

**NPP Notification Statement (including Verification Statement by CB)**

<b>1. Date of Notification</b>	9th June 2021
<b>2. Name of Grower</b>	Musim Mas Holdings Pte Ltd.
<b>3. Name of Subsidiary (if any)</b>	PT Multipersada Gatramegah
<b>4. RSPO Membership No.</b>	2-0907-18-000-00
<b>5. Location of proposed new planting:</b>	
<b>(i) Grower Address</b>	
Gedung Spring Tower 12-09, JL. K.L. Yos Sudarso Tanjung Mulia Medan Deli Kota Medan -20241, Indonesia	
<b>(ii) Business Permit</b>	
<p>The Plantation Business Permit (IUP) was issued by the Ketapang regent through the Decree of the District Head of Barito utara No. 188.45/84/2018 13 February 2018 for a Total area of 3,848.32 Ha.</p> <p>Note: PT MPG has acquired a new area of 1,202.08 ha adjacent to the PT MPG Estate II in 2018, resulting in the total area of Estate II to become 3,848.32 ha. PT MPG also plans to develop 1,103.14 ha of Scheme Smallholders (KKPA) and Village Development Programmes (Kas Desa) as the CSR programmes. The newly acquired area of 1,202.08 ha of Estate II and 1.103.14 ha of the smallholders' development (KKPA &amp; Kas Desa) together totaling 2,305.22 ha are proposed for NPP Notification</p>	
<b>(iii) Type of Business</b>	
Oil Palm Plantation & Processing	
<b>(iv) Size (ha)</b>	
<p>Total proposed new development area : 2,305.22 ha Constitutes of 4 blocks.</p> <ul style="list-style-type: none"> <li>• 1,202.08 ha (under IUP)</li> <li>• Scheme Smallholders (KKPA) and Village Development Programme (Kas Desa) of 1,103.14 ha.             <ul style="list-style-type: none"> <li>○ 207.10 ha KKPA &amp; KAS Desa Est I</li> <li>○ 537.87 ha KKPA Est II</li> <li>○ 358.17 ha MPG II (KKPA Est I)</li> </ul> </li> </ul>	
<b>(v) Contact persons</b>	
Dr. Gan Lian Tiong	
<b>(vi) E-mail address</b>	
liantiong.gan@musimmas.com	
<b>(vii) Geographical location</b>	
<p>Located in three sub-districts namely Lahei Barat Sub-District, Teweh Tengah Sub-District of Barito Utara Regency and LaungTuhup Sub-District of Murung Raya Regency, Central Kalimantan, Indonesia. The new development area is within "Areal Penggunaan Lain" (APL) which is area zoned for agricultural land use based on the MoEF SK6025 for Central Kalimantan is consistent with the RTRWP. The Wider landscape is very much shaped by shifting agriculture with landcover a mosaic of agriculture (padi), jungle rubber, open land and scrub with each patch in this mosaic being about five hectares. This reflects the traditional way that land has been utilized in this area. Overlaid on this is the arrival of the transmigrant villages which have blended their original farming methods with those of the local communities.</p>	
<b>(viii) Spatial Reference (GPS Coordinates)</b>	

Site location	GPS Reference	
	Longitude	Latitude
Nucleus (Inti) Est II New Area	114.674538° E	0.917810° S
KKPA & Kas Desa Est I	114.783952° E	0.758936° S
KKPA Est II	114.756153° E	0.872956° S
MPG II (KKPA Est I)**	114.771244° E	0.746100° S

**(ix) Boundary Map**

Complete explanation of boundary map is presented in the SEIA and HCV assessment summary and management document. Boundary map presented in figure 1.

**(x) Area and Time Plan for New Plantings**

Location *	Area (Ha)	Total New Planting (Ha)	HCV/HCS Area (Ha)	Timeline for conversion
Nucleus (Inti) Est II New Area	1202.08	677.75	524.33	TBD with NPP approval
KKPA & Kas Desa Est I	207.10	175.42	31.68	TBD with NPP approval
KKPA Est II	537.87	430.23	107.64	TBD with NPP approval
MPG II (KKPA Est I)**	358.17	89.13	269.04	TBD with NPP approval
<b>Total</b>	<b>2,305.22</b>	<b>1372.53</b>	<b>932.69</b>	<b>TBD with NPP approval</b>

\*The location reference used is as per the HCV-HCS Report. The nucleus and KKPA/Kas Desa may be renamed accordingly after development have been completed.

