

**Summary Report of Planning & Management of PT Kresna Duta Agroindo**  
**Districts of Kongbeng, Wahau, and Telen of East Kutai Regency,**  
**East Kalimantan Province**

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**Executive Summary**

PT Kresna Duta Agroindo (hereinafter referred to as “**PT KDA**”) is located in Districts of Kongbeng, Wahau and Telen of East Kutai Regency, East Kalimantan Province. It has obtained a Location Permit from East Kutai Regent through Decree No. 156/02.188.45/HK/V/2005 dated 30 May 2005, covering an area of ±6,500 hectares and mills having capacity of 15 tonne of FFB per hour (GKMM) and 30 tonne per hour (MWHM). This Location Permit’s effective period was then extended in 2007 with the Regent’s Decree No. 241/02.188.45/HK/VI/2007 dated 14 June 2007, covering an area of ±4,813 hectares.

PT KDA’s Environmental Impact Assessment (“**EIA**”) document was authorised by the East Kutai Regent through Decree No. 120/660.1/BUP-KUTIM/V/2006 dated 8 May 2006 covering a plantation area of 6,500 hectares and mills’ capacity of 45 tonne of FFB per hour in Muara Wahau District of East Kutai Regency, East Kalimantan.

The company already has documents of Social Impact Assessment (“**SIA**”) and social impact management and monitoring. The SIA document was prepared by PT SMART, Tbk.’s internal team, leader of which is already registered under RSPO Approved HCV Assessors. As to the social impact management plan, the document was prepared by PT KDA’s management itself to manage social impacts that had been identified.

In its concession PT KDA Management Unit has performed HCV assessment, result of which states that five HCVs were found in the concession, namely HCV 1.1, HCV 1.3, HCV 4.1, HCV 5 and HCV 6, which together constitute a total HCV area of 721.45 hectares, taking form in riverbanks, protected species, customary forest and sacred burial ground.

The company has document of Environmental Management Plan (“**RKL**”) and Environmental Monitoring Plan (“**RPL**”) being translated versions of the EIA

document. The two documents elaborate a document of measurement period monitoring, as well as environmental impacts from mill and plantation management activities. PT KDA also has social impact management and monitoring which was prepared in February 2013. This document was extracted from the SIA document. The three documents are jointly a guideline to the company in managing its social and environmental aspects.

### **Reference Documents**

Following are the reference documents.

1. The EIA document having been authorised by East Kutai Regent with Decree No. No.120/660.1/BUP-KUTIM/V/2006, dated 8 May 2006.
2. HCV assessment report on PT KDA's units of GKME, GKMA, MWHE, RPNE and RPNA in Kutai Regency of East Kalimantan. PT SMART, Tbk. Jakarta. 2013.
3. RKL and RPL documents, May 2006.
4. SIA document prepared by PT SMART, Tbk.'s internal team, January 2013.
5. Social impact management and monitoring documents, January 2013.

### **Following is a brief summary of the documents abovementioned.**

PT KDA's presence has contributed positive impacts to environmental and social conditions of the community living in its neighbouring areas. RKL-RPL reports have been submitted to Provincial Environmental Agency (BLHD) of East Kalimantan and Regency BLHD of East Kutai. Periodic monitoring is performed upon environmental components. Employment and business opportunities are positive impacts brought about by PT KDA's presence. The negative impacts are the local community's attitudes toward the company, social apprehension, air quality deterioration and noise. In PT KDA's concession there are five HCV types assessed, i.e. HCV 1.1, HCV 1.3, HCV 4.1, HCV 5 and HCV 6 with area totalling to 721.45 hectares.

