


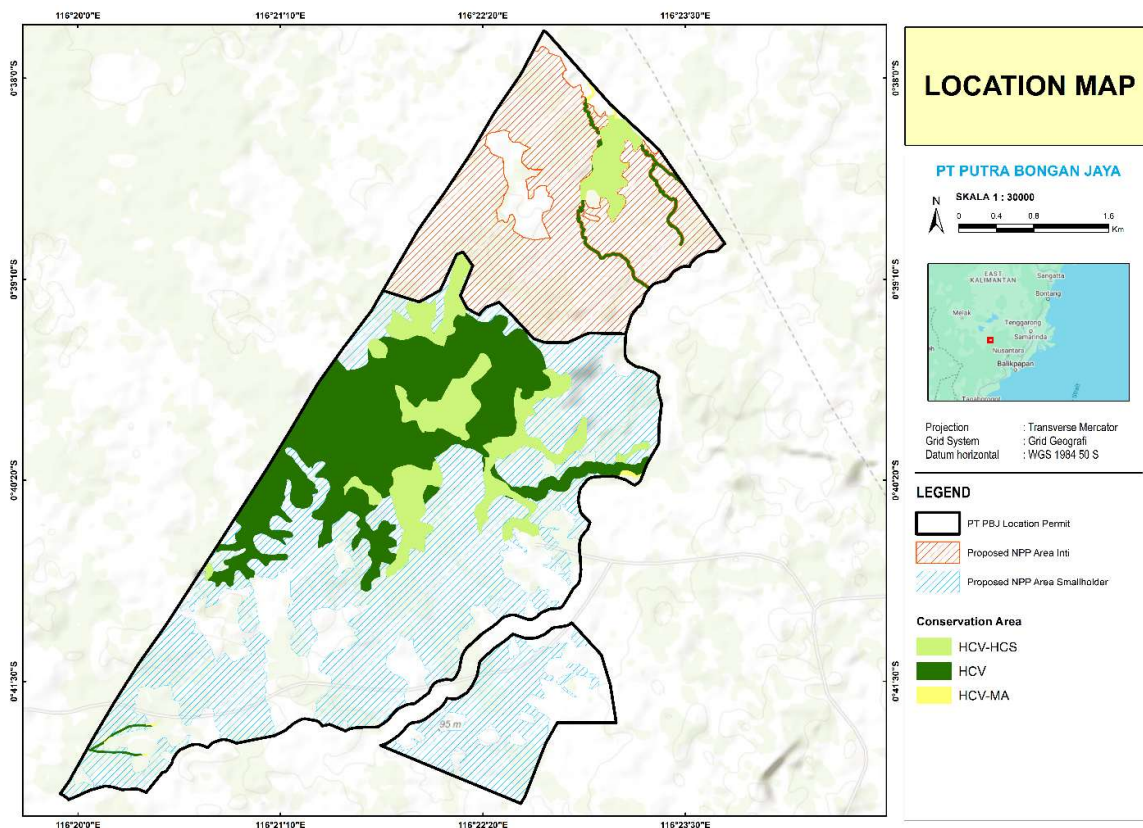


New Planting Procedure – Notification Statement

 Roundtable on Sustainable Palm Oil		
NPP Reference Number	RSPO-PC-FQ1-NPP-AUDRPFIN-ms-RB for RSPO New Planting Procedure (NPP) 2021	
Country of the NPP Submission:	Indonesia	
RSPO Membership Number	1-0014-04-000-00	
Name of Subsidiary (if any):	PT Putra Bongan Jaya (PT PBJ)	
Name of Management Unit:	PT Putra Bongan Jaya (PT PBJ)	
Name(s) of Estate(s) covered under this management plan:	PT Putra Bongan Jaya (PT PBJ) extension areas as nucleus and Koperasi Produsen Ingkang Muntis Jaya & Koperasi Sawit Gusik Mandiri Sejahtera as scheme smallholders	
Location of NPP area:	Kutai Barat District, East Kalimantan Province, Indonesia	
Address of NPP area:	Muara Gusiq Village, Bongan Sub District, Kutai Barat District, East Kalimantan Province, Indonesia	
Business/operation Permit Reference Number and Issuing Authority:	<ol style="list-style-type: none"> 1. Head of Investment and Integrated One Stop Service Agency Decree in Kutai Barat District No.525.29/K.64/2017 dated on 16 June 2017 regarding Location Permit of PT Putra Bongan Jaya with total areas of 4,460 Ha for oil palm plantation 2. Approval of the suitability of space utilization activities for business activities No.12082410316407001 dated on 12 August 2024 from government (on behalf Minister of investment / head of