

PT SAWIT MANDIRI LESTARI

LAMANDAU REGENCY

CENTRAL KALIMANTAN PROVINCE

INDONESIA

SUMMARY REPORT OF HCV AND SEIA

DECEMBER 2014

RSPO NEW PLANTINGS PROCEDURE

Summary Report of HCV Assessment and SEIA

1. Executive Summary

PT Sawit Mandiri Lestari (PT SML) has obtained an licence area for oil palm plantations covering an area of 26,995.46 ha through the Regent Decree of Lamandau EK. 525.26/15/SK-IL/VI/2012, dated Juni 26, 2012., about the Location Permit for Oil Palm Plantation's PT Sawit Lestari Mandiri In Delang District, Batang Kawa District, Lamandau District, Lamandau Regency, Central Kalimantan Province.

Villages where the assessments were conducted are Kinipan Village, Ginih Village, Batu Tambun Village, Sungai Tuat Village, Tanjung Beringin Village, Cuhai Village, Kawa Village, Karang Taba Village, Penopa Village, Suja Village and Tapin Bini Village, in three district namely Delang District, Batang Kawa District and Lamandau District, Lamandau Regency, Central Kalimantan Province.

Location of PT SML Oil Palm Plantation can be reached from two way. First, from Nanga Bulik (Lamandau regency capital) to Tapin Bini (Lamandau district capital) far more than 50 km, which requires a travel time 2 hours by using a four-wheel vehicles through the rocky roads. Secondly, from Nanga Bulik, through main road Trans Borneo from Central Kalimantan to West Kalimantan with hot mix asphalt passing through several villages directly adjacent to area of PT SML Oil Palm Plantation like Sungai Tuat and Riam Panahan Village, far more than 65 km with travel time 1 hour. Location of PT SML Oil Palm Plantation (country level) showing in Figure 1up to Figure 4.

After obtaining the licence area, PT SML hired a team lead by Ir. Kresno Dwi Santosa, M.Si (of PT Sonokeling Akreditasi Nusantara-PT SAN), an RSPO-accredited HCV lead assessor, to conduct HCV assessments and SEIA.

Land cover in the area of PT SML Oil Palm Plantation reffer at analysis results through map interpretation of Landsat imagery (Path 120 Row 61) coverage of the September 1, 2012 and March 25, 2013 as well as data from field observation team HCV Year 2014. Based on the data analysis, area of PT SML has six (6) land cover types, as presented in Table 1 and Figure 5.

Table 1. Land cover types within PT SML Oil Palm Plantation.

No.	Types of Land Cover	Nucleus (Ha)		Plasma (Ha)		Total	
		HPK	APL	HPK	APL	Ha	%
1	SecondaryForest	11,967	-	4,858	33	16,857	62.45
2	Old Thicket	-	-	2,135	1	2,136	7.91
3	Young Thicket	676	4	4,313	277	5,270	19.52

No.	Types of Land Cover	Nucleus (Ha)		Plasma (Ha)		Total	
		HPK	APL	HPK	APL	Ha	%
4	Plantation	-	-	402	-	402	14.9
5	Agriculture	-	-	1,830	443	2,273	84.2
6	Open land	10	-	48	-	58	0.21
Total		12,653	4	13,585	754	26,995	100

Source: *Intrpretation of Landsat Imagery path 120 row 61, coverage year 2014 HCV Assessment 2014*

