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Summary Report of Planning & Management of PT Sukajadi Sawit Mekar Kotawaringin Timur District – Central Kalimantan Province

1. Executive Summary

This Executive Summary fulfills the RSPO New Planting Procedures Format “Summary Report of Planning & Management” (RSPO latest reversion of 5th May 2010).

PT Sukajadi Sawit Mekar (PT SSM) is an oil palm plantation situated in Sebabi Village, Tanah Putih Village, and Kenyala Village, Kota Besi Sub District, Kotawaringin Timur District, Central Kalimantan Province. PT SSM which has been registered as RSPO member, committed to develop a sustainable palm oil management system.

Besides fulfilling the regulatory requirements of conducting social environmental impact assessment (AMDAL), the company also conducted and completed the High Conservation Values Identification (HCV) and Social Impact Assessment (SIA). HCV assessment in PT SSM was conducted in June/July 2007 using HCV Toolkit 2003, and a more detailed survey and comprehensive HCV Assessment was conducted by Aksenta in May 2008 and in February 2015 a re-assessment HCV include land use change analysis (LUCA) was conducted by Aksenta. The team leader from Aksenta has been licensed by the HCV Assessor Licensing Scheme (Provisional ALS15026PN). In addition, land cover and planting assessment was conducted in June/July 2007 using satellite data, field assessment and verification with the FPIC document for land use right compensation. The land use change and green house gases emission (GHG) analysis is updated using RSPO Carbon Assessment Tool for New Oil Palm Planting dated December 2014. The latter report is submitted to the RSPO Emission Reduction Working Group separately as per RSPO requirements.

Based on HCV and land cover assessments and land use change analysis there was no primary forest in the HGU of PT SSM based on 2005 Landsat satellite imagery. Almost the entire land consisted of previously cultivated, shrub land and open land areas. The summary of results from HCV assessments within the PT SSM concession by HCV Assessor with Licensing Scheme (Provisional ALS15026PN) showed four high conservation values (or HCV) areas, namely HCV 1, HCV 3, HCV 4, HCV 6 are present in PT SSM concession. The important element of HCV 1 is significant concentrations of species RTE (*Orlitia borneensis*, *Amyda cartialginea* and *Cuora amboninensi*) at regional level and corridor of Sun Beer (*Helarctos malayanus*). The important element of HCV 3 is ecosystem of peat swap forest. The HCV 4 related with basic ecosystem for significant erosion control area. Lastly, HCV 6

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is identified by places designated as sacred by the community which are found scattered within the concession.

In general, the positive impacts resulting from the presence of company also, at the same time, may have social negative impacts. The direct impacts are local manpower absorption and new business opportunities. The indirect positive impacts are: job opportunities, improved education facilities and health services resulting in better education and health quality. The potential negative social impact is related to the company's operations such as, the rivers which are used by the village communities may be polluted by the company's activities. Nevertheless, the outcomes of Social Impact Assessment are aimed at supporting the functions of production sustainability. The social circumstances in which the operations of company are related to stakeholders have been interpreted as part of integration and the success of company in has contributed and there is mechanism of control over possible impacts.

The findings on the SEIA (AMDAL), HCV, Land Use Cover & Land Use Analysis, and SIA have been incorporated in the oil palm development plan of PT SSM which include the HCV and SIA management and monitoring plans of PT SSM.

2. Reference Documents

The reference documents are as follow:

1. Social Environment Impact Assessment (AMDAL) PT Sukajadi Sawit Mekar,
2. Rapid Assessment of HCV PT Sukajadi Sawit Mekar June/July 2007,
3. Land cover and planting assessment of PT Sukajadi Sawit Mekar June/July 2007,
4. Land Use Change Analysis (LUCA) of PT SSM by Aksenta March 2015,
5. HCV Assessment report for PT Sukajadi Sawit Mekar May 2008 by Aksenta,
6. SIA Assessment report for PT SSM May 2008 by Aksenta,
7. The Management & Monitoring Plans of HCV PT Sukajadi Sawit Mekar.
8. The Management & Monitoring Plans of Social PT Sukajadi Sawit Mekar,
9. The development plan of PT Sukajadi Sawit Mekar,
10. The land use change and green house gases emission (GHG) analysis using RSPO Carbon Assessment Tool for New Oil Palm Planting dated December 2014 (separate document for submission to RSPO ERWG).