investment coordinator agency) for PT Putra Bongan Jaya with total areas of 3,844.37 Ha for oil palm plantation. There are gap total of areas between this is permit and location permit above because any production forest areas was excluded from permit areas. 3. Plantation Bussiness Permit (IUP) of PT Putra Bongan Jaya has issued by OSS platform. First issued on 17 May 2019 and the latest revision on 25 May 2021. 	
Size information (ha)	a) Total area as per permit:	± 4,460 Ha (refer to location permit)
	b) Area for new planting:	± 1,472.50 Ha consist of : ± 506.55 Ha for allocation of PT PBJ areas (nucleas) & ± 965.95 Ha for allocation of scheme smallholder areas

	c) HCV area (if any):	± 615.2 Ha (including overlapping HCS areas) consist of ± 45.72 Ha on allocation of PT PBJ areas (nucleas) and ± 569.47 Ha on allocation of scheme smallholder areas
	d) HCS forest (if any):	-
	e) Peatland (if any):	-
	f) Steep terrain (if any):	-
	g) Riparian buffer (if any):	Included with the HCV-HCS areas
	h) Marginal and fragile soil (if any):	-
Projected GHG emissions		7,351 tCO ₂ e
Geospatial Coordinates		NPP areas : 116° 19' 20.156" - 116° 22' 42.0" E; 00° 37' 44.0" - 00° 44' 01.447" S

Boundary Maps



Picture 1. NPP areas for allocation of PT PBJ areas (nucleas and scheme smallholders)

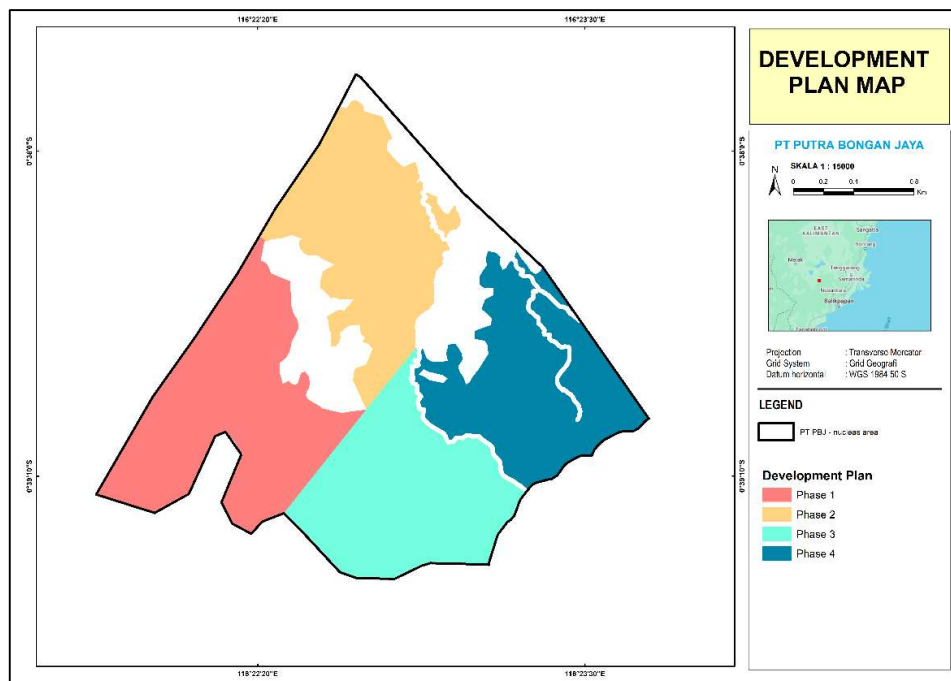
Areas and proposed time for new planting

