

## 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: 8 April 2013*

Tick whichever is appropriate

✓	This is a completely new development and stakeholders may submit comments.
	This is part of an ongoing planting and is meant for notification only.

**COMPANY** : **KUALA LUMPUR KEPONG BERHAD**

**SUBSIDIARY (If any)** : **PT ANUGRAH SURYA MANDIRI**

**RSPO Membership Number** : 1-0014-04-000-00

**Location of proposed new planting** :

- Company Name : PT Anugrah Surya Mandiri
- Location : Kampung Batu Putih, Sub district of Batu Putih, District of Berau, Province of East Kalimantan, Indonesia.
- Geographical location : 118<sup>0</sup> 14' 41" - 118<sup>0</sup> 20' 02" East and 1<sup>0</sup> 14' 19" - 1<sup>0</sup> 12' 03" North
- Surrounding Entities :
  - a. North: PT.Jabontara Eka Karsa
  - b. East: PT.Jabontara Eka Karsa
  - c. West: PT.Umaq Tukung Mandiri Utama and PT.Hanurata Coy Ltd
  - d. South: PT.Umaq Tukung Mandiri Utama
- New Planting Area : ± 2.786 ha
- Permits: :
  - a. **Ijin Lokasi (Location Permit):** Regent of Berau Decree number 101 Year 2008 dated 6 March 2008 with a total area 3,700 ha.
  - b. **Perpanjangan Ijin Lokasi (Extension of Location Permit):** Regent of Berau Decree number 759 Year 2011 dated 27 December 2011 with a total area 3,452 ha.
  - c. **Izin Usaha Perkebunan/IUP (Plantation Business License):** Regent of Berau Decree number 760 dated 27 December 2011 with a total area 3,452 ha (2,786 ha for company plantation or inti; and 666 ha for smallholder scheme plantation or plasma)
- Location Maps : Figure 1, Figure 2 and Figure 3

