



Report number: 813182RSPONPPCUCRPT -2011-01-AS

# RSPO New Planting Procedures Assessment Report

## *PUBLIC SUMMARY*

### **PT Mulia Indah Sambas District, West Kalimantan Province, Indonesia**

This public summary has been prepared in accordance with RSPO requirements and the information included is the result of a full RSPO assessment of the Mills and supply base as included in the scope of the certificate.

Report prepared by: Senniah Appalasamy (Lead assessor).

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CU is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CU Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CU.

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## 1. SCOPE OF THE ASSESSMENT.

### 1.1 Guidance Document used.

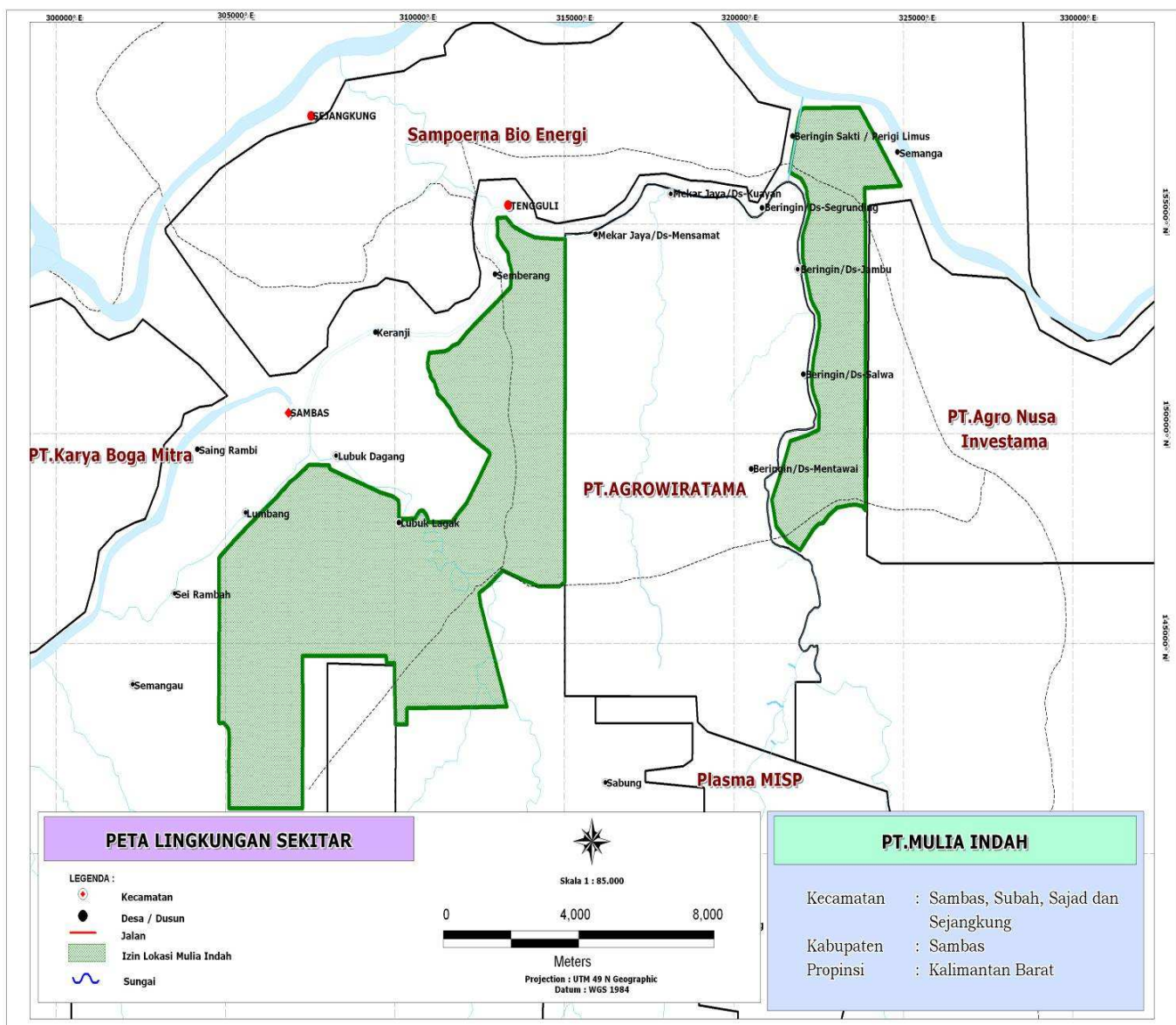
The proposed new planting of PT Mulia Indah was assessed for compliance against the RSPO Procedures for New Oil Palm Planting (RSPO NPP) using the Guidance Document approved in September 2009 by the RSPO Executive Board for implementation from 1<sup>st</sup> January 2010.

### 1.2 Assessment type.

Assessment of legal documents, independent Social Environmental Impact Assessment Reports (SIA and AMDAL), High Conservation Value Assessment Report (HCV) and management and implementation plans of the proposed new planting.

