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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: 28th July, 2011

Tick whichever is appropriate

This is a completely new development and stakeholders may submit comments.

This is part of an on going planting and is meant for notification only.

COMPANY: PT MUSIM MAS

RSPO Membership No.: 1-0073-04-000-00

Location of proposed new planting: description or maps and GPS coordinates.

Company Name : PT Musim Mas

Company Address : Jl. K.L. Yos Sudarso Km 7,8 Tanjung Mulia, Medan Deli, Medan Sumatera Utara - 20241

Type of business : Oil Palm Plantation & Processing

Subsidiary (If any) : PT Lestari Abadi Perkasa

Status of concession land : Consent License (Izin Prinsip) (No 582 / 79 / BPMPPT-3 dated on 12 June 2009) (size ± 10.100 Ha) approved by Regent of Sambas (Bupati Sambas).

Permitted Area (Izin Lokasi) (No.424 Year 2009 dated on 31 December 2009) (size ± 10.100 Ha) approved by Regent of Sambas (Bupati Sambas).

SEIA (AMDAL) (No 660.1 / 246 / Komisi dated on 4 October 2010 approved by Head of Environmental Office of Sambas (Kepala Badan Lingkungan Hidup selaku Ketua Komisi Penilaian AMDAL)

Environmental Permit (Izin Kelayakan Lingkungan) (No. 270/2010 dated on 13 October 2010) approved by Regent of Sambas (Bupati Sambas).

Plantation Permit (Izin Usaha Perkebunan) (No 49 Year 2011) Dated on 17 February 2011 (size ± 7.700 Ha) approved by Regent of Sambas (Bupati Sambas).

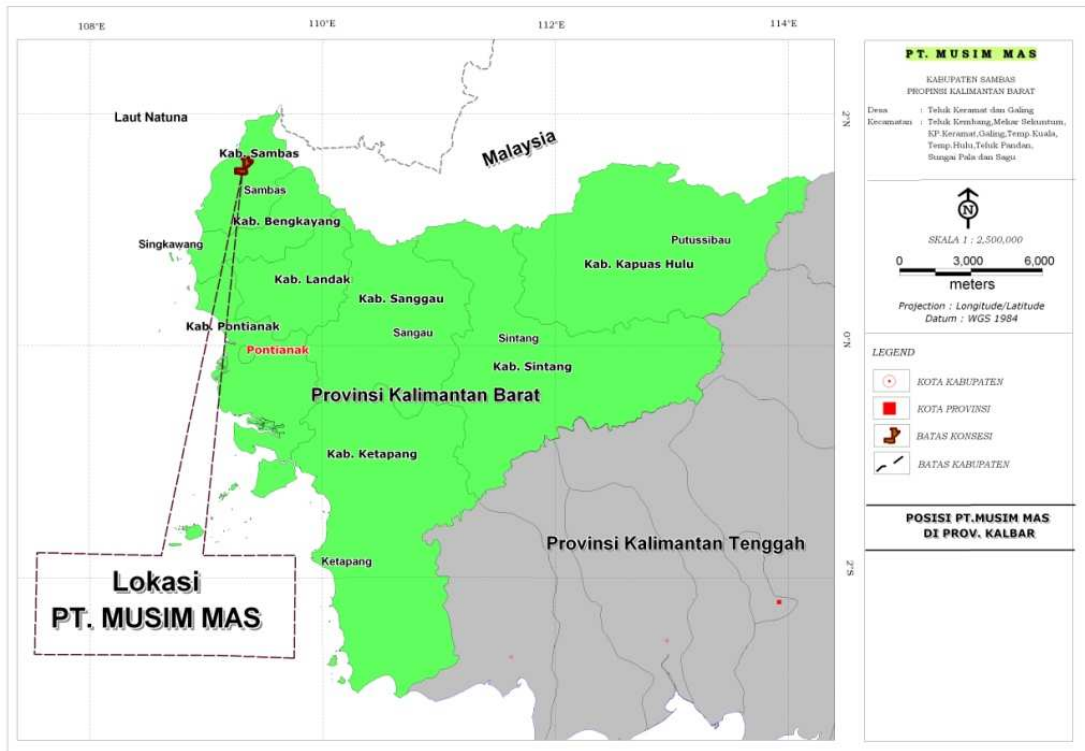
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Contact person	: Dr Gan Lian Tiong email: liantiong.gan@musimmas.com
Location	: Galing Sub-District and Teluk Keramat Sub-District, Sambas District, West Kalimantan Province See Picture 1, 2, 3, 4 and 5
GPS References	A : 109° 15' 13,3"E 1° 29' 28,4" N
	B : 109° 15' 13,0"E 1° 31' 37,5" N
	C : 109° 19' 31,0"E 1° 31' 38,0" N
	D : 109° 19' 30,0"E 1° 36' 52,0" N
	E : 109° 18' 34,7"E 1° 36' 51,8" N
	F : 109° 18' 35,0"E 1° 37' 31,0" N
	G : 109° 21' 57,2"E 1° 37' 30,5" N
	H : 109° 21' 56,7"E 1° 35' 54,0" N
	I : 109° 23' 49,0"E 1° 35' 55,0" N
	J : 109° 23' 40,1"E 1° 34' 54,5" N
	K : 109° 21' 50,5"E 1° 33' 7,5" N
	L : 109° 20' 45,8"E 1° 29' 17,6" N
Surrounding Entities	North : PT Buluh Cawang Plant South : PT Sentosa Asih Makmur West : PT Fajar Saudara Kusuma and PT Buluh Cawang Plant East : PT Lahan Agro Inti Ketapang dan PT Sentosa Asih Makmur.