Figure 1. Location Map of PT Anugrah Surya Mandiri

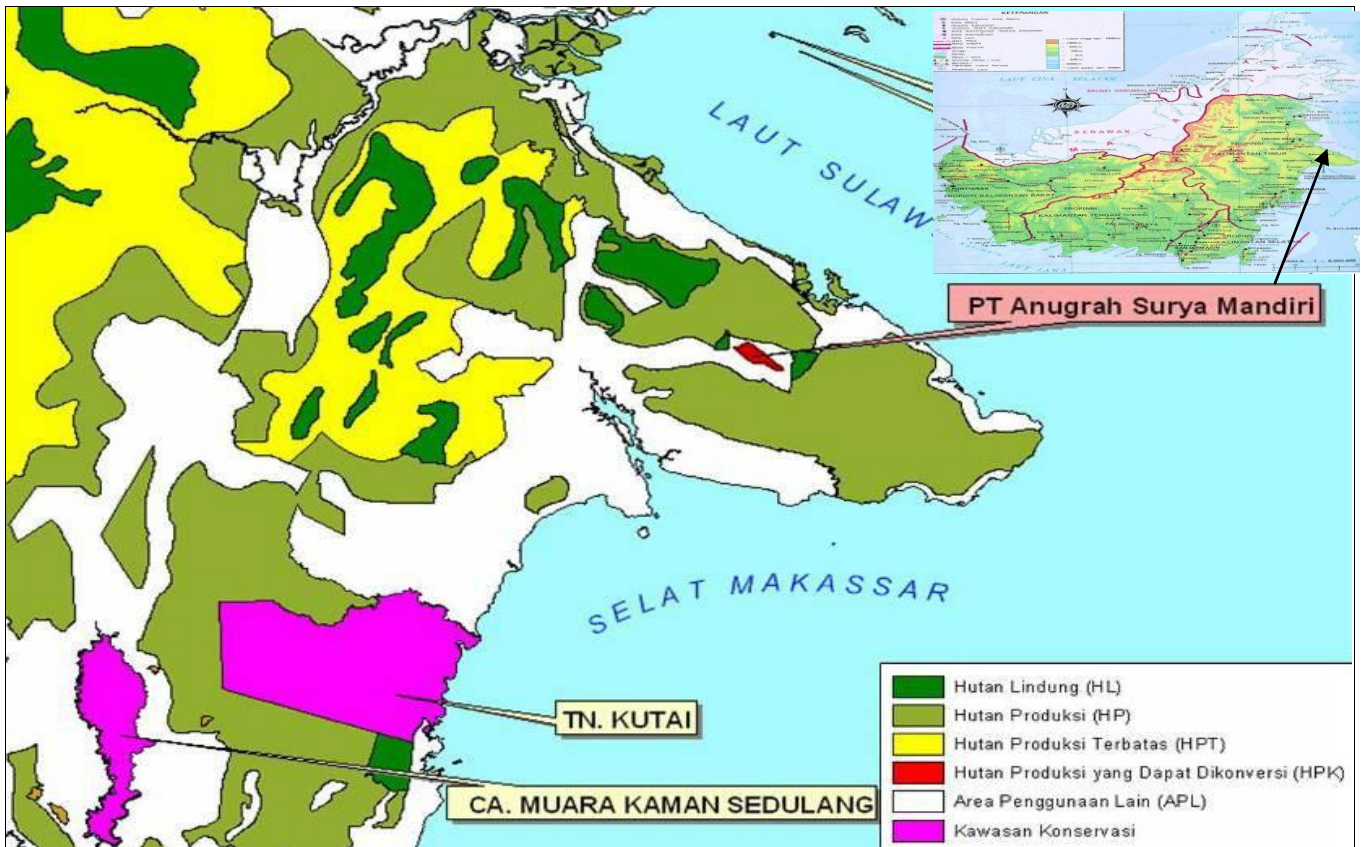