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List of Legal documents and regulatory permits related to the areas assessed

The permits that have been obtained by the company are inclusive of Permitted Area (Izin Lokasi), Social Environment Impact Assessment (AMDAL), and the Plantation Business Permit (Izin Usaha Perkebunan) and Land Use Title. The followings are the list of the licenses and recommendations:

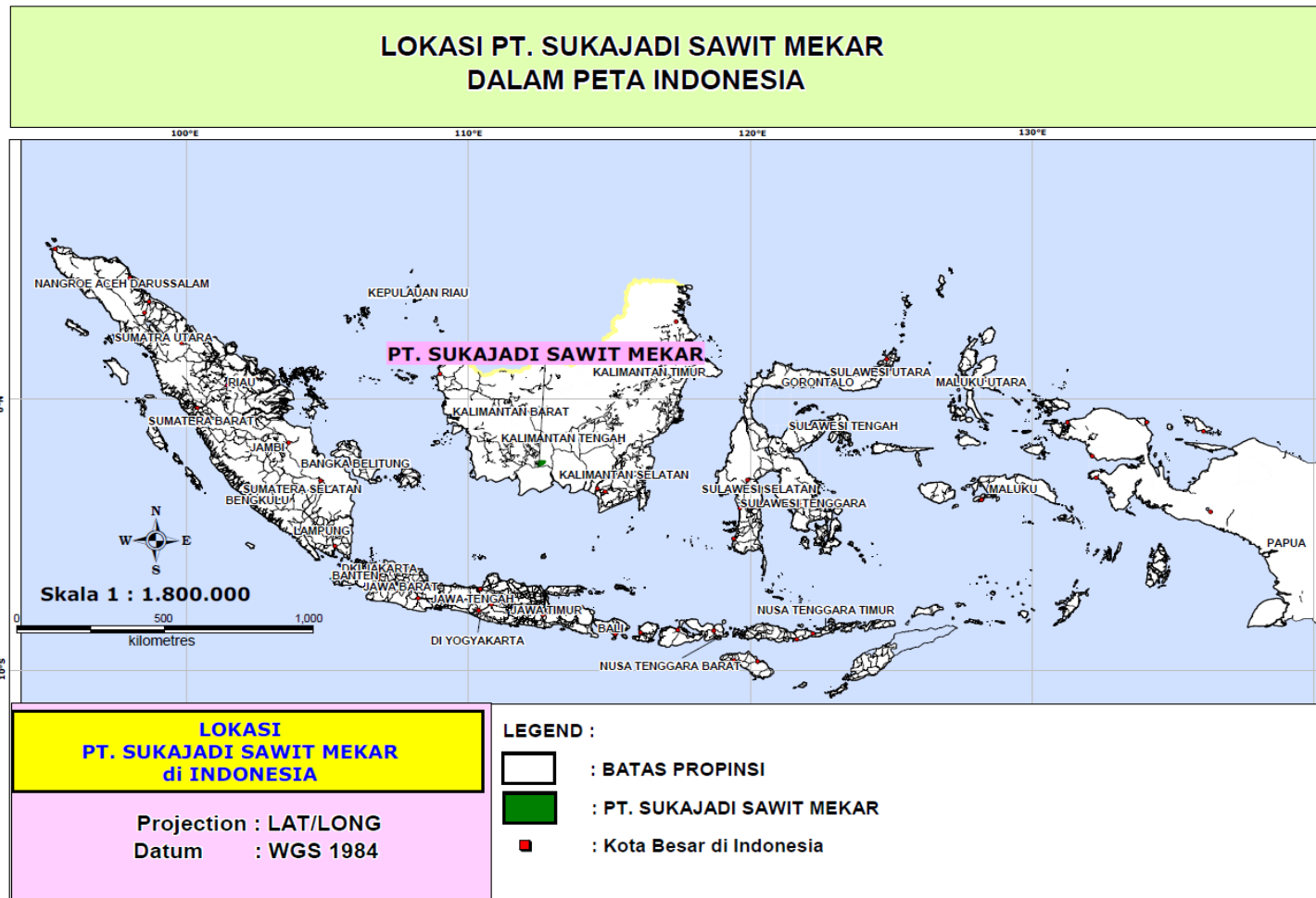
Table 1 Types of permits and recommendations PT SSM

No	Licenses and recommendations	Issued by	Number and date	Note
1.	Deed of Establishment	Notary Eddy Simin, SH	No 108 Dated on 25 January 1994	
2.	Taxpayer Notification Number	Ministry of Finance Directorate General of Taxation	01.576.555.5-123.000	
3	Permitted Area	Kantor Pertanahan Kabupaten Kotawaringin Timur	No: 1068.460.42 Dated on 10 October 1994 New permit: No: 1020.460.42 Dated on 20 October 1995	15,000 Ha
		Regent of Kotawaringin Timur (Bupati Kotawaringin Timur)	No: 193.460.42 Dated 12 March 2004	16,300 Ha
4.	AMDAL	Bapedalda Kabupaten Kotawaringin Timur	No. 42/Komisi-Kotim/X/2005 Dated on 28 October 2005	
4.	Plantation Business Permit (IUP)	Dirjen Bina Produksi Perkebunan (Departemen Pertanian)	SPUP Nomor: HK.350/70/DJ.BUN.5/II/2002 Dated on 18 February 2002	7,416.074 Ha
		Regent of Kotawaringin Timur (Bupati Kotawaringin Timur)	New permit: 188.45/292/Hul.Ek.SDA/2014 Dated on 25 July 2014	
		Regent of Kotawaringin Timur (Bupati Kotawaringin Timur)	Nomor: 525.26/38/I/EKBANG/2005 Dated on 19 January 2005	12,386.27 Ha
		Regent of Kotawaringin Timur (Bupati Kotawaringin Timur)	New permit: 188.45/294/Huk.Ek.SDA/2014 Dated on 25 July 2014	
6	Land Use Title (HGU)	National Land Bureau (BPN) Agency Kotawaringin Timur	Nomor: 12 Dated on 16 October 1999	7.416,074 Ha
		National Land Bureau (BPN) Agency Kotawaringin Timur	Nomor: 27 Dated on 28 April 2005	12.386,27 Ha

