

**Summary Report of SEIA and HCV Assessments on PT Binasawit Abadi Pratama
Danau Sembuluh District of Seruyan Regency, Central Kalimantan**

Executive Summary

PT Binasawit Abadi Pratama (hereinafter referred to as “**PT BAP**”) is located in Terawan Village of Seruyan District, Central Kalimantan. It has obtained a location permit on the basis of Head of Regency Land Office of East Kotawaringin Decree No. 30.460.42 on Granting of Location Permit to PT Agromandiri Perdana Oil Palm Plantation covering an area of ±15,000 hectares in Sebungsu, Mirah and Luwuk Sampun Villages of Parenggean District, East Kotawaringin Regency, dated 22 November 1996.

The location permit effective period was extended by Seruyan Regent Decree No. 03/1996 on Amendment of Decree No. 153/2004 on Granting of Location Permit for PT Agromandiri Perdana Oil Palm Plantation in Terawan Village of Danau Sembuluh District, Seruyan Regency, covering an area of ±17,600 hectares.

PT BAP obtained Environmental Feasibility Authorisation from Central Kalimantan Governor by virtue of Decree No. 431/2006 dated 21 December 2006 covering a plantation area of 15,000 hectares and mill’s FFB processing capacity of 80 tonne per hour, located in Danau Sembuluh District of Seruyan Regency, Central Kalimantan.

The company already has a Social Impact Assessment (“**SIA**”) document prepared by a team led by Yosaphat Ardhilla Renato who is registered under RSPO Approved HCV Assessors specialist in social management impact. Containing social impact management and monitoring, the document has been consulted with relevant stakeholders.

PT BAP’s Management Unit has performed a High Conservation Value (“**HCV**”) assessment in its concession. The assessment activities aimed at: (1) identifying HCV presence within or around the company’s oil palm concession containing highly essential social, cultural and/or ecological values; and (2) formulating management and monitoring directives for a management and monitoring system ensuring the HCV

conservation and/or improvement. The assessment of HCV and HCV area presence, as well as the management and monitoring efforts are important prerequisites in every oil palm plantation management unit's activities and they serve as an important element in preparation of Roundtable for Sustainable Palm Oil (RSPO) certification. The HCV assessment states that no primary forests found in PT BAP's concession. According to the assessment seven HCVs were found in the concession, namely HCV 1.1, HCV 1.2, HCV 1.3, HCV 1.4, HCV 2.3, HCV 4.1 and HCV 6. Total of the HCV areas in the concession is 1,595.50 hectares.

Scope of Socio-Environmental Impact Assessment ("SEIA") and HCV Assessments

- Name of Company : PT Binasawit Abadi Pratama
- Location : Terawan Village of Danau Sembuluh District, Seruyan Regency Central Kalimantan
- Geographic Location : 112° 20' 12,090" E - 112° 26' 25,620" E
2° 14' 3,497" S - 2° 20' 15,753" S
- Surrounding Area
 - a. North : State Road of Sampit-Pangkalan Bun
 - b. East : State Road of Sampit-Pangkalan Bun
 - c. West : PT Agro Sawitnesia
 - d. South : PT Agro Indomas
- Permits/Concessions
 1. Location permit.
 - a. Decree of Regency Land Office of East Kotawaringin No. 30.460.42 on Granting of Location Permit of PT Agromandiri Perdana Oil Palm Plantation, covering an area of ±15,000 hectares in Sebungsu, Mirah and Luwuk Sampun Villages of Parenggean District, dated 22 November 1996.

- b. Extension of Location Permit effective period: Seruyan Regent Decree No. 03/2006 on Amendment of Decree No. 153/2004 on Granting of Location Permit for PT Agromandiri Perdana Oil Palm Plantation covering an area of $\pm 17,600$ hectares in Terawan Village of Danau Sembuluh District, Seruyan Regency, dated 7 January 2006.
 - c. Plantation Business Concession (IUP)
 - o Seruyan Regent Decree No. 525/14F/EK/2005 on Granting of IUP to PT Agromandiri Perdana (Taxpayer Identification No. 01.696.390.2-712.001) for oil palm plantation commodity, covering an area of $\pm 15,000$ hectares in Terawan Village of Danau Sembuluh, Seruyan Regency, dated 11 May 2005.
 - o Seruyan Regent Decree No. 525/481/EK/2006 on Granting of IUP to PT Agromandiri Perdana (Taxpayer Identification No. 01.696.390.2-712.001) for oil palm commodity, covering an area of $\pm 17,221$ hectares in Terawan Village of Danau Sembuluh, Seruyan Regency, dated 20 December 2006.
 - d. Land Use Title (*Hak Guna Usaha* – HGU): pending process in relevant institution.
- Location Map: See Figure 1

Figure 1. Map of PT BAP Location in Seruyan Regency

Note: Maps with higher resolution have been attached in appendix 1.

