



RSPO NEW PLANTING PROCEDURE
SUMMARY REPORT OF SEIA AND HCV ASSESSMENT

KULIM (Malaysia) Berhad Group – PT Wahana Semesta Kharisma,
Kabupaten Barito Utara, Central Kalimantan
INDONESIA

JULY 2014

RSPO NEW PLANTINGS PROCEDURE

Summary Report of SEIA and HCV Assessment

1. Executive Summary

PT Wahana Semesta Kharisma (PT WSK) is subsidiaries of PT Wisesa Inspirasi Nusantara, which in-turn is a 74% subsidiary of Kulim (Malaysia) Berhad, a Malaysian agro-industri company. The shareholder of PT WSK is PT Wisesa Inspirasi Nusantara (95%) and PT Graha Sumber Berkah (5%) (based on change of certificate of incorporation no. 18 dated on July 26, 2013 by notary of Firdhonal,SH) while Kulim (Malaysia) Berhad is one of the shareholders in PT Wisesa Inspirasi Nusantara amount of 74% (based on change of certificate of incorporation no. 5 dated on December 11, 2011 by notary of Firdhonal,SH). The Kulim (Malaysia) Berhad has been a long guided by strong focus on sustainability, and has based its commitment to sustainable palm oil on the Principles and Criteria of the Roundtable on Sustainable Palm Oil (RSPO).

As a member of RSPO, Kulim (Malaysia) Berhad is committed to ensure that the company's operations comply with the RSPO certification requirement including those of the NPP (New Planting Procedure) which was enforced 1st January 2010. This includes a total area of 40,645 ha within new permitted area for land development ("izin lokasi") which was alienated into three subsidiary companies in Indonesia.

PT Wahana Semesta Kharisma (PT WSK) has obtained a Land Development Permit ("izin lokasi") for oil palm plantations covering an area of ±15,200 ha through the Decree No. 188.45/504/2013, dated 28 August 2013, signed by Bupati of Barito Utara District, Central Kalimantan Province of Indonesia. The location of PT Wahana Semesta Kharisma permitted area covering two zones, which an area ± 6,800 ha of Zone I covers Kelurahan Montallat I, Kelurahan Montallat II, Malegoi, Desa Malungai, Desa Rarawa, Ketapang, Desa Walur dan Desa Baliti, , Desa Majangkan, Kecamatan Gunung Timang and Montallat; and an area ± 8,400 ha of Zone II covers Desa Benao Hulu, Desa Benao Hilir, Desa Teluk Malewai, Desa Nihan Hulu, Desa Nihan Hilir, Desa Luwe Hulu, Desa Luwe Hilir, Desa Muara Bakah, Kelurahan Lahei, Desa Ipu, Desa Papar Pujung, and Kelurahan Jambu, Sub-District of Lahei, Lahei Barat and Teweh Baru, District of Barito Utara.

Based on overlaying map of RTRWP (Provincial Spatial Plan) of Central Kalimantan according to Provincial Decree No. 8/2003, all new concession area of PT WSK, PT WSK, and PT HBS status are Land for Settlement and Other Uses ("Pemukiman dan APL/Areal Penggunaan Lain") which can be developed as oil palm plantation, this include Production Forest which shall acquire Forest Land release permit for development of oil palm plantation. Furthermore, based on map in the Appendix Decree of Forestry Ministry No. 529/MENHUT-II/2012 dated 25 September 2012, with regards to Forestry Development Authority Land

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Use Suitability Map of Central Kalimantan Indonesia for Conservation Forest & Other Uses, all new concession area of PT WSK status are under Convertible Production Forest (“HPK/Hutan Produksi Konversi”) and Other Uses (“APL/Areal Penggunaan Lain”). In other hand, based on map in the Appendix Decree of Forestry Ministry No. 2796/Menhut-VII/IPSDH/2013, dated 16 May 2013, with regards to Indicative Map on Moratorium of new concession permit for Forest Use and Utilization, and Amendment of Forest Allotment area and Other Uses, PT WSK’s new concession areas are not included in moratorium as indicated in the map. There is no primary forest and peat land within proposed concession area.

Kulim (Malaysia) Berhad through its subsidiary companies (PT WSK) is committed to comply with relevant regulation through a formal process to obtain Forest land release permit from Forestry Ministry prior to land development. In other case, for areas which consist of water conservation area will be maintained as reserve and riparian areas alongside with other protected area according to HCV assessment results.

The HCV assessment was conducted in September 2013 with socio-economic, cultural, biodiversity and environmental service surveys conducted by independent consultant (Daemeter) experts and numerous assistants, including specialists in tropical forest ecology, botany, social sciences, ornithology, mammalogy and conservation biology. The team was supported by Daemeter consultant’s inhouse experts in remote sensing, soils, environmental services, mapping, and assessing socio-economic and cultural values.

The total area delineated as High Conservation Value Management Area (HCVMA) to maintain HCVs deemed present in Kulim (Malaysia) Berhad subsidiary’s companies (PT WSK) is 1,467 ha Depending on the outcome of these surveys these areas may bring the HCVMA to a total of 1,467 ha out of 15,200 ha collectively within permitted area.

Based on the HCV assessment done in the initial SEIA and reconfirmed in the recent study of the area, it can be confirmed that there are no primary forest within the area. The remaining forest vegetation is characterized by secondary forests and agriculture degraded farmlands. The original forests of the area have been cleared for agriculture in the past, leaving secondary vegetation.

There is no peat soils located in the area. Most of the soil type is mineral soil with sandy clay and loamy clay in the texture. The topography of the area is hilly to undulating onto flat with elevation of 25 – 200 meters above sea level.

2. Scope of the SEIA and HCV Assessment

2.1 Organizational Information and Contact Persons

The shareholder of PT WSK is PT Wisesa Inspirasi Nusantara (95%) and PT Graha Sumber Berkah (5%) (based on change of certificate of incorporation no. 18 dated on July 26, 2013 by notary of Firdhonal,SH) while Kulim (Malaysia) Berhad is one of the shareholders in PT Wisesa Inspirasi Nusantara amount of 74% (based on change of certificate of incorporation no. 5 dated on December 11, 2011 by notary of Firdhonal,SH).

