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Summary Report of Planning & Management of PT Karya Makmur Bahagia (PT KMB) Kotawaringin Timur District Central Kalimantan Province

1. Executive Summary

This Executive Summary fulfills the RSPO New Planting Procedures Format “Summary Report of Planning & Management” (RSPO latest revision of 05-05-10).

PT KMB is situated in Antang Kalang Sub-District, Kotawaringin Timur District – Central Kalimantan Province. The Permitted Area (Izin Lokasi) No. 045.460.42 dated 27-06-95 (size ± 12,500 Ha) and No. 029.460.42 dated 25-09-96 (size ± 5,000 Ha)

The Consent License based Cultivate Right title (HGU) No 19 was Conservation Values Identification (HCV) and Social Impact Assessment (SIA) from Sept – Oktober 2010 by independent consultants from Bogor Agricultural Institute who has been accredited and approved by RSPO.

The results of the HCV assessment by independent consultants from IPB who has been accredited and approved by RSPO have shown that there is no primary forest in the Permitted Area (Izin Lokasi) of PT KMB. The vegetation's cover dominated by the rubber (*Hevea brasiliensis*), agroforestry, scrub and degraded forest. Based on The Report of Semi Detail Soil Survey Assessment by Research Departement PT BGA, not indicated that peatland in the Permitted Area (Izin Lokasi).

HCV 1 are the existence of population and tracks of endangered species such as (*Pongo pygmaeus*, *Hylobates agilis*, *Hylobates muelleri*, *Manis javanica*, *Shorea seminis* dan *Dipterocarpus grandiflorus*). The important elements for HCV 2.3 are habitat for Areas that Contain Representative Populations of Most Naturally Occurring Species. The important elements for HCV 4 are related to the potential damage from river riparian dan catchments area. The important elements for HCV 6 are related to the scared hill.

The results of the Social Impact Assessments (SIA) have shown that the company's development of oil palm plantation and palm oil mill production has significant and positive impacts toward local livelihood and the society's social sustainability. The findings have defined how the company's business management can influence the key issues in the respective component of the social sustainability of the local community. There are described in the three basic components for society's social sustainability that influences the planning of future company's operation.

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The findings on both the HCV and SIA by independent consultants from Bogor Agricultural Institute who has been accredited and approved by RSPO have been incorporated in the oil palm development plan of PT KMB which includes the HCV and SIA management and monitoring plans of PT KMB. Development of the HCV and SIA management and monitoring plans was facilitated by IPB team. The purpose of the workshop on HCV - SIA management and monitoring program for PT KMB 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 HCV, social managements synergy with the company's development of oil palm plantation.

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2. Reference Documents

The reference documents are as follow:

1. Social Environment Impact Assessment (AMDAL) was approved Environmental Permit (Izin Kelayakan Lingkungan) 23/Komisi- Kotim/VIII/2002 dated 09-08-02
2. The HCV Identification document is in the report "HCV Assessment report for PT Karya Makmur Bahagia, March 2012 by Bogor Agricultural Institute",
3. The Peer review HCV Identification document is in the report "HCV Assessment report for PT Karya Makmur Bahagia, February 2012 by Kunkun Jaka Gurmaya",
4. The SIA report is in "(SIA Assessment report for PT Karya Makmur Bahagia, July 2011 by Bogor Agricultural Institute"
5. The management and monitoring plans for HCV in the "The Management & Monitoring Plans of HCV PT KMB, March 2012 by Bogor Agricultural Institute", and break down planning for Management PT KMB approved Mey 12.
6. The management and monitoring plans for SIA in the "The Management & Monitoring Plans of Social PT KMB, approved in January 2012",
7. The development plan of PT KMB.

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Brief summary of the above

Based on social environment assessment, the positive and negative impacts of the operational activities of PT KMB have been identified. 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, socio-cultural balances and land tenure.

In addition to the SEIA assessments, PT KMB has also conducted independent high conservation values assessments and social impact assessments involving external experts, Bogor Agricultural Institute; the key consultants conducting these assessments have been accredited and approved by RSPO. Based on the assessments, PT KMB has developed management and monitoring plans to mitigate any negative impacts and enhance the positive ones. Management and monitoring of social and environmental impacts are based on the operational activities that can cause impacts during the development as well as during the operational stages. Potential impacts and other negative impacts as perceived by the communities arising from PT KMB the new activities were also identified by the external consultants. By implementing sound social and environmental management practices, it is expected that these conflicts, both of ecology or social, can be minimized and the relationship between the company and local communities can be preserved and harmonized.

The results of the HCV assessment by independent consultants from IPB who has been accredited and approved by RSPO have shown that there is no primary forest in the Permitted Area (Izin Lokasi) of PT KMB. The vegetation's cover dominated by the rubber (*Hevea brasiliensis*), agroforestry, scrub and degraded forest. Based on The Report of Semi Detail Soil Survey Assessment by Research Departement PT BGA, indicated that peatland was not found in the Permitted Area (Izin Lokasi).

As for potential HCV areas, five types of HCV were identified by Faculty of Forestry, Bogor Agricultural Institute; these are HCV 1 (1.1, 1.2 & 1.3, HCV 2.3, HCV 4 (4.1 & 4.2), and HCV 6. The original HCV area identified was ± 693.48 ha or ± 3.8 % of the total Forested Area (Pelepasan Kawasan Hutan) in the assessments by Faculty of Forestry, Bogor Agricultural Institute. The important elements for HCV 1 are the existence of population and tracks of endangered species such as Orangutan (*Pongo pygmaeus*), Bornean Agile Gibbon (*Hylobates agilis*), Bornean Agile (*Hylobates muelleri*), Sunda Pangolin (*Manis javanica*). The important elements for HCV 2.3 are habitat for Areas that Contain Representative Populations of Most Naturally Occurring Species. The important elements for HCV 4 are related to the potential damage from river riparian dan catchments area. The important elements for HCV 6 are related to the scared hill and sacred tree. The HCV areas inside the IUP approved areas will be included in the monitoring and socialization plan with the local communities.

