on the LUCA assessment's result, from the initial period (2005) to the end of the required period (2020), it is found PT MKS has

two categories of vegetation coefficient: a coefficient of 0.7, which describes disturbed forest, and a coefficient of 0 which describes non-forest. During November 2005 – 2007, land use changes were made by the surrounding community (non-company) for cultivation activities in the forest and non-forest areas. Therefore, the clearance is reflected in the condition of land cover in that period where community cultivation areas such as mixed plantation and dry cultivation land. December 2007 – 2009 was a transition period in which the community began cultivating intensively (gardening). Some areas of mixed gardens that have been managed and are less productive have been cleared by landowners. The land clearing is intended for oil palm and rubber commodities. Meanwhile, in the last period of May 2014 – HCV reassessment, the process of developing oil palm plantations was carried out by the company and the community. The development of oil palm plantations by the company is carried out in areas of community cultivation land that have previously been compensated. The land clearing process by the company was carried out after the first HCV assessment was carried out (2010). Land clearing is carried out in non-HCV areas that have been compensated. Clearly, the areas the company is developing are non-HCV areas. Meanwhile, the community's development area comes from unproductive cultivation and bush areas, former fields. They reopened the area and turned it into a community oil palm plantation. In the 2019 – 2021 period, there was no increase in oil palm plantations by the company. The company has implemented a moratorium policy on new land clearing until the NPP process is complete. Changes in land cover that occurred during this period were the change from shrub to bare land (SCH > BRL) and mixed tree crop to bare land (MTC > BRL). Another form of change in land cover conditions is the existence of several new mixed garden areas of previously open land and shrubs. All changes in land cover conditions that occurred in this period were caused by landowners suspected of being for cultivation purposes.

Integrated HCV-HCS assessments were conducted in PT MKS using the Integrated HCV-HCS assessment approach. The assessment was held for 11 (eleven) months, from October 2019 to August 2020. A licensed HCVRN assessor led the HCV and HCS report and was qualified to conduct integrated HCV-HCS assessment. The HCV-HCS area identified in the concession area is 598.61 Ha. HCV Report has been submitted to HCVRN and declared **Satisfactory**.

PT MKS has conducted Social and Environmental Impact Assessment (SEIA) in 2009 and has obtained an Environmental Feasibility Letter through the Decree of the Regent of Sanggau Number 16 of 2009 concerning the Determination of the Environmental Feasibility of PT Mitra Karya Sentosa's Oil Palm Plantation Activities of ±11.300 Ha in Sekayam and Noyan Districts, Sanggau Regency, West Kalimantan Province. Social and Environmental impacts were identified, and mitigation plans to reduce negative impacts and promote the positive impacts were detailed in the documents - *Rencana Pengelolaan Lingkungan (RKL) and Rencana Pemantauan Lingkungan (RPL)* – management and monitoring of social & environmental plan. In addition, the company has conducted Social Impact Assessment (SIA) in 2013 and updated it in 2020. The SIA assessment of PT MKS covers four villages spread over two districts in Sanggau Regency. The company define their commitment into Social Management Plan (*Rencana Kelola Sosial-RKS*), the company will contribute to improving community welfare through program such as infrastructure development, religion, education support and a smallholder scheme program.

The FPIC process of land compensation is done by compensation documents verification and interviews with the surrounding communities. Interviews were conducted in the village adjacent to company locations. Based on the interview with the previous landowner, government agency, and customary leader (Dewan Adat), it was found that the company had implemented the FPIC process, including providing initial information regarding the company's plans. The negotiation and land

acquisition processes were carried out without coercion and were not represented. The FPIC process is carried out through meetings with the community and technical studies related to land tenure involving the community and stakeholders, followed by mutual agreement. Stakeholders around PT MKS are land owners and rulers such as the Village Head, Village Secretary, *BPD*, *LPM*, Community Head, Traditional Leaders, Youth Leaders, Women Leaders, Land Owners, Villagers, Representatives of other Community Leaders, and Management or Members of the Medep Bauk Cooperative, Noyan District, Sekayam District, Community Leaders, and Religious Leaders. The agreement reached between PT MKS with the community includes land compensation, plantation development, and plasma plantation development plans. In addition, the cooperation also includes the construction of public facilities and village infrastructure, as well as job creation. This FPIC document records meetings in the villages of Noyan and Semongan (included in the administrative area of Noyan District) and the Malenggang and Sungai Tekam (included in the administrative area of Sekayam District).