*) All legal documents available on humas legality documents

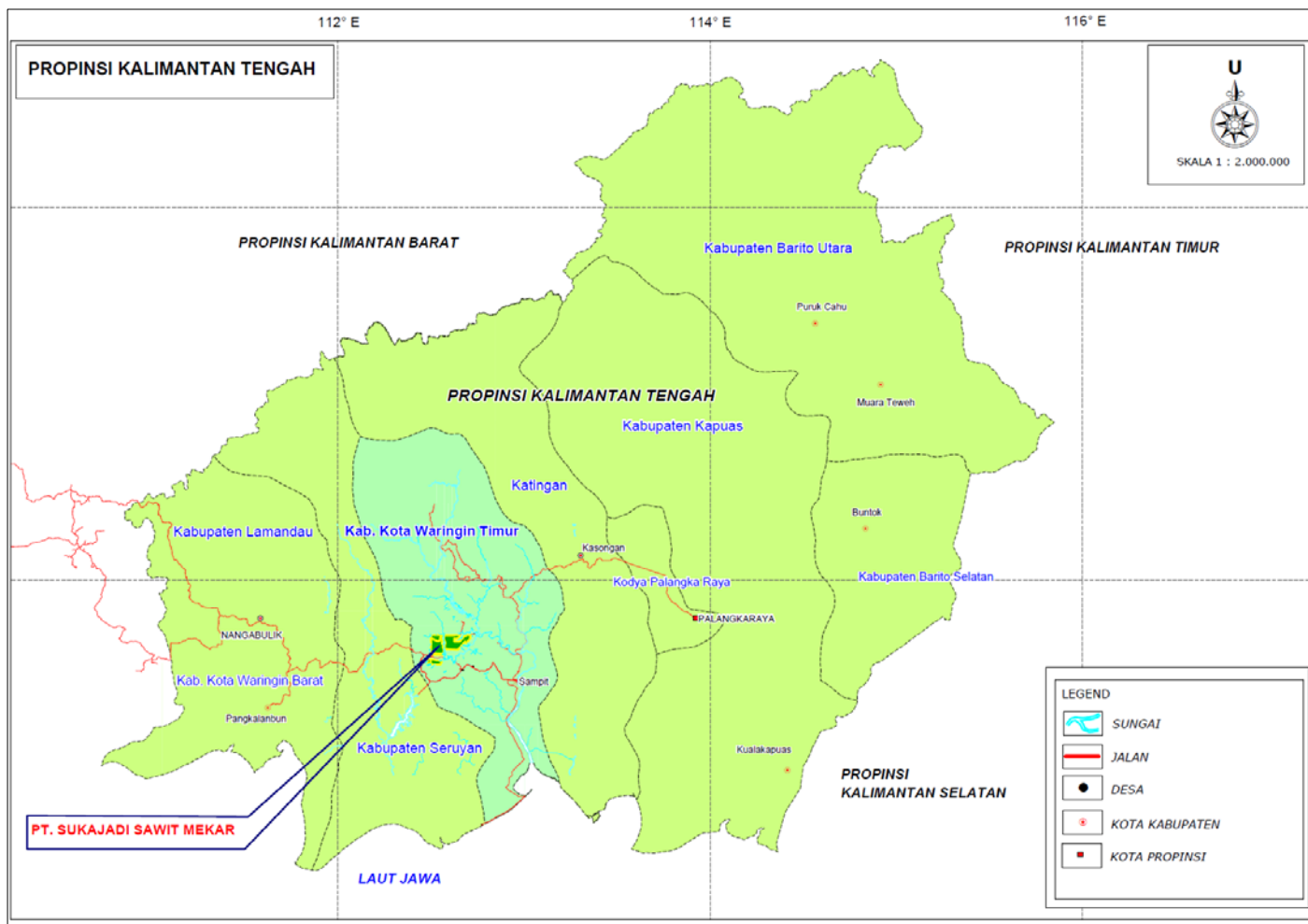
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Location maps – both at landscape level and property level



