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: 14 July 2015

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: PT Harisa Agro Lestari

RSPO Membership No.: 1-0186-15-000-00

Location of proposed new planting: Teweh Tengah Sub District, Barito Utara District of Central Kalimantan Province, Indonesia

GPS Reference and its surrounding entities:

114°39'53.45"- 114°52'11.83" E, 0°48'51.30"-0°58'42.87"S

The northern side of PT Harisa Agro Lestari (PT HAL) concession borders the main road of PT Multi Persada Gatra Megah and PT Satria Abdi Lestari. The eastern side of PT HAL borders Barito River; the southern side of PT HAL borders IUPHHK PT. Joloi Mosak and the western side of PT HAL borders IUPHHK PT. Bina Multi Alam Lestari.

General Information

PT Harisa Agro Lestari (PT HAL) is located in Teweh Tengah Sub District, Barito Utara District of Central Kalimantan Province. PT HAL is one of the Indonesian oil palm companies that have committed to adopt the sustainable management practices in its operation. PT HAL consists of two location permits: No 188.45/218/2012 (size 12,582 ha) issued by the Barito Utara Regent (SK Bupati Barito Utara) dated 1 May 2012 and No. 188.45/273/2013 issued by the Barito Utara Regent dated 16 May 2013 (size 3,068 ha). The total area of its location permit is 15,650 ha.

The Plantation Business Permit (IUP) of PT HAL for area 12,582 ha was issued based on the decree of the regent of Barito Utara No. 188.45/339/2008 dated 29 April 2008, the first extension of Plantation Business Permit on 15 September 2011 with number of No. 188.45/366/2011, second extension on 16 May 2013 with the number of No. 188.45/272/2013 and third extension on 21 May 2015 with number of No 188.45/340/2015. Plantation Business Permit (IUP) of PT HAL for area 3,424 ha was issued on 18 December 2012 No. 188.45/522/2012. The Social Environmental Impact Assessment (AMDAL) of PT HAL was approved by Environmental Impact Assessment Commission Barito Utara District and Environmental Permit (Izin Lingkungan) was approved by Barito Utara Regent No. 188.45/234/2013 dated 7 May 2013.

Based on the map attached in the Appendix of Decree of Forestry Ministry No. 529/MENHUT-II/2012 dated 25 September 2012, with regards to Forestry Development Authority Land Use Suitability Map of Central Kalimantan Indonesia for Conservation Forest & Other Uses, 6,863 ha status is Land for Settlement and Other Uses ("*Pemukiman dan APL/Areal Penggunaan Lain*") which can be developed as oil palm plantation, 5,332 ha status is under Convertible Production Forest ("*HPK/Hutan Produksi Konversi*"), 3,455 ha status is under production forest (HP). For PT HAL, oil palm development will be in the APL area and HPK area, PT HAL has received the governor recomendation for forest realeas No 522/0899/EK dated on 16 September 2014, application of letter of forest release has been made to Ministry of Environmental and Forestry Republic Indonesian (Kementrian Lingkungan Hidup dan Kehutanan RI) dated on 20 January 2015 with number HAL-HUT/003/I/2015/s. There is no primary forest and peat land within PT HAL concession area. Based on the map in the Appendix Decree of Forestry Ministry No. 3706/Menhut-VII/IPSDH/2014, dated on 13 May 2014, with regards to Indicative Map on Moratorium of new concession permit for Forest Use and Utilization, and Amendment of Forest Allotment area and Other Uses, PT HAL concession is not located within the moratorium area.

PT HAL has conducted Social Impact Assessment (SIA) and HCV assessment include land use change analysis (LUCA) in May 2015 by Aksenta, whose team leader has been licensed by the HCV Assessor Licensing Scheme (Provisional ALS15039IS). In addition, PT HAL has also conducted Carbon Stock Assessment by Aksenta. The land use change and green house gases emission (GHG) analysis is estimated using RSPO GHG Assessment Tool for New Oil Palm Planting dated December 2014. As per RSPO requirements, carbon stock values and GHG emission assessment report has been submitted to the RSPO Emission Reduction Working Group separately. The self declaration using "Reporting Template for Disclosure of Areas Cleared without Prior HCV Assessment since November 2005", and "The Reporting Template for RSPO Historical Land Use/Cover Analysis and Compensation Liability" have been submitted to RSPO on 14 July 2015.

The land use change analysis was used to determine changes to the land covers since 2005. RSPO proxies were used to indicate changes to the HCV status. The land use change analysis based on landsat satellite imagery confirmed that there are no primary forests in the PT HAL concession. The landsat satellite imagery of November 2005 also showed that shrubland is the dominant land cover in the concession. In the May 2015 satellite imagery and from groundtruthing (16-25 May 2015), shrubland remained the dominant land cover in PT HAL concession. Based on the result of the HCV Assessment, the types of HCV dominated in PT HAL are HCV 1 ; HCV 3 dan HCV 4 . The area indicated as HCV is spread through 14 spots of location. HCV area in PT HAL is amounted to 2,157.1 ha of the total location permit of PT HAL. The HCV consists mainly of secondary forest, river and the riparian buffer zone. The proposed oil palm planting are not with HCV areas.

The result of the social impact assessment by Aksenta shows that there are many positive impacts will be enhanced for the surrounding communities and that there are some potential negative impacts for the surrounding community. The potential positive impacts are the new source of income and/or additional financial assets for the surrounding community, especially those who have been working for PT HAL. On the other hand, community land might shrink and the community access to clean water might be disturbed. In order to successfully manage the potential social impact, risk and issue, PT HAL will be developing a strategic and systematic plan. The main strategy PT HAL is to implement social management plan immediately and integrate the plan to the whole plantation operation.

Location maps were prepared and presented in the SEIA and HCV assessment report to include all the above findings and recommendation from the assessor. Location maps showing the project location and HCV are in the attached figure below. The SEIA and HCV summary report includes additional maps showing the topography, landscape, HCV and land compensated. HCV maps prepared to include area for buffer and riparian reserve.

The new planting area of PT HAL is in its Location Permit, the proposed new planting is scheduled for 2015-2020. In accordance with the operational management data of PT HAL, which consists of the total estimated new planting area is ±9,541.90 ha, comprised of ±7,250.22 ha plantable area of nucleus/estates, ±1,910.00 ha for smallholders scheme, ±381.68 ha for infrastructure & emplacement, ±2,157.10 Ha for HCV or conservation area and balance area ±3,951.00 ha is unplanted (others). The proposed new plantings are with no any primary forest, no any peat lands and no HCV area being planted.

