



Roundtable on Sustainable Palm Oil

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: 29 November 2014

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 : R.E.A Holding Plc
SUBSIDIARY (If any) : PT CIPTA DAVIA MANDIRI
RSPO Membership Number : 1-0045-07-000-00, 10 November 2007

Location of proposed new planting :

- Company name : PT Cipta Davia Mandiri
- Location : District of Muara Ancalong and Long Mesangat, East Kutai Regency; East Kalimantan Province, Indonesia.
- Geographical location : $00^{\circ} 27' 18''$ - $00^{\circ} 35' 03,6''$ North and $116^{\circ} 35' 25,2''$ - $116^{\circ} 46' 28,8''$ East
- Surrounding Entities :
 - a. North. Non Forestry Area
 - b. South. Non Forestry Area / PT Sawit Sukses Sejahtera
 - c. West. Forestry Area / PT INHUTANI I
 - d. East. Forestry Area / Telen River
- Planted area : 1,584 Ha
- New Planting Area : 5,696.69 Ha (686.69 Ha planted at Location Permit and 5,010 Ha will be planted at Location Permit and Land Use Right)
- Permit :

- a. Deed of Company on behalf PT Cipta Davia Mandiri dated 23 October 2007 Number 88 based Notary Hangky Ribowo S.H (Ministry of Justice Decree RI No. C-05894 HT.01.04-TH.2007 dated 10 December 2007).
- b. Taxable letter Inauguration: PEM-00001/WPJ.14/KP.0503/2014 dated 10 March 2014 from Republic of Indonesia Ministry of Finance Regional Office of Directorate General of East Kalimantan Taxation with tax number 01.997.572.1-725.000 dated 29 February 2008 on behalf PT Cipta Davia Mandiri Jl. Hasan Basri No. 21 A RT. 24, Temindung Permai Sungai Pinang, Samarinda, East Kalimantan, Indonesia.
- c. Location Permit:
 - Location Permit for Oil Palm Plantation Development Purposes under name PT. Cipta Davia Mandiri based on Decree of East Kutai Regent No. **142/02.188.45/HK/IV/2007 dated 09 April 2007** for an area of $\pm 20,000$ ha of land located in Muara Ancalong District and Long Mesangat District, East Kutai Regency. Location permit is valid for 1 years.
 - Location Permit for Oil Palm Plantation Development Purposes under name PT. Cipta Davia Mandiri based on Decree of East Kutai Regent No. **180.4.45/230/HK/IV/2008 dated 30 April 2008** for an area of $\pm 20,000$ ha of land located in Muara Ancalong District and Long Mesangat District, East Kutai Regency. Location permit is valid for 1 years.
 - Location Permit for Oil Palm Plantation Development Purposes under name PT. Cipta Davia Mandiri based on Decree of East Kutai Regent No. **188.4.45/321/HK/IV/2009 dated 25 June 2009** for an area of $\pm 20,000$ ha of land located in Muara Ancalong District and Long Mesangat District, East Kutai Regency. Location permit is valid for 1 years.
 - Change of Location Permit for Oil Palm Plantation Development Purposes under name PT. Cipta Davia Mandiri based on Decree of East Kutai Regent No. **188.4.45/507/HK/VIII/2009 dated 28 August 2009** for an area of $\pm 22,500$ ha of land located in Muara Ancalong District and Long Mesangat District, East Kutai Regency. Location permit is valid for 1 years.
 - Location Permit for Oil Palm Plantation Development Purposes under name PT. Cipta Davia Mandiri based on Decree of East Kutai Regent No. **525.26/K.781/HK/VIII/2010 dated 20 August 2010** for an area of $\pm 6,741$ ha of land located in Long Mesangat District, East Kutai Regency. Location permit is valid for 1 years.
 - Location Permit for Oil Palm Plantation Development Purposes under name PT. Cipta Davia Mandiri based on Decree of East Kutai Regent No. **525.26/K.12/HK/I/2012 dated 02 February 2012** for an area of $\pm 6,741$ ha of land located in Long Mesangat District, East Kutai Regency. Location permit is valid for 1 years.

- Location Permit for Oil Palm Plantation Development Purposes under name PT. Cipta Davia Mandiri based on Decree of East Kutai Regent **No: 525.26/K.146/HK/II/2014** dated **05 February 2014** for an area of \pm **6,280 ha** of land located in Long Mesangat District, East Kutai Regency. Location permit is valid for 1 years.
- d. Land Clearing Permit of PT Cipta Davia Mandiri based on Decree of East Kutai Regent No. **500/25/Eko-2.II/2008** on “Approval of Land Clearing Area of Oil Palm Cultivation on behalf PT. Cipta Davia Mandiri located in Long Mesangat District and Muara Ancalong District, East Kutai Regency, East Kalimantan Province.
- e. Plantation Business Permit (Izin Usaha Perkebunan/IUP).
- Decree of East Kutai Regent No. **560/ 02.188.45/HK/X/2007** dated 29 October 2007 on Oil Palm Plantation Business (IUP) Permit to PT. Cipta Davia Mandiri for 20,000 Ha oil palm plantations.
- f. Environment Impact Assessment/ Analisa Dampak Mengenai Lingkungan (EIA/AMDAL).
- Approval of EIA Document of Plantation Activities (Area an \pm 20,000 Ha) and the Palm Oil Processing Plant (Plant Capacity 60 Ton FFB/hour) on behalf PT. Cipta Davia Mandiri in Muara Ancalong District and Long Mesangat District, East Kutai Regency, East Kalimantan Province by Decree of East Kutai Regent Number: **45/660/BUP-KUTIM/II/2008** dated **21 April 2008**.
- g. Land Use Title (Hak Guna Usaha/ HGU)
- Decree of Indonesian Land Agency Number 25/HGU/BPN RI/2010 dated 26 April 2010 about Land Use Title to PT Cipta Davia Mandiri for an area 9.783 Ha in Muara Ancalong District and Long Mesangat, East Kutai Regency, East Kalimantan Province.