### 1.3 Location maps.

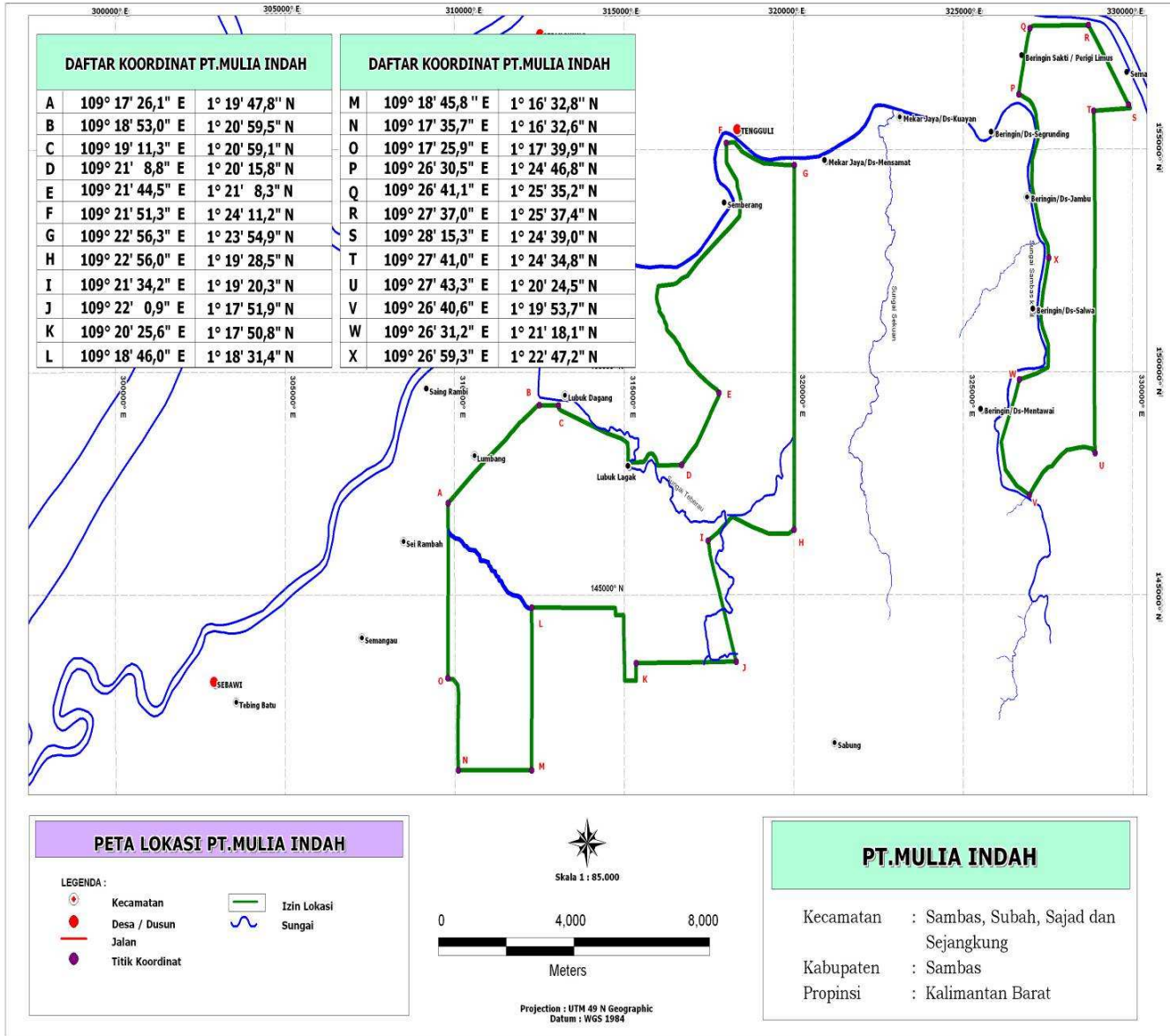
1.3.1 Map showing the location of the proposed new planting and neighbouring entity.





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1.3.2 Location Map of proposed new planting of PT Mulia Indah with GPS Coordinates





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#### 1.4 Location address of the proposed new planting.

Name of the company	Location address	GPS reference	
		Longitude	Latitude
PT Mulia Indah	Sub District of Sambas; Sub District of Sajad; Sub District of Subah and Sub District of Sejangkung, Sambas District, West Kalimantan Province, Indonesia.	As per in 1.3.2 above	


#### 1.5 Description of the proposed new planting area.

The proposed New Planting area is located at four sub districts i.e Sambas, Sajad, Subah and Sejangkung, West Kalimantan, Indonesia. Total area of  $\pm$  8,260 hectare was allocated with Permitted Area (Izin Lokasi No. 77 Year 2011 dated 15 March 2011) to PT Mulia Indah. The new planting area of PT Mulia Indah is located in area of Other Usage Area (Areal Penggunaan Lain, APL) as per letter from the "Balai Pemantapan Kawasan Hutan" No. S.946/VII/BPKH-III/2010 dated on 1 December 2010 that the concession areas of PT Mulia Indah is in area for other uses (Areal Penggunaan Lain, APL) and not a forest land. HCV assessment by RSPO approved assessors confirmed that there is no primary forest in the Permitted Area of PT Mulia Indah. The boundaries and GPS reference are as per 1.3.2 above.

#### 1.6 PT Mulia Indah Contact person.

Principle Contact person:	Dr. Gan Lian Tiong
Business address:	Jl. K.L. Yos Sudarso Km 6, Komp Citra Graha, No. AA2, Tanjung Mulia, Medan Deli, Medan, Sumatera Utara - 20241, Indonesia.
Group name if applicable:	-
Office telephone:	+62 61 661 5511
Mobile telephone:	+62 811 632 831
Fax:	+62 61 661 7386
e-mail:	<a href="mailto:liantiong.gan@musimmas.com">liantiong.gan@musimmas.com</a>
Web site:	-
RSPO Membership №	1-0054-08-000-00 [PT Mulia Indah is a subsidiary of PT Agrowiratama who is a member of RSPO]

#### 1.7 Certification body contact details.

<b>Name of Client:</b>	PT Mulia Indah (subsidiary of PT Agrowiratama)
Client number:	CU 813182
Final Report Date:	29 <sup>th</sup> July, 2011
Issued by	Control Union Certifications
Address	Meeuwenlaan 4-6 8025 BS Zwolle
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Website	<a href="http://www.controlunion.com/certification">www.controlunion.com/certification</a>
Lead Auditor	Senniah Appalasy
Signature	



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## 2. ASSESSMENT PROCESS.

<b>2.1 Certification Body.</b>
Control Union Certifications is a member of the Control Union World Group - an international inspection and certification body. CU performs assessments and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, Eurepgap, HACCP, BRC, GMP and GTP.
CU is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CU Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CU. CUC is also accredited by the RSPO.

<b>2.2 Qualifications of the assessment team.</b>		
<b>2.2.1 Qualifications of the lead assessor. Senniah Appalasamy</b>		
<b>REQUIREMENT</b>	<b>QUALIFICATIONS</b>	<b>Compliance</b>
A minimum of post high school (post secondary school) training in either agriculture/forestry, environmental science or social sciences;	Post graduate qualification in human resource management with more than 10 years working experience in plantation.	Yes
At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	More than 10 years working experience in plantation. Involved in RSPO auditing since April 2009. Fully trained in similar agriculture certification programmes such as RSPO SCCS, Global Gap, ISCC and GMP.	Yes
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Involved in RSPO assessment since April 2009. Member of CUC RSPO audit team. Involved in audits conducted in Malaysia and Indonesia.	Yes
Successfully completion of an ISO 9000:19011 lead assessors course;	Completed ISO 9001:2008 lead auditor course in September 2009.	Yes
A supervised period of training in practical assessment against the RSPO criteria or similar sustainability standards, with a minimum of 15 days assessment experience and at least 3 assessments at different organisations.	Member of CUC RSPO audit team since April 2009. Involved in audits conducted in Malaysia and Indonesia since April 2009 in 8 different companies in Malaysia and Indonesia.	Yes