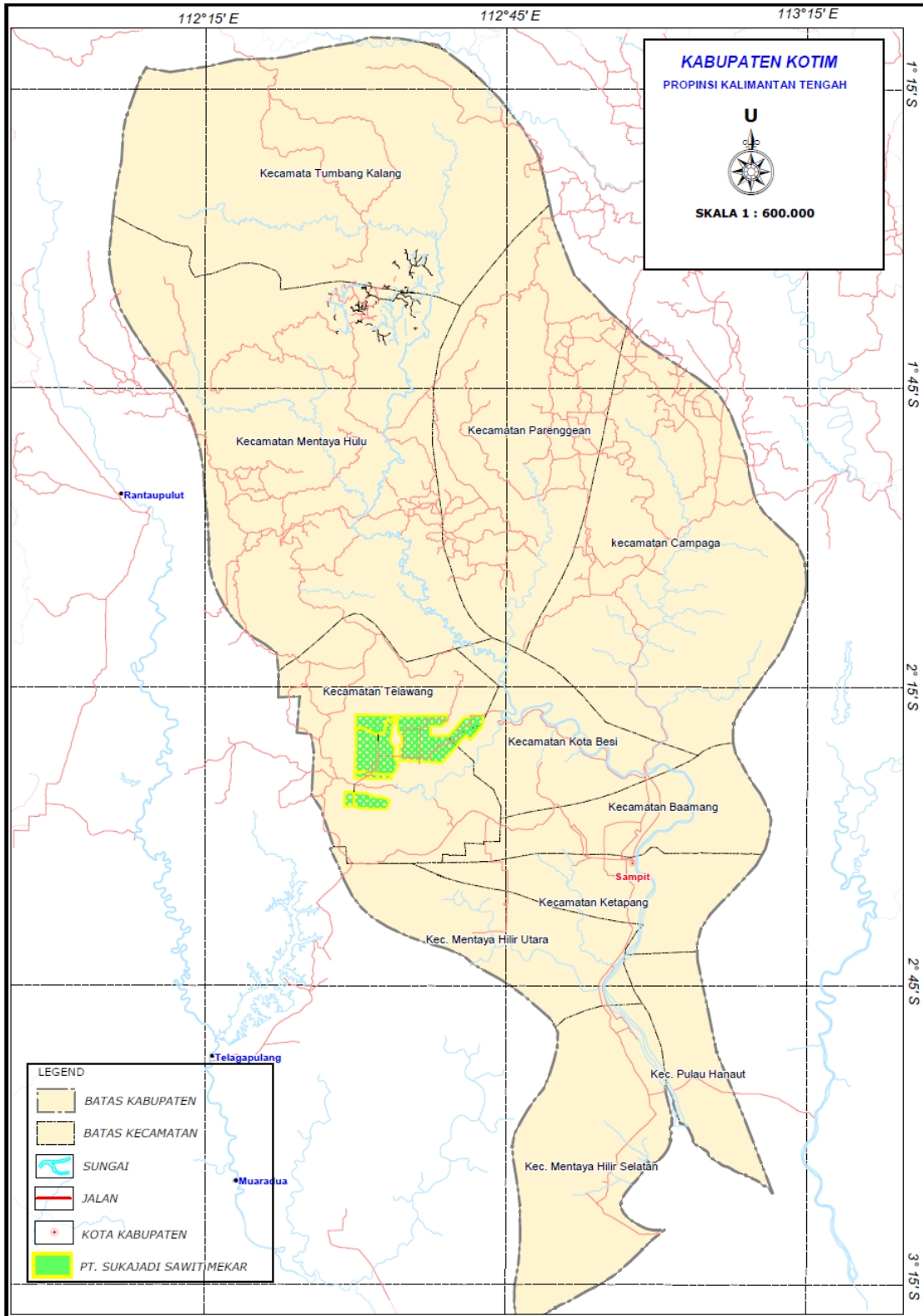
Picture 1 Location of PT SSM in Indonesia