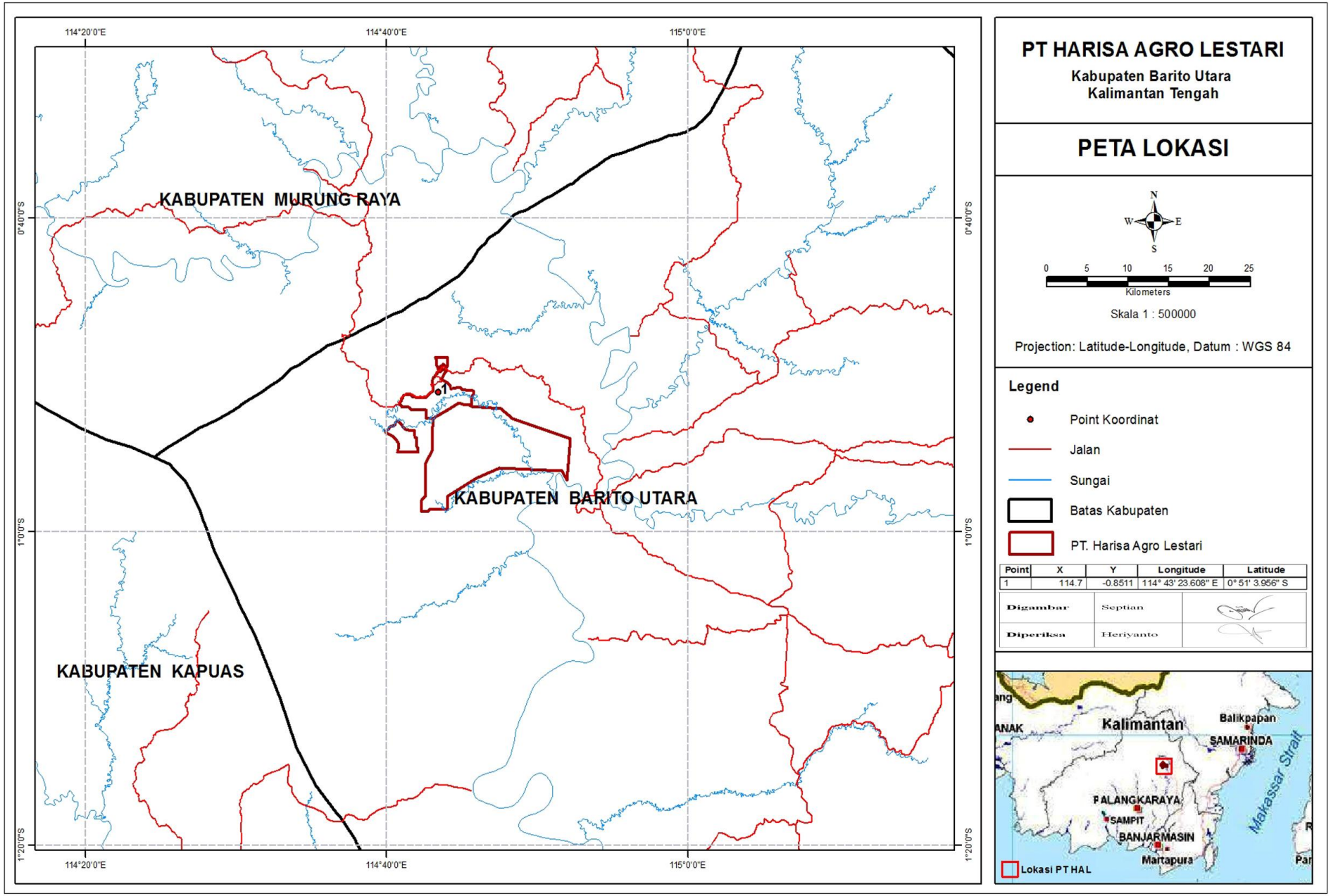

Figure 1 Location of PT. Harisa Agro Lestari in Barito Utara District

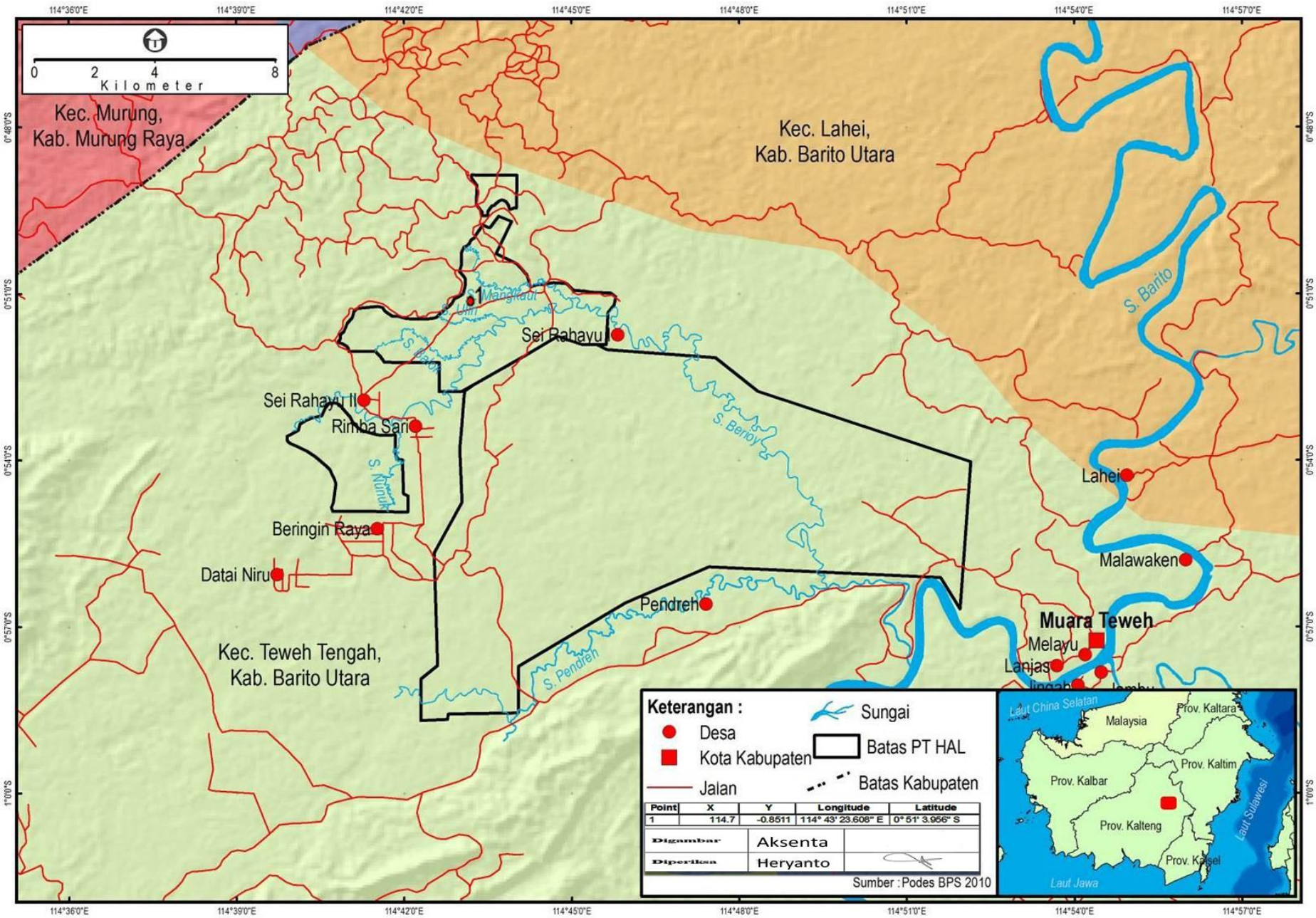

Figure 2 Location of PT Harisa Agro Lestari and Surrounding Entities

SUMMARY FROM SEI ASSESSMENTS:

Environmental Impact Assessment (EIA)

Based on ANDAL document, a number of protected animals are identified such as *Haliactus indictus, Sus barbatus, Histrix brachyura, Cervus timorensis,* etc. An information mentioned *Nasalis larvatus* used to be identified.

