

Summary Report of Planning & Management of PT Aditunggal Mahajaya
Seruyan Tengah Sub-District, Seruyan District, Central Kalimantan Province

Executive Summary

PT Aditunggal Mahajaya (PT ATM) is located in Seruyan Tengah Sub-District, Seruyan District, Central Kalimantan Province. The business activities of PT ATM are based on the land permit from the Head of Seruyan District under Decree of the Seruyan District Head No. 183 of 2005 dated 10 December 2005 for a total plantation area of ± 10,000 ha and processing mill with a capacity of 60 tonnes FFB/hour. On 2007 the permit was extended through Decree of the Seruyan District Head No. 183 of 2007 dated 11 June 2007 for a total area of ± 5,500 ha.

PT ATM is acknowledged as environmentally feasible by the issuance of the Decree of the Governor of Central Kalimantan No. 188.44/381/2007 for its oil palm plantation with a total area of 10,000 ha and processing mill with a capacity of 60 tonnes FFB/hour situated in Seruyan Tengah Sub-District, Seruyan District, Central Kalimantan Province.

PT. ATM also has a Social Impact Assessment (SIA). In order to collect data on the social, economic and cultural conditions of the villages around its estates and mill, an indirect collecting system was employed. This involved a literature review of the Environmental Impact Assessment (EIA) documentation and High Conservation Value (HCV) Identification reports as well as analysis of supporting data from government sources, such as local government websites.

PT ATM has also conducted HCV identification in its concession area. The HCV identification concluded that there is no primary forest in PT ATM's concession. However, six HCV areas were identified as follows: HCV 1.1, HCV 1.3, HCV 1.4, HCV 2.3, HCV 4.1 and HCV 4.2, with a total area of 465.1 ha.

PT ATM possesses a HCV management master plan for two of its estates, Sako Estate (SKOE) and Sungai Ayawan Estate (SAYE) for the period 2010-2014. The management master plan outlines programmes, targets, phases of activities, indicators, locations (SKOE and SAYE), timeline, persons-in-charge, implementers, sponsor and supporting evidence that relates to the ongoing programmes.

Environmental Management and Environmental Monitoring Plans (RKL-RPL) issued on September 2007 serve as an elaboration of EIA documentation and elucidate the monitoring assessment timeline and impacts that the mill and plantations have on the environment. Besides, there is a social impact management and monitoring plan as a follow-up to the SIA prepared on February 2013. These three documents, including HCV management & monitoring plan guide PT ATM in managing environmental and social impacts.

Reference Documents

The following reference documents were used:

- a. Environmental Impact Assessment (EIA) documents that have been approved by Central Kalimantan Governor through Decree of the Governor of Central Kalimantan No. 188.44/381/2007 dated 24 September 2007.
- b. HCV Identification and Management Report for PT ATM oil palm plantation, of which the research study was conducted by Centre for Biological Resources and Biotechnology Research of the Institute for Research and Community Services, Bogor Agricultural University (IPB), in 2010.
- c. Social Impact Assessment (SIA) documentation prepared by PT SMART's internal team, February 2013.
- d. RKL-RPL documents, September 2007.
- e. Social impacts management planning and monitoring documents, February 2013.
- f. Master plan of HCV management for the period 2010-2014.

Summary of Reference Documents

PT ATM has had a positive impact on the environment and social life of the surrounding communities. The Company's RKL-RPL documents are reported to Central Kalimantan Province's Regional Environmental Impact Management and Supervisory Agency (*Badan Pengendalian Pengawasan Lingkungan Hidup Daerah—BPPLHD*); Regional Development Planning Board (*Badan Perencanaan Pembangunan Daerah—BAPPEDA*); Watershed Management Centre (*Balai Pengelolaan Daerah Aliran Sungai—BPDAS*) and Seruyan District's Forestry and Plantation Office; BPDAS; National Land Agency (*Badan Pertanahan Nasional—BPN*); Agriculture Office; Transportation Office; Manpower, Transmigration and Tourism Office; and Regional Investment Board (*Badan Penanaman Modal—BPM*). Environmental monitoring is conducted on a regular basis.