## **Social and Environmental Impact Assessment (“SIA”) and HCV Management Planning Personnel**

### **a. The company’s information and contact person**

- Company name : PT Kresna Duta Agroindo
- Location : Villages of Sidomulyo, Marga Mulya, Makmur Jaya, Sukamaju, Kongbeng Indah, Sri Pantun, Miau Baru, of Kongbeng District; Villages of Jak Luay, Long Wehwa and Wanasari of Wahau District; Villages of Rantau Panjang and Baturedi of Telen District, East Kutai Regency, East Kalimantan Province.
- Geographic Location : (116°46’57,845” E- 116°51’52,614” E) and (0°54’38,332’ N - 1°2’4,947” N)
- Surrounding Area
  - a. North : PT Basuimex’s Forestry Concession (HPH) area and community’s lands along Pesab River
  - b. East : PT Basuimex’s HPH concession, PT Kiani Lestari’s concession, and Nehes Liang Bing Village
  - c. West : East Muara Wahau Transmigration’s settlement and plantation, and PT Pratita Laksana Setia’s concession
  - d. South : PT Kiani Lestari’s HPH concession, PT Pratita Laksana Setia’s oil palm plantation
- Concession/Permit :
  - a. Location Permit: East Kutai Regent No. 156/02.188.45/HK/V/2005 covering an area of ±6,500 hectares, dated 30 May 2005.
  - b. The Location Permit’s effective period extension: East Kutai Regent No. 241/02.188.45/HK/VI/2007 covering an area of ±4,813 hectares, dated 14 June 2007.

- c. Plantation Business Concession (IUP): East Kutai Regent Decree No. 500/233/EK-VII/2005 covering an area of 6,500 hectares, dated 27 July 2005.
- d. Land of Title (HGU):
  - HGU Land Certificate No. 112, dated 20 July 2010, covering an area of 6,025 hectares;
  - HGU Land Certificate No. 113, dated 20 July 2010, covering an area of 847,19 hectares; and
  - HGU Land Certificate No. 52, dated 25 June 2009, covering an area of 4,753.54 hectares (under Proportional Comparison Value/NPP Process).

- Parties Involved:

Those involved in preparing PT KDA's HCV assessment report and management and monitoring plan are the company's management, assisted by PT SMART, Tbk. Environment Department's team. Public consultation was held on 11 April 2013, attended by local office heads, customary leaders, public representatives, and other relevant parties relating to the plantation activities. The HCV assessment peer review was performed by Resit Sozer (Independent Consultant) in January, 2013.

Those involved in preparing SIA document are PT SMART, Tbk.'s internal team, relevant stakeholders and PT KDA's management. Result of the management and monitoring assessment and plan has been consulted with relevant stakeholders, i.e. village heads, Village Consultative Board (BPD), Community Empowerment Institution (LPM), public figures, district government staffs, and cooperative. Public consultation was held on 11 April 2013 at JLYE and BSRE estate office.

### **Summary of Planning and Management (SEIA)**

#### **a. SEIA**

The EIA document has been authorised by East Kutai Regent with Decree No. 120/660.1/BUP-KUTIM/V/2006 dated 8 May 2006 covering a plantation area of 6,500 hectares and mills' capacity of 45 tonne of FFB per hour. This document was prepared by Area Development Research Centre of Universitas Mulawarman, Samarinda.

In addition to the EIA document, the company also already has SIA document which has been prepared in January 2013 by PT SMART, Tbk.'s internal team, led by Yosaphat Ardilla who is registered under RSPO Approved HCV Assessors. This SIA document is also accompanied by social impact management and monitoring document. They constitute an integrated document as the SIA document contains findings that PT KDA must manage, which are also included by the social impact management document. The two documents have been consulted with following relevant stakeholders: village heads, Village Consultative Board (BPD), Community Empowerment Institution (LPM), public figures, district government staffs, and cooperative. Public consultation was held on 11 April 2013 at JLYE and BSRE estate offices.