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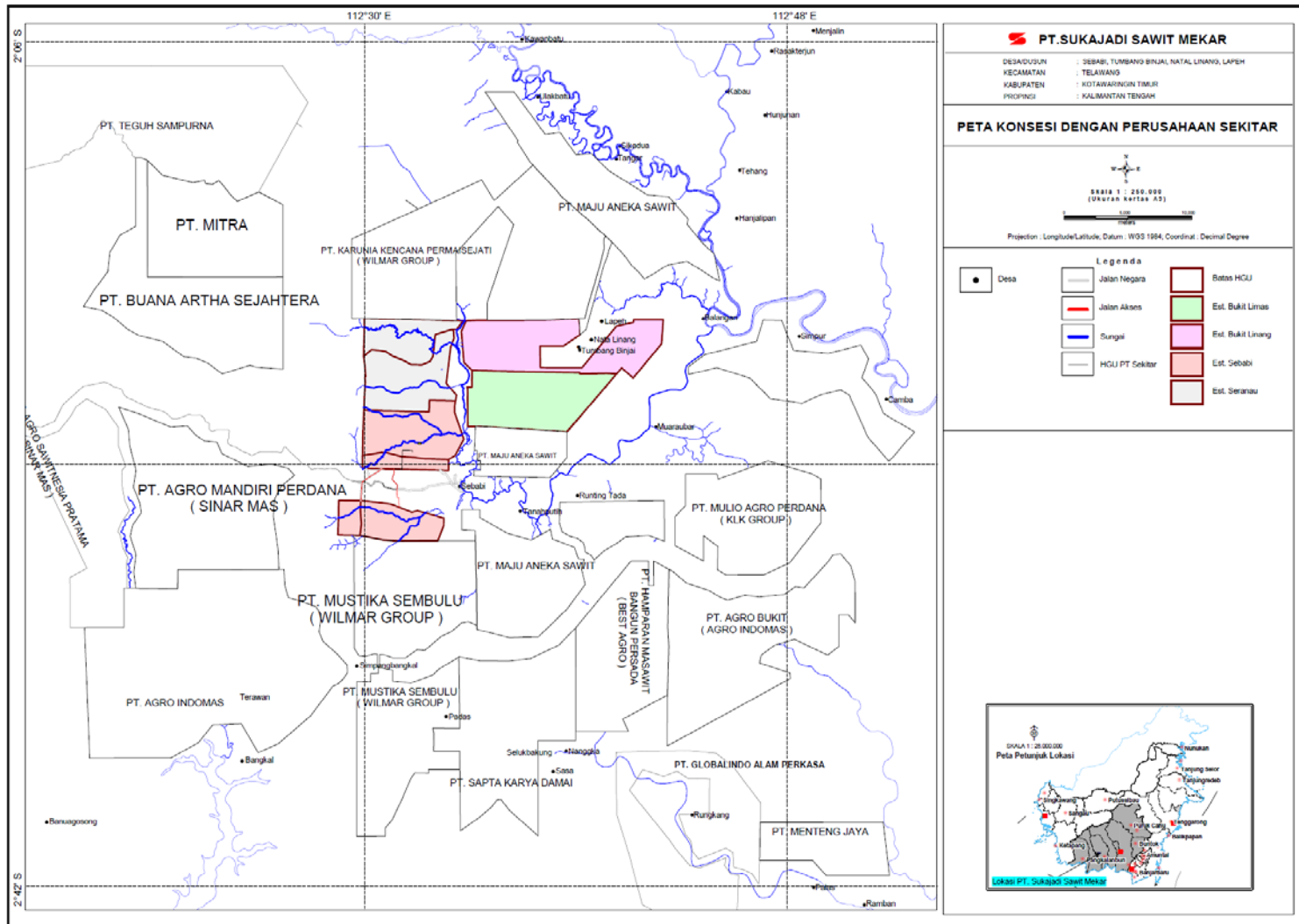
Picture 2 Location of PT SSM in Central Kalimantan

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Picture 3 Location of PT SSM in Kotawaringin Timur District

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Picture 4 Location of PT SSM and its surrounding entities

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Area and time-plan for new plantings

The total concession area of PT SSM is 19,802.34 ha. Total planted area in PT SSM is 15,988.13 ha and the HCV areas included Management Area (HCV-MA) of 1,048 ha. HCV management plan has been developed for these areas and implementation is on-going. PT SSM has been certified by RSPO on 28th August 2010. The expansion of oil palm areas in PT SSM is an on-going development within the location of the Land Use Title (HGU). These are enclave land of ± 1,883.27 ha which the land owners will be negotiated for land acquisition and compensation to the land owners through Free, Prior and Informed Consent Process. Potential areas for oil palm plantings as corporate social responsibility (CSR) projects in villages in the vicinity outside of the HGU will be included. The enclaves' areas and areas in the vicinity outside the HGU with potential for CSR oil palm development do not contain primary forest and the general land covers are cultivated area and shrub mixed with tree crops.

The process of land development and palm oil planting adheres to the procedures of RSPO New Planting Procedures (NPP) for on-going development for notification. The detail of area statements and time-plan for new plantings are presented in report “Development plan of PT Sukajadi Sawit Mekar 2015”, and summarized in Table 2.