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List of Legal Documents and Regulatory Permits Related to the Areas Assessed

The permits that have been obtained by the company are inclusive of Consent License (Izin Prinsip), Environment Impact Assessment (AMDAL), and the Plantation Permit (Izin Usaha Perkebunan). The followings are the list of the licenses and recommendations:

No	Licenses and recommendations	Issued by	Number and date	Note
1.	Deed of Establishment	Leding Mering, SH	No : 6 dated on 02-02-94	
2.	End Adjustment Article of	M. Hatta, SH, Association	No : 34 dated on 22-03-12	
3.	Tax payer Notification Number	Tax Serve Office	01.709.813.8-058.000	25-02-11
4.	Consent License (Izin Prinsip)	Ministry of Agricultural	HK/350/E5.263/04.95 26-04-95	± 12,000 ha
5.	Permitted Area (Izin Lokasi)	Kotawaringin Timur Regent Decree	045.460.42 27-06-95	± 12,500 ha
6.			029.460.42 25-09-96	± 5,000 ha
7.	Forested Area Decree	Ministry of Forestry and Plantation	507/KPTS-II/1997 05-08-97	12,706 ha
8.	Forested Area Decree	Ministry of Forestry and Plantation	779/KPTS-II/1999 27-09-99	5,192.43 ha
9.	Cultivation Rights Title (SK HGU)	Badan Pertanahan Nasional	28/HGU/BPN/2001 10-10-01	15,056.31 ha
10.	Cultivation Rights Title (sertifikat HGU)	Badan Pertanahan Nasional	HGU No. 19 22-10-01	15,056.31 ha
11.	Social Environment Impact Assessment (AMDAL)	AMDAL Commission of Kotawaringin Timur District	23/Komisi-Kotim/VIII/2002 09-08-02	Approved
12.	Plantation Permit (IUP)	Kotawaringin Timur Regent Decree	525.26/603/VIII/EKBANG/2006 04-08-06	15,056.31 ha

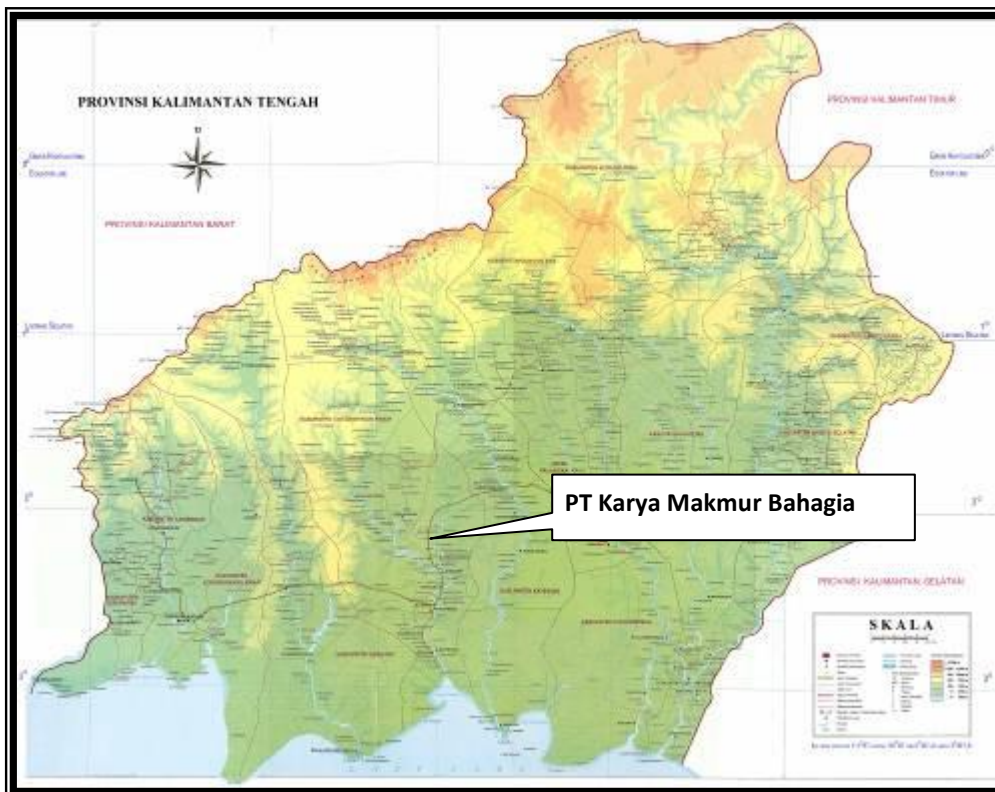
*All legal documents available on Public Affairs Departement

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Location maps – both at landscape level and property level

