

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: 03 May 2021

NAME OF GROWER	: PT Putra Bongan Jaya
SUBSIDIARY (If any)	: Kuala Lumpur Kepong Holdings, Sdn. Bhd. (KLK Group)
RSPO Membership Number	: 1-0014-04-000-00 dated 18 October 2004
Location of proposed new planting	
• Plantation address	: Muara Gusik Village, Bongan Sub-District, Kutai Barat District, Kalimantan Timur Province
• Business Permit	: No. 525.26/K.505/2012 year of 2012 dated 14 May 2012 Issued by Regent of Kutai Barat Regency
• Type of Business	: Oil Palm Plantations.
• Size (ha)	: 11,602.33 Ha
• Contact persons	: Stephen Tiong
• Email address	: mi.tiong@klk.com.my
• Geographical location	: North : Lake Jempang, Lake Melintang and River Mahakam. South : A production forest area managed under Forestry Business Permit (HPH) of PT ITCI, and Meratus Mountains Protection Forest. West : Oil palm plantations of PT Gelora Mahapala and PT Farinda Bersaudara. East : PT Jaya Mandiri Sukses oil palm plantation
• Spatial Reference (GPS Coordinates)	: 0°30'14.42" S - 0°48'20.44" S 116°13'7.34"E – 116°23'49.52"E
• Boundary map	: See Figure 2
• Areas and time plan for new plantings	: See Table 1 and Figure 3