Assessment Process and Procedures

a. SEIA assessment

Environmental Impact Assessment (EIA) document has been prepared by a consulting firm officially accredited by the Government, i.e. CV Mitra Karya Prima, having its registered address at Jl. Sanggabuana II Selatan 065 Palangkaraya. The EIA document has also authorised by the Central Kalimantan Governor through Decree No. 431/2006 on Environmental Feasibility of Oil Palm

Plantation and Processing Mill in Central Seruyan District of Seruyan Regency, Central Kalimantan, dated 21 December 2006.

PT SMART, Tbk.'s internal team has also prepared a SIA document for PT BAP in February 2013. The team is led by a RSPO Approved HCV Assessors Specialist in Social Impact Management. In the SIA document, there are also social impact management and monitoring documents which have passed consultation with relevant stakeholders. Public consultation was held on 11 April 2013 at Perdana Mill office's meeting room, attended by village head, BPD, village government staffs, partner cooperative, district government staffs, and PT BAP. Following is members of the SIA team.

SIA Team Leader:

Yosaphat Ardhilla Renato, S.Ant.

Born in Yogyakarta on 5 February 1987, he is a Corporate Social Responsibility ("CSR") Officer to PT SMART, Tbk. Being an expert in social and cultural anthropology, he graduated bachelor of anthropology from Anthropology Department, Universitas Gadjah Mada (UGM) in 2010. He also joined HCV Resources Network and registered as a Social Discipline Specialist (*participatory rural assessment; socio-economic or cultural studies; participatory mapping; conflict resolution*) to RSPO Approved HCV Assessors.

Team Members:

Laurentius Vita Baskara, S.Sos.

Born in Yogyakarta on 29 April 1987, he is a staff to CSR Department with expertise on social development and welfare. He graduated bachelor of social from Social and Politics Faculty in 2010. His experience in surveying and assessing social impact includes his works in a number of PT SMART, Tbk.'s plantations and mills, such as social impact survey and analysis in North Sumatera, Jambi, Belitung, etc. In addition, he has also been trained on Free, Prior and Informed Consent (FPIC) and Social Mapping.

Veranita Mei Pratiwi, S.Ant.

Born in Magelang on 16 May 1987, she is a staff to CSR Department with expertise on socio-cultural anthropology. Graduated bachelor of anthropology from Cultural Anthropology of Universitas Gadjah Mada (UGM) in 2010, she has been involved in several SIA surveys in a number of PT SMART, Tbk.'s plantation areas and mill.

Suma Nugraha, S.E.

Born in Garut on 7 July 1984, he is a staff to CSR Department with expertise on socio-economy and politics. He graduated bachelor of economy from Economy and Management Faculty of Bogor Agricultural University (IPB) in 2008, and once worked for World Bank Survey Project as a supervisor. He also worked for Bravo Media Center and held position of special staff to the 2009 elected Vice President. He has experience as supervisor of media relation and monitoring when working for PT FOX Indonesia Politic and Strategic Consulting. He has been involved in activities of social data collection and social impact management in PT SMART, Tbk.'s several plantation areas and mills.

Widodo C. Yuwono

He currently holds position of Social Impact Assessment & Grievance Section Head. Having joined PT SMART, Tbk. since 1995, he graduated from Extra-School Education Major of IKIP-Jakarta State University. His carrier started as a Training Officer under Training & Development Department, tasked with training planning, making training syllabus, delivering training, and evaluation and training. Prior to holding position as Social Impact Assessment & Grievance Section Head, he was tasked with pioneering the company's CSR activities as a CSR Section Head whose main job was planning and implementing the company's CSR activities.

