

## New Planting Procedure – Notification Statement

 <p><b>RSPO</b> Roundtable on Sustainable Palm Oil</p>		
<b>NPP Reference Number</b>	MUTU-RSPO/NPP/02	
<b>Country of the NPP Submission:</b>	Indonesia	
<b>RSPO Membership Number</b>	1-0045-07-000-00	
<b>Name of Subsidiary (if any):</b>	PT Prasetia Utama (PT PU)	
<b>Name of Management Unit:</b>	PT Prasetia Utama (PT PU)	
<b>Name of Estate covered under this management plan:</b>	Prasetia Utama Estate	
<b>Location of NPP area:</b>	Umaq Dian Village, Muara Pedohon Village, Buluqsan Village, Muara Ritan Village, Ritan Baru Village, , Tabang Sub District, Kutai Kartanegara Regency, East Kalimantan Province, Indonesia	
<b>Address of NPP area:</b>	Umaq Dian Village, Muara Pedohon Village, Buluqsan Village, Muara Ritan Village, Ritan Baru Village, , Tabang Sub District, Kutai Kartanegara Regency, East Kalimantan Province, Indonesia	
<b>Business/operation Permit Reference Number and Issuing Authority:</b>	<p>Plantation Business Permit or <b>Ijin Usaha Perkebunan (IUP)</b> based on Statement Letter of Kutai Kartanegara Regent Number. 525.26/008/IUP.BID.I/X/2015/BP2T dated 13th October 2015 on Plantation Business Permit of PT PU for an area of ± 8.588,44 Hectares.</p> <p>Revision of Plantation Business Permit or <b>Ijin Usaha Perkebunan (IUP)</b> based on Statement Letter of Kutai Kartanegara Regent Number B-003/DPMPTSP/PTSP.2/525.26/06/2023 dated 15th June 2023 on Plantation Business Permit of PT PU for an area of ± 9,005.509 Hectares.</p> <p>Cultivation Rights Title or <b>Hak Guna Usaha (HGU)</b> for the cultivation of oil palm plantations with its processing unit for an area of ± 9.097,35 Hectares based on Cultivation Rights Title Decree of PT PU Number. 33/HGU/BPN/1999 dated 6th April 1999.</p> <p><b>Important notes:</b></p> <ul style="list-style-type: none"> <li>This submission is the second phase. In the first phase submission which was approved by RSPO on 12th October 2022 via email confirmation from RSPO (<a href="https://drive.google.com/file/d/1JzElttAN00EKyOvibmQzhNP">https://drive.google.com/file/d/1JzElttAN00EKyOvibmQzhNP</a>)</li> </ul>	

GkSazhZcf/view?usp=sharing) and public comments which can be downloaded on the RSPO website date 1st August 2022 (<https://rspo.org/public-consultation/rea-holdings-pt-prasetia-utama-pt-pu/>).

- The scope of the first phase of NPP submission is ± 8,422.18 Hectares, which the area of overlap between IUP (± 8,588.44 Hectares) and HGU (± 9,097.35 Hectares). There is an area of ± 508.91 Hectare which is not included in the scope.
- The company is committed not to carry out any land clearing activities in areas that do not overlap between IUP and HGU, this commitment is shown in a statement letter by the President Director through the stipulation of the notarial deed of Anne Djonardi regarding Prasetia Utama's statement number 16 dated 2nd February 2022. In the statement, Prasetia Utama is committed to only managing (planting and upkeep) an oil palm plantation of an area of ± 8,422.18 hectares.
- In 2023, in order to maximize land use and cultivation, the company requests the Government to revise the IUP according to the HGU. The approved IUP revision refers to the Statement Letter of Kutai Kartanegara Regent Number B-003/DPMPPTSP/PTSP.2/525.26/2023 dated 15th June 2023 regarding the Revision of PT Prasetia Utama Oil Palm Commodity Cultivation Business Permit Number. 525.26/008/IUP.BID.1/X/2015/BP2T concerning PT Prasetia Utama Plantation Business Permit. The IUP 2023 covering areas of ± **9,005.509 Hectares**.
- With the IUP changes, the company proposes this 2nd phase of NPP with an area of ± **601.74 Hectares**, details can be seen in Table 1 below).

