

**Summary Report of Planning & Management of PT Satya Kisma Usaha  
Central Tebo and Tengah Ilir Districts, Tebo Regency, Jambi Province**

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**Executive Summary**

PT Satya Kisma Usaha (hereinafter referred to as “**PT SKU**”) is situated in Sungai Keruh Village of Central Tebo District and Muara Kilis Village of Tengah Ilir District, Tebo Regency, Jambi Province. The company has obtained a location permit by virtue of Tebo Regent Decree No. 227.B/BPN/2010 dated 7 May 2010, granting it a total area of 2,995 hectares in Central Tebo and Tengah Ilir Districts of Tebo Regency. This decree was amended with Tebo Regent Decree No. 243/BPN/2010 dated 8 June 2011 with a total area of 2,990 hectares (effective for three years). [Tebo Regent Decree No. 2/BPN/2011 dated 14 Januari 2011 granted Cooperative ‘Sukma Bersatu’ with an area of 2,945 hectares took effect for a period of three years, from 7 May 2010]. Regarding this matter the outgrowers (Muara Kilis Plasma Unit/KILA) have not agreed to apply RSPO’s NPP Procedures and Certification (according to a letter dated 28 March 2013).

PT SKU’s Environmental Management Document has been authorised with a Principal Permit based on Decree of Tebo Regency Environment Office No. 660.1/031/LH/2011 dated 2 February 2011, principally granting it with an area of 2,995 hectares in Central Tebo and Tengah Ilir Districts of Tebo Regency, Jambi.

PT SKU already has a Social Impact Assessment (“**SIA**”) document in possession, prepared by a team led by Yosaphat Ardhilla Renato who is registered under RSPO Approved Assessors. Social management and monitoring plan documents are also available in the SIA document and have been socialised to the relevant stakeholders.

PT SKU’s Management Unit has already carried out High Conservation Value (“**HCV**”) assessment on its concession. The assessment result shows that there are four HCV types found in the company’s concession, namely HCV 1.1, HCV 1.2, HCV 4.1 and HCV 6 with area of 260.14 hectares in Kilis Estate unit (KILE) and 317.851 hectares in Kilis Plasma (KILA).

Documents of Environmental Management Plan (“**RKL**”) and Environmental Monitoring Plan (“**RPL**”) were issued in February 2011 translated from its Environmental Impact Assessment (“**EIA**”) document and describe document of monitoring of measurement period and environmental impact caused by mill and plantation operation. There are also social impact management and monitoring plan documents taken from the SIA document prepared in February 2013. The three documents are guidelines to PT SKU’s management unit in managing social and environmental aspects.

### **Reference Documents**

The reference documents are as follow:

- a. [Environmental Management Documents (EIA Documents) PT SKU and Sukma Bersatu Cooperative that has received Principal Permits for EIA Documents of Oil Palm Plantation Activities from the Head of Tebo Regency Environmental Agency with Decree No. 660.1/031/LH/2011], February 2011
- b. Reports on Identification and Management and Monitoring Plans for HCV, Tebo Regency, Jambi Province. PT SMART, Tbk.: Jakarta. 2010
- c. Environmental Management and Monitoring Plans, February 2011
- d. Social Impact Assessment (SIA) by PT SMART, Tbk.’s internal team, February 2013
- e. Social Impact Management and Monitoring Plans, February 2013

### **Executive summary of the aforementioned documents:**

PT SKU’s operations have provided positive impacts on socio-environmental conditions of the community living around the company. Environmental Management and Monitoring Plans reported to Jambi Province Environmental Agency, Regency Environmental Impact Management Office of Tebo, Provincial Plantation Office of Jambi, Regency Plantation Office of [Tembu], Regency Manpower Office of Tebo, and Regency Health Office of Tebo. Environmental component monitoring is done periodically.