Location	Proposed Time Plan for Development		Approx. size of clearing
	Month	Year	
PT PBJ (Nucleas)			
Phase of 1	June to December	2025	± 145.44 Ha
Phase of 2	January to June	2026	± 121.59 Ha
Phase of 3	July to December	2026	± 124.21 Ha
Phase of 4	January to June	2027	± 115.31 Ha
TOTAL			± 506.55 Ha

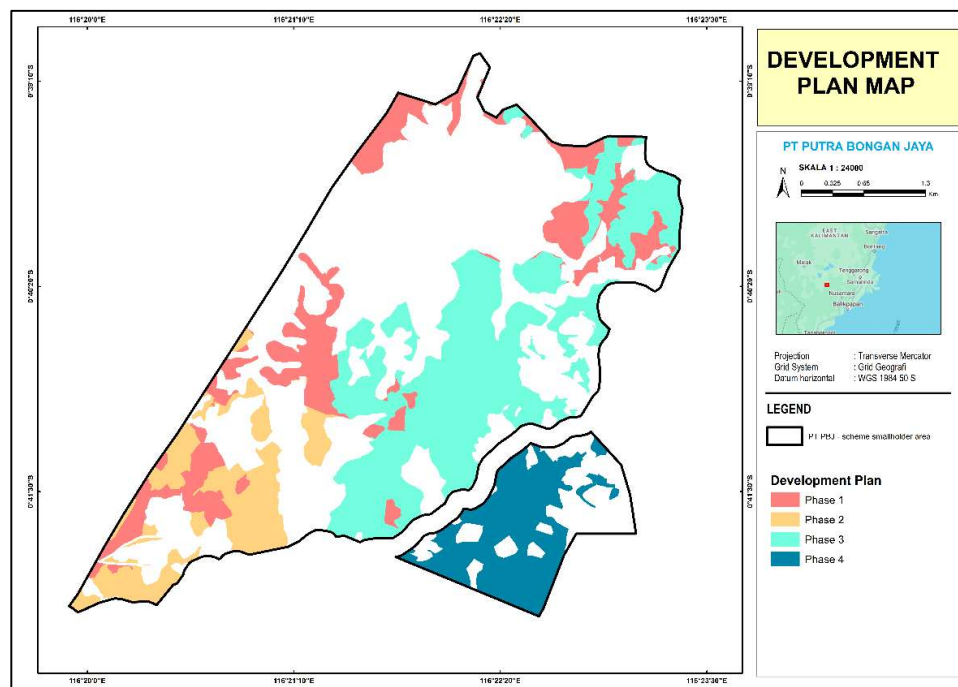
Smallholders			
Location	Proposed Time Plan for Development		Approx. size of clearing
	Month	Year	
Phase of 1	June to December	2025	± 228.72 Ha
Phase of 2	January to June	2026	± 148.10 Ha
Phase of 3	July to December	2026	± 438.52 Ha
Phase of 4	January to June	2027	± 150.61 Ha
TOTAL			± 965.95 Ha

Note : This section is an indicative plan by RSPO members on the land clearing that will be conducted. This information is also useful for growers to monitor their own progress and to plan for their Time-bound Plan for certification.

Whereas, map of areas and proposed time for new planting as belows :



Picture 3. Map of areas and proposed time for new planting on PT PBJ – nucleus area



Picture 4. Map of areas and proposed time for new planting on Ha PT PBJ - scheme smallholder area