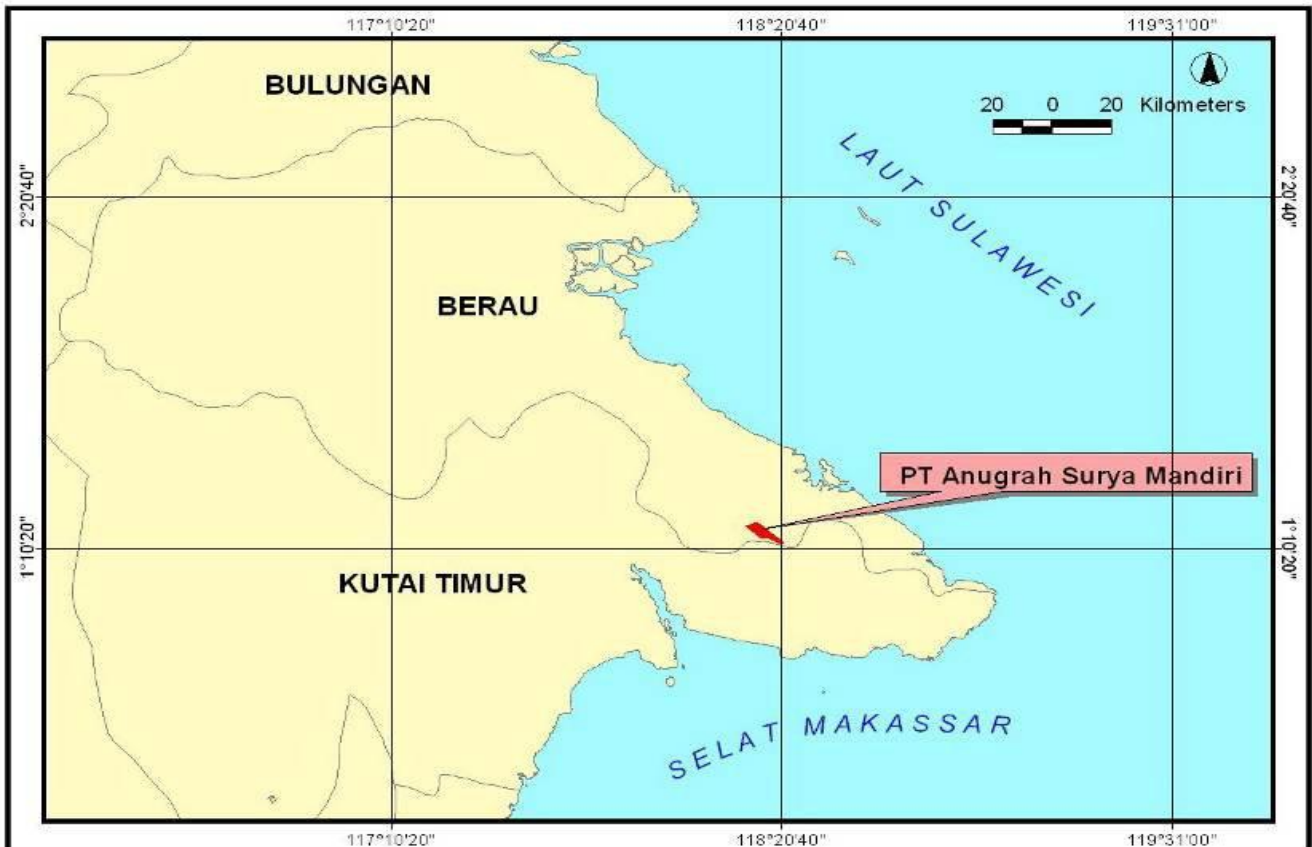
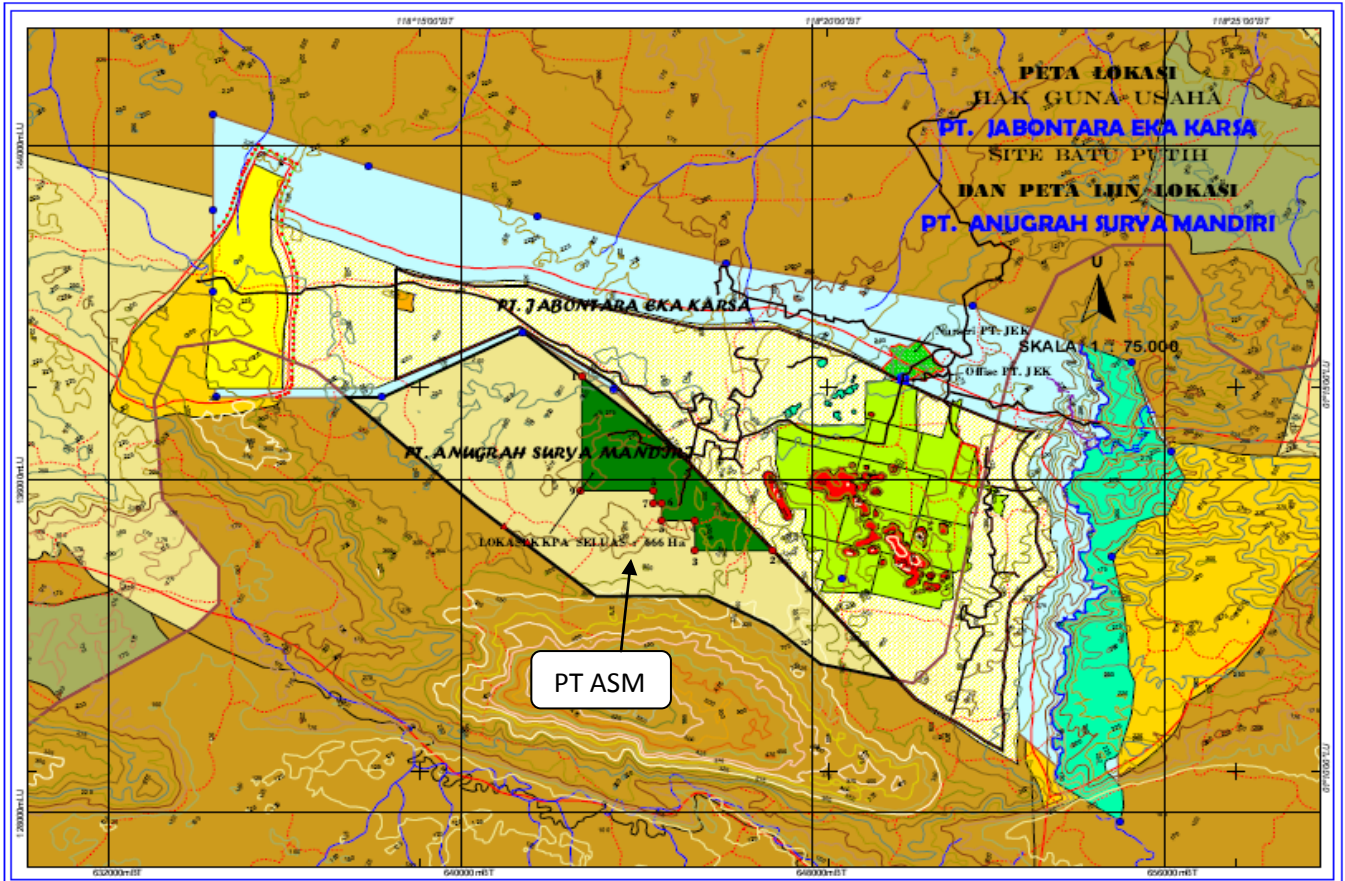