Company name : Kulim (Malaysia) Berhad

RSPO membership No : 1-0006-04-000-00

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Contact Person: Priyo Priwardono

Email: priyo@grahagrup.co.id

2.2 List of Legal documents and regulatory permits and property deeds related to the areas assessed:

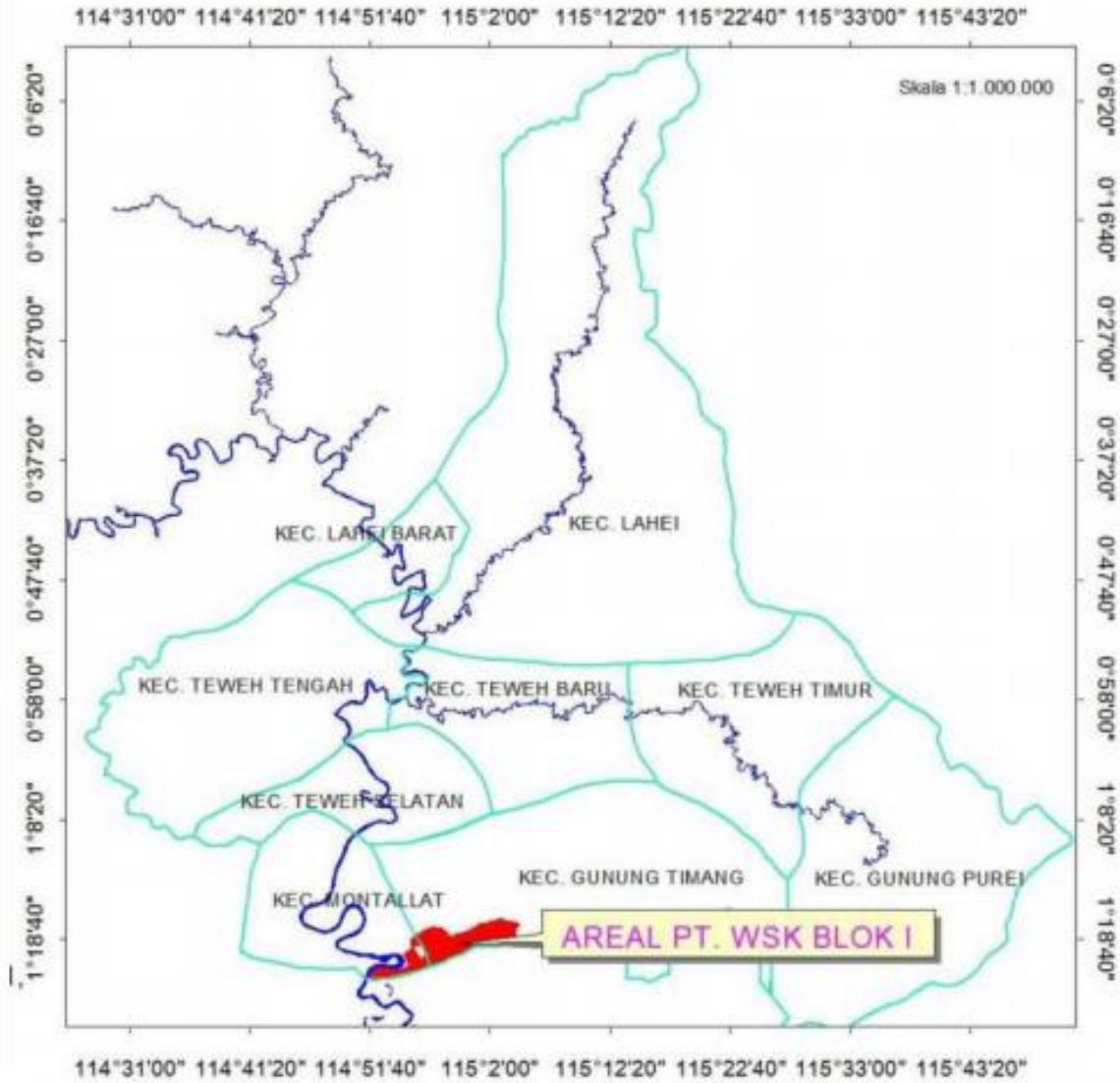
Table 1. List of Legal Document for PT Wahana Sejahtera Kharisma

LIST OF LEGAL DOCUMENT	ISSUE BY AND THROUGH	DATE AND CODE NUMBER
Company Registration Number (“Tanda Daftar Perusahaan”)	Bupati (Head of) Barito Utara, Kepala Kantor Pelayanan Perizinan Terpadu	Issued on 11 July 2013, Decree No.15.02.1.01.002.88
Tax Registration Number (NPWP)	Kementerian Keuangan, Dirjen Pajak	Issued on 15 July 2013, Decree No.31.802.659.8-714.000
Plantation Business Permit (Izin Usaha Perkebunan/IUP)	Bupati (Head of) Barito Utara District, Central Kalimantan Province – Indonesia	Issued on 15 July 2013, Decree No.188.45/386/2013
Land Development Permit (“Izin Lokasi”)	Bupati (Head of) Barito Utara District, Central Kalimantan Province – Indonesia	Issued on 28 August 2013, Decree No. 188.45/504/2013
Forest Land Release Permit	--	On Progress
ANDAL (Socio-Environmental Impact Assessment) for	Bupati (Head of) Barito Utara District, Central Kalimantan Province – Indonesia	Issued on 7 April 2014, Decree No.188.45/193/2014
Environmental permit (“Izin Lingkungan”)	Bupati (Head of) Barito Utara District, Central Kalimantan Province – Indonesia	Issued on 7 April 2014, Decree No.188.45/192/2014
Timber Cutting Permit (“Izin Pemanfaatan Kayu”)	--	On Progress
Land Use Rights	--	On Progress

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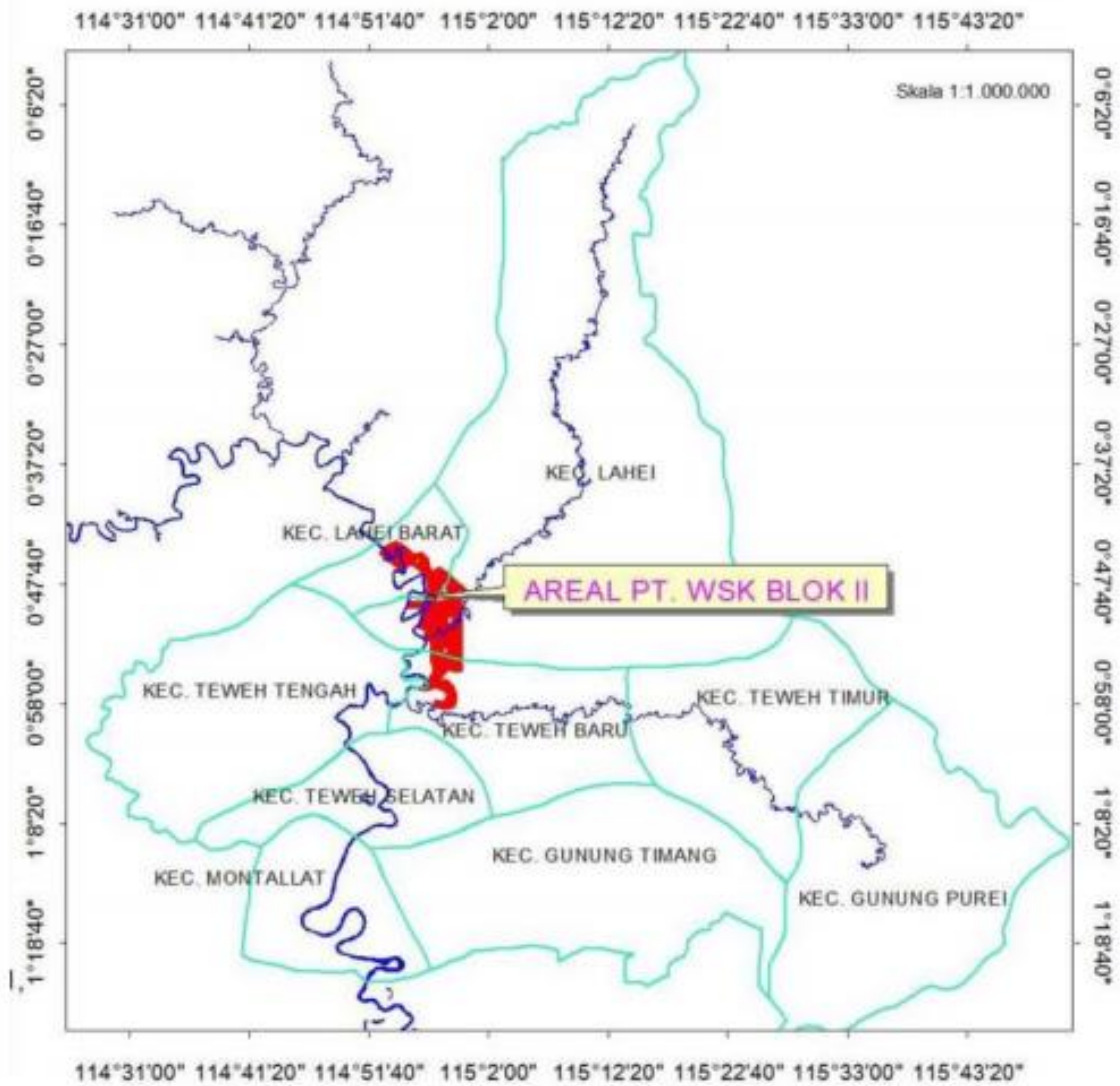
2.3 Location maps – both at landscape level and property level