Table 1. Comparison size land permit IUP 2015 & 2023

Description	Size (Hectares)
HGU area of PT PU	9,097.35
IUP area of PT PU y2015	8,588.44
IUP area of PT PU y2023 <sup>1</sup>	9,005.509
NPP's scope of 1st phase	8,422.18
NPP's scope of 2nd phase	<b>601.74</b>

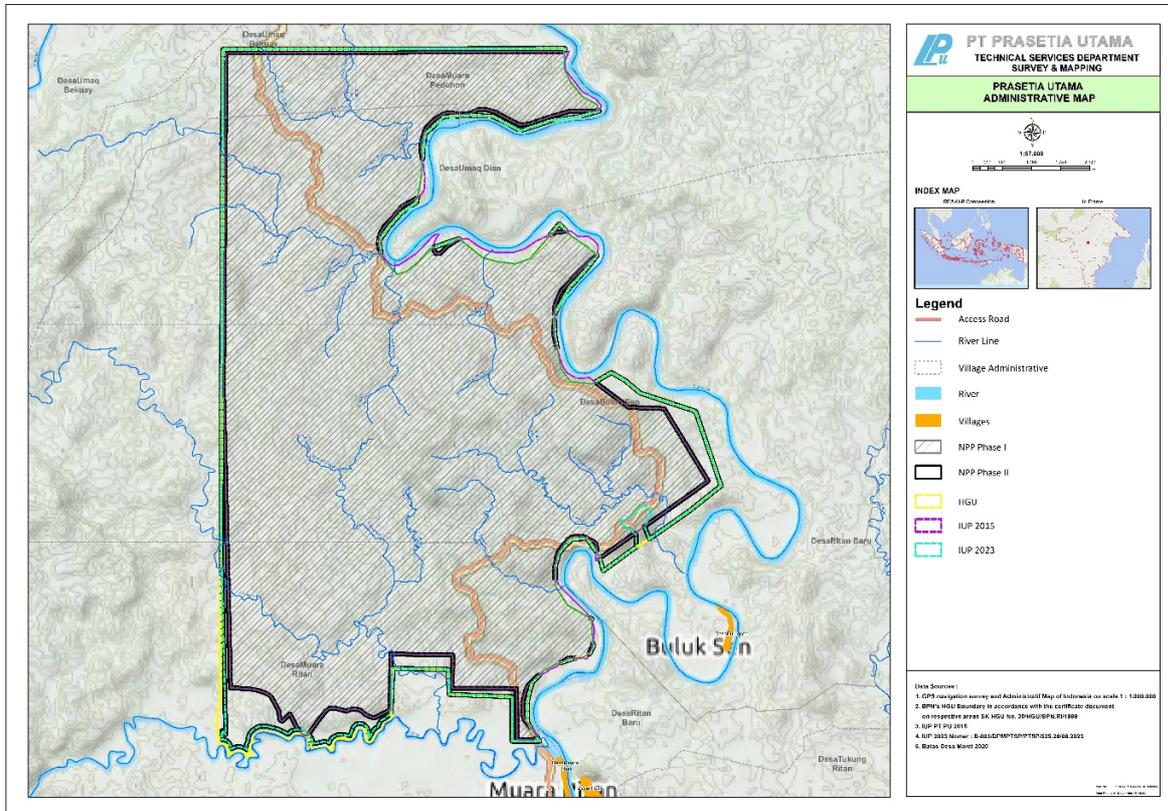
**Size information (ha)**

a) Total area as per permit:	9,005.509
b) Area for new planting:	<b>601.74</b>
c) HCV area only (if any):	88.03
d) HCS forest only (if any):	72.63
e) HCV-HCS forest (if any):	27.25

<sup>1</sup> All 2023 IUP areas are within the HGU area.