Figure 2. Location Map of PT Anugrah Surya Mandiri in the District of Berau



**Figure 3. Project Plan Area of PT Anugrah Surya Mandiri**



**SUMMARY FROM SEI ASSESSMENT:**

The Social Impact Assessment (SIA) was conducted by Aksenta team led by Sujatnika on 18 to 24 April 2011. The Social Environmental Impact Assessment (AMDAL) was conducted by government-accredited consultant of which the report was approved by Regent of Berau on 17 February 2011 (Letter No. 64).

The SEIA main issues highlighted in the assessment are: company profile, demographic data, public health, education facilities, water demand, lights, sanitation and history of location permit area. The assessments also identify the agreement between the company and the community to develop smallholders scheme (Plasma), transparency aspect (Principal 1) and legal compliance as well as applicable law (Principal 2) as stated in P&C RSPO Indonesia, land availability, community perception of the project.

The SIA covered a review of documentary sources which are collected through stakeholder mapping and field scoping, in-depth interview, Focus Group Discussion (FGD) and document review. The assessment also covered field observation and public consultation meetings for the villages (Kampung Batu Putih, Kampung Tembudan, Kampung Lobang Kelatak and Kampung Ampen Medang) and affected surrounding communities. The nearest village is located 24 kilometer from the project area. . Summaries and findings of the interviews and public consultation meetings are included in the SEIA reports (AMDAL and SIA).

Various issues/requests highlighted in the SIA study include:

- The development of the land will result in influx of workers from outside areas of the sub district and district which in turn has social impact on the local and surrounding communities;
- Concern that development of concession area will affect livelihood of local people in terms of timber scarcity and other jungle produces;
- Concern that PT. ASM will renege on promise to develop plasma scheme;
- Communities are concerned that land development may cause social conflicts because boundaries between villages has not been agreed or demarcated;
- Concern that heavy machinery used for land clearing may cause damage to access roads;
- Request for improvement of facilities such as clinics, schools and roads;
- Request to initiate workers cooperatives;
- Fear that traditional and cultural values will deteriorate as a result of land development in concession and nearby areas;
- Concern over increased air pollution (especially due to land clearing by burning), water pollution, soil erosion and sedimentation after land clearing and development;
- The lack of facilities such as workers housing and electricity supply;
- The need of Corporate Social Responsibility (CSR) improvement.

## **SUMMARY FROM HCV ASSESSMENT:**

High Conservation Value (HCV) assessment of PT Anugrah Surya Mandiri was conducted by Aksenta (by RSPO approved HCV assessor) on 19 to 23 April 2011.

The assessment included satellite imagery analysis, extensive field surveys, and public consultations with the communities who living in the concession area. The HCV assessment report included recommendations for the management and improvement of the HCV found within the concession area.