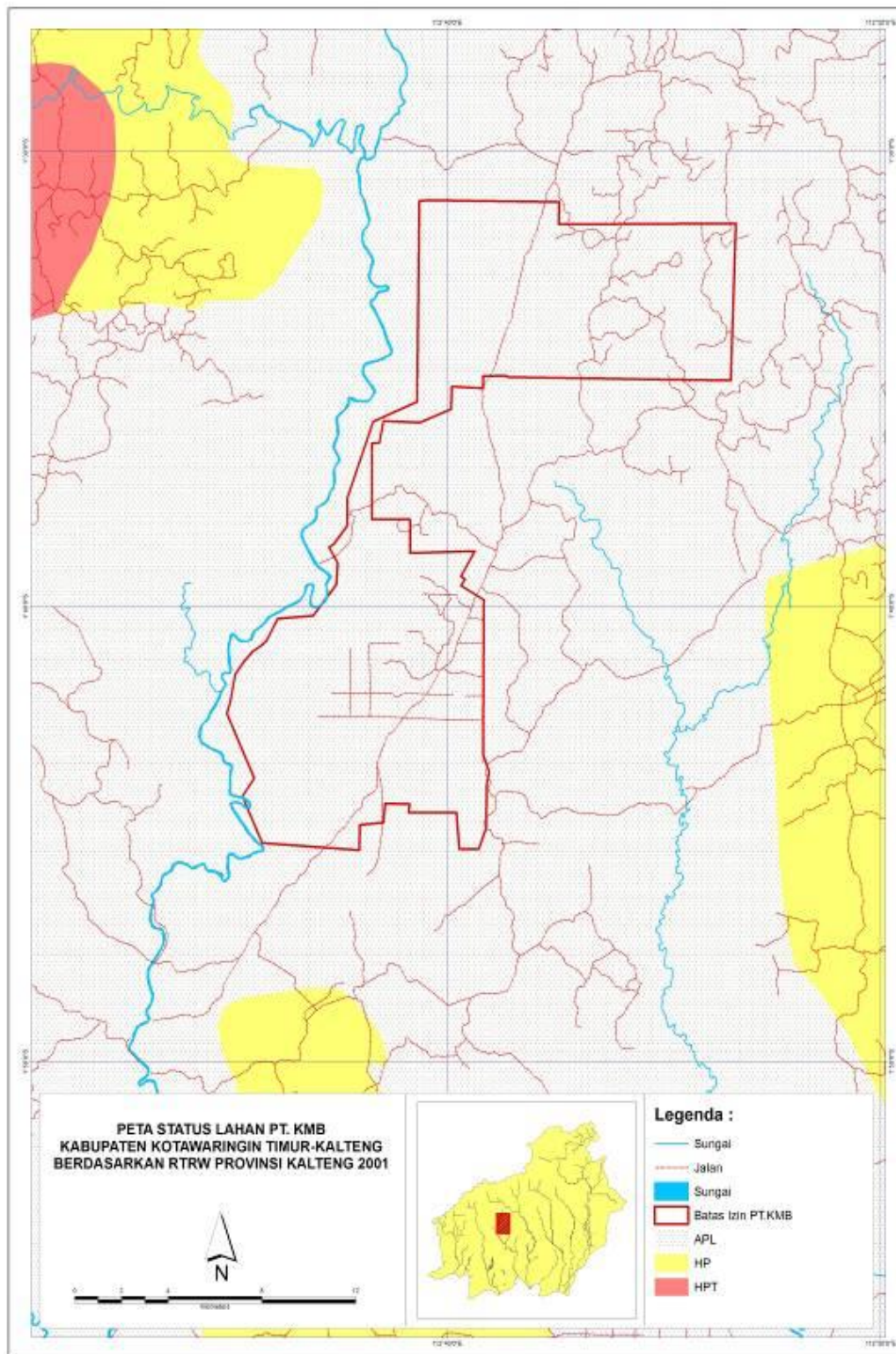


Picture 1 Location of PT Karya Makmur Bahagia in Indonesia



Picture 2 Location of PT Karya Makmur Bahagia in Central Kalimantan Province

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Picture 3 Location of PT Karya Makmur Bahagia in Forest Planologi

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Area and time-plan for new plantings

The proposed new planting area by PT KMB is in the location of cultivate right title (HGU) which have been agreed by the owners of the land through the Free, Prior and Informed Consent Process and the area does not contain primary forest. Following the procedures of the RSPO New Planting Procedures (NPP), total planting area starting on 01 January 2010 to date is 1,331.15 ha were planted in Bukit Kecubung Estate (BKCE), Bukit Makmur Estate (BMKE), Gunung Makmur Estate (GMKE) and Sungai Mentaya Estate (SMNE).

The detail of area statements and time-plan for new plantings are summarized in **Table 2** and **Table 3**.

Planting Year	ESTATE (Ha)				TOTAL
	GMKE	SMNE	BKCE	BMKE	
1998	254				254
1999	1439.63	495.77			1935.4
2000	671.9	77.58		75	824.48
2001	5.35	7.27		2.14	14.76
2002	105.89	615.45		109.24	830.58
2003	401.18	483.96			885.14
2004		69.88			69.88
2005	18.97	150.36	469.43		638.76
2006	35.39	25.8	145.16	191.9	398.25
2007	124.99	249.41	1055.04	1603.08	3032.52
2008	9.24	14.73	634.51	519.85	1178.33
2009	19.8	288.33	145.84	139.59	593.56
2010	17.46	343.38	132.53	17.52	510.89
2011	116.36	437.82	454.82	121.04	1130.04
2012	116.89	510.59	213.67	78.63	919.78
Total	3337.05	3770.33	3251.00	2857.99	13216.37
Replanting					
L C					0
Mill				26.88	26.88
Emplasment	15.5	6.91	2.91	26.99	52.31
Road and Bridges	269	437		11	717
Potential planting area	15.4	452.69	20		488.09
Hill, River and Valley					0
Nursery					0
Occupation	128.61	307.76	63.94	332.7	833.01
HCV area	280.16	121.28		38.21	439.65
Grand Total					15,056.31

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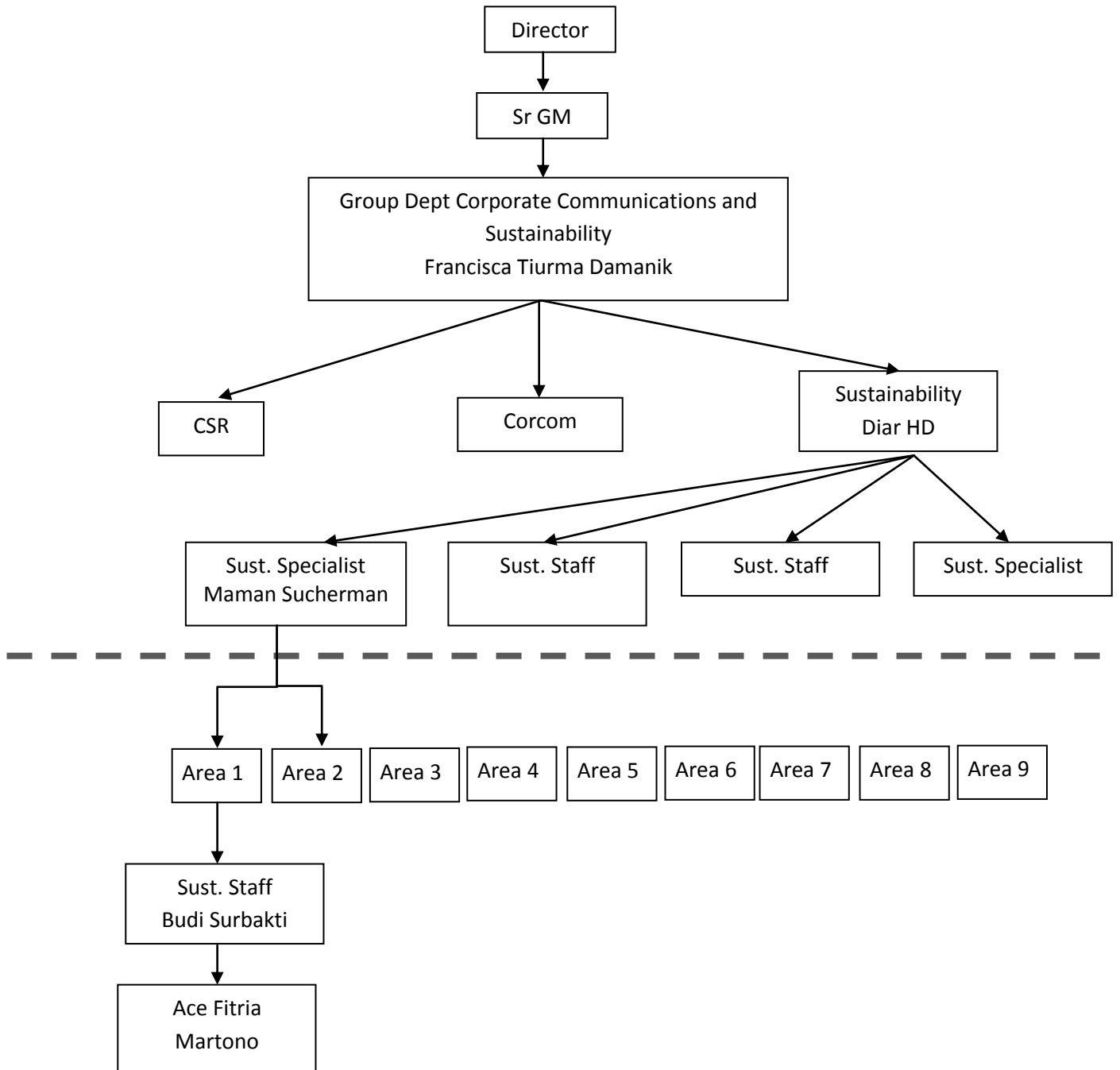
Table 3 Estimation of new plantings area and time-plan for new planting PT KMB