**6. Statement of Acceptance of Responsibility for NPP**

The management of Musim Mas Holdings Pte. Ltd and its subsidiary PT Multipersada Gatramegah 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 carried out to realize it.

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

<b>Name of Grower:</b>	PT Multipersada Gatramegah (part of Musim Mas Holdings Pte. Ltd)
<b>Name of responsible person:</b>	<b>Dr. Gan Lian Tiong</b>
<b>Position:</b>	<b>Director of Sustainability</b>
<b>Signature &amp; date:</b> 9 <sup>th</sup> March 2021	

**8. Verification Statement by Certification Body (CB)**

Control Union (Malaysia) Sdn. Bhd. opted for an onsite evaluation for PT Multipersada Gatramegah and its surrounding area for their proposed NPP area of 2,305.22 ha located in three sub-districts namely Lahei Barat Sub-District, Teweh Tengah Sub-District of Barito Utara Regency and LaungTuhup Sub-District of Murung Raya Regency,

Central Kalimantan, Indonesia. Due to travel restrictions imposed The NPP verification was conducted Scenario 3 of Contingency RSPO Audit Procedure in two stages where the remote audit was conducted on 30 November 2020 followed by an the on-site audit conducted with the assistance from an Audit Facilitator on 28 Jan 2021.

PT MPG is comprised of 13,126 Ha with two operating units Estate I with 9,278 ha and Estate II with 3,848.32 ha. Estate I had successfully undergone NPP in December 2012 and Estate II in July 2015 (an area of 2,646.24 ha by PT HAL, which was acquired by PT MPG management in 2018). PT MPG further acquired a new area of 1,202.08 ha adjacent to the PT MPG Estate II in 2018, resulting in the total area of Estate II to become 3,848.32 ha. The permits that have been obtained by the company are inclusive of Social Environmental Impact Assessment (AMDAL), Environmental Permit (Izin Kelayakan Lingkungan) and the Permanent Plantation Permit (Izin Tetap Usaha Budidaya Perkebunan), Release of Forest Permit (Izin Pelepasan Kawasan Hutan), and Land Title (HGU). PT MPG also plans to develop 1,103.14 ha of Scheme Smallholders (KKPA) and Village Development Programmes (Kas Desa) as the CSR programmes. The newly acquired area of 1,202.08 ha of Estate II and 1.103.14 ha of the smallholders' development (KKPA & Kas Desa) together totaling 2,305.22 ha are proposed for NPP Notification. Noting that the reprieve on NPP for smallholders is still in force.

The new development is in area with a long history of occupancy and anthropogenic activities. Based on the LUCA study, there is no primary forest found in the new development areas. There are five types of land cover that are secondary forest (YRF, LDF, MDF, and HDF), Mixed Rubber, agricultural land (palm plantation, rubber plantation and rice fields/rice field), open land, bush and shrub. The overall area is dominated by mixed rubber including in area within the location permit (Izin Lokasi) and permission to undertake plantation activities (IUP). All of the assessment area is within "Areal Penggunaan Lain" (APL) which is area zoned for agricultural land use based on the provincial land use plan (RTRWP)

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 by the company even though mixed gardens and agricultural land developed by local communities were observed during the onsite audit.

There is further verification to ensure the conditions through satellite imagery on January 28, 2021 (using google earth) which resembled information indicated in the Land cover analysis conducted by the company for proposed area in 2020.

The Social and Environmental Impacts Assessment (SEIA) or AMDAL (RKL-RPL) dated 9th February 2018 was carried out by independent agency (Lembaga Penyedia Jasa Penyusun) for new areas of PT MPG. The AMDAL examines the possible impacts, both positive and negative of the development of proposed development areas. The AMDAL lists a number of "areas of concern." These are:

- The impact on water quality and disturbance of water biota. The areas with the potential to be impacted are the Barioi River.
- The impact of: damage to the earth, erosion and sedimentation, the loss of floral and faunal biodiversity and potential forest and land fires. The area that was likely to be impacted was stated as being the whole survey area.
- The impact on: enjoyment of the community and potential conflict, attitude and perception of the community, opportunity to work and health of the community. The communities that were likely affected were all the six villages in the survey.