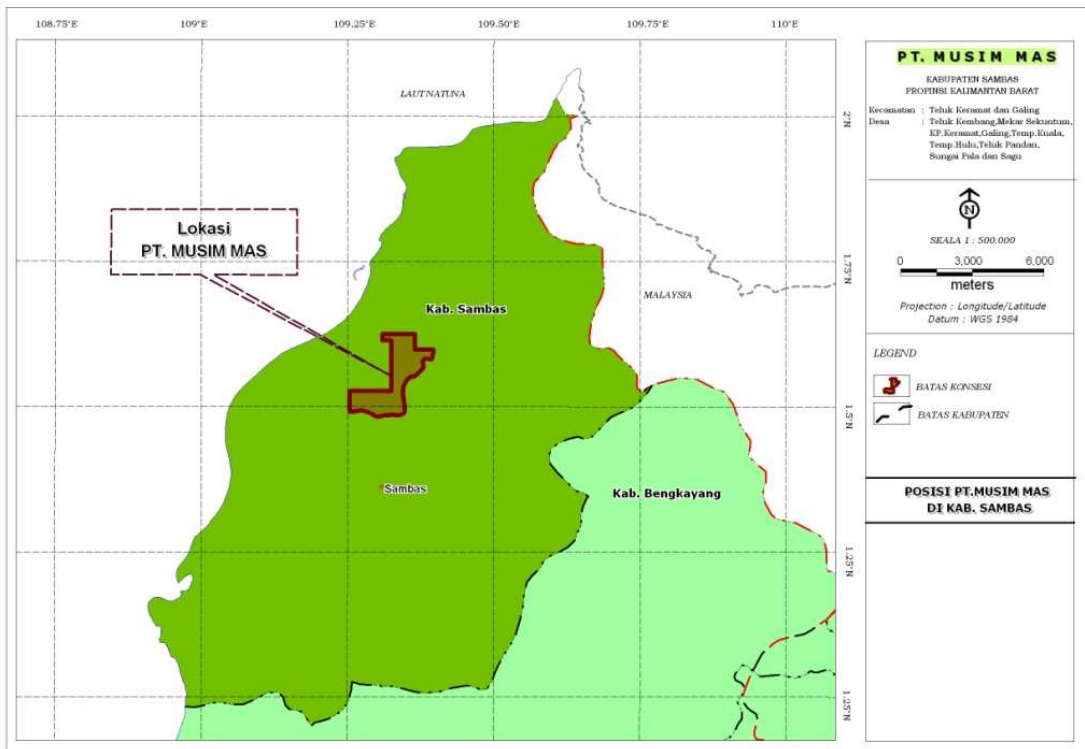


Picture 1 Location of PT Musim Mas in Indonesia

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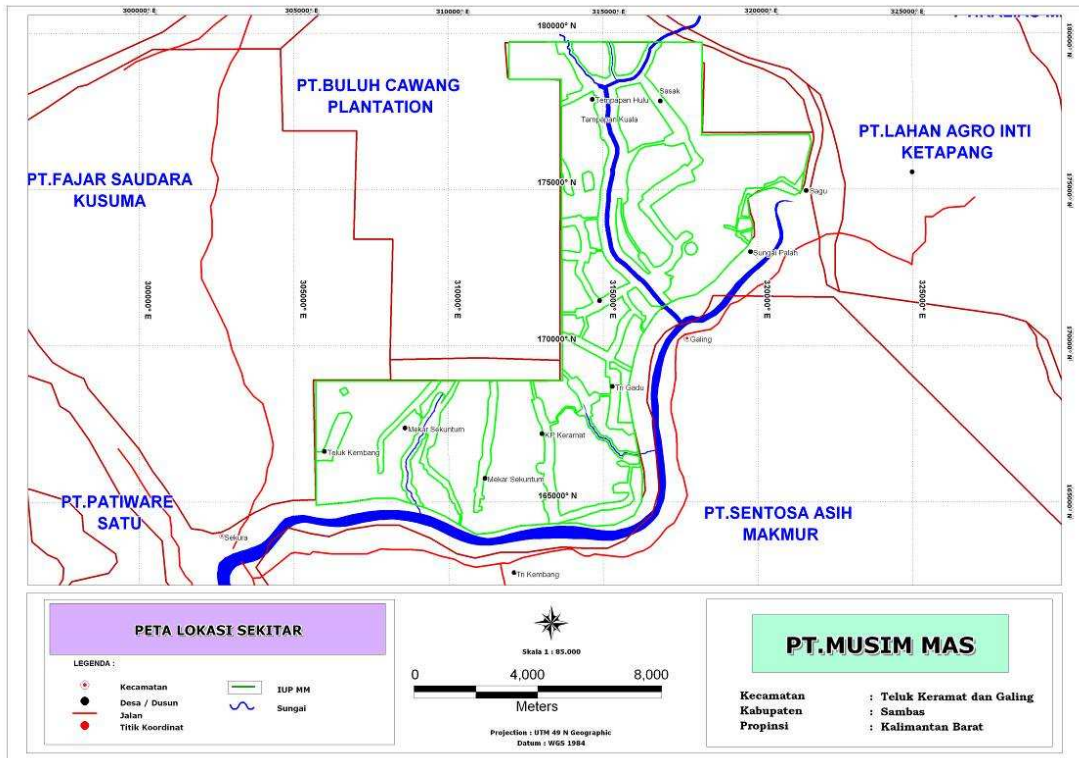


Picture 2 Location of PT Musim Mas in West Kalimantan Province

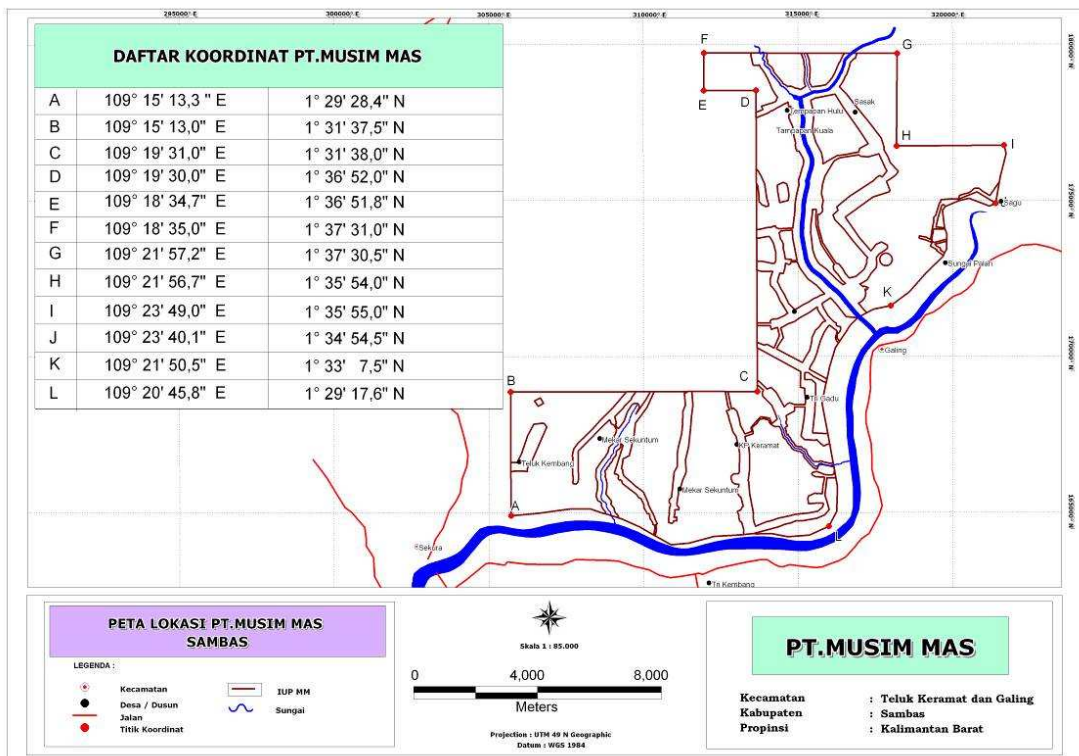


Picture 3 Location of PT Musim Mas in Sambas District

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Picture 4 Location of PT Musim Mas and its surrounding entities