<b>2.2.2 Qualifications of assessment team.</b>			
<b>RSP0 REQUIREMENT</b>	<b>ASSESSOR</b>	<b>QUALIFICATIONS</b>	<b>Compliance</b>
Fluent in main local languages and English.	Senniah Appalasamy	Able to understand local language and English.	<b>Yes</b>
	Haeruddin	Fluent in local language and able to understand English.	<b>Yes</b>
Field working experience in the palm oil sector, or a demonstrable equivalent.	Senniah Appalasamy	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	<b>Yes</b>
	Haerudin	FSC, Global Gap and Organic farming auditing experience. Involve in RSPO auditing since November 2010.	<b>Yes</b>
Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	Senniah Appalasamy	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	<b>Yes</b>
	Haerudin	FSC, Global Gap and Organic farming auditing experience.	<b>Yes</b>
Health and Safety assessment on the farm and in processing facilities. (For example OHSAS	Senniah Appalasamy	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	<b>Yes</b>



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18001 or occupational. Health and safety assurance system).	Haerudin	FSC, Global Gap and Organic farming auditing experience. Involve in RSPO auditing since November 2010	<b>Yes</b>
Workers welfare issues and social assessment experience. (For example with SA8000 or related social or ethical accountability codes).	Senniah Appalasamy	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	<b>Yes</b>
	Haerudin	FSC, Global Gap and Organic farming auditing experience. Involve in RSPO auditing since November 2010	<b>Yes</b>
Environmental and ecological assessment. (For example experience with organic agriculture, ISO 14001 or environmental management systems).	Senniah Appalasamy	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	<b>Yes</b>
	Haerudin	FSC, Global Gap and Organic farming auditing experience. Involve in RSPO auditing since November 2010	<b>Yes</b>
Economic issues.	Senniah Appalasamy	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	<b>Yes</b>
	Haerudin	FSC, Global Gap and Organic farming auditing experience. Involve in RSPO auditing since November 2010	<b>Yes</b>
Practical document assessment experience against the RSPO NPP requirement.	Senniah Appalasamy	Member of CUC RSPO NPP audit team since January 2010. Involved in NPP audits conducted in Indonesia.	<b>Yes</b>
	Haerudin	Member of CUC RSPO NPP audit team since January 2010. Involved in NPP audits conducted in Indonesia.	<b>Yes</b>

## 2.3 Assessment methodology.

### 2.3.1 General overview.

The assessment was carried out in conformity with the procedures as laid down in the RSPO Procedures for New Oil Palm Planting (RSPO NPP) using the Guidance Document approved in September 2009 by the RSPO Executive Board. During the assessment the qualified CUC assessors used the RSPO NPP and recorded their findings.

It was possible to carry out both pre verification review and head office document assessments of all relevant data and documents within the time frame without compromising the integrity of the assessments in anyway.

The company opted for a document audit. RSPO NPP formats as per recommended in the RSPO NPP guidance documents approved in May 2010 were checked and verified as well. Control Union Certifications auditors conducted pre verification review of the relevant RSPO NPP documents and verified all the related documents since 29<sup>th</sup> June 2011 – 24<sup>th</sup> July 2011. Two Control Union auditors were with the management team of PT Mulia Indah at their head office in Medan on 27<sup>th</sup> – 29<sup>th</sup> July 2011 to verify further and finalise the findings. Plantation Permit will be included in the final reports when this is approved.



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<b>2.4 Assessment agenda.</b>		
<b>Date</b>	<b>Location</b>	<b>Agenda</b>
29 <sup>th</sup> June 2011 – 24 <sup>th</sup> July 2011	CUC office	Pre verification review and desk study of the Social Impact Assessment (SIA) Report, High Conservation Value (HCV) Report, AMDAL and Management plans and discussion with contact person.
9 <sup>th</sup> July 2011	Jakarta	Discussion with Management Contact person : Dr. Gan Lian Tiong
27 <sup>th</sup> – 29 <sup>th</sup> July 2011	Medan	Opening meeting. Presentation by Dr. Gan Lian Tiong Assessment agenda discussion.
		Inspect document and finalise the findings of the pre verification review and further discussion and verification conducted at the PT Mulia Indah head office, Medan.
		<ul style="list-style-type: none"> <li>• Closing meeting. Chaired by the assessment team leader. Welcome and introduction by the team leader. Presentation of findings by the assessment team. Questions and answers. Final summary by team leader.</li> </ul>
Number of assessors participating: 2 Number of days spent for the assessment : Pre verification review 29 <sup>th</sup> June – 24 <sup>th</sup> July 2011. Discussion with contact person: 2 days. Final Document audit and closing meeting: 2.5 days. Total number of person days used for the assessment: 5 days plus pre verification review.		

### 3. ASSESSMENT FINDINGS.

#### 3.1 Lead assessor's verification statement:

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

Control Union Certifications auditors conducted desk study and verified all the related documents since 29<sup>th</sup> June 2011. The company opted for a document audit. Two Control Union auditors were with the management team of PT Mulia Indah at their head office in Medan on 27<sup>th</sup> – 29<sup>th</sup> July to finalise the findings of the pre-verification review and have further discussion and verification conducted. The Plantation Permit is in the final stage of approval and will be received soon.

It is the opinion of the Control Union Certifications auditors that PT Mulia Indah has complied with the RSPO New Planting Procedures enforced on 1<sup>st</sup> January, 2010. Control Union Certifications confirmed that the assessment and plan are comprehensive, professional and compliant of RSPO principles, criteria and indicators.

Signed on behalf of Control Union Certifications

.....  
 Mr Senniah Appalasamy  
 Lead Auditor  
 Date: 29<sup>th</sup> July, 2011





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### 3.2 Summary of the findings:

#### 3.2.1 Executive Summary

PT Mulia Indah is situated in located at Sub District of Sambas; Sub District of Sajad; Sub District of Subah and Sub District of Sejangkung, Sambas District, West Kalimantan Province, Indonesia. Total area of ± 8,260 hectare was allocated with Permitted Area (Izin Lokasi No. 77 Year 2011 dated 15 March 2011) to PT Mulia Indah. The new planting area of PT Mulia Indah is located in area of Other Usage Area ( Areal Penggunaan Lain – APL) as per letter from the "Balai Pemantapan Kawasan Hutan" No. S.946/VII/BPKH-III/2010 dated on 1 December 2010 that the concession areas of PT Mulia Indah is in area for other uses (Areal Penggunaan Lain, APL) and not a forest land. The boundaries and GPS reference are as per 1.3.2 above.

PT Mulia Indah is adhering to adopt sustainable palm oil practices based on the RSPO New Planting Procedures which was approved in September 2009 by the RSPO Executive Board for implementation from 1<sup>st</sup> January 2010. PT Mulia Indah is ready to implement environmental and social management through the adoption of High Conservation Value (HCV) and Social Impact Assessment (SIA) based on the findings and recommendations of the Social Environment Impact Assessment (SEIA / AMDAL) and High Conservation Value Assessment by RSPO accredited assessors. The required legal documents, Consent License (Izin Prinsip), Permitted Area (Izin Lokasi), Social Environment Impact Assessment (AMDAL), SIA and HCV are available and checked during this document assessment. The HCV and SIA analysis were conducted in April 2011 by RSPO Accredited and Approved Assessors from Aksenta and the Social Environment Impact Assessment (AMDAL) was approved by the Head of Environmental Office of Sambas (Kepala Badan Lingkungan Hidup selaku Ketua Komisi Penilaian AMDAL) on 6th June 2011 (No 660.1/139/Komisi).