The results of this holistic assessment of the magnitude of the potential impact of each stage of the development process on each component of the environment show that the development of an oil palm plantation and palm oil mill by PT HAL has the potential to have a significant impact, both positive and negative.

Important positive impacts predicted:

1. Socialization & public consultation
2. Development of facilities and infrastructure,
3. Soil and water conservation
4. Nursery
5. Employment
6. Development of the mill
7. Harvesting and transport of oil palm Fresh Fruit Bunches FFB

Meanwhile, the negative impacts predicted are:

1. Geophysical & chemical: reduction in air quality, noise pollution, reduction in the quality of surface water, increase in soil erosion, increase in sedimentation, increased risk of fire and the production of waste liquids.
2. Biological: disturbance of flora and fauna, disturbance of aquatic biota
3. Social: social conflicts, negative perception of the company by the community and changes in community values and cultural norms
4. Public health: negative impacts on the health of the surrounding communities

However, several of the potential negative impacts can be mitigated if the proposed environmental management actions are taken. It is therefore hoped that the negative impacts will be reduced, mitigated and even prevented. In relation to the potential positive impacts associated with the proposed development, the aim should be to maximize these in order to improve the welfare of the whole society without having a negative impact on the environment. Based on this, PT HAL plans to develop an oil palm plantation and palm oil

mill are eligible for development from an environmental perspective as long as the appropriate measures are taken to monitor and manage their environmental impact.

Social Impact Assessment (SIA) Findings

The assessment area includes six villages namely Desa Sei Rahayu I, Sei Rahayu II, Rimba Sari, Beringin Raya, Datai Nirui dan Desa Pendreh. All those villages are located in the Teweh Tengah sub-district and Barito Utara Regency. The 6 villages have the potential to be affected by the operation of PT HAL.

The potential positive and negative impacts on the socio-economic status, culture and welfare of the various stakeholders likely to be affected by the development of the PT HAL concession with oil palm are summarized **Table 1** Measures to mitigate the adverse impacts and maximize the positive impacts have also been identified.

Table 1 The potential of Social Impact according to the operational plan of PT Harisa Agro Lestari, Barito Utara Regency, Central Kalimantan Province.

No.	Activities	Potential Impact to Pentagon Assets				
		Human capital	Natural capital	Social capital	Financial capital	Physical capital
1.	Socialization	o	o	o	o	o
2.	Land acquisition	+	- P	o	+	o
3.	Land clearing	+	-P	o	o	o
4.	Estate development	o	o	o	+	o
5.	Estate management	+	o	o	o	o
6.	Transport of FFB	o	o	o	o	o
7.	FFB receive	+	o	o	o	o
8.	Processing	o	o	o	o	o
9.	Transport of CPO	o	o	o	o	o
10.	Recruitments	+P	o	-	+P	o
11.	Communications, relations, social, CSR Program	+	o	o	o	+
12.	Scheme smallholders	+P	+P	o	+P	o

Source : Aksenta.
Disclaimer : (o) no impact (-) negative impact (-P) important negative impact
(+) positive impact (+P) important positive impact

The positive impacts for the surrounding communities include the new source of income and/or additional income (financial assets) for community, especially those who have been working for PT HAL. On the other hand, the area of community land (natural assets) might shrink and the community access to clean water (natural assets) might be disturbed.

The financial and natural capitals are two capitals that will be affected the most, either positively or negatively. Based on the assessment, the existence of PT HAL will have positive impact on financial capital; however its existence is also predicted to have negative impact on the natural capital. The human, social and physical capitals will not be affected due to the existence of PT HAL. This is mainly due to the availability of basic infrastructure for the community prior to the existence of the company. The social condition in the concession area reported as relatively conducive, no social issues appear due to the presence of the company.

Interaction between company and community is still a few, hence in the meantime there is no social risk faced by the company. One issue that may hold up palm oil plantation development is not the social aspect but a technical issue where the value of land release is high. The company's operation has to be well managed to prevent potential disappointment from the community that may arise due to over expectation from the benefit of company's presence in the local villages.

There are key stakeholders from the community. Key stakeholders are the significantly influential parties and parties significantly influenced by PT HAL's presence and operational plan. The key stakeholders are:

1. Community / farmer / owner / land cultivator inside the Location Permit area of PT HAL
2. Strongly influential parties to the community who support / oppose the presence of PT HAL
3. Village government (not limited to Village Head)
4. Land clearing contractor

Apart from external factor, there is also key stakeholders from company side namely the personals assigned to do the Public Relations function in socializing and land acquisition.

To manage social impact, risk and issues PT HAL has to develop strategic and systematic management. Potential social risk and issue that may arise in the future cannot be responded in a reactive, sporadic and short term way. A fundamental, systematic and long term in term of sustainability (either sustainable for company or community) system have to be developed.

Therefore main recommendation from the assessment result is for company to immediately develop a social management plan and integrate the plan in plantation management.

However, several measures need to be taken immediately especially to accelerate palm oil plantation development and gain the local community's trust. The outlines of the recommendation are:

1. Develop appealing and advantaging compensation scheme and partnership scheme to local community
2. Develop a comprehensive socialization material
3. Form Public Relation task force to built team work and competence personnel.
4. Develop communication strategy and effective approach based on stakeholder identification
5. Implement FPIC principal in communicating and partnering with community.

SUMMARY FROM HCV ASSESSMENT(S):

Summary of HCV Findings

The land use change analysis based on landsat satellite imagery confirmed that there are no primary forests in the PT HAL concession. The landsat satellite imagery of November 2005 also showed that shrubland is the dominant land cover in the concession. In the May 2015 satellite imagery and from groundtruthing (conducted on 16-25 May 2015), shrubland remained the dominant land cover in PT HAL concession.

From the desktop study with relevant document and ground survey in the field (16-25 May 2015), There are 3 (three) type of HCV in the Location Permit of PT HAL, namely HCV 1 (have biodiversity value which is important in global, regional or national context), HCV 3 (rare or threatened ecosystem) and HCV 4 (fundamental environmental service). Meanwhile HCV 2 (wide landscape which is important in global, regional or national context as habitat for wildlife or vegetation species), HCV 5 (natural resources for local community to meet basic needs) and HCV 6 (site or containing natural resources significant for cultural identity and local community's tradition) are not found.