The company had plan to develop oil palm plantation (See Table 1).

Table 1. Time plan for new planting

	Unit	< 2015	2015	2016	2017	2018	2019	TOTAL
Land Available								
Land Use Right (HGU)	Ha							9,784
Location Permit (izin lokasi)								6,280
Total								16,064
Planted Area								
Nucleus		1,414						
Smallholders		170						
Total		1,584						

Figure 1. Location Map of PT. Cipta Davia Mandiri



Figure 2. Location Permit Map of PT. Cipta Davia Mandiri of 2007

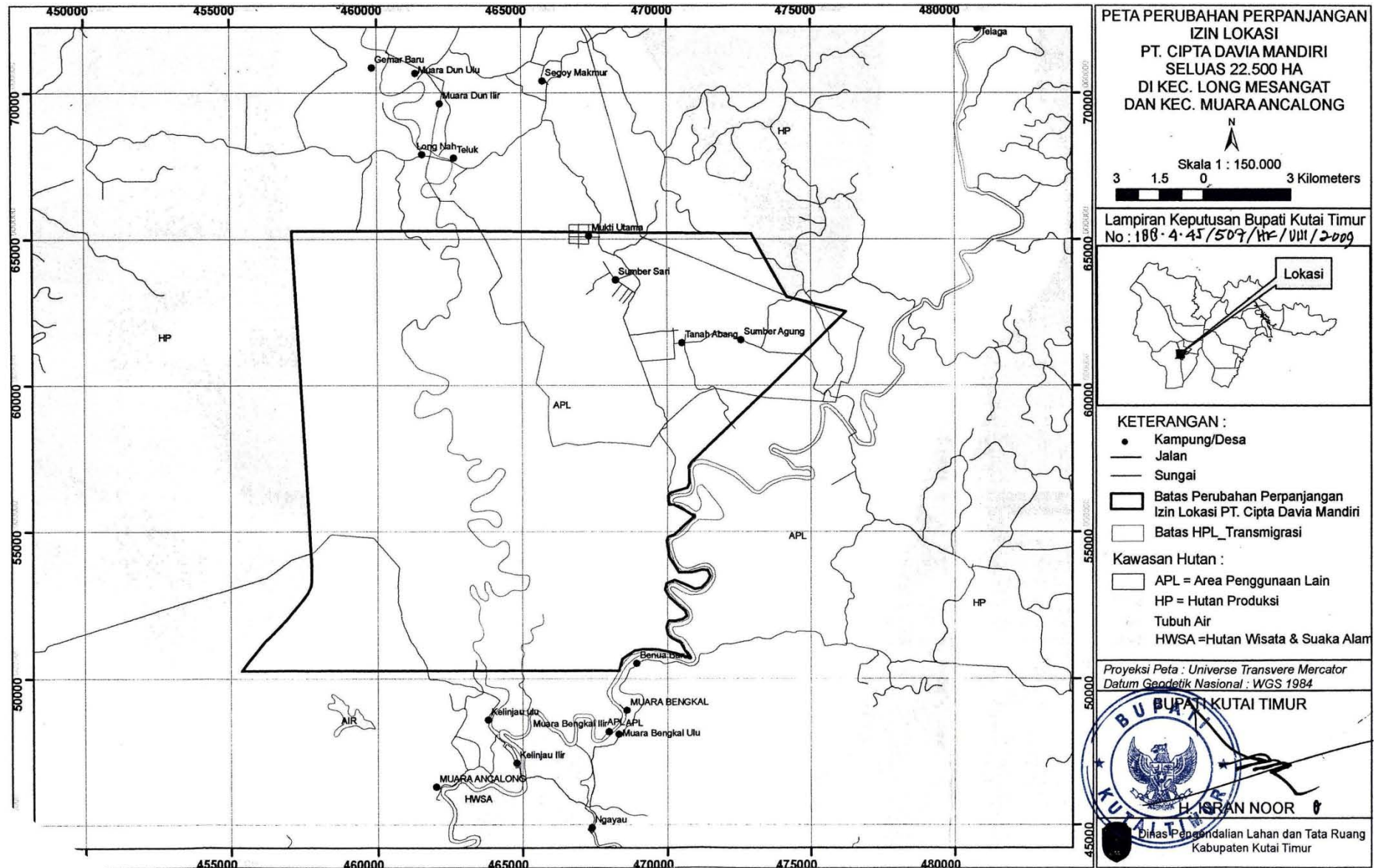


Figure 3. Location Permit Map of PT. Cipta Davia Mandiri year 2014 and Land Use Title (HGU) year 2010