	g) Total conservation area (c+d+e) (if any):	<b>187.91</b>
	h) Peatland (if any):	No peatland
	i) Steep terrain (if any):	No steep terrain
	j) Riparian buffer (if any):	No riparian buffer-
	k) Marginal and fragile soil (if any):	No marginal and fragile soil.
<b>Projected GHG emissions</b>	<b>- 50,412.71 tCO2e/year</b> GHG assessment is conducted following RSPO's GHG Assessment Procedure for New Planting, version 4 (4 July 2021). Estimation of greenhouse gas emissions/sinks using the RSPO New Development Green House Gas Calculator version 4. This tool takes into account the carbon footprint in the oil palm plantation sector which comes from land operations/agriculture and mill processing. Annual net GHG emissions are the output of this estimate <b>(detail in section 9 on The Summary of Assessment Reports).</b>	
<b>Geospatial Coordinates</b>	115° 59' 12.358" E - 116° 4' 35.163" N and 0° 24' 3.850" E - 0° 31' 43.264" N	

**Boundary Map**



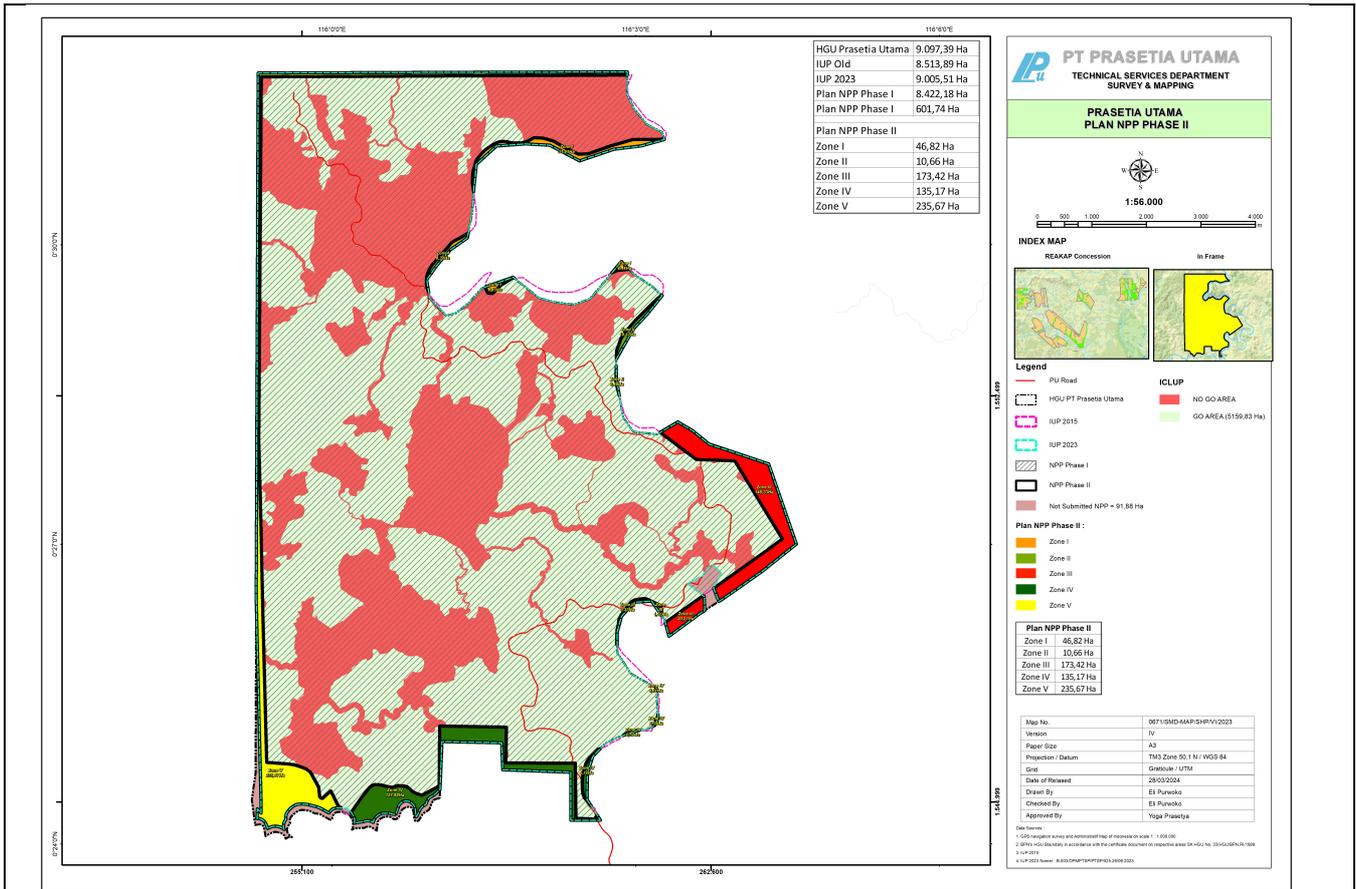


Figure 1. Boundary of PT PU administrative area

Figure 2. ICLUP

**Areas and proposed time for new planting**

Table 2. Summary of new development plan of PT PU

Location	Area	Conservation Area* (ICLUP)	New Planting Area	Area to be Develop (ha)			TOTAL
				2024 (Zone IV & V)	2025 (Zone II & III)	2026 (Zone I)	
Cultivation Right Title (HGU)	9,097.35	3,493.07	5,604.28	1,000	2,000	2,604.28	5,604.28
Plantation Business Permit (IUP) 2015	8,588.44	3,291.34	5,159.83	813.15	1,998.11	2,348.58	5,159.83
Plantation Business Permit (IUP) 2023	9,005.509*	9,005,509	601.74	57,48	308,59	235,67	601,74
Overlay HGU vs IUP 2015	8,422.18	3,262.34	5,159.83	813.15	1,998.11	2,348.58	5,159.83
Final areas to be proposed for NPP phase 1**	8,422.18	3,493.07***	5,159.83	813.15	1,998.11	2,348.58	5,159.83
Final areas to be proposed for NPP phase 2	601.74	187.91	413.83	298.5	111.28	4.05	413.83

**Notes:**

- \* There is an area of 8,422.18 Hectares which is the NPP submission phase 1 that has been approved by RSPO.
- \*\*NPP submission phase 1, approved by RSPO on 12th October 2023.

\*\*\*(In the NPP submission of phase 1). The company is committed to only clearance in the areas those overlap between HGU and IUP only, but for the conservation areas, the company is also committed to full manage of all conservation areas, wheter within the HGU, IUP or both.