Figure 1: Location of PT Wahana Semesta Kharisma (Block I) oil palm plantation as shown in North Barito Regency



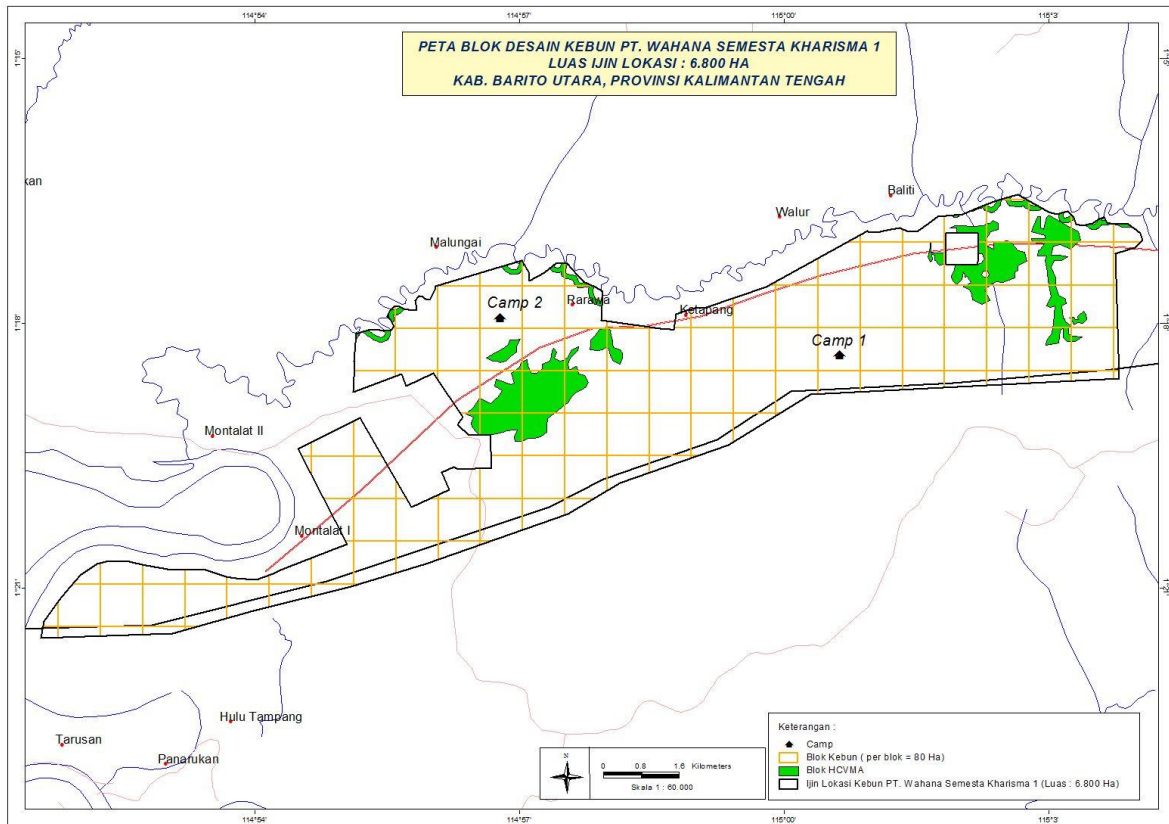
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Figure 2: Location of PT Wahana Semesta Kharisma (Block II) oil palm plantation as shown in North Barito Regency



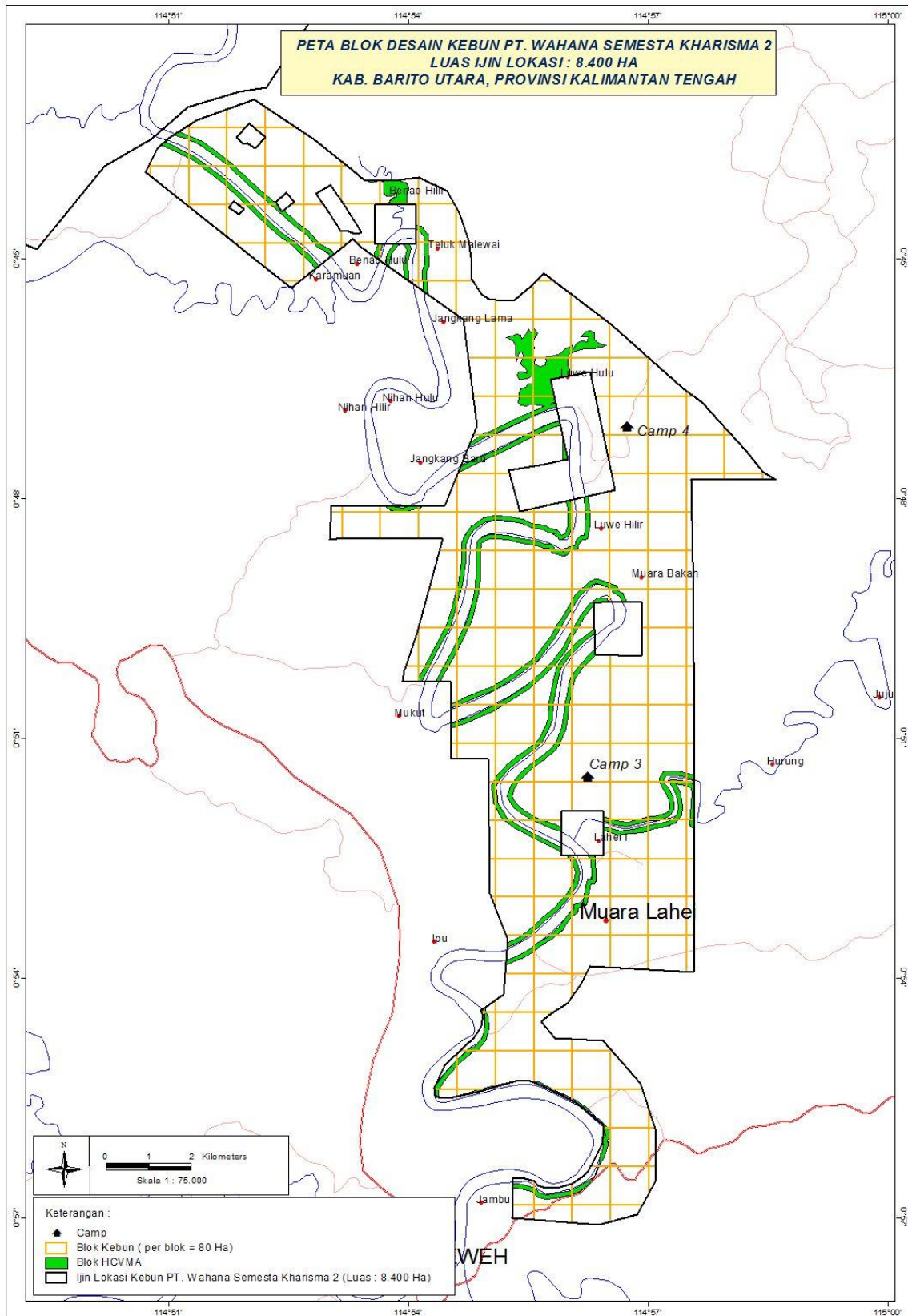
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Figure 3: Estate design block map PT Wahana Semesta Kharisma (Block I), North Barito Regency, Central Kalimantan Province