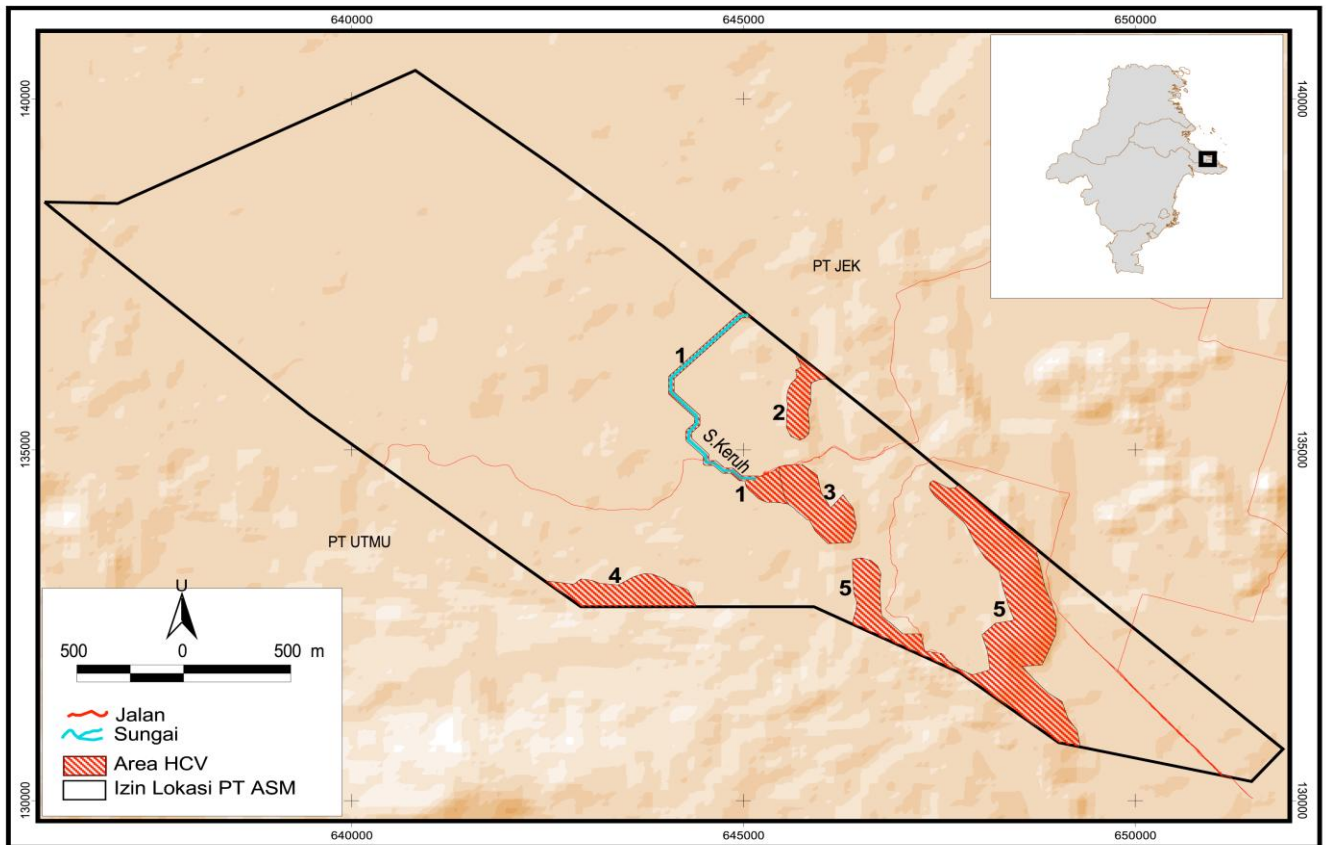
The HCV identified in the PT Anugrah Surya Mandiri concession area was clearly mapped and based on identification and analysis; it can be shown that there are HCV1.2, HCV1.3, HCV3, HCV4.1 & HCV 4.2 (Refer to Table 1). The total HCV area identified is 326,38 ha or 8.8% of the concession area of 3,700 ha. There are no HCV2, HCV5 and HCV6 found in the concession area. The concession area is under Other Usage Area (Area Penggunaan Lain/APL) and is not located in the primary forest or peat land area.