Based on the mapping and observation in the field by assessors, all indicative HCV area inside Location Permit area of PT HAL is located at 14 (fourteen) sites with total area of 2,157.1 Ha (13.8% of Location Permit area PT HAL). The physical condition of the HCV is low land secondary forest, river and its riparian. HCV map and indicative HCV area inside Location Permit area of PT HAL is in **Table 2**. Indicative HCV area map (HCV 1, 3, 4) with its location and total area inside Location Permit area of PT HAL is in **Figure 3.**

The key elements of HCV 1 in PT HAL concession consists of 3 sub-elements, namely HCV 1.2 (the existence of endangered wild animal and plant) ; HCV 1.3 (the existence of endemic wild animal and plant) and HCV 1.4 (the last resort for wild animal or refugia for animal species). HCV 1 is a lowland secondary forest ecosystem. The indicative area of HCV 1 is spread around 3 locations with the area of 1,554.7 ha (9.9% from the total of location permit of PT HAL).

The key elements of HCV 3 in PT HAL concession is the existence of an area with rare or threatened ecosystem, such as lowland secondary forest. HCV 1 is a lowland secondary forest ecosystem. The indicative area of HCV 3 is spread around 2 location with the area of 1,123 ha (7.2% from the total location permit of PT HAL).

The key elements of HCV 4 in PT HAL consist of 2 sub-elements, namely HCV 4.1 and 4.2. HCV 4 is river and buffer zone area. The indicative area of HCV 4 in PT HAL concession is spread around 14 locations with the area of 948.8 ha (6.1 % from the total location permit of PT HAL).

Table 2. Description of HCV area in PT HAL concession

ID	HCV	Location	HCV Element	Area (ha)
1	4.1; 4.2	Suatu River with buffer zone of 50 m	▪ Source of water ▪ Flood control ▪ Erosion control	24.6
2	4.1; 4.2	Mangkaot River with buffer zone of 50 m	▪ Source of water ▪ Flood control ▪ Erosion control	77.2
3	4.1; 4.2	Barioi River with buffer zone of 50 m	▪ Source of water ▪ Flood control ▪ Erosion control	332.4
	1.2; 1.3; 1.4; 4.1; 4.2	Riparian forest in Barioi river	▪ Endangered species ▪ Endemic species and Limited range species ▪ Refugium endangered species	32.8
03a	4.1; 4.2	Mensoring river with buffer zone of 30 m	▪ Source of water ▪ Flood control ▪ Erosion control	5.2
03b	1.2; 1.3; 1.4	Riparian forest in Barioi river	▪ Endangered species ▪ Endemic species and Limited range species ▪ Refugium endangered species	85.3
4	4.1; 4.2	Ulin river with buffer zone of 30 m	▪ Source of water ▪ Flood control ▪ Erosion control	24.4
5	4.1; 4.2	Balo river with buffer zone of 30 m	▪ Source of water ▪ Flood control ▪ Erosion control	49.4
6	4.1; 4.2	Ese river with buffer zone of 30 m	▪ Source of water ▪ Flood control ▪ Erosion control	72.7

ID	HCV	Location	HCV Element	Area (ha)
7	4.1; 4.2	Kareho river with buffer zone of 20 m	▪ Source of water ▪ Flood control ▪ Erosion control	11.9
8	4.1; 4.2	Lunuk river with buffer zone of 30 m	▪ Source of water ▪ Flood control ▪ Erosion control	30.2
9	4.1; 4.2	Bomban river with buffer zone of 30 m	▪ Source of water ▪ Flood control ▪ Erosion control	84.3
10	1.2; 1.3; 1.4; 3	Secondary forest	▪ Endangered species ▪ Endemic species and Limited range species ▪ Refugium endangered species ▪ Secondary forest ecosystem and lowland	1,140.6
11	4.1; 4.2	Matei river with buffer zone of 50 m	▪ Source of water ▪ Flood control ▪ Erosion control	46.1
12	4.1; 4.2	Rapen river with buffer zone of 50 m	▪ Source of water ▪ Flood control ▪ Erosion control	57.1
13	4.1; 4.2	Sempayang river with buffer zone of 30 m	▪ Flood control ▪ Erosion control	31.3
14	4.1; 4.2	Pandreh river with buffer zone of 50 m	▪ Flood control ▪ Erosion control	51.5
			Total HCV area (ha)	**2,157.1**