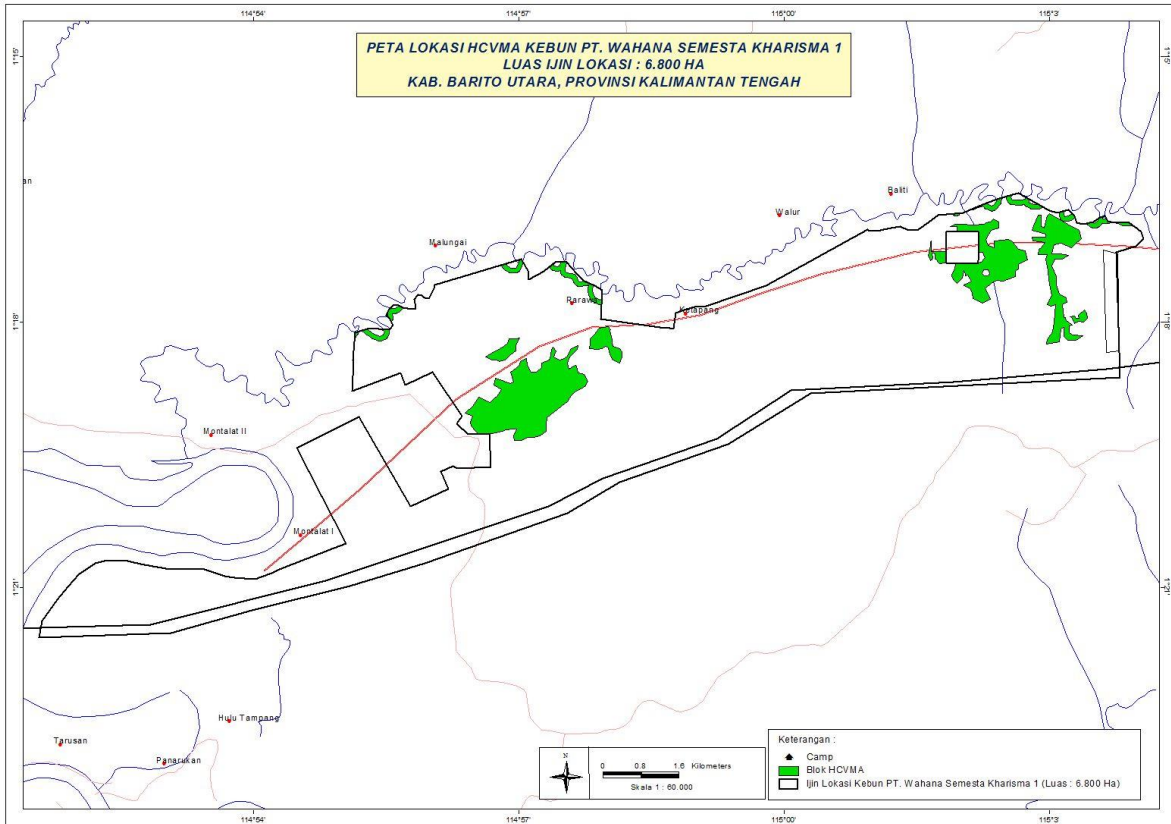
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Figure 4: Estate design block map PT Wahana Semesta Kharisma (Block II), North Barito Regency, Central Kalimantan Province



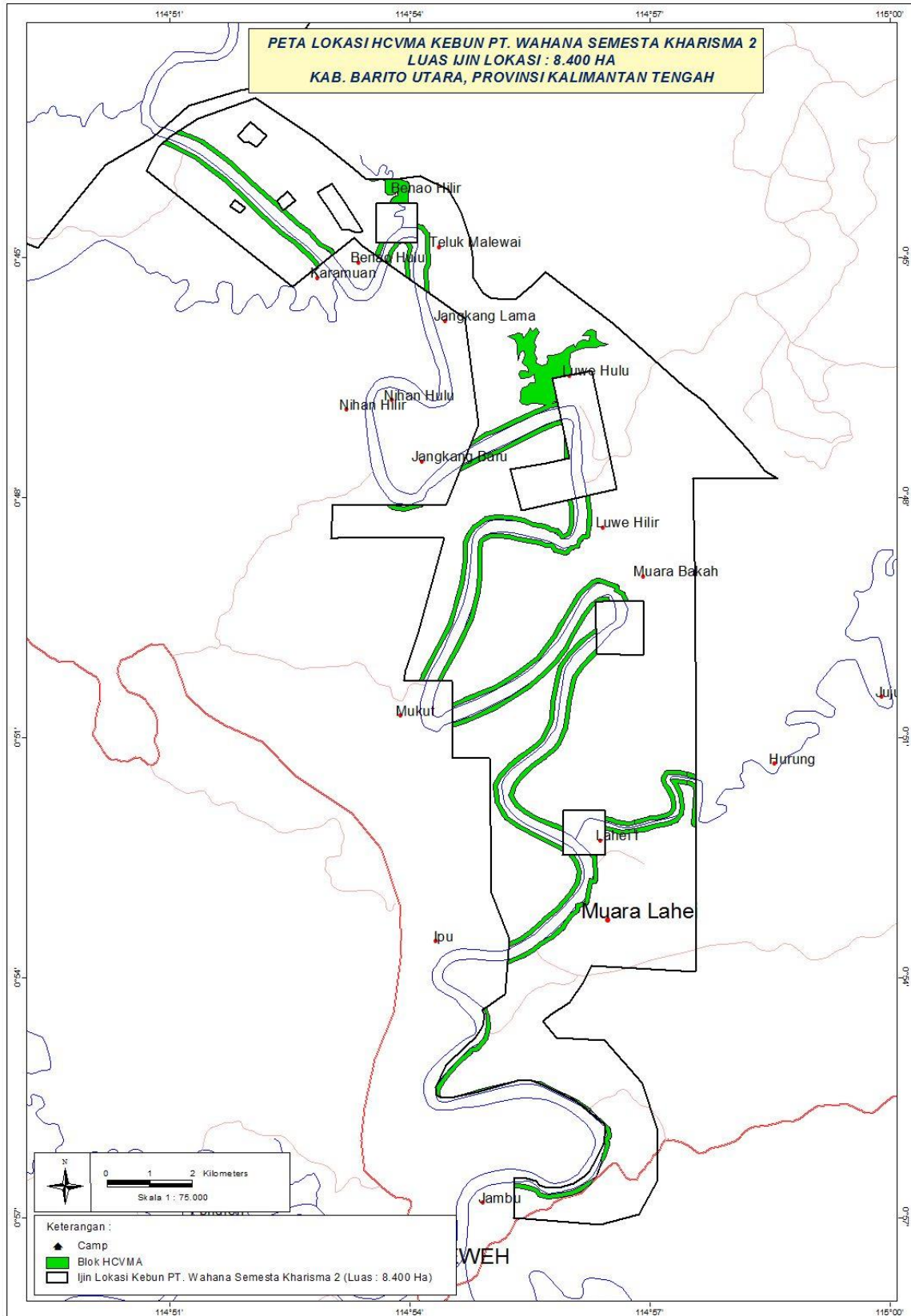
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Figure 5: Map of HCV management area of PT Wahana Semesta Kharisma – Block I