Location Maps

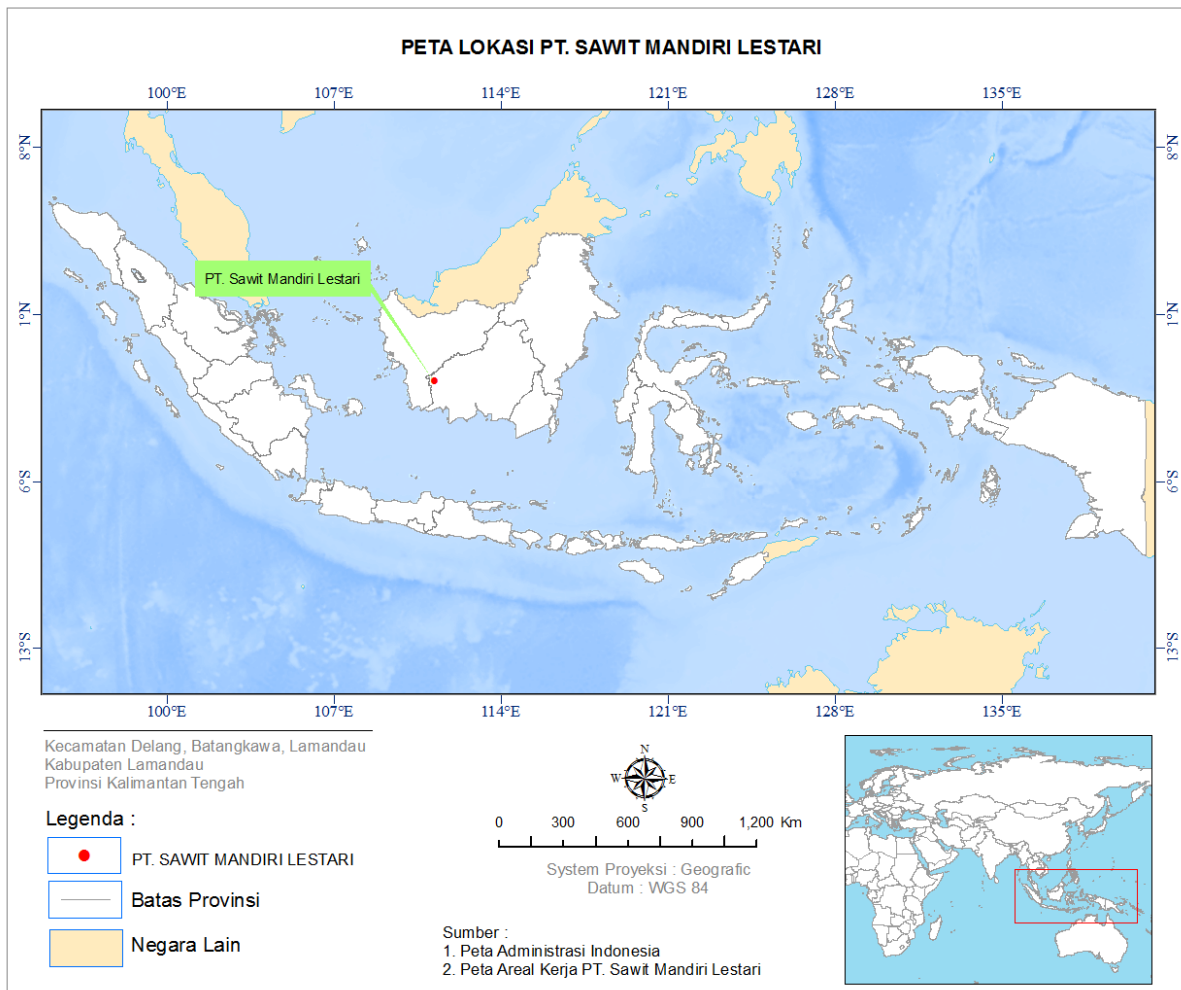


Figure 1 . Location Map of PT SML (Country Level)

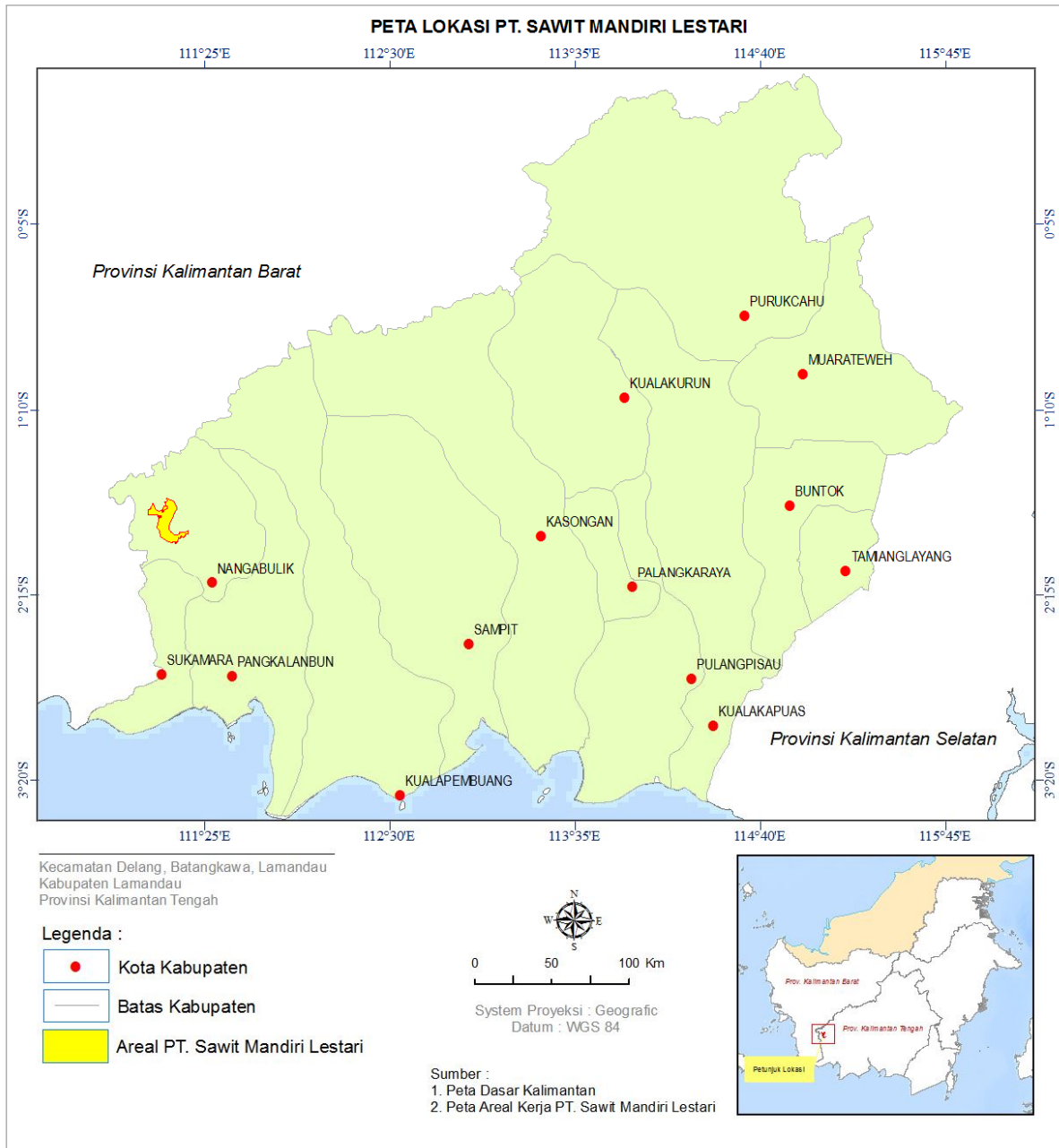


Figure 2 . Location Map of PT SML (Province Level)