**Summary of PT KDA's Environmental Management and Monitoring Plan (RPJE, RPJM, and RPJA Unit)**

No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
a.	Increase of employment and business opportunity	Harvesting, Fresh Fruit Bunch (FFB) transport, and marketing.		Data collection on the number and qualifications of local workforce and changes on the number of community business.	Preparatory Rantau Panjang Village of Telen District; and Long Wehea and Jak Luay Villages of Muara Wahau District.	Semi annually	<ul style="list-style-type: none"> <li>• Training on Oil Palm Cultivation Technics</li> <li>• FFB Pricing.</li> </ul>
b.	Increase of income	Harvesting, marketing, and renewal.		Direct observation and interviews using purposive random sampling method.			<ul style="list-style-type: none"> <li>• Training on Oil Palm Cultivation Technics</li> <li>• Employees' remuneration according to Provincial Minimum Wage Standard</li> <li>• Buying of community's crop yield.</li> </ul>
c.	Enhancement of Human Resources Quality	Plant rejuvenation		Collection of secondary data and direct observation, descriptive analysis.			<ul style="list-style-type: none"> <li>• Training on oil palm cultivation technics</li> <li>• Education allowance for employees with schooling children.</li> </ul>
d.	Problem to the Community's Health	Plant waste management activities		Secondary data analysis and interviews with community and employees.	Personnel's base camp and Telen River outlet.	Quarterly	<ul style="list-style-type: none"> <li>• Strict control on waste quality to drain into the river.</li> <li>• Early warning system development by means of information transformation with community.</li> <li>• Medical services</li> <li>• Community involvement in environmental management</li> </ul>

**Summary of PT KDA's Environmental Management and Monitoring Plan (RPJE, RPJM, and RPJA Unit)**

No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
e.	Decline of air quality and increase of noise	FFB transporting, processing and waste processing	<ul style="list-style-type: none"> <li>• Minister of Environment Decree No. 48/ MenLH/11/ 1996</li> <li>• Ministry of Health Decree No. 710 Year 1987</li> </ul>	Sampling method, secondary data analysis, interviews with employees, community members and paramedic. The analysis is done with comparative and descriptive tabulations.	Plantation area, mill and surroundings.	Semi annually	<ul style="list-style-type: none"> <li>• OHS Standard</li> <li>• Construct mill stack of 25 meters height</li> <li>• Set up dust collector on mill stack</li> <li>• Install sound level meter</li> <li>• Reforest area along estate roads/ transportation route</li> <li>• Build harmonious relationship with community</li> <li>• Build incinerator.</li> </ul>
f.	Decline of water quality and quantity	FFB and waste processing.	<ul style="list-style-type: none"> <li>• Minister of Environment Decree No. 51/ MENLH/10/1995 (BOD, COD, TSS, Oil and lipid, N-total and water discharge)</li> <li>• East Kalimantan Governor Decree No26 Year 2002</li> <li>• Minister of Health Decree No. 907 Year 2002.</li> </ul>	The sampling results were then analysed comparatively against Class B water quality standards.	Outlets to Telen and Long Haji Rivers, and Wastewater Processing Installation ("IPAL") Pond.	Quarterly for river, and monthly for IPAL outlet.	<ul style="list-style-type: none"> <li>• Proper IPAL technology application</li> <li>• Intensive research would be needed in case alternative waste management is applied using Land Application (LA).</li> </ul>

**Summary of PT KDA's Environmental Management and Monitoring Plan (GKMM, GKME, MRWM, and MRWE Units)**

No.	Environmental Parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
a	Decline of air quality	<ul style="list-style-type: none"> <li>• FFB transporting to mill</li> <li>• FFB processing</li> <li>• CPO and KP Transporting</li> <li>• Power plant operation</li> </ul>	<ul style="list-style-type: none"> <li>• Ambient air quality according to Government Regulation No. 41 Year 1999.</li> <li>• Emitted air quality meeting BML standard pursuant to Minister of Environment Decree No. 13/MENLH/3/1995</li> </ul>	<ul style="list-style-type: none"> <li>• [Direct collection of ash value using an equipment name Hugh Volume Air Sampler</li> <li>• Direct measurement to ambient air quality with using midget impinge method</li> <li>• Direct measurement on quality of air emitted from mill smokestack, boiler, and power generator.</li> <li>• Interviews with paramedic working at company clinic and its neighbouring areas, relating to alleged increasing number of those suffering from respiratory disease, such as Under</li> </ul>	Offices, community settlement, employees' housing and mills (boiler and power generator)	Semi annually	<ul style="list-style-type: none"> <li>• Lower average speed of vehicle to 30 kph when passing community's settlement</li> <li>• Shower dusty road at least twice</li> <li>• Maintain FFB, CPO and KP transporter' condition so that their gas emission complies with standard</li> <li>• Install dust collector in all mill smoke stacks</li> <li>• Require mill workers to wear anti dust mask.</li> </ul>