Figure 1. Location map of PT. Putra Bongnan Jaya

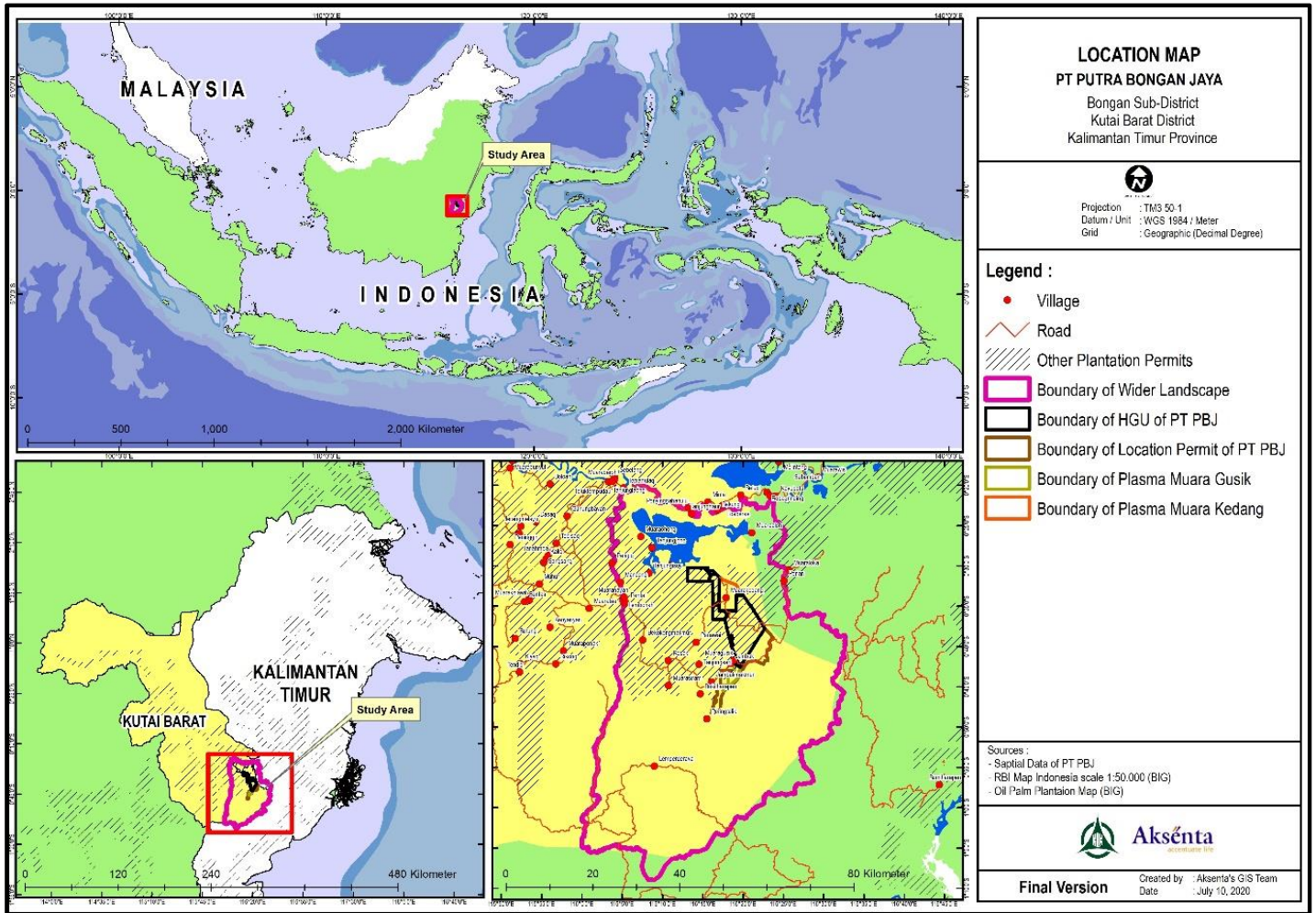


Figure 2. Concession