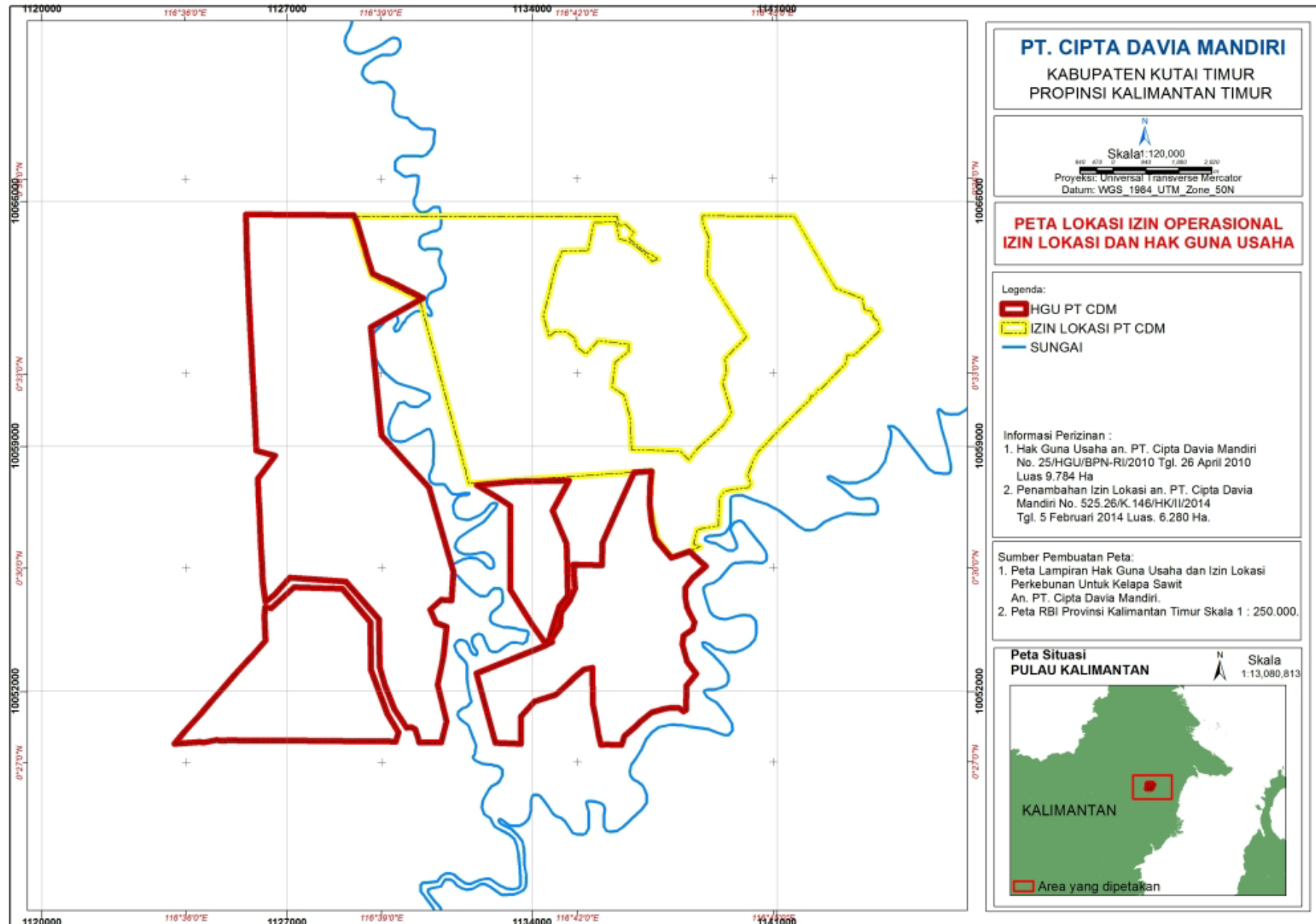


Figure 4. Map of HCV Area and planted area of PT Cipta Davia Mandiri

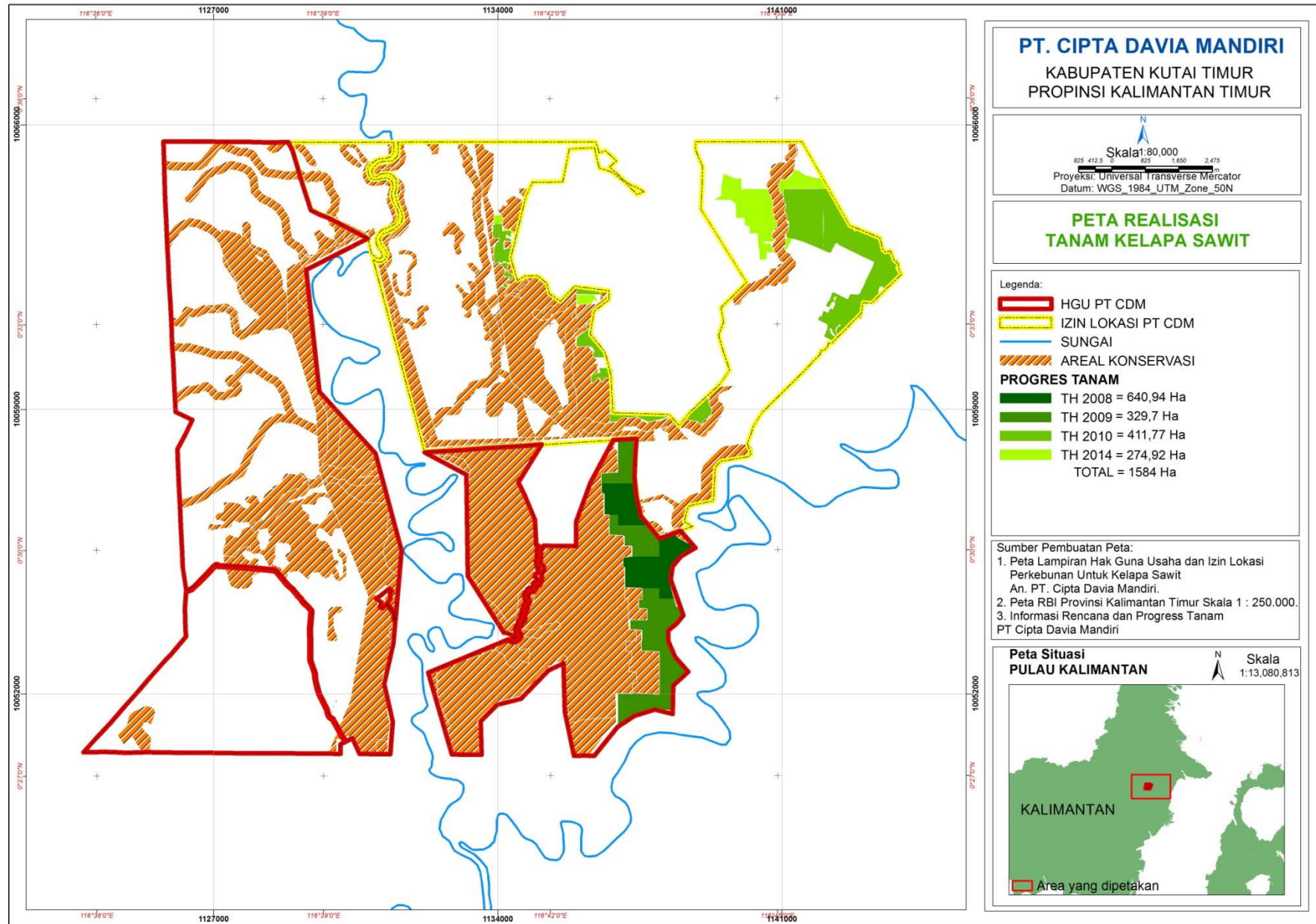