Picture 5 Location Map of PT Musim Mas showing GPS Coordinates

SUMMARY FROM SEI ASSESSMENTS:

Assessors and their credentials:

The Social Impact Assessment of PT Musim Mas was carried out by Aksenta which is located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. The key consultants conducting these assessments have been accredited and approved by RSPO. The team members are:

- a) **Sigit Budhi Setyanto** (sigit@aksenta.com), In March, 2010, Bp Sigit Budhi Setyanto obtained the accreditation from RSPO as the *Discipline Specialist* for Social Assessment on palm oil companies. His role in this Social Impact Assessment was as one of the team members focusing on the field of socio-economic and social development. In Aksenta, he has carried out assessments on “*Socio – Economic study on palm trees in West Pasaman and Sanggau*”, “*Social Impact Assessment*” and “*High Conservation Value Assessment*” for Indonesian Palm Oil Companies. He graduated from the Faculty of Agriculture of Universitas Negeri Jember and has been involved in research and has experiences in areas involved with growers and communities development since 1990 (such as, Philip Morris Inc). Since 2004 he has been active as the auditor for *CAFÉ Practice Program* in Indonesia and Papua New Guinea as well as an *Agriculture Marketing Specialist* for an international NGO for *Rural Agro-enterprise Development (RAeD)* program. He is experienced in national and international training on *Sustainable Organic*, “*SCS-Starbucks*” *CAFÉ Practice*, “*Rainforest Alliance*” – *Sustainable Agriculture, Forest Management and Chain of Custody*, as well as “*DOEN- Roundtable Sustainable Palm Oil*”.
- b) **Miranti Magetsari** (aget@aksenta.com), Graduated from the Physics Department, Faculty of Matematika dan Ilmu Pengetahuan Alam (Math and Natural Science), Institute of Technology Bandung. She has the relevant training on ISO 14001 (Environmental Management System) and OHSAS 18000 (Management of Health and Working Safety). She is experienced in developing management system for human resources and quality, and conduct assessment for management system certification. The assessments that she has been assigned by Aksenta were Social Impact Assessment and High Conservation Value Assessments for several palm oil companies in Indonesia. Her role in this Social Impact Assessment was as one of the team members focusing on the aspect of socio-economic and social development,

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- c) **Sofyan Cholid** (sofyan.cholid@aksenta.com), He obtained his Bachelor Degree from the Department of Social Welfare of Fakultas Ilmu Sosial dan Politik (the Faculty of Socio-Politic) and Master Degree of Geography from Fakultas Matematika dan Ilmu Pengetahuan Alam (the Faculty of Math and Natural Science), Universitas Indonesia (UI). He has involved in the activities of NGOs focusing on social problems such as the abandoned children living on the streets, HIV/AIDS, and local prostitutes. With Badan Pertanahan Nasional (the Indonesia National Bureau of Land), he was involved in the survey of the land statistics in corporation with Badan Perencanaan Pengembangan Nasional (the National Planning and Development Department) and Indonesia Social Department. As a researcher from Pusat Kajian Perlindungan Anak UI (Children Protection Assessment Center of UI), he has carried out assessments on the system of protecting street children in Indonesia in collaboration with Columbia University funded by the UNICEF. His role in this Social Impact Assessment was as a team member focusing on socio-economic and social development.

Assessment methods (Data sources, data collection, dates, programme, places visited):

Social Impact Assessment on the ground was carried out as bellows:-

1. **Participative;** issues identification and information searching were done in participative way. This participative approach enables the participants as the subjects in mapping the social issues they are facing, expressing their opinions and ideas, as well as being involved in designing the administration and changing of the issues.
2. **Multiparty;** issues identification and information review were done in multiparty way by involving related parties directly or indirectly affected by the impacts.
3. **Rapid and Ex-ante;** issues identification and information review were done rapidly and based on the forecast of the changes tendencies that occur and the factual and accurate data – as the solution to the Social Impact Assessment approach and time limitation.
4. **Appreciative;** issues identification and information review were guided positively, not only to find out the gaps regarding the location but also to collect data regarding expectations, potentials, and ideas in order to find out solutions and social issues that exist.
5. **Social Learning Cycles;** the social impact assessment is not a linear process which is instantly created but a cycled process which functions as the social learning processes to respond the changes in the environment.

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The methods and techniques applied in the Social Impact Assessment were:

1. **Literature Study;** this method was used for the purpose of gathering the understanding on the socio-context and environmental aspect of the location which was evaluated. It was carried out in the early phase-before going to the field and at the result analysis phase.
2. **Dialogue;** this method was used to identify the nature of the parties, identify the potential issues to impact, gathering information about expectations, ideas, and opinions to bring the solutions for the related issues. The process was carried out through meetings both formal and in non-formal sequence with definite topics (Focus Group Discussion);
3. **Field Observation;** this method was used to understand the actual facts which will be indicator of the issues and social impacts;
4. **In-depth Interview;** it was used to get a deeper understanding regarding the issues. It was done in-depth by interviewing the key people who will act as respondents. The criteria of choosing the respondents were based on the knowledge possessed or their direct experience over the impact or impacts.
5. **Tri Angulations;** the above methods were carried out in integrated way to reciprocally verify the actual issues, opinions, and ideas.
6. **Social Learning Cycle;** the social impact assessment is not a linear process which is instantly created but a cycled process which functions as the social learning processes to respond the changes in the environment.

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Summary of SEI Findings

Based on social environment assessment, the positive and negative impacts of the operational activities of PT Musim Mas have been identified. The key positive impacts include enhancing the income of the communities and providing more job opportunities to the local communities with the development of oil palm plantations in the area. Possible negative impacts are threats to the ecology as well as potential conflicts of workforce and socio-cultural balances. Based on the assessments, with the expert guidance of Aksenta, PT Musim Mas has developed management and monitoring plans to mitigate any negative impacts and enhance the positive ones. Management and monitoring of social and environmental impacts are based on the operational activities that can cause impacts during the development as well as during the operational stages. Potential impacts and other negative impacts as perceived by the communities arising from PT Musim Mas' new activities were also identified by the external consultants. The results of the Social Impact Assessments (SIA) have shown that the company's development of oil palm plantation and palm oil mill production has significant and positive impacts on local livelihood and the society's social sustainability. The findings have defined how the company's business management can influence the key issues in the respective component of the social sustainability of the local community. There are described in the three basic components for society's social sustainability that influences the planning of future company's operation; they are: 1) *Natural capital*, 2) *Social capital*, and 3) *Physical capital*. By implementing sound social and environmental management practices, it is expected that these conflicts, both of ecology or social, can be minimized and the relationship between the company and local communities can be preserved and harmonized.