Estate	Total Area	Potential land	Plan for planting (ha)		
			2013	2014	2015
GMKE	3337.05	15.40	15.40	-	-
SMNE	3770.33	452.69	300.00	100.00	52.69
BKCE	3251.00	20.00	20.00	-	-
BMKE	2857.99	-	-	-	-
	13216.37	488.09	335.40	100.00	52.69

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3. SEIA and HCV Management & Planning Personnel

Organizational information and contact persons HCV



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Personnel involved in planning and implementation.

The process of HCV and SIA development and preparation of management and monitoring plans for PT KMB was implemented in phases involving several parties: that is Estate Department, the Public Affairs (PAD Department) and Sustainability Department and the whole process is in accordance with the plans facilitated by an Sustainability department Head Office BGA Group. The details of the parties involved in the HCV and SIA development and preparation of management and monitoring plans are summarized in **Table 4**.

Table 4 The Participatory List of the HCV and SIA manufacture and preparation of management and monitoring plans for PT KMB

No.	Name	Department/Instansi	Official Role
HCV Management & Monitoring Plan			
1.	I Gede Arya Bagus Wiwaha	GM	
2.	Bambang Surono	Area Controller	
3.	Sutyo Suyatno	Area Controller	
4.	Widiyanto Singgih Prabowo	Manager Estate SMNE	Participant
5.	Dri Basuki	Manager Estate GMKE	Participant
6.	Natal Udin Halomoan Saragih	Manager Estate BMKE	Participant
7.	Budi Siregar	Manager Estate BKCE	Participant
8.	Bambang Sunaryo	Assisten SMNE	Participant
9.	Hotman Siregar	Assisten GMKE	Participant
10.	Dody Prana Sanjaya	Assisten BMKE	Participant
11.	Bambang Triyono	Assisten BKCE	Participant
12.	Diar Damanik	Sustainability Manager	Facilitator
13.	Hidayat Aprilianto	Sustainability Staff HO	Facilitator
14.	Maman Sucherman	Sustainability Staff HO	Facilitator
15.	Budianto Surbakti	Sustainability Staff Area	Facilitator
SIA Management & Monitoring Plan			
1.	I Gede Arya Bagus Wiwaha	GM	Participant
2.	Bambang Surono	Area Controller	Participant
3.	Sutyo Suyatno	Area Controller	Participant
4.	Widiyanto Singgih Prabowo	Manager Estate SMNE	Participant
5.	Dri Basuki	Manager Estate GMKE	Participant
6.	Natal Udin Halomoan Saragih	Manager Estate BMKE	Participant
7.	Budi Siregar	Manager Estate BKCE	Participant
8.	Bobby Handoko	Assisten CSR	Participant
9.	Widi Subekti	Assisten CSR	Participant
9.	Yepie U. Gaman	Assisten PAD	Participant
10.	Y Agung Baskoro	CSR Manager HO	Facilitator
11.	Emma Isabella Barus	Staff CSR HO	Facilitator
Internal Review of the HCV and SIA Reports, Management and Monitoring Plans (at Head Office)			
1.	Mubarak Ahmad	GM	Reviewer
2.	Francisca Damanik	Group Dept Head CCS	Reviewer
3.	Diar Damanik	Sustainability Manager	Reviewer
4.	Hidayat Aprilianto	Sustainability Staff HO	Reviewer
5.	Maman Sucherman	Sustainability Staff HO	Reviewer
6.	Saeshaputi Rahmanita Prathiwi	Sustainability Staff HO	Reviewer
External Review of the HCV and SIA Reports, Management and Monitoring Plans (at Head Office)			
1	Kunkun Jaka Gurmaya	HCV Assesor approved by RSPO	

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Stakeholders to be involved

The process of the HCV and SIA development and preparation of management plans and monitoring PT KMB also involved relevant stakeholders such as governmental offices (Natural Resource Conservation Department - BKSDA), The Plantation Office, The Forestry Office, The Office for Environment - BLH), local communities, the government of local village and Sub-District.

Consultation with the relevant stakeholders to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT KMB and stake holder. Public consultation to be done at the time of HCV and SIA resource assessment consisted of people who were respondents (the workers, local communities and local government) **Appendix 1**).

Key Issues raised for discussion during the Stakeholders' Meeting include:

Important issues that are related to sustainable development of oil palm plantations in PT KMB, Kotawaringin Timur District, Central Kalimantan Province in stakeholder consultation activities, are:

- 1) Socialization activity need to be continuously carried out in transparent way, so that local communities are aware of the overall development plan of PT KMB.
- 2) Land acquisition (and compensation) procedure are to be carried out with FPIC, When any problems occur, it must be settled with agreement of parties concerned.
- 3) Local community in Permitted Area of PT KMB hoped that the development of palm oil plantation will bring positive impacts and minimize negative impacts from palm oil plantation on development of environment (HCV), social (SIA) and AMDAL aspects.
- 4) Village community in Permitted Area of PT KMB hoped that the company be managed in good way and in accordance with RSPO P&C as the sustainable palm oil plantation and maintain good coordination among the stakeholders (company, community, NGO and government).