PT SKU's work has brought about positive impacts, such as those in employment, economy, transportation infrastructure, religion, and social matters. The community feels the positive impacts such as: ease of better access, fulfilment of community's social needs, improving economic condition, and increasing quality of health. The negative impacts recorded in PT SKU's Social Impact Assessment and Analysis is social apprehension concerning disruption of cooperation between KILA and the outgrowers because of field workers' minimum work performance. Within PT SKU's site at least four HCVs have been identified, which are HCV 1.1, HCV 1.2, HCV 4.1 and HCV 6 with total HCV area of 260.14 hectares in KILE unit and 317.851 hectares in KILA unit. Public consultation with stakeholders was done on 19 December 2012 involving head of government agencies, District Military Commander, District Secretary, Head of Sector Police, private institutions, head of cooperative, and customary figures.

### **SEIA and HCV Management Planning Personnel**

#### **a. Company information and Contact person**

- Company Name : PT Satya Kisma Usaha
- Location : Sungai Keruh Village, Central Tebo District, and  
Muara Kilis Village, Tengah Ilir District, Tebo  
Regency,  
Jambi Province
- Geographical Location :  $102^{\circ} 32'35,064''$  -  $102^{\circ} 36'9.513''$  E and  
 $1^{\circ} 24'37,024''$  -  $01^{\circ} 28'11,241''$  S
- Surrounding Area
  - a. North : Community's land
  - b. East : PT Bejabang Indonesia's Plantation

- c. West : Community land and PT Tebo Plasma Intilestari's Plantation
- d. South : Community land and state road, West Sumatra

- Permits

- 1. Location Permit:

- a. Regent Decree No. 227.B/BPN/2010 dated 7 May 2010 granting a total area of 2,995 hectares.
    - b. Amendment to the decree: Regent Decree No. 243 /BPN/2010 dated 8 June 2011 granting a total area of 2,990 hectares (effective for three years).
    - c. Tebo Regent Decree for Sukma Bersatu Cooperative No. 2/BPN/2011 dated 14 January 2011 granting the company an area of 2,945 hectares, effective for 3 years as of 7 May 2010. In this case the outgrowers (Muara Kilis Plasma Unit/KILA is currently not willing to apply RSPO NPP procedure and RSPO certification (based on a letter dated 28 March 2013).

- 2. Plantation Business Concession (IUP):

- a. Tebo Regent Decree No. 141/Disbun/2011 dated 21 March 2011, covering an area of 2,995 hectares.
    - b. Sukma Bersatu Cooperative's Deed of Establishment No. 09/BH/Disperindagkop&UKM/IV/08 dated 18 April 2008 for the cooperative's establishment at Sungai Keruh Village of Central Tebo District and Muara Kilis Village of Tengah Ilir District, Tebo Regency.
    - c. Contract between PT SKU and Sukma Bersatu Cooperative No. 001-002/Kop.SB-SKU/VIII/2009 dated 12 August 2009 on agreement upon revitalisation-schemed oil palm plantation management.
    - d. PT SKU's Land Use Title (*Hak Guna Usaha* – HGU) certificate is still pending process by relevant institution.

- Parties Involved :

Parties involved in compilation of HCV identification report, , and HCVA monitoring of PT SKU are company management assisted by an internal Environmental Department team and PT SMART, Tbk. Parties involved in SIA document preparation are PT SMART, Tbk.'s internal team, stakeholders, and partner outgrowers, as well as PT SKU management. Public consultation was held on 19 December 2012 and was attended by head of government agencies, District Military Commander, District Secretary, Head of District Police, private institutions, head of cooperative, customary figures, and other parties relevant to plantation activities. Peer review of the HCV identification report was done by Resit Sozer (an independent consultant) on December 2012.

### **Summary of Planning and Management (SEIA)**

EIA documents have received Principal Permit for Oil Palm Plantation Activities from Head of Tebo Regency Environmental Agency No. 660.1/031/LH/2011 dated 2 February 2011 for 2,995 hectares in Central Tebo and Tengah Ilir Districts, Tebo Regency, Jambi Province. In addition to EIA, the company has also prepared SIA, which was made by PT SMART, Tbk.'s internal team headed by Yosaphat Ardhilla Renato on February 2013 (RSPO's approved discipline specialist for social impact management).