map of PT. Putra Bongon Jaya

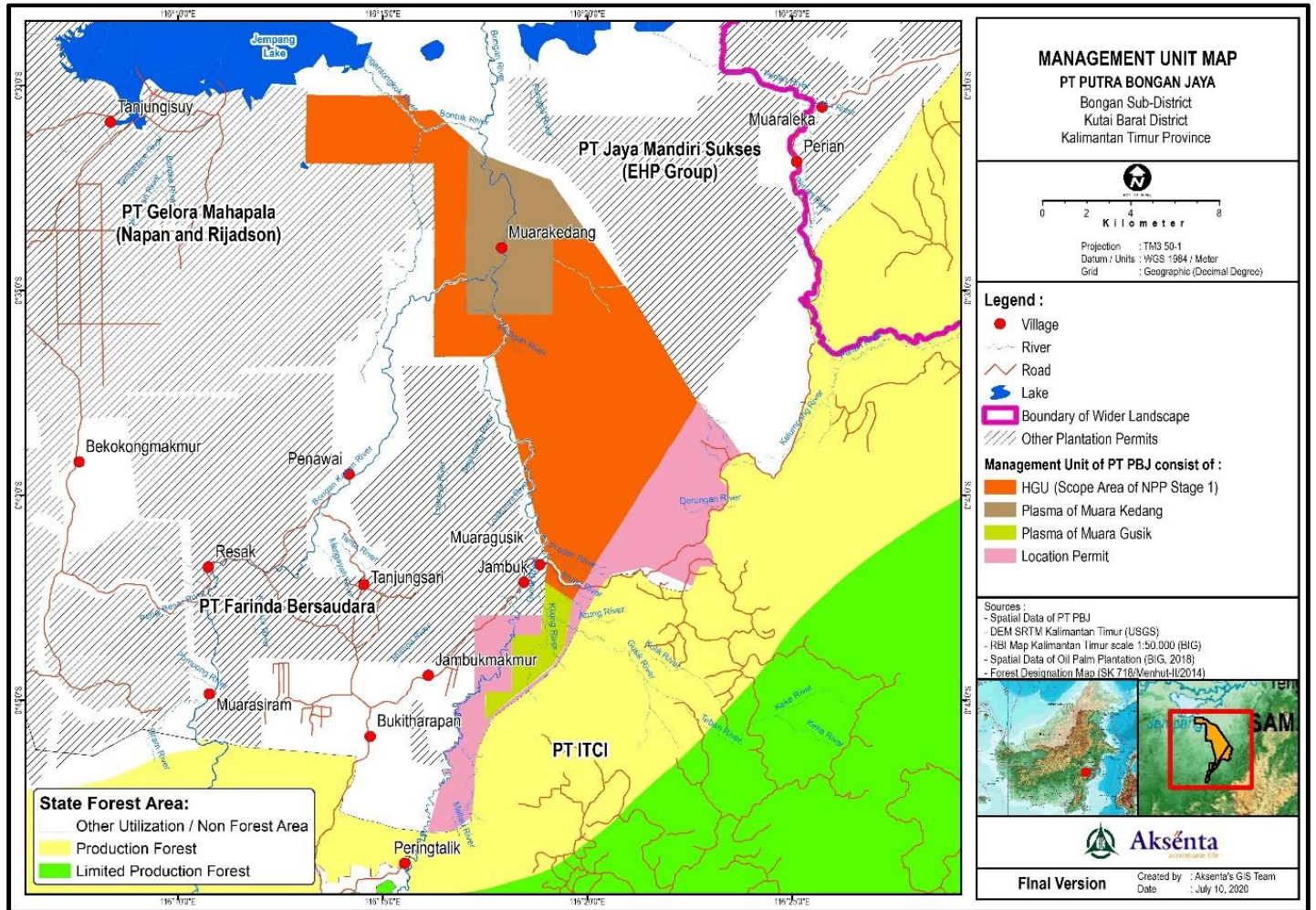
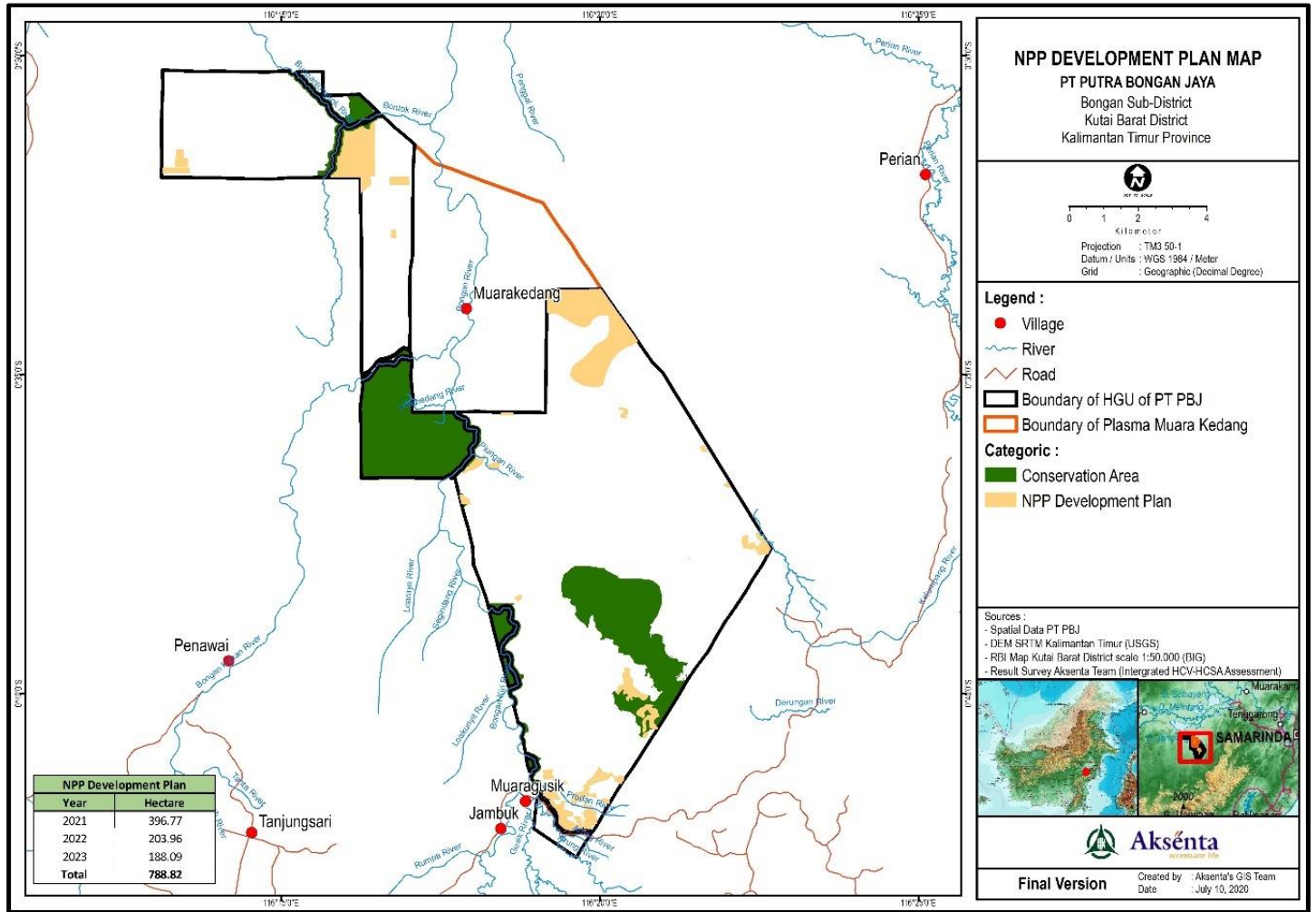