Assessment Methods

a. SIA

Method employed to obtain data on social, economic and cultural situation in the PT BAP's neighbouring villages are social is social survey with questionnaire

distribution, in-depth interview, and Focus Group Discussion (FGD). Secondary data are collected by inventorying necessary information indirectly (indirect collecting system). This system ran through literature review inputted with EIA review, HCV assessment, and supporting governmental literature such as those at the local governments' websites.

The primary data collection ran through site visits employing several methods, while the literature study was expected to be able to represent secondary data needs meeting. The secondary data collected, other than those obtained through documents or literatures, is PT BAP's CSR programme implementation documentation and local area map. Data from the literature was analysed against RSPO principles relevant to sustainable social aspects.

b. HCV assessment

HCV presence assessment/identification was performed by a team consisting of PT SMART, Tbk.'s Environment Department staffs who have mostly been registered under RSPO Approved HCV Assessor. Following are the members.

Norman Faried Mustakiem

Born in Madiun on 26 February 1972, he currently is holding position as Section Head of PT SMART, Tbk.'s Environment Department. His expertise is HCV assessment on Habitat Ecology. Graduated bachelor from Universitas Mulawarman, Samarinda in 1997, he is now registered as participant to HCV-Network and under RSPO Approved HCV Assessor.

Dede M. Nasir

Born in Bogor on 18 May 1981, he currently is a staff of PT SMART, Tbk.'s Environment Department. His expertise is HCV assessment on Fauna Ecology and GIS Mapping. Graduated from Bogor Agricultural University (IPB) in 2004, he has attended several HCV assessment-supporting seminars and trainings and is registered under RSPO HCV Assessor.

Ridho Farianto

Born in Sleman on 20 September 1979, he is a staff under PT SMART, Tbk.'s Environment Department. His field of expertise is HCV assessment on Flora and

Environmental Services. Graduated from Universitas Kapuas Hulu in 2008, he to date has been involved in several HCV research for several companies and is registered as participant to HCV-Network.

Febia Arisnagara

Born in Bondowoso on 7 February 1985, he is a staff of PT SMART, Tbk.'s Environment Department. Graduated Bachelor of Forestry from Bogor Agricultural University (IPB) in 2009, he was once the Faculty of Forestry's HCV team member and have been involved in HCV Assessment on several plantation areas. He is registered under RSPO Approved HCV Assessor.

Firmansyah

Born in Jakarta on 5 July 1979, he is a staff to the Environment Department, PT SMART, Tbk. Graduated bachelor of biology in 2004 from Universitas Nasional, Jakarta, he was once a researcher working for Bornean Orangutan Survival Foundation (BOSF). Engaged in several HCV assessment activities in several companies, he currently registered as participant to HCV-Network.

Yosaphat A. Renato, S.Ant.

Born in Yogyakarta on 5 February 1987, he is a staff of PT SMART, Tbk.'s Environment Department. He graduated bachelor of anthropology from Universitas Gadjah Mada (UGM) Faculty of Culture in 2010. His part in the HCV assessment is community socio-cultural field. Having been experienced in SIA activities in several companies, he was trained with Free Prior Informed Consent (FPIC) and Social Need Assessment (SNA).

HCV Assessment Phases

Onsite data collecting was carried out in June 2011. Public consultation activities were carried out on 11 April 2013. Phases of the HCV assessment and analysis in PT BAP's plantation are as follow.

1. Document/report collecting and review

The collected documents are: relevant documents/reports and maps. They were then reviewed and made basis to secondary data collection and field survey.

2. Secondary data collecting

The collected secondary data in this activity are the site's general condition such as:

- plantation management history/record, size, location, topography and inclination, geologic aspects and soil, climate, hydrologic aspects, land cover, as well as the community's social, economic and cultural aspects;
- relevant document/report;
- Landsat image map, administrative map, and other relevant documents/reports/maps

3. Field survey

Primary data from the field survey includes: the land physical, biodiversity, environmental service values aspects, as well as the community's socio-economic, and cultural aspects.

Summary of Assessment Findings

a. SIA

Based on the SIA implementation objectives, following are the conclusions drawn.