The presence of PT ATM has also had a positive impact in the form of opportunities to work and run businesses. On the other hand, negative impacts include changes in public attitude and perceptions, social unrest, social jealousy and public health issues.

Six HCV areas were identified in the concession of PT ATM, namely HCV 1.1, HCV 1.3, HCV 1.4, HCV 2.3, HCV 4.1 and HCV 4.2, amounting to a total area of 465.1 ha.

SEIA and HCV Management Planning Personnel

a. Company information and contact person

- Company Name : PT Aditunggal Mahajaya
- Location : Ayawan and Sukamandang Villages, Seruyan Tengah Sub-District, Seruyan District, Central Kalimantan Province
- Geographical Location : (112°10'43" - 112°17'8" E) and (2°0'56.946' - 2°5'12.682" S)
- Boundaries
 - a. North : Secondary forest and local people's land
 - b. East : Oil palm plantation
 - c. West : Secondary forest
 - d. South : Oil palm plantation
- Permitting
 - a. Land permit: Decree of the Seruyan District Head No. 183 of 2005 dated 10 December 2005 for a total area of ± 10,000 ha.
 - b. Land permit extension: Decree of the Seruyan District Head No. 183 of 2007 dated 11 June 2007 covering a total area of ± 5,500 ha.
 - c. Plantation Business License (*Izin Usaha Perkebunan Budidaya—IUP*): Decree of the Seruyan District Head No. 525/197/EK/2007 dated 28 May 2007 for a total area of 9,735 ha.
 - d. Land Use Title (*Hak Guna Usaha—HGU*): PT ATM is still in the process of obtaining the title with the relevant agencies.

• Parties Involved :

Parties involved in the preparation of HCV documentation and formulation of management and monitoring plans of PT ATM are the company's management assisted by the PPSHB team, Sub-District Head, Village Head and other village officials, Sub-District Military Commandant, District Police Chief, community leaders, religious leaders, estate manager, universities, local NGOs and other parties related to plantation activities. A peer review of the HCV assessment report was conducted by independent consultant Resit Sozer in April 2011. The parties mentioned above attended a public consultation on 5 July 2010 in the Village of Sukamandang, Seruyan Tengah Sub-District,

Seruyan District, Central Kalimantan Province. Parties involved in the preparation of SIA documents and management as well as monitoring plans include Village Heads, Heads of Village Representative Boards (*Badan Perwakilan Desa*—BPD), community representatives and the management of PT ATM.

Summary of SEIA Planning and Management

The EIA documents had been approved by the Governor of Central Kalimantan through the issuance of Decree of the Governor of Central Kalimantan No. 188.44/381/2007 dated 24 September 2007 regarding Environmental Feasibility for the Activities in the Oil Palm Plantation and Palm Oil Processing Mill of PT Aditunggal Mahajaya in Seruyan Tengah Sub-District, Seruyan District, Central Kalimantan Province. In addition to the EIA documents, the company, through an internal team from PT SMART Tbk, compiled SIA documents in February 2013. The team was led by Mr. Yosaphat Ardhilla Renato, an RSPO-approved HCV assessor specialist in social impact management..

General Recommendations from SIA

1. Public Attitude and Perceptions

Based on the socialisation during the investment stage, PT ATM runs its operations in accordance with the EIA documents. The company has applied free, prior, informed consent (FPIC) procedures and methods to the land acquisition as well as compensation. The socialisation and FPIC processes help PT ATM to clarify and promote the investment climate for its oil palm plantation business.

Zoning as the initial step towards land compensation is important and useful in dealing with problems that may occur in the future regarding land that has been acquired by the company. This is in accordance with PT ATM's procedures relating to land compensation. In addition, the company is required to confirm and explain the progress of its plasma scheme. This is crucial when the company is working on its corporate social responsibility (CSR) programmes, as implementation of the plasma scheme will reduce social unrest and potential conflict.