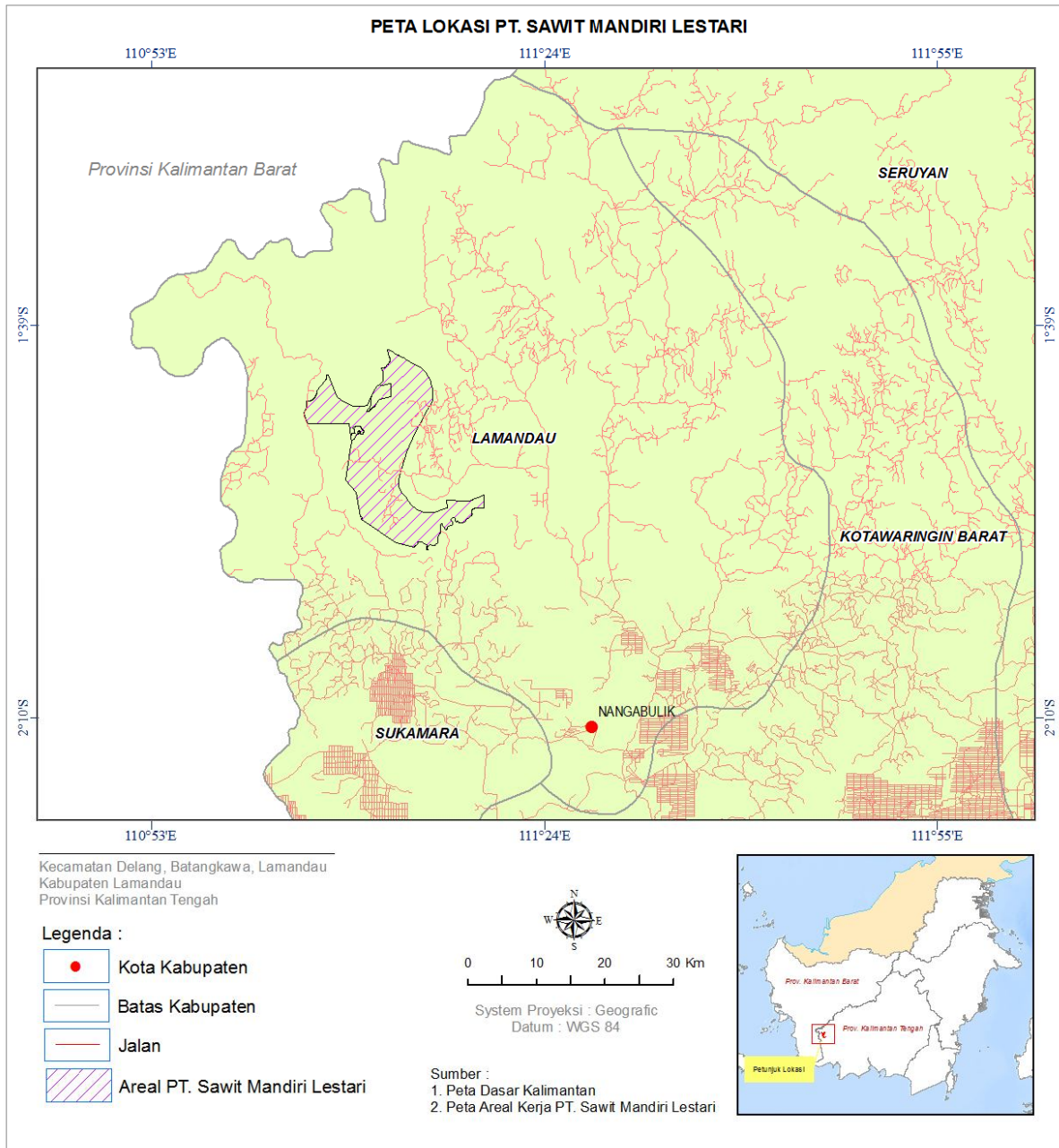


Figure 3 . Location Map of PT SML (Regency Level)