Figure 5. Map of Forest Area Status of PT Cipta Davia Mandiri

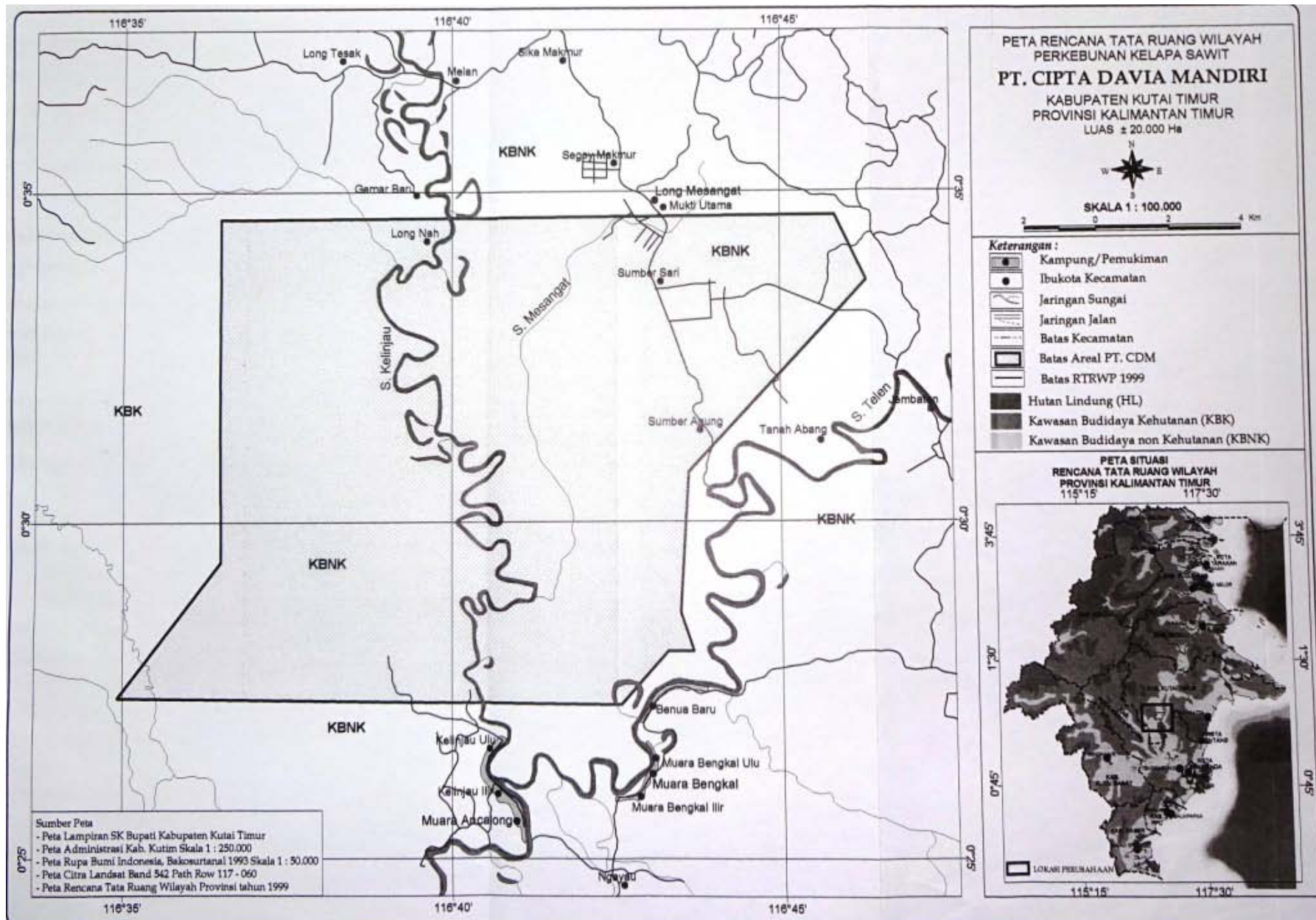
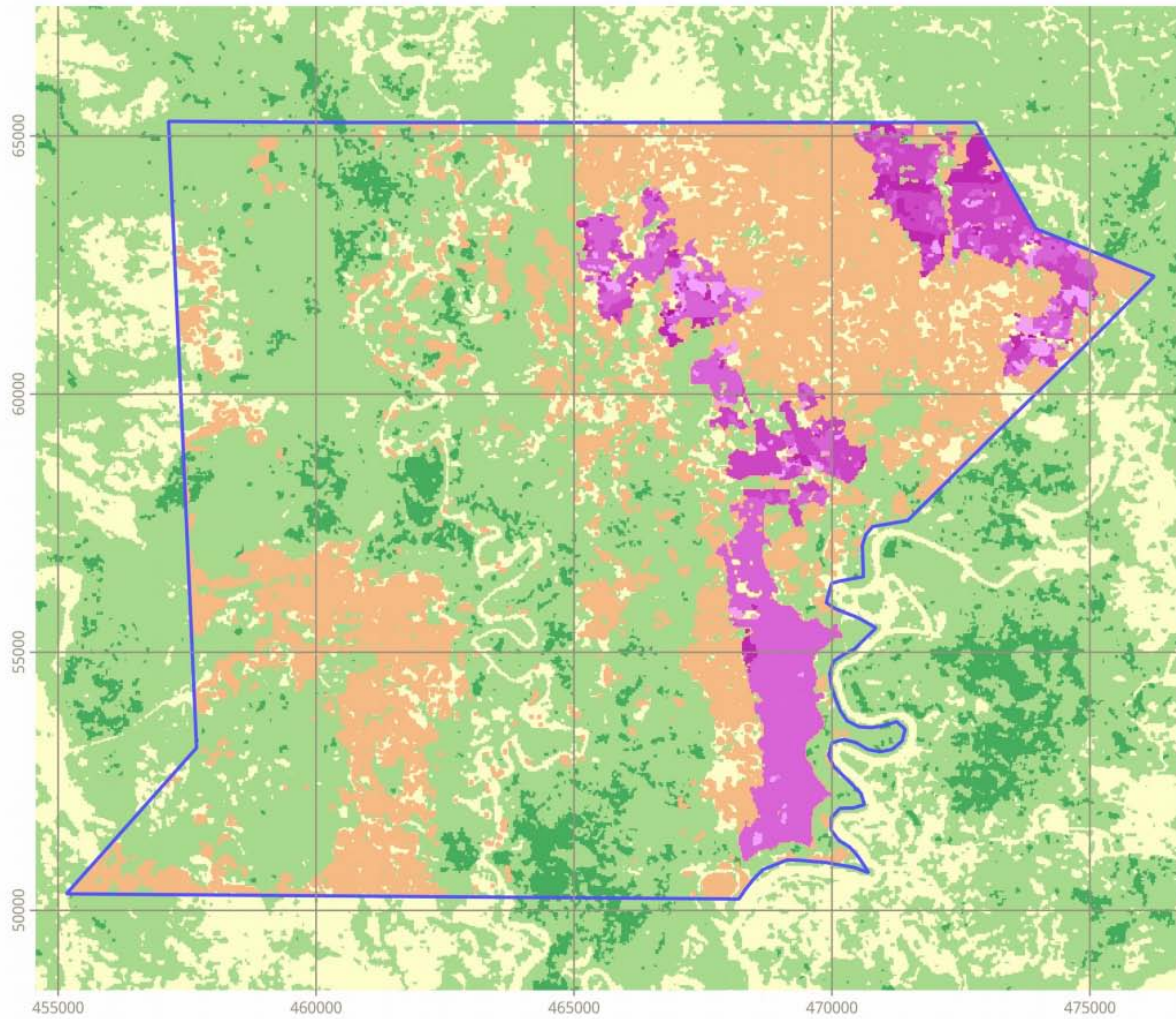