2. Social Unrest

PT ATM needs to conduct socialisation regarding its manpower needs in keeping with the quota for hiring labourers and types of workers currently needed, and to provide the local government or local village authorities with up-to-date data. Proactive communication with stakeholders, conducting initial socialisation on land acquisition to the relevant stakeholders and using local labourers constitute important priorities and are perceived as a cost effective method in that the Company does not need to bring in workers from outside the region.

3. Employment and Business Opportunities

Efforts towards economic development for the community are made through several actions as follows: providing information regarding manpower needs to the local government in accordance with the requirements and qualifications established by the company, setting up employee salaries in accordance with or above the standard minimum wages, implementing community development programmes through local partnerships and purchasing of local commodities, implementing occupational safety and health (OSH) policies, providing training to employees in order to improve their competence. In addition to internal programmes, PT ATM carries out activities under the plasma scheme that have the potential to improve the economy of the community and farmers involved in the programme.

4. Social Jealousy

PT ATM needs to conduct socialisation concerning its manpower needs in accordance with the quota of workforce and types of workers currently needed, and to provide the local government or local village authorities with

up-to-date data. The company needs to conduct entrepreneurship training for the communities so that people do not rely on just one means of livelihood. This can be done in collaboration with the relevant agencies so that the training programme can be implemented by competent parties in the field of entrepreneurship.

5. Public Health Quality

Proactive communication with stakeholders around the study area is needed for environmental and health management. The company needs to conduct socialisation and perform strict supervision of contractors in order to achieve environmental management in its operations, perform best practices in the management of oil palm waste and hazardous as well as toxic materials (*Bahan Beracun and Berbahaya—B3*) and report on social and environmental impact monitoring to the relevant agencies. This represents a series of efforts to manage significant negative impacts, specifically on public health.

6. Improved Social Welfare and Contribution to Regional Development

Synergy between this management programme and long-term CSR programmes can be established and the supporting components included in a strategic plan. Efforts that should make the list in the strategic planning include improved educational efforts such as extending scholarship programmes to children who excel in school, and providing support for a number of traditional ceremonies held by the local communities. The company's compliance in paying taxes has indirectly assisted or contributed to regional development.

Public consultation on the management of social impacts that PT ATM has on the communities was held on 17 April 2013 at the home of every Village Head. Attendees included the Village Heads, community representatives and representatives of the management of PT ATM.

Summary of Environmental Management and Monitoring Plans of PT Aditunggal Mahajaya

No.	Environment Standards (Operations Phase)	Source of Impact	Parameters	Methods for Collecting and Analysing the Data	Location	Duration and Frequency of Monitoring	Environmental Management Plan (RKL)
a	Soil physical and chemical properties	Activities in plantation development and up-keeping	Texture, structure, soil permeability, H, C-organic, total N, available P, available K, some micro elements (Cu, Fe, Al and Mn), Cation-Exchange Capacity (CEC), base saturation and soil fertility status	Composite soil sampling at depths 0-30cm and 30-60 cm \pm 1 kg to determine soil physical and chemical properties	The entire concession area of PT ATM	-	Land clearing and land preparation were conducted gradually and with limitation, selection of cover plants was based on the fixation capacity; a balanced use of eco-friendly fertiliser is in place.
b.	Water physical and chemical qualities	Activities in estate up-keeping, FFB processing, waste treatment and waste water utilisation (Land Application— LA)	Changes in the physical and chemical properties of the water including temperature, turbidity, TSS, TDS, pH, BOD, COD, DO, phosphate, nitrate and ammonia	Collecting samples of river water and testing them in the laboratory	Waste Water Treatment Plant (WWTP) along with the entire concession of PT ATM and in the estates or blocks used for LA	During activities in estate up-keeping, FFB processing and waste treatment	Improving efficiency in the use of fertilisers and pesticides for plants, maintenance measures to minimise the effects of fertiliser and pesticide residues which may enter the river bodies; building the WWTP; ensuring that the capacity of LA pools/trenches in the estates can contain the effluent of sewage ponds, including anticipated increase in the volume of water during the rainy season.
c.	Water discharge	Activities in FFB processing	Water level and discharge fluctuations	Direct observations	WWTP and the entire concession area of PT ATM	During FFB processing	Building water reservoirs; safeguarding the riparian areas; using river water efficiently; and utilising groundwater as reserve if necessary.