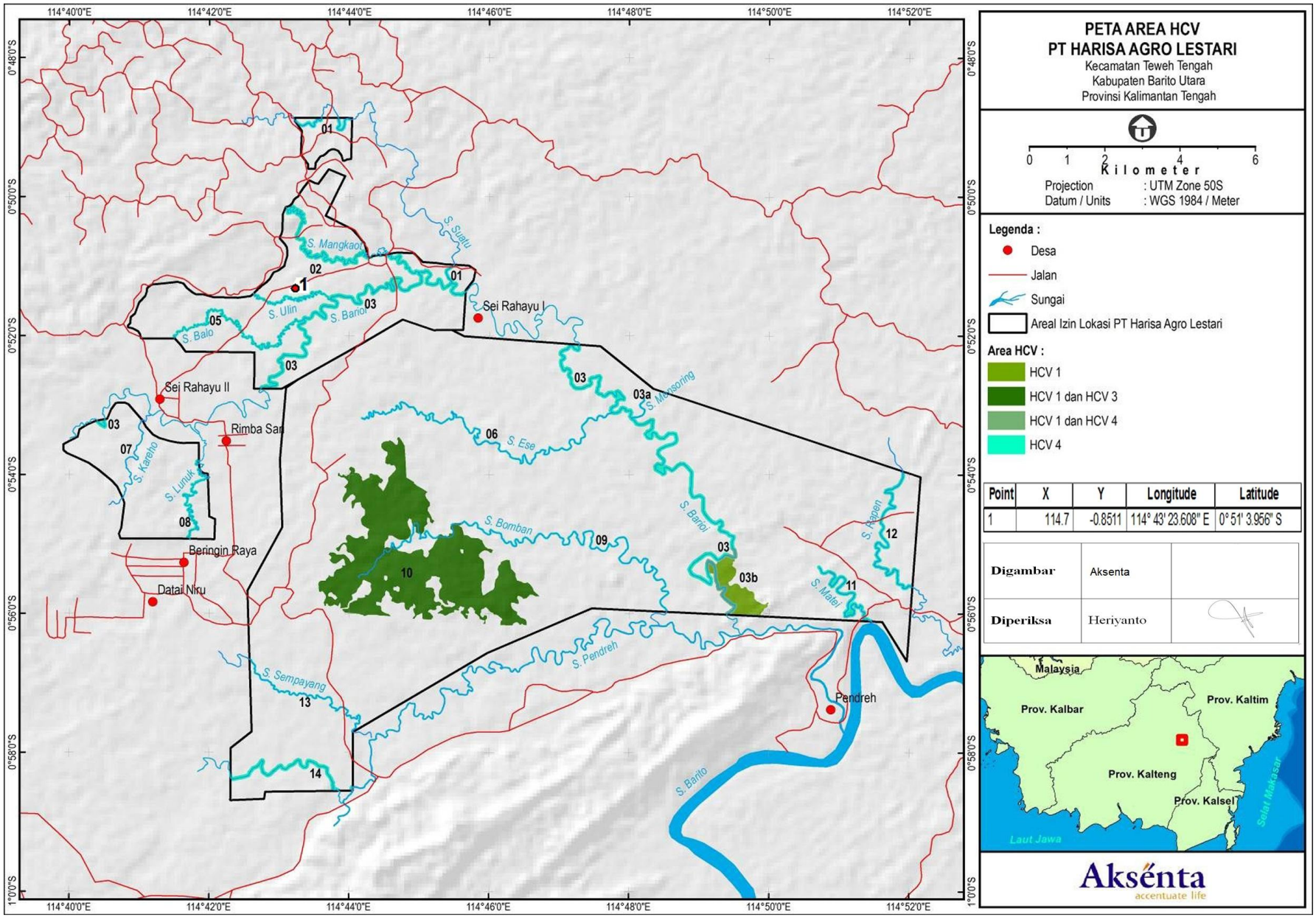

Figure 3 HCV Map in Location Area of PT HAL

SUMMARY OF PLANs:

Development of HCV and SIA Management Plans

Personnel involved in planning and implementation

1. Johnson (Coordinator of Estate operational)
2. Baso Arsadi (Head of field asistant) and its Field Assisstant
3. Dita Galina Environment Division / Sustainability Coordinator
4. Dadang Kurnia (Sustainability)
5. Abidin (Public Relation/Legal Compliance)
6. Heriyanto (GIS & Surveyor)
7. Septian (GIS)

Stakeholders involved during implementation

1. Government (Natural Resource Conservation Department-BKSDA, The Plantation Office)
2. Local government representatives (at Kabupaten, Kecamatan and Village level): PEH Seksi Wilayah III, BKSDA, Muara Teweh Dishubkominfo Kab Barito Utara, Dishutbun Kab Barito Utara, Diskes Kab Barito Utara, BLH Kab Barito Utara, Disnakertrans Kab Barito Utara, Badan Perencanaan Pembangunan Daerah Kab Barito Utara, Badan Pemberdayaan Masyarakat dan Desa Kab Barito Utara, Bagian Hukum SETDA Kab Barito Utara, Bagian Administrasi Perekenomian dan SDA SETDA Kab Barito Utara, Badan Kesatuan Bangsa, Politik, dan Perlindungan Masyarakat Kab Barito Utara, Camat Teweh Tengah, Dinas PU Kab Barito Utara, representative of Teweh Sub District, The head of Beringin Raya village, The head of Rimba Sari village, The head of Sei Rahayu I Village, The head of Sei Rahayu II Village, The head of Datai Nirui village, The head of Pendreh village.
3. Local community leaders: BPD, Ketua Adat, The Representative of Pendreh Village.
4. Local NGO: LSM NCW, LSM Seribu Riam.
5. Company employees and their representatives.

Public consultation is a form of meeting with the key stakeholders in the area of assessment, such as surrounding community (local government, local community), government regency, the relevant environmental institution, the relevant Non-governmental Organization and the other companies operating around the concession of PT HAL. Public consultation was conducted on 25 May 2015 in Muara Teweh, which was attended by the representative of villagers, local government, NGOs (total attendees 25 persons).

From public consultation process, company would obtain additional data and information necessary for HCV & social assessment, such as the presence of HCV elements and attributes, the status/latest conditions of HCV elements and attributes, threats to the HCV area and HCV elements and attributes, clarifications and revisions of the findings from HCV assessments and inputs/feedback for HCV protection and management, livelihood, local communities, culture and tradition of local communities.

Summary of Management and Mitigation Plans (SEIA)

PT HAL has developed the plans for the conservation impacts and social impacts as the operational efforts on social and conservation mitigation. The social development and preparation of management & monitoring plans for PT HAL was mainly based on SEIA and the Social Impact Assessment, in principle, referred to the related laws in Indonesia.
The Management and Mitigation Plan as per SIA Assessment and AMDAL document of PT HAL is described as following:

- Social management should be oriented towards the management and mitigation of social matters involving the local communities. Efforts to manage these social matters to answer the needs of the community include the management and development of cooperatives and farmers Plasma Scheme, increase revenue and stability of income
- Develop appealing and advantaging compensation scheme and partnership scheme to local community
- Develop a comprehensive socialization material
- Form Public Relation task force to build humas working team and exploits the competent personnel.
- Develop communication strategy and effective approach based on stakeholder identification
- Implement FPIC principal in communicating and partnering with community.

Table Summary of Management and Mitigation Plans (SEIA)

No	Program	Management Objective	Management & Mitigation Plan Avtivity	Time	PIC
I.	Strengthening of the communication and social relationship with the local communities	Local communities will receive concise and complete information on the company's land clearing plan	- Develop a SOP on communication and information sharing with outside party - Conduct socialisation and develop relationship with local communities to create mutual trust by building relationship with community leaders - Document all socialisation activities and meeting with the communities - Conduct evaluation on the socialisation activities and continuous improve to ensure the implementation of FPIC principles	2015 Continuously	Estate Manager Public Relation
		Creation of a harmonious relationship between company and local communities	- Conduct stakeholder mapping, including identifying the actors and measuring the magnitude of the stakeholder's interest - Conduct a periodical meeting with stakeholder to strengthen communication - Approach parties that have yet to favorably receive the presence of the company or the industry as a whole. The approach can be direct or indirect, formal or informal.	2015 Continuously	Estate Manager Public Relation
		No disturbances to the company's operations	Generate job opportunities for the local communities in accordance to their skills and abilities. Increase the company active participation in the activities initiated by the local communities (social, religious, cultural and sport events)	2015 Continuously	Estate Manager Public Relation
2.	Development CD/CSR Programme	Provide social benefits to the communities in the project area	- Prepare a CD/CSR programme tailored to the needs of the local communities, through thorough social surveys conducted by dedicated personnel. - Conduct partnership with the related institution in building the needed basic infrastructure (economic, transport, education, and health) as allowed by the company's finances - Harmonize the company's aid programs with the local government or other parties' work plans	2015 Continuously	Coordinator of Estate Operational Estate Manager Head Field Assistant Public Relation