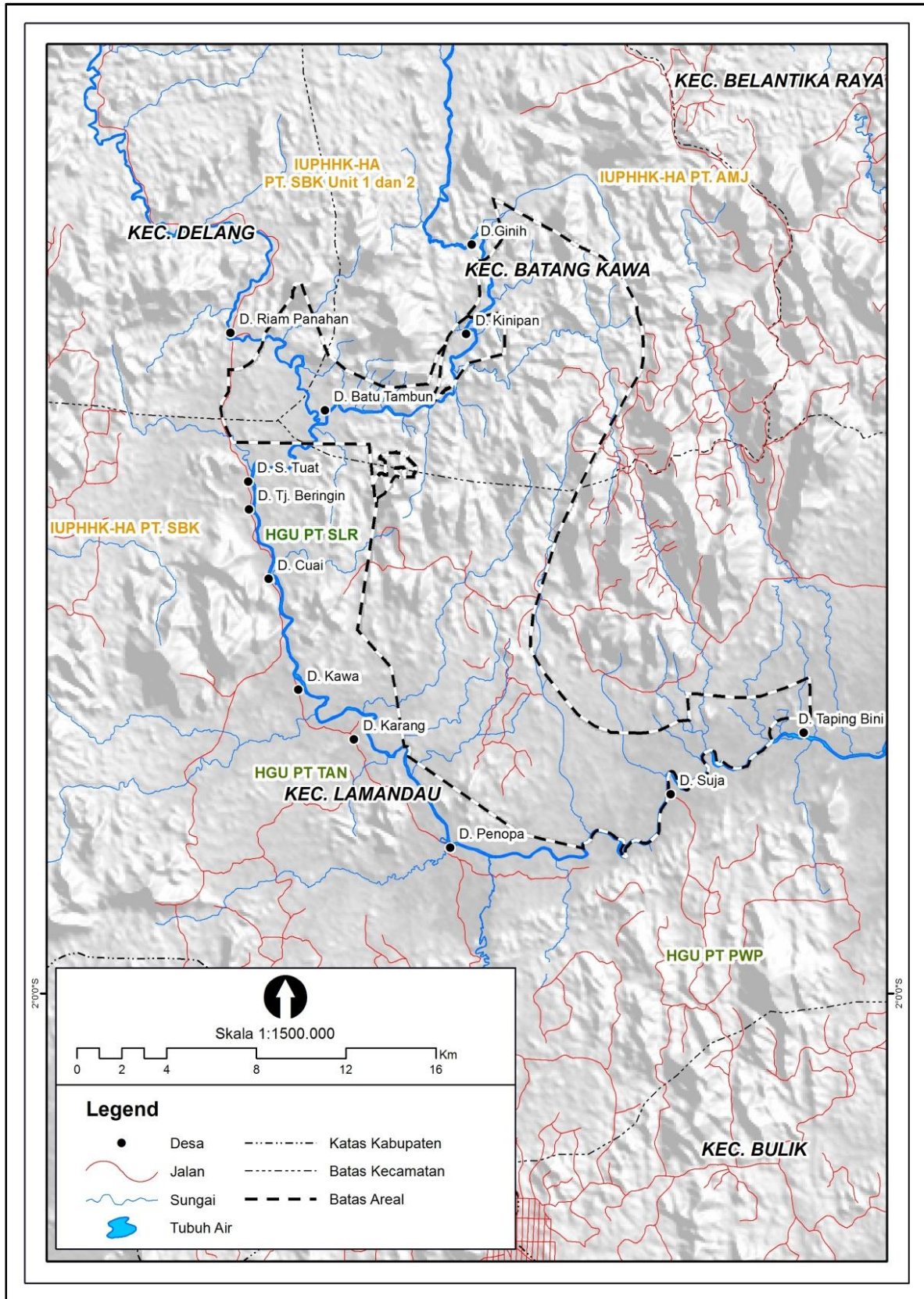


Figure 4. Map of PT Sawit Mandiri Lestari Oil Palm Plantation Area

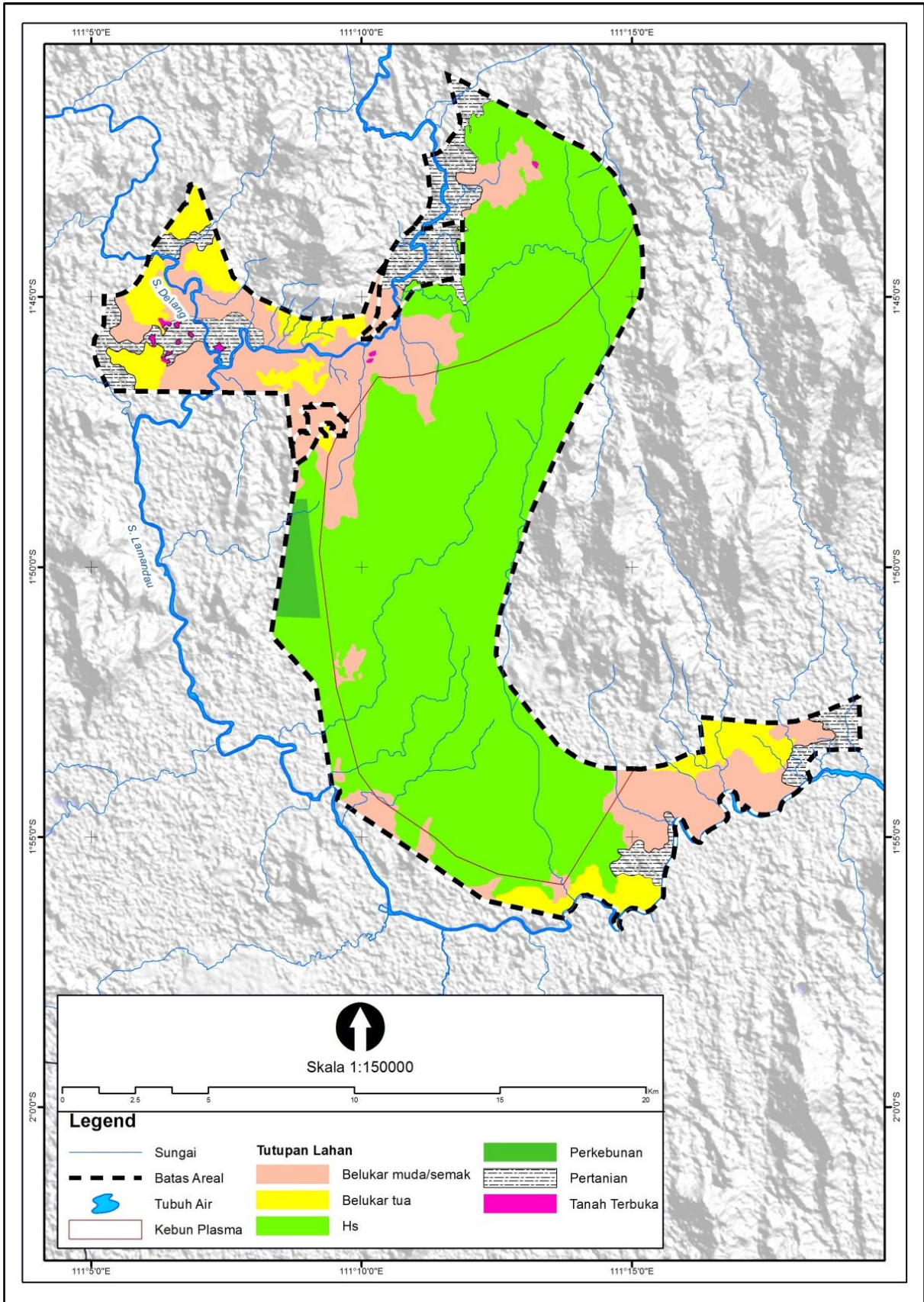


Figure 5. Map of Land Cover Types Within PT Sawit Mandiri Lestari Oil Palm Plantation Area

Land System in the area of PT SML based on Map of Land Systems Central Kalimantan, which is divided into four classes, which is dominated by Honja Group, showing in Tabel 2.

Table 2. Land System of PT SML Oil Palm Plantation.

No	Code	Land Type Association (USDA, 1989)	Size	
			Ha	%
1.	BPD	Dystropepts, Tropudults, Paleudults	7,952.34	29.46
2.	HJA	Tropudults, Paleudults, Tropohumults	11,569.09	42.86
3.	JLH	Dystropepts, Tropudults, Paleudults	4,329.60	16.04
4.	PLN	Tropudults, Dystropepts	3,144.43	11.65
Total			26,995.46	100

Source: Land system map of Central Kalimantan

Based on the Decree of the Forestry Minister No. 292/KPTS-II/2011, status area PT SML Oil Palm Plantation is a Convertible Production Forest (HPK) and Other Use Areas (APL). Therefore, to ensure certainty area and business, PT SML need to make changes area HPK into other use area (APL). The effort began with the publication of the forestry minister decree No. S.355/Menhut-II/2014, August 29, 2014, About reserve convertible production forest area which can be converted to PT SML oil palm plantations covering 19.240 hectares.

In general, the HCV identification showed covers 4,832.83 Ha or 18% of the total area, consisting of HCV 1 : HCV1.1, HCV 1.2, HCV1.3, HCV 1,4 HCV 2 : HCV2.3, HCV 4 : HCV 4.1., HCV 4;2, HCV 4.3, HCV 5 (overlap) and HCV 6 which in detail is shown in the summary of HCV Assessment findings below. Some areas have been found to contain more than one HCV. HCV peer review assessment has been completed.

The AMDAL-EIA (Environmental Impact Assessment), have been obtained. Izin Lingkungan (Environmental licence), IUP (Plantation Operational licence) and HGU (land use title) still on progress.

2. Scope of HCV Assessment and SEIA

The HCV assessment and SEIA covered the location of PT SML, and identified existing HCV areas and social situation and challenges at the time of the assessment.