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No.	Environment Standards (Operations Phase)	Source of Impact	Parameters	Methods for Collecting and Analysing the Data	Location	Duration and Frequency of Monitoring	Environmental Management Plan (RKL)
d.	Air quality	Harvesting and transportation of FFB, FFB processing, CPO transportation and waste treatment	Increased dust and gas emissions	Gravimetric method with radiometric system using continuous measurement of beta rays, pararosaniline method and Saltman method	Concession area of PT ATM, roads on which heavy equipment traverses, location of supporting facilities and plant construction	Every six months. During land clearing, mobilisation of equipment and plant construction	Regular maintenance of equipment, reducing the speed of vehicles, watering, refraining from cutting down trees along the roads and riparian area. Providing the necessary facilities and completing measurement of exhaust emissions as well as air quality.
e.	Water biota	Activities in FFB processing	Abundance and diversity of plankton and benthos species	Sampling and testing in the laboratory	The entire concession area of PT ATM adjacent to the riparian area	During estate maintenance and FFB processing	Selective use of pesticides according to regulations. Waste from FFB processing should be disposed of via the WWTP, which should always be monitored for its performance, capacity and output quality. At regular intervals, WWTP discharges the waste water; the number and capacity of waste ponds should at least match the waste produced. The capacity of LA pools/trenches can hold the effluent of the sewage ponds, including the anticipated increase in the volume of water during the rainy season.

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No.	Environment Standards (Operations Phase)	Source of Impact	Parameters	Methods for Collecting and Analysing the Data	Location	Duration and Frequency of Monitoring	Environmental Management Plan (RKL)
f.	Public attitude and perceptions	Activities in waste treatment and Community Development	Number of community members who show either agreement or disagreement	Direct observations and interviews through random sampling method. Dissemination of questionnaires, supported by in-depth interviews. Data analysis was conducted quantitatively and qualitatively	Ayawan and Sukamandang Villages, Seruyan Tengah Sub-District, Seruyan District	Once a year	The negative impacts were handled through intensive socialisation to the communities, emphasising the safety aspects of the management of activities in Community Development, collecting and transporting FFB, plant operations, waste management and maintenance of processing mill facilities as well as marketing and transportation of crude palm oil (CPO).
g.	Employment opportunities	Creating job opportunities	Number of people who work and types of business entities	Direct observations and interviews through random sampling method. Dissemination of questionnaires, supported by in-depth interviews. Data analysis was conducted quantitatively and qualitatively	Ayawan and Sukamandang Villages, Seruyan Tengah Sub-District, Seruyan District	Twice a year	Giving priority for recruitment to members of the surrounding communities, in collaboration with local universities in the selection process, and providing training on business skills to the surrounding communities.
h.	Social unrest	Activities in FFB processing	Number of people with grievances, claims, protests and complaints	Direct observations and interviews through random	Ayawan and Sukamandang Villages, Seruyan Tengah Sub-District, Seruyan District.	Once a year.	Intensive socialisation to the public, providing wages commensurate with the applicable standards, emphasising the safety aspects of plant operations, waste management, processing mill maintenance, marketing and transportation of CPO.