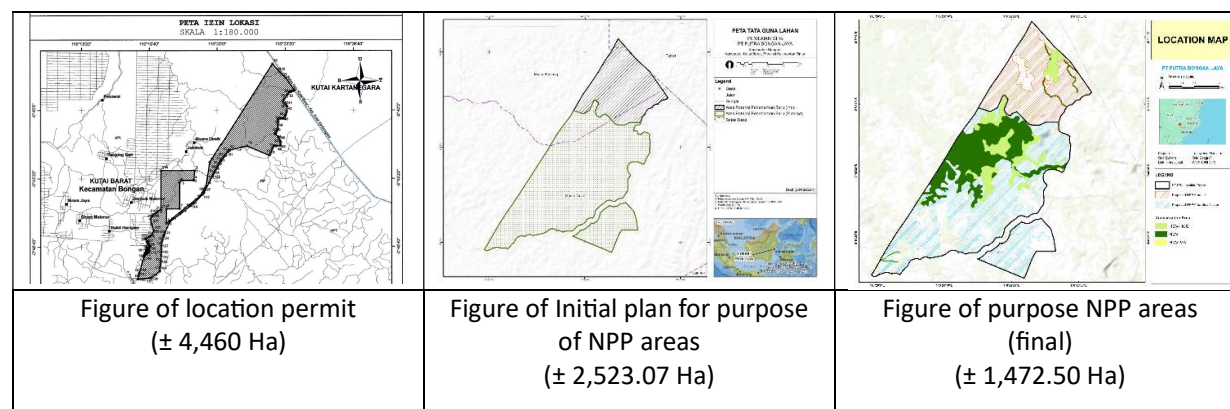
Summary of the NPP Verification by CB

The NPP verification against PT Putra Bongon Jaya (PT PBJ) extension areas as nucleus and two smallholder areas as scheme smallholders. PT PBJ is a member of the RSPO under its parent company, Kuala Lumpur Kepong Berhad (KLK Bhd). KLK Bhd has become RSPO membership since October 17, 2004. PT PBJ (extension) will carry out New Planting Procedure (NPP) activities in the new development areas. It will be allocated as nucleus

(extension of PT PBJ areas) and scheme smallholder areas (Koperasi Produsen Ingkang Muntis Jaya & Koperasi Sawit Gusik Mandiri Sejahtera).

The NPP verification has conducted through document verification, interview and on-site visit. GGC auditor has conducted document verification/review on 13-15 August 2024 and interview (PT PBJ management, both management cooperatives, representative of land compensation team, previous landownership, landowner who have land inside location permit areas but do not want to be compensated by the company & leader in community) and on-site visit on 14-15 August 2024.

History the scope of NPP verification (from the location permit areas to the propose of NPP areas finally) as follows :



The information on the proposed areas for new planting has been communicated transparently to the cooperative management & members and land owners who want and do not want to be compensated by the company and inventory of community land with facilitation from local government (village and sub-district level) until the NPP verification is carried out. At the time of field verification that auditor was found any land has cleared and planted oil palm plantation by communities on the proposed of new planting areas before NPP process has finished so that it is exclude as subject of NPP areas (white color on map above). Whereas, based on interview result as below :

- Representative of PT PBJ management said company still have obligation to develop plantation for community as scheme smallholder areas so that part of the location permit areas will be used for this purpose and the community has long waited the realization of developing plantation for community. Document of land compensation has established including information of land has not been compensated. The result of identifying people/party entitled to compensation is in place or available. The document of compensation payment was available
- Head of village and representative of both cooperative managements said communities has waited too long for developing of plantation for community by company as scheme smallholder and have positive perspective
- Landowner who do not want to be compensated by the company said there is no physical or psychological coercion from the company to acquire its areas. Reason of do not want to be compensated because still want to manage his areas by himself so that he has understood the compensation mechanism and have the right to say “agree or not agree” to operations planned on their lands and land conflict is not present in the NPP areas
- Landowner has received compensation payment said they are release of areas to company not any coercion from company, has received payment from company & has signed land compesation document, majority areas is ex-farm areas and can be explaining previous land cover from their areas and land compensation process and land conflict is not present in the NPP areas

- Representative of land compensation team said the company and village party has appointed some peoples as land compensation team and they can be explaining land compensation process and understood HCV areas

The result of document and field verification about HCV issues :

- KLK Group has general policy on the Sustainability for all its operation and production chain and applies to all subsidiaries including PT PBJ , and specifically PT PBJ has SOP to manage and monitor the HCV area i.e SOP No 22 regarding Identification, Management and Monitoring of HCV area and Flora-Fauna.
- PT PBJ has mapped the detail boundary of HCV areas and constructed some markers such as pillar and signboard in the boundary of HCV. However the signboards and pillars are only installed within the HCV area that already compensated and acquired by the company, while identified HCV areas which has not been compensated, no actions was taken to install the HCV sign.
- The company only carried out patrols and observation. Rawa Pris with total area 1257.7 ha is a low land swamp forest remaining in region of new development plan, but half of them which located in Plasma Plan of Muara Gusik and are not compensated yet. That area is prone to be exploited by the community who own the area. Based on interview with PBJ's management , that area will not be compensated in short term due to difficulty in control and part of plasma plan. Based on field check and verifying drone photos & fire monitoring document from fire monitoring tower, the condition of swamp forest (Rawa Pris) is still in good or relatively undisturbed since the area is a flooded area and inhabited by crocodiles, however some minor encroachments occur with people making swallow nest cages inside the HCV area (The Rawa Pris areas).