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SUMMARY FROM HCV ASSESSMENT(S):

Assessors and their credentials

The HCV assessment conducted from 19 – 27 June 2010 in the Permitted Area (Izin Lokasi) of PT Musim Mas was carried by Aksenta, located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. Key consultants from Aksenta have been accredited and approved by RSPO. The team members are:

1. **Wibowo A Djatmiko** (bowie@aksenta.com), On 26th April 2010, he achieved the RSPO accreditation as the Discipline Specialist Biodiversity (for plants, mammals, avifauna, and herpetofauna) and Social (participatory rural assessment; socioeconomic or cultural studies). He is well-experienced as an independent consultant: with wild life ecology specialty, AMDAL-forestry analysis (the analysis of environment impact), mining and transmigration, and assessment of eco-global certification for both commercial and traditional forests. He has conducted many HCV assessments for palm oil plantations since 2006. In this HCV assessment for PT Musim Mas, his role is to focus and identify the existence of HCV 1, 2, and 3. He has the capacity and experience in conservation research, wild life management, habitat and population study, wild life ecology (especially on birds and herpetofauna), and forest ecology (including forests resident) researches. He graduated from Bogor Agriculture University in Forestry majoring in the field of biodiversity conservation. He is also involved and attended courses such as Second Asian School for Conservation Biology (SEAMEO BIOTROP – Bogor) and International Training Course on Practical approach to Management of Biodiversity Conservation (Malayan Nature Society, in Kuala Lumpur). He completed his Master Degree in Biology Conservation at Indonesia University.
2. **Yunus Arifin** (yunus@aksenta.com), He has a good experience in field study and land mapping to improvement in an Oil Plantations in Sumatera, Kalimantan, and Papua, field study in a properness of transmigration land in Sumatera, Kalimantan, and study of lay-out area (RTRW) in some residence and city and lay-ouy about Free Trade Zone (FTZ) Bintan Island. He has an experience too in a study of satellite interpretation, AMDAL in agriculture, forest, and plantations society, land evaluation and monitoring about land rehabilitation, and research about agriculture and lay-out inventory. Not only as a research, he is an expert in water and land resources in Aksenta, too. He is a teacher of Statistik, Research Methode, Ekonometrika, Soil Science, Remote Sensing, and Land Prosperous, and teaching some courses to BPN and Forest Department. Some of his erudition has been publicated in many journal. Both of his field experiences and his

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knowledge has increasing his spatial analysis and in his inventory of water and land resources. In HCV Aksenta Team, he is doing identification and study of HCV 4. Finished his bachelor degree on Bogor Agricultural University at Faculty of Agriculture in major of Soil Science in expertise of Land and Water Conservation. Then he continued his Master's Degree in a Land Evaluation in the same university. At this time, he is finishing his PhD in an Inventory of Land in Bogor Agricultural University.

3. **Nandang Mulyana** (nandang@aksenta.com), In March 2010 he achieved the RSPO accreditation as Discipline Specialist Social (Participatory). He is the member of Aksenta team who is responsible to analyzing the Socioeconomic and CD/CSR aspects. Graduated from UMJ – Jakarta majoring in Economics and a Master Degree holder from Bogor Agriculture University focuses on Ilmu Perencanaan Pembangunan Wilayah (development and planning studies). He is experienced in the field of socio-environment. In this HCV identification, his role was to identify HCV 5 and 6.
4. **F. Getsamany** (getsam@aksenta.com), He is experienced in GIS and remote sensing techniques for biology conservation and issues related to land management by the local communities. He has also carried out research on radiation quantity in forest and energy management by the forest using GIS and Remote Sensing techniques. He is also experienced in soil potential resource analysis, the analysis on water and conservation area.

Assessment methods (Data sources, data collection, dates, program, places visited)

The assessment covers the Permitted Area (Izin Lokasi) which has been approved as the company's project area. Assessments also expanded into villages and other areas which could be considerably of relevant importance to the proposed plantation area. The field survey was conducted on 19 - 27 June 2010.

In the process, each observation team was accompanied by the field staff from the company and local representatives who are familiar with the site. Besides field activities, the team also collected information from the local people through individual interviews, Focus Group Discussion (FGD), as well as public consultations. At the same time, confirmation and cross checking of the findings were carried out with the local people using the technique of purposive sampling – which included the local communities, the enclaves' owners (if existed), and the related interest parties.

The definition and scope of HCV for the oil palm plantation sector refers to the HCVF definitions which apply to the forestry sector. The Identification of High Conservation Value in Indonesia was developed by the Consortium Revised HCV Toolkit Indonesia (2008) - the

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toolkit for the revision HCV consortium. Other references are such as IUCN, CITES, and other guidelines as well as the relevant laws of Indonesia were also subjects of consideration.

Identifying Methods for HVC 1, 2, and 3

The target of HVC 1, 2, and 3 identifying was to find out the areas which have important values in the biological context. Such areas were marked by the location status, the origin of the communities, or the existence of the ecosystem of flora and fauna with high values. The significant values of flora and fauna refer to the status defined by the law, endemics (endemic, limited spread), and scarcity (scarce, facing extinction or almost extinct) was in accordance to the national and international law (IUCN and CITES) which protect such flora and fauna. Moreover, the significance of the value of the wildlife as well as the habitat was also based on the ecology roles from the species and from the cultural and traditional point of view.

The method of inventories was done using reconnaissance survey to analyze the existence of the important flora and fauna. The existence of every fauna was recorded through:

- Direct observation, either through the identification of visual appearance or sound (for both diurnal and nocturnal animals),
- The existence of the marks or residual from the animals' activities in their former habitat (such as tracks, scars on trees, nest, scales, snake skin, bird feathers, or mammal hair, etc.)
- The finding of the residual of animals' body parts (skull, horn, skin, hair, tusk, scales, and other recognized part of the animals' body) which were possibly hunted or caught by the local people in the observed locations. Interviews were carried out to complement the information about the time and location of the hunting activities.
- The secondary information was the existence of the animals which were documented based on external information, such as local people information or the local authorities. The consistency of such information was always monitored through cross checking (check and recheck) with other relevant parties as well as checking the validity of the description on every species of animals from the interviewed people. All information was then matched with the natural distribution and the history of the existence of such species in the locations (as mentioned in the literature references). The data was then compared to the type and condition of the habitat at the time when the survey was done. Any mismatching between the description and their natural distribution zone and habitat, will put the existence of such species in doubt.

