

Roundtable on Sustainable Palm Oil
New Planting Procedure
Summary Report of Planning and Management

PT. Nabatindo Karya Utama

Cempaga Hulu District,
Kotawaringin Timur Regency, Central Kalimantan Province
Indonesia

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Summary Report of Planning & Management of PT Nabatindo Karya Utama 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 revision of 5 May 2010).

PT Nabatindo Karya Utama (PT NKU) is a subsidiary of PT Bumitama Gunajaya Agro (BGA), a member of RSPO and located in Cempaga Hulu District, Kotawaringin Timur regency, Central Kalimantan Province. The Consent License based Permitted area (or called Location Permit/Ijin Lokasi) No. 803 year 2005 was approved on 15 August 2005 for an area of $\pm 11,000$ ha ($\pm 9,000$ ha nucleus and $\pm 2,000$ ha Plasma).

The HCV Assessment was conducted for the cadastral Map Number 34-15.05-2008 that was approved on 19 May 2008, for an area of $\pm 7,325.28$ and permitted area plasma for an area 2,000 ha. There are 3 types of HCV identified by the assessment and these are HCV 1 (1.1, 1.2, 1.3 and 1.4), HCV 2 (2.3), and HCV 4 (4.1).

The Environment Impact Assessment (EIA/AMDAL) was approved by the regent of Kotawaringin Timur (Surat Kelayakan Lingkungan No 496 year 2009 dated on 31 October 2009). Besides fulfilling the regulatory requirements of conducting environmental impact assessment (EIA/ AMDAL), the company has also conducted and completed the High Conservation Values Identification (HCV) and Social Impact Assessment (SIA) from April to May 2013 by independent consultants from PT Sonokeling Akreditasi Nusantara.

The results of the HCV assessment by independent consultants from SAN with team personnels that have been approved by RSPO showed that there is no primary forest in the Permitted Area of PT NKU. The vegetation cover is dominated by the rubber (*Hevea brasiliensis*), agroforestry, shrub and degraded forest. Based on The Report of Semi Detail Soil Survey Assessment by the Research Department of PT BGA, indicated that peatland was found in the Permitted Area (Location Permit/ Izin Lokasi).

The key elements for HCV 1 are riparian belt. HCV 2 are area for habitat which has representative population of natural species and HCV 4 are related to the potential damage from riparian belt. The results of the Social Impact Assessments (SIA) has shown that the company’s development of oil palm plantation and palm oil mill production has significant and positive impacts toward the local livelihood and the society’s social sustainability. The

findings have defined how the company's business has can influence the key issues in the respective component of the social sustainability of the local community. There are three basic components description for society's social sustainability that influences the planning of the company's future operation.

The findings on both the HCV and SIA by independent and accredited (by the RSPO) consultants from SAN have been incorporated in the oil palm development plan of PT NKU which includes the HCV and SIA management and monitoring plans. Development of the HCV and SIA management and monitoring plans was facilitated by the SAN Team. The purpose of the workshop on HCV - SIA management and monitoring program for PT NKU was to enable the management team to have a better understanding of the HCV and SIA findings and their related implications so as to provide reference points in developing the operational activities of the company related to the HCV, social managements synergy with the company's development of oil palm plantation.

2. Reference Documents

2.1. List of reports.

1. Environment Impact Assessment (EIA/ AMDAL) was approved Environmental Permit (Izin Kelayakan Lingkungan) No. 496 tahun 2009, dated 31 October 2009
2. The HCV Identification document is in the report "HCV Assessment report for PT NKU, October 2013 by PT SAN";
3. The Peer review HCV Identification document is in the report "HCV Assessment report for PT NKU, August 2013 by Kunkun Jaka Gurmaya";
4. The SIA report is in "SIA Assessment report for PT NKU , November 2013 by SAN";
5. The management and monitoring plans for HCV in the "The Management & Monitoring Plans of HCV PT NKU, November 2013 by SAN",
6. The management and monitoring plans for SIA in the "The Management & Monitoring Plans of Social PT NKU, approved in December 2012";
7. The development plan of PT NKU;
8. HCV Resources Network toolkit Indonesia 2008; and
9. Location Map.

Brief summary

Based on the environment Impact assessment, the positive and negative impacts of the operational activities of PT NKU have been identified. The key positive impacts include enhancing the income of the communities and providing more job opportunities to the local communities with the development of the oil palm plantations in the area. The possible negative impacts are threats to the ecology as well as potential conflicts of workforce, socio- cultural balances and land tenure.