Table 1. The summarized of area and time-plan for new plantings

Description	Width of Area (ha)
Plan for New Planting (ha)	788.82
Year of Planting 2021	396.77
Year of Planting 2022	203.96
Year of Planting 2023	188.09
Total	788.82

** New planting in an area of 788.82 ha will start in 2021. Most of area in IUP are have been planted and will follow the sanction according to the RSPO Certification System, June 2017.*

Figure 3. Planning Map of New Planting Area



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 Putra Bongan jaya

Name of Person Responsible : Stephen Tiong

Position : Head of Sustainability

Signed : 

Date : 03 May 2021

VERIFICATION STATEMENT BY CERTIFICATION BODY:

PT Putra Bongan Jaya (hereinafter referred to as “PT PBJ”) is a legal entity domiciled in West Kutai District, East Province, duly established as per Deed No. 28 dated 30 August 2005. Initially, shares in the company were controlled by REA Holdings, Plc. but on 20 September 2018 the majority of the shares were acquired by KLK Group. Prior to the acquisition, PT PBJ was a subsidiary to REA Holding Plc. which is also an RSPO member. As an RSPO member, no complaint nor campaign has been filed against PT PBJ by any stakeholder. When serving as a subsidiary to REA Holding Plc., PT PBJ already carried out HCV assessment in 2009 led by Wulffraat (WWF) where HCV areas remained unmapped.

The company already holds a Right to Cultivation (“HGU”) concession managed under PT PBJ Management Unit (“MU”). This concession is as per National Land Agency Head Decree No. 38/2009, the issuance of which indicates that the entire length of land acquisition process that the company has carried out already complies with the applicable laws and regulation

Mutuagung Lestari auditors have conducted a field observation conducted at site on 29 July 2020 – 02 August 2020 (include a traveling to the site). The auditors are: Arif Faisal Simatupang (Legal, FPIC, Soil & topography aspect) and Moh Arif Yusni (HCV, SEIA, Land Use Change and Carbon Assessment aspect). The auditors use RSPO NPP guidance document for FPIC for auditors (RSPO-GUI-T01-022 V1.0 ENG).

Management unit of PT PBJ consists of several areas according to their legal status, including HGU concession (11,602.33 ha), new location permit (4,460 ha) and the remaining is plasma area (see Sub-Section 1.2). The total area of the PT PBJ operational area is 19,689.53 ha (GIS acreage 19,686.2 ha). However, the scope area of the NPP Stage 1 in this document covers only the HGU concession area, i.e. 11,602.33 ha (GIS acreage 11,618.2 ha). This takes into account the new Ministry of Agriculture Decree No. 5/2019 (the Articles 8 and 9) stating that the Plantation Business License will be granted to a company after the company obtains the HGU concession. New planting of oil palm can only be done in areas that have a business license. Meanwhile, the coverage of the HCV study is for the entire area. As a result, differences in NPP coverage and HCV study coverage cannot be avoided.