1. PT BAP's presence has contributed positive impacts to the social conditions of the neighbouring community.
2. The positive impacts contributed to the community are, among others, those relating to economy improvement and increase of income. The two in turn bring about positive impact as well to the community's living standards and greater cash circulation, hence significant opportunities to the area development.
3. Land acquisition and compensation was implemented with prior information to, and then followed by making of mutual agreement with, the community

members to whom the compensation payment was made. This compensation process was adjusted to PT BAP's procedure in place.

4. The company's policy in relation to Occupational Health and Safety ("OHS") management has been implemented. This increases the positive impacts to the company staffs as their occupational safety is secured.
5. Negative impact in PT BAP's social impact analysis and assessment findings is, among others, the community's perspective on the land clearing, water resources management, and local workforce quota. Another negative impact is disease pattern which frequently relates to the water quality, air pollution-caused diseases, level of erosion at riverbanks, and poor sanitation quality.

List of Social Issues being PT BAP's Social Impacts

No.	Social Impact	Social Issues
1.	The community's perception	<p>Proactive approach and intensive socialisation are practiced to the community, government and community figures being the company's stakeholders.</p> <p>Land acquisition activities have potentials to cause social apprehension and conflicts because of their incompliance to the commitment on the predetermined price for compensation, the landowners to be compensated, and procedure ran by village team.</p> <p>The village team involvement in every land acquisition activities and pre-construction phase.</p> <p>Attention must be paid to local workforce quota which needs to be adjusted with the company's employment demand.</p> <p>Well-planned CSR programmes.</p>
2.	Economic	Improvement of the community's income compared to before the company's infrastructure construction. The local

	Improvement	<p>community obtains permanent income from the company's operation.</p> <p>Provision of facilities supports the staffs' activities and life needs which promote their life quality.</p> <p>The company sustainably benefits from certain contractors according to their normally-performed work proportion.</p> <p>The staffs' well-beings, competence improvement programme, protection of labours' right through OHS implementation by the company are parts of its obligations.</p> <p>The community's emerging economic resources providing for its daily needs due to its increasing economic activities.</p>
3.	Disease pattern	<p>PT BAP's waste from its operational activities is responsibly reused to support its operation. Toxic and hazardous waste materials (B3) are managed by third parties.</p> <p>Flora and fauna conservation in the company's area need to be paid attention, by taking into account the HCV report and management.</p> <p>The company controls diseases through OHS management and coordination with health facilities and infrastructures in the assessment area. This is a preventive measure against the spreading disease.</p> <p>Heavy equipment for land clearing and FFB transportation to the mill often create dust and pollution. The company also make effort to reduce level of the pollution which may potentially cause Under Respiratory Infection (URI).</p>

General recommendation based on the social impact analysis and assessment:

1. The community's perception

According to the socialisation during investment, PT BAP would be built in the assessment area included by EIA document. The land acquisition and compensation has gone through FPIC process and method. This FPIC and socialisation processes helped the company explain and ease the investment of the oil palm plantation which it would run. This FPIC process was also indicated in the village team founding and the company's initiatives towards the community to transparently make compensation to the lands.

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 BAP on land compensation process. CSR programmes have been planned for the community in the assessment area according to its needs.

PT BAP 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, conduct early-stage socialisation over land acquisition and absorption of local workforce should be made first priority whose cost can be cut because no offsite employees need to be brought in. The company needs to deliver entrepreneurship trainings to the community to prevent them from depending on only one single livelihood. This can be liaised with relevant government office.

2. Economy improvement

The local economy is improved by means of several management measures, i.e. provision of workforce demand information to the local governments according to PT BAP's needs and qualification, payment of its employees salary equal to, or above, the minimum standard wage, empowerment of community through local partnership and purchase, implementation of OHS policies, delivery of training for its employees to build their capacity, and promote the growth of local community's businesses and partnership.

3. Disease spreading

Proactive communication to the stakeholders in the assessment area needs to be made for environmental and health management. PT BAP needs to socialise and strictly supervise its contractors (FFB transporting and heavy equipment) to control the environment in every single operational activity they practice. It should also conduct best practice on management of waste and hazardous and toxic materials coming out from oil palm processing, and report its social and environmental impact monitoring to relevant authorities. The company should apply OHS policy to prevent disease from spreading out from its perimeter. It is recommended that the company conduct HCV management and riverbanks in order to revitalise them. These form a series of management of essential negative impact, namely disease spreading.

b. HCV assessment

There are seven HCV types assessed in PT BAP's concession. They are HCV 1.1, HCV 1.2, HCV 1.3, HCV 1.4, HCV 2.3, HCV 4.1, and HCV 6. Total of HCV area within PT BAP's concession is 1,595.50 hectares.