Figure 6. Land Cover Map of PT Cipta Davia Mandiri year of 2014

Clearing analysis for CDM



Legend

CDM boundary

Cleared, by date range

2005-2007

2007-2008

2008-2010

2010-2011

2011-2014

cleared non-commercial

LUC 2005

coefficient 0

coefficient 0.7

coefficient 1

Projection: UTM 50N, WGS84

Figure 7. Topography Map of PT Cipta Davia Mandiri

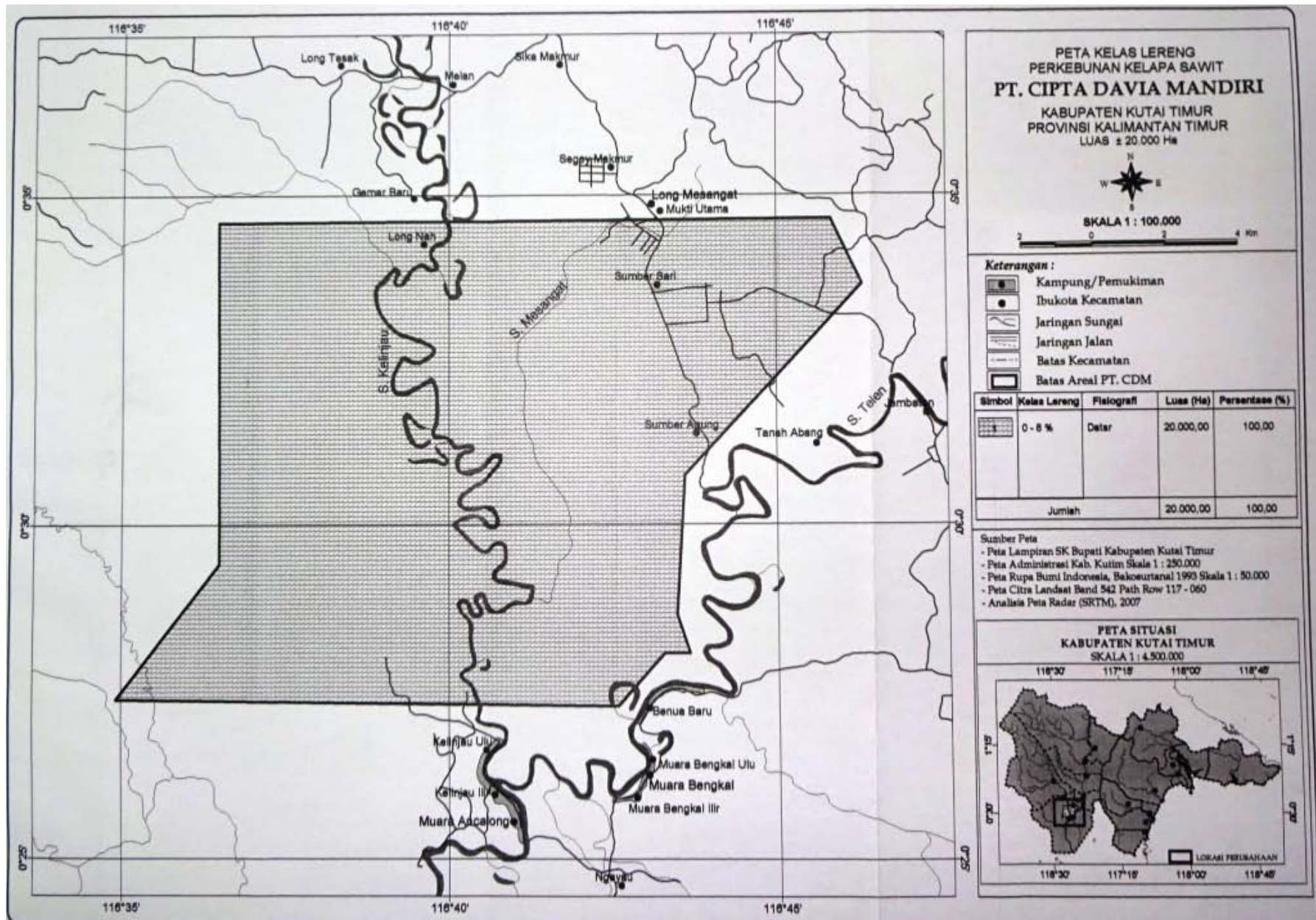


Figure 8. Soil Map of PT. Cipta Davia Mandiri

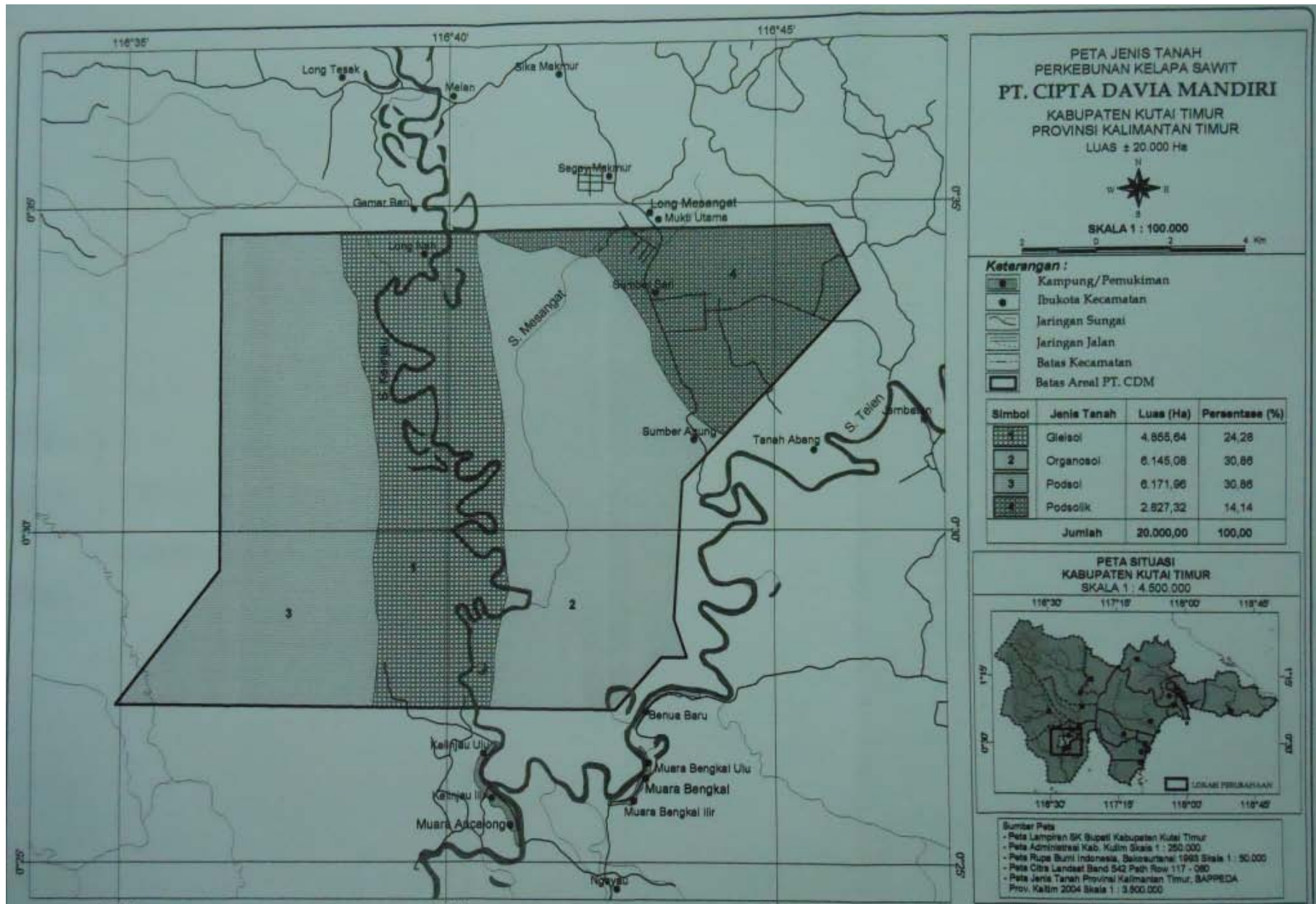
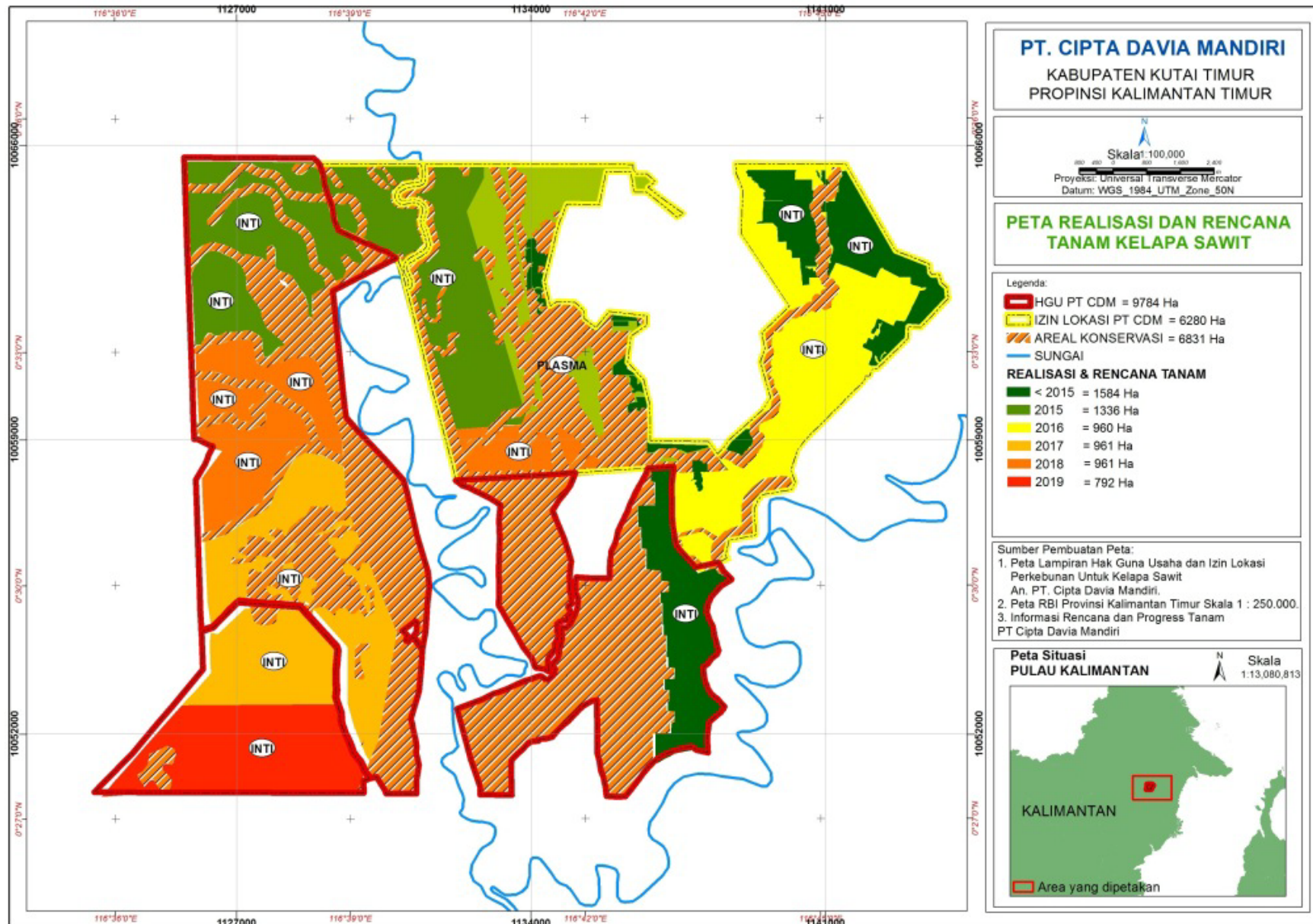