HVC 4 Identification Methodology

In order to identify the existence of HVC 4 in the area allocated for oil palm plantation, two approaches were applied. The first approach was analysis to find out the interactions and correlations between the water system and the plantation land in a wide context. The approach also covered the area outside the plantation area. The second approach was another analysis to find out the significant values of such locations and their impacts to the plantation location. Thus, in this analysis, the perspective used was the inside area in the plantation. Based on both approaches, the phases of identifying HCV 4 were analysis of the secondary data, field survey, and the integrated data analysis of secondary data and the field survey.

The identification of the HCV 4 areas was done by analyzing the area from the metrology point of view, the soil analysis, topography, watershed, and the field survey and interviews. The field observation was carried out on the chosen locations; i.e. springs, river, river condition, land clearing, plantation in production, and other locations representing the condition of the water management in the plantation.

HVC 5 and HCV 6 Identification Methodology

The focus of the HCV 5 assessment was the area inside the permitted area for development of oil palm plantation which has significant values to fulfill the basic needs of the local community. The focus of the HCV 6 assessment was the area inside the permitted area for development of oil palm plantation which has the significant values for identification and sustainability of the tradition or culture living of local community. The methods adopted in the assessment of HCV 5 or 6 are:

- Mapping participation of locations containing elements of HCV 5 and 6,
- Interview the local community, either with individual or Focus Group Discussion (FGD),
- Ground assesment and analysis.

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Summary of HCV Findings

The results of the HCV assessment by the RSPO accredited assessors from Aksenta have shown that there is no primary forest in the Permitted Area (Izin Lokasi) of PT Musim Mas. This is consistent with the confirmation by Balai Pemantapan Kawasan Hutan No. S.248/VII/BPKH-III/2010 dated on 26 April 2010 that the concession areas of PT Musim Mas is area for other uses (Areal Penggunaan Lain, APL) and not a forest land. The Report of Semi Detail Soil Survey and Palm Oil Suitability Assessment of PT Musim Mas 2010 by independent consultant (JH – Agricultur Services) concluded that there is no peatland area in the Permitted Area of PT Musim Mas. In the Aksenta HCV assessment report, it is indicated that almost the entire area is covered with rubber and shrubs. As for potential HCV areas, three types of HCV were identified by Aksenta; these are HCV 1, HCV 4, and HCV 6 within the Permitted Area of PT Musim Mas. The original HCV area identified was 539.55 ha or 5.34 % of the total Permitted Area in the assessments by Aksenta (The details of the HCV assessment is presented in the Report of High Conservation Value in PT Musim Mas, September 2010 by Aksenta). As a result of delineation by Plantation Permit (IUP), 292.55 ha fall outside the final IUP approved areas for PT Musim Mas. This has led to the reduction of the high conservation values areas identified by the HCV consultants from the original areas of 539.55 ha or 5.34 % of the total Permitted Area (Izin Lokasi) to 247 ha or 3.21 % of the total Plantation Permit (IUP). The HCV management plan has taken this reduction in areas into consideration and action plans are developed to manage and monitor the HCV areas within the IUP approved areas for PT Musim Mas. Within the Permitted Areas (Izin Lokasi), the important elements for HCV 1 are the existence of population and tracks of endangered species such as Mueller's Gibbon (*Hylobates muelleri*), Proboscis Monkey (*Nasalis larvatus*), Sarawak Leaf Monkey (*Presbytis chrysomelas*), Malayan Sun Bear (*Helarctos malayanus*), and Sunda Pangolin (*Manis javanica*). The important elements for HCV 4 are related to the potential damage from erosion, springs, and river riparian. The important elements for HCV 6 are related to the traditional and sacred graveyard. The HCV areas outside the IUP approved areas will be included in the monitoring and socialization plan with the local communities.

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SUMMARY OF PLANS:

Development of HCV and SIA Management Plans

The total area based on Permitted Area (Izin Lokasi) is 10,100 ha. The Plantation Permit (Izin Usaha Perkebunan, IUP) was approved on 17 February 2011 by the Sambas Regent decree (Surat Keputusan Bupati) No. 49 Year 2011. Based on the Plantation Permit (IUP), the total area approved for PT Musim Mas has been reduced from the original 10,100 ha to 7,700 ha. The reduction in areas is due to exclusion of cultivation land belonging to the local communities. These areas consist of houses, paddy field, productive mixed plantations, and swamp land. These areas will be excluded in the Plantation Permit (IUP). The total area that will be excluded is about 2,400 ha. PT Musim Mas will not cultivate these areas in accordance to the wishes of the communities and in accordance with the areas allocated in the Plantation Permit (IUP). Hence, in the development plan, the Company development of oil palm will be within the approved 7,700 ha.

The findings by Aksenta on both the HCV and SIA have been incorporated in the oil palm development plan of PT Musim Mas which includes the HCV and SIA management and monitoring plans of PT Musim Mas. Development of the HCV and SIA management and monitoring plans was facilitated by Aksenta team through a workshop for the PT Musim Mas management and sustainability team conducted from 8-11 December 2010 in Head Office Medan, North Sumatra. The purpose of the workshop on HCV - SIA management and monitoring program for PT Musim Mas was to enable the management team to have a better understanding of the HCV and SIA findings and their related implications so as to provide reference points in developing the operational activities of the company related to the HCV, social managements synergy with the company's development of oil palm plantation. The results of the assessment and the management plans are documented and presented and discussed in a stakeholders' consultation on 6th June, 2011 in Sambas. The feedback from this stakeholders' consultation have also been incorporated into the oil palm development plan as well as the HCV and SIA management plan.

The implementation of the HCV and SIA management & monitoring plans in the field will be implemented by experienced personnel who possessed a high level of dedication of knowledge and special technical skills. Sustainability Staff, RSPO Staff, with the assistance of the Public Relation (Humas) Team, stationed at the location, will provide support in these activities. The Estate Manager is directly responsible on the implementation of the plans of management and monitoring. In addition, the Senior Estate Manager is accountable in fulfilling of the requirements for the plan and as well as responsible in analyzing the input results from the monitoring plans. The General Manager is accountable and responsible to

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ensure that the Overall Development Plan including the management of HCV and SIA is implemented according to the time plan and budget. The management team is supported and supervised by the Regional General Manger. The detail of the responsibilities and roles of the HCV and SIA development and preparation of management plans and monitoring are summarized in the “The Management & Monitoring Plans of HCV/SIA PT Musim Mas” document. The Head Office (Estate Department, Public Relation (Humas) Department, and Sustainability Department) will provide the overall support in the implementation of the development plan.