In addition to the EIA assessments, PT NKU has also conducted independent HCV and SIA involving external experts, PT SAN; the key consultants conducting these assessments have been accredited and approved by RSPO. Based on the assessments, PT NKU has developed management and monitoring plans to mitigate any negative impacts and enhance the positive ones. Management and monitoring of social and environmental impacts are based on the operational activities that can cause impacts during the development as well as during the operational stages and the potential impacts and other negative impacts as perceived by the communities arising from PT NKU. The new activities were also identified by the external consultants. By implementing sound social and environmental management practices, it is expected that these conflicts, both of ecology or social, can be minimized and the relationship between the company and local communities can be preserved and harmonized.

The results of the HCV assessment have shown that there is no primary forest in the Permitted Area (Location Permit/ Izin Lokasi) of PT NKU. The vegetation's cover is dominated by the palm oil and rubber (*Hevea brasiliensis*), agroforestry, shrub, degraded forest and grassland.

As for potential HCV areas, five types of HCV were identified; these are HCV 1 (1.1, 1.3 & 1.4), HCV 2 (2.3), HCV 4 (4.1) within the Permitted Area (Location Permit/ Izin Lokasi) of PT NKU. The original HCV total area identified was ± 699.06 ha or ± 7.51 % of the total Area assessments by SAN.