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Figure 6: Map of HCV management area of PT Wahana Semesta Kharisma – Block II



2.4 Area of New Plantings and Time-plan for New Plantings.

Kulim (Malaysia) Berhad's subsidiary companies (PT WSK) plan to allocate land use within concession area in accordance to a guidance from Lembaga Pendidikan Perkebunan Kelapa Sawit (2004) where land use allocation would be determined on the percentage of each function.

In accordance with the ANDAL operational management data of PT WSK, the total estimated new planting area in PT WSK is ±15,200 Ha, comprised of ±10,683 Ha plantable area, ±2,924 Ha riparian conservation area, ±152 Ha for transmigration project area, and ±1,441 Ha reserved for irrigation. Furthermore lowland areas, ecological and other important socio-culture aspects should also be preserved, and it is these details which are elaborated by the HCV Assessment and described fully in the HCV report.

Table 2. Allocation of plantable Area PT WSK

No	Land allocation	Percent (%)	Size of area (ha)
1	Palm trees	91.96	9,824.09
2	Nursery	0.20	21.37
3	Roads	3.20	341.86
4	Drainage	2.70	288.44
5	Mill	0.25	26.71
6	Office	0.02	2.14
7	Compound	1.35	144.22
8	Social facility	0.16	17.09
9	Sport infrastructure	0.16	17.09
	Total	100	10,683.00

Area figures used in the HCV report are based on GIS analysis using the geo-referenced boundary points from the official *izin lokasi* as endorsed by local government. This provides a definitive total area of the *izin lokasi* (this varies from the approximate areas indicated in the ANDAL). Furthermore there are overlaps between the three estates based on the *izin lokasi*. In Table 3 below the total Plantable Area equals the Estate Area minus the recommended HCVMA. In order to be compliant with RSPO NPP Procedures the HCVMA may not be cleared and should be actively managed to preserve the values.

Table 3. HCV Area Summary based on GIS Analysis

Name	Estate Area (Ha)	HCVMA (Ha)	Plantable Area (ha)
PT.WSK 1	6,662	565	6,097
PT.WSK 2	10,543	902	9,641
Overlap PT.WSK 1 & PT.HBS	57	0	57
Overlap PT.WSK 2 & PT.SSR	255	12	243
Total	17,517	1,479	16,038

The location of the HCVMA is mapped in figures 3 - 6. Other details and management and monitoring recommendations relating to this are included in the HCV Full Assessment Report.

In order to contribute some income for the local community and to maintain harmonious relationship with the local community, the development of plasma plantation at least 20% from total of Plantable area is a requirement under Central Kalimantan Provincial rules No. 5/2011 with regards to Development of Sustainable Plantation and Agriculture Minister regulation No.98/2013 with regards to Guidance for Plantation Business Permit. And the plasma plantation is outside the area of IUP (in accordance with article 15, paragraph 2 of Agriculture minister Regulation No. 98/2013). Kulim (Malaysia) Berhad and its subsidiary companies are strongly committed to comply with this regulation. The development of plasma plantation would be at same stages with land clearance of Kulim's company nucleus estate as mutually agreed by both parties i.e. Kulim's company and communities

Table 4. Proposed Time Frame for New Planting

No.	ACTIVITY	YEAR												
		2014	2015	2016	2017	2018	2019	2020	2021	----	----	2044		
A	Pre-Construction Stages													
A.1	Public Awareness	————												
A.2	Land settlement	————	————	————	————	————								
B	Construction Stages													
B.1	Man Power Recruitment	————												
B.2	Incoming equipment and materials	————												
B.3	Land clearing		————	————	————	————	————							
B.4	Infrastructure preparation		————	————	————	————	————							
B.5	Land preparation/planting		————	————	————	————	————							
B.6	Immature palms upkeep			————	————	————	————	————						
C	Operation Stages													
C.1	Mature palms upkeep								————	————	————	————	————	————
C.2	Harvesting and FFB Transports								————	————	————	————	————	————
C.3	Operation of supporting Estate infrastructure		————	————	————	————	————	————	————	————	————	————	————	
C.4	Maintenance of supporting infrastructure		————	————	————	————	————	————	————	————	————	————	————	
C.5	Community Development programme	————	————	————	————	————	————	————	————	————	————	————	————	

Kulim (Malaysia) Berhad subsidiary company (PT WSK) is aware of the requirements and conducted the compensation for private assets and land acquisition resolution with free prior and informed consent based on SEIA (ANDAL) and/or SIA report and Minutes of Meetings with local Communities on Public awareness of the Project.

3. Assessment Process and Procedures

3.1 Assessors and their credentials

The teams for the SEIA (ANDAL), HCV Assessment and SIA study include forestry and biodiversity experts, social specialist, biologist, Agriculture, and GIS Specialist with long experiences both in and out of the field. Following the completion of the report a review was conducted by independent professionals from an environmental, forestry and social background tasks with the responsibility of reviewing the methodology, quality and outputs of the studies and reports.