No primary forest was found within the legal boundary of PT Mulia Indah in Aksenta's HCV assessment. In the Aksenta HCV assessment report, it is indicated that almost the entire area is covered with rubber and shrubs. The soil type based on the Report of Semi Detail Soil Survey and Palm Oil Suitability Assessment of PT Mulia Indah June 2011 by the independent consultant (JH – Agriculture Service) concluded that there is peatland below 3 metre in the Permitted Area. The dominant soil types are mineral soil (80 %), sandy soil (7 %) and peat below 3 metre (13%). The peat area will not be planted.

Four types of HCVs were identified by Aksenta, i.e. HCV 1, HCV3, HCV 4, and HCV 6 within the legal boundary of PT Mulia Indah, with the total area of ± 368.08 ha (4.46% of the total Permitted Areas). Within the Permitted Areas (Izin Lokasi), the important elements for HCV 1 include the presence of threatened species, such as the Sarawak Surili (*Presbytis chrysomelas*) and River Terrapin (*Batagur baska*), and several other endangered as well as protected species, such as Sunda Pangolin (*Manis javanica*) and Sunburst turtle (*Heosemys spinosa*). HCV 3 elements comprise of riparian vegetation of the Teberau River flood plains. Important elements of HCV 4 include flood control, erosion control and riverbank. Lastly, important elements of HCV 6 are the existence of old and sacred graveyards.

The SIA assessment by Aksenta highlighted that, in general, the existence of PT Mulia Indah has a significant social impact to the basic requirement to the social sustainability of local community. The impact of the company presence with its plantation development plan towards social sustainability is discussed in the Summary of Assessment Findings for SEI Assessment. Those findings have defined how the company's business management influences the key issues in every component of the social sustainability of local community.

#### 3.2.2 Scope of SEIA and HCV Assessment

##### a) General Data of the Company

Company Name	: PT Mulia Indah
Deed of Incorporation	: Notary Eddy Simin, SH No 49, dated on 29 October 2004
Capital Status	: Domestic Investment (Penanaman Modal Dalam Negeri, PMDN)
Taxpayer Notification Number	: 02.528.798.8-112.000
Company Address	: Jl. K.L. Yos Sudarso Km 6, Komp Citra Graha, No. AA2, Tanjung Mulia, Medan Deli, Medan, Sumatera Utara - 20241, Indonesia.
Type of business	: Oil Palm Plantation and Processing
Status of business land	: Consent Lincense (Izin Prinsip) (No 582/299/BPMPPT-3, dated on



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	19 November 2010) (size $\pm$ 14.350 ha)
	Permitted Area (Izin Lokasi) No.77 years 2011, dated on 15 March 2011) (size $\pm$ 8.260 Ha)
	SEIA (AMDAL) (Nomor : 660.1 / 139 / Komisi dated on 6 June 2011)
	Environmental Permit (Izin Kelayakan Lingkungan) (No. 189 Year 2011, dated on 7 June 2011)
Location Size	: $\pm$ 7,390 Ha
Contact person	: Dr. Gan Lian Tiong
Geographical Location	: See 1.3.1 and 1.3.2 above.
Region boundaries	North : Kota Sambas & Sungai Sambas Besar South : PT Karya Boga Mitra West : Lahan Koperasi Batu Riam East : PT Agro Nusa Investama & PT Multi Daya Fortuna

The scope of Social and Environment Impact Assessment (SEIA) of PT Mulia Indah covers the local social entities within the Permitted Area (Izin Lokasi) area, i.e: Sajad Sub District (Beringin, Tengguli, & Jirak Village), Subah Sub District (Sabung Village & UPT Sabung), Sambas Sub District (Lubuk Dagang, Sei Rambah, Lumbang & Sumber Harapan Village), Sejangkung Sub District (Semanga & Perigilimus Village). Thus, the High Conservation Value assessment covers the Permitted Area. It is also expanded into villages and other areas which considerably important to the surrounding of the proposed plantation area.

#### b) Legal Documents

PT Mulia Indah has obtained the following licences and permits inclusive of Consent License (Izin Prinsip), Permitted Area (Izin Lokasi), Social Environment Impact Assessment (AMDAL) and Environmental Permit (Izin Kelayakan Lingkungan). The following is the list of the licenses and permits:

**Table 1.** Types of permits and recommendations of PT Mulia Indah.

No.	Licenses and recommendations	Issued by	Number and date	Note
1.	Consent License	Regent of Sambas District (Bupati Kabupaten Sambas) in West Kalimantan.	No. 582/299/BMPPT-3 Date: 19 November 201	$\pm$ 14,350 Ha
2.	Permitted Area	Regent of Sambas District (Bupati Kabupaten Sambas) in West Kalimantan.	No. 77 Year 2011 Date: 15 March 2011	$\pm$ 8,260 Ha
3.	AMDAL	Head of Environmental Office of Sambas (Kepala Badan Lingkungan Hidup selaku Ketua Komisi Penilaian AMDAL)	No. 660.1/139/Komisi dated 6 June 2011	-
4.	Environment Permit	Regent of Sambas District (Bupati Kabupaten Sambas) in West Kalimantan.	No. 189 Year 2011 dated 7 June 2011	-
5.	Plantation Permit (Izin Usaha Perkebunan)	Regent of Sambas District (Bupati Kabupaten Sambas) in West Kalimantan.	In the final stage of approval.	-

#### c) Area and time-plan for new plantings

The proposed new planting area by PT Mulia Indah will be within the Plantation Permit (IUP) and with agreement by the owners of the land (Report on Process of FPIC – Free Prior Informed Consent of PT Mulia Indah) and the area does not contain forests nor any high conservation values. In accordance with the operational management data of PT Mulia Indah, the operation will commence in year 2011 and complete in 2014. About 1,120 ha of smallholder (*kemitraan*) scheme will be developed.