PT NKU development plan has incorporated the findings from EIA (AMDAL), HCV Assessments and Social Impact Assessments as described above when implementing the operational plans. Management plans for HCV areas and management plans for handling social impacts have been drawn up.

2.2. List of Legal Documents, Regulatory Permits and Property Deeds

The permits that have been obtained by the company are inclusive of Permitted Area (Location Permit/izin Lokasi), Environment Impact Assessment (AMDAL), Environmental Permit (Izin Kelayakan Lingkungan) and the Plantation Business Permit (Izin Usaha Perkebunan). The followings are the list of the licenses and recommendations:

Table 1. Types of permits and recommendations PT NKU

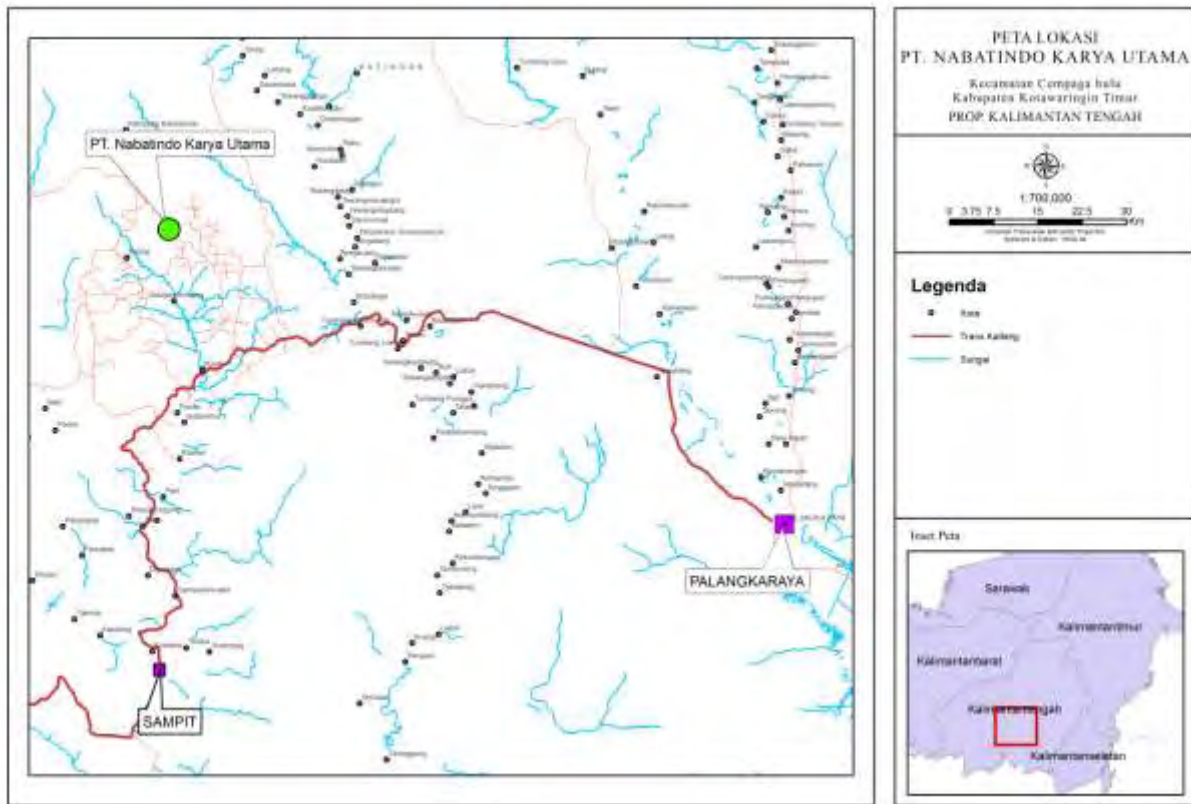
No	Licenses and recommendations	Issued by	Number	Note
1.	Deed of Establishment	Nurita Zouharminy, SH	07	Registered 11-07-2005
2.	Tax Registration Code Number	Directorate General of Taxes, Ministry of Finance	02.459.420.2-712.000	
3.	Principle approval	Regent of Kotawaringin Timur (Bupati Kotawaringin Timur)	525.26/514/VII/EKBANG/2005	Registered 21-07-2005
4.	Permitted Area (Izin Lokasi)	Regent of Kotawaringin Timur (Bupati Kotawaringin Timur)	No.803.460.42	Registered 15-08-2005
5.	Plantation Business Permit (Izin Usaha Perkebunan)	Regent of Kotawaringin Timur (Bupati Kotawaringin Timur)	No. 525.26/678/XI/EKBANG/2005	Registered 28-11-2005
6.	Kadasteral measurement Map	BPN	No 34-15.05-2008 size ± 7,325.28 Ha	Registered
7.	Environmental Permit (Izin Kelayakan Lingkungan)	Regent of Kotawaringin timur (Bupati Kotawaringin Timur)	No. 496 tahun 2009 size ± 11,000 Ha	Registered 31-10-2009