No	Program	Management Objective	Management & Mitigation Plan Avtivity	Time	PIC
			- Evaluate the CSR programs and improve them according to the needs and conditions of local communities, general social climate as well as the company's growth		
3.	Land acquisition and community land development.	Land compensation is going according to FPIC principles and land acquisition should also receive community approval	- Inventory of community land ownership - Survey with the related parties in definite delineation of land ownership for acquisition purpose. - Create a land acquisition agreement with the respective legal owner of the land without any pressure or coercion. - Related parties or government authorities should be involved to solve any problematic land acquisition.	2015 Continuously	Estate Manager Public Relation GIS/Surveyor
		The land acquired for plantation and mill are free from claim and conflict.	- Conduct verification and inventarization on land owner/cultivator of land that will be compensated. - Develop boundary map with land owner in participative manner. - Develop map for land that has been compensated. - Document all land compensation activities and land transfer.	2015 Continuously	Estate Manager Public Relation GIS/Surveyor
		Develop community land / smallholdings (*plasma*).	- Develop policy / SOP on plantation for smallholdings (*plasma*) / partnership. - Socialization to surrounding community for understanding company's intention to develop smallholdings (*plasma*) (including benefits or consequences on the schemes offered by company and other terms) - Land inventarization. - Educate community on not selling their rights for smallholdings *(plasma)* to other parties. - Coordinate and consult with related party (Local Government of Barito Utara) - Document all the activity.	2017 Continuously	Coordinator of Estate Operational Estate Manager Head Field Assistant Public Relation
		Form a good institutional smallholdings (plasma) cooperative (structure, process and management) and in accordance	- Facilitate formation of cooperative. - Facilitate technical mentoring and management for the formation of smallholdings (*plasma*) cooperative..	2017 Continuously	Coordinator of Estate Operational Estate Manager

No	Program	Management Objective	Management & Mitigation Plan Avtivity	Time	PIC
		with the cooperative principles.	- Facilitate basic training on cooperative management to all cooperative manager. - Facilitate strengthening of cooperative institutional. - Facilitate comparative study for cooperative manager and selected cooperative member with other similiar cooperative. - Drafting MOU for cooperative partnership with company. - Educate smallholdings *(plasma)*member not to sell the land/rights on smallholdings *(plasma)* to other parties.		Head Field Assistant Public Relation
4	Employment opportunities	Ensure that local communities are given fair access to work opportunities in the project.	- Collect data on the current means of livelihood - Provide information on the job opportunities and qualifications required. - Ensure announcements on the job opportunities are easily accessible to all - Give priority to members of local communities in filling available job vacancies in accordance with the qualifications or skills that they have. - Provide training to new workers to equip them with the competency to fulfill their job requirements.	Continuously	Estate Manager Public Relation
	Engagement on communication and social relations with all workers	To develop a good relations and communications	Develop workers union Holding periodical meeting that involves workers participated in the union Holding an event that involves the workers	2016 Continuously	Estate Manager Head Field Assistant Public Relation
	Improvement on workers' welfare	The fulfillment of workers normative right	Conduct socialization on normative rights, especially on wages and health insurance to the workers. Conduct socialization on employment's policy and procedure.	2015 Continuously	Estate Manager Field Assistant Public Relation
		Provide workers facilities	- Provide housing and other facilities to workers. - Provide access to clean waters to workers's house. - Provide health facility (clinic) and religion facility to workers - Provide training or sosialization on proper care and maintenance of housing and other supporting facilities, maintaining clean	2016 Continuously	Coordinator of Estate Operational Estate Manager Head Field Assistant

No	Program	Management Objective	Management & Mitigation Plan Avtivity	Time	PIC
			environment, housekeeping, zero burning and conservation of natural resources.		
	Air Pollution	Minimized the negative impact and maintain the quality in the range of standard/regulation.	- All vehicles should pass the emission gas test. - Avoid pressing the horn on the road of villages. - Training the drivers for all vehicles of the project, to reduce the air dust.	Continuously	Estate Manager Head Field Assistant Field Assistant Sustainability Team
	Sound Pollution	Minimized the negative impact and maintain the quality in the range of standard/regulation.	- All vehicles should pass the emission gas test. - Avoid pressing the horn on the road of villages. - Training the drivers for all vehicles of the project, to reduce the air dust.	Continuously	Estate Manager Head Field Assistant Field Assistant Sustainability Team
	Water quality	Maintain the water around the area of project from the negative impact of operational and keep the water surface base on government standart (PP No. 82/2001)	- Proper management of domestic and scheduled waste. - Routine quality monitoring of waste water discharged into rivers. - Monitoring the water quality rivers - Socialize the management of the riparian areas with local community and village official.	Continuously	Estate Manager Head field Assistant Field Assistant Sustainability Team
	Waste liquid	There is no pollution to the rivers from the waste, as it is already processed and according to the waste standard.	- Routine quality monitoring of waste water discharged into rivers. - Monitoring the water quality rivers - Socialize the management of the riparian areas with local community and village official. - Maintain the water river flow, not changing the direction.	Continuously	Estate Manager Head Field Assistant Field Assistant Sustainability Team
	Licenses	- Forest Realese - Land Title (HGU)	Public Relation will coordinate with Environment and Forestry Ministry (Kemetrianlingkunganhidupdankehutanan RI) regarding forest release and with BPN RI for issuing of HGU		Estate Manager Public Relation

Summary of Management and Mitigation Plans (HCV)

The value of HCV must be protected from the threats that could potentially minimize or dismiss such value. The main threat includes the change of land covers by the community as well as the company. Socialization and control are necessary to be implemented to company workers and the surrounding community.

Based on HCV assessment recommendations:

1. Mapping and delineation of HCV area in the location permit of PT HAL. This must be documented in the minutes of meeting of the delineation of HCV Area.
2. To declare HCV área that has been delineated and to map such área in the official HCV map of PT HAL.
3. To install the boundary of HCV area permanently.
4. Develop a management plan and monitoring HCV.
5. To inform the existence of HCV area in the concession indicated boundary of HCV area, the function and value of HCV area to the company workers and community.
6. Rehabilitation of buffer zone area and degraded river with vegetative approach.
7. No land conversion in the area that consists of *Pusik* (pohon madu) or old grave.

From the recomendation above, PT HAL has development management & monitoring plan for enhance & maintaenance of HCV value the scope management & mitigation plan covers:

Table Summary of Management and Mitigation Plan (HCV)

No	Program	Target of Program	Baseline	Management & Mitigation Activity			
				Activity	Location	Time	PIC
1	Endorsement of HCV area	HCV area and its boundaries are known and respected by all parties; either external (community, government) or internal (company's worker, contractor's worker, community in plantations)	HCV area have been identified and mapped out, however the boundaries in the field have not been assigned and marked. Therefore prone to disturbance and land clearing (hunting, encroachment, logging and land clearing)	HCV area boundaries are verified and deliniated in the field, including river tracking and map out HCV definitive map.	All HCV area assigned by company.	Before land clearing, in tandem with plantation development plan.	Estate Manager Sustainability Team GIS/Surveyor
				HCV declaration by company to protect and manage HCV, assign HCV area as an inseparable part of plantation and mill development and management.	All HCV area assigned by company.	Before certification audit.	Estate Manager Head Field Assistant Field Assistant Sustainability Team
				Install boundary signage in HCV area.	Along the boundary of HCV area	2015 Continuously	Estate Manager Sustainability Team GIS/Surveyor
				Installation of HCV signboard: announcement, warning, prohibition.	Locations used as access points by workers and communities.	2015 Continuously	Estate Manager Head Field Assistant Field Assistant Sustainability Team
2	Socialization and awarness	All parties understand HCV area presence inside company's operational area and support company's commitment to protect and maintain HCV area and its key element.	Key stakeholders have not acknowledged the presence of HCV area inside company's operational area. This is a potential obstacle in achieving HCV protection and management target.	Socialization and HCV awareness to workers, staff, community in plantations and contractor's workers: periodic meeting with workers and community in plantations, briefing to new workers, contractor and its workers.	Plantation area	2015 Continuously	Estate Manager Head Field Assistant Field Assistant Sustainability Team
				Socialization and HCV awareness to surrounding community: explanation on HCV presence and importance of its protection,.	Villages:Pendre, Datai Nirui, Beringin Jaya, Rimba Sari, Sei rahayu I dan Sei Rahayu II	2015 Continuously	Estate Manager Sustainability Team Public Relation