Table 3 . Detail of new development plan of PT PU

Location	NPP Phase 1			NPP Phase 2 (601,74 ha)		
	Proposed Time Plan for Development		Approx. size of clearing	Proposed Time Plan for Development		Approx. size of clearing
	Month	Year		Month	Year	
Muara Ritan Village	August – December	2022	813.15	January – June	2024	129.3
Muara Ritan Village	January – March	2023	469.19	July – December	2024	169.2
Buluq Sen Village	April – December	2023	1,528.91	January – June	2025	107.62
Buluq Sen Village	January - June	2024	1,115.36	July – December	2025	3.66
Umaq Dian Village	July – December	2024	818.28	January – June	2026	0.55
Muara Pedohon Village	July - December	2024	414.94	July – December	2026	3.5
<b>Total</b>			<b>5,159.83</b>			<b>413.83</b>

#### Summary of the NPP Verification by CB

The NPP verification of R.E.A Holdings, Plc (PT Prasetia Utama – PT PU) conducted through document verification and on-site visit. The documents verifications and onsite verifications was carried out in 25 – 29 September 2023, where the document verification and on-site visit conducted concurrently. 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.

PT PU is the holder of Cultivation Rights Title (HGU) for the cultivation of oil palm plantations with its processing unit for an area of ± 9.097,35 Hectares based on Cultivation Rights Title Decree of PT PU Number. 33/HGU/BPN/1999 dated 6th April 1999 and Plantation Business Permit (IUP) based on Statement Letter of Kutai Kartanegara Regent Number. 525.26/008/IUP.BID.I/X/2015/BP2T dated 13th October 2015 on Plantation Business Permit of PT PU for an area of ± 8.588,44 hectares. Due to the wide difference between the Cultivation Right Title (HGU) and the Plantation Business Permit (IUP), the Company made a commitment that it will only develop plantations only for areas that are within the HGU and IUP. The company's commitment can be seen in the statement letter by the president director through the stipulation of the notarial deed of Anne Djoenardi regarding Prasetia Utama's statement number 16 dated 2nd February 2022. In the statement, Prasetia Utama is committed to only managing (planting and upkeep) an oil palm plantation of an area of ± 8,422.18 hectares.