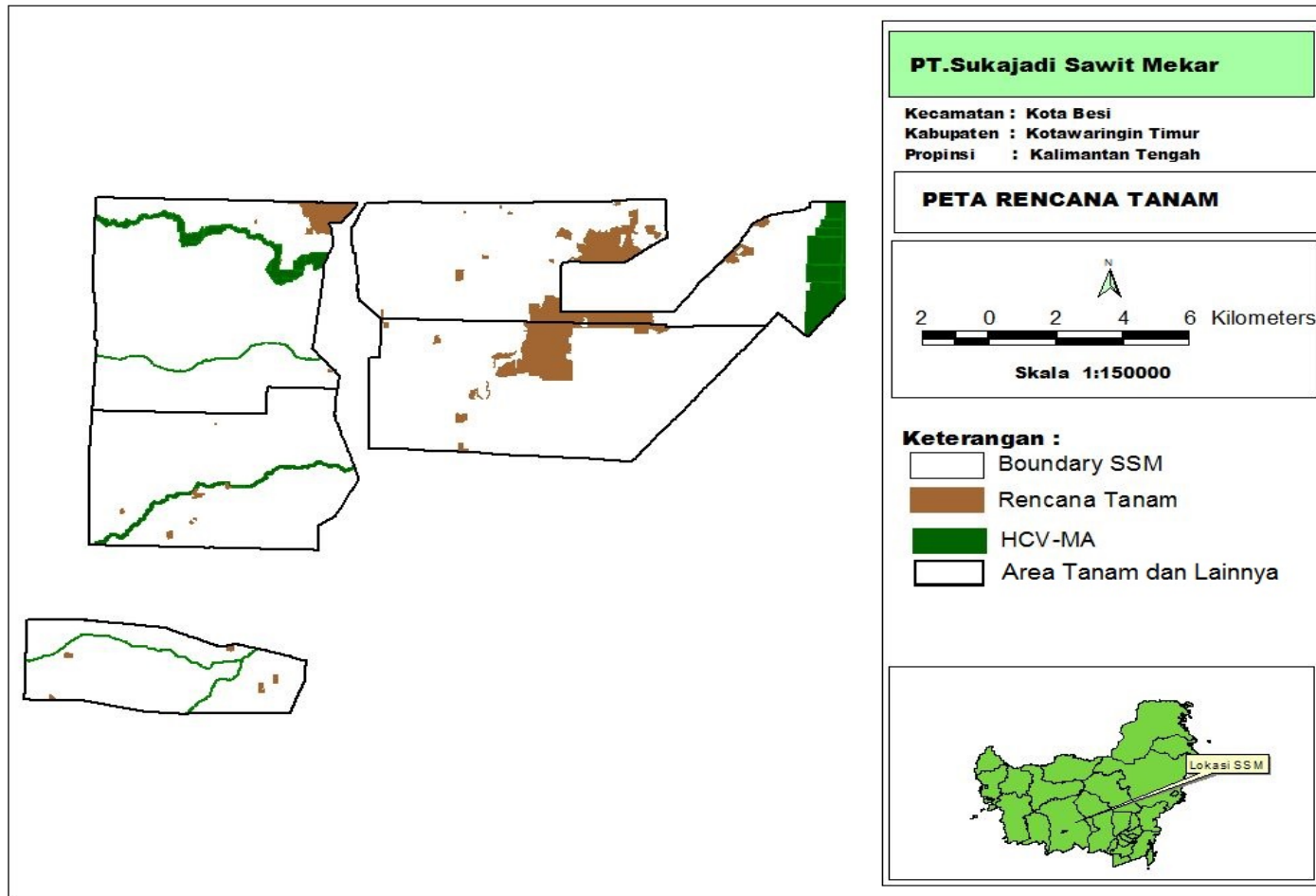
Table 2 Proposed expansion of oil palm area

Total HGU (ha)	Planted area (ha)	Proposed expansion of oil palm area (Ha)						
		2015	2016	2017	2018	2019	2020	Total
19,802.34	15,988.13	187.82	342.81	341.06	338.90	342.17	330.51	1,883.27

The proposed expansion of oil palm area along with HCV area is presented in picture 5.

As part of the process of free, prior and informed consent (FPIC), procedures to ensure that there is participation in the social and environmental harmony in the operation and development of the oil palm planting project by PT SSM, consultation with the relevant stakeholders is to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT SSM and the the affected stakeholders to move forward for the benefit and common progress. PT SSM has established standard operating procedures for stakeholder consultation, stakeholder's engagement, land acquisition and compensation procedures based on the principle of free, prior and informed consent. The company also has established the complaint and grievance procedures so that the problem solving process is done through discussion and mutual deliberation.

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Picture 5 Location of HCV & HCV-MA and planned planting area within PT Sukajadi Sawit Mekar

3. SEIA and HCV Management & Planning Personnel

Organizational information and contact persons

Company Name	:	PT Sukajadi Sawit Mekar
Deed of Establishment	:	No 108 date on 25 January 1994 (Notary H. Asmawel Amin, SH)
Deed of Minutes Meeting	:	No 12 date on 4 th July 2009 (Notary Eddy Simin, SH)
Capital Status	:	Foreign Investment (<i>Penanaman Modal Asing</i> , PMA)
Taxpayer Notification Number	:	01.576.555.5-123.000
Company Address	:	Spring Tower 06 - 62, Jl. K. L. Yos Sudarso Km. 7.8 Tanjung Mulia, Medan Deli Medan 20241 Sumatera Utara
Type of business	:	Oil Palm Plantation & Processing
Status of concession land	:	Plantation Business Permitted (SPUP No HK.350/70/DJ.BUN.5/II/2002 dated on 18 February 2002, size 7,416.074 ha; New permit: 188.45/292/Hul.Ek.SDA/2014 Dated on 25 July 2014). Plantation Business Permitted (IUP No 525.26/38/I/EKBANG/2005 dated on 19 January 2005, size 12,386.27 ha: New permit: 188.45/294/Huk.Ek.SDA/2014 Dated on 25 July 2014). Land Use Title (HGU) No 12 dated on 16 October 1999, size 7,416.074 ha and HGU No 27 dated on 28 April 2005 size 12,386.27 ha SEIA (AMDAL) No. 42/Komisi-Kotim/X/2005 dated on 28 October 2005
Contact person	:	Venu Gopal (General Manager)
Geographical Location	:	See Picture 1, Picture 2, Picture 3 and Picture 4
Surrounding Entities	:	PT. SSM plantation borders with other entities: Golden Mines (PETI), PT. Feron (Mining), PT. Mustika Sembuluh, PT. Maju Aneka Sawit, PT. Bumi Palm, PT. Karunia Kencana Permai Sejati, and KUD. Sinar Intan. The land use around PT. SSM is dominated by palm oil plantations and mining company.