No	Program	Target of Program	Baseline	Management & Mitigation Activity			
				Activity	Location	Time	PIC
				Socialization or consultation with government agency: Dinas Perkebunan dan Kehutanan, BKSDA, BP DAS	Relevant government agency office (Muara Teweh)	2015 Continuously	Sustainability Team Public Relation
3	Collaboration	HCV protection and management program are fully supported and actively involving external key stakeholders: community and government agency.	Key stakeholders (surrounding community and government) have not acknowledged the presence of HCV area inside company's operational area to local community, environment balance,and preservation of protected fauna flora. Protection of HCV area can not only be done by company, but have to involve key stakeholders, especially surrounding community and government.	Collaborate with villages community Pendreh, Datai Nirui, Beringin Jaya, Rimba Sari, Sei rahayu I dan Sei Rahayu II. Protection from hunting by external party, protection and management of riparian river in sustainable manner, facilitate village regulation on management and protection of river.	Plantation office, villages surrounding plantation.	2016 Continuously	Sustainability Team Public Relation
				Collaborate with government agency: BLH (protection of important water catchment area and clean water sources to surrounding community), Dinas Kehutanan (protection of protected forest inside company's operational area), BKSDA (protection of protected species and habitat for wildlife refuge)		2016 Continuously	Sustainability Team Public Relation
4	Threat mitigation	HCV area and its key element are safe from any form of threat to its sustainability	At the time of HCV Assessment it is concluded that HCV is threatened by surrounding community's activities namely land clearing for farming especially in riparian river; wildlife	Dedicated personnel to ensure land clearing activity (land clearing, heavy machineries)do not breach HCV boundaries area.		2015	Estate Manager Head Field Assistant Field Assistant Sustainability Team GIS/Surveyor
				Installation of domestic waste disposal (workers housing and office): not directly dispose to river.	Plantation area	At the time of infrastructure development	Estate Manager Head Field Assistant Field Assistant

No	Program	Target of Program	Baseline	Management & Mitigation Activity			
				Activity	Location	Time	PIC
			exploitation; and timber extraction. Potential threat from plantation and palmoil mill development, and from policy and regional development plan or regulations (e.g. PP No. 4/2010 which categorize uncultivated / unplanted land as abandoned land (*tanah terlantar)* which has to be returned to government and issuance of land clearing permit by government.	Create regulation that prohibits company's workers, contractor's workers, community in plantation to hunt, especially HCV key species (key species table in HCV assessment report)		2015 (Before land clearing)	Coordinator of Estate Operational Estate Manager Sustainability Team
				Give strict sanction to company's workers, contractor's workers, contractor for the breach of policy, procedure and regulation on HCV protection.		When there is breach	Coordinator of Estate Operational Estate Manager Head Field Assistant Field Assistant
				Develop collaboration program with government agency for protection, management, and or sustainable utilization of resources in HCV area (wildlife, water, non timber forest products) to ensure HCV area is protected in long term and not categorized as abandoned land (*tanah terlantar)*		2015-2017	Estate Manager Head Field Assistant Sustainability Team Public Relation
				Restoration of degraded areas by replanting of native trees, especially in the open river riparian.	Prioritized river riparian	2015-2017	Estate Manager Head Field Assistant Sustainability Team
5	Management Unit capacity increase	Management Unit will obtain basic knowledge and skill in the protection, management and monitoring of HCV area	Management Unit lack the capacity in protecting, managing, and monitoring HCV. The lack of capacity includes: human resources capacity, institutional capacity (policy, procedure, organization), and	Recruit staffs who will handle the protection, management and monitoring of HCV area		2015	Coordinator of Estate Operational Estate Manager
				Hold trainings on management and monitoring of HCV area, plant and animal identification, erosion measurement, river water flow measurement, HCV monitoring and HCV system management		As soon as staffs are recurited	Coordinator of Estate Operational Estate Manager

No	Program	Target of Program	Baseline	Management & Mitigation Activity			
				Activity	Location	Time	PIC
			infrastructural capacity	Form a task force to ensure the effective implementationof protection, management and monitoring of HCV area and to ensure the completion of all targets		2015	Coordinator of Estate Operational Estate Manager Sustainability Team
				Create a policy and procedure on HCV management		2015	Coordinator of Estate Operational Sustainability Team
				Ensure that the policies and procedures on estate and mill development and management the take HCV protection into consideration. For example: land clearing (No land clearing in HCV area as well as effort to prevent wildlifes from being trapped inside the cleared area), chemical application, waste management (mill waste, estate waste, household waste)		2015 Continuously	Coordinator of Estate Operational Estate Manager Head Field Assistant Field Assistant
6	HCV Peer Review	Enhance HCV Identification and Improvement of Management & Monitoring Program		Sustainability team will coordinate with third party expertise including universities to conduct on peer review		2015	Coordinator of Operational Estate Estate Manager Coordinator of Sustainability

Summary of Development Plan:

The new planting area of PT HAL is in its Location Permit, the proposed new planting is scheduled for 2015-2020. In accordance with the operational management data of PT HAL, which consists of the total estimated new planting area is ±9,541.90 ha, comprised of ± 7,250.22 ha plantable area of nucleus / estates, ±1,910.00 ha for smallholders scheme, ± 381.68 ha for infrastructure & emplacement, ±2,157.10 Ha for HCV or conservation area and balance area ±3,951.00 ha is unplanted (others). The proposed new plantings are with no any primary forest, no any peat lands and no HCV area being planted. The process of land development and palm oil planting will follow the procedures of RSPO New Planting Procedures (NPP). Undertaken activities are land acquisition or compensation to the land owners and as addition activity is socialization of plantation development plan or Free Prior and Informed Consent (FPIC). After the New Planting Procedures has been approved by RSPO, land clearing and planting will commence in 2015 as shown in **Table 3** and **Figure 4**.