### 3.2.3 Assessment Process and Procedures

#### SEIA and HCV Assessment

##### Assessors and their credentials:

1. The social impact assessment of PT Mulia Indah was carried out by an independent consultant from Aksenta which is located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: [aksenta@aksenta.com](mailto:aksenta@aksenta.com). The team members consist of consultants accredited and approved by the RSPO includes:

**a) Nandang Mulyana** ([nandang@aksenta.com](mailto:nandang@aksenta.com)): He is the member of Aksenta team who is responsible for analyzing the Socio-economic and CD/CSR aspects. Graduated from the University of Muhammadiyah Jakarta (UMJ) majoring in Economics and a Master Degree holder from Bogor Agriculture University focuses on Development and Planning Studies (Ilmu Perencanaan Pembangunan Wilayah). He is experienced in the field of socio-environment. In this HCV identification, his role was to identify HCV 5 and 6. In March 2010 he achieved the RSPO approval as a HCV assessor as Discipline Specialist in Social (Participatory rural assessment; socioeconomic or cultural studies; participatory mapping; conflict resolution). He has also collaborated with Unocal Geothermal of Indonesia Ltd and Chevron Geothermal Salak since 2000. Nandang Mulyana also written a book on "*Membedah UMKM di Indonesia*" published by Lugas

**b) Andri Novi** ([andri.novi@aksenta.com](mailto:andri.novi@aksenta.com)): is a literature Scholar from Padjajaran University, Bandung with science and linguistic culture. Master of Participatory Action Research and Community Development and was a Capacity Building & Regional Development Training Expert for National Programs of Community Empowerment. He has conducted the Social Impact Assessment in several oil palm plantations in Indonesia and in 2010 obtain the accreditation from RSPO as a RSPO approved HCV assessor as Discipline Specialist for HCV studies in social and culture. Andri Novi jointly wrote a book named Guideline on Community's Autonomy (*Panduan Menakar Otonomi Komunitas*) which was published by Yappika and wrote an article Forestry complex System; Redistribution of National Natural Resources (*Tata Kehutanan Majemuk; Redistribusi Kekayaan Alam Nusantara*) in the Community Forestry Journal. Beside that, Andri Novi has translated the book named "The Art of Development Training Capacity in Forestry Community " (*Seni Membangun Kapasitas Pelatihan dalam Pengembangan Komuniti Forestri*) which was published by RECOFTC. His role in Social Impact Assessment is as a tem member focusing on research in customs and culture.

**c) Bambang Widyatmiko** ([bambang@aksenta.com](mailto:bambang@aksenta.com)): His competence in HCV/SIA studies has been recognized by the RSPO and was approved as RSPOHCV Assessor as a Discipline Specialist. His role is as a team member focusing on social-economic and regional development. He graduated in Geography from Gajah Mada University, Yogyakarta and Master in Urban and Regional Planning from the same university. Now he is completing his Doctorate in Regional Planning at Bogor Agricultural University. He is experienced in field study and land mapping in oil palm development in Sumatra, Kalimantan and Papua, and field feasibility study on resettlement land in Sulawesi, spatial studies in development of fishery industry in Southern Coastal of Jawa. He has expertise and experince in spatial analysis in designing water resources and land management.

2. The HCV assessment of PT Mulia Indah was carried by an independent consultant from Aksenta which is located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: [aksenta@aksenta.com](mailto:aksenta@aksenta.com). The team members consist of consultants accredited and approved by the RSPO includes:

**a) Ganip Gunawan** ([ganip@aksenta.com](mailto:ganip@aksenta.com)): in 2010, Bp. Ganip Gunawan obtained approval from RSPO as the Team Leader and *Discipline Specialist* for RSPO HCV assessor. In this HCV assessment his role is as the Team Leader whose coordinate the entire activities. He was graduated from Bogor Agricultural University in Forestry and Master in Geography from University of Indonesia. He has an interest, expertise, and experience in Social-Conservation, planning and partisipative decision making, fasilitate and trainer for management process of natural resources. His experience includes identification of HCV and SIA in plantations sector. He is a memeber of HCVF Working Group in Indonesia.

**b) Pupung F. Nurwatha** ([pupung@aksenta.com](mailto:pupung@aksenta.com)): Bp. Pupung F. Nurwatha experienced in HCV assessment in plantations sector and is a RSPO approved HCV Assessor as Discipline Specialist in HCV 1, 2, and 3, Biodiversity and Conservation. Biology Scholar from Padjajaran University, Bandung. Experienced in wildlife research since 1990. Experience in conducting Community Based on Biodiversity Assessment and managing a wildlife conservationist group.



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**c) Sigit Budhi Setyanto** ([sigit@aksenta.com](mailto:sigit@aksenta.com)): In March, 2010, Bp. Sigit Budhi Setyanto obtained the accreditation from RSPO as the *Discipline Specialist* for Social Assessment on palm oil companies. His role in this HCV Assessment was as one of the team members focusing on the HCV 5 and HCV 6. He graduated from the Faculty of Agriculture, Jember State University (Universitas Negeri Jember) and has been involved in research and has experiences in areas involved with growers and community's development since 1990 (such as, Philip Morris Inc). Since 2004 he has been active as the auditor for *CAFÉ Practice Program* in Indonesia and Papua New Guinea as well as an *Agriculture Marketing Specialist* for an international NGO for *Rural Agro-enterprise Development (RAeD)* program. He is experienced in national and international training on *Sustainable Organic*, *"SCS-Starbucks" CAFÉ Practice*, *"Rainforest Alliance" – Sustainable Agriculture, Forest Management and Chain of Custody*, as well as *"DOEN- Roundtable Sustainable Palm Oil*. In Aksenta, he has carried out assessments on *"Socio – Economic study on palm trees in West Pasaman and Sanggau"*, *"Social Impact Assessment"* and *"High Conservation Value Assessment"* for Indonesian Palm Oil Companies.

**d) Fersely Getsamany Feliggi** ([getsam@aksenta.com](mailto:getsam@aksenta.com)): He is experienced in GIS and remote sensing techniques for biology conservation and issues related to land management by the local communities. He has also carried out research on radiation quantity in forest and energy management by the forest using GIS and Remote Sensing techniques. He is also experienced in the soil potential resource analysis, the analysis on water and conservation area.

**e) Robert H. Sinaga** ([rohansinaga@aksenta.com](mailto:rohansinaga@aksenta.com)): Science Scholar in Applied Meteorology from Faculty of Mathematics and Natural Science, Bogor Agricultural University. His is experienced in GIS and Remote Sensing technic in Biology Conservation and land use issues. He has conducted research in radiation quantities in the forest and energy use in the forest using the GIS techniques and Remote Sensing. In this Assessment, his role is to identify the HCV 4 and carry out HCV mapping.

#### Assessment Methods (Data sources, data collection, dates, program, and places visited)

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

**Participative:** Issues identification and information searching were done in a participative way. This participative approach enabled the participants as the relevant subjects in mapping the social issues they are facing, expressing their opinions and ideas, as well as being involved in designing the management and mitigation of issues. (The list of stakeholders in participative process is presented in the SIA Report).

**Multiparty:** Issues identification and information searching were done in multiparty way by involving related parties directly or indirectly impacted by the development of oil palm plantation in the area.

**Rapid and Extant:** Issues identification and information searching were done in rapid way and based on the forecast of the impacts from changes that will take place from the feedback – as the approach to the Social Impact Assessment within the time allocation.