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Personnel involved in planning and implementation.

The process of HCV and SIA development and preparation of management and monitoring plans for PT SSM was implemented in phases involving several parties: that is Estate Department, the Public Relation (Humas Department) and Sustainability Department. The implementation of the HCV and SIA management & monitoring plans in the field will be implemented by experienced personnel who possessed the relevant knowledge and technical skills. Sustainability Staff, Audit & Certification (A&C) Staff, with the assistance of the Public Relation (Humas) Team, stationed at the location, will provide support in these activities. The Estate Manager is directly responsible on the implementation of the plans of management and monitoring. In addition, the Senior Estate Manager is accountable in fulfilling of the requirements for the plan and as well as responsible in analyzing the input results from the monitoring plans. The General Manager is accountable and responsible to ensure that the Overall Development Plan including the management of HCV and SIA is implemented according to the time plan and budget. The management team is supported and supervised by the Senior General Manager. The detail of the responsibilities and roles of the HCV and SIA development and preparation of management plans and monitoring are summarized in the “The Management & Monitoring Plans of HCV/SIA PT SSM” document. The Head Office Estate Department, Public Relation (Humas) Department, and Sustainability Department will provide the overall support in the implementation of the development plan.

Stakeholders to be involved

The process of the HCV and SIA development and preparation of management plans and monitoring PT SSM also involved relevant stakeholders such as governmental offices, The Plantation and Forestry Office, The Office for River Management-BPDAS, local communities, the government of local village and Sub-District, and other company's (private sector) of Forestry and Plantation include peer review HCV Management & Monitoring by expertise.

Consultation with the relevant stakeholders to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT SSM and the workers, contractors, suppliers, consumers, government agencies and communities to move forward for the benefit and common progress. This is also part of the process of free, prior and informed consent procedures to ensure that there is a balance in the social and environmental harmony in the development of the oil palm planting project between PT SSM and the local communities, the relevant government agencies, concerned stakeholders, NGOs etc. The process of stakeholder consultation was conducted on 13 February 2015.

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

PT SSM has developed the plans for the conservation impacts and social impacts as the operational efforts on social and conservation mitigation. The social development and preparation of management & monitoring plans for PT SSM was mainly based on SEIA and the Social Impact Assessment, in principle, referred to the related laws in Indonesia.

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

1. Land Acquisition (and Compensation) Program Through Sustainable Communication & Relationships

Based on the Social Impact Assessment has been carried out, the general social conditions PT SSM were pretty good. Therefore the emphasis the company in land acquisition program is clear and transparent. The scope for this management and monitoring included the process of land acquisition and land compensation which referred to the principles of Free, Prior and Informed Consent (FPIC) such as: socializing and communicating regarding the activities involving the acquisition of land by the local government, verification of the legality of land ownership, land compensation in accordance with SOP and documenting activities.

2. Participation Program Improvement Companies in the Health, Education and Environmental Management Around Good Company

- a. Health Sector: Generally, most people are very dependent on the quality of river water, given these conditions, the company designing health programs and infrastructure that relies on participation in activities for improved health in the community. Activities in the form of health education and fogging collaboration with the local health agency and participate in the provision of clean water.

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- b. Education: The Company recognizes that communities around the company can be said to be prosperous, but because the location is remote to say the very lack of access to education and jobs that require higher education. As a result, the average level of education is relatively low. The scope for this management and monitoring included the participation of the company in increasing the human resource such as; a) encourage local people who are poor financially to enable continuous education until college with scholarship program, b) participate in increasing the level basic education (Peduli Pendidikan) and c) giving opportunity to pursue senior High School of Vocational for (*Praktek Kerja Lapangan*).

- c. Field of Environmental Management: neighborhood improvement activities include: river water quality testing and socialization to maintain the condition of river border. Focus of activity in the form of management and monitoring of water quality, preparation and implementation of Environmental Management & Monitoring Plans (RKL & RPL).

3. The Management Plans of PT SSM, Participation of Company in Increasing Local Economic

The scope for this management and monitoring included: a) recruit local people as workers accord with the needed of the company, b). opening opportunity of cooperation for contractor and local supplier accord with standard and quality requirements of the company, c) participate in the development of local economy and CSR projects such as village oil palm development, d) organize trainings for communities for capacity building and enhancing capabilities, knowledge and skills to promote local economic growth (sewing, rubber cultivation), e) developing education scholarship program covering wide scope of the communities including elementary to higher education

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

The HCV development and preparation of management & monitoring plans

The HCV development and preparation of management & monitoring plans was based on the recommendations by independent consultants from Aksenta. This process provides data and information related to the presence of the HCV areas in the Land Use Title (HGU), the key HCV elements, the actual conditions included the potential threats, and the recommendations for the management.