Table 3. Time plan for New Planting in PT HAL

Estimate Develop Area (±Ha)				**HCV Area (±Ha)**	**Others/ Unplanted Area (±Ha)**	**Total Location Permit (±Ha)**
Nucleus	**Smallholders**	**Infrastructure & Emplacement**	**Total Develop**			
7,250.22	1,910.00	381.68	**9,541.90**	2,157.10	3,951.00	**15,650**

Years of Develop

Proposed	**Years of Develop**						**Total**
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	
Nucleus	642.51	1104.53	954.09	1331.98	1475.63	2003.16	7,511.90
Smallholders	-	-	586.45	776.46	547.09	-	1,910.00
Total	**642.51**	**1,104.53**	**1,540.54**	**2,108.44**	**2,022.72**	**2,003.16**	**9,421.90**

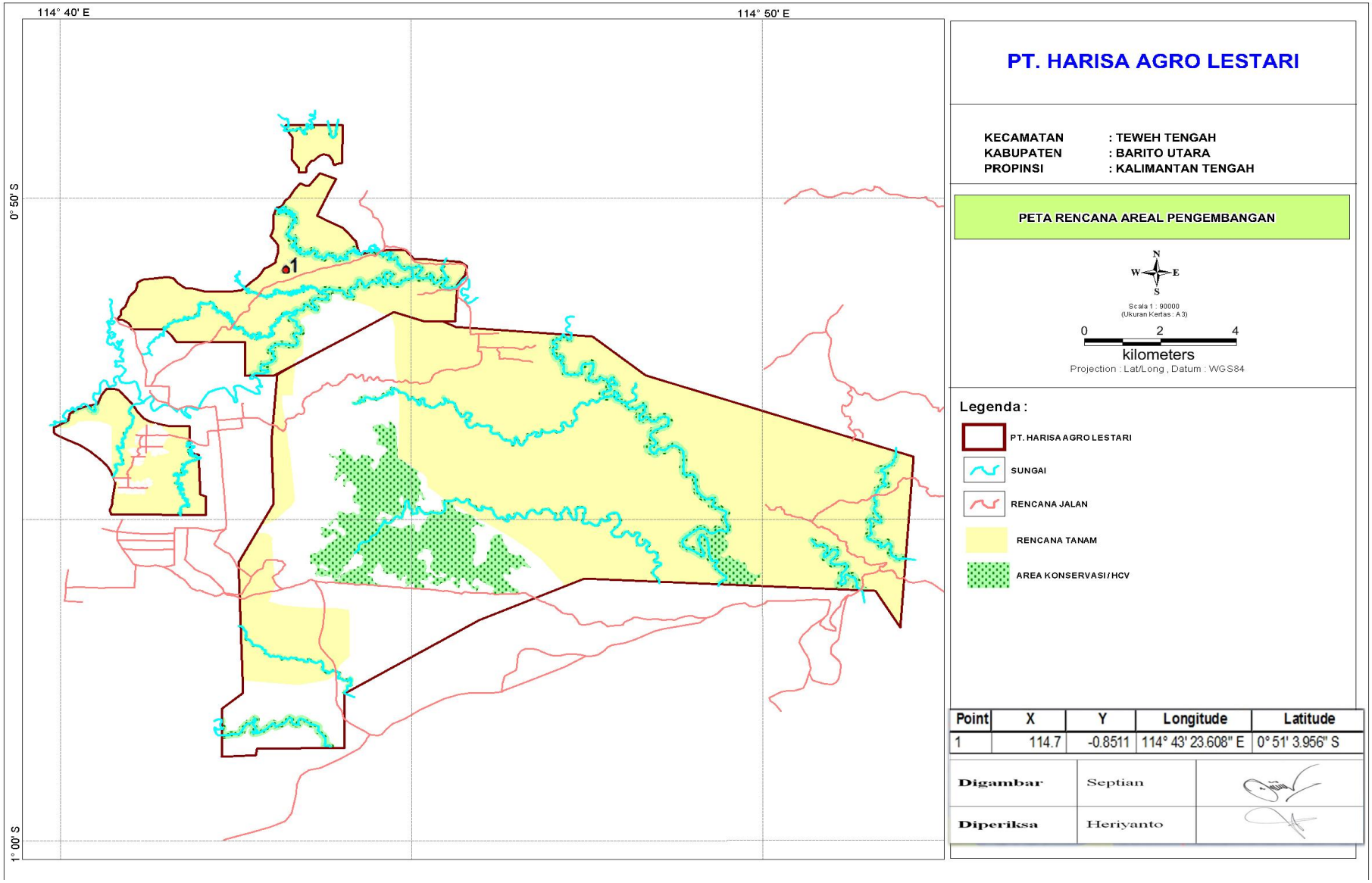

Figure 4. Development Plan of oil palm & HCV Map of PT HAL

VERIFICATION STATEMENT:

The company opted for a desk-top audit against the relevant documents required by the RSPO New Planting Procedure. A pre-audit review was carried out and during the document assessment, two BSI auditors were present with the management team of PT Harisa Agro Lestari at PT BSI Group Indonesia's office in Jakarta on 10 – 13th July 2015 to verify and review the relevant documents including interviewing the management team members. The document assessment includes the verification of permits such as: Arahan Lokasi, Izin Lokasi, Izin Usaha Perkebunan, SEIA documents (AMDAL, RKL and RPL), HCV assessment report, Final SEIA and HCV Summary Report, Summary report of Planning and Management, Land Use Change Analysis and Green House Gas Analysis for the proposed new planting. BSI auditors confirmed the oil palm expansion plan is a new planting.

The auditors conclude that the social and environmental assessments and HCV assessment summary are follows the requirements of RSPO New Planting Procedure with details on the assessment result, comprehensive and carried out by qualified professionals with required credibility. The HCV assessment, Social Impact Assessment, Land Use Change Analysis and Green House Gas Analysis were conducted by Aksenta assessors registered (verified through HCVRN website) under the HCV Resource Network Assessor Licensing Scheme and complied with RSPO New Planting Procedure requirement. The SEIA assessment was conducted by accredited assessors.

As a commitment to an implementation period for promoting best practices in reporting net GHG emission to RSPO, PT Harisa Agro Lestari has completed the requirement of RSPO GHG Assessment Procedure for new planting by producing separate report to comply with the RSPO P&C 2013 criteria 7.8 which require new planting are designed to minimize greenhouse gas emission. PT Harisa Agro Lestari has also adhered to the requirements of the RSPO P&C 2013 on analysis of land use change, analysis of high carbon stock. Identification and estimation of potential sources of emission and sinks of carbon associated with the new planting. The assessment was conducted by Aksenta team. During the implementation period until 31 December 2016, the reporting on GHG will be to the RSPO Emission Reduction Working Group. PT Harisa Agro Lestari has submitted the GHG assessment report to RSPO before the NPP notification.

It is the opinion of the BSI auditors that PT Harisa Agro Lestari has complied with the RSPO New Planting Procedures.

Signed on behalf of
PT BSI Group Indonesia,

Pratama A Sedayu
Lead Auditor

Signed on behalf of
PT Harisa Agro Lestari,

Jonson
Coordinator of Estate
Operational