



## RSPO NOTIFICATION OF PROPOSED NEW PLANTING

This notification shall be on RSPO website for 30 days as required by the RSPO procedures for new plantings (<http://www.rspo.otg/?q=page/535>). It has also been posted on local on site notice boards.

Date of notification: August 12, 2016

Tick whichever is appropriate

<input checked="" type="checkbox"/>	<b>This is a completely new development and stakeholders may submit comments</b>
<input type="checkbox"/>	<b>This is part of an ongoing planting and is meant for notifications only</b>

**Company: Bumitama Agri, Ltd**  
**Subsidiary: PT Karya Bakti Agro Sejahtera – 3**

**RSPO Membership No : 1-0043-07-000-00**

### **Location of Proposed New Planting:**

Kendawangan Subdistrict and Marau Subdistrict, Ketapang District, West Kalimantan Province.

**GPS Reference : 2°9'46.11" – 2°23'0.87" LS - 110°25'1.47" – 110°38'1.67" BT**

### Location of the Proposed New Planting

PT Karya Bakti Agro Sejahtera 3 (PT KBAS-3) a subsidiary Bumitama Agri, Ltd, is developing area approximately was 6,680 Ha based on Location Permit Number 567/PEM/2015 accordance to Head of District of Ketapang for palm oil plantation development, located at Kendawangan Subdistrict and Marau Subdistrict, Ketapang District – West Kalimantan Province.

The shareholders of PT KBAS - 3 are BAL Group was 99.6% under PT Agro Manunggal Sawitindo (member of BAL) and Bumitama Gunajaya Agro was 0.4%.

General company location information:

Description	Information
Geography	: 2°9'46.11" – 2°23'0.87" LS - 110°25'1.47" – 110°38'1.67" BT
Altitude	: 100 – 174 asl
Administration	: Estate Crop Official of Ketapang district, West Kalimantan Province
Watersheed	: Jambu river, Sepaik river, Mengkurang river, Kedondong river, Pelajau river
Boundary	
North	: KBAS-1 palm oil plantation and Kendawangan river
East	: PT Budidaya Agro Lestari, Air Merah village, Selimatan Jaya village, Pelajau Jaya village, Harapan Jaya village
South	: Protected forest of Muara Kendawangan, and PT Andes Agro Investama
West	: Production Forest (IUPHHK-HTI) Hutan Ketapang Lestari and Kendawangan river

Source: HCV Assessment report Final Draft, 2016.

PT KBAS-3 has a location permit accordance to Decree of Ketapang Head District number 567/PEM/2015 for palm oil plantation development with total 6,680 Ha, located at Kendawangan Subdistrict and Marau Subdistrict, Ketapang District – West Kalimantan Province, issued at Ketapang on August 14, 2015.

Based on Decree of Ministry of Environmental and Forestry Number SK MENHUT No.733/Menhut-II/2014 about Penunjukan Kawasan Hutan dan Konservasi Perairan Provinsi Kalimantan Barat, stated that the location concession area was in non forest area and located in others land use (APL).

### PT KBAS-3 has chronology licensed process, i.e.:

1. Location permit number 567/PEM/2015 for palm oil plantation development with total 6,680 Ha, accordance to Decree of Ketapang Head District, issued on August 14, 2015.
2. Plantation Business Permit number 467/2009 accordance to decree of Head of Ketapang District for palm oil plantation development total area was 3,550 Ha with palm oil mill development capacity process 30 tonnage FFB/hour. Issued in Ketapang on December 4, 2009. (IUP for PT KBAS-1)
3. Plantation Business Permit number 222/DISBUN-D/2013 accordance to decree of Head of Ketapang District, "Izin Perluasan Usaha Perkebunan Kelapa Sawit" cover an area 2,325 Ha. Issued in Ketapang on April 22, 2013. (IUP for PT KBAS-2)
4. Plantation Business Permit number 125/DSIBUN-D/2016 accordance to decree of Head of Ketapang District, "Perubahan Luas Lahan PT KBAS" become 12,555 Ha (combination of PT KBAS 1, 2 and 3). Issued in Ketapang on February 15, 2016.
5. Environmental Permit number 60/KLH-B/2016 accordance to decree of Head of Ketapang District for Environmental Feasibility for palm oil plantation development of PT KBAS covered total area 6,680 Ha with palm oil mill with capacity process 45 tonnage FFB/hour, located at Kendawangan and Marau Subdistrict. Issued on January 29, 2016.

6. Environmental Permit number 124/KLH-B/2016 accordance to decree of Ketapang District for Environmental Feasibility Revised for palm oil plantation development and palm oil mill development, covered total area 12,600 Ha with palm oil mill capacity process 75 tonnage FFB/hour, located at Kendawangan dan Marau Subdistrict. Issued on February 15, 2016.

PT KBAS-3 has EIA document assessment based on Environmental Feasibility/EIA document (AMDAL) number 60/KLH-B/2016 for environmental feasibility palm oil plantation development and palm oil mill on behalf PT Karya Bakti Agro Sejahtera – 3, on February 2016 covered for total concession area 6,680 Ha with palm oil mill capacity 45 tonnage FFB/hours.

Bumitama Agri Ltd (BAL), an oil palm plantation company is committed to sustainable palm oil development, not only adhering to the RSPO P&C but also to its own renewed Sustainability Policy of “No Deforestation, No Peat and No Exploitation” in August 2015. For the preparation of NPP of PT KBAS, HCV, SIA, LUCA & HCS assessment and, peat soil delineation test were conducted to ensure areas with regenerative forest (definition in accordance to the HCS Approach Toolkit) and peat land are not planned for land clearing and planting.

As a responsible grower in Indonesia, KBAS-3 will do its GHG calculation for a new development, and will submit the report that includes plans on how to mitigate its emission to the Emission Reductiod Working Group (ERWG). The current land use condition (planted area, and planted projection plan in 2016 and 2017) presented on the table below:

Remarks	Size (Ha)
Total Planted	1,414.30*
- 2010 :	180.33
- 2011 :	284.15
- 2012 :	584.97
- 2013 :	364.85
Infrastructure	96.24
HCV	415.40
HCS	409.19
Conservation Area by Company	139.45
Identify Peat Land	1,176.37
Open land	3,029.05
Planting projection 2016 :	2,000.00
Planting projection 2017 :	1,029.05
Total Land Use	6,680.00

*\*) The area planted without NPP are subject to sanction as per RSPO Announcement*

A comprehensive and participatory independent Social and Environmental Impact Assessment (SIA) and High Conservation Value (HCV) assessment were conducted by RSPO registered assessor from Aksenta Consultant in 2015, which involved internal and external stakeholders. Additional to this assessment, PT Karya Bakti Agro Sejahtera - 3 also conducted Land Use Change Analyses by external consultant Aksenta in January 2016. The results are incorporated into the operational management planning to develop the new planting. The Independent assessment by RSPO approved/registered assessors results are:

- The condition of land cover on new planting proposed area is no longer Primary Forest, proved by satellite image series interpretation since 2005 until 2015. These satellite

image is strengthened with ground truthing and field measurement of tree covers accordingly. PT KBAS-3 concession area was dominated by secondary forest + shrub about 2179.9 Ha and open land about 2264.5 Ha.