Stakeholders to be involved

The process of the HCV and SIA development and preparation of management plans and monitoring PT Musim Mas also involved relevant stakeholders such as governmental offices (Natural Resource Conservation Department (BKSDA), The Plantation and Forestry Office, The Office for Environment (BLH)), local communities, the government of local village and Sub-District, Investment Agency and Integrated Licensing Service (BPMPPPT-Badan Penanaman Modal Dan Pelayanan Perizinan Terpadu), Health Department, Police Department (POLRES), Army Department (KORAMIL), the local NGOs, independent consultant - Aksenta, and the local existed companies.

Consultation with the relevant stakeholders is to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT Musim Mas and the workers, contractors, suppliers, smallholders (plasma), consumers, government agencies and communities to move forward for the benefit and common progress. This is also part of the process of free, prior informed consent procedures to ensure that there is a balance in the social and environmental harmony in the development of the oil palm planting project between PT Musim Mas and the local communities, the relevant government agencies, concerned stakeholders, NGOs etc.

The Stakeholders’ Consultation was held on 6th June, 2011 in the Sambas District, West Kalimantan. This stakeholder consultation was held simultaneously with PT Mulia Indah’s stakeholder consultation as most stakeholders are common to both PTs *albeit* different participants from villages around the respective PTs were present in the respective session that affect them. PT Mulia Indah is a separate management unit by PT Musim Mas and is also adhering to the RSPO New Planting Procedures. This PT is nearby PT Musim Mas. There were 79 participants present during this consultation meeting. The details of the Stakeholders’ Consultation is presented in the Report of Stakeholders Consultation PT Musim Mas, June 2011. The summary of the consultation with highlights of key suggestions from the consultation on HCV, SIA, and RSPO P&C are as follow:

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1. The number of stakeholder consultation participants that conduct by PT Musim Mas at 6th June, 2011 in Sambas District - West Kalimantan Province are 79 participants, consisting of:

Organization	No. of participants
Government Agencies, are: Region III BKSDA West Kalimantan (2 participants), BLH Sambas District (2 participants), SETDA Sambas District (1 participant), BMPPT (1 participant), DISHUTBUN Sambas District (3 participants), Health Department (1 participant), KORAMIL (3 participants), Sambas Polres (3 participants), Polres Keramat Bay (1 participant), Galing Polsek (1 participant).	18
Representatives from villages around (Sub-District head, village head, socialite)	33
Non-Governmental Organization (NGO), consist of: Gemawan Agencies (1 participant), WWF Indonesia – Pontianak (1 participant), Wahana Visi (2 participant), MCF – Sambas (Mangrove Center Foundation, 2 participants), Kontak Borneo (1 participant).	7
Company around, such as PT Sentosa Asih Makmur Company of oil palm plantation	1
Religious Agencies	2
HCV / SIA Assessor	6
Management PT Musim Mas	12
Total	79

2. The following subject matters were presented to the stakeholder during the Stakeholders' Meeting:

- Roundtable on Sustainable Palm Oil Principles and Criteria (RSPO P&C) presented by Bp. Peron Sembiring (PT Musim Mas)

The presentation focused on the requirements of the RSPO Principles and Criteria and provides explanation on the how PT Musim Mas plans to implement the oil palm plantations development in a sustainable manner in accordance the requirements of the RSPO P&C. In the presentation the procedures in opening and operation of oil palm plantation company PT Musim Mas in accordance with the RSPO New Planting Procedures (NPP) was also provided.

- The Dimensions of Best Practice in Sustainable Development of Palm Oil (RSPO and Legally Binding) presented by Bp. Haryono from WWF Indonesia.

Explanations were on compliances with regulations that exist related to the development of oil palm plantations, NPP or the planting procedures in managing of new palm oil plantations in accordance to RSPO P&C requirements and its

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implementations in the field with the best practice and the report to related stakeholders.

- Smallholder Scheme in Plantation was presented by Bp. Dedi Budianto, Engineer from Sambas District Offices Forestry Plantations.

Smallholder Scheme in the fields of sustainable plantations that have similarities and are in conformity with the RSPO P&C, allocation of fields of oil in Sambas District and an explanation the Decree of the Minister of Agriculture (Peraturan Menteri Pertanian) No.7/Permentan/ OT.140/2/2009 regarding the effort of plantations guidelines.

- HCV Assessment in PT Musim Mas is presented by Wibowo A. Djatmiko (HCV Assessment Team, Aksenta).

The explanation of HCV Assessment in PT Musim Mas is about HCV typology identified in Permitted Area of PT Musim Mas, that are HCV 1.2, 1.3, 1.4, 4, and 6 with extensive in 539.55 ha. In that moment, presented too about HCV management plan in PT Musim Mas and its implementations.

- SIA Assessment in PT Musim Mas is presented by Sigit Budhi S (SIA Assessment Team, Aksenta)

In this SIA material, explained about the result of social impact assessment, its process, identification of the social issues related to environmental issues, welfare issues, health issues, education issues, and hand-over land issues and social issues along to management and monitoring plan of SIA as the effort of soacial impact assessment in PT Musim Mas.

3. Key Issues raised for discussion during the Stakeholders' Meeting include:

Important issues that are related to sustainable development of oil palm plantations in PT Musim Mas, Sambas District, West Kalimantan Province in stakeholder consultation activities, are:

1. The stakeholders urged that more socialization activity either in formal or informal meeting should be actively conducted to obtain mutual understanding and interest in

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the issues such as inter-village boundaries, identification of HCV area, and smallholder scheme.

2. Land acquisition (and compensation) procedure are to be carried out as per rules of consent and if there is a problem, the problem solving process is done either through discussion or deliberation,
3. Expected that PT Musim Mas in Sambas to be manage in good way and in accordance with RSPO P&C as the sustainable palm oil plantation and management of HCV areas or areas that need protected such as river and water springs.