AMDAL is a legal document based on Environmental Permit requirement by the Indonesian government (Peraturan Pemerintah number 27 of 2012). AMDAL document remains valid as long as the business activities remained unchanged and ongoing. Based on this regulation, the AMDAL is updated only when there is a change in the Environmental Permit. PT MPG has no changes in environmental permits, so the current AMDAL of PT MPG in 2018 is valid and do not need to be reviewed based on the Indonesian regulation.

Further more PT MPG has prepared the RPL (Management plan) and RKL (Monitoring result) of AMDAL findings twice a year for submission to Environmental Agency (Dinas Lingkungan Hidup) Barito Utara Regency since 2018. In essence the AMDAL is still applicable. In addition to the AMDAL document, PT MPG has annual management and



<b>Additional Inti KKPA Est I</b>	17.18	24.06	-	21.36	24.06	2.70	31.68	175.42	207.10
<b>Additional Inti KKPA Est II</b>	81.08	76.70	-	59.49	76.64	41.41	107.64	430.23	537.87
<b>Inti Est II New Area</b>	427.58	452.79	215.8 2	179.84	375.60	255.79	524.33	677.75	1,202.08
<b>MPG II</b>	231.28	240.82	191.6 6	204.36	177.67	169.32	269.04	89.13	358.17
<b>Total</b>	757.12	794.37	407.4 8	465.05	653.97	469.22	932.69	1,372.53	2,305.22

Source: HCV-HCS Assessment 2018

Company has conducted a soil suitability assessment on the land in two ways survey method by two different teams. The first method was done by taking soil samples in the field on April 2018. The second method with the Integrated HCV HCS assessment in 2018. Based on two ways survey method, a map of the distribution of land types in the proposed development areas concession has been obtained. The soil survey by taking soil samples in the field was carried out by PT MPG's internal assessment team that consist of research and development team (R & D), PT MPG's survey and public relations team.

The study area is in the "Interior Plains and Hills" biogeographic region. (RePPProT, 1986) describes the chief limitations to development in the study area as being steep slopes, low soil fertility and highly scattered land suitable for arable crops. Geologically the area is part of the Barito Basin. In the assessment area there are two distinct soil types. Firstly in the hills in the north where soils are predominantly well drained, Surface organic horizons are thin and leached of soluble bases and reserves of major nutrients are low. Secondly in the south where limestone and calcareous sediments are most common; these are much more fertile soils with higher cation exchange capacities. Nevertheless, the soil profiles were observed to be shallow. Based on semi detail survey by PT MPG's internal surveyor, Soil Series were found on PT. Multi Persada Gatramegah comprised 7 soil series and calssified as mineral soil. It is in line with soil type provided by the Pusat Penelitian Tanah dan Agroklimat (a government department) which shows that the assessment area is 100% mineral soil. The soil map from the soil survey is used to determine the type of land in the concession. From the results of the study it was known that there was no peatland, no sandy land and no acid sulphate soil at the proposed development areas.

<sup>1</sup> These areas are not additive because of overlaps.

The GHG calculation of the proposed development areas was carried out in November 2020. The GHG calculations are carried out by Sustainability Departments that have experiences in GHG calculations since 2015. Two land use scenarios are developed. Their potential emissions are estimated using the New Development GHG Calculator released in August 2016. The two scenarios (permutations) considered are as follow:

Scenario 1: Conversion of all areas outside conservation areas (HCV and HCS areas)

Scenario 2: Conversion of all areas outside conservation areas (HCV and HCS areas) and non-HCS forested areas

Potential GHG emissions from both scenarios are net positive and relatively similar. Forested areas that deemed not viable according to HCSA patch analysis is only a small part compared to the total develop area, thus the impact to GHG emission is negligible

The scenario chosen for the development plan is scenario 1. Scenario 1 is selected because it provides the best balance between conservation and development. Scenario 1 confines development to areas outside conservation and forested areas. The conversion of these patches provides tangible economic benefit to the company with minimum environmental impact.