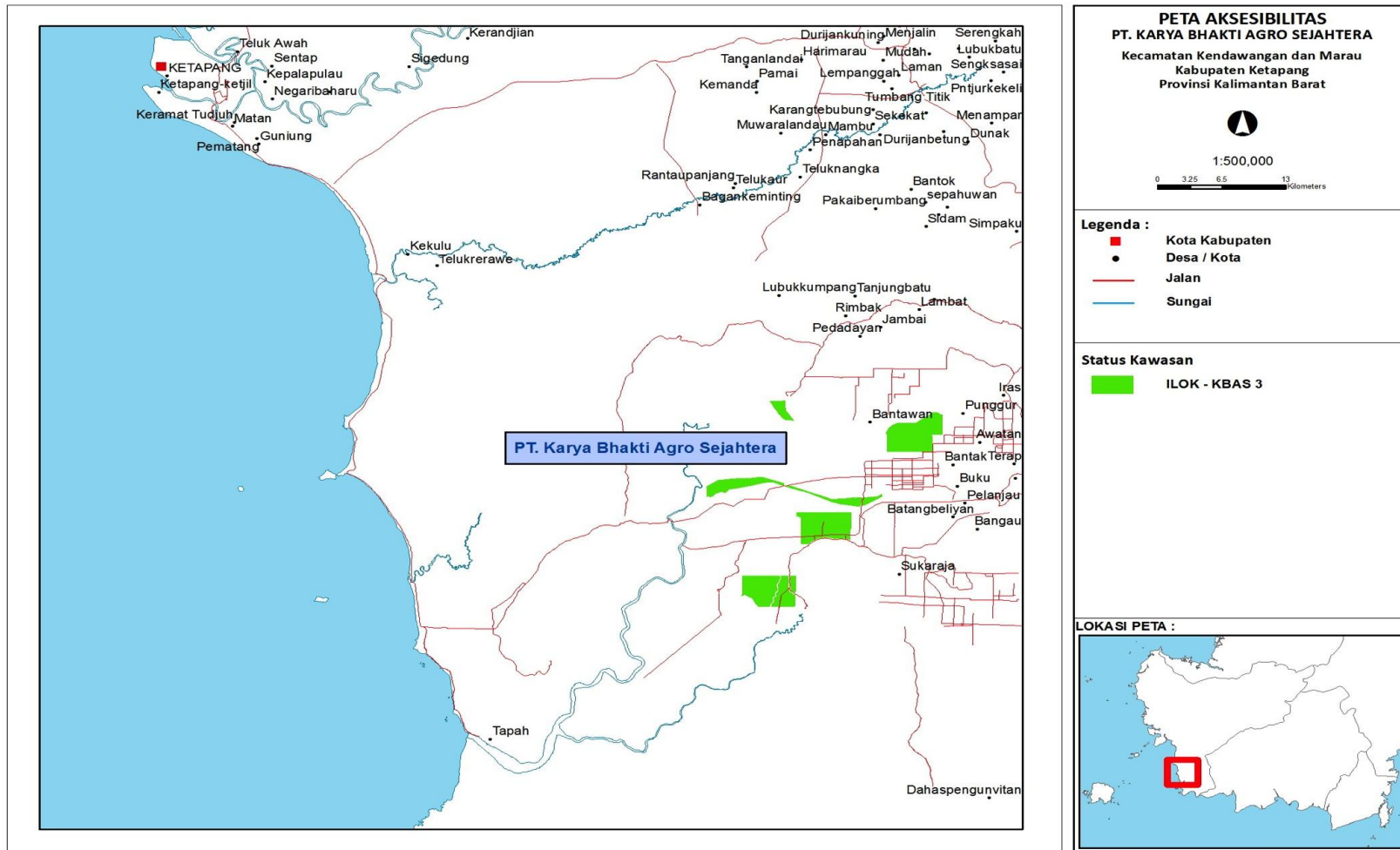
- Based on history of land use in the area of PT KBAS-3, there was no indication of the presence of primary forest, due to intensive timber harvesting activities by logging companies of PT Hutan Ketapang Industri (IUPHHK-HTI).
- Based on EIA document, the land system of KBAS-3 concession area was, *first* (Kajapah Land System), this land system dominated by lowland with mangrove and nipah vegetation, slope < 2%; *second* (Mendawai Land System) this land system was swamp and shallow peat land dangkal, slope < 2%; *third* (Kahayan Land System) this is combination of river and beach land with slope < 2%, *fourth* (Pakau Land System) this is sandy soil terrace undulating, with slope 2 – 8%, *fifth* (Bawin Land System) this is undulating area with small sandy soil, slope 9 – 15%.
- According to soil maps from HCV assessment report, the soil type consist of tropudults, paleudults, tropaquepts, placaquods, tropopsamments, tropohemist and tropaquents.
- All areas required to maintain or enhance one or more HCV were identified as conservation area.
- All local people's land were recognized and involved in SIA and HCV field surveys activities

Location maps were prepared and presented in the SIA and HCV assessment reports, including all findings and management recommendation from the assessors. The project location is shown in Figure 1 and Figure 2 below. The SIA and HCV Summary reports include additional maps showing the topography, soil, landscape, watershed, land cover, satellite image and HCV areas. HCV maps prepared to include area for buffer and riparian reserve.