The scope area of HCV-HCSA assessment covers the whole management area of PT PBJ (GIS acreage 19,686.2 ha), while the scope of this NPP Document covers only the HGU concession (GIS acreage 11,618.2 ha). This difference results in the differences between total conservation area (HCV-HCS) as well as planted area reported in this document and those reported by the previous documents of studies. Out of the total management area, oil palm area cover 10,289 ha (of which 8,776.1 ha is inside the HGU); HCV-HCS area cover 6,213.0 ha (of which 2,069 ha is inside the HGU); and the rest is land bank for oil palm plantation (area based on Geographic Information System/"GIS"). Not all of the remaining areas will be cleared for oil palm plantations as this plan depends on plantation spatial plan based on HCV-HCS assessment.

Within the HGU concession, the net total conservation area is 2,069.0 ha constituting the combination of HCVMA (1,920 ha), HCS area (1,103.7 ha) and community lands (295.9 ha). Peatland conservation is not found in the management unit. To some extent, HCS areas are in overlap with HCV areas and community lands. The HCVs identified were HCV 1, HCV 3, HCV 4, HCV 5, and HCV 6; while HCV 2 was not found in the PT PBJ management unit. The primary forest was not found within the management unit, while total area of secondary forest cover 3,761.3 ha in the management unit, 1,103.7 ha of which is located within HGU concession. To some extent, HCS areas are in overlap with HCV areas and community lands. PT PBJ will delineate and demarcate HCV and HCS areas. The initial steps that have been taken are limited to socializing the existence of HCV and HCS areas that must be protected, both to internal and external parties. Total oil palm-planted area is 8,743.72 ha. Peatland conservation is not found in the management unit. New planting in an area of 788.82 ha will start in 2021

Area 788.82 Ha for NPP of PT PBJ is administratively located in Pulau Lanting Village of Jempang Sub-District; as well as Muara Kedang, Jambuk and Muara Gusik Villages of Bongan Sub-District, Kutai Barat, Kalimantan Timur Province, Indonesia. The propose area for NPP covering 788.82 are located in the concession of Right to Cultivation ("HGU") managed under PT PBJ which has not been planted by the previous owners (abandoned land)

Based on LUCA document that conducted by Pramitama Bayu Saputro (Lead Assessor) on 2020, there is known that the Primary forests in PT PBJ MU concession and its surrounding has been removed since the logging operation by companies holding Forestry Business Permit (HPH) concessions

starting in 1973. Fires have been recorded in this area, i.e. in 1982, 1987, 1997 and 2002. One of the large-scaled forest and land fires has been verified through analysis of satellite image dated 25 May 1998. Forest fire broke out almost in the entire concession of PT PBJ MU and left parts that currently become HCV areas. Land cover type in PT PBJ MU concession that has been subject to dominant changes is bushland whose area has seen an increase from November 2005 to April 2009

PT PBJ already holds a Right to Cultivation (“HGU”) concession managed under PT PBJ Management Unit (“MU”). This concession is as per National Land Agency Head Decree No. 38/2009 covering an area of 11,602.33 ha since 2009 and plantation business permit No. 525.26/K.505/2012 year of 2012 dated 14 May 2012 Issued by Regent of Kutai Barat Regency covering + 16,598 ha. The new planting will be planned in 2021 – 2023.