### **Summary of Planning and Management (SEIA)**

#### **General Recommendations based on Social Impact Identification and Analysis:**

##### **1. Social apprehension concerning plasma plantations.**

Based on the socialisation during the investment, PT SKU's plantation would be developed in the study area listed in the AMDAL. The land acquisition and compensation processes have gone through FPIC processes and methods. This socialisation process can be reviewed in supplementary documents in the public consultation concerning oil palm plantation

investment made by PT SKU. Land demarcation as the start of land compensation by the company is an important process that can be beneficial in the future in the event of land conflicts in the areas compensated by the company. This is in accordance with procedures of PT SKU concerning land compensation processes.

PT SKU also collaborates with the community for plasma plantation development which was previously socialised. [Concerning land compensation processes, the development of community organisations such as farmers group and cooperative were established, as well as manpower required for plantation operations.] Proactive communications to stakeholders in the study area, socialisation to land owners, farmers groups as well as Village Cooperative organisers and members, and also training for operational employees and closely monitoring employers are all a series efforts to manage negative impacts, which is social apprehension concerning plasma plantation development. Even with production increasing every year, plasma is expected to improve community's economy.

## **2. Improving employment opportunities.**

Improving work opportunities for the community through several management steps include: company providing information on the number of employees needed to local government in accordance with the requirements and qualifications determined by the company so that local workforce can be accommodated as company employees. Employees hired by the company are provided assurance for work place health and safety because the company has implemented Health and Safety standards in every operation activities.

**Summary of Environmental Management and Monitoring Plan for PT SKU**

<b>No.</b>	<b>Environmental Component Parameters (Operational stage)</b>	<b>Impact Source</b>	<b>Environmental Parameters</b>	<b>Data Collection and Analysis Methods</b>	<b>Location</b>	<b>Timeline and Monitoring Site</b>	<b>Environmental Management Plan (RKL)</b>
1	Surface water and ground water quality	Cultivation of Productive plants	Decree No. 82 of 2001 [Gol 2] and Decree of Jambi Regent No. 20 of 2007, Ministry of Health Regulation No. 416/MENKES/PER/IX/1990	Water sample collection, lab tests and analysis based on applicable quality standards.	Upstream and downstream Kilis Besar River and community's wells in villages surrounding plantation.	Once every six months	Plant cultivation with 4R principle (right species, right dosage, right methods, right time), reducing use of chemicals to reduce environmental pollution, monitoring toxic and hazardous waste placement or storage according to company procedures.

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2.	Soil quality	Plant cultivation and harvest	Soil sample analysis results	Collection of soil sample from 0-30 cm depth followed by lab analysis	Plantation	Once a year	Maintaining sustainable land management, gradual weeding and planting.
3.	Soil erosion	Cultivation and maintenance	Beginner stages of actual erosion. Volume of actual erosion in plantation ranges from 9,806 to 13,918 ton/ha/year	Collecting complete and disturbed soil samples. Complete soil sample is collected from 0-30 cm depth followed by lab analysis. Analysis results will be tabulated and erosion magnitude	Plantation	Once a year	Reduce erosion by progressively planting trees, cultivating plants, monitoring and approaching related agencies and universities for studies



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				estimated using universal soil loss equation: $A = R.K.L..S.C.P$			
4.	Environmental health	Construction of road, base camp, drainage system, supporting facilities, land acquisition and preparations, as well as cultivating harvesting and young plants.	Surface water quality, disease vectors compared to hourly perching numbers.	Collection of vector density by calculating hourly perching numbers of vector in vector monitoring sites, and using secondary data from hospitals or health clinics.	Sites surrounding plantation operation areas	Once every six months	Improving mobilisation access that is passed by company vehicles, improving maintenance of sites which has poor health indications