The SEIA (AMDAL) was conducted by competence team and personnel who holds valid certificate, a brief profile of the assessor team are mentioned below:

Table 5. SEIA Assessor Team and Qualification

No	Roles	Name	Qualification & Certificate
1	Team Leader	Parluhutan Dodo Binoto, SP, MP	Biology, AMDAL A, B, C, Auditor Lingkungan, Sertifikat Kompetensi (KTPA), LSK Intakindo (No: 00508/SKPA/LSK-INTAKINDO/X/2011)
2	Team member	Ir. Yansen Noky	Socio-economy, culture, community health, (AMDAL A & B), Sertifikat Kompetensi (ATPA), LSK Intakindo (No:000727/SKPA-P1/LSKINTAKINDO/XI/2012)
		Ratnayanty, S.Pd	Chemist, (AMDAL A & B), Sertifikat Kompetensi (ATPA), LSK Intakindo (No:000926/SKPA/LSK-INTAKINDO/VI/2013)
3	Technical Expert & Support	Jhon Piter Manalu, M.Si	Agriculture, (AMDAL A & AMDAL B)
		Yulius Wawensa, A.Md	Forestry, AMDAL B
		Lery Jhon Titus, S.Pi	Aquatic Biota
		Dody Enrico Baboe, SE	Socio-economy, culture, & community health

The HCV assessment and Social Impact Assessment (SIA) report was conducted by Daemeter Consulting. The assessment team involved 15 people who participated in one or more parts of the field component of the HCV assessment, as well as two team leaders and seven support staff who were involved in non-field based aspects of the assessment. Team members are listed below and a short biography for each team member is provided in Appendix of the HCV and SIA report documents. Co-team Leaders for this assessment –Philip Wells, Gary Paoli and Aisyah Sileuw - are *RSPO approved HCV assessors*, as are two other assessment team members, Felicia Lasmana and Iwan Rosyid. A brief profile of the assessor team is mentioned below:

(a) Field-team:

1. Felicia Lasmana, Mammal Expert, Biodiversity Survey Team, Daemeter Consulting
2. Ryan Avriandy, Mammal Assistant, Biodiversity Survey Team, External Consultant
3. Kursani Sumantri, Plant Expert, Biodiversity Survey Team, External Consultant
4. Syapuri, Plant survey assistant, Biodiversity Survey Team, Daemeter Consulting
5. Muhammad Iqbal, Bird Expert, Biodiversity Survey Team, Daemeter Consulting
6. Iwan Kurnia Rosyid, Socio-cultural Survey Team Leader, Daemeter Consulting
7. Cepy Heryadi, Socio-cultural Survey Team Member, External Consultant
8. Aldio Dwicahyo, Socio-cultural Survey Team Member, External Consultant
9. Mohamad Asrar Iqbal, Socio-cultural Survey Team Member, External Consultant
10. Mohamad Fahrudin, Socio-cultural Survey Team Member, External Consultant
11. Naka Yuliansyah, Socio-cultural Survey Team Member, External Consultant
12. Febriangga Hermawan, Socio-cultural Survey Team Member, External Consultant
13. Adita Agung Pradata, Socio-cultural Survey Team Member, External Consultant
14. Ika Puspitasari, Socio-cultural Survey Team Member, External Consultant
15. Nidya Bela Anggita, Socio-cultural Survey Team Member, External Consultant

(b) Daemeter senior advisors, co-team leaders and additional support staff:

1. Jules Crawshaw, Report writer and Landscape Ecology Specialist
2. Aisyah Sileuw, Social Team Coordinator
3. Philip Wells, GIS and Landscape Ecology Specialist
4. Gary Paoli, Biodiversity Team Coordinator & reporting oversight
5. Neil Franklin, Management recommendation & reporting support
6. Indrawan Suryadi, GIS expert
7. Aji Sartono, GIS staff

3.2 Assessment Methods

SEIA (ANDAL) was conducted through matrix and flow process analysis to identify the potential impact of environmental and social aspects, as well as group interaction to evaluate the identified potential impact. Furthermore, the HCV assessment process is described as following table.

Table 6. HCV assessment process and associated timeline for this assessment:

Step	Step description	Dates undertaken/scheduled
1	Compilation of secondary and available primary data, including preliminary stakeholder consultation during a short, initial visit to the license areas	July & November 2013 (site visit July & December 2013)
2	Team formation and briefing on project scope	July – August 2013
3	HCV pre-assessment based on available data to determine HCVs potentially present	July – August 2013
4	Planning for fieldwork and agreement on field methods for primary data collection	July – August 2013
5	Fieldwork and primary data collection, including direct stakeholder consultation	Socio-economic/cultural survey: Phase 1: 18-23 August Phase 2: 18 Nov – 2 Dec Biodiversity and ecosystem services survey: 19 - 27 November
6	Data analysis and interpretation	November – December 2013
7	Preparation of a Draft Report, including HCVMA maps and management and monitoring recommendations	December 2013
8	Public consultation to report interim HCV findings and refine threat assessment	Scheduled for January 2014
9	Critical Review of Draft Report (a) Internal discussion between assessment team and company (b) External peer review by one or more qualified expert(s)	Scheduled for January 2014
10	Revise report based on critical review and public consultation (Final Draft)	Scheduled for January 2014
11	Development and adoption of formal HCV management and monitoring plans by the companies	To be undertaken by the companies. Refer to main text in this section.

The SIA followed three stages.

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

Second, field work, which included in-depth interviews, as well as Focus Groups Discussions (FGD) and direct observations. The field work was conducted in the surrounding villages interacting with PT WSK. Total 20 selected villages within PT WSK were observed.

Third, analysis of the data and redaction of the report. The report was submitted to Kulim (Malaysia) Berhad for review and comments before being finalised.

Stakeholder Consultation

Stakeholder consultation is fundamental to the SEIA, SIA and HCV assessment process. A range of stakeholders were consulted during the pre-assessment and full assessment stages. Their input is summarized in Appendix of the SEIA, SIA and HCV assessment report. Stakeholder input ranged from general themes, in the subject of oil palm development in Central Kalimantan and opinion/concerns about the companies' operations and future plans, specific input on biodiversity issues, environmental services, local livelihoods and other issues of concern to local communities. A much larger number of local stakeholders were consulted directly during fieldwork for primary data collection and for follow-up to public consultation (April 28, 2014), including local community members, formal and informal community leaders, company staff and officials.

4.a. Summary of SEIA (ANDAL) & SIA findings

Demography/Social issues. PT WSK's concession area is located within several Sub-Districts (Kecamatan) namely Lahei, Teweh Baru, Lahei Barat, Gunung Timang, and Montalat which is medium densely populated. There are quite number of villages which around the concession area Kelurahan Montallat I, Kelurahan Montallat II, Malegoi, Desa Malungai, Desa Rarawa, Ketapang, Desa Walur dan Desa Baliti, , Desa Majangkan, Desa Benaou Hulu, Desa Benaou Hilir, Desa Teluk Malewai, Desa Nihan Hulu, Desa Nihan Hilir, Desa Luwe Hulu, Desa Luwe Hilir, Desa Muara Bakah, Kelurahan Lahei, Desa Ipu, Desa Papar Pujung, and Kelurahan Jambu. All are reasonably far from the district capital of Barito Utara. The total population of villages neighbouring the concession area reached to 7,421 people. There are some villages exactly inside the concession area.

Traditional Rubber plantation and paddy field are major livelihoods for most villagers with few of them are relying on fisheries, rattan farmers, private employees, school teacher, nurses, government servant, military soldier, workers paid, small groceries, and many more.