**Summary of PT KDA's Environmental Management and Monitoring Plan (GKMM, GKME, MRWM, and MRWE Units)**

No.	Environmental Parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
				Respiratory Infection (URI) and asthma.			
b.	Increase of noise	<ul style="list-style-type: none"> <li>• Road and drainage maintenance</li> <li>• FFB transporting to mill</li> <li>• FFB processing</li> <li>• CPO and KP transport</li> <li>• Power plant operation</li> <li>• Workshop activities</li> </ul>	Minister of Environment's Decree No. 48 Year 1996	<ul style="list-style-type: none"> <li>• Direct measurement on noise level using Sound Level Meter</li> <li>• Interviews with paramedic working at company's clinic and its neighbouring areas, relating to alleged increasing number of those suffering from hearing impairment.</li> </ul>			<ul style="list-style-type: none"> <li>• Carry out road repair during work hours</li> <li>• Lower vehicle's average speed to 30 kph when passing community settlement</li> <li>• Maintenance on FFB, CPO and PK transporters so that their gas emission complies to the noise standard regulation</li> <li>• Require mill workers to wear ear cover when working in oil palm processing mill premises and in workshop</li> <li>• Place a power generator in</li> </ul>

**Summary of PT KDA's Environmental Management and Monitoring Plan (GKMM, GKME, MRWM, and MRWE Units)**

No.	Environmental Parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
							a noise-absorbing room • Place the power generator in location away from settlement/ offices.
c.	Decline of surface water quality	<ul style="list-style-type: none"> <li>• Plant maintenance</li> <li>• Road and drainage construction</li> <li>• FFB processing</li> <li>• Waste processing</li> </ul>	BOD, COD, TSS, oil and lipid, N-Total, pH, water discharge	<ul style="list-style-type: none"> <li>• Checking water quality of Pantun, Pesab and Elang Rivers, and monitoring wells and comparing them against Government Regulation No.82/2001.</li> <li>• Checking wastewater resulted from FFB processing to be applied on soil and to compare this with Minister of Environment's Decree</li> </ul>	<ul style="list-style-type: none"> <li>• Pantun, Pesab, and Elang Rivers</li> <li>• IPAL Outlet</li> <li>• Monitoring Well</li> <li>• Wells near employees' housing</li> </ul>	Semi annually	<ul style="list-style-type: none"> <li>• Prioritise pest/disease control under PHT system</li> <li>• Apply pesticides when weeds and pests / diseases are exceeding economic threshold</li> <li>• Use decomposable pesticides</li> <li>• Harden / pave the road newly constructed / damaged</li> <li>• Make silt pit on road drainage, and wavy road surface</li> </ul>

**Summary of PT KDA's Environmental Management and Monitoring Plan (GKMM, GKME, MRWM, and MRWE Units)**

No.	Environmental Parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
				No. 29/2003. <ul style="list-style-type: none"> <li>Observe locations where waste is applied to the land to identify any waste overflow or leakage reaching water body.</li> </ul>			<ul style="list-style-type: none"> <li>Temporarily divert water body flowing through locations where bridge, water-channel, culvert and drainage are constructed</li> <li>Conserve land and water</li> <li>Process IPAL liquid waste</li> <li>Make oil trap</li> <li>Prevent filling of LA from being full</li> </ul>
d.	Increase of employment opportunity	<ul style="list-style-type: none"> <li>Plant treatment</li> <li>Road and drainage construction</li> <li>Land and water conservation</li> <li>FFB processing</li> <li>Waste processing</li> </ul>	Number of productive employees in PT KDA's mill and plantation	<ul style="list-style-type: none"> <li>Collect data on employee number and qualifications available in the local community</li> <li>To collect data on the company's need for employee (number and qualification) relating to its business</li> </ul>	Miau Baru, Kongbeng Indah, Makmur Jaya, and Suka Maju Villages of Kongbeng District, East Kutai	Annually	<ul style="list-style-type: none"> <li>Sustain the existing workforce</li> <li>Prioritise recruitment of local employees</li> </ul>