*) All legal documents available on Public Affairs Department

Figure 1 Location of PT Nabatindo Karya Utama in Indonesia



Figure 2 Location of PT Nabarindo Karya Utama in Central Kalimantan Province



2.3. Area and time-plan for new plantings

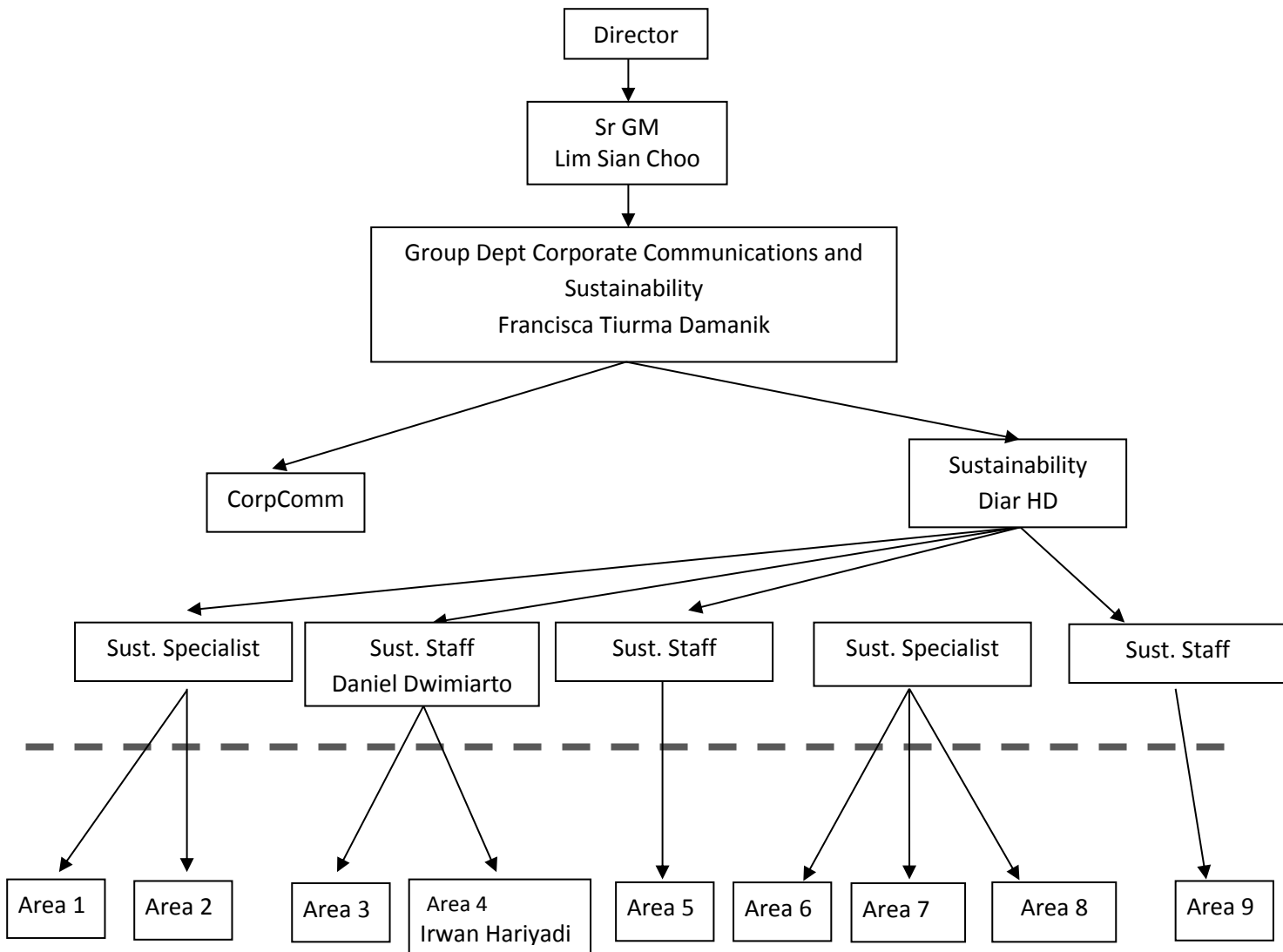
The proposed new planting area by PT NKU is in the location of the Plantation Business Permit (Izin Usaha Perkebunan) which the owners of the land have received the FPIC (free, prior and informed consent). Land development and planting of oil palm will begin in 2014 following the procedures of the RSPO New Planting Procedures (NPP).

Table 2 Estimation of new plantings area and time-plan for new planting Nabatindo Karya Utama

Year Planting (ha)			Amount
2014	2015	2016	
465	530	2320	3315

3. EIA, SIA and HCV Management & Planning Personnel

Organizational information and HCV contact persons



3.1 Organizational Information and Contact Person

Company Name	: PT Nabatindo Karya Utama
RSPO membership number	: 1-0043-07-000-00 registered on 8 October 2007 (as part of Bumitama Agri Limited)
Capital Status	: Foreign Investment (Penanaman Modal Asing – PMA)
Type of Business	: Oil Palm Plantation and Palm Oil Mill
Adress (Head Office)	: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia
Telephone	: (+62-21) 72798418
Website	: www.bumitama-agri.com
Contact Person	: Francisca Damanik (Corporate Communication and Sustainability Group Department Head)

3.2 Personnel involved in planning and implementation.

The process of HCV and SIA development and preparation of management and monitoring plans for PT NKU was implemented in phases involving several parties: that is Estate Department, the Public Affairs (PAD Department) and Sustainability Department and the whole process is in accordance with the plans facilitated by the Sustainability department Head Office BGA Group. The details of the parties involved in the HCV and SIA development and preparation of management and monitoring plans are summarized in **Table 3**.

Table 3. The Participatory List of the HCV and SIA manufacture and preparation of management and monitoring plans for PT Nabatindo Karya Utama