Internal Responsibility

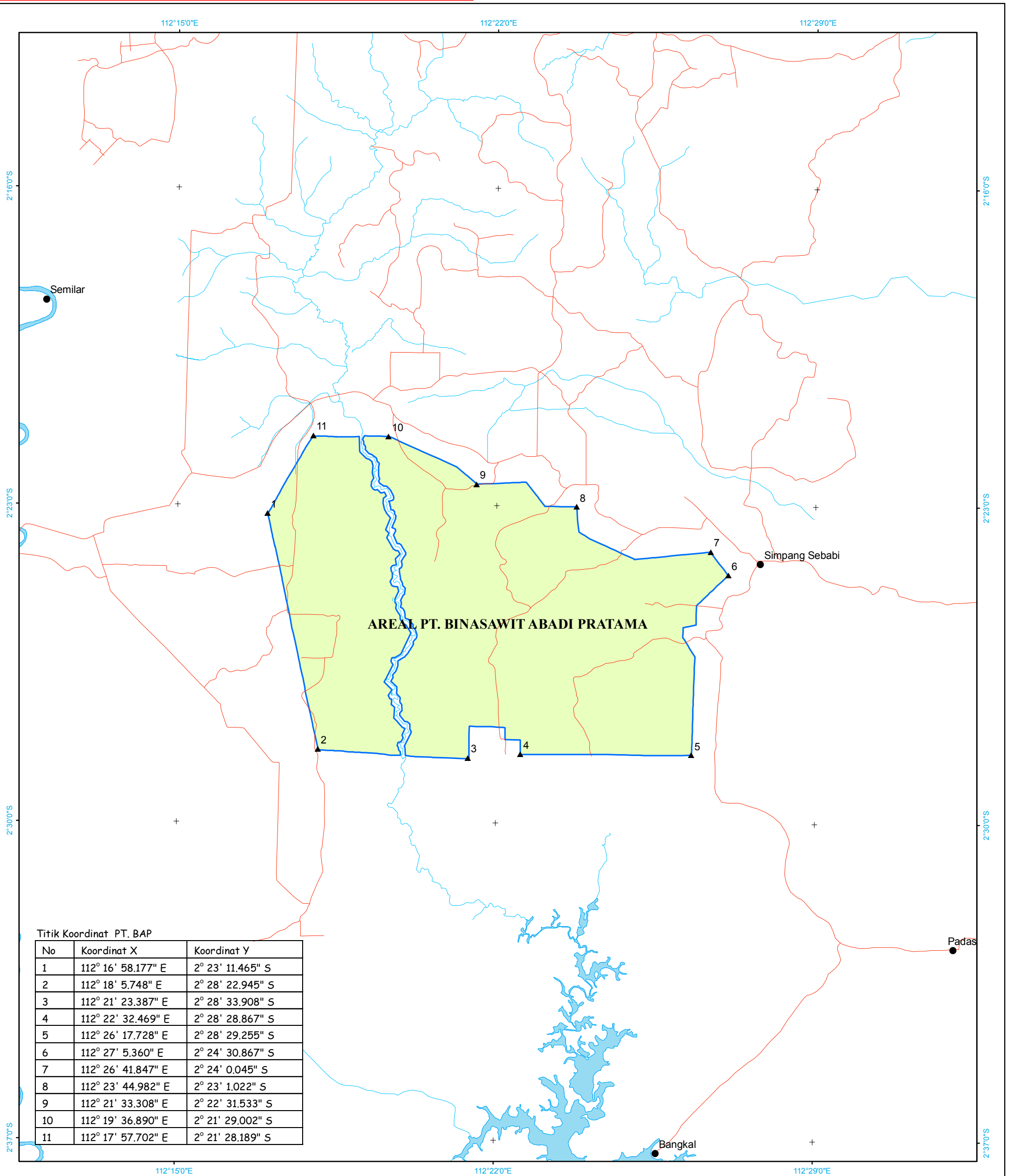
We hereby sign off on the above Summary Report of SEIA and HCV, The above may be amended and clarified for improvement during the development of the plantation but it will remain in accordance with RSPO Standards and Principles.