**Appreciative:** Issues identification and information searching were guided positively, not only to find out the gap at the location but also to collect the data on expectations, potentials problems, and ideas for identification of solutions and social issues that may arise.

**Social Learning Cycles:** The Social Impact Assessment is not a linear process which is instantly created but a cycled process which functions as the social learning processes to respond the changes in the environment.

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

**Literature Study:** This method was used for the purpose of gathering information on the socio-context and environmental aspect of the location which was evaluated. It was carried out in the early phase-before going to the field and at the result analysis phase. (This was described in the SIA report of PT Mulia Indah April 2011 by Aksenta);

**Dialogue:** This method was used to identify the nature of the parties, identify the potential issues and impacts, gathering information about expectations, ideas, and opinions to enable identification of potential solutions to address these potential issues and impacts. The process was carried out through meetings both in formal and in non-formal sequence focusing on specific topics (Focus Group Discussion or FGD);

**Field Observation:** This method was used to understand directly the actual facts on the ground which serve as indicators of the issues and social impacts ;



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**In-depth Interview:** This technique was used to get a deeper understanding about the issues. It was done in-depth by interviewing the key people who will be affected by the development of plantation. The criteria of choosing the respondents were based on the knowledge possessed or their direct experience over the impact or impacts.

**Tri Angulations:** This method was carried out in integrated way to reciprocally verify the actual issues, opinions and ideas.

**Social Learning Cycle:** The Social Impact Assessment is not a linear process which is instantly created but a cycled process which functions as the social learning processes to respond the changes in the environment.

#### **Assessment Methods (Data sources, data collection, dates, program, and places visited)**

##### **HCV Identifying Methods**

The assessment covers the Permitted Area (Izin Lokasi) which has been approved as the company's project area. Assessments also expanded into villages and other areas which could be considerably of relevant importance to the proposed plantation area. The field survey was conducted on 4 – 12 April 2011. The survey area covers ± 180 observation spots.

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

The definition and scope of HCV for the oil palm plantation sector refers to the HCVF definitions which apply to the forestry sector. The Identification of High Conservation Value in Indonesia was developed by the Consortium Revised HCV Toolkit Indonesia (2008) - the toolkit for the revision HCV consortium. Other references are such as IUCN, CITES, and other guidelines as well as the relevant laws of Indonesia were also subjects of consideration.

##### **Identifying Methods for HVC 1, 2, and 3**

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

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

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



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#### Identification Methods for HVC 4

In order to identify the existence of HVC 4 in area, two approaches were applied in the assessment. The first approach was through analysis to find out the interactions and correlations between the water system and the proposed plantation land in a wide context. The approach also covered the area outside the proposed plantation area. The second approach was an analysis to find out the significant values of such locations and their impacts to the proposed plantation's location. Based on both approaches, the phases of identifying HCV 4 were analysis of the secondary data, field survey, and the integrated data analysis of secondary data and the field survey. Identification of the HCV 4 areas was based on analyzing the area from the metrology point of view, the soil analysis, topography, watershed, and the field survey and interviews. The field observation was carried out in specific locations; i.e. springs, river, river condition, land clearing by existing area, land use in the area, and other locations representing the condition of the water management in the area.

#### Identification Methods for HVC 5 and HCV 6

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

- Mapping participation of locations containing elements of HCV 5 and 6.
- Interview the local community, either with individual or Focus Group Discussions.
- Ground assessment and analysis.

The HCV Assessment Phases :

The HCV assessment was carried out through a series of phases i.e. Desk Study, Field Survey, Data Analysis, Spatial Analysis of HCV area, and indicative HCV mapping as shown in HCV report of PT Mulia Indah April 2011 by Aksenta.

#### 3.2.4 Summary of SEI Assessment Findings

The finding from the AMDAL (SEIA) and SIA assessment identifies both positive and negative impacts from the proposed operational activities of PT Mulia Indah. The key positive impacts include enhancing the income of the communities and providing more job opportunities to the local communities with the development of oil palm plantations in the area. Possible negative impacts are threats to the ecology as well as potential conflicts of workforce and socio-cultural balances. The SIA study result by RSPO Accredited Assessors (Aksenta) stated that, in general, the existence of PT Mulia Indah has a significant social impact to the basic requirement to the social sustainability of local community. Those findings have defined how the company's business management influences the key issues in the respective components of the social sustainability of local community (details in the SIA report of PT Mulia Indah April 2011 by Aksenta).

The stakeholders mentioned in the context of Social Impact Assessment are those who may affect or being affected by the operation of the oil palm plantations and mills. The identification of those parties was carried out through a series of Focus Group Discussion (FGD) meetings within the management and local community as well as on site interviews. There is a detail stakeholders consulted during the assessments and this is presented in the SIA report of PT Mulia Indah April 2011 by Aksenta.

#### 3.2.5 Summary of HCV Assessment Findings

The HCV assessments have revealed that no primary forest in the Permitted Area and recognized all local community land. This is consistent with the confirmation by the "Balai Pemantapan Kawasan Hutan" No. S.946/VII/BPKH-III/2010 dated on 1 December 2010 that the concession areas of PT Mulia Indah is area for other uses (Areal Penggunaan Lain, APL) and not a forest land. The Report of Semi Detail Soil Survey and Palm Oil Suitability Assessment of PT Mulia Indah dated June 2011 by independent consultan (JH – Agricultur Services) concluded that there is peat area below 3 metre in the Permitted Area of PT Mulia Indah.

HCV assessment report indicates that almost the entire area is covered with rubber and shrubs. As for potential HCV areas, four types of HCV were identified by Aksenta's RSPO Accredited Assessors; these are HCV 1, HCV 3, HCV 4, and HCV 6 within the Permitted Area of PT Mulia Indah. The HCV area identified was ± 368.08 ha or 4.46 % of the total Permit Area in the assessments by Aksenta (The details of the HCV assessment is presented in the Report of High Conservation Value in PT Mulia Indah April 2011 by Aksenta). Within the Permitted Areas (Izin Lokasi), the important elements for HCV 1 include the presence of threatened species, such as the Sarawak Surili (*Presbytis chrysomelas*) and River Terrapin (*Batagur baska*), and several other endangered as well as protected species, such as Sunda Pangolin (*Manis javanica*) and Sunburst Turtle (*Heosemys spinosa*). HCV 3 elements comprise of riparian vegetation of the Teberau River flood plains. Important elements of HCV 4 include flood control, erosion control and riverbank. Lastly, important elements of HCV 6 are the existence of old and sacred graveyards.