Auditor has observed and has analyzed some drone photos on the development proposed areas (one location on nucleus areas (near/boundary with PT PBJ areas and it is phase 1 areas) and three locations on scheme smallholder areas (near/boundary with PT PBJ areas & HCV areas and and it is phase 1 & 2 areas) which not identified as HCV/HCS in year 2019 but possible experiencing succession. Based on field observation and analyzing drone photos that it need to inventorying vegetation before land opening/clearing activity.

PT PBJ have operation/bussiness permit from government and other support documents for developing new planting areas based on :

1. MoU between PT PBJ and cooperative (Koperasi Produsen Ingkang Muntis Jaya) No.433/MOU/PBJ/VII/2024 and 005/Kop.IMJ/VII/2024 dated on July 23, 2024 regarding cooperation of scheme smallholder partnership pattern through the provision of technical information on development, finance and management of oil palm plantation.
2. Agreement between PT PBJ and cooperative (Koeprasi Sawit Gusik Mandiri Sejahtera) No.008/SPK/PBJ-BPN/VII/2028 dated on August 09, 2018 regarding partnership for developing oil palm plantation with total of 154.33 Ha
3. Head of Investment and Integrated One Stop Service Agency Decree in Kutai Barat District No.525.29/K.64/2017 dated on 16 June 2017 regarding Location Permit of PT Putra Bongan Jaya with total areas of **4,460 Ha** for oil palm plantation.
4. Approval of the suitability of space utilization activities for business activities No.12082410316407001 dated on 12 August 2024 from government (on behalf Minister of investment / head of investment coordinator agency) for PT Putra Bongan Jaya with total areas of **3,844.37 Ha** for oil palm plantation.
5. Plantation Bussiness Permit (IUP) of PT Putra Bongan Jaya has issued by OSS platform. First issued on 17 May 2019 and the latest revision on 25 May 2021.
6. Head of Investment and Integrated One Stop Service Agency Decree in Kutai Barat District No.660/06/DPMPTSP-III.SP/II/2020 dated on 27 February 2020 regarding feasibility of environmental on behalf PT PBJ with total areas is 4,460 Ha
7. Environmental Permit of PT Putra Bongan Jaya has issued by OSS platform. First issued on 23 June 2009
8. Draft of minute of finalization activity PT PBJ dated on 27 July 2023 by National Land Agency in East Kalimantan Province regarding measuring cadastral with total areas of 474.10 Ha

PT PBJ areas (extension areas) has appropriated with spatial plan i.e other purpose areas (APL) or non-forestry cultivation areas (KBNK) which referring to Minister of Forestry decree No.718/Menhut-II/2024 dated on 29 August 2014 and not including on map of indicative for moratorium of new permit (PIPIB) revision of XIV

(Minister of Environmental & Forestry decree No. SK.3588/MENLHK-PKTL/IPSDH/PLA.1/5/2018 dated on 28 May 2018).

PT PBJ extention has carried out Environmental Impact Assessment (EIA/UKL-UPL), the High Conservation Value (HCV) assesment, Social Impact Assessment (SIA), Land Use Change Analysis (LUCA), Soil and Topography Study, Carbon Stock and Greenhouse Gas Assessment (GHG) for new plantings. The summary of each assessment has displayed on NPP summary of assessment report. Whereas, integration management plan each assessment has shown on NPP Integration management plan.

The HCV-HCSA assessment conducted on January 14, 2019 - July, 2019 covered pre-assessment, scoping, field assessment and consultations. The first report was submitted on 5 September 2019. An independent consultant, PT Gagas Dinamiga Aksenta appointed to conduct the assessment lead by Mr Idung Risdiyanto, a licenced HCV-HCS lead assessor (ALS15029IR). The assessment report has been granted with status of satisfactory from HCV Network Quality Panel in 9 October 2020.