Summary of the questions and answers during the stakeholder consultation process are as

The recommendations related to the implementation of the criteria for sustainable palm oil plantation management is carried out by the oil palm plantation PT. Karya Makmur Bahagia

No	Kriteria	Keterpenuhan		Rekomendasi
		Sudah	Belum	
1.1	The oil palm producers (growers) provide adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.		√	Required Information procedure and needs documentation system improvement.
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social		√	Required Information procedure and needs documentation system improvement and documentation of data that has

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	outcomes.			been provided to the relevant parties
2.1	Compliance with all applicable local, national and ratified international laws and regulations.	√		Required improvement of land conflict resolution and land compensation procedure. Current land conflicts need to be resolved immediately and made the documentation process
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights		√	Required improvement of land conflict resolution and land compensation procedure. Current land conflicts need to be resolved immediately and made the documentation process
2.3	Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.		√	Required improvement of land conflict resolution and land compensation procedure. Current land conflicts need to be resolved immediately and made the documentation process
3.1	Productivity and quality of the optimal long-term yields and the products achieved through 10 agronomic practices, processing and management.	Not included in the discussion	Not included in the discussion	Conduct its own study
3.2	Practices of producers and processing plants are optimal to maintain production of high quality palm oil.	Not included in the discussion	Not included in the discussion	Conduct its own study
4.1	Operating procedures are appropriately documented and consistently implemented and monitored.	Not included in the discussion	Not included in the discussion	Conduct its own study
4.2	Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	Not included in the discussion	Not included in the discussion	Conduct its own study
4.3	Practices minimize and control erosion and degradation of soils.	Not included in the discussion	Not included in the discussion	Conduct its own study
4.4	Practices maintain the quality and availability of surface and ground water.	Not included in the discussion	Not included in the discussion	Conduct its own study
4.5	Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	Not included in the discussion	Not included in the discussion	Conduct its own study
4.6	Chemicals (agrochemicals) used in a appropriate manner that does not endanger health or the environment.	Not included in the discussion	Not included in the discussion	Conduct its own study
4.7	Occupational safety and health rules implemented.		√	Need improvement in the fulfillment of the PPE, discipline, and safety and health procedure.
4.8	All staff, workers, smallholders and contractors are properly trained.		√	Training for employees and contractors need to be improved and regularly implemented
5.1	Assessment of environmental impacts of planted oil palm, both positive and negative, and the results incorporated into the management planning and implemented in operational procedures.		√	Impact assessment incorporated into the management planning and carried out in operational procedures
5.2	Build an understanding of the species and habitats of plants and animals that live in and around the plantation area.	Not included in the discussion	Not included in the discussion	Conduct its own study
5.3	Plans are developed, implemented and monitored to address biodiversity in and around the plantation area.	Not included in the discussion	Not included in the discussion	Conduct its own study
5.4	Waste destroyed, recycled, reused and disposed of in an environmentally and socially friendly.	Not included in the discussion	Not included in the discussion	Conduct its own study
5.5	Maximize the efficient use of energy and use of renewable energy	Not included in the discussion	Not included in the discussion	Conduct its own study

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5.6	Avoid burning to destroy waste and preparing land for replanting except in special circumstances.	Not included in the discussion	Not included in the discussion	Conduct its own study
5.7	Develop, implement and monitor a plan to reduce pollution and emissions, including greenhouse gases.	Not included in the discussion	Not included in the discussion	Conduct its own study
6.1	Assessing social impacts, both positive and negative, from palm oil cultivated and processed, and incorporate the results into the management planning and implemented in operational procedures.		√	Positive and negative social impacts assessment need to be incorporated into the management planning and operational procedures implemented in
6.2	There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		√	Required communication and consultation procedure to affected parties, as well as documentation of communication and consultation activities that have been implemented
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.		√	Required a mutually agreed system to accommodate and handle complaints. Documentation necessary for the activity
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		√	Required procedure and documentation of land compensation and provide system to accommodate the aspirations of affected communities
6.5	The employer ensure payment and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	√		Wages are in accordance with the regulations of (Minimum wage/UMP), needs to be improved facilities for employees
6.6	The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		√	Companies need to facilitate the labor unions formation.
6.7	Prohibited to employ children. The children are not exposed to the working environment at risk. Children are only allowed to work on the family farm, with adult supervision, and does not disrupt the educational program.	√		Not found employees / workers under the age of 15 years
6.8	The employer shall not engage in or support discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, worker union membership, political affiliation or age.	√		The company continues to maintain a conducive atmosphere on the absence of discrimination
6.9	The producers and millers are well connected and open with smallholders and local businesses .		√	Company accountability with scheme smallholders needs to be improved, especially in the calculation of the SHU (yearly business benefit) value.
6.10	Growers and millers contribute to local sustainable development wherever appropriate.	√		Company contribution to communities such as employment, social programs, etc. need to be improved.
7.1	Conduct environmental and social impact assessments are thorough and involve all parties prior to new plantings or operations, or expanding existing ones, and the results incorporated into the planning, management and operations.		√	Social and environmental impacts for the construction of new plantings should be incorporated into management and operation plan

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7.2	Using soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.	Not included in the discussion	Not included in the discussion	Conduct its own study
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	Not included in the discussion	Not included in the discussion	Conduct its own study
7.4	Avoided develop plantations on steep terrain, and/or on marginal and fragile soils	Not included in the discussion	Not included in the discussion	Conduct its own study
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		√	Required new procedure of land acquisition and provide institutions to accommodate the aspirations of the communities. Several complain that relate to land tenure immediately resolved.
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	√		Provide and preparing the process document of the land acquisition. Several complaints related to land tenure immediately resolved.
7.7	Prohibited from burning to prepare new planting except in specific situations	Not included in the discussion	Not included in the discussion	Conduct its own study
8.1	Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	Not included in the discussion	Not included in the discussion	Conduct its own study

4a. Summary of management and Mitigation Plans (SEIA)

PT KMB has developed the plans for the conservation impacts and social impacts as the operational efforts on social and conservation mitigation. The SIA development and preparation of management & monitoring plans for KMB was mainly based on the SIA and HCV Assessment result, in corporate with the IPB; consultant accredited and approved by RSPO and the Social Impact Assesment.

The Environment Impact Assessment (AMDAL) was approved by AMDAL Commission of Kotawaringin Timur Distric, Central Kalimantan Province and the Environmental Permit (Izin Kelayakan Lingkungan) was approved by Regent decree of Kalimantan Timur Distric (Surat Keputusan Bupati Kotawaringin Timur) 23/Komisi-Kotim/VIII/2002 dated on 09-08-02.