No.	Name	Department/Instansi	Official Role
HCV and EIA Management & Monitoring Plan			
1.	Mukhlis Bentara	GM	Participant
2.	Darlin Bin Darwis	Manager	Participant
3.	Winetou Budi Satria	Sustainability Specialist Region 2	Participant
4.	Irwan Haryadi	Sustainability Area 4	Participant
5.	Francisca Damanik	CCS Group Dept Head	Facilitator
6.	Diar Damanik	Sustainability Manager	Facilitator
7.	Hidayat Aprilianto	Sustainability Specialist HO	Facilitator
8.	Yohannes Agung Baskoro	CSR Dept Head HO	Facilitator
SIA Management & Monitoring Plan			
1.	Mukhlis Bentara	GM	Participant
2.	Darlin Bin Darwis	Manager	Participant
3.	Wawan Setyadi	CSR Area 4	Participant
4.	Yohannes Agung Baskoro	CSR Dept Head HO	Facilitator
5.	Agus Wiastono	CSR Specialist HO	Facilitator
6.	Emma Isabella Aeterni Barus	CSR HO	Facilitator
7.	Hidayat Aprilianto	Sustainability Specialist HO	Facilitator
Internal Review of the HCV and SIA Reports, Management and Monitoring Plans (at Head Office)			
1.	Maman Aliman Utardi	GM	Reviewer
2.	Francisca Damanik	Group Dept Head CCS	Reviewer
3.	Diar Damanik	Sustainability Manager	Reviewer
4.	Hidayat Aprilianto	Sustainability Specialist HO	Reviewer
5.	Saeshaputi R.P	Sustainability Staff HO	Reviewer

External Review of the HCV and SIA Reports, Management and Monitoring Plans (at Head Office)		
1	Kunkun Jaka Gurmaya	HCV Assessor approved by RSPO

The implementation of the EIA, HCV and SIA management & monitoring plans in the field will be implemented by experienced personnel who possessed a high level of dedication of knowledge and special technical skills. Sustainability Staff, CSR Staff, with Plantations Manager Team, stationed at the location, will provide support in these activities. The Estate Manager is directly responsible in the implementation of the plans of management and monitoring. In addition, the Area Controller and Estate Manager is accountable in fulfilling of the requirements for the plans and as well as responsible in analyzing the results of the input 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 NKU” document. The Head Office Estate Department, Public Affair Department (PAD), and Sustainability Department Head Office will provide the overall support in the implementation of the development plan.

3.3. Stakeholders to be involved

The process of the EIA, HCV and SIA development and preparation of management plans and monitoring PT NKU also involved relevant stakeholders such as governmental offices (Natural Resource Conservation Department - BKSDA), The Plantation Office, The Forestry Office, The Office for Environment - BLH), local and international NGO (BOSF), local communities, the government of local village and District.

Consultation with the relevant stakeholders to provide opportunities for communication and sharing of the informations/ opinion/ suggestions between the PT NKU and stakeholders was carried out. Public consultation was carried out at the time of HCV and SIA resource assessment consisting of people who were respondents (the workers, local communities and local government) **Appendix 1**).

CONCLUSIONS AND RECOMMENDATIONS

issues which occurred in PT NKU classified into two areas:

External Issues

The company has not provided a contribution to the socio-economic conditions of local communities. Different livelihood with farming causing local employment not continuous . In general, local people prefer to work mining gold (while occasionally tapping rubber) of the employee must be bound as an oil palm plantation.

- Besides the lack of social management program (CSR) which resulted in the emergence of sustained negative perceptions of local residents to the presence of oil companies in the area around their village that is considered less concerned . This is a bad precedent for the oil companies concerned where this condition is always used as the main reason for requesting assistance to existing companies in the area around their village . External problem is the demand for companies to establish smallholdings through a partnership. Through the management of PT NKU is old , it is already been negotiated yet to be acquired by the BGA Group has not reached an agreement. (when the SIA study done efforts by the management of PT NKU new to do a new agreement on the partnership) . Disappointment residents are getting piled by various promises of oil palm plantation company that to this day still carry out its activities . For them the influx of new wind BGA Group is again reviving hopes that the discourse smallholdings can be realized as soon as possible .

Significant issues that must also be considered by the management of PT NKU is planning a new CSR programs are sustainable . During this habit only company providing direct assistance when citizens apply. It is wise for the new management of PT NKU took the initiative to implement various development programs which of course it can be synergized with CSR programs of other palm oil companies in the Tumbang Koling village .

Internal Issues

Internal conditions is also important to be considered by the company. Often the oil palm plantation company more responsive to external address issues related to CSR programs primarily due solely intended for social security. On the other hand the internal conditions forgotten in terms of employees is spearheading a significant effort to determine the sustainability of oil palm plantations.