Organizational Information and Contact Person of PT SML

- Company : PT Sawit Mandiri Lestari
- Administrative Location : Delang, Batang Kawa and Lamandau District
Lamandau Regency, Central Kalimantan Province
- Contact Persons : Irfan Pandjaitan (Head of Sustainability)
Rudy Hendrarto (Manager of QHSE Department)

Stakeholders involved during implementation

1. Government officers in charge of Environment and Agriculture: Department of Waters (Dinas Pengairan), Dinas PU, Forestry Department (Dinas Kehutanan), Dinas Tanaman Pangan (Food Crops Department), Police of Delang, Batang Kawa and Lamandau District.
2. Local government representatives (at Kabupaten, Kecamatan and Village levels) : Head of Kinipan Village, Ginih Village, Batu Tambun Village, Sungai Tuat Village, Tanjung Beringin Village, Cuhai Village, Kawa Village, Karang Taba Village, Penopa Village, Suja Village and Tapin Bini Village.
3. Local community leaders and other stakeholders: Karang Taruna Lamandau Regency.
4. Local NGO/LSM
5. Plasma cooperatives members and their representatives.
6. Company employees and their representatives

Legal documents already obtained and on progress for this new planting are the Table 3 below.

Table 3. Legal Documents of PT SML Oil Palm Plantation.

No	Legal Documents	Numbers	Remarks
1	Location Permit (Izin Lokasi)	EK. 525.26/15/SK-IL/VI/2012	Signed by Lamandau Regent, Juni 26, 2012
2	AMDAL (Analysis Impact of Environment)	660/247/Kom-AMDAL/VIII/2014	Signed by Lamandau Regent, August 27, 2014
3	Environment Permit (Izin Lingkungan)	On Progress	-
4	Company Registered Number (Tanda Daftar Perusahaan)	15.05.1.46.00170	Signed by Head of Company Registered, dated 17/07/2014. Expired on 04/05/2019.
5	Tax Registration Number (NPWP)	02.917.066.9-713.000	-
6	Plantation Business Permit (Izin Usaha Perkebunan)	Ek.525.26/01/SK-IUP/IV/2014	Signed by Lamandau Regent, April 07, 2014
7	Disturbance and Business Place Permit (Surat Izin Gangguan dan Izin Tempat Usaha)	On Progress	-
8	Land Title	On Progress	-
9	Wood Used Permit (Izin Pemanfaatan Kayu)	On Progress	-

3. Assessment Methodology

HCV assessor team, which involved experts in Biodiversity, Environmental Services, Social and Culture and supported by GIS expert, had conduct field data collection on late April to early May 2014. Data collection was facilitated by the staff of the enterprise and assisted by the village community. Likewise with SEIA assessments conducted in the same time.

The assessment of HCV and SEIA of PT SML was conducted by PT Sonokeling Akreditasi Nusantara (PT SAN). The brief of its profile is as follows:

Name of Institution : PT Sonokeling Akreditasi Nusantara (PT SAN)
Address : Komplek Sari Inten No 44, Ciomas, Bogor, 16610, West Java
Contact Person : Ir. Kresno Dwi Santosa, M.Si
Position : President Director

The assessment team of PT SAN consists of a Team Leader, Expert and Assistant Expert of the scientific field of ecology (flora/plants and fauna/wildlife), environmental services and socio-economic culture. The assessment team also supported Experts Mapping or GIS (Geographic Information System). In addition, the composition of the assessment team are presented in Table 4.

Table 4. Complete Team of PT SAN-Assessment for PT SML Oil Palm Plantation.

No	Name	Title	HCV Assessor Certified	RSPO Status
1	Dr. Machmud Tohari, DEA	Team Coordinator	Certified	Registered
2	Ir. Kresno Dwi Santosa, M.Si	Team Leader	Certified	Registered
3	Ir. Ahmad Jazuli	Biodiversity Expert	Certified	
4	Indra Zulkarnaen, S.Hut.	Biodiversity Asistant (Fauna)		
5	Domi Suryadi, S.Hut.	Biodiversity Asistant (Flora)		
6	Dr. Rachmad Hermawan	Environmental Service Expert	Certified	Registered
7	Latief Ginanjar, S.T.	Environmental Service Asistant	Certified	
8	Aulia B, SP.	Environmental Service Asistant		
9	Ahmad Yudhana, S.Hut.	Social Cultural Economic Expert		
10	Kasuma Wijaya, S.Hut, M.Si	Mapping with GIS	Certified	
11	Rahmat	Asistant Mapping	Certified	
12	Burhanuddin Gala, MA	SEIA Expert	Certified	

Table 5. HCV Assessment Process, Methodology, and Data Achievement

Assessment Process	Methodology	Data achievement
Mapping and landscape	Field data collection to verify secondary data and information such as protected/conservation areas, road system, river system, boundaries, soil types and classes, topography, and; to conduct a comprehensive overview of the area.	Mapping all data and information found into a map and conducting analyses on it.
Fauna (wildlife) aspect	Qualitative field assessment (<i>rapid assessment</i>). Direct field observation; interview and discussion with stakeholders, such as local community, staffs of the company, and other related parties.	Qualitative condition of the habitat; endangered, critical, and protected wildlife species within the list of IUCN and the prevailing regulation and its distribution; qualitative condition of wildlife species' population (number and status of reproduction); location of wildlife species encounter; species hunted by the community; benefit and disturbance of wildlife species; level of threat and survival opportunity of wildlife species.
Flora aspect	Interview and direct field survey. Initial mapping of ecosystem distribution; observation on forest structure, species density or dominance on each type of ecosystem.	Data of flora with particular status, species protected by the Indonesian government or assumed to be endangered in the IUCN list. Threat and opportunity to maintain the area.

Assessment Process	Methodology	Data achievement
Social, Cultural and Economic Aspect	Interview and field visit using FGD (<i>Focus Group Discussion</i>), PRA (<i>Participatory Rural Appraisal</i>) and list of structured questions. Collection of data on the village's demography, custom, culture, and community's relation with forest.	Traditionally protected area, level of dependency toward the area, environmental services related to the assessed area.

The SEIA followed three stages

First, a desktop study, to collect existing data from public sources. Further collection of data was also conducted in the villages, district and regency administration offices, collecting information such as public health data, villages/district monographies and regency.