Figure 9. Planting Program Map of PT. Cipta Davia Mandiri



SUMMARY FROM SEI ASSESSMENTS:

A Participative PT Cipta Davia Mandiri Social Environmental Impact Assessment (SEIA) has been conducted separately. The Social Impact Assessment (SIA) conducted by Malaysian Environmental Consultant Sdn. Bhd consists of Alfeus Krispinus, Anatalia Sri Lestari, Herculana Ersinta, Kishokumar Jeyaraj, Lim MengTsai, Maradu Panjaitan, Martalena Ayong, Siti Norazlina Binti Mohd Nordin, Tunku Mohammed Nazim, Yuliantini on November 2012 and July 2013. The Social Environmental Impact Assessment (AMDAL) conducted by government accredited assessor (Ir. Sulaeman, MP; Dr Daniel Tarigan; Febriyanto M, S Hut.; Ir Zainal Mutaqin; Agus Nurhadi S Hut.; dr. Heisis Simbolon; Mangandar M, S.H.) on 2008.

The SEIA main issue studied in the assessment is company profile and general condition of the project covering demographic data, economic as well as availability of public transportation. The assessment is also conducted to identify the demand of transparency aspect (principal 1) and legal compliance as well as applicable law (principal 2) stated in P&C RSPO Indonesia, land availability, community perception upon project, as well as the existence of conservation area based on HCV toolkit Indonesia. The SEIA covered a review of documentary sources are collected through Focus Group Discussion (FGD), in-depth interview, government policy, and village profile data; besides, the assessment also covered field observation and public consultation meetings for the villages within the project area and for affected landowners of surrounding communities. Summaries and findings of the interviews and public consultation meetings are included in the SEIA report.

SUMMARY FROM HCV ASSESSMENT(S):

HCV assessment of PT Cipta Davia Mandiri project conducted by the RSPO approved assessors Kishokumar Jeyaraj (Team Leader), Tunku Mohammed Nazim (RSPO approved assessor – mapping specialist), Dr Lim Meng Tsai (RSPO approved Assessor- forest ecology and management), Herculana Ersinta (RSPO approved Assessor - social specialist), Ambriansyah (Biodiversity - flora), Doddy Aryadi (wildlife and ecology) on November 2012. The public consultation of HCV assessment is held at Long Mesangat District on 7 December 2013 and at Muara Ancalong District on 15 August 2014.