PT PBJ has carried out HCV assessments in 2009 and 2015, which is why in 2019 the company carries out an HCV assessment integrated into HCSA assessment. This HCV-HCSA assessment was carried out in January to September 2019, involving three major phases, i.e. pre-assessment, scoping study and full assessment (Table 5). The integrated HCV-HCSA assessment final report was declared satisfactory by HCV Resource Network (HCVRN) Assessor Licensing Scheme (ALS) on October 9 2020. This assessment conduct by an independent consultant PT Gagas Dinamika Aksenta with Lead Assessor is Idung Rusdianto which has ALS Licensed Assessor

The HCV-HCSA assessment in PT PBJ MU concession finds five types of HCV, namely HCV 1, HCV 3, HCV 4, HCV 5 and HCV 6, as well as HCS area. Total nett conservation areas (HCV- HCS) identified is 2,069.00 ha, which is a combination of HCV areas (1,920 ha) and HCS areas (1,103.4 ha) and community lands (295.9 ha) for their future sources of livelihood. HCS areas are in overlap with several HCV areas.

PT PBJ has arranged the management plan of SEIA to reduce the negative impact and increase positive impact from all risk and impact that are identified. A revision of Environmental Impact Assessment (“EIA”) took place in 2019 out of the changes in shareholding, the planned mill development previously excluded, and integration of 2008 EIA document and the EIA revision into construction of embankment, drainage and sluice in 2018, for which permit has been issued by Investment and One-Roof Integrated Service Office. Social Impact Assessment Review and Update

("SIA Review and Update") is also carried out in 2019. Its field activity was carried out on 28 January – 6 February 2019 simultaneously with the High Conservation Value-High Carbon Stock Approach ("HCV-HCSA") field assessment. All the preparation of SIA documents was carried out in consultation with the surrounding community.

FPIC process initiation through meetings with community and through land-related technical study involving community and stakeholders in Committee-B and Team 11 was then followed up with cooperation agreement. Agreement between PT PBJ and community particularly relates to land compensation, plantation development plan and plasma plantation development plan. In addition, cooperation also includes public facility and village infrastructure construction as well as creating job opportunities. Agreements were entered into between the company and Muara Kedang community on 23 May 2013 and 24 November 2014, Muara Gusik community on 26 July 2013, and Pulau Lanting community on 23 May 2016 and 3 October 2016. As for Jambuk community, agreement is still being prepared.

The FPIC process of land compensation is done by compensation documents verification and interviewing the surrounding communities, interviews were conducted to village adjacent to company locations. Based on the interview with the previous landowner and interview with management and field observation, there were two kind of land in operational area, that were individual land and village land (the land that not owned by personal/individual). Individual land will be compensated to the land owner, meanwhile village land will be compensated to the village official, then the money will be shared to all villagers in the name of 'tali asih'. Based on document review, stakeholder consultation, as well as field observation, known that there are no customary land/rights in operational area, but individual right and village land (tanah desa) only. Based on the results of interviews with the landowners, it was found that the company had implemented the FPIC process, including providing initial information regarding the company's plans, then the negotiation and land acquisition processes were carried out without coercion and were not represented.

PT PBJ also has complied to Criterion 7.10 (Carbon Stocks) of the P&C RSPO 2018. The calculation of Carbon Stock Analysis and Green House Gas was conducted on 2019 with assessment method by preparation of land cover maps from satellite imagery and estimating carbon stocks in new

development areas that in accordance with RSPO GHG Assessment Procedure for New Development, Version 3 issued on 30th October 2016.

In addition, the interviewing to surrounding community and field observations are conducted to ensure that the whole area of NPP scope have not been cleared and HCV area in good condition. The field observation and interview with the communities process was conducted for 3 days by an auditors. From field observations it is known that the condition of HCV is still well preserved, besides the location of NPP is still not yet embedded. PT PBJ has adhered to RSPO New Planting Procedure and the content of the assessments and plans is comprehensive, of professional quality and in compliance with relevant RSPO P&C and with the NPP document and also the appropriate carbon stock assessments have been made in compliance to C7.8 and that these assessments have been submitted to the ERWG.

Signed for, on behalf of,
Mutuagung Lestari



Moh Arif Yusni
Lead Auditor
03 May 2021

Management of PT PBJ



Stephen Tiong
Head of Sustainability
03 May 2021