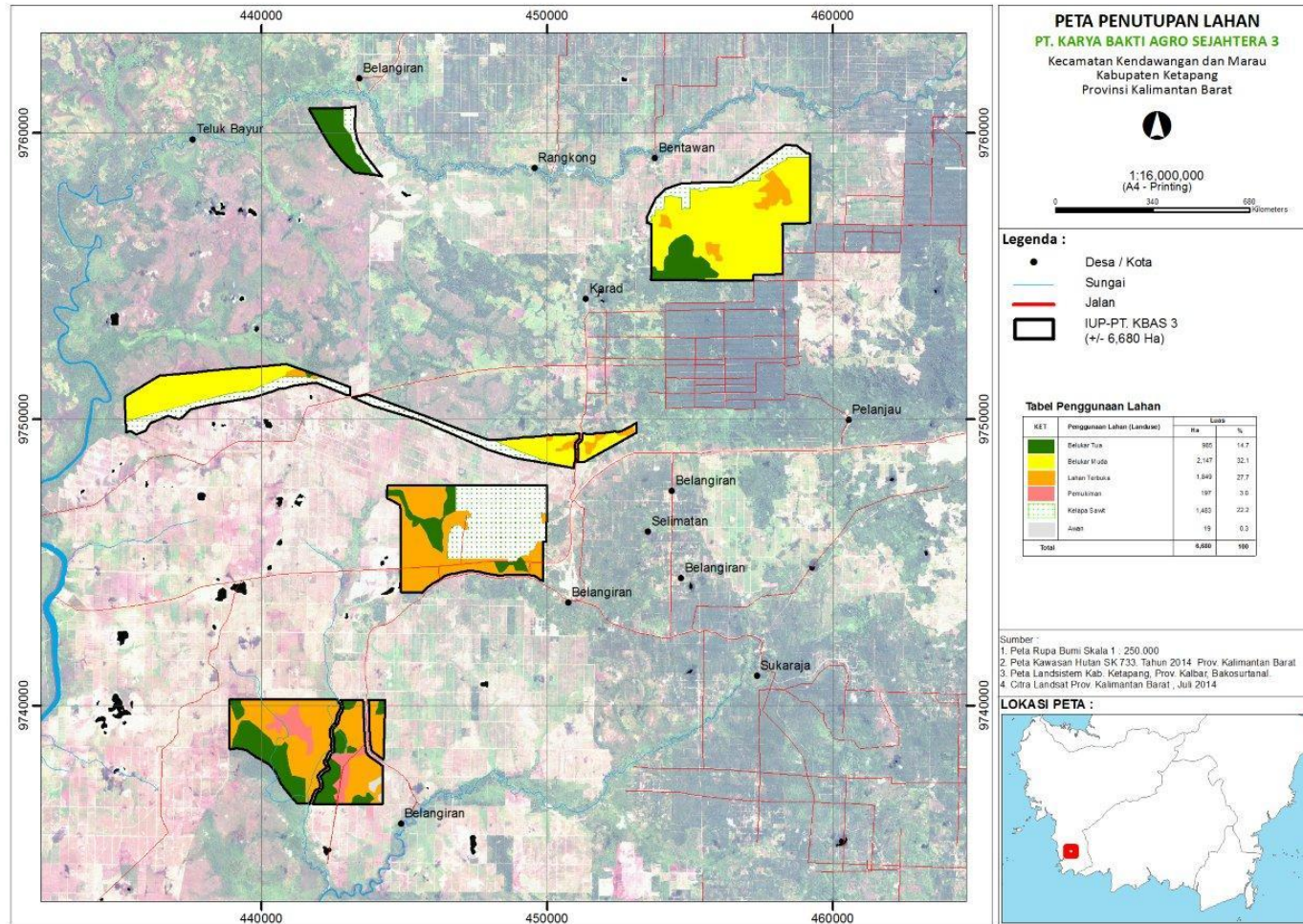
**RSPO New Planting Procedure Assessment Report**  
**PT Karya Bakti Agro Sejahtera-3 – West Kalimantan**



**Figure 1** Location of PT Karya Bakti Agro Sejahtera – 3, in Kendawangan and Marau Subdistrict, Ketapang district, West Kalimantan Province.



**Figure 2** Land cover map of PT Karya Bakti Agro Sejahtera – 3, in Kendawangan and Marau Subdistrict, Ketapang district, West Kalimantan Province.



**Note:**

1. Green: old thicket (985 Ha)
2. Yellow: young thicket (2147 Ha)
3. Orange: open land (1849 Ha)
4. Pink: emplacement (197 Ha)
5. White: palm oil plantation (1483 Ha).

PT Karya Bakti Sejahtera 3—concession area consist of 5 areas i.e. areas A, B, C, D and E. This areas has surrounded by:

- Concession (Bidang) A surrounded by Teluk Bayur small village (dukuh), Sungai Jelayan village.
- Concession (Bidang) B surrounded by Bentawan small village (dukuh), Rangkung Village.
- Concession (Bidang) C surrounded by Kelampai small village (dukuh) Kedondong Village, Pelanjau small village (dukuh), Pelanjau Jaya village and Selimatan small village (dukuh), and Selimatan Jaya village.
- While concession (Bidang) D and E included in Air Merah small village (dukuh), Bangkal Serai village.

KBAS-3 has brief about the development plans of oil palm plantations and land compensation or compensation for crops (*Ganti Rugi Tanam Tumbuh/GRTT*) to all villagers and others local communities, conducted at the office village and village both formal and non-formal. The results of interviews with community leaders, traditional leaders and officer of Selimatan Jaya Village, Bangkal Serai village, Air Merah small village(dukuh) and Rangkung village, Bentawan small village (dukuh), explained that the company provide intensive brief regard to the development of plantation and land compensation or compensation for crops (*GRTT*).

There was recapitulation of land compensation payment PT KBAS-3 contains information about estate name, land owners, total area (ha) for compansation, dated and year. Community land. Until February 2016 total area compensation by company was 2.196.33 ha (consist of 118 landowners) have been (*GRTT*) from total location permit 6,680 Ha. The rest of land bank still not compensated waiting for decision of negotiation process.

Based on interviews with community leaders, traditional leaders and the officer of Selimatan Jaya village, Bangkal Serai village, Air Merah small village (dukuh) and Rangkung village, Bentawan small village (dukuh), there are no indigenious lands or customary rights in KBAS-3 concession area since company receive location permit until oil palm established. The land title for most local community area called SKT (Surat Keterangan Tanah/ (letter of land owners) issue by head of sub-district. Land Compensation process was carried out according to the agreement through participation from all relevant parties, and the process has been witnessed by local stakeholder, from village, sub-district and traditional leaders. The records of compensation payment are well documented.

### **Summary of HCV Assessment:**

The HCV assessment of PT KBAS-3 was carried out by a consultant from PT Gagas DinamiGa Aksenta at Jl. Gandaria VII/10 Kebayoran Baru, Jakarta 12130. Email: aksenta@aksenta.com. Co-Team leaders of the assessment – Resit Sözer and has been registered in ALS with ALS number ALS15030RS. The others team of HCV assessors as prensented below:

A. HCV 1 – 4 (Biodiversity and Environmental Services), consist of:

1. Resit Sözer, registered ALS licensed number ALS15030RS, as a Team Leader for HCV 1, 2 and 3. He is qualified in wildlife research, wildlife taxonomy and ecology, wildlife management, habitat and population and wildlife mitigation conflict.
2. Fersley Getsemani, as team member for HCV 4. He is qualified in hydrology, soil and water conservation, spatial analysis and water stream management.

B. HCV 5 – 6 (Socio-Economic and Cultural Values), consist of:

1. Teuku Ade Fachlevi, as a team member for HCV 5 and 6. He is qualified in economic, socio, natural resource and business management plan.
2. Reza Abdillah, as a team member for GIS Specialist. He is qualified in mapping for biological conservation, land mapping and carbon stock assessment.

### **HCV Identifying Methods on The Ground was Carried Out as Follow:**

The HCV assessment described here makes reference to HCV definitions, criteria and methods outlined in the revised HCV toolkit for Indonesia (version 2008), Common Guidance

of the Identification of High Conservation Values (HCV Resources Network 2013), HCV assessment manual (HCV-RN 2014). Others references used include IUCN, CITES and others guideline as well as the relevant laws of Indonesian were also taken into consideration. The assessment process described in this report is a follows:

1. Compilation of secondary and available primary data, including preliminary stakeholder consultation during a short term pre-visit to the survey site.
2. Opening meeting, and basic training on HCV; carried out workshop with unit management and HCV training for company management.
3. Participatory mapping; carried out workshop with all related stakeholders.
4. Field assessment; carried out field and land cover checking, field collection data, interview stakeholders.
5. Stakeholder consultation; carried out workshop with key stakeholder, FGD with key stakeholder, and stakeholder interview.
6. Closing meeting; carried out presentation and discussion for assessment result.
7. Analyzing and reporting; carried out the spatial analysis, data analysis and reporting.