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 for 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 – achievement

Based on the SIA results for PT KMB by IPB and the Environmental Management & Monitoring Plans (*Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan*) of PT KMB document, the management for the Social and Environmental Impacts will manage with appropriate work performance standards. The scope of the development and preparation of management & monitoring plans included all of the potential impacts by the plantation activities. The development and preparation of management & monitoring plans guidelines include :

No.	Description	Management Objective	Action Taken
1.	Land acquisition process and compensation with FPIC	<ol style="list-style-type: none"> a. Policy and Procedure for land acquisition and compensation in socialization and implementation b. Partner system of development palm oil and land acquisition is socialized 	<ol style="list-style-type: none"> a. Create and implement policies and procedures of land acquisition with the local communities and village government b. Promote and socialized partnership management system palm smalholdings

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2.	Participation on Human Resource increasing in Company	<ul style="list-style-type: none"> a. Encourage local people which poor economic for continuosing education until college with scholarship program b. Participate in increase the achieving of basic education c. Giving the opportunity to senior high school of vocational fo Practical Work Field (<i>Kerja Praktek Lapangan</i>) 	<ul style="list-style-type: none"> a. Give scholarships to excellence students for continue their education to a higher level b. Provide schools for children of employees and local community till junior high school c. Accept students who want to do pratical work field (<i>Praktek Kerja Lapangan - PKL</i>) of agriculture and engineering majors
3.	Company's Participation to increase local economic	<ul style="list-style-type: none"> a. Built communication forum with smallholders b. Employ local people in accordance with company requirements c. Opening opportunity of corporation for contactor and local supplier accord with standard nd quality desirable of company 	<ul style="list-style-type: none"> a. Develop and maintain harmonic relationship with smallholders through Koperasi and Smallholders Communication Forum b. Local people are priorities for employment c. Local contractor and supplier are welcome and will be first priorities in every project
4.	Reinforcement of communication and social relation of company	Conducting of harmonic communication with people in a continuous manner	<ul style="list-style-type: none"> a. Conduct joint event (religious, national celebration) between company and surrounding community regularly
5.	Company's Paticipation in increase Health People Quality	Corporation with official concerned to mantain and enhance environmental quality	<ul style="list-style-type: none"> a. Provides a complete clinic with medical experts who have been certified in the work place b. Cooperate with the nearest health center to provide health facilities
6.	Increasing Infrastructure and Environment	<ul style="list-style-type: none"> a. Participation of increasing public facility which is giving easy of company and peoples b. Management and monitoring of the water quality, soil, and air c. Arranging of environmental management & monitoring plans (<i>Rencana Pengelolaan Lingkungan, RKL – Rencana Pemantauan Lingkungan, RPL</i>) and survey of people perception with environment condition 	<ul style="list-style-type: none"> a. Identification and Build facility for public in surrounding area by program or request from community b. Conduct water quality, soil and air monitoring as required by regulation c. Report environmental management & monitoring regularly to government (BLH),

4b. Summary of Management and Mitigation Plans (HCV)

The HCV development and preparation of management & monitoring plans

The HCV development and preparation of management & monitoring plans was based on the result of the HCV assessment which was administered in September-October 2010 by independent consultants from IPB who has been accredited and approved by RSPO. This process provides data and information related to the presence of the HCV areas in the Cultivate Right Title (HGU) of PT KML, the key HCV elements, the actual conditions included the potential threats, and the recommendations for the management.

The HCV development and preparation of management & monitoring plans was implemented with the aim to provide guideline for the company in planning and management of its programs or activities in managing the HCV present within the concession area. The purpose was to enable all the available resources to be focused, integrated and effective in order to achieve the HCV management outcome. The purposes of this management and monitoring document were:

- 1) To ensure that the identified and assigned HCV areas are under protection and in a well managed state so that their HCV functions are well preserved,
- 2) To enhance the administration of the management and monitoring in the sense that the process carried out is more systematically according to the legal procedures.

Plan for HCV Monitoring and Regular Review of Data

The basic programs and activities that fulfill the HCV management are in regular monitoring and review. The purpose of review is to measure the achievements, effectiveness, efficiencies, impacts, and sustainability of the programs. Thus, the purpose of monitoring is to evaluate whether the activities run as they are expected; whether the outputs of the process are as they were projected previously; and whether the resources investments (human, fund, time) are as they were planned.

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 review should be conducted at the end of the management periodical plan, that is in the end of the third years (summative review) and every six months (formative review).

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Management and mitigation plans for threats to HCV areas.

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

1. Identification, documentation and recondition of baseline HCV elements and that threats.
2. Socialization to (management, worker, and local peoples) the HCV area about the existence and importance of protecting HCV areas.
3. Develop dialogue and facilitate people for make like-minded of HCV management.
4. Dialogue with stakeholders, especially government for increasing protecting HCV elements and areas.
5. Monitoring of land clearing activity.
6. in rivers which has the important function as the catchment areas.
7. Avoid/minimizing superficial of river with GAP (Group Agriculture Policy) which is land clearing until maintenance and harvesting.
8. Recondition and making the policy and procedure (SOP) which is supporting efectivity HCV management.

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HCV	Location	Monitored Indicators	Monitoring Purposes	Benchmark	Monitoring Methods	
					Data Analysis Method	Monitoring Period
<p>HCV 1.1.</p> <p>Areas that contain or provide biodiversity support function to protection or conservation areas</p>	<ul style="list-style-type: none"> Riparian of the Anak Sangsang-1 River Riparian of the Anak S. Hanya-1 River Riparian of the Anak S. Hanya-2 River Riparian of the Anak S. Merayak-1 River Riparian of the Anak S. Penyahuan River Riparian of the Hanya River Riparian of the Kuwa River Riparian of the Merayak River Riparian of the Nuhai River Riparian of the Penyahuan River Riparian of the Sangsang River Riparian of the Tian Teras River Riparian of the Anak Penyahuan-1 River Riparian of the Tenggirah River Konjat Hill Setan Hill Bukit Setan Water Spring Ds Gunung Makmur Lake 	<ul style="list-style-type: none"> Intensity of interference to area which have HCV 1.1, including fire hazard Update conditions of Land cover Update conditions of Buffer zone Update conditions of interaction between HCV 1.1 area to area around Actual implementation and monitoring also safeguards against HCV 1.1. 	<ul style="list-style-type: none"> To know the disturbance intensity of the HCV 1.1 area, including fire hazard To know update conditions of land cover periodically To know the update condition of buffer zone To know Update conditions of interaction between HCV 1.1 area to area around To know Actual implementation and monitoring also safeguards against HCV 1.1 	<p>Good :</p> <p>No adverse update disorders and various indicators are monitored in good condition at the location that has HCV 1.</p> <p>Medium :</p> <p>Wide location and other indicators monitored in the troubled region of HCV 1.1 is low (< 25%) and a medium interference or site area impaired HCV 1.1 is medium (< 50%) and low levels of interference</p> <p>Poor:</p> <p>Wide and other broad indicators are monitored within the affected location HCV 1.1 large (> 50%) and high levels of interference</p>	<ul style="list-style-type: none"> Tools and materials : map work, GPS, camera, compass, binoculars, tally sheet, meter gauge, plastic fuses rope, stationery. Methods : Observation in the area that has managed HCV 1.1. Data analysis methods : descriptive of each monitoring period Conclusion Method : if the indicator values is derived from the result of monitoring including average and poor, the management activities in the area which have HCV 1.1 was done needs to be improved 	<p>For the intensity of interference monitoring done once a month, while other indicators monitoring conducted once year and will begin in RKAP 2010</p>
<p>HCV 1.2.</p> <p>Critically endangered species</p>	<ul style="list-style-type: none"> Riparian of the Anak Sangsang-1 River Riparian of the Anak S. Hanya-1 River Riparian of the Anak S. Hanya-2 River 	<ul style="list-style-type: none"> The amount and composition of fauna species (mammals, reptiles, and aves) and flora at each location who have HCV 1.2 	<ul style="list-style-type: none"> To know the amount and composition of fauna species (mammals, reptiles, and aves) and flora at each location periodically 	<p>Good :</p> <p>Variety of fauna and flora (including protected and RTE) in location has varied</p>	<ul style="list-style-type: none"> Tools and materials : map work, GPS, camera, compass, binoculars, tally sheet, meter gauge, plastic fuses rope, stationery. Methods : Observation in the 	<p>For the intensity of interference monitoring done once a month, while other indicators</p>