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

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

Plan for HCV Monitoring and Regular Review of Data

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

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

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

Plan for HCV Management and Monitoring

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

HCV	Threat	Management	Monitoring	
1	<ul style="list-style-type: none"> ○ Animal hunting for food supply ○ River fragmentation ○ River contamination 	<ul style="list-style-type: none"> • Ensure that RTE species is not hunted by company staff and workers • Rehabilitate riparian buffer zone, in which the stream passing through the concession • Enhance the river management by acquiring riparian buffer zone within the concession. • Cooperate with local community to protect the river. • Cooperate with local government to protect the river and rehabilitate the riparian buffer zone. 	<ul style="list-style-type: none"> • To monitor the situation and to control if there are RTE species being trapped • To monitor fishing activity that can cause damage to biotic • To monitor the illegal hunting and trading of wildlife. 	
3	<ul style="list-style-type: none"> ○ Logging activity and conversion of peat area ○ Fire incident in forest and peat area 	<ul style="list-style-type: none"> • Allocate the secondary forest in peat area in Bukit Linang Estate to be a buffer area for the surrounding peat area. • Create signboard to prevent fire • Patrols, especially during dry season 	<ul style="list-style-type: none"> • To monitor any potential disturbance from human to peat area situated within and outside the concession. • To monitor fire hotspot periodically. 	
4	Contamination from the application of fertilizer and pesticide the river.	<ul style="list-style-type: none"> • Appropriate distance for the application of herbicide and pesticide is available and to switch to organic fertilizer and pesticide applied around the determined riparian buffer zone area. • Installation of signboard to limit the application of chemical in the particular riparian buffer zone. 	<ul style="list-style-type: none"> • Water sampling method is conducted once in every 6 months. The sample will be further analyzed in the laboratories to find out the quality and content of the water. 	
	Sedimentation from soil erosion and riverbanks	<ul style="list-style-type: none"> • Enrichment of vegetation in river. Proper vegetation would filter the material from soil erosion before getting into the river and prevent the potential of riverbanks erosion. 		
	Uncontrolled logging activity by the community in peat area	<ul style="list-style-type: none"> • Create signboard to inform the community, company staff and worker about the value of HCV in the area that has been determined as HCV area. • Actively patrol the concession to monitor logging activity. 		<ul style="list-style-type: none"> • Record any incident regarding HCV • Identify the types of vegetation in the peat area.
	Fire incident in peat area during dry season	<ul style="list-style-type: none"> • To maintain the peat area in wet condition and to control the water surface level around peat area is in a suitable condition. 		<ul style="list-style-type: none"> • Monitor the level of water surface in a suitable condition
6	Company's operational activity that pays less attention to the existence of HCV 6, especially during land clearing and replanting.	<ul style="list-style-type: none"> • Conduct socialization to the community, company worker and staff and contractors regarding the presence, location, and the value of HCV 6, and the company's commitment to sustain HCV 6. • To provide access to the community whom would like to pay a visit 	<ul style="list-style-type: none"> • Monitor the presence and physical condition of and area valued as HCV 6 • Evaluate the effectiveness of managing the HCV 6 area 	

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In order to make such activities effective, it is required that the reinforcement to the human resources competencies be applied so that they have sufficient knowledge and life skills to implement all the determined activities. Moreover, it is essential to provide appropriate infrastructures so that the implementation of the activities is possible to be effective.

Development Plan

PT Sukajadi Sawit Mekar's development plan has incorporated the findings from Social Environmental Impact Assessment (SEIA – AMDAL), HCV assessment and Social Impact Assessment for implementing the operational plans. The total area located in PT SSM is 19,802.34 ha which of 15,988.13 ha or 80.74 % of the total HGU area has been planted with oil palm. The unplanted areas have been scheduled for planting and the RSPO New Planting Procedures for on-going developments is adopted. This is part of an ongoing planting and this report is meant for notification only. The net area for cultivation of oil palm after analyzing with HCV areas, LULUC analysis, and carbon stock GHG assessment using RSPO Tools June 2014 is 1,883.27 ha. Potential areas for oil palm plantings identified through CSR projects in villages in the vicinity outside of the HGU will be included. In accordance with the operational management of PT SSM, land development and plantings schedule in 2015 – 2020 and thereafter. The process of land development and palm oil planting undertaken activities including land acquisition or compensation to the land owners and as addition activity is socialization of plantation development plan or Free Prior and Informed Consent (FPIC).


As part of the process of free, prior and informed consent (FPIC), procedures to ensure that there is participation in the social and environmental harmony in the development of the oil palm planting project by PT SSM, consultation with the relevant stakeholders is to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT SSM and the the affected stakeholders to move forward for the benefit and common progress. PT SSM has established standard operating procedures for land acquisition and compensation procedures based on the principle of free, prior and informed consent. The company also has established the complaint and grievance procedures so that the problem solving process is done through discussion and mutual deliberation.

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5. Internal responsibility

Document of HCV and SIA management and monitoring plan of PT Sukajadi Sawit Mekar has been approved by the management on 2 April 2015.

Proposed by,



Venu Gopal
General Manager PT SSM
Date: 31/3/2015

Agreed by,



Gunadi
Senior General Manager PT SSM
Date: 02/04/2015

Approved by:



Ng Chang Huat
Estate Director
Date: 02/04/2015