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. The Land Use Change Analysis (LUCA) was conducted on January 2020- June 2020. The LUC analysis was covered proposed new development area of PT MPG. 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 and 2019. This assessment was carried out Internal PT MPG Team competence in LUCA's assessment. The stages and process of Land Use Changes Analysis (LUCA) refer to the Remediation and Compensation Procedures issued by the RSPO. Land cover change since 2005 to 2020 not occurred significantly, secondary forest with an area of 848.89ha in 2005 became 792.91Ha in 2020. Changes in land cover were mostly caused by non-commercial land clearing that regenerated to forest. Secondary forest in PT MPG assessment were mostly conservation area categorized either HCV or HCS as per of Integrated HCV HCS Assessment. Company is committed of no operational plantation activity until NPP process is completed and the land cover analysis of 2020 found to be consistent as observed with the ground situation during field observations.

Land cover of PT MPG 2020 is as below:

No	Land Cover		Luas (Ha)							Grand Total (Ha)	%	
			Est II	%	KKPA Estate II	%	MPG II	%	Penambahan Inti KKPA Est I			%
1	Secondary Forest	High Density Forest	5.99	0.5%	-	0.0%	-	0.0%	-	0.0%	5.99	0.3%
2		Medium Density Forest	89.94	7.5%	16.43	3.1%	113.19	31.6%	1.26	0.6%	220.82	9.6%
3		Low Density Forest	156.38	13.0%	29.64	5.5%	53.20	14.9%	1.47	0.7%	240.69	10.4%
4		Young Regenerating Forest	183.65	15.3%	60.78	11.3%	61.96	17.3%	19.04	9.2%	325.42	14.1%
5	Mixed Garden	Mixed Rubber	274.52	22.8%	175.23	32.6%	0.97	0.3%	125.32	60.5%	576.04	25.0%
6	Agriculture Land	Agriculture	39.52	3.3%	7.83	1.5%	-	0.0%	-	0.0%	47.35	2.1%
7		Monoculture Rubber	83.71	7.0%	48.07	8.9%	5.25	1.5%	12.08	5.8%	149.12	6.5%
8		Oil Palm	15.50	1.3%	-	0.0%	3.22	0.9%	3.12	1.5%	21.84	0.9%
9	Open Land	Open Land	60.23	5.0%	7.30	1.4%	1.17	0.3%	1.40	0.7%	70.11	3.0%
10	Land	Settlement	0.70	0.1%	-	0.0%	-	0.0%	-	0.0%	0.70	0.0%
11		Infrastructure	71.21	5.9%	9.30	1.7%	25.08	7.0%	3.42	1.6%	109.01	4.7%
12	Shrub	Scrub	220.72	18.4%	183.28	34.1%	94.14	26.3%	39.99	19.3%	538.14	23.3%
<b>Total</b>			<b>1,202.08</b>	<b>100%</b>	<b>537.87</b>	<b>100%</b>	<b>358.17</b>	<b>100%</b>	<b>207.10</b>	<b>100%</b>	<b>2,305.22</b>	<b>100%</b>

Source: Result Analysis of Satellite Imagery 2018 and Field Survey by PT. Hijau Daun 2019

The grower has demonstrated the legal right to use the land other than the KKPA, Kas Desa area, and has laid the minimum building blocks for an adequate FPIC process for all areas planned for development where company SOP specifies no development to take place until the completion of FPIC process. The FPIC SOP is the specification of the mechanism for subsequent interactions between communities and the company. The development plans for KKPA and KAS Desa have been discussed with the community leaders of villages during stakeholders' engagement and consultation. The company and the community have entered into an agreement / letter of intent for the smallholder scheme development plans detailed in "Berita Acara Kesepakatan Rencana Pengembangan Perkebunan Kelapa Sawit Berkelanjutan Dan Pelaksanaan Pemetaan Partisipatif" signed with community appointed representatives of Datai Nirui (9 March 2018), Karamuan (12 March 2018), Makunjung (10 March 2018), Pendreh (13 March 2018), Rimba Sari (7 March 2018), Sei Rahayu I (5 March 2018), Sei Rahayu II (6 March 2018), Beringin Raya (8 March 2018). The agreements clearly states local peoples have the right to say 'no' to operations planned on their lands at all stages of the FPIC process, from initial discussions up until an agreement is signed and ratified by these local peoples. Survey lists of land owners, based on both customary rights mapping and land cadastres is ongoing and from 2018 to the date of audit a total 410.88 ha has been identified and compensated. Ongoing consultation with the local communities in place with latest public consultation conducted on 27 May 2019.