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HCV	Location	Monitored Indicators	Monitoring Purposes	Benchmark	Monitoring Methods	
					Data Analysis Method	Monitoring Period
	<ul style="list-style-type: none"> Riparian of the Anak S.Merayak-1 River Riparian of the Anak S. Penyahuan River Riparian of the Hanya River Riparian of the Merayak River Riparian of the Anak Penyahuan-1 River Riparian of the Tenggirang River Setan Hill Batu Hill 	<ul style="list-style-type: none"> Distribution and wealth of species at each location who have HCV 1.2 The level of interference to the species in each location that has HCV 1.2 Density conditions of endangered flora 	<ul style="list-style-type: none"> To know distribution and wealth of species at each location periodically To know The level of interference to the species in each location through periodic monitoring To know density conditions of endangered flora 	<p>or increased</p> <p>Medium : Variety of fauna and flora (including protected and RTE) in location has decreased < 50%</p> <p>Poor : Variety of fauna and flora (including protected and RTE) in location has decreased > 50%</p>	<p>area that has managed HCV 1.2.</p> <ul style="list-style-type: none"> Data analysis methods : descriptive of each monitoring period Conclusion Method : if the indicator values is derived from the result of monitoring including average and poor, the management activities in the area which have HCV 1.2 was done needs to be improved 	<p>monitoring conducted once year and will begin in RKAP 2010</p>
<p>HCV 1.3</p> <p>Area that contain habitat for viable populations of endangered, restricted range or protected species</p>	<ul style="list-style-type: none"> Riparian of the Anak Sangsang-1 Riparian of the Anak S. Hanya-1 Riparian of the Anak S. Hanya-2 Riparian of the Anak S.Merayak-1 Riparian of the Anak S. Penyahuan Riparian of the Hanya Riparian of the. Kuwa Riparian of the Merayak Riparian of the Nuhai Riparian of the Penyahuan Riparian of the Tian Teras Riparian of the Anak Penyahuan-1 Riparian of the Tenggirang Setan Hill Ds Gunung Makmur Lake Batu Hill Water Spring (SME) 	<ul style="list-style-type: none"> Intensity of interference to area which have HCV 1.3, including fire hazard Variety conditions and wealth of flora fauna species Actual implementation of activities and the survival of rehabilitated land cover 	<ul style="list-style-type: none"> To know Intensity of interference to area which have HCV 1.3, including fire hazard To know Variety conditions and wealth of flora fauna species periodically To know Actual implementation of activities and the survival of rehabilitated land cover 	<p>Good :</p> <p>The conditions of HCV 1.3 area was persist or no change</p> <p>Medium :</p> <p>HCV 1.3 area not increased with a width of < 0.5 meter/ year</p> <p>Poor :</p> <p>HCV 1.3 area increased with a width of > 0.5 meter/ year</p>	<ul style="list-style-type: none"> Tools and materials : map work, GPS, camera, compass, binoculars, tally sheet, meter gauge, plastic fares rope, stationery. Methods : Observation in the area lowland forest Data analysis methods : descriptive of each monitoring period Conclusion Method : if the indicator values is derived from the result of monitoring including average and poor, the management activities in the lowland forest area was done needs to be improved 	<p>For the intensity of interference monitoring done once a month, while other indicators monitoring conducted once year and will begin in RKAP 2010</p>

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HCV	Location	Monitored Indicators	Monitoring Purposes	Benchmark	Monitoring Methods	
					Data Analysis Method	Monitoring Period
<p>HCV 2.3.</p> <p>Areas that contain two or more contiguous ecosystem</p>	<ul style="list-style-type: none"> Riparian of the Anak Sangsang-1 Riparian of the Anak S. Hanya-1 Riparian of the Anak S. Hanya-2 Riparian of the Anak S. Merayak-1 Riparian of the Anak S. Penyahuan Riparian of the Hanya Riparian of the Kuwa Riparian of the Merayak Riparian of the Nuhai Riparian of the Penyahuan Riparian of the Tian Teras Riparian of the Anak Penyahuan-1 Riparian of the Tenggirah Setan Hill Ds Gunung Makmur Lake Batu Hill 	<ul style="list-style-type: none"> Intensity of interference to area which have HCV 2.3, including fire hazard Kondisi keanekaragaman spesies fauna dan flora. Variety conditions and wealth of flora fauna species Actual implementation of activities and the survival of rehabilitated land cover 	<ul style="list-style-type: none"> To know Intensity of interference to area heath forest, including fire hazard To know Variety conditions and wealth of flora fauna species periodically To know Actual implementation of activities and the survival of rehabilitated land cover 	<p>Good :</p> <p>The conditions of HCV 2.3 area was persist or no change</p> <p>Medium :</p> <p>HCV 2.3 area not increased with a width of < 0.5 meter/ year.</p> <p>Poor :</p> <p>HCV 2.3 area increased with a width of > 0.5 meter/ year</p>	<ul style="list-style-type: none"> Alat dan bahan : Peta kerja, GPS, kamera, teropong, kompas, tally sheet, meteran, tambang plastik, dan alat-alat tulis. Metode pengukuran : Pengamatan langsung di areal yang dikelola. Metode analisis data : Analisis deskriptif dari masing-masing periode pemantauan. Metode penyimpulan : Jika nilai indikator yang diperoleh dari hasil pemantauan termasuk sedang dan buruk, maka kegiatan pengelolaan areal yang telah dilakukan perlu ditingkatkan 	<p>Untuk intensitas gangguan dilakukan sebulan sekali, sedangkan indikator pemantauan lainnya dilakukan satu tahun sekali dan akan dimulai pada RKAP tahun 2010</p>
<p>HCV 4.1.</p> <p>Areas or ecosystem important for the provision of water and prevention of flood for downstream communities</p>	<ul style="list-style-type: none"> Riparian of the Anak S. Tualan Riparian of the Anak S. Mentaya1 Riparian of the Anak Sangsang-1 Riparian of the Anak S. Hanya-1 Riparian of the Anak S. Hanya-2 Riparian of the Anak S. Mentaya2 Riparian of the Anak S. Merayak-1 Riparian of the Anak S. Penyahuan Riparian of the Anak 	<ul style="list-style-type: none"> Intensity of interference to area which have HCV 4.1, including fire hazard Variety conditions and wealth of flora fauna species. Actual implementation of activities and percent of land cover plant in the area of rehabilitaton, also care monitoring of HCV 4.1 River width changes Aquatic biota 	<ul style="list-style-type: none"> To know Intensity of interference to area which have HCV 4.1 also water quality changes in each locations To know Variety conditions and wealth of flora fauna species periodically To know actual implementation of activities and percent of land cover plant in the area of rehabilitaton, also care monitoring against 	<p>Good:</p> <p>Water pH ranged 6 – 9, TSS ≤ 50 mg/L, N-NO₃ ≤ 10 ppm, P - PO₄ ≤ 0,5 ppm and COD ≤ 10 ppm</p> <p>Medium:</p> <p>More than 50% water quality parameters (pH, TSS, NH₄, N-NO₃, P-PO₄ and COD) according to</p>	<ul style="list-style-type: none"> Alat dan bahan : Peta kerja, GPS, kamera, teropong, kompas, tally sheet, meteran, tambang plastik, dan alat-alat tulis. Metode pengukuran : Pengamatan langsung di areal yang dikelola. Metode analisis data : Analisis deskriptif dari masing-masing periode pemantauan. Metode penyimpulan : Jika nilai indikator yang diperoleh dari hasil pemantauan termasuk sedang dan buruk, maka kegiatan pengelolaan areal yang telah dilakukan perlu ditingkatkan 	<p>Untuk intensitas gangguan dilakukan sebulan sekali, sedangkan indikator pemantauan lainnya dilakukan satu tahun sekali dan akan dimulai pada RKAP tahun 2010</p>