In 2023, in order to maximize land use and cultivation, the company requests the Government to revise the IUP according to the HGU. The approved IUP revision refers to the Statement Letter of Kutai Kartanegara Regent Number B-003/DPMPPTSP/PTSP.2/525.26/2023 dated 15th June 2023 regarding the Revision of PT Prasetia Utama Oil Palm Commodity Cultivation Business Permit Number. 525.26/008/IUP.BID.I/X/2015/BP2T concerning PT Prasetia Utama Plantation Business Permit. The IUP 2023 covering areas of ± 9,005.509 hecatres. With the IUP changes, the company proposes this 2nd phase of NPP with an area of ± 601.74 Hectares

The spatial plans of Kutai Kartanegara Regency for year of 2013 to 2033 (Regional Government of Kutai Kartanegara Regency No.9/2013) shows that the area of HGU's PT PU is located in the cultivation area with in which designated as plantation area. This is also reflected in the map of forest area designation (SK.718 /Menhut-II/2014) which shows that the concession area PT PU is included in other usage areas (Area Penggunaan Lain/APL).

PT PU's plan to develop palm oil plantations and mills is based on a comprehensive analysis of social and environmental impacts. This is to ensure that all negative and positive impacts of the planned activities and/or businesses have been identified and the development of management and monitoring programs to mitigate negative impacts and increase positive impacts. EIA activities consists of 5 major phases, namely document review, field assessment, report preparation and public consultation with all stakeholders including the government to obtain approval. Activities started in August 2013 and the EIA document was approved by the Government on 18th August 2015. The EIA document consists of EIA documents Terms of Reference (EIA), Environmental Impact Assessment (EIA), Environmental Management & Monitoring Plan. In accordance with significant impacts evaluation resulted from assessment results as well as impacts that need to be managed in which contained in the EIA document. EIA document also states aspect impact from activities and/ or business that will affect the environment in terms of environment, social and socioeconomic and cultural areas and/ or communities around the location area of PT PU. The influence (impact) can be positive and negative impacts with different magnitudes and characteristics that occur at each stage of company's operations (pre-construction, construction, operational and post-operation).

A social impact assessment was carried out in 2014 including a social liability assessment to identify of social impact against the company's operational activities and to ensure that the dynamics and social, economic and cultural conditions that develop around the PT PU area and the resulting social impacts are still relevant, the company is committed to re-assessing (update and review) the social impact on 15th – 26th November 2021. At the time of the update and review of SIA, the company had not carried out land acquisition and land clearing activities even though the Land Use Rights Certificate had been issued in 1999. In 2001, the old owner stopped the activities of managing oil palm plantations and nurseries without clarity. From that year until 2013, there were no activities carried out by the company in the HGU area or with the local community. From 2014 to 2019 there were several studies including HCV, SIA, and LUCA conducted by the company. The community deeply regrets the unclear development of PT PU's plantation, the Land Office (Badan Pertanahan Nasional) has also questioned the use of the HGU area in order to identify abandoned land.

At the end of 2018, the new management under REA Kaltim Plantations has been started to communicate with the communities at Muara Ritan, Buluq Sen, Muara Pedohon and Umaq Dian Villages. The management introduced themselves, conducted socialization regarding the plantation development plan, and carried out an inventory of the land. PT PU under of REA Kaltim Plantations company that manages PT Sasana Yudha Bhakti's oil palm plantations in the Gunung Sari Village, Ritan Baru and Tukung Ritan Villages, Buluq Sen Village, and Umaq Dian Village. The community in Buluq Sen Village have interacted intensively with REA Kaltim during the land acquisition for PT Sasana Yudha Bhakti's plantation development and had poor experience in the process of developing partnerships for plasma development.