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### 3.2.6 Summary of Plans:

#### Development of SEIA and HCV Management Plans

The findings by Aksenta on High Conservation Values (HCV) and Social Impacts Assessment (SIA), and the recommendations in SEIA (AMDAL) are incorporated in the HCV and SIA management plan. Development of the HCV and SIA management plans for PT Mulia Indah was facilitated by Aksenta team through a workshop for the PT Mulia Indah management and sustainability team conducted from 3 - 4 June 2011 in Sambas District West Kalimantan, Indonesia. The purpose of the workshop was to enable the management team to have a better understanding of the HCV and SIA findings and their related implications so as to provide reference points in developing the operational activities of the company related to the high conservation values, social management's synergy with the company's development of oil palm plantation.

#### Stakeholders' Consultation

The process of the HCV and SIA development and preparation of management plans and monitoring PT Mulia Indah involved consultation with the relevant stakeholders such as governmental officers from Natural Resource Conservation Department (BKSDA), Plantation and Forestry Office (DISHUTBUN), the Officers from Environment Department (BLH), the local community, the government official of local village and Sub-District, Investment Agency and Integrated Licensing Service (BPMPPPT-Badan Penanaman Modal Dan Pelayanan Perizinan Terpadu), Health Department, Police Department (POLRES), Army Department (KORAMIL), the local NGOs, independent consultant (Aksenta) and the local existing plantation companies.

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

The Stakeholders' Consultation was held on 6<sup>th</sup> June, 2011 in the Sambas District, West Kalimantan. This stakeholder consultation was held simultaneously with PT Mulia Indah stakeholder consultation as most stakeholders are common to both PTs *albeit* different participants from village around the respective PTs were present in the respective session that affect them. There were 73 participants present during this consultation meeting. The details of the Stakeholders' Consultation is presented in the Report of Stakeholders Consultation PT Mulia Indah, June 2011

The summary of the stakeholders' consultation workshop is as follow:

1. Total of 73 participants has attended the stakeholder consultation workshop organized by PT Mulia Indah on 6<sup>th</sup> June 2011 in Sambas District, West Kalimantan as follow:

Organization	No. of participants
Government Agencies, are: Region III Natural Resource Conservation Department - BKSDA West Kalimantan Province (2 participants), The Office for Environment (BLH) Sambas District (2 participants), Region Secretary (SETDA) Sambas District (1 participant), Investment Agency and Integrated Licensing Service (BPMPPPT) (1 participant), The Plantation and Forestry Office (DISHUTBUN) Sambas District (3 participants), Health Department (1 participant), Army Department (KORAMIL) (2 participants), Police Department (POLRES) of Sambas District (4 participants), Police sector of Teluk Keramat Sub-district (1 participant), Police Sector of Galing Sub-district (1 participant), Police Sector of Sambas Sub-district (2 participants), Police Sector of Subah Sub-district (1 participant), Police Sector of Sajad Sub-district (1 participant)	22
Representatives from villages around (subdistrict head, village head, community leaders)	23
Non-Governmental Organization (NGO), consist of: Gemawan Agency (1 participant), WWF Indonesia – Pontianak (1 participant), Wahana Visi (2 participant), MCF – Sambas (Mangrove Center Foundation, 2 participants), Kontak Borneo (1 participant).	7
Company around, such as PT Sentosa Asih Makmur Company of oli palm plantation	1
Religious Agencies	2
HCV / SIA Assessor	6
Management PT Mulia Indah	12
Total	73



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2. Presentation by various stakeholders and PT Mulia Indah during the workshop were:-

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

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

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

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

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

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

- HCV Assessment in PT Mulia Indah is presented by Pupung F.N. (HCV Assessment Team, Aksenta).

The explanation of HCV Assessment in PT Mulia Indah-Sambas is about HCV typology identified in Permitted Area of PT Mulia Indah, that are HCV 1.2, 1.3, 3, 4 and 6 with extensive in ± 368.08 ha. At the same presentation, the speaker presented the HCV management plan in PT Mulia Indah and its implementation.

- SIA Assessment in PT Mulia Indah is presented by Nandang Mulyana (SIA Assessment Team, Aksenta)

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

3. The issues raised for discussion during the stakeholder's meeting were:

- a) The stakeholders urged that more socialization activity either in formal or informal meeting should be actively conducted to obtain mutual understanding and interest in the issues such as inter-village boundaries, identification of HCV area, and smallholder scheme.
- b) Land acquisition (and compensation) procedure are to be carried out as per rules of consent and if there is a problem, the problem solving process is done either through discussion or deliberation,
- c) Expected that PT Mulia Indah in Sambas to be manage in good way and in accordance with RSPO P&C as the sustainable palm oil plantation and management of HCV areas or areas that need protected such as river and water resources.





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### SIA Management Plan

The SIA development and preparation of management & monitoring plans for PT Mulia Indah was based on the SIA Assessment findings conducted in April 2011 the RSPO Accredited and approved Assessors from Aksenta and the AMDAL Assessment for PT Mulia Indah which were approved on 6<sup>th</sup> June 2011 (by Head of Environmental Office of Sambas – Kepala Badan Lingkungan Hidup Selaku Ketua Komisi AMDAL No.660.1/2139/Komisi) and, in principle, referred to the related Laws in Indonesia. The steps taken in the HCV and SIA development and preparation of management & monitoring plans were:

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

The scope of the development and preparation of management & monitoring plans includes the potential impacts by the proposed plantation activities. The development and preparation of management & monitoring plans guidelines include:

1. **The Management Plans of PT Mulia Indah, Compliance Issue with the existing regulations and respect the local customary.**  
Scope of this management and monitoring covers to the achievement of Permits that in accordance to the existing regulations and related to plantations, make a harmonic relation to the communities, implement the SOP related to employee recruitment and implement the SOP on acquisition and compensation.
2. **The Management Plans of PT Mulia Indah, Positive Perception Issue from the Communities to the Existence of the Company**  
Scope of this management and monitoring covers early and continuous socialization, conduct intensive communication with the communities by social activities, smallholder scheme socialization, giving help in communities social activities accord with the procedure and policy of the company.
3. **The Management Plans of PT Mulia Indah, Strategic Issues on Infrastructures**  
scope for this management and monitoring plan includes the participation of the company in building and developing the general facilities and work together to the other party, do the need assessment, and working together with the related needs.
4. **The Management Plans of PT Mulia Indah, Issue of Establishing a Condisive Working Atmosphere, Both from the Company Social Environment, Internal and External**  
Scope of management and monitoring covers the distribution of work opportunity to the local communities and nearby locations, receiving the local workers, enrolling all employees into the Social Security Employees Program, conduct training related to the health and safety of the workers.
5. **The Management Plans of PT Mulia Indah, Issue of Health and Safety for Company Employees**  
Scope of management and monitoring covers to the distribution of Personal Protective Equipment (PPE) that accordance in the standard, provide socialization and training to the understanding and awarenesss related to the importance of occupational safety and health (OSH), and provide medical facilities to employees.
6. **The Management Plans of PT Mulia Indah, Strategic Issues on The Welfare of Employees and the Community around the Company**  
Scope management and monitoring covers to the implementation of standard of wages based on Minimum Wages District / Provincial Minimum Wages (UMSK/UMP), build infrasturcture like housing, bridge and road, electricity and water facilities, socialization of employee cooperation in the company, fulfillment of basic food needs and savvings and loans, and give information about business opprtunities to the local contractor, village government, and socialites around the company.