Ethnically, the population is mostly of Dayak descent (Dayak Taboyan, Dusun Malang and Dayak Bakumpay), with relatively few numbers of people from other areas (Javanese, Sudanese, Batak, Padang, Banjar). A balance portion of religion within villagers between Islam, Christian (Protestan & Catholic), and traditional believes (Hindu/Kahariangan)

Education is relatively good, with a good proportion of the younger people reaching high school and few of them up to university student. Health facilities in the area are limited, with no doctor. Primary health services are available in each village of the area such in Kelurahan Lahei, Kelurahan Montalat, Desa Benao Hulu.

Land ownership mostly is local traditional rights which come from hereditary of Dayak tribes, while some of them were owned from formal process of buying and selling.

Economy. The area relies almost exclusively on small-scale rubber farming and paddy field, and has done so for a long period of time, as can be observed by the age of the rubber trees and size of plots of paddy. The local population is familiar with rubber farming from farmers that owned rubber trees, or workers that are paid daily, or collectors of latex. Other sources of income are limited such as some small trader, and a few number of public servants and private employees. Generally level of monetarisation is considered low to mediocre.

Potential positive and negative developments. The local populations will expect some positive outcomes from the development of PT WSK, PT WSK, and PT HBS in the area. Improvement of income would be a priority outcome from local communities to improve their living through huge opportunities working for company. Improved roads would also be part of outcome for the local population, to improve access to the area, and access to school for the children. Related to this, improved education and healthcare facilities would be also seen as a positive result of the presence of the company, with possibly better school and clinic buildings, support to the nurses and teachers and/or scholarships for children in the area. Improve other public infrastructure would also be seen as positive outcome such as clean water facilities.

The traditional land ownership system in place in the area will be a challenge for the initial phases of land-rights acquisition by the company. As is the case in many other areas, there will likely be some land-rights ownership conflicts, with multiple people claiming ownership of the same plot of land. Furthermore, land settlement through negotiation process will be due challenging which some of local people wants to be deal and transparant; while in other case people may wish for joining plasma programme.

Villagers will be very wary of any perceived water pollution or over-usage by the company, due to their reliance on the rivers to supply them with water for their daily needs. Disturbance of existence flora and fauna would be as important impacts if company does not have initiative to protect and maintain in long-term plan. Soil damage due to inappropriate waste management (e.g. waste water, and hazardous waste) will be very main impact for environment in addition to land fire, soil erosion, and noise.

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

Identified Social Impact according to assessment result is:

Identified Impact	Significant Level	Description impact
Community relocation	Not Significant	No community relocation during plantation development.
Land clearing	Significant	The impact is considered significant because of the land issue will greatly affect the implementation of corporate governance palm.
Risk of accidents and occupational health	Significant	The impact is considered significant because of safety and occupational work will affect productivity. The impact also considered significant because the majority of people still use the river water to meet its water needs
Public Perception	Significant	The impact is considered significant because if the company does not change attitudes to pay attention about the people expectation then do not close the possibility of public antipathy
Community Health	Significant	The impact is considered significant because community member stated there were decreased of water quality in the river which being assumed because of waste management of plantation and mining activity.
Job Vacancies	Significant	The impact is considered important because some people still expect to be as company's employee.
Marginalization of Minor Groups	Significant	The impact is considered important because some people still expect to be as company's employee.
Social Conflict	Significant	The impact is important because if there is a conflict will affect company's sustainability.

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Identified Impact	Significant Level	Description impact
The increase in revenue	Significant	The impact is important because if the community has felt the economic benefits from the existence of the company, the community will also safeguard the existence and stability of the company to keep it running.
Community Capacity building	Significant	The impact is considered significant because if community has had a high human resource companies will be easy to find a good quality jobs
Strengthening civil society	Significant	The impact is important because if the community has felt the economic benefits from the existence of the company, the community will participate to maintain the existence of the company to continue running
Changes in habits and environment	Significant	The impact is considered important because if people felt that company's contribution to their economy, the community will participate to maintain the existence of the company to keep it running.
Expectation for Small holder scheme development	Significant	The impact is considered significant positive because people expect to be able to have a smallholding

4.b. Summary of Assessment Findings for HCV Assessment

In HCV report, the condition of land cover throughout all concession areas is predominantly zoned for non-forest uses (Kawasan Pemukiman dan Penggunaan Lain (KPPL)) and production forest (Hutan Produksi (HP)) based on provincial spatial plans (Rencana Tata Ruang Wilayah Propinsi (RTRWP) Kalimantan Tengah) while based on the forest maps in Central Kalimantan Province (Ministry of Forestry decree No. 529/Menhut-II/2012) that license areas (location permit on behalf PT WSK) have large areas of overlap with production forest for conversion to other forestry uses (Hutan Produksi dapat dikonversi (HPK)) amount of 5,726 ha (block I) and 6,900 ha (block II) and land for other uses (Areal Penggunaan Lain (APL)) amount of 936 ha (block I) and 2,848 ha (block II). Production forest for conversion to other forestry uses (HPK) cannot be planted with oil palm unless auditee has received permit from the government for converted to land for other uses (forest land released permit (izin pelepasan kawasan hutan) for HPK) while land for other uses are currently legally available for conversion to palm oil.

According to soil and land system maps of PT Wahana Semesta Kharisma (PT WSK) attached on the HCV assessment and EIA document, there is no peatland present in all company's proposed new planting area. The Environmental Impact Assessment (EIA) document and HCVF assessments conducted in various concessions state explicitly that the majority of production forest for conversion to other forestry uses (HPK).

HCV locations are distributed in all the company's locations. There are 5 categorized HCV in the company's location, i.e. HCV 1, 3, 4, 5 and 6 with object are Atar River, Barito river, degraded forest / log over area (LOA), spring, grave area (kuburan), hutan adat, hutan keramat and protected or sacred object.

The important element of HCV 1 especially HCV 1.2 and 1.3 are existence of species according to IUCN, CITES and Government of Indonesia (PP No. 7 year 1999) and its habitat. There are 11 bird species identified include in Red List IUCN / CITES / Gol i.e. *Haliastur indus* (LC, Gol, CITES App II), Unidentified raptor (Gol, CITES App II), *Loriculus galgulus* (LC, CITES App II), *Ceyx/Alcedo* sp (Gol), *Rhipidura javanica* (LC, Gol), *Anthreptes malacensis* (LC, Gol), *Anthreptes simplex* (LC, Gol), *Anthreptes (leptocoma) sperata* (LC, Gol), *Hypogramma hypogrammicum* (LC, Gol), *Arachnothera longirostra* (LC, Gol) and *Lonchura fuscans* (LC, Endemic to Borneo) and there are 19 mammal species identified include in Red List IUCN / CITES / Gol i.e. *Nycticebus menagensis* (VU, CITES App I, Gol), *Cynocephalus variegatus* (VU, CITES App I, Gol), *Tarsius bancanus* (VU, CITES App II, Gol), *Presbytis frontata* (VU, CITES App II, Gol), *Nasalis larvatus* (EN, CITES App I, Gol), *Macaca fascicularis* (LC, CITES App II), *Macaca nemestrina* (VU, CITES App II), *Hylobates muelleri* (EN), *Hylobates agilis/albibarbis* (EN, CITES App I, Gol), *Manis javanica* (EN, CITES App II, Gol), *Pteropus vampyrus* (LC, CITES App II), *Arctictis binturong* (VU, CITES III), *Sus barbatus* (VU), *Tragulus javanicus* (LC), *Tragulus napu* (LC), *Muntiacus muntjac* (LC), *Muntiacus atherodes* (LC), *Rusa unicolor* (VU), and *Cervus timorensis* (VU). There are 8 flora species identified presence include in Red List IUCN / Gol i.e. *Dipterocarpus lowii* (CR, Gol), *Dipterocarpus grandiflorus* (CR, Gol), *Shorea lamellata* (CR), *Shorea myrionerva* (CR), *Anisoptera costata* (EN), *Shorea ovate* (EN), *Shorea peltata* (CR), and *Hopea kerangasensis* (CR).