Summary of the questions and answers during the stakeholder consultation process are as follows:

No.	Partisipant's Name	Agency/Village	Suggestion/Question	Answer/Opinion
1.	IPDA Yustendi	Head of Police - Sajad Sub-District	Any problem should be discussed in a good way to find the solutions of mutual interest.	PT MM: Emphasized on deliberation to find solution for every problem raised.
2.	Bp. Mustawan	Head of Lumbang Village	Need to have more intensive socialization about the boundary of Permitted Area and land acquisition.	PT MM: the company has and will continue to conduct socialization, provides a dialogue about the boundary of Permitted Area and land acquisition & compensation, and principally according to the rules that exist.
3.	Pak Agus R, S.H	Head of Police-Teluk Keramat Sub-District	It is expected that what is presented in this meeting can be done right.	PT MM: PT Musim Mas is committed to run the operations of oil palm plantations as environmentally friendly and in accordance with the RSPO principles and criteria.
			Communities and stakeholders are expected to express both the problems and the openness of the company and society	PT MM: PT Musim Mas is always open to the suggestions or opinion from the related stakeholders in accordance to the prodecures that exist in the company.
4.	Pak Agustian	Head of Galing Sub-District	Proper survey must be conducted to ensure the land owner is willingly and ready to release the land without coercion.	PT MM: The land acquisition process will be continuously carried out by holding dialogue with the land owner (FPIC) and without coercion. Thus, the final decision to sell the land is still with the owner.
5.	Pak Badar	Head of Teluk Kembang Village	Need to socialization well with the community to avoid problem of overlapping of land owned by the community and need for clarity with the smallholder scheme agreement letter and everything.	PT MM: The company has done the participatory map in the Permitted Area with the local community. It is aimed to know the land condition that may exist in the Permitted Area, if there any overlapping of land owned by the community, then it will be done according to the procedures that exist but the priority are discussion and

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				communication. Land release decisions remain in the hands of the community, the company will continue to conduct discussions and better communication with the community in terms of land acquisition, compensation, and description of the smallholder scheme.
6.	Pak Edi Supriyadi	Head of Sajad Sub-District	Suggest, smallholder scheme develop with credit / revenue sharing scheme so that the community will not suffer in their income.	PT MM: Until now the company has socialization with the community about the smallholder scheme in which smallholder scheme are expected to improve the welfare and livelihood of local communities.
7.	Pak Taufik	BKSDA Region III West Kalimantan	In HCV Assessment by the consultant, there is no detail about the water spring and buffer zone between HCV and plantations area.	Aksenta Cosultant: According to the field result, there is no water spring in the area, but the upstream of the river has been included as HCV area. And for the riparian buffer zone it is included to the HCV area.
8.	Pak Anong / M. Lutharif	NGO-Gemawan agencies	The existing local communities' plantations and farms which are source of the needs of local communities were not incorporated into HCV5.	Aksenta Cosultant: Survey and interview result with the communities concluded that the land release can be achieved by depending on negotiation within local communities and the company. Therefore, the value/function of the assessment has been changed. But HCV 5 is a dynamic system and not depending on the current social condition at that time.
9.	Ibu Yeni Januarti	NGO Mangrove Center Foundation (MCF)	Mapping of HCV areas have been established, is expected to be managed consistently and with commitment from the company in managing and monitoring the HCV.	PT MM:: In addition to the existing rules in the SEIA, the HCV will also be managed consistently as per management and monitoring plan.
			Is there any buffer zone area in the Local Permit Area? Matters related SIA need to be managed properly to avoid conflict.	Aksenta Consultant: The buffer zone in the HCV map included canal and river bank, which also functions as corridors for wild animals.

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SIA Management Plan

PT Musim Mas has developed the plans for the conservation impacts and social impacts as the operational efforts on social and conservation mitigation. The SIA development and preparation of management & monitoring plans for PT Musim Mas was mainly based on the SIA Assessment result administered in 19 – 27 June 2010, in corporate with the Aksenta; consultant accredited and approved by RSPO and the AMDAL Assessment for PT Musim Mas which were approved by Head of Environmental Office of Sambas No 660.1 / 246 / Komisi dated on 4 October 2010, in principle, referred to the related laws in Indonesia.

The steps taken in the HCV and SIA development and preparation of management & monitoring plans were:

1. Determining the strategic issues i.e. land acquisition for plantation, public facilities, environment condition, Health condition, welfare, and company's communications with the local people,
2. Determining the purposes and desired final condition of the project (vision, practical vision, end-state),
3. Determining targets and objectives to achieve, creating the strategy map to achieve the desired outcome,
4. Identifying the must-do initiatives to achieve the determined targets,
5. Identifying the competency reinforcement for human resources and the supply of the infrastructures so that the implementation of the process can be achieved effectively,
6. Determining effective monitoring activities to analyze the dynamic state of every indicator in order to assess the progress of target – achievement.

Based on the SIA results for PT Musim Mas by Aksenta and the Environmental Management & Monitoring Plans (Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan) of PT Musim Mas document, the management for the Social and Environmental Impacts aimed to be managed consistently with appropriate work performance standards. The scope of the development and preparation of management & monitoring plans included all of the potential impacts by the plantation activities. The development and preparation of management & monitoring plans guidelines include:

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1. The Management Plans of PT Musim Mas, Strategic Issues on Land Acquisition (and Compensation)

The scope for this management and monitoring included the process of land acquisition and land compensation which referred to the principles of Free Prior Informed Consent (FPIC) such as:

- a) The policy and procedure for paying the money compensation for the land acquisition in socialization and implementation,
- b) Administering the field survey with the participation of the local people,
- c) The policy of the company to respect and accommodate the local people main professions which were based on the land management,
- d) The settlement of legal documents which was under the actual related laws in the country.

2. The Management Plans of PT Musim Mas, Strategic Issues on Infrastructures

The scope for this management and monitoring included the participation of the company in building and developing the public facilities (infrastructures) such as; road (by developing the infrastructure (roads) in the estates will make the transportation of local community become easier where they used water transportation before), health centers, schools, religion facilities, etc. as well as in coordination with local institutions and offices which were related to the project to support the project itself.

3. The Management Plans of PT Musim Mas, Strategic Issues on Health Condition and increasing of education quality

The scope for this management and monitoring included the rising of the health quality and education in communities around the company and giving help about the health and education based on participative result / opinion from the communities.

4. The Management Plans of PT Musim Mas, Strategic Issues on People Welfare

The scope for this management and monitoring included the opening of better job opportunities for the local people by socializing and informing the job vacancies available for them. More over, the company was also actively involved in gaining the people's life skills in workforce by frequently running such training programs based on the training need assessment.

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5. The Management Plans of PT Musim Mas, Strategic Issues on Communication

The scope for this management and monitoring included the storage of actual information and data for related parties concerning both policies and programs of the company in order to achieve positive acceptance and understanding of all stakeholders. These activities were administered by having regular meetings with the stakeholders and socializing the policies of the companies related to the stakeholders such as actual policies and land acquisition money compensation procedures, and complaints & grievances procedure.