During the onsite verification the audit team carried out a public stakeholder consultation with affected stakeholders with the participation of representatives of Desa Sei Rahayu, Rimba Sari, Beringin Raya. Based on explanation from stakeholders, in general all community has been well informed regarding the Palm Oil plantation

projects, including the positive and negative impacts that may occur. Community members showed their positive acceptance of upcoming program as part of palm oil plantation development in that area and the company's progress with the FPIC process. Community confirmed that company has provide information regarding Location Permit and showing maps of how the project impacted to their areas. Community also confirmed that they have had meetings with company, discussing about communication procedure, land release/submission procedure (land acquisition process), land mapping and compensation measurement procedures. Community stated that they aware of how the community representatives participate on the land acquisition/submission process including mapping, negotiations and compensation payment processes. The negotiations to be facilitated by the community representative teams however need to be conducted one to one with villagers who have developed the land.

Ongoing stakeholder consultations have been conducted since signing the agreements to date. Community also stated that they involved on FPIC required assessments conducted by Company in cooperation with consultants, such as Social Impact Assessment, High Conservation Value assessment, and High Carbon Stock Assessment. The company stated their commitment into SIA Management Plan the Company will contribute to increase positive impacts that could improve community welfare through the Management and Mitigation program such as infrastructure development, religion and education support, smallholder scheme program. Community acknowledged company's social contribution to their villages through CSR initiatives. Community representatives clearly understand they have the right to say 'no' to operations planned on their lands at all stages of the FPIC process.

### Conclusion

It is the opinion of the Control Union (Malaysia) Sdn. Bhd. and the lead auditor that PT Multipersada Gatramegah (PT MPG) has complied with the RSPO New Planting Procedures enforced on 2015, version 3 and confirmed that the assessments and plans are comprehensive, professional and compliant with RSPO requirements. Based on the review of the reports for Social Environment Impact Assessment, HCV Assessment, Land Usage Change Analysis and High Carbon Stock and GHG Assessment that include the analysis of the carbon stock on land use change, carbon emissions and sequestration.

The results of the NPP process and the content of the assessments and plan(s) is comprehensive, of professional quality and comply with the relevant RSPO Principles, Criteria and Indicators and the New Planting Procedures for new development.

## 9. Certification Body and Lead Auditor

**Name of CB:** Control Union (Malaysia) Sdn. Bhd.

Desk Audit	Onsite verification
<p><b>Name:</b> Ahmad Furqon  <b>Position:</b> Lead  <b>Auditor Signed:</b></p>  <p><b>Date:</b> 01 December 2020</p>	<p><b>Name:</b> Supun Nigamuni  <b>Position:</b> Lead Auditor  <b>Signed:</b></p>  <p><b>Date:</b> 10 February 2021</p>

*\*The Summary of assessment reports (SEIA, HCV, soil and topography, LUC, GHG) and Summary of management plans available in "Assessment Summaries and Management Plans"*