Scope of HCV-HCSA assessment covered the entire of PT PBJ area of 19,689.4 ha comprise of HGU license of PT PBJ, Location Permit (Izin Lokasi) of PT PBJ, scheme smallholder of Muara Kedang, and scheme smallholder of Gusik. All the areas are situated on non -forest state area and outside of the peat hydrological area and aligned with the Provincial Spatial Plan for Plantation. The proposed new planting area is part of the assessment.

The HCV type 1, 3, 4, 5 and 6 are found in PT PBJ. Total area identified as HCV is 5,549 ha and HCS is 3,750 ha. Both of HCV and HCS area are overlapped, so that the total conservation area in PBJ is 6,175 ha. Total HCV-HCSA area identified and management areas described in the following table :

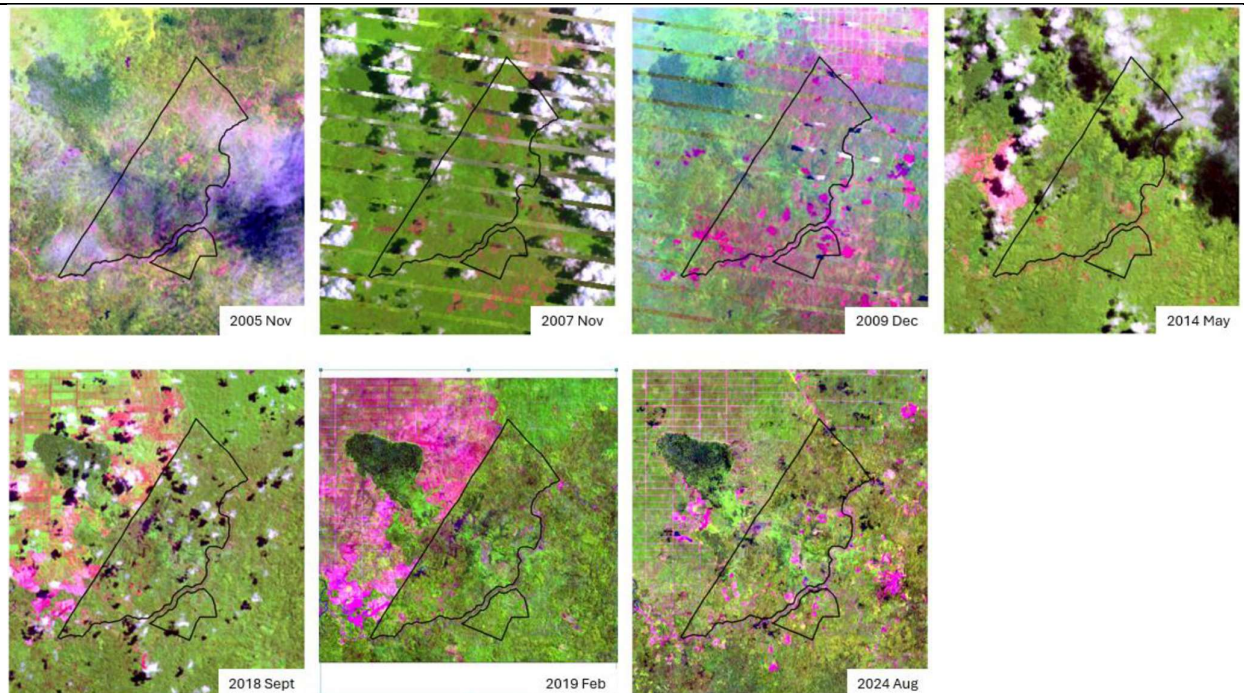
Type of value	Identified areas (ha)	Management areas (ha)
HCS forest	3750,0	3750,0
Peat	0,0	0,0
HCV1	5092.6	5121.1
HCV2	0,0	0,0
HCV3	5128.5	5157,0
HCV4	4921.1	4956,0
HCV5	1736.6	1736.6
HCV6	5.2	5.2
Local community land	665.8	665,8
Total Netto (excluded overlapped areas)	6175,0	6213,0

Whereas, total of HCV-HCS areas within the NPP is 45.72 Ha – for allocation of PT PBJ areas (nucleas), and 569.47 Ha – for allocation of scheme smallholder area.