Local communities have been affected by the existence and operations of other companies. Until now PT PU has not yet a social impact on the surrounding community. Determination of future impacts is influenced by the following: (i). The area that can be developed into plantations, namely the area of HGU minus the area reserved as conservation areas (HCV, HCS, and land use risk areas), (ii). Policies related to land acquisition and land compensation values, (iii). Communication, attitude, and social relations of the Company (new management) in dealing with the community, and (iv). Community response to the Company's activities, policies, and communications. The impact is stated to be significant on the asset pentagon of the study villages if it has one of the following criteria: (i). The size of the population affected, (ii). The extent of the impact, (iii). The intensity and duration of the impact, (iv). The number of elements of the pentagon asset affected, (v). The cumulative nature of the impact, and (vi). The irreversibility of the impact.

PT PU has carried out HCV assessment on May 2018 – July 2019, involving three major phases, i.e. pre-assessment, scoping study and full assessment. The HCV assessment final report was obtained satisfactory by HCV Resource Network (HCVRN) Assessor License Scheme (ALS) on 16 February 2021 <https://www.hcvnetwork.org/reports/laporan-penilaian-high-conservation-value-pt-prasetia-utama-kabupaten-kutai-kartanegara-provinsi-kalimantan-timur-indonesia>

In accordance with RSPO P&C 2018 indicator 7.12.2, PT PU's development plan is included in scenario 3 set out in the Interpretation Document Indicator 7.12.2 and Annex 5 where HCV submissions to the HCVRN are carried out before 15th

November 2018 so that only HCV assessment required to comply with the indicator 7.12.2 and annex 5. The ALS-HCV assessment's satisfactory covered an area of 9,097.35 Ha. For the NPP's phase 1 submission, the HCV area included in the scope assessment of 995.35 Ha while in the NPP phase 2 submission, the HCV area included in the scope assessment of 88.03 Ha which is described in the HCV summary findings section.

Regarding HCS Assessment, PT PU High Carbon Stock Assessment was carried out November 2021 – January 2022 by independent consultant namely PT Gagas Dinamiga Aksenta whose address is Jalan Gandaria VIII/10, Kebayoran Baru, Jakarta 12130. The HCSA assessment final report was obtained final and completed for the peer review by HCSA Steering Committee on 10 June 2022 <https://highcarbonstock.org/registered-hcsa-and-hcv-hcsa-assessments/>. The standalone HCSA assessment covered an area of 9,097.35 Ha. For the NPP's phase 1 submission, the HCS area included in the scope assessment of 1,486.91 Ha while in the NPP phase 2 submission, the HCS area included in the scope assessment of 72.63 Ha which is described in the HCS summary findings section.

The company's FPIC process is verified by PT Gagas Dinamiga Aksenta simultaneously was on 15 – 26 November 2021 with the HCSA standalone assessment. The FPIC applications also carried out during the HCV assessment on 21-23 May 2018 and on 02 May – 13 July 2019 (see Table 18. HCV consultation public). PT PU has carried out the FPIC process which began with socialization of the planned activities/businesses for cultivating oil palm plantations with processing units, which was carried out on 24th August 2013 in the context of preparing the EIA. The socialization was attended by Muspika Tabang (Camat, Polsek, Koramil), related agencies (BLHD, Plantation, Land), village officials (village head, village secretary, head of LPM, head of BPD, customary head) as well as community leaders from villages potentially affected (Buluq Sen and Muara Ritan villages). Basically, the communities from the two villages welcomed the presence of PT PU and did not reject the company that would invest and develop an oil palm plantation in their area, however, in the discussion session there were several notes from the community asking the company to show its seriousness by making a written agreement as a form of company commitment, because the community previously felt disappointed with the company's promise that it had been 15 years since PT PU obtained the HGU there had been no significant activity.

Semi detail soil survey at PT PU was carried out start from March until June 2008. Regional topographic maps are available. Based on these maps the study area consisted of undulating to hilly areas (0-38% or 0-20° slopes) based on slope classes used in Malaysia (see Table 28). Elevations in the study area range from around 30 meters (90 feet) to 200 meters (600 feet). Drainage in this area is generally good with Belayan River which forms the northern and eastern boundaries of the study area. Imperfect dirt is confined on the riverbanks. Based on this evaluation the study area suitability as a whole can be done. In the study area totaling 9,900 ha around 8,929 Ha or 90.2% from this area is suitable while the remaining 971 ha or 9.8% is slightly suitable for oil palm cultivation. Thus, with corrective actions the entire study area can be planted with oil palm and there is no peat or marginal and fragile area as well as riparian area in the proposed area. The potential yield for the area is estimated at 24-28 mt/ ha/ year. The harvest will depend on the type of soil and will fluctuate with rainfall. Soil conservation measures such as terracing, cover crop formation are very important.