The important elements for HCV 3 are Beliti (BLI), Maput (MPT), Lohai (LHI), Sebangau (SBG), and Bawin (BWN) land systems. The characterize from fifth land system i.e. :

☐ Beliti (BLI). Characterized by straight, flat bottomed, commonly swampy floors that are narrow or moderately wide. Also characterized by poorly drained conditions and low general fertility. Flooding and inundation is common.

☐ Bawin (BWN). Characterized by dissected terraces. Terrace remnants with flat or very gentle slopes occupy medium size blocks. They are bounded by short, moderate steep terrace flanks or valley sides, which are separated by valley floors.

☐ Maput (MPT) and Lohai (LHI). A hilly land system with amplitude of relief between 50-300 m. Maput has steep escarpment and gorges alternating with gentle dipslopes and plateau. It has hard sandstones and conglomerate beds, resistant to erosion, form the cap rocks while softer shales are excavated by streams. Lohai accupies tracts of curving, steep sided parallel ridges. Folded shales, sandstones or conglomerate are the dominants rock types.

☐ Sebangau (SBG). Comprises levees, alluvial plains and backswamp margins. The levees are rather higher and more pronounced than riverine land systems further upstream.

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The important elements for HCV 4 are environmental services (focused on water quality, soil conservation and land fire control). Two categories of environmental service values were present in the concession areas i.e (i) important areas or ecosystem for the provision of water and anticipation of floods in the downstream communities (HCV 4.1) and (ii) important areas for the prevention of erosion and sedimentation (HCV 4.2). Atar river and Barito river are HCV 4's object. The important element for HCV 5 are their basic needs by cultivating them or purchasing them from mobile vendors, small grocery stores or markets in closest town or in Muara Teweh. Water was the most heavily relied on natural resource with rivers, lake and springs central to meeting community basic water needs. While four villages in PT WSK (block I) areas (Ketapang village, Malungai village, Rarawa village and Walur village) and eleven village in PT WSK (block II) areas (Benao hilir village, Benao hulu village, Hajak village, Jangkan baru village, Jnagkan lama village, Karamuan village, Luwe hilir village, Luwe hulu village, Malawaken village, Muara Barkah village and Mukut village) depend on local rivers (Montalat river (block I) and Barito river (block II)) to meet their fish protein needs. The important rivers and springs for the water need (drinking, washing, bathing and sanitation) by community near PT WSK (Block I) are Keruang lake (Rarawa village), Ketungen spring (Walur village), Koral spring (Rarawa village), Bawang river (Ketapang and Rarawa village), Ketapang river (Ketapang village), Kumala river (Walur village), Montalat river (Ketapang, Malungai, Rarawa and Walur river), while in PT WSK (Block II) are Bukit Jungak spring (Luwe Hulu village), Bukit Tirut spring (Luwe Hilir village), Kelapeh spring (Jangkan lama village), KM 3 spring (Malawaken village), Sungai Kelapeh spring (Nihan Hulu village), Dalit river (Benao hilir, Benao hulu, Karamuan villages), Jabung river (Jangkan baru village), Jangkan 1 river (Jangkan lama village), Montengkan river (Mukut village), Teweh river (Hajak village) and Barito river (all village in near PT WSK Block II). The important element for HCV 6 is the areas that have important function for local communities culture are archeological sites (protected or sacred object therefore they have ancestral heritage or historical value) and cultural rituals (the location and materials necessary to perform them). Type of archeological sites in PT WSK I for zone of Hutan Keramat Pengerupus (Walur village) are kuburan keramat Warit; zone of Hutan Adat Ganasia (Malungai & Rarawa village) are gemuntur and kuburan kaharingan but there are not archeology object in Rarawa village. Type of ritual in Walur village are Belian, Bedewa, and Hidu Tawar; in Malungai village is Belian, Bedewa and Wara; In Desa Rarawa are Belian, Wara, Bokas, Nyanger, Potong Pantat; in Ketapang village are Belian, Wara and Nyager. In the PT WSK Block II, type of archeological sites for zoning of Hutan Keramat in Karamuan village, Hutan Dalit, Hutan Bengkanay (Karamuan village) are Kuburan Keramat Jakiham, Kuburan Batang Pangin, Kuburan Keramat Hadau Anau; in Telok Maleway village are Keramat Warah, Keramat Hongkong Patay, Keramat Hongkong Batembus; in Papar Pujung village are Kuburan Keramat Keriring, Kuburan Keramat Liang Tetung, Keramat Hongkong Layung, Keramat Watu Kukuh, Keramat Watu Pangkot, Keramat Tampei Triplek, and Keramat Tanduk Timang; in Jangkang Baru village is Kuburan Chinese; in Nihan Hulu is Keramat Sungai Tatalan; in Luwe Hulu village is Keramat Hongkong Luwe Tatalan and in Luwe Hilir is Kuburan Keramat. Type of ritual in Karamuan village are Belian, Wara and Tiwah; in Benao Hulu village is Tolak Bala; in Benao Hilir village are Tolak Bala, Belian, Wara, Tiwah; in Telok Maleway village are Tolak Bala, Belian, Wara, Tiwah; in Papar Pujung village are Belian, Wara, Tiwah; in Jangkang Lama and Baru, Nihan hulu, Luwe hulu, Luwe hilir, Muara bakah and Mukut village is Tolak Bala.

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Guarantee from PT WSK that PT WSK will not conduct land clearing on HCV areas where appropriate with SOP Land Preparation (poin 4). Based on the results of field visit that there are not activity land clearing on degraded forest/log over area (LOA) in Luwe Hulu village, riparian Barito river (near Luwe Hulu village), riparian Barito river (near Muara Lahei village), land for other uses in Malawaken village, land for other uses and HCV areas in Rarawa village, land for other uses near Montalat I village and HCV areas in Baliti village.


5. Internal Responsibility

Formal sign-off by Assessors and Company.

This document is the Summary of SEIA (ANDAL), HCV (High Conservation Values) Assessment, and SIA (Social Impact Assessment) of Kulim (Malaysia) Berhad subsidiary companies: PT Wahana Semesta Kharisma. For full details these reports should be read in their entirety.



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Statement of Acceptance of Responsibility for Assessments.

The assessment results of the SEIA (ANDAL), High Conservation Value (HCV) Assessment, and Social Impact Assessment (SIA) will be applied as part of the guidelines in developing and managing PT Wahana Semesta Kharisma.



Zulkifly Zakariah
President Director



Priyo Priwardono
Director