PT MKS also has complied with Criterion 7.10 (Carbon Stocks) of the P&C RSPO 2018. The Carbon Stock Analysis (CSA) and Green House Gas (GHG) assessments were conducted from December 2019 – August 2020. CSA and GHG analysis uses spatial data covering an area of 9,686.30 ha. The primary data used for land cover classification in carbon stock assessment at PT MKS is satellite imagery (satellite imagery) Sentinel 2. The histogram adjustment process for radiometric correction is carried out to improve the imagery's visual quality, as for image improvement using the composite color method to produce images that are easy to use in interpretation. The initial land cover classification used the RSPO standard land cover classification system. The ground truthing was carried out based on the distribution of land cover, and delineation and relabeling were carried out on the initial land cover map, which was validated with direct checking data. Based on the final land cover analysis in the plantation area of PT MKS. During the carbon stock assessment, MKS had nine land cover classes. The land cover classes include disturbed forest, shrubland, mixed-rubber plantation, oil palm plantation, dry cultivation land, open land, settlement, rice field and water bodies.

The proposed area for NPP covering 3.811,68 Ha is within the concession of the Right to Cultivation ("HGU"). For the proposed area, based on document verifications, it was known some areas had not been compensated, and the compensation process will be carried out in line with the planting schedule. Based on the public consultation with stakeholders, all community generally has been well informed regarding the palm oil plantation projects, including the positive and negative impacts that may occur. Some respondents' concerns are about the HCV-HCS area and scheme smallholder. With regard to the HCV-HCS areas on community land that have not been compensated, some of the respondent wishes they could still manage the land. The company responded that the HCV-HCS area would not be developed into oil palm plantations. Hence, technically uncompensated HCV-HCS areas still belong to the community. As with any HCV-HCS area within our concession, we will continue to engage the community to mutually protect the HCV-HCS area. Some of the respondents also feel they need more information regarding scheme smallholder program and expects regular socialization. The company has conducted several meetings with relevant parties, i.e., scheme smallholder cooperative representatives and communities to address the concern and enhance communication. Furthermore, the company noted this concern in the company's social management plan programs. In general, the community showed their positive acceptance of the upcoming program as part of palm oil plantation development in that area and the company's progress with the FPIC process. The community confirmed that the company had provided information regarding Location Permits and shown maps of how the project impacted their areas. The community also confirmed that they had had meetings with the company, discussing communication procedures, land release/

submission procedure (land acquisition process), land mapping and compensation measurement procedures. The community stated that they know how the community representatives participate in the land acquisition process, including mapping, negotiations and compensation payment processes. The negotiations facilitated by the representative community teams and conducted directly, one by one, with villagers who have developed the land. Ongoing stakeholder consultations have been conducted since signing the agreements to date. PT Mitra Karya Sentosa (PT MKS) committed to complying with the FPIC process as accommodated in Procedure No EAC.FPC dated 17<sup>th</sup> June 2013 for areas that haven't been compensated. First Resources's Sustainability Policy on 1<sup>st</sup> July 2015 states that the company recognizes indigenous and local communities' legal and customary land rights. Moreover, it respects the community's decision to give or withhold their free, prior and informed consent (FPIC) for the development or conservation of land to which they hold such rights.

In conclusion, interviewing the surrounding community and field observations are conducted to ensure that the whole area of NPP scope has not been cleared and the HCV/HCS area is in good condition. The field observation and interview with the community process were conducted for three days by auditors. Field observations show that the condition of the HCV/HCS area is still well preserved, and the location of NPP is still not yet embedded. PT MKS adheres to the RSPO New Planting Procedure content and the NPP assessment. The planting plans are comprehensive, professionally qualified and comply with relevant RSPO P&C. In addition, NPP document and carbon stock assessments have been made appropriately, conforming to C7.8 and these assessments have been submitted to the ERWG.

Signed for, on behalf of,  
PT Mutuagung Lestari



Moh Arif Yusni  
Lead Auditor

Management Representative of  
PT Mitra Karya Sentosa



Ardi Candra Yunianto  
Strategic Sustainability & Stakeholder  
Engagement Manager