- Similarly, faced by the new management of PT NKU, where employees are still many who have not felt an increase in welfare since joining in oil plantation PT NKU. For this new management is a challenge and a new breakthrough moment for the conduct of activities so that the ideal goal can be achieved namely palm plantations welfare of employees and the surrounding community.
- The thing that is most expected by the employees of the new management is the lack of transparency in awarding premiums that have been overlooked by the management of PT. NKU old. Not to the creation of good industrial relations between the employees and management of the company needs to be a concern for the management of PT. NKU new.

As we know that most of the employees of PT. NKU came from outside the main island of Java and NTT. Their arrival is indeed to work and trying to change the fate of the hope of improving the standard of living where it is difficult to realize in their hometown. High work ethic are appropriately considered by companies that have become liabilities.

CONCLUSIONS AND RECOMMENDATIONS

In general, PT NKU oil palm plantation development plan in Tumbang Koling in Cempaga Hulu district in Kotawaringin Timur regency has some social issues in the community which will be the basis of social sustainability for the people around the plantation. The conclusions of this social impact assessment are as follows:

NO.	SOURCE OF IMPACT.	IMPACT OF MANAGEMENT
INTERNAL IMPACT		
1.	Infrastructure Construction	<ul style="list-style-type: none"> ▪ Coordination with other companies in CSR programs ▪ Conduct a SWOT analysis of the new program or who have implemented ▪ Conducting appropriate program priorities ▪ To evaluate the success rate of the program
2.	The Partnership	<ul style="list-style-type: none"> ▪ Resolving GRTT the principle of win-win solution. ▪ Establish a cooperative that represents all the aspirations of the local farmer res ▪ Distribution smallholding fair and transparent.
3.	Employment Opportunities	<ul style="list-style-type: none"> ▪ Conduct training according to their talents and interests of local residents. ▪ Implement empowerment programs of the woman
4.	Business Opportunity	<ul style="list-style-type: none"> ▪ Implement programs to empower the household economy. ▪ Mentor (entrepreneurship) ▪ Conducting a SWOT evaluation of the program has been running.
5.	Increased Income	<ul style="list-style-type: none"> ▪ Conducting assistance for business development of domestic economy ▪ Training Cooperative.
6.	Environment and Public Health	<ul style="list-style-type: none"> ▪ Identify cultural elements associated with patterns of health care ▪ Exploring knowledge of traditional medicine ▪ Identify patterns of resource utilization medication (curative, preventive, and rehabilitative)
EXTERNAL IMPACT		
1.	Industrial relationsl	<ul style="list-style-type: none"> ▪ Rewarding employees. ▪ Identify facilities and infrastructure that support the effectiveness of the work ▪ Evaluating the performance of the employee's.
2.	Carier path	<ul style="list-style-type: none"> ▪ Promotion and recommendations. ▪ Development through education. ▪ Implement expressly punishment and reward.
3.	Salary and allowance benefits	<ul style="list-style-type: none"> ▪ Establish cooperative employees. ▪ Adjustment of salaries and allowances.
4.	facility employees	<ul style="list-style-type: none"> ▪ Health service facilities (polyclinics) ▪ Facilities education (early childhood, kindergarten, and elementary)

NO.	SOURCE OF IMPACT.	IMPACT OF MANAGEMENT
		<ul style="list-style-type: none"><li data-bbox="716 222 1170 252">▪ Economic facilities (Cooperative Employee)<li data-bbox="716 254 1143 283">▪ Entertainment facilities (arts and sports)

4a. Summary of Management and Mitigation Plans on Environment Impact Assessment

Table 5. Summary of Management and Mitigation Plans on Environment Impact Assessment

No	Kegiatan	Dampak	Sumber dampak	lokasi	Environment Management		Environment Monitoring		
					Plan	Period	Plan	Period	
Pre Construction Stage									
1	Socialization	Attitudes and perception, also social conflict between companies and communities	Ignorance and misinformation the public against the company's plans in development of oil palm plantations	<ul style="list-style-type: none"> Tumbang Koling Village 	<ul style="list-style-type: none"> Meeting directly with the communities to socialized the oil palm plantation development Give the informations related with the activity plan by regular meetings in the village Explain the environmental management efforts will be carried out Explain the positive impact to the communities through oil palm plantations 	Socialization the development of oil palm plantation carried out at least 4 months before the opening of the land. And 4 times during the land clearing.	Direct observation and interviews with the surrounding community by using questionnaires and deep interviews	Every 6 month	
2	Land Acquisition	Advent of Negative attitudes and perceptions of society, community dissatisfaction with land compensation, also rise of social conflicts between companies and communities	Process of land acquisition and compensation are harmful to society	<ul style="list-style-type: none"> Tumbang koling Village 	<ul style="list-style-type: none"> Take inventory of pblic lands contained in the project area along with regency officials, district and village Meetings related to the completion of land Carry out the land acquisition process and compensations according the agreement Enclave of existing permissions if the community don't want to exempt land Documentation all aof land acquisition activity 	During the process of land acquisitions	Direct observation and interviews with the surrounding community by using questionnaires and deep interviews	Every 6 month	