Second, field work, which included in-depth interviews, as well as Focus Groups Discussions (FGD) and direct observations. The field work was conducted over 10 days in the field, in the twelve villages interacting with PT SML (Kinipan Village, Ginih Village, Batu Tambun Village, Sungai Tuat Village, Tanjung Beringin Village, Cuhai Village, Kawa Village, Karang Taba Village, Penopa Village, Suja Village and Tapin Bini Village, in three district namely Delang District, Batang Kawa District and Lamandau District, Lamandau Regency, Central Kalimantan Province).

Third, analysis of the data and redaction of the report. The report was submitted to PT SML for review and comments before being finalised.

A HCV and SEIA public consultation, which took place on May 07, 2014 at Tanjung Beringin village hall. Public consultation was conducted to obtain feedback toward HCV findings from related parties. The process of public consultation, and the feedback and commentary from the participants was documented to provide inputs in finalization of HCV and SEIA report.

Public consultation was attended by the PT SAN team, PT SML employees, community and traditional leaders, Head of villages and Districts, Environmental Agency, Forestry Agency, local NGO, and University.

Table 6. Schedule Activities of Assessment HCV and SEIA PT SML Oil Palm Plantation

No	Activity	April-May 2014										
		28	29	30	01	02	03	04	05	06	07	
		Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	
1	Traveling to Area PT SML Oil Palm Plant											
2	Opening Meeting Discussion HCV-SEIA											
3	Field preparation to collecting data											
a	Collecting Flora data											
b	Collecting Fauna data											
c	Collecting Environment Services data											
d	Collecting Sosio cultural economic data											
e	Collecting SEIA data											
f	Checking document											
4	Analysis Data											
5	Closing Meeting identification HCV-SEIA											
6	Public consultation HCV											
7	Traveling to capital regency											
8	Traveling to Jakarta											

4. Summary

a. Summary of HCV Assessment Findings

PT Sawit Mandiri Lestari oil palm plantation contains High Conservation Value Area with the size \pm 4,832.83 Hectares or around 18% from the total area \pm 26,995.46 Hectares. Distribution of HCV presence on this area presented in Table 7, and detail, the High Conservation Value within PT SML oil palm plantation area is presented in Table 8 and Figure 6.

Table 7. Distribution of HCV Presence in the PT SML Oil Palm Plantation

HCV		Containing of HCV
1	HCV 1. Areas with important levels of biodiversity	
1.1	Areas that contain or provide biodiversity support function to protection or conservation areas.	Present
1.2	Critically endangered species.	Present
1.3	Areas that contain habitat for viable populations of endangered, restricted range or protected species	Present
1.4	Areas that contain habitat of temporary use by species or congregations of species	Present
2	HCV 2. Natural landscapes & dynamics	
2.1	Large natural landscapes with capacity to maintain natural ecological processes and dynamics.	Absent
2.2	Areas that contain two or more contiguous ecosystems with unbroken border line.	Absent
2.3	Areas that contain representative populations of most naturally occurring species.	Present
3	Areas with rare or endangered ecosystems	Absent
4	Areas providing environmental services	
4.1	Areas or ecosystems important for the provision of water and prevention of floods for downstream communities	Present
4.2	Areas important for the prevention of erosion and sedimentation.	Present
4.3	Areas that function as natural barriers to the spread of forest or ground fire.	Present
5	Natural areas critical for meeting the basic needs of local people	Present
6	Areas critical for maintaining the cultural identity of local communities	Present

Table 8. Summary of HCV Assessment Findings at PT SML Oil Palm Plantation

No	HCV Location	Size (Ha)	HCV Attributes
A Bukit			
1	Hill Area	63.73	1.1; 1.3; 1.4; 2.3; 4.1; 4.2; 5
2	Hill of 1	96.70	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
3	Hill of 10	81.39	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
4	Hill of 2/ Hill of Gompau	154.85	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
5	Hill of 3	122.44	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
6	Hill of 4	315.46	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
7	Hill of 5 / Hill of Kiringan	121.45	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
8	Hill of 6	39.23	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
9	Hill of 8	377.80	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
10	Hill of 9	820.23	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
11	Hill of Batu Besar	9.56	1.1; 1.3; 1.4; 2.3; 4.1; 4.2; 5; 6
12	Hill of Dadahan	158.45	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
13	Hill of Dadap	48.24	1.1; 1.3; 1.4; 2.3; 4.1; 4.2
14	Hill of Sejambuan	359.26	1.1; 1.3; 1.4; 2.3; 4.1; 4.2; 5; 6
15	Hill of Takau	68.48	1.1; 1.3; 1.4; 2.3; 4.1; 4.2; 5; 6
Total		2,837.26	
B River Border/Riparian			
1	River of Lamandau	150.03	1.1; 1.3; 1.4; 2.3; 4.1; 4.3; 5
2	River of Limau/Olahan	19.74	1.1; 1.3; 1.4; 2.3; 4.1; 5
3	River of Bakiap	12.38	1.1; 1.3; 1.4; 2.3; 4.1; 5
4	River of Kaloka	50.22	1.1; 1.3; 1.4; 2.3; 4.1; 5
5	River of Uyan	53.55	1.1; 1.3; 1.4; 2.3; 4.1; 5
6	River of Panyiluan	22.74	1.1; 1.3; 1.4; 2.3; 4.1; 5
7	River of Sabuyu	33.92	1.1; 1.3; 1.4; 2.3; 4.1; 5
8	River of Pojaran	188.26	1.1; 1.3; 1.4; 2.3; 4.1; 5
9	River of Lopas/Pasasayan	158.86	1.1; 1.3; 1.4; 2.3; 4.1; 5
10	River of Kayan	103.23	1.1; 1.3; 1.4; 2.3; 4.1; 5
11	River of Lindung	130.44	1.1; 1.3; 1.4; 2.3; 4.1; 5
12	River of Delang	167.50	1.1; 1.3; 1.4; 2.3; 4.1; 5
13	River of Pebantan	19.35	4.1; 5
14	River of Liu	18.51	4.1; 5
15	River of Batang Kawa	327	1.1; 1.3; 1.4; 2.3; 4.1; 4.3; 5
16	River of Ayawan	14.04	1.1; 1.3; 1.4; 2.3; 4.1; 5
17	River of Benamang	14.60	1.1; 1.3; 1.4; 2.3; 4.1; 5
18	River of Misan	14.82	1.1; 1.3; 1.4; 2.3; 4.1; 5
19	River of Uakan	21.93	1.1; 1.3; 1.4; 2.3; 4.1; 5
20	River of Toin	55.70	1.1; 1.3; 1.4; 2.3; 4.1; 5
21	River of Inuhan	50.60	1.1; 1.3; 1.4; 2.3; 4.1; 5
22	River of Nanga	152.14	1.1; 1.3; 1.4; 2.3; 4.1; 5
23	River of Kinipan	19.98	1.1; 1.3; 1.4; 2.3; 4.1; 5
24	River of Onyu	44.18	1.1; 1.3; 1.4; 2.3; 4.1; 5