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No.	Environment Standards (Operations Phase)	Source of Impact	Parameters	Methods for Collecting and Analysing the Data	Location	Duration and Frequency of Monitoring	Environmental Management Plan (RKL)
i.	Social jealousy	Competition in recruitment process	Number of people with grievances	sampling method. Dissemination of questionnaires, supported by in-depth interviews. Data analysis was conducted quantitatively and qualitatively.	Ayawan and Sukamandang Villages, Seruyan Tengah Sub-District, Seruyan District	Once a year as of the recruitment and placement of workers	Facilitating the Company's recruitment of workforce sourced from the local communities with respect to skills or educational qualifications and the Company's needs.
j	Public health quality	Activities in FFB processing that affect public health	Changes in the quality of public health		Ayawan and Sukamandang Villages, Seruyan Tengah Sub-District, Seruyan District	Continuous	Minimising environmental pollution from FFB processing, helping to provide health care and medical check-ups, as well as providing transportation assistance to members of the surrounding communities who need it.

Summary of HCV Planning and Management

Recommendations for Management Efforts

Directions or recommendations regarding management efforts that need to be made by PT ATM include, among others:

- a) For HCV 1: Delineating all habitats of plant species classified as vulnerable on maps, preparation of SOP and implementation of SOP on the management of protected areas, preparation of baseline information documents that relate to flora and fauna, rehabilitation of habitats and populations of rare and endangered wildlife species, management of threatened fauna population.
- b) For HCV 2: strengthening protected areas for wildlife that serve as a wildlife pocket/corridor, management of wildlife or predators habitats including management of food resources, water supply and cover/shelter, relocation of population if the conditions are no longer conducive to its survival.
- c) For HCV 4: immediate resolution to land compensation issues on areas identified as HCV 4.1, organising the structure of land boundaries for areas identified as HCV 4.1, rehabilitation and restoration of riparian area by planting local trees species, using terracing and cover crop methods for planting, planting perennials on slopes or cliffs in areas of High Erosion Potential according to the Degree of Erosion Danger (*Tingkat Bahaya Erosi—TBE*), rehabilitation or restoration using a variety of perennials on the three hills found in the area with various plants that have strong roots.

Monitoring Recommendations

Directions regarding monitoring that needs to be done by PT ATM include, among others:

- a) HCV 1.1: monitoring the location and extent of areas that have become degraded land and converted, monitoring water quality especially in river bodies, monitoring tendency of changes in flora, fauna and aquatic biodiversity, monitoring wildlife population and habitats, monitoring degree of disturbance due to poaching and habitat destruction, monitoring use of B3 materials that could potentially contaminate water bodies in the area;
- b) HCV 2: monitoring wildlife population and habitats as well as the level of security threats;
- c) HCV 4: monitoring the intensity of disturbance (due to landslide, encroachment, logging, fire, etc.), monitoring hydrological dynamics of peat ecosystem, monitoring the discharge and quality of river water on a regular basis within a certain period of time, monitoring the success rate of rehabilitation or restoration efforts and monitoring the level of disturbance to HCV 4.2.

Plan for HCV Monitoring and Regular Data Review

A peer review of the HCV assessment report and HCV Management and Monitoring Plans for the concession area of PT ATM was conducted by Resit Sozer in April 2011. The results of the review were then used as input to revise these documents.

Management and Planning for Threats to HCV Areas

1. Organise the structure of boundaries by using clear markers and placing signage/information board/warning/caution board so that the safeguarding of protected areas can be ensured.
2. Preparation and implementation of SOP on the management of protected areas that include:
 - a. Safeguarding protected areas.
 - b. Biodiversity inventory and monitoring.

- c. Taking inventory and performing monitoring of the physical conditions of the environment, such as water quality, climate, fire hazard monitoring and others.
3. Implementation and monitoring of environmental management plans for protected areas.

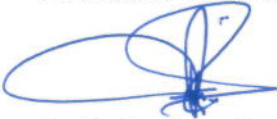
Management Plan to Enhance or Maintain Conservation of Identified HCV Areas

1. Rehabilitation/restoration of protected areas.
2. Preparing and placing information boards in protected areas.
3. Marking of HCV area boundary.
4. Maintenance of HCV area boundary.

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 Aditunggal Mahajaya**,



Dr. Haskarlianus Pasang

Head of Sustainability Division

Date: May 10th, 2013