Step number 1 above were complete on October 6 – 11, 2015

Step number 2 above were complete on October 17, 2015

Step number 3 above were complete on October 17, 2015

Step number 4 above were complete on October 18 – 21, 2015

Step number 5 above were complete on October 22, 2015

Step number 6 above were complete on October 23, 2015

Step number 7 above were complete on November 2015 until January 2016.

### **Summary findings of HCV assessment**

Administratively of PT KBAS-3 located in Teluk Bayur village, Jelayan river village, Bentawan village, Rangkung village, Kedondong village, Pelanjau Jaya village, Selimatan Jaya village, Air Merah village and Bangkal Serai village, Kendawangan and Marau Subdistrict, Ketapang District, West Kalimantan Province. This concession area adjacent with:

- North; KBAS-1 palm oil plantation and Kendawangan river.
- East; PT Budidaya Agro Lestari, Air Merah village, Selimatan Jaya village, Pelajau Jaya village, Harapan Jaya village.
- South; Protected forest of Muara Kendawangan, and PT Andes Agro Investama.
- West; Production Forest (IUPHHK-HTI) Hutan Ketapang Lestari and Kendawangan river.

HCV assessment covered total area 6,680 Ha as a mentioned in location permit license. KBAS-3 has been carried out palm oil planted since 2010. Until November 2015 total planted was 1,414.3 Ha (21.2%) from location permit license. During the HCV assessment carried out, KBAS still in developed the concession area for housing, office, road, drainage and others office facilities.

Based on HCV assessment report, KBAS concession area located in Climate type B based on Schmith-Ferguson type, with total rainfall 2,895 mm/year. Most of KBAS concession area consist of more than 8% and some area > 40% (Temiang Hill). Soil type in KBAS concession area consist of Tropudults, Paleudults, Tropaquepts, Placaquods, Tropopsamments, Tropohemists, and Tropaquents. There is found peat swamp area in KBAS-3 concession area (total 1,176.37 ha) located in:

- Concession area (bidang A) 100.05 ha
- Concession area (bidang C) 101.33 ha
- Concession area (bidang D) 278.53ha
- Concession area (bidang E) 696.44 ha

Based on land cover map, the KBAS-3 concession area consist of old thicket (985 Ha); youth thicket (2147 Ha); open land (1849 Ha); emplacement/housing (197 Ha); and palm oil plantation (1483 Ha).



HCV assessment carried out by Aksenta in 2016, mentioned the HCV area in KBAS-3 concession area was 396.4 Ha (5.9%) and 18.6 Ha (0.3%) for HCVMA. The HCV type in KBAS-3 concession area consist of:

1. HCV 1.2; presence of forest on the license area can support the rare, endangered and threatened species. Based on field assessment, found the species categorized accordance to IUCN Red List of Endangered species, i.e.: 15 species mammal, 1 species reptilian, and 6 aves (bird), with the species is *Hylobates agilis*, *Presbytis rubicunda*, *Trachypithecus cristatus*, *Macaca nemestrina*, *Tarsius bancanus*, *Helarctos malayanus*, *Neofelis diardi*, *Prionailurus bengalensis*, *Aonyx cinereus*, *Lutra sumatrana*, *Cervus unicolor*, *Muntiacus muntjak*, *Tragulus napu*, *Tragulus javanicus*, *Manis javanicus*, *Crocodylus porosus*, *Nisaetus cirrhatus*, *Loriculus galgulus*, *Psittacula longicauda*, *Anthracoceros malayanus*, *Buceros rhinoceros*, *Rhipidura javanica*.
2. HCV 1.3; for this HCV type, only species with viable and endemic populations were include. Found 4 endemic species are present in KBAS-3 concession area with 1 bird species and 3 mammal, i.e.: *Hylobates agilis*, *Neofelis diardi*, *Sus barbatulus*, *Lonchura fuscans*. Based on local communities information all of species above still present in Tamiang Hill.
3. HCV 1.4; this HCV explained about the refugium area of temporary area will use by the species in some condition. Accordance to HCV assessment, based on interview with local community there are present the refuge area in KBAS-3 concession area i.e.: Tamiang hill, agroforestry area by local community, secondary forest in peat swamp forest when this swamp forest still connected with Production Forest Area of PT Hutan Ketapang Industri.
4. HCV 3; based on HCV assessment report, found only once habitat meet with HCV 1.3 criteria, i.e.: peat swamp forest in the north of location permit (concession/Bidang C) of KBAS-3 concession area. This area was small fragmented peat swamp forest connected with production forest of PT Hutan Ketapan Industri.
5. HCV 4.1; element of HCV 4.1 in the KBAS-3 concession area focus in to maintain hydrology water stream to absorp the flooding, erosion and sedimentation. The river's in KBAS-3 concession area is Jambu river, Sepaik river, Mengkuram river, Kedondong river, Pelanjau river, and also special HCV 4.1 peat swamp forest and Temiang hill. Most of river in KBAS-3 has catchment area relatively small, because the big water stream in the concession area only 3 – 4 meter, i.e.: Jambu river. So the riparian buffer zone for all river in concession area based on HCV assessment set width 10 – 20 meters.
6. HCV 4.2; all riparain categorized as HCV 4.1 also categorized as HCV 4.2. Terrain stability is an important environmental service of natural forest and well-managed modified vegetation. This includes the control local surface erosion, morph-erosion (such as landslides, avalanches) and downstream sedimentation. Local soil loss from erosion usually takes place in the upper layers of the soil. Soil erosion also increases sedimentation in rivers, reducing water quality. Reduction of water quality can effect communities dependent on stream water for cooking and sanitation. The potential HCV 4.2. Vegetation cover influences terrain stability, so the percentage and structure of vegetation covering land has a major influence on ability to control soil erosion. Not all rivers in the concession area still has good vegetation covered condition, example Pelanjau, Jambu and Sepaik in the downstream area was converted (open land) consist of shrub and palm oil.
7. HCV 5; survey carried out in 6 village and 10 small village (dusun) has interaction with KBAS-3 concession area. In concession area (bidang) A, Teluk Bayur small village and Sungai Jelayan village has direct interaction to KBAS-3 concession area, when their land was planted by rubber, oil palm and horticultur. Some small hunting with burning the land still exist carried out by the local community. Concession area (bidang) B, Bentawan small village, Rangkung village, Pelanjau small village and Pelanjau Jaya village also has direct interaction to KBAS-3 concession area. The direct interaction was rubber plantation, agroforest, palm oil, and horticulture. While the hunting activity was rarely

carried out by local communities. The Tamian hill management as a responsibility together between Bentawan small village and Pelanjau small village. Concession area (Bidang) C, Karad small village (dusun), Indah Jaya village, Selimatan Jaya and Suka Harapan small village (dusun), and Selimatan Jaya village, Kelampai small village (dusun), Sei Nanas and Kedondong village. Only small area in concession C used by local communities to collect wood of *Baekkea frutescens* for sell to desinfectant industry. Some of area in concession C has been burn by local communities. The for concession area (bidang) D and E, is Air Merah small village, Bangka Serai village. Both of the village used the KBAS-3 concession area for traditional agriculture, and this also area laso has been burn without information who and why burn have done.

8. HCV 6; based on HCV assessment, local community used some area in KBAS-3 concession area as a culture identity, such as Batu Opoy in Temiang hill used for traditional ritual.

At the moment, KBAS-3 has been submitted their Summary of HCV report to HCVRN Quality Control, to ensure that the HCV Assessment & reporting is already done well and meets the guidance.

### **Summary of Field Verification**

Based on field verification carried out on April 12, 2016, the KBAS-3 concession consist of five concession area (bidang lokasi), i.e.:

- Concession area A (bidang A) total 265 Ha
- Concession area B (bidang B) total 1,885 Ha
- Concession area C (bidang C) total 1,287 Ha
- Concession area D (bidang D) total 1,671 Ha
- Concession area E (bidang E) total 1,572 Ha

Field visit has been carried out in field number E39 (Bukit Tamiang) Taming Hill as a HCV area located in concession area B (Bidang B). This area still under local community and doesn't release by company (not compensable by local community) because this area very important by community as a cultural sites.

Then, in field number D41 has been planted by company with year of planting in 2010 located concession area C (Bidang C), this area was peat land. Same case also found in field number G27 year of planting in 2012, this area was peat land and adjacent with HCV area.

Also in concession area E (Bidang E) this area majority consist of peat land and has been burned by community last year. This area still not open by company with secondary forest condition but was damaged by burned.

The company doesn't have any data related the peat land depth and amount of total area. But the company has committment for not planting in peat land based on Sustainability Policy August 13, 2015. The policy mentioned "that the company will be no new planting on peatland regadless of depth (definition peatland by company was as soil containing greater than 65% organic matter with depth of more than 50cm), best management practices are implemented in existing plantations with peat areas. Then the company will rehabilitate peatland when and where necessary and viable and peatland will be conserved during replanting when assessed by experts.

During field assessment also found this concession area majority consist of sandy soil and peatland. Company also has set procedure for this marginal soil with document number BGAAGRKS-SOP-16 Rev00 about marginal soil management. This procedure has sett how to handling and planting the marginal soil for peatland and sandy soil.

During the NPP field assessment it verified (as noted in the HCV assessment report) that area planted by the Kelompok Tani (assisted by the company) with total area planted was 1,414.30 ha, concist of:

- YoP 2010 was 180.33 Ha
- YoP 2011 was 284.15 Ha

- YoP 2012 was 584.97 Ha
- YoP 2013 was 364.85 Ha

(Although planted by the Kelompok Tani, these areas will be subjected to the sanction of the RSPO Certification System)

Based on field assessment there is no found any HCV area was planted by company as a showed in overlay map of HCV area with planting current condition, **see figure 3**. Then the KBAS-3 land clearing activity per year provided in **figure 4**.

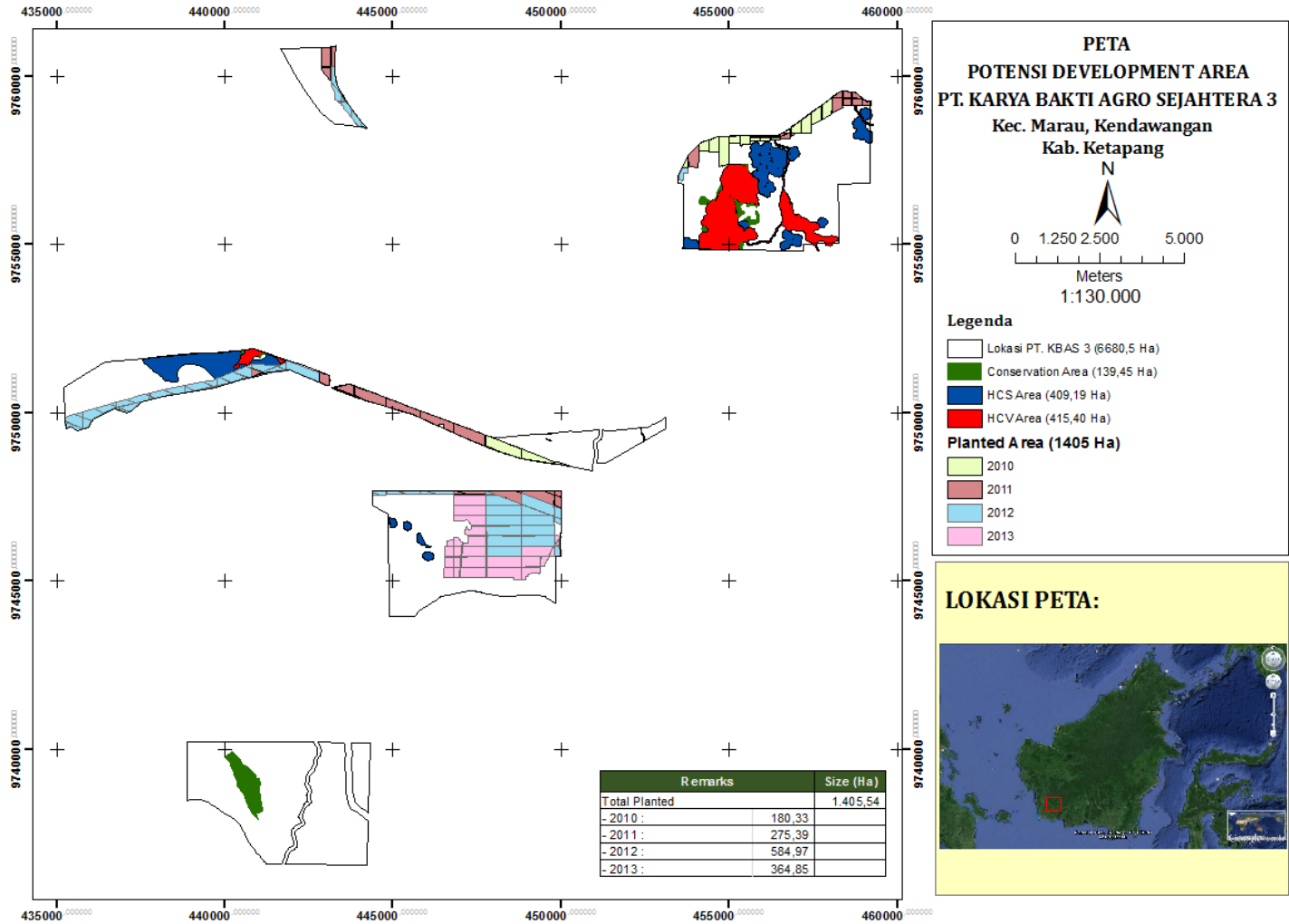
PT Karya Bakti Agro Sejahtera – 3 conducted Land Use Change Analysis (LUCA) by external consultant Aksenta in January 2016. Scope of land use change analysis is in accordance with location permit (Izin Lokasi) 567/PEM/2015 for palm oil plantation development with total 6,680 Ha, accordance to Decree of Ketapang Head District, issued on August 14, 2015. The LUCA was done to identify the land cover condition and opened land in the concession of PT KBAS-3 since November 2005 until the time of HCV assessment (October 2015); The LUCA was divided into five (5) period: November 2005 to October 2007; October 2007 to November 2007; December 2007 to December 2009, January 2010 to May 2014, and May 2014 to October 2015. From land use change analysis it can be evaluated the possibility of HCV area (1-6) affected from company's activities since November 2005 until October 2015.

According to land use change analysis report of PT KBAS-3 concession area, there is no indication of primary forest was cleared. Logging activities, traditional farming by local community has been operated since 1970. In 1990, the first palm oil plantation was developed by PT Banua Indah Group with smallholder program (PIR-Perkebunan Inti Rakyat) as a transmigration program by Government.

The most dominant of land cover was opened and palm oil including others facilities. Referred to the result of satellite image interpretation, the dominant land cover type during ground check activity was degraded secondary forest and oil palm plantation. The land cover condition in PT KBAS-3 concession area until October 2015 (HCV assessment) from 1st November 2005 i.e.: shrub was 31.7% (2179.9 Ha) and open land 32.9% (2264.5 Ha); 1st December 2007 i.e.: shrub was 28.2% (1943.3 Ha) and open land 28.3% (1945.8 Ha); 1st January 2010 i.e: shrub was 29.0% (1993.1 Ha) and open land 33.4% (2298.1 Ha); May 9th, 2014 is palm oil 22.0% (1512.5 Ha) and open land 30.7% (2109.6 Ha); and during the HCV assessment period in October 2015 the land cover dominated by palm oil 22.1% (1523.8 Ha) and open land 40.4% (2778.5 Ha). During the onsite visit, found some area as protected by local community i.e.: Tamiang Hill as a culture identity of local community.

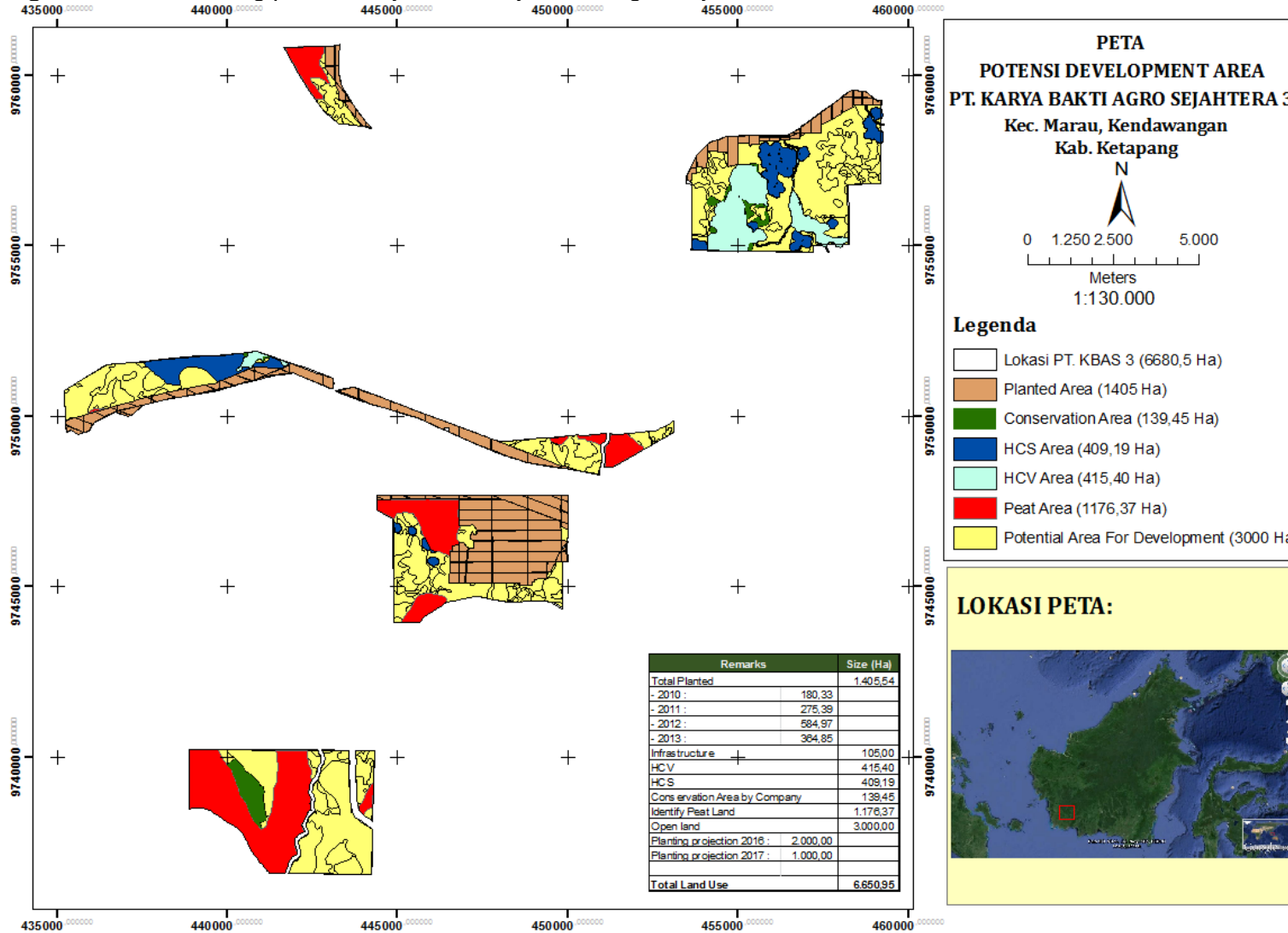
The company submitted to RSPO, during the NPP verification the LUCA report which was submitted on 27 May 2016 is still undergoing review process by RSPO.

**Figure 3.** Overlay between HCV area and plantation area in PT Karya Bakti Agro Sejahtera – 3



- Note:**
- Red colour: HCV area
  - Blue colour: HCS Area
  - Light green colour YoP 2010
  - Orange colour YoP 2011
  - Light blue colour YoP 2012
  - Light purple colour YoP 2013

**Figure 4.** Land clearing plan activity in PT Karya Bakti Agro Sejahtera – 3



**Note:**

- Yellow light colour is plan for land clearing
- Red colour is Peat land identification about 1,176.37Ha. this area will not open by company.

### **SUMMARY FROM SEI ASSESSMENTS:**

Social Impact Assessment of PT Karya Bakti Agro Sejahtera 3 was carried out by independent consultant from Aksenta. Below is a brief description about the name, qualifications, skills and roles in the team:

- a. Andri Novi Hendrarto; team coordinator, field of socio-culture studies and social relation, contact: [andri.novi@aksenta.com](mailto:andri.novi@aksenta.com).
- b. Iwan Rosyadi; member of the team, the field of employment studies and community development, contact: [iwan.rosya@yahoo.com](mailto:iwan.rosya@yahoo.com).
- c. Afwan Afwandi, team member, field of community development study and socio-economic. Contact : [aafwandi@gmail.com](mailto:aafwandi@gmail.com)

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

Data collection techniques include:

1. **Opening meeting:** meeting with company representative by estate management, palm oil mill. During this meeting, carried out orientation of field assessment include social impact assessment, stakeholder analysis, scheduling and preparing for field technique.
2. **Stakeholder mapping and field scoping:** to get early information of key stakeholder accordance to operational management
3. **Field observation:** carried out to all location with issue and social impact have high frequently, and also for considered important location to found fact as indication the social impact was happen, including photograph.
4. **Indepth interview:** carried out to operational management, community leaders, informal and formal leaders, official government of village, sub-district and district level, and also member of community from many different background and social level from all small village (dusun), village and sub-district.
5. **Focus group discussion:** FGD carried out to representative of employee from plantation and mill from all department.
6. **Document review:** this activity carried out based on available document from company also others related document from other related sources.
7. **Closing meeting:** communicate to the company management about finding, clarification and feedback also temporary suggestion.

Social Impact Assessment was carried out in seven (7) days effective from October 18 – 24, 2015, with the activity presented below:

- October 09 – 11, 2015; preliminary study in Jakarta (Aksenta Office)
- October 18, 2015; opening meeting and participatory mapping in KBAS meeting room
- October 19 – 23, 2015; data collection through onsite visit and public stakeholder consultation for Teluk Bayur small village, Bentawan, Kelampai, Pelanjau Jaya, Selimatan Jaya, Air Merah village, Kendawangan sub-district.
- October 23, 2015, closing meeting and preparing report
- October – November 2015; data analysis, issue mapping process, effect and social risk mapping.
- November 2015; reporting

### **Summary of assessment findings of SEIA**

The majority community in surrounded on KBAS-3 concession area is Dayak consist of Dayak Jelai Kendawangan, Mebuluh and Menggaling, Malay ethnic, and others ethnic from transmigration such as Javanese, Chinese, Bugis, Sundanese, and others.

The most important **positive impact** came from road construction activities that have been carried out by PT KBAS to physical capital of local communities, especially in the small village of Teluk Bayur, Sungai Jelayan in the form of access road to the village residents in Teluk Bayur small village, or 8% of the total population in small village which is related to the area to be built. Other potential positive impact of oil palm plantation development is the financial capital increase in the form of revenues increasing and ownership of the estate

partnerships. The most important negative impact derived from the issuing of licenses in the form of declining social capital because it has been made into area plots, in order to be cleared and it has caused disputes among villagers who basically are related to each other. Stages of the recruitment of workers will also have the potential of positive impact and negative impact in the form of an increase in the number of migrant workers. Positive impact was caused by increasing in human capital, but it was contribute to negative impact because it increases the risk of social conflict, which means a decline of social capital. The highest social risks encountered at early plantation stage i.e. traditional land clearing using fire by local communities. This activities would threaten the existence of estate because it can burn the plantation as well. Social risks are also identified i.e. the difficulty to find source of fresh water for local community consumption and estate residents .

### **Stakeholders' Consultation**

Company areal PT Karya Bakti Sejahtera 3 consists of 5 areas i.e. area A, B, C, D and E. Field A located in Teluk Bayur hamlet, Sungai Jelayan village, area B in Bentawan village, Rangkung village, area C included in the Kelampai village, Kedondong village, Pelanjau village, Pelanjau Jaya village and Selimatan village and Selimatan Jaya village. While area D and E included in Air Merah village, Bangkal Serai village. Communication and consultation process for preparing HCV documents and SIA were done with villages and hamlets that are located around the estate areas, i.e. Teluk Bayur village, Bentawan, Kelampai, Pelanjau Jaya, Selimatan Jaya, Air Merah. It was carried out on 19 – 23 October 2015, attended by village officer, BPD (“Bank Pembangunan Daerah”), community leaders, traditional leaders, youth and others.

Based on interviews with stakeholders in the Bentawan village, Selimatan Jaya and Air Merah, it was stated that community involve for preparation SIA and HCV documents, it was conducted with participatory, the community join to surveyed in potential HCV location.

There is no information explained on the SIA document what are the critical issues raised during the consultation public at the village.

### **SUMMARY OF PLANS:**

#### **a. Summary of Management and Mitigation Plans (SEIA)**

PT Karya Bakti Agro Sejahtera - 3has been establishing management and monitoring plans based on identified potential impact from company’s activities as determined on Social Impact Assessment. Elaboration of programs and activities, as described in the following table:

Table Matrix Management and Monitoring plan:

<b>Identified Impact</b>	<b>Management plan</b>	<b>Monitoring method and plan</b>
Land tenure issues	Inventory of land owners who will compensation by company	2016
Improve the smallholder performance	Improve the skill of smallholders, prepare the supporting institutions, mechanism, and others	Every year
Improve local economy	Analyzing the potential economic around the KBAS-3 concession area, capacity building, opportunities alternative livelihoods, facilitate for economic potential and provide the training to improve the skills, and information related the economic development	Every year
Public education	Provide the management plan to develop the public education around the KBAS-3 concession area, educational	Every year

Identified Impact	Management plan	Monitoring method and plan
	facilities, provide the scholarships, and support the teachers facilities and education facilities	
Public health	Communicate to the local community related public health, issue and problem in the villages surrounding KBAs-3 concession area, brief about the health education for all community, build awareness of the public health	Every year
Established the communication to all stakeholders related	Carry out the periodically meeting with all related stakeholders, carry out the social activities, development local culture, and others	Every year
Clean water for communities	Build the awareness of water management and protection from all activity will contaminate the water quality, provide clean water for community if possible, periodically brief to the community, water conservation and others	Every year
Workers issue	Build capacity management, improve the skill, understanding, provide training, evaluation, provide the PPE, brief of the workers issue, labour unions, health and safety workers, medical checkup for high risk workers, meeting periodically, housing, and others	Every year
Tradition of land clearing by burning	Brief the local community about land clearing negative impact by burning, periodically meeting to build the awareness of local community	Every year

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

The HCV management plan was developed by the company based on recommendation management was stated in the HCV assessment report. I.e.:

1. HCV 1 and HCV 3

- a. The Biodiversity area in PT KBAS-3 will be protected and increase the conservation value in *Teming hills, Jambu river, Sepaik river, Mengkuram river, Kedondong river, Pelanjau river, peat swamp forest* and others natural streams through activity is:
  - Brief and participative mapping with community
  - Delineation of HCV area
  - Make the MoU with community in order to get their commitment to involve in protecting the area from damage because of activities of community member.
  - Flora and fauna monitoring for HCV 1.1 HCV 1.2 and HCV 1.3
  - Restoration for degraded forest in the license area of PT Pilar Wanapersada
- b. Endangered species population in the estate area PT KBAS-3 it will be protected with:
  - HCV identification periodically
  - Maintain the identified HCV area
  - Replanting of local species



- Application the silviculture technique to increase the regeneration of endangered species
- Maintained the protected area from land clearing specially in HCV 1.2
- c. The population of endangered species will be protected in the concession area of PT KBAS-3 :
  - Maintain the identified HCV area
  - Monitoring for species HCV 1.2, HCV 1.3 and HCV 1.4
  - Replanting of local species
  - Maintained the protected area from illegal hunting, illegal wildlife catching
  - Maintained the protected area from illegal logging
  - Maintained the protected area from open land clearing specially in HVC 1.3
- 2. HCV 3
  - a. All type of endangered ecosystem should be maintained and will not be converted for other uses:
    - Regularly patrol to conserve the conservation area
    - Restoration area (reforestation with local species)
    - Protected the conservation area from the land clearing activities
    - Socialization and participative mapping with community
- 3. HCV 4
  - a. Important area for hydrology process should be manage to maintain the hydrology functional, specially for water supply and flooding management:
    - Conduct delineation of buffer zone
    - Reforestation for opened area along of river to restore the natural condition
    - Protected riparian zone from chemical activity i.e. spraying and manuring
    - Management of drainage
    - Maintained of water catchment area to reduce flood
    - HCV brief to all stakeholders
  - b. Management of area are important for soil conservation to reduce of potential erosion:
    - Monitoring for water quality
    - Cover crop application
    - Evaluations of erosion that occur due to road building and road maintenance activities
    - Monitoring of daily rainfall
    - HCV brief to all stakeholders
- 4. HCV 5; maintenance and enhancement of high conservation values under HCV 4.1 and 4.2 are directly associated with the quality and quantity of water provided by rivers, and Temiang hill.
- 5. HCV 6; a sites of cultural importance have been documented and must be clearly marked in the field to ensure that disturbance of these sites do not occur in future. *Temiang hill* and places of worship or sacred objects are examples (batu Opoy). These important sites must be documented in conjunction with the communities, included on all plantation operational maps, and management in the estates must take appropriate steps to ensure no impacts are made to any of this sites. SOPs to ensure this should be developed. The summary management for this HCV i.e.:
  - Delineation and demarcation
  - Participatory mapping with local communities
  - Brief to all community and related others stakeholders
  - Develop SOPs for HCV 6 protection and management plan
  - Enhance and reforestation
  - MoU with local community

**Management and Monitoring Program:**

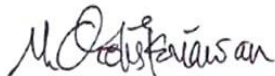
<b>Threats</b>	<b>Management plan</b>	<b>Monitoring indicators</b>
<ul style="list-style-type: none"> <li>• Illegal hunting by local community and migrants</li> <li>• Illegal logging by local community</li> <li>• Land and forest fires</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically brief to the local community, and ensure the local community not hunt the RTE species.</li> <li>• Restoration and rehabilitation of HCV area and river bank.</li> <li>• Brief to all workers level and local community about RTE species conservation and protection.</li> <li>• Land clearing without burning activity.</li> <li>• Coordination with related stakeholders about HCV protection areas and build the awareness.</li> <li>• Provide the firefighting facilities and person in charge.</li> </ul>	<ul style="list-style-type: none"> <li>• Carry out periodically meeting and monitoring related illegal hunting and logging.</li> <li>• Periodically monitoring of RTE species and ensure that habitat not damage or disturbed by local community and company activity.</li> <li>• Fire patrol periodically especially in dry season (June-October) with company, local community and official government.</li> </ul>
<p>Chemical contamination from plantation activity, sedimentation and erosion, land conversion in the riparian area, and land subsidence.</p>	<ul style="list-style-type: none"> <li>• Brief to all level workers about river protection</li> <li>• Marking the river bank</li> <li>• Enrichment of river bank along of the river</li> <li>• Installment of HCV signboard, water protection</li> <li>• Periodically brief to all level workers and local community.</li> <li>• Protection of peat land without open/land clearing</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically water monitoring, erosion control, river monitoring marking and signboard.</li> <li>• Vegetation enrichment monitoring.</li> <li>• Land clearance monitoring in river bank.</li> <li>• Periodically monitoring of HCV boundary pillars.</li> <li>• Water level management in peat land.</li> </ul>
<p>Protection of area used by local community to collect the food, and other needed, and cultural site for culture identity.</p>	<ul style="list-style-type: none"> <li>• Brief to all contractor when carry out the land clearing should be aware the HCV 5 and 6 area and not allowed for open.</li> <li>• Delineation and demarcation of HCV area.</li> <li>• Create the MoU with local community to protect and conserve the HCV area together and enhance the HCV</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically land clearing activity, provide the map for go and no go area during the land clearing activity.</li> <li>• Intensive periodically meeting with local community to create the management plan especially for HCV 6.</li> </ul>

	value. <ul style="list-style-type: none"><li>• Provide access to all local community to the HCV 6 area to carry out their culture activity.</li></ul>	
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**VERIFICATION STATEMENT:**

Some notes have been made regarding total land categorized of peat land need to be ascertained; peat land depth in each of concession area, commitment of the KBAS-3 not open the peat land accordance to company policy, and company provide copy of agreement for land released, and provide all land compensation payment to relevant villager While HCV & SEI Assessment on the ground, stakeholder consultation had been conducted, especially in affected community. PT KBAS-3 has adhered to the RSPO New Planting Procedures and has documented the assessments and plans according to the RSPO templates issued in May, 2010. On April 8, 2016 TUV Rheinland auditors (two) auditors conducted desktop/document verification to review relevant documents and field verification, while onsite verification was conducted on April 12 to 13, 2016. Two of TUV Rheinland auditors were present with the management team of PT KBAS-3 at their head office in Jakarta and site in Ketapang District, West Kalimantan Province on that time to verify the findings of the desk study and held further discussions on the review and verification conducted. Some planted area that have been found without NPP are subject to sanction as per RSPO Announcement. It is the opinion of the TUV Rheinland auditors that the HCV & SEIA assessment and management plan at PT Karya Bakti Agro Sejahtera 3 are comprehensive, professional and complied to RSPO principles, criteria and indicators for the ongoing plantation activities.

**Signed on behalf of**  
**TUV Rheinland Indonesia**



**Mhd Fundy C Kurniawan**  
**Lead Auditor**  
**Date: August 12, 2016**

On behalf of the company, I acknowledge the responsibilities of the company to implement the management and mitigations plans.

**Signed on behalf of the company,**



**Lim Sian Choo**  
**Head of CSR & Corporate Sustainability**  
**Date: August 12, 2016**