No	HCV Location	Size (Ha)	HCV Attributes
25	River of Ginih	8.17	1.1; 1.3; 1.4; 2.3; 4.1; 5
26	River of Ima	4.55	4.1; 5
27	River of Urawan	3.34	1.1; 1.3; 1.4; 2.3; 4.1
28	River of Mangin	4.58	1.1; 1.3; 1.4; 2.3; 4.1
29	River of Pebahata	10.34	4.1
30	River of Lempahung	79.54	1.1; 1.3; 1.4; 2.3; 4.1
31	River of Cuhai	13.63	1.1; 1.3; 1.4; 2.3; 4.1
32	River of Tuat	4.57	1.1; 1.3; 1.4; 2.3; 4.1
Total		1,972.45	
C Water Ponds			
1	Water pond West	0.78	4.1
2	Water pond East	0.38	4.1
Total		1.61	
D Critically Endangered			
1	Meranti kuning (<i>Shorea hopeifolia</i>)		1.2
2	Meranti merah (<i>Shorea johorensis</i>)		1.2
E Hamlets			
1	Small hamlet of Mangin	3.14	5; 6
2	Hamlet of Bungur	3.14	5; 6
3	Small hamlet of Misan	3.14	5; 6
4	Small hamlet of Toin	3.14	5; 6
5	Hamlet of Tarinyu	3.14	5; 6
6	Small hamlet of Onyu	3.14	5; 6
7	Small hamlet of Masak Matahan	3.14	6
Total		21.96	
TOTAL HCV		4,832.83	

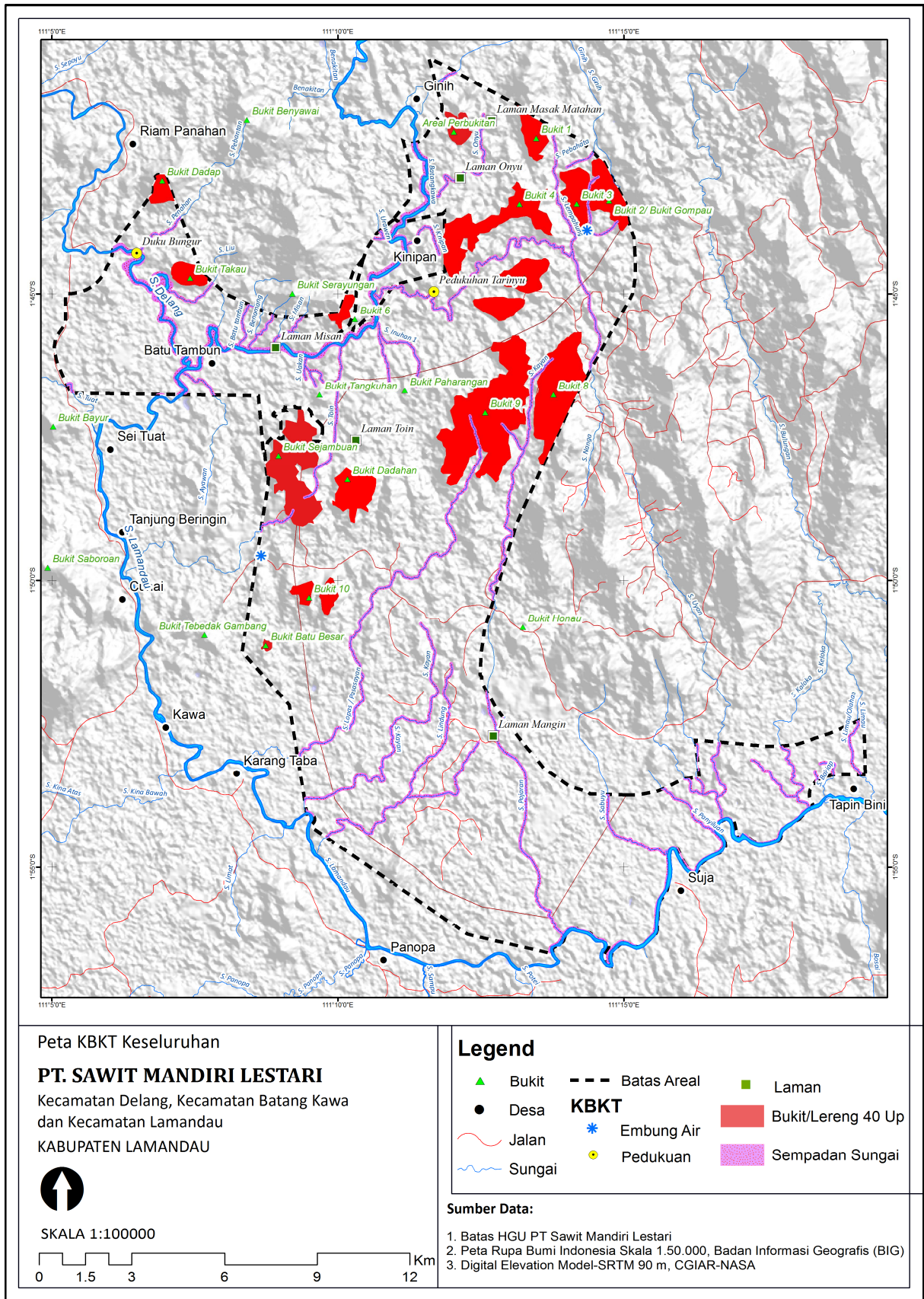


Figure 6. Map of Distribution HCVA Within Area of PT SML Oil Palm Plantation

b. Summary of SEIA Findings

Demography/Social issues. Area of PT SML is located within the Delang District, Batang Kawa District and Lamandau District, which is enough densely populated, but reasonably far from the regency capital of Nanga Bulik. The total population of the villages neighbouring the licence area, presented in the Table 9.