Greenhouse Gas (GHG) assessment was in November 2021. Both assessment field surveys were conducted simultaneously with the HCSA assessment vegetation inventorying activity. GHG assessment is conducted following RSPO's GHG Assessment Procedure for New Planting, version 4 (4 July 2021). Estimation of greenhouse gas emissions/sinks using the RSPO New Development Green House Gas Calculator version 4. This tool takes into account the carbon footprint in the oil palm plantation sector which comes from land operations/agriculture and mill processing

Land Use Change Analysis (LUCA) for new planting was carried out in November 2021 – February 2022, while field survey was on 15<sup>th</sup> – 26<sup>th</sup> November 2021, simultaneously with HCS field assessment. The area of interest LUCA study is proposed development area with the total area of 9,097.35 Ha. Multi-temporal analysis of land cover was used to look at the dynamics of land cover that occurred in the new concession area PT PU as proposed development areas from 2005, 2007, 2010, 2014 and the current field conditions in November 2021.

It is the opinion of the PT Mutuagung Lestari Tbk and the Lead auditor that PT Prasetya Utama has complied with the RSPO New Planting Procedures 2021, Endorsed by the RSPO Board of Governors (BoG) on 10 June 2021 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-HCS Assessment, FPIC process, 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.											
<b>Acknowledgement by RSPO Member</b>	Compliance & Certification Manager of PT Prasetia Utama acknowledges that this NPP submission had been conducted in accordance with the New Planting Procedure 2021. All assessments had been carried out accordingly and without any prejudice. PT Prasetia Utama will ensure all legal requirements are continuously met pre, during and post development of this NPP area.										
<b>Confirmation by Certification Body</b>	The work recorded in this NPP submission by PT Prasetia Utama at this Umaq Dian Village, Muara Pedohon Village, Buluqsen Village, Muara Ritan Village, Ritan Baru Village, Tabang Sub District, Kutai Kartanegara Regency, East Kalimantan Province, Indonesia has been verified by PT Mutuagung Lestari Tbk and has been carried out in accordance with the requirement of the RSPO New Planting Procedure 2021 for the time being in force and in that respect that this area is considered satisfactory for development of new plantings.										
<b>Signatures</b>	<table border="1"> <tr> <td>RSPO Members PT Prasetia Utama</td> <td>Certification Body PT Mutuagung Lestari Tbk</td> </tr> <tr> <td>Name of Person Responsible: A.Fattah Ibrahim</td> <td>Name of Lead Auditor: Moh Arif Yusni</td> </tr> <tr> <td>Designation: Compliance &amp; Certification Manager</td> <td>Designation: Lead Auditor</td> </tr> <tr> <td> A. Fattah Ibrahim</td> <td>Signature: </td> </tr> <tr> <td>Date: 01 February 2024</td> <td>Date: 01 February 2024</td> </tr> </table>	RSPO Members PT Prasetia Utama	Certification Body PT Mutuagung Lestari Tbk	Name of Person Responsible: A.Fattah Ibrahim	Name of Lead Auditor: Moh Arif Yusni	Designation: Compliance & Certification Manager	Designation: Lead Auditor	 A. Fattah Ibrahim	Signature: 	Date: 01 February 2024	Date: 01 February 2024
	RSPO Members PT Prasetia Utama	Certification Body PT Mutuagung Lestari Tbk									
	Name of Person Responsible: A.Fattah Ibrahim	Name of Lead Auditor: Moh Arif Yusni									
	Designation: Compliance & Certification Manager	Designation: Lead Auditor									
	 A. Fattah Ibrahim	Signature: 									
Date: 01 February 2024	Date: 01 February 2024										