**Summary of PT KDA's Environmental Management and Monitoring Plan (GKMM, GKME, MRWM, and MRWE Units)**

No.	Environmental Parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
		<ul style="list-style-type: none"> <li>Nursery</li> </ul>		<p>activities, primarily those available for employees from the local community.</p> <ul style="list-style-type: none"> <li>Collect data on number of local employees working for PT KDA's Rantau Panjang Unit.</li> <li>Descriptive analysis on employment at the neighbouring areas</li> <li>Comparative analysis on employment and contract labour qualification</li> </ul>	Regency .		

**Summary of PT KDA's Environmental Management and Monitoring Plan (GKMM, GKME, MRWM, and MRWE Units)**

No.	Environmental Parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
e.	Increase of business opportunity	<ul style="list-style-type: none"> <li>• Construction of bridge, water channel and drainage</li> <li>• Harvesting</li> <li>• FFB transporting to mill</li> <li>• FFB processing</li> <li>• CPO and KP transportation</li> <li>• Workshop activities</li> <li>• Replanting</li> </ul>	Number of local business activities emerging in the neighbouring area, relating to plantation and mill operation	<ul style="list-style-type: none"> <li>• Collect data on the number of activities that involved a second party</li> <li>• Collect data on number of local business activities relating to oil palm plantation and mill operation.</li> <li>• Workforce resources around PT KDA's plantation</li> <li>• Comparative analysis on employment and contract labour qualifications</li> </ul>		Annually	<ul style="list-style-type: none"> <li>• Undertake to supply harvesting equipment</li> <li>• Sustain FFB the current transporting system to mill by involving contractors</li> <li>• Cooperate with contractors in terms of CPO and KP transporting to port/jetty</li> <li>• Increase the local community's opportunity to supply what the workshop needs</li> </ul>

**Summary of PT KDA's Environmental Management and Monitoring Plan (GKMM, GKME, MRWM, and MRWE Units)**

No.	Environmental Parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
f.	Increase of income	<ul style="list-style-type: none"> <li>• Plant maintenance</li> <li>• Construction of bridge, water channel and drainage</li> <li>• Harvesting</li> <li>• FFB transporting to mill</li> <li>• FFB processing</li> <li>• CPO and KP transporting</li> <li>• Workshop activities</li> <li>• Nursery</li> <li>• Replanting</li> </ul>	Community's opinion on PT KDA's operation.	Collect and analyse secondary data and those generated from direct interview with employees and community	Miau Baru, Kongbeng, Indah, Makmur Jaya, and Suka Maju Villages of Kongbeng District East Kutai Regency.	annually	<ul style="list-style-type: none"> <li>• Set employee's wage according to Provincial Minimum Wage (UMP)</li> </ul>

**Summary of PT KDA's Environmental Management and Monitoring Plan (GKMM, GKME, MRWM, and MRWE Units)**

No.	Environmental Parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
g.	Change of the community's perception	<ul style="list-style-type: none"> <li>• Activity plan socialisation</li> <li>• Road and drainage maintenance</li> <li>• Waste processing</li> <li>• Community development activities</li> </ul>	Perception of the neighbouring community on the company's presence and operation.	The data collection method employed is direct interview with the neighbouring community (Miau Baru, Kongbeng Indah, Makmur Jaya and Suka Maju Villages of Kongbeng District, East Kutai Regency) using guided questionnaire.			<ul style="list-style-type: none"> <li>• Socialise and make approach to the local community</li> <li>• Repair damaged roads</li> <li>• Perform land Application (LA) activities</li> <li>• Increase openness and transparency of community development programmes and other social activities.</li> </ul>
h.	Human Resources Development	Community Development activities	Total number of people receiving activity aid	Secondary data collection and direct observation to or interview with aid/donation beneficiaries. The analysis was carried out descriptively.			<ul style="list-style-type: none"> <li>• Provide education aid in the form of scholarship for employees and or neighbouring community members with high academic achievement</li> <li>• Provide aid in the form of books to elementary and junior high schools</li> </ul>