6. The Management Plans of PT Musim Mas, Strategic Issues on Environment

The scope for this management and monitoring included the management and monitoring of to both social and environment aspects which were covered in the Environmental Management & Monitoring Plans (Rencana Pengelolaan Lingkungan (RKL) / Rencana Pemantauan Lingkungan (RPL)) documents of PT Musim Mas. The main purpose of the activities was to achieve a well preserved condition of the environment as well as good managed in continuous cycles through the following activities:

- The Management and Monitoring of the Air Quality,
- The Management and Monitoring of the Water Quality,
- The Management and Monitoring of the Soil Quality,
- Administering regular surveys on local people's perceptions concerning the environment actual condition,
- The monitoring of the company's performance in administering the environment management.

HCV Management Plan

The HCV development and preparation of management & monitoring plans was based on the result of the HCV assessment which was administered in 19 - 27 June 2010 in cooperation with the Aksenta; consultant accredited and approved by RSPO. The HCV management plan has been developed to manage and monitor the HCV areas within the developed areas approved by Plantation Permit (IUP). The HCV development and preparation of management & monitoring plans was implemented with the aim to provide guideline for the company in planning and management of its programs or activities in managing the HCV present within the concession area. The purpose was to enable all the available resources to be focused, integrated and effective in order to achieve the HCV management outcome. The purposes of this management and monitoring document were:

- 1) To ensure that the identified and assigned HCV areas are under protection and in a well managed state so that their HCV functions are well preserved,
- 2) To enhance the administration of the management and monitoring in the sense that the process carried out is more systematically according to the legal procedures.

The process of the HCV preparation of management plans and monitoring for PT Musim Mas was based on the structure of strategy mapping. In strategy map, the processes were all focused on three fields under the management and responsibility of the plantation management;

- 1) Stakeholders,
- 2) Operation,
- 3) People & Resources.

Plan for HCV Monitoring and Regular Review of Data

The basic programs and activities that fulfill the HCV management are in regular monitoring and review. The purpose of review is to measure the achievements, effectiveness, efficiencies, impacts, and sustainability of the programs. Thus, the purpose of monitoring is to evaluate whether the activities implemented as they are expected; whether the outputs of the process are as they were projected previously; and whether the resources investments (human, fund, time) are as they were planned.

Monitoring and review are aimed to a set of indicators as the key performance indicators and should be managed systematically, consistently, and well documented. The monitoring should be implemented regularly and it is dependent on the classifications of the activities and the target indicator to evaluate (the detail of such activities is presented in the Activities Plan Matrix (Matriks Rencana Kegiatan)). The review should be conducted at the end of the

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management periodical plan, that is in the end of the third year (summative review) and every six months (formative review).

Management and mitigation plans for threats to HCV areas.

The identified basic activities which are planned to run in order to achieve the basic targets for the enhancement and maintenance of the HCV areas are:

1. Enhancing and rehabilitating the clinching areas with natural vegetations,
2. Soil and water conservation,
3. Protecting the sacred and cultural local sites,
4. Mitigating negative impact in the proposed new land openings,
5. Minimizing possible accidental fires,
6. Mitigating illegal hunting of protected animals,
7. Develop policies and procedures to minimize impacts on protected animals.

Management plans to enhance or maintain conservation values of identified HCV areas

The process of Strategy Mapping, the Practical Vision is defined as the Basic Targets. Those basic targets include six ideal states which are going to be achieved through the efforts of HCV protection and management. Those ideal states are:

1. The existence of key species in PT Musim Mas maintained,
2. The sustainability of the local habitats is reserved,
3. Conserve water catchments areas,
4. The river banks function as the hydrological buffer (the protection for water cycle) and ecology,
5. Preserve the local graveyards and cultural sites,
6. Refuge condition of wildlife (*refugum*) are controlled and connectivity.

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Development Plan:

PT Musim Mas' development plan has incorporated the findings from SEIA (AMDAL), HCV Assessments and Social Impact Assessments for implementing the operational plans. Management plans for HCV areas and management plans for handling social impacts have been drawn up. PT Musim Mas will implement the smallholder scheme system with a ratio of 20:80 (smallholder scheme:estate), that is the smallholder scheme (20%) and estate oil palm plantations (80%) and both will be managed by the PT Musim Mas Estate Management. The total area allocated in the Plantation Permit (Izin Usaha Perkebunan) is about 7,700 ha. HCV areas will be left out of planting. The net area for oil palm plantation development plan of PT Musim Mas, after excluding the HCV areas of 247 ha is about 7,100 ha (92.21 % from the Plantation Permit). Of this area, 5,680 ha is allocated for the estates and 1,420 ha for the smallholder schemes. In accordance with the operational management of PT Musim Mas land development will commence in year 2011.

Consultation with the relevant stakeholders to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT Musim Mas and the the affected stakeholders will continue to move forward for the benefit and common progress. The process of free, prior informed consent, procedures to ensure that there is participation in the social and environmental harmony in the development of the oil palm planting project by PT Musim Mas will continue. PT Musim Mas has established standard operating procedures for land acquisition and compensation procedures based on the principle of free prior informed consent. The company also has established the complaint and grievance procedures so that the problem solving process is done through discussion and mutual deliberation. PT Musim Mas will abide by the requirements in accordance of the Decree of the Minister of Forestry No: P.14/Menhut-II/2011, 10 March 2011 before commencing land clearing. The company will inform in writing to the Plantations and Forestry Department of Sambas District for assessment of the area on the requirements of the Wood Utilization Permit (Izin Pemanfaatan Kayu).

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VERIFICATION STATEMENT:

The company opted for a document audit. Control Union Certifications auditors conducted desk study, pre-assessment check, discussions with the management team including the Head of Sustainability, Regional General Manager, Public Relations (Humas) Manager before the main document audit. During the main document audit, two Control Union auditors were present with the management team of PT Musim Mas at their head office in Medan on 25th – 27th July 2011 to verify and review the relevant documents including interviewing the management team members.

PT Musim Mas has adhered to the RSPO New Planting Procedures and has documented the assessments and plans according to the RSPO templates issued in May, 2010. The social and environmental assessments were detail, comprehensive and professionally carried out. The management plan has included the findings of the SEIA (AMDAL) conducted by the government approved consultants as well as incorporating the HCV and SIA assessments findings by consultants accredited and approved by the RSPO.

Control Union Certifications confirmed that the assessment and plans are comprehensive, professional and compliant of RSPO principles, criteria and indicators. It is the opinion of the Control Union Certifications auditors that PT Musim Mas has complied with the RSPO New Planting Procedures enforced on 1st January, 2010.

Signed on behalf of Control Union Certifications



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Mr Senniah Appalasamy
Lead Auditor
Date: 27th July, 2011

Signed on behalf of PT Musim Mas



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Dr. Gan Lian Tiong
Head of Sustainability Department
Date: 27th July, 2011