On behalf of the Management of **PT Binasawit Abadi Pratama,**



Dr. Haskarlianus Pasang
Head of Sustainability Division
Date: June 4th, 2013

Appendix 1. Figure 1. Map of PT BAP Location in Seruyan Regency

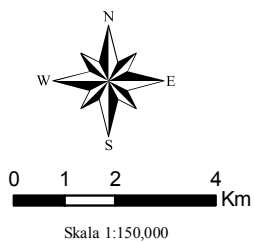


Titik Koordinat PT. BAP

No	Koordinat X	Koordinat Y
1	112° 16' 58.177" E	2° 23' 11.465" S
2	112° 18' 5.748" E	2° 28' 22.945" S
3	112° 21' 23.387" E	2° 28' 33.908" S
4	112° 22' 32.469" E	2° 28' 28.867" S
5	112° 26' 17.728" E	2° 28' 29.255" S
6	112° 27' 5.360" E	2° 24' 30.867" S
7	112° 26' 41.847" E	2° 24' 0.045" S
8	112° 23' 44.982" E	2° 23' 1.022" S
9	112° 21' 33.308" E	2° 22' 31.533" S
10	112° 19' 36.890" E	2° 21' 29.002" S
11	112° 17' 57.702" E	2° 21' 28.189" S

**PETA
LOKASI DAN TITIK KOORDINAT
AREAL PT. BINASAWIT ABADIPRATAMA**

Kab Seruyan Dan Kab Kotawaringin Timur
Propinsi Kalimantan Tengah



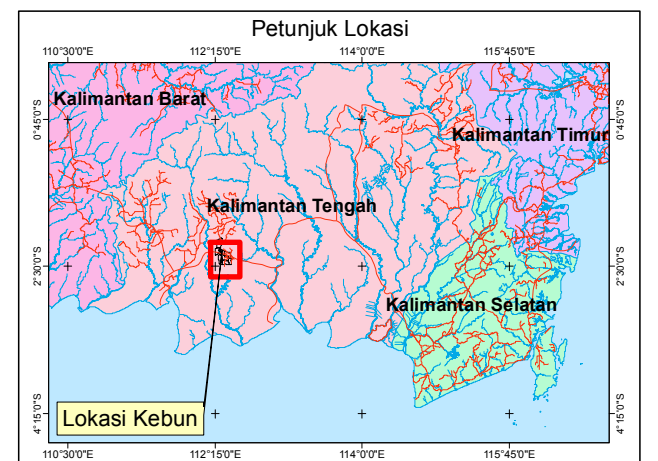
Proyeksi : Universal Transverse Mercator
Sistem Grid : Geographic
Datum : WGS 84