No	Kegiatan	Dampak	Sumber dampak	lokasi	Environment Management		Environment Monitoring		
					Plan	Period	Plan	Period	
Construction Stage									
1	Recruitment	Rise of negative attitudes and perceptions, social conflict and social resentment	Recruitment process without transparency, and do not give priority to local employment, although according with the qualification	<ul style="list-style-type: none"> Tumbang Koling Village 	<ul style="list-style-type: none"> Provide broad information to the public regarding recruitment Priority to local employment with the necessary qualifications attention 	During te recruitment process	Direct observation and interviews with the surrounding community by using questionnaires and deep interviews	Every 6 month	
2	Mobilization of equipment and materials	Increase of road damage and accidents	Process of transporting equipment and materials during the construction phase	<ul style="list-style-type: none"> Along the road of transport equipment and materials 	<ul style="list-style-type: none"> Collaborate with traffic police to guard during the mobilization of heavy equipment Using the standard trucks according road capacity to carry the materials Reduce speed when passing through residential areas 	During the process of equipment dan materials mobilization	Recording work accident at the time of the mobilization of equipment and materials activities	Every 6 month	
3	Open and land clearing	<ul style="list-style-type: none"> Smog haze due to land fires 	<ul style="list-style-type: none"> Lax of the employees as involved in the clearing work 	<ul style="list-style-type: none"> Cleared areas 	<ul style="list-style-type: none"> Land clearing without burning Put a signboard on fire-prone lands and warning signs to be cautious in the use of fire Provide the facilities and infrastructure of fire emergency response Make the water ponds around the plantation as a source of water to extinguish fire in case of fire hazard 	Once every 3 months during the land clearing process	Recorded the occurrence of fire. Researching the cause of the fire source		
		<ul style="list-style-type: none"> Increase of erosion rate 	<ul style="list-style-type: none"> Changes in land cover so the rainwater directly on the soil surface 	<ul style="list-style-type: none"> Cleared areas 	<ul style="list-style-type: none"> Cover crop treatments 	Selama ada pembukaan lahan	Making level measurement instrument measuring erosion and erosion rates. Sampling properties of the physical	Every 6 month	

No	Kegiatan	Dampak	Sumber dampak	lokasi	Environment Management		Environment Monitoring		
					Plan	Period	Plan	Period	
							properties and chemical analysis		
4	Nursery	Occurrence of eutrophication due to entrainment of partial fertilizer that's not absorbed by the rain to the river	Use of manure that doesn't comply with the dosage and timing of manuring	<ul style="list-style-type: none"> Nursery Areas 	<ul style="list-style-type: none"> Research the needs of optimum manure Provide the right dosage of manure, a measure, quantity and timing Make the Manuring Procedure Socialized to the nursery workers about a good and right manuring system 	Twice a year during the Manuring activity	Sampling properties of the physical properties and chemical analysis	Every 6 Month	
5	Construction of Plantation Infrastructure	Open up the job opportunities	Labor requirements for the construction and supply of building materials	<ul style="list-style-type: none"> Location of plantation development 	<ul style="list-style-type: none"> Open up the employment opportunities for local communities Partnership with the local community in the supply of food Open opportunities to local communities especially people with carpentry building skills 	Once a year during the plantation development process	counting the number of villagers who are involved directly or indirectly	Every 1 year	
6	Immature Plant maintenance	Occurrence of eutrophication due to entrainment of partial fertilizer that's not absorbed by the rain to the river. And water pollution due to use of pesticides that incompatible with the dosage	Use of manure and pesticides that aren't in accordance with the dosage and timing	<ul style="list-style-type: none"> Plantation Areas 	<ul style="list-style-type: none"> Research the needs of optimum manure and needs for pesticides for integrated pest control