Tabel 9. Number of Population Based on Villages Within PT SML Oil Palm Plantation

District and Villages	Population (People)			sex ratio	Family	Number of People/Family
	Male	Female	Number of			
District of Lamandau						
1. Village of Taping Bini	843	788	1,631	107	468	3
2. Village of Suja	279	258	537	108	154	3
3. Village of Panopa	344	349	693	99	280	2
4. Village of Karang Taba	235	250	485	94	133	4
5. Village of Kawa	234	210	444	111	97	5
6. Village of Cuhai	158	172	330	92	78	4
7. Village of Tanjung Beringin	247	230	477	107	145	3
8. Village of Sungai Tuat	330	255	585	129	167	4
District of Delang						
1. Village of Riam Panahan	119	105	224	113	71	3
District of Batang Kawa						
1. Village of Batu Tambun	152	140	292	109	68	4
2. Village of Kinipan	299	298	597	100	180	3
3. Village of Ginih	148	130	278	114	74	4
Total	3,388	3,185	6,573	106	1,915	3

Sources : field survey SEIA PT SAN, 2014

Ethnically and Religion, According to ethnic identity, community in villages at surrounding of PT SML oil palm plantations has shown diversity ethnic or multi-ethnic. Population dominated by local ethnic Dayak Tomun 70%, Java 10%, Sundanese 10%, Batak, Banjar, and others 10%. Almost all people in the area are Christian except in the Taping Bini and Suja Village dominated by Muslim.

Education is relatively good, with a good proportion of the younger people reaching high school. Further education opportunities are very limited in the area. Based on data of education level, majority of the population just completed education up to primary and secondary level (SD and SMP). In some villages still there children who dropped out of elementary school for various reasons, one of which related to the cost of education.

Health facilities in the area are limited, but primary health services are available in each village. The doctor only can be found in district capital, and the government hospital only in the regency capital, Nanga Bulik. A significant number of villagers are still using the rivers, in particular during the dry season, when their wells are dry.

Economy, Most communities surrounding PT SML Oil Palm Plantation have a livelihood in agriculture and small scale oil palm plantations, rubber and employees at oil palm plantations

company. Head of the family and age group productive sometimes has some work as a source of revenue. Other livelihood is services and carpentry, traders and civil/military/police.

Potential positive and negative developments.

In the context of land acquisition which is one component of oil palm plantation activities, positive public benefit in the form of Ganti Rugi Tanam Tumbuh (GRTT) on lands occupational or mastered. Although the status of the land is 'owned' country where most people (especially in the region of the villages of the local community) has only SKT (Certificate of Land) and included in the permit area corporate locations, but the PT SML is going to honor by giving GRTT accordance with the agreement of both parties.

The entry of the company to develop oil palm plantations in the district area location permits issued by local governments, making local residents pursuing a strategy to "secure locations" fields and orchards that they manage. They realize that their locations are in the occupation of land to the state and they need to have proof of "ownership" or control over the land to obtain compensation if the company will do the release. Prior to the oil palm plantation company, local community residents do not require "proof of ownership" or mastery of formal legality, where the possession or occupation of land between the more local the local community based on the consensus recognized together for generations.

The existence of infrastructure that will built by oil palm company, will have a positive impact on local communities. Mobility of people and goods will increasing so that economic activity grew more dynamic. Some people are keen to see economic opportunities and will developing businesses such as shops, small market in the road side. Thus indirectly the existence of oil palm plantations PT SML will increasing income per capita household economy of local residents by increasing access to and utilization of the infrastructure that will built or improved by the company.

At the time of oil palm plantations PT SML starts (construction phase), the company will prioritize employment from the local area. Thus, the existence of oil palm plantations PT SML has a positive impact with regard to employment opportunities for local populations. Employment opportunities are available to the public, including infrastructure development and nursery. Job opportunities posed by the activities of oil palm plantations in turn will result in increased income to local communities who then form a positive public perception and support of the company.

Business opportunities will also open the informal sector such as food stalls, workshops, bike transportation (Ojek) or other business with increasing population density and the velocity of money in the surrounding oil palm plantation area. The growth of new economic actors with a new type of business, can create centers of local economic growth. When all of the efforts mentioned above can be set from the start to go well, it would be a good synergy between the company and the community, mutually beneficial to both parties. Opening a business opportunity society will ultimately result in self-reliance that makes society no longer depends on the company, especially as laborers.

In the context of social conflicts surrounding villages PT SML oil palm plantations, have not found phenomenon that lead to social conflict. Competition among members of the community in achieving economic capital, cultural and symbolic, is still in early stages of tolerance. Social and cultural characteristics do not seem permissive (not accept) to the frontal competition that lead to

social conflict. Although there have been cases of violence that have occurred in the local village, but only in the context of the individual. Social and cultural characteristics of villages is important to be well understood by the PT SML management in order to anticipate the emergence of competition leads to social conflict.

Considering the low-medium population density, CSR efforts by the company are expected to have a good impact. The relative amount of money spent per habitant will be relatively high, and if planned participatively, CSR activities are more likely to bring satisfaction to the villagers.

5. Internal Responsibility

Formal sign-off by Assessors and Company.

This document is the Summary of HCV (High Conservation Values) Assessment and SEIA (Social and Environment Impact Assessment) of PT Sawit Mandiri Lestari.

PT Sonokeling Akreditasi Nusantara



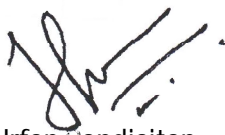
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Team Leader HCV



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Team Coordinator SEIA

Statement of Acceptance of Responsibility for Assessments.

The assessment results of the High Conservation Value (HCV) Assessment and Social and Environment Impact Assessment (SEIA) of PT Sawit Mandiri Lestari by PT Sonokeling Akreditasi Nusantara will be applied as part of the guidelines in developing and managing PT Sawit Mandiri Lestari.



Irfan Pandjaitan
Head of Sustainability



Rudy Hendarto
Manager of QHSE