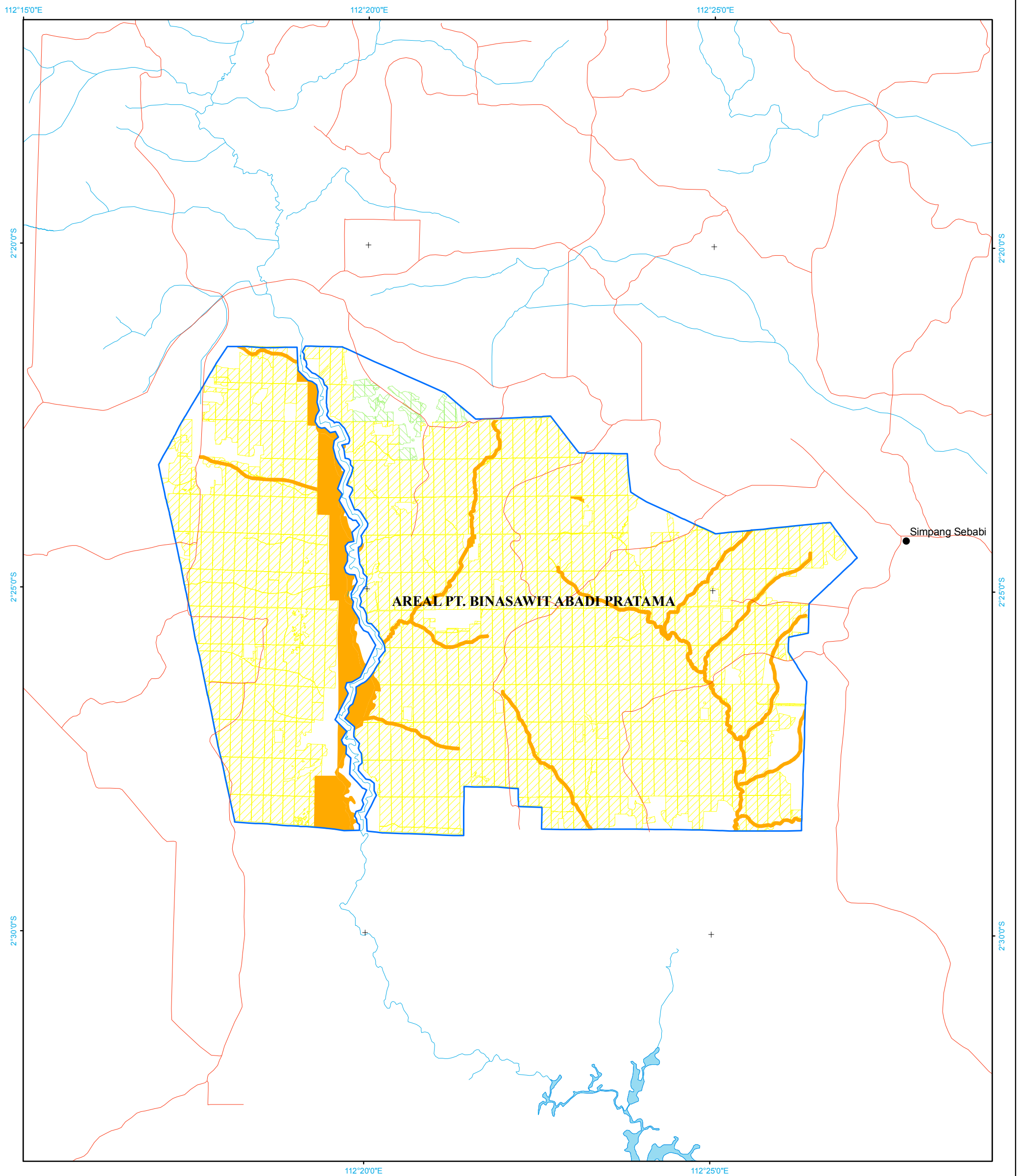
LEGENDA :

- Muaraklatan
- Jalan
- Sungai
- Titik Koordinat
- Batas HGU

Sumber :
1. Peta Bidang Tanah Pemetaan Keliling Batas (HGU) PT. Agromandiri Perdana Kecamatan Danau Sembuluh, Kabupaten Kotawaringin Timur, Propinsi Kalimantan Tengah, Luas 17.221 Ha, skala 1 : 50.000 (No. 002/2004), diterbitkan oleh Badan Pertanahan Nasional tanggal 2 Maret 2004.

NoReg : 449/214/PMNP/IV/13





**PETA NILAI KONSERVASI TINGGI
AREAL PT. BINASAWIT ABADI PRATAMA**

Kab Seruyan Dan Kab Kotawaringin Timur
Propinsi Kalimantan Tengah



0 0.5 1 2
Km
Skala 1:100,000

Proyeksi : Universal Transverse Mercator
Sistem Grid : Geographic
Datum : WGS 84

LEGENDA :

- | | | | | | |
|--|-----------|--|-----------|--|--------------------|
| | Desa/Kota | | Batas HGU | | Tahun Tanam < 2010 |
| | Jalan | | NKT | | Tahun Tanam > 2010 |
| | Sungai | | | | |

Sumber :
1. Peta Bidang Tanah Pemetaan Keliling Batas (HGU) PT. Agromandiri Perdana Kecamatan Danau Sembuluh, Kabupaten Kotawaringin Timur, Propinsi Kalimantan Tengah, Luas 17.221 Ha, skala 1: 50.000 (No. 002/2004), diterbitkan oleh Badan Pertanahan Nasional tanggal 2 Maret 2004.

NoReg : 458/214/PMNP/IV/13