## **Summary of Planning and Management (SIA)**

### **General Recommendations based on Social Impact Identification and Analysis:**

#### **3. Social apprehension concerning plasma plantations**

Based on the socialisation during the investment, PT SKU will be developed in the study area listed in the EIA, land acquisition and compensation processes have gone through FPIC processes and methods. This socialisation process can be reviewed in supplementary documents in the public consultation concerning oil palm plantation investment made by PT SKU. Land demarcation as the start of land compensation by the company is an important process that can be beneficial in the future in the event of land conflicts in the areas compensated by the company. This is in accordance with procedures of PT SKU concerning land compensation processes.

PT SKU also collaborates with the community for plasma plantation development which was previously socialised. Concerning land compensation processes, development of community organisations such as farmers group and cooperative, as well as manpower required for plantation operations. Proactive communications to stakeholders in the study area, socialisation to land owners, farmers groups as well as Village Cooperative organisers and members, and also training for operational employees and closely monitoring employers are all a series efforts to manage negative impacts, which is social apprehension concerning plasma plantation development. Even with production increasing every year, plasma is expected to improve community's economy.

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Improving work opportunities for the community through several management steps include: company providing information on the number of employees needed to local government in accordance with the requirements and qualifications determined by the company so that local workforce can be accommodated as company employees. Employees hired by the company are provided assurance for Occupational Health and Safety (OHS) because the company has implemented OHS standards in every operational activities.

## **Planning and Management Summary (HCV)**

### **Management Recommendations:**

HCV management plans in PT SKU KILE-KILA units consist of management of riparian HCVA, including: Kilis Besar, Kilis Kecil, Selingur, Inoman, and Ibul Rivers, riparian area of Buluh River, Bulian Forest, and sacred/public cemeteries. These management activities include:

- (1) Socialisation for the community and employees concerning HCV
- (2) HCV area demarcation
- (3) HCV area patrol
- (4) Rehabilitation or revegetation/restoration

### **Monitoring Recommendations:**

HCV types occurring in PT SKU KILE-KILA units are HCV 1.1, HCV 1.2, HCV 4.1 and HCV 6. Monitoring plans consist of monitoring intensity of present disturbances and likelihood of potential disturbances, monitoring fauna biodiversity in each site with HCV, interactions of HCV areas with surrounding areas.

### **Plan for HCV Monitoring and Regular Review of Data**

Review of HCV assessment report and HCVA Management and Monitoring Report documents in PT SKU concession was done by Resit Sozer (an independent consultant) on December 2012. Results of this review were used as correction for HCV Report and HCVA management and monitoring plans.

### **Management and Planning for Threats to HCV Areas.**

1. Create notices concerning presence of HCV areas
2. Carry out socialisation to company workers, employees, and communities surrounding management unit to protect and conserve protected buffer/riparian zones of 50 m on both sides of river bodies along rivers that directly border the concession
3. Carry out revegetation or reforestation
4. Carry out enrichment by planting and cultivating feeding tree species in areas identified as protected species habitats
5. Carry out patrols in protected species habitats

### **Management Plans to Enhance or Maintain Conservation Values of Identified HCV Areas**

1. Carry out socialisation to employees and communities concerning HCV concepts
2. Hold training for employees on HCV
3. Appoint staff specifically for HCV
4. Include HCV management as part of inherent tasks and duties within company organisation structure
5. Develop company policies concerning HCV presence in plantation

### **Internal Responsibility**

We hereby sign off on the above Summary Report of Planning and Management, The above may be amended and clarified for improvement during the development of the plantation but it will remain in accordance with RSPO Standards and Principles.

On behalf of the Management of **PT Satya Kisma Usaha,**



Dr. Haskarlianus Pasang  
Head of Sustainability Division  
Date: June 4<sup>th</sup>, 2013