Some threats to HCV in PT ASM, both actual and potential have been identified as follows:

1. Illegal logging and land clearing for agriculture
2. Game hunting of wildlife
3. Illegal fishing through fish poisoning
4. Burning for land clearing for subsistence farming and oil palm development
5. Land development by contractors who do not comply with company procedures in safeguarding HCVs

**Figure 4. Identification of HCV area on PT Anugrah Surya Mandiri**





**Table 1.** Identification and Analysis of HCVs Presence (HCV1-6) in the Area of PT. Anugrah Surya Mandiri

Index	Element of HCV	Coverage (ha)	Description
1	4.1, 4.2	28.87	Sungai Keruh: Source of spring water from limestone rocks. The areas surrounding this river remain intact as indicated by minimal logging activity. This river is mainly used by workers of Division Jantui. Recommended width of riparian is 30m.
2	1.2, 1.3, 3, 4.1, 4.2	21.01	Limestone Hill: Covered by forest this is still intact. It is a habitat for threatened species. It serves as water catchment area and is a threatened ecosystem.
3	1.2, 1.3, 3, 4.1, 4.2	40.57	Steep Hill: Top of the hill is covered by forest which is still intact. Habitat for threatened species. It is a water catchment area and is a threatened ecosystem.
4	1.2, 1.3, 3, 4.1, 4.2	41.31	Steep Limestone Hill: Covered by forest this is still intact. Habitat for gibbons, pangolin and other threatened species. Serves as water catchment area and is threatened ecosystem.
5	1.2, 1.3, 3 4.1, 4.2	194.62	Limestone Hill surrounded by forest which is still intact. Habitat for gibbons, pangolin and other wildlife and threatened species and protected flora.
Total HCV area (Ha)		326.38	
Total area in Permitted Area (Ha)		3,700	
HCV Area (%)		8.82	

The following documents proved that the concession area is acquired with Free, Prior and Informed Consent (FPIC) :

- a. Supporting Letter from Head of Kampung Batu Putih with number 140/140/PEM-K.BTH/IV/2012 dated 2 April 2012.
- b. Letter from Head of Batu Putih Sub District with number 100/342/C-BTH/XI/2012 dated 29 November 2012, which stated there was no land claim from other parties on the ASM project area.
- c. Information Letter from Head of Kampung Batu Putih (village) with number 140/442/PEM-K.BTH/XI/2012 dated 29 November 2012 which stated there was no land claim from other parties on the ASM project area.
- d. Report of Collection Physical Data and Land Use Juridical Application Data (*Laporan Hasil Pengumpulan Data Fisik dan Data Yuridis Permohonan HGU*) dated 21-24 November 2012, which stated there was no land claim from public or local communities.

## **SUMMARY OF PLAN:**

The management plan of PT.Anugrah Surya Mandiri has incorporated the findings from SEIA (AMDAL), Social Impact Assessment (SIA) and High Conservation Value (HCV) assessment for implementing the operational plans. In addition, recommendations and conclusion of SEIA and HCV assessments have also been integrated in the management plan which is consistent with RSPO P&C for New Plantings.

## **VERIFICATION STATEMENT:**

PT Anugrah Surya Mandiri opted for document audit. Two Mutuagung Lestari auditors have conducted desk study and audit of relevant documents conducted the audit at their office in Berau, East Kalimantan from 21 to 23 January 2013; and also held interviews with the management representatives of PT ASM (Production Director of PT ASM, General Manager of Sustainability, Estate Manager and Senior Manager of Public Relation) during the audit.

The SEIA (AMDAL) was conducted by the government-accredited consultant whereas the SIA and HCV assessments were conducted by RSPO-approved assessors. Therefore PT Anugrah Surya Mandiri has adhered to RSPO New Planting Procedure. Documentation of the assessments and plans are comprehensive and professionally carried out in accordance with RSPO requirements and comply with RSPO Principles and Criteria for new plantings.

Signed on behalf of,

MutuAgung Lestari

PT Anugrah Surya Mandiri

A handwritten signature in black ink, appearing to read 'Nainggolan', with a large, stylized flourish above it.

**Octo HP Nainggolan**

Lead Auditor  
28 March 2013

A handwritten signature in black ink, appearing to read 'Stephen Tiong Mee Ing', with a large, stylized flourish above it.

**Stephen Tiong Mee Ing**  
General Manager of Sustainability  
28 March 2013