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### **HCV Management Plan**

The HCV development and preparation of management and monitoring plans was based on the result of the HCV assessment report which was completed in April 2011 by the RSPO Accredited and Assessors from Aksenta. The HCV management plan has been developed to manage and monitor the HCV areas within the developed areas approved by Plantation Permit (IUP). This process developed data and information related to the existence of the HCV area in the proposed area of PT Mulia Indah in the Sambas District, West Kalimantan. The key elements of HCV and the actual condition include the potential threats, and the recommendation for the management.

The HCV development and preparation of management and monitoring plans was developed to provide guidelines for the company in planning and management of the HCV areas identified in its proposed developing area. The purpose was to identify available resources and be focused so as to be integrated in an effective manner in HCV management. The purposes of this management and monitoring document were:

1. To ensure that the identified and determined HCV areas are managed so that their HCV functions are preserved,
2. To effectively administer the management and monitoring plan to ensure that the process is coordinated systematically according to the legal procedures.

The process of the HCV preparation of management and monitoring plans for PT Mulia Indah was based on the structure of strategy mapping which focused on three fields under the management and responsibility of the plantation management;

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

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

The HCV monitoring and review plan is aimed to evaluate whether the activities implementation are as expected and whether the outputs of the process are as per targets; and whether the resources investments (human, fund, time) are as per plan.

Monitoring and review are aimed to a set of indicators as the key performance indicators and should be managed systematically, consistently, and well documented. The monitoring should be implemented regularly and it is dependent on the classifications of the activities and the target indicator to evaluate [the detail of such activities is presented in the Activities Plan Matrix (Matriks Rencana Kegiatan)]. The review should be conducted at the end of the management periodical plan, that is in the end of the third year (summative review) and every six months (formative review).

### **Management and mitigation plans for threats to HCV areas.**

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

1. Mitigating illegal hunting of protected animals,
2. Avoid the threaten activities the existence of key species,
3. Enrich the wildlife corridor,
4. Maintain the existence of riparian ecosystems,
5. Maintain the function of border rivers and streams as a provider of natural environment,
6. Maintain the water catchment area,
7. Maintain the existing peatland,
8. Maintain the existence of the thomb and Pekong,
9. Minimizing possible accidental fires.

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

The process of strategy mapping, the practical vision was adopted in defining the basic targets. Those basic targets included six items to be achieved through the efforts of HCV protection and management as follow:

1. The existing areas with key species in the proposed area are conserved.
2. The sustainability of the riparian zone and its ecosystem is reserved.
3. Rivers and streams are still in its function and maintained.
4. Conserve water catchments areas.
5. Minimise damage of peat moss area.
6. Preserve the local graveyards and cultural sites.




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#### Development Plan:

PT Mulia Indah's development plan has incorporated the findings from SEIA (AMDAL), HCV Assessments and Social Impact Assessments for implementing the operational plans. Management plans for HCV areas and management plans for handling social impacts have been drawn up. PT Mulia Indah will implement the smallholder scheme system with a ratio of 20:80 (smallholder scheme:estate), that is the smallholder scheme (20%) and estate oil palm plantations (80%) and both will be managed by the PT Mulia Indah Estate Management. The total area allocated in the Permitted Area (Izin Lokasi) is  $\pm$  8,260 ha. HCV areas will be left out of planting. The area for oil palm plantation development plan of PT Mulia Indah will be net of HCV areas, peatland after the Plantation Permit has been approved, and about 1,120 ha will be allocated for the smallholder schemes. In accordance with the operational management of PT Mulia Indah land development will commence in year 2011 and complete in 2014.

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

## 4. Formal signing off of the Internal Responsibility

<b>4.1 Signing off by the assessor of the certification body.</b>	
Name	Senniah Appalasy
Position	Lead Auditor
Signature	
Date	29 <sup>th</sup> July, 2011
<b>4.2 Acknowledgement of internal responsibility by PT Mulia Indah.</b>	
<b>I the undersigned, being the legal representative of the inspected company, agree with the contents of this report.</b>	
Comments: The CUC assessment findings and conclusion are acknowledged and accepted.	
Name:	Dr Gan Lian Tiong
Position:	Head, Sustainability Department
Signature:	
Date:	29 <sup>th</sup> July, 2011



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### Abbreviation.

AMDAL	Analisis Mengenai DAmpek Lingkungan (Analysis on Environmental Impact)
BOD	Biological Oxygen Demand
BNP	Badan Pertanahan Nasional (National Land Body)
BRC	British Retail Consortium
CHRA	Chemical Health Risk Assessment
CoC	Chain of Custody
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
CU	Control Union
DPPL	Dokumen Pengelolaan dan Pemantauan Lingkungan (Environmental Management and Observation Document)
EFB	Empty Fruit Bunch
EUREPGAP	Euro-Retailer Produce Good Agricultural Practices
FFB	Fresh Fruit Bunch
FSC	Forest Stewardship Council
FSC FM	Forest Stewardship Council Forest Management
GGL	Green Gold Label
GMP	Good Manufacturing Practice
GTP	Good Trading Practice
GOTS	Global Organic Textile Standard
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
HGU	Hak Guna Usaha (Land Right)
IPM	Integrated Pest Management
Jamsostek	Jaminan Sosial Tenaga Kerja (Social Insurance for Employees)
MSDS	Material Safety Data Sheet
NC	Non Conformity
OE	Organic Exchange
OSH	Occupational Safety and Health
OSHAS	Occupational Safety and Health Assessment Scheme
P&C	Principle and Criteria
PEFC	Programme for the Endorsement of Forest Certification
PK	Palm Kernel
PKB	Perjanjian Kerja Bersama (Collective Agreement)
PKS	Pabrik Kelapa Sawit (Palm Oil Mill)
POD	Policy Document
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PT	Perseroan Terbatas (Limited Company)
R&D	Research and Development
RKL	Rencana Pengelolaan Lingkungan Hidup (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan Hidup (Environmental Monitoring Plan)
RSPO	Roundtable on Sustainable Palm Oil
RSPO NI	Roundtable on Sustainable Palm Oil National Interpretation
SA8000	Social Accountability 8000
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
UKL	Upaya Pengelolaan Lingkungan Hidup (Environmental Management Effort)
UPL	Upaya Pemantauan Lingkungan Hidup (Environmental Monitoring Effort)
WHO	World Health Organizations