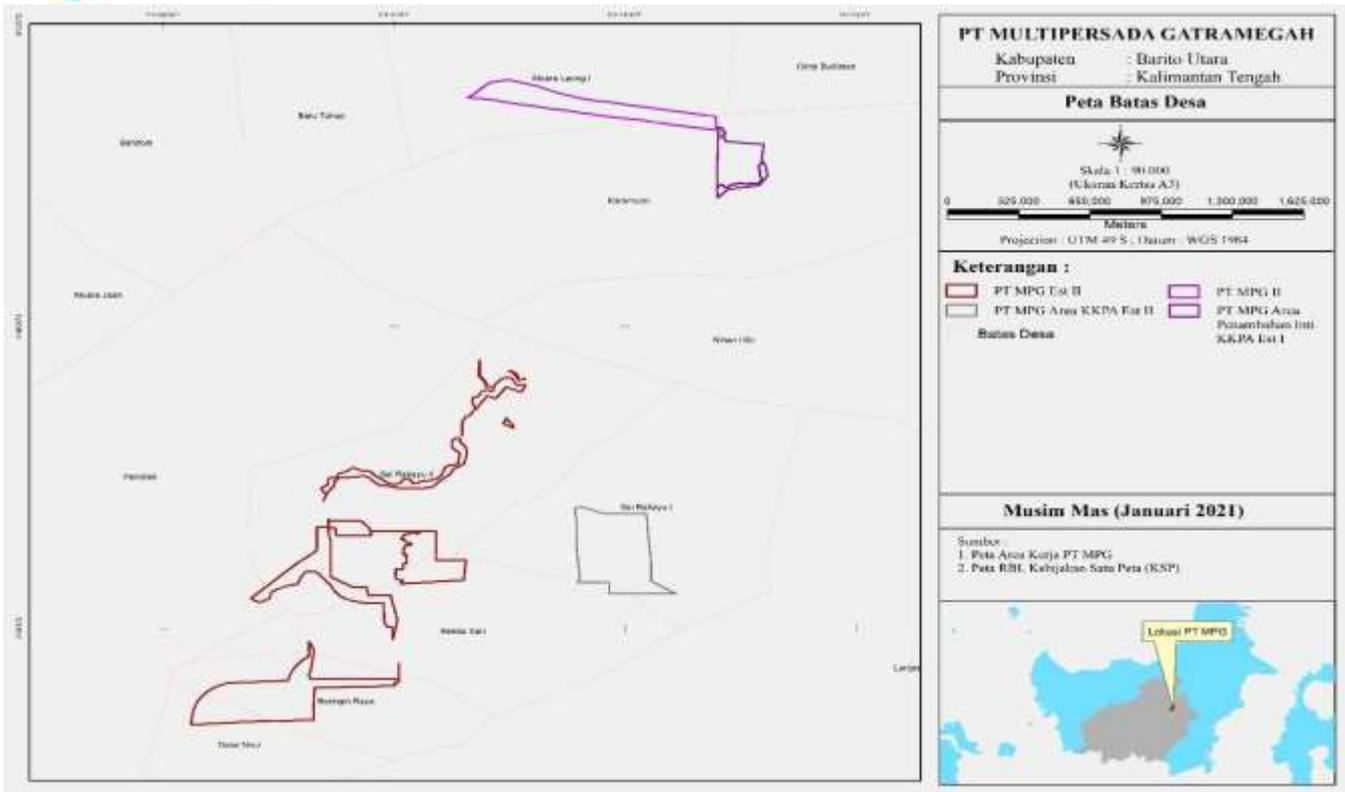


Figure 1. Location and boundary location propose for New Planting

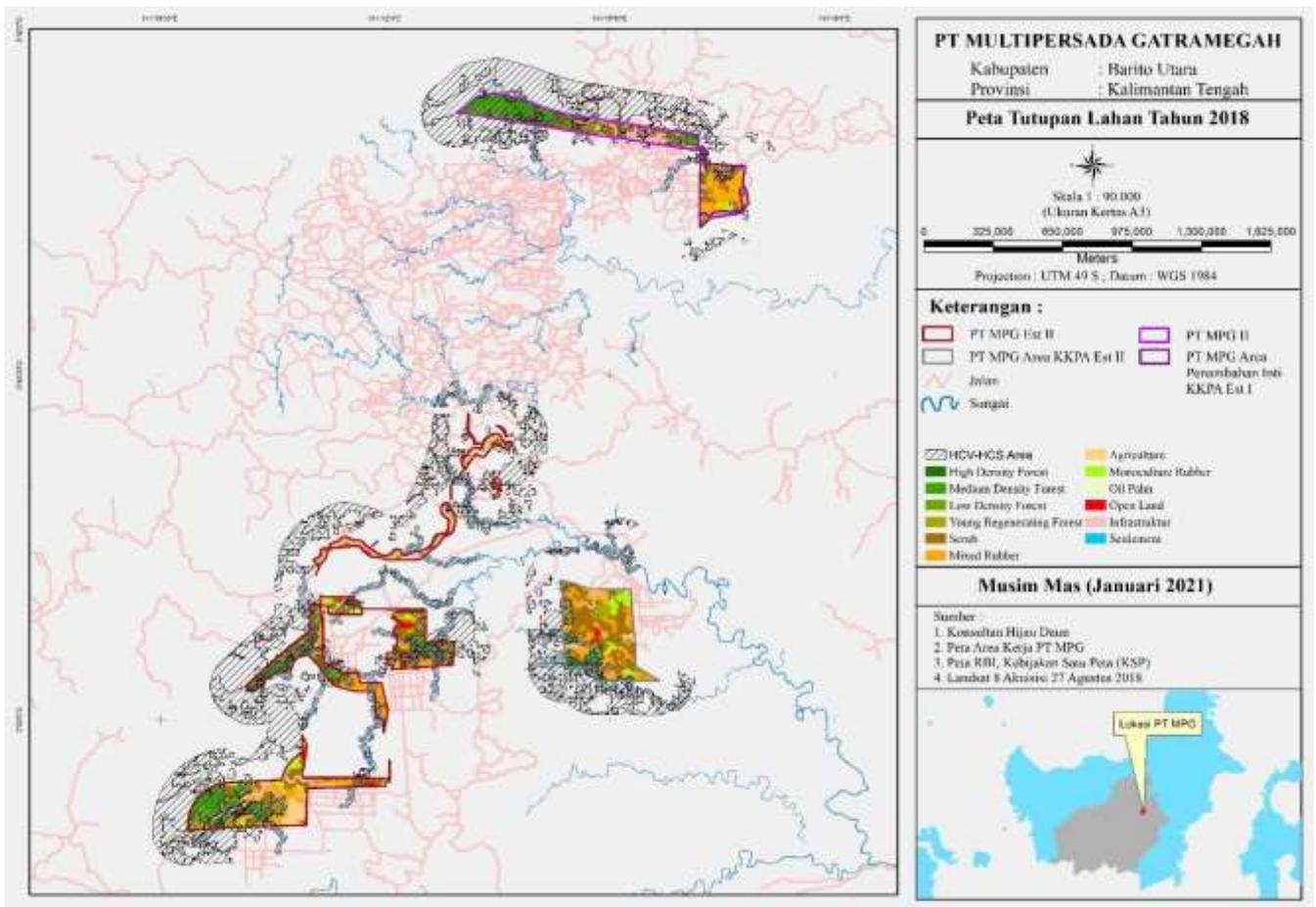


Figure 2. HCV map of the proposed development areas



Figure 3. Satellite imagery analysis to demonstrate consistency with company analysis. (accessed on January 28, 2021)

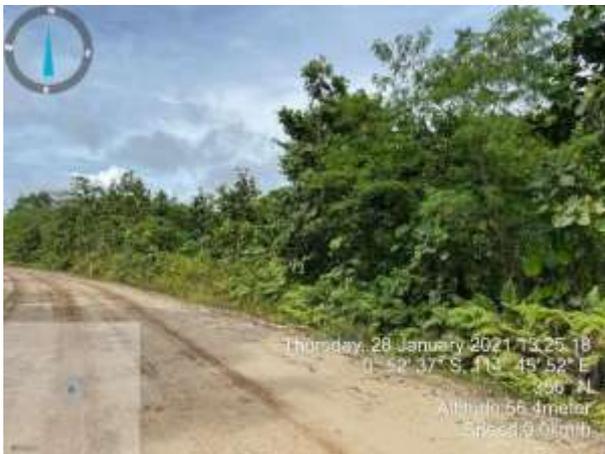
**Onsite condition in proposed area for new planting**



Picture 1-2. HCV 4 Area



*Picture 3-4. Current condition of boundaries in Sei Rahayu Village*



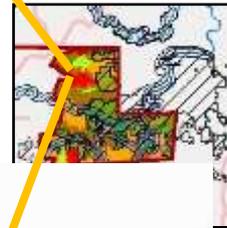
*Picture 5-6. Current condition of boundaries in Beringin Raya Village*



*Picture 7-8. Current condition of boundaries in Rimba Sari Village*



*Picture 10-11. Current condition of the open land*



*Picture 12-13. Current condition of youth generation forest*