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HCV	Location	Monitored Indicators	Monitoring Purposes	Benchmark	Monitoring Methods	
					Data Analysis Method	Monitoring Period
	S.Sangsang <ul style="list-style-type: none"> Riparian of the Hanya Riparian of the Kehu Riparian of the Kuwa Riparian of the Linuk Riparian of the Merayak Riparian of the Nuhai Riparian of the Penyahoan Riparian of the Sangsang Riparian of the. Tangkara Riparian of the Tian Teras Riparian of the Tualan Riparian of the Anak Penyahuan-1 Riparian of the Tenggirang Bukit Setan Water Spring Ds Gunung Makmur Lake Water Resource (SME) 		HCV 4.1 <ul style="list-style-type: none"> To know changes of river width and aquatic biota 	the quality standar PP No. 82 tahun 2001. Poor : Less than 50% water quality parameters (pH, TSS, NH ₄ , N-NO ₃ , P-PO ₄ and COD) according to the quality standar PP No. 82 tahun 2001		
HCV 4.2 Areas important for the prevention of erosion and sedimentation	<ul style="list-style-type: none"> Kala Hill Konjat Hill Batu Hill Ehang Hill Setan Hill 	<ul style="list-style-type: none"> Intensity of interference to area which have HCV 4.2, including fire hazard Variety conditions and wealth of flora fauna species. Actual implementation of activities and percent of land cover plant in the area of rehabilitaton 	<ul style="list-style-type: none"> To know intensity of interference to heath forest and peat, including from fie hazard To know Variety conditions and wealth of flora fauna species periodically To know actual implementation of activities and percent of land cover plant in the area of rehabilitaton 	Good : The conditions of HCV 4.2 area was persist or no change. Medium: HCV 4.2 area was persist or increased with a width of < 0.5 meter/ year Poor : HCV 4.2 area increased with a width of > 0.5 meter/ year	<ul style="list-style-type: none"> Tools and materials : map work, GPS, camera, compass, binoculars, tally sheet, meter gauge, plastic fares rope, stationery. Methods : Observation in the area Data analysis methods : descriptive of each monitoring period Conclusion Method : if the indicator values is derived from the result of monitoring including average and poor, that area was done needs to be improved 	For the intensity of interference monitoring done once a month, while other indicators monitoring conducted once year and will begin in RKAP 2010

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HCV	Location	Monitored Indicators	Monitoring Purposes	Benchmark	Monitoring Methods	
					Data Analysis Method	Monitoring Period
<p>HCV 6.</p> <p>Areas critical for maintaining the cultural identity of local community</p>	<ul style="list-style-type: none"> Keramat Bukit Ehang Pohon Keramat (SME) 	<ul style="list-style-type: none"> Intensity of interference to place of sacred Interaction intensity between community and HCV 6 area 	<ul style="list-style-type: none"> To know Intensity of interference to place of sacred To know Interaction intensity between community and HCV 6 area 	<p>Good :</p> <p>There is no interference to the shrine</p> <p>Sedang :</p> <p>There is low interference to the shrine (< 25%) and medium of disturbance of all total shrine</p> <p>Poor :</p> <p>There is high interference to the shrine (> 50%) and high disturbance of all total shrine</p>	<ul style="list-style-type: none"> Tools and materials : map work, camera, compass, and stationery Methods : Observation in the shrine area Data analysis methods : descriptive of each monitoring period Conclusion Method : if the indicator values is derived from the result of monitoring including average and poor, the management activities in the shrine area was done needs to be improved 	<p>For the intensity of interference monitoring done once a month, while other indicators monitoring conducted once year and will begin in RKAP 2010</p>

Internal Responsibility

Document of Identification HCV and management & monitoring plan PT Karya Makmur Bahagia has been approved by the management of March 2012 and Document of Social Impact Assessment management and monitoring plan has been approved by the management of Juni 2011.

Proposed by



Diar Hasymi Damanik
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Date:20-11-2013



Yohannes Agung Baskoro
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Date:20-11-2013

Agreed by



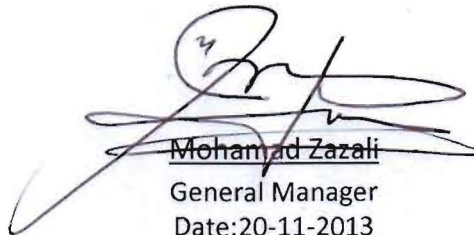
Lim Sian Choo
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Approved

Management
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