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

The HCV identified in the PT Cipta Davia Mandiri project area clearly mapped. Based on identification and analysis of HCV presence in the area of PT. Cipta Davia Mandiri there are found

HCV 1.1, HCV 1.2, HCV 1.3, HCV 1.4, HCV 2.1, HCV 2.2, HCV 2.3, HCV 3; HCV 4.1, HCV 4.2, HCV 4.3, HCV 5 and HCV6 with total area coverage of 6,831 ha (based on Location Permit year 2014 and land use title year 2010). The location of PT Cipta Davia Mandiri was not in the area of primary forest.

Table 2. Identification and Analysis of HCVs Presence (HCV1-6) in the Area of PT. Cipta Davia Mandiri

HCV	Finding HCV
HCV 1.1	There is no Protected Conservation Area overlapping or adjacent to the site.
HCV 1.2	At least four CR species of trees- <i>Dipterocarpus cornutus</i> , <i>D validus</i> , <i>Shorea balangeran</i> and <i>Vatica rassak</i> — and crocodile, <i>Crocodylus siamensis</i> currently synonymous with <i>C. raninus</i> are found in the CDM.
HCV 1.3	Several species of plants and animals that are threatened and/or protected are found in the site. These include the Proboscis monkey (<i>Nasalis larvatus</i>), Mueller's gibbon (<i>Hylobates muelleri</i>), and Pangolin (<i>Manis javanica</i>) which habitat needs to be protected.
HCV 1.4	While not directly surveyed, it is likely that the natural areas with forests and water bodies will be used for nesting and breeding by fishes, amphibians, reptiles and birds. The presence of crocodiles suggests seasonal breeding /nesting sites need to be maintained.
HCV 2.1	The project area is part of the larger natural ecosystems in the landscape. Although disturbed, there are 'wetlands' like peat swamps and freshwater swamps that are considered critical ecosystems requiring protection and appropriate management response.
HCV 2.2	Much of the area of interest is an interphase/ ecotone of fresh water swamp with the drier lowland alluvial dipterocarp forest
HCV 2.3	Despite much disturbance representative populations of plants and animals probably exist in remnant and adjacent production forests; some of these species are ERT species
HCV 3	Fresh water swamps and peat swamps are considered endangered, rare and threatened ecosystems as are riverine areas
HCV 4.1	Not directly assessed as source of water for consumption. But swamps attenuate water flow during floods and reduce flooding downstream
HCV 4.2	Swamp forest likely to function to be areas of soil deposition rather than erosion
HCV 4.3	Riverine areas likely to function as natural barriers to fire, though not assessed in survey
HCV 5	Fairly extensive area used by the local communities for cultivation of paddy, and fruit trees and collection of forest product
HCV 6	Likely to be present with several villages along the rivers

DOCUMENTATION OF FREE, PRIOR AND INFORMED CONSENT.

In accordance with RSPO requirements PT Cipta Davia Mandiri obtained free, prior and informed consent from the local community that would be affected by the development of the concession area or land that would be opened. Until the NPP verification there land compensation has been shown, company has conducted the socialization for plan of PT Cipta Davia Mandiri oil palm plantation and documented.

There are available evidence of FPIC such as the land acquisitions process on the operational area of PT Cipta Davia Mandiri, which consists of payment receipt, the minutes of land compensation payment, report of land measurement, land status submitted, land owner identity (KTP), Statement letter of a acknowledgement right, reference from village, documentation picture of payment and statement letter of land release.

There are minutes of consultation with communities of Sumber Agung Village and Sumber Sari Village, Long Mesangat District, East Kutai Regency, East Kalimantan Province for compilation EIA Document of Plantation activities and palm oil mill PT CDM at 16 November 2007. This activity followed by 68 people consists of customary head, head of village, environment NGO, representation of company, environment agency, representation of communities, hyperkes bodies.

SUMMARY OF PLANS:

The management plan of PT Cipta Davia Mandiri has incorporated the findings from SEIA (AMDAL), Social Impact Assessment (SIA) and HCV assessment for implementing the operational plans. Recommendations and also conclusion as result of SEIA and HCV has integrated in the management plan and consistent with RSPO P&C for New Plantings.

VERIFICATION STATEMENT:

PT Cipta Davia Mandiri opted for a document verification to conduct the New Planting Procedure. Mutuagung Lestari auditors have conducted desk study and discussions with sustainability officers during the desk audit. Two Mutuagung Lestari auditors were conducted the audit at their office in Samarinda on 12 – 14 November 2014 to review and verify the relevant document and also interview with the management representatives.

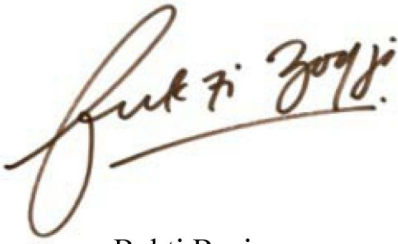
PT Cipta Davia Mandiri has done some work on the ground before 2010 and until 2014 had planted 1,584 Ha of oil palm. The area which had planted since 1 January 2010 until 2014 are 686.69 Ha and the area that will planted after 2014 are 5,010 Ha. This planted area has meet legal requirement since the initial permit such as permit location (izin lokasi), land use tilte (HGU) and plantation permit (IUP).

The SEIA (AMDAL) conducted by the government approved consultants as well as the HCV and SIA assessments conducted by RSPO accredited and approved assessors. PT Cipta Davia Mandiri has

adhered to RSPO New Planting Procedure and documented the assessments and plans are comprehensive and professionally carried out according to RSPO requirements and comply with the applicable RSPO Principles, Criteria and indicators for new plantings. This is part of an ongoing planting and this report is meant for notification only.

Signed for, on behalf of,
Mutuagung Lestari

PT Cipta Davia Mandiri

A handwritten signature in brown ink, appearing to read 'Bukti Bagja'.

Bukti Bagja
Lead Auditor
29 November 2014

A handwritten signature in black ink, appearing to read 'Purwantoro'.

Purwantoro
Head of Sustainability
November 2014