As the NPP requirement, company also already carried out a Land Use Change Analysis (LUC analysis) to ensure deforestation situation due to land development for palm oil. The original LUC analysis for the whole management area of PT PBJ conducted on January 2 until March 14, 2019 by external consultant on behalf PT Gagas Dinamiga Aksenta. Since PT PBJ will propose only on specific area which intended for the new development, and the old analysis has been more than 2 years, a new special LUC Analysis has been provided that cover an area of 2.523,07 ha for the new development area PKKPR of PT PBJ. The study of LUCA carried out by PT Aihika Sawala Ekotropika (Ecotrop) on August 2024.

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 – 2013. The LUCA consist of 6 periods i.e.: November 1, 2005 until November 30, 2007; December 1, 2007 until December 31, 2009; January 1, 2010 until May 8, 2014; May 9, 2014 until August 31, 2018; September 1, 2018 until February 8 (Acquisition of PBJ), 2019 (HCV/HCSA assessment), and February 9, 2019 (HCV/HCS assessment to NPP submission audit).

Picture below showing the comparison of those periods:



Result of LUC assessment on the NPP area informs that some significant changes had occurred before lands acquisition by PT PBJ in September 2018 and relatively slower change started from that day. The existence of secondary forest still remaining, while old shrubs, young shrubs, bushes tend to reduced and converted to palm oil by the community before the land purchased by PT PBJ. Table below shows the details of land cover changes.

Land Cover	Nov-05	Dec-07	Jan-10	May-14	Sept-18 (Acq*)	Feb-19 (HCV)	Aug-24
Secondary Forest	112.37	83.45	83.45	83.45	66.93	66.93	66.93
Old shrubs	403.02	347.63	266.34	266.34	169.35	169.35	151.48
Young shrubs	1,531.74	1,443.18	1,569.58	1,565.28	1,581.45	1,581.45	1,553.27
Rubber	0.00	0.00	0.00	0.00	0.00	0.00	12.24
Bushes	401.93	478.79	480.49	480.49	441.39	441.39	265.55
Open areas	74.02	170.02	123.22	127.52	154.49	154.49	38.13
Oil Palm**	0.00	0.00	0.00	0.00	109.46	109.46	435.46
Total	2,523.07	2,523.07	2,523.07	2,523.07	2,523.07	2,523.07	2,523.07

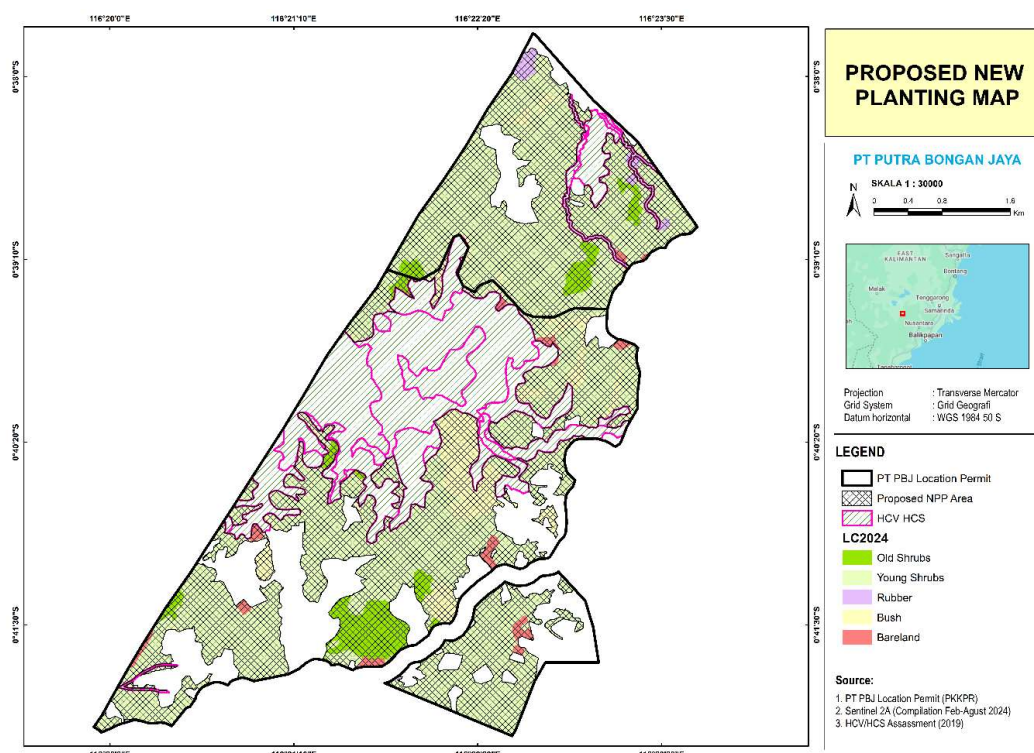
Note : ** Planted by community and previous owner PT JMS when acquisition conducted and categorized as non- corporate liability

Whereas, information of land cover change period of year 2005 – 2024 on purpose of NPP areas (final) has stated in Table 3.1 & 3.b in the NPP summary of assessment document.

Based on the analysis PT PBJ claimed no corporate liability between the HCV assessment and the NPP audit/submission (Feb 2019 to August 2024), while there is 314,71 ha cleared after HCV assessment by non-corporate. No loss social HCV such as marginal soil, steep area or riparian area reported in the LUC Assessment. Land clearing or oil palm planting in the potential new planting areas are not carried out by the PT PBJ Management. Therefore, the company has no environmental remediation responsibility

GHG assessment within the proposed area for new planting has carried out by Ecotrop on August 2024. The report has said estimate the GHG emission in the NPP area of PT Putra Bongan Jaya (PBJ) following on RSPO GHG procedure. The consultant consists of 2 persons, a leader Mr Bias Berlio PR who has credential as ALS assessor and 5 years experiences in GHG and carbon stock assessment assisted by Mr Muhammad Farid Al-Faritsi as GIS expert and carbon calculation.

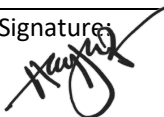
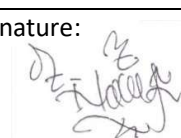
Two scenarios developed to estimate the GHG emission, S0 for the business-as-usual approach which considered the baseline projection with the assumption the entire new development area is expected for the oil palm only with total area of 2,087.61 ha. S1 scenario is an alternative which considering the existence of HCV/HCS areas. No exploitation of the remaining forest (HCV/HCS) in the proposed new development implemented. Given the S1 scenario the total area for oil palm plantation is planned for 1,472.50 ha and 615.2 ha is dedicated for HCV-HCS area protection. The S0 scenario projected will give GHG emission 17,045 ton CO₂e while the S1 scenario projection will emit 7,351 ton CO₂e. The spatial design of new development based on S1 scenario is describe on map below.



Conclusion

The GGC auditor were present with the managment team of PT PBJ on that time to verify the findings of the desk study and held further discussions on the review and verification conducted. It is opinion of auditor that all assessment documents and integrated management plan are comprehensive, professional and complied to RSPO requirements (principle, criterion and indicator).

Acknowledgement by RSPO Member	PT PBJ and represent of Koperasi Produsen Ingkang Muntis Jaya & Koperasi Sawit Gusik Mandiri Sejahtera acknowledges that this NPP submission had been conducted in accordance with the New Planting Procedure year 2021. All assessments had been carried out accordingly and without any prejudice. PT PBJ will ensure all legal requirements are continuously met pre, during and post development of this NPP area.
Confirmation by Certification Body	The work recorded in this NPP submission by PT PBJ and represent of Koperasi Produsen Ingkang Muntis Jaya & Koperasi Sawit Gusik Mandiri Sejahtera at this Bongan Sub District, Kutai Barat District, East Kalimantan Province, Indonesia has been verified by GGC and has been carried out in accordance with the requirement of the RSPO New Planting Procedure year 2021 for

	the time being in force and in that respect that this area is considered satisfactory for development of new plantings.	
Signatures	RSPO Members	Certification Body
	Name of Person Responsible: Jason Foong Huey Yuan	Name of Lead Auditor : Hendra Fachrurozy
	Designation: Agricultural Director	Designation: Lead Auditor
	Signature: 	Signature: 
	Date : 20 February 2025	Date : 20 February 2025