**Summary of PT KDA's Environmental Management and Monitoring Plan (GKMM, GKME, MRWM, and MRWE Units)**

No.	Environmental Parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
							<ul style="list-style-type: none"> <li>• Provide aid in form of incentives to honorary teachers teaching in the neighbouring areas</li> </ul>
i.	Improvement of Public Facilities	Community Development activities	Amount of social donation for construction or renovation of public facilities	Secondary data collection and direct observation to or interview with aid/donation beneficiaries. The analysis was carried out descriptively.			<ul style="list-style-type: none"> <li>• Provide social donation for the construction of community's public facilities</li> <li>• Allow the local community to make use of the company's public facilities such as clinic and sport facilities</li> </ul>
j.	Environmental sanitation	Community Development	Amount of donation distributed	The data collection method employed is direct interview with the neighbouring community (of Miau Baru,	Miau Baru, Kongbeng Indah, Makmur Jaya and Suka	Annually	<ul style="list-style-type: none"> <li>• Provide aid for clean water supply to the community</li> <li>• Nutrition enhancement aid</li> <li>• Health counselling on</li> </ul>



**Summary of PT KDA's Environmental Management and Monitoring Plan (GKMM, GKME, MRWM, and MRWE Units)**

<b>No.</b>	<b>Environmental Parameter Component (operating phase)</b>	<b>Source of Impact</b>	<b>Environmental Parameter</b>	<b>Data collection and analysis methods</b>	<b>Location</b>	<b>Monitoring Period and Location</b>	<b>RKL</b>
				Kongbeng Indah, Makmur Jaya and Suka Maju Villages of Kongbeng District, East Kutai Regency)	Maju Villages of Kongbeng District, East Kutai Regency.		endemic diseases such as malaria  • Drugs supply aid and health facility (community health centre) repair.

**b. SIA**

In addition to the EIA document, the company already has SIA document in its possession, which was prepared in January 2013 by PT SMART, Tbk.'s internal team, led by Yosaphat Ardilla who is registered under RSPO Approved HCV Assessors. This SIA document was also accompanied with social impact management and monitoring plan document. They constitute an integrated document as the SIA document contains findings that PT KDA must manage, which are also included by the social impact management document. The two documents have been consulted with following relevant stakeholders: village heads, Village Consultative Board (BPD), Community Empowerment Institution (LPM), public figures, district government staffs, and cooperative. Public consultation was held on 11 April 2013 at JLYE and BSRE estate offices.

**Summary of Planning and Management (SIA)**

**General Recommendation based on Social Impact Analysis and Assessment:**

**1. Social apprehension**

Based on the socialisation during investment when PT KDA was about to be built in the assessment area provided by the Environment Impact Assessment (EIA) document, the land acquisition and compensation had gone properly through FPIC process and method. This socialisation process is indicated by supporting documents in public consultation on oil palm plantation investment which would be operated by PT KDA. Area determination process in the beginning of land compensation payment by the company under cooperation with the local community is a crucial process which may be useful to anticipate future problems over the land already compensated. This is according to the procedure already applied by PT KDA on land compensation process.

PT KDA needs to socialise its workforce demand according to the current quota and availability and its most recent update to the village/local government. Proactive communication to its stakeholders in the assessment area, socialisation and strict monitoring over its contractors in order to perform environmental control

in their operational activities, apply best practice on oil palm residue/waste and hazardous and toxic waste materials (B3), and report social and environmental impact monitoring to relevant institution. These are a series of the PT KDA's endeavours in managing essential negative impacts, namely social apprehension and the community's health problem.

## **2. Air pollution (air quality deterioration and noise)**

Proactive communication to the stakeholders in the assessment area needs to be made to allow environmental and health management. The company needs to socialise and closely monitor its contractors to ensure that they perform environmental control in their operational activities, apply best practice on management of smoke and ashes coming out from their operational activities, and report social and environmental impact monitoring to the relevant authorities. The company also conduct socialisation to FFB and CPO transporting contractors concerning driver safety and calls upon to reduce speed when passing through settlements, as well as road showering programme. Mills also innovate as to the use of higher smokestack.

## **3. Increase of employment opportunity**

Increase of the community's employment opportunity is performed through several management measures such as provision of workforce demand information to the local government according to the company's needs and qualification to accommodate local workforce to become its staffs. Those already working for the company are secured with OHS as it already applies OHS standards in its every operational activity.

## **4. Community development and increase of its income**

This management increase can be synergised with CSR long term programmes where the programmes and their supporting components are formulated in strategic planning. Efforts that are supposed to be maintained in the strategic planning are,

among others, increase of educational activities by accommodating achieving children with scholarship programmes, and promoting several traditional activities including traditional ceremonies in the assessment area. The company's compliance to tax payment indirectly helps or contributes to local development.

Recommendation for management of increase of the community's income is promoting the local community's business growth (kiosks) to meet the company's community (employees). In addition the company can open opportunity for local contractors to forge partnership with the company on the basis of works needed by the company. Also, PT KDA needs to construct plasma plantations having potentials to increase economy of local the community and outgrowers joining that programme.

### **Summary of Planning and Management (HCV)**

#### **1. HCV area management**

- Make buffer zone/riverbank (which borders the PT KDA's concession) with both side's width of 25-50 metres each along the river.
- Gradually revegetate the riverbank areas which have already been planted with oil palm once they enter replanting phase.
- Plan for riverbank revegetation.
- Employ eco-friendly cultivation method (e.g. application of slow-release fertilisers, use of organic waste, and application of Integrated Pest Control/PHT).
- Plant erosion preventer plants at river cliffs (with vertifer grass or others).
- Manage the locations by cleaning and tidying them up.
- Install signboards and interpretation boards on cultural values.
- Establish dialogues with the local community to maintain the burial ground.
- Socialisation to the employees and local community.

## **2. HCV area monitoring**

The monitoring plan to implement is directed to HCV management activities at each of those locations. Indicators monitored in the monitoring plan are as follow:

- Disruption and threat intensity to the HCV areas.
- Development of land cover's condition at riverbanks and customary law.
- River water quality.
- Progress of erosion preventer planting activity at the river cliffs.
- The signboards condition.
- Plantation activities potentially affecting the river water quality.
- Progress of the riverbank reforestation activities which have been done.
- Number and composition of wildlife species at each location.
- Species distribution and abundance at each location.
- Intensity of disruption and threat to HCV areas
- Timber utilisation intensity by the local community.
- Intensity of disruption to the sacred site/burial ground.
- Intensity of the community's interaction when utilising sacred sites/burial ground.
- Physical condition of the burial ground/sacred site.

### **Plan for HCV Data Monitoring and Regular View**

Documents of the PT KDA concession's HCV Assessment Report and HCV Area Management and Monitoring Plan have been reviewed by Resit Sozer (independent consultant) in January 2013. This review was subsequently made input to the two documents rectification.

### **[Management and planning for threats to HCV areas]**

1. Making of information signboards on HCV area presence.
2. Socialisation to the company staffs and employees, as well as the neighbouring communities to protect and preserve protection zones.
3. Making of buffer zone/riverbank with width of 50 metres along both sides of the river bordering the concession.
4. Revegetation or reforestation.
5. Patrol in areas being habitats to protected species.


**Management plans to enhance or maintain conservation values of the assessed HCV areas**

1. Socialisation to the employees and local community on HCV concepts.
2. Training for the employees on HCV materials.
3. Assignment of HCV dedicated officers.
4. Integrate the HCV management into the company structure's tasks and responsibilities.
5. Making of company policies related to the HCV presence within the plantation.
6. Repair of the burial ground being in currently poor condition by coordinating with the families.

### **Internal Responsibility**

We hereby sign off on the above Summary Report of Planning and Management, The above may be amended and clarified for improvement during the development of the plantation but it will remain in accordance with RSPO Standards and Principles.

On behalf of the Management of **PT Kresna Duta Agroindo,**



Dr. Haskarlianus Pasang  
Head of Sustainability Division  
Date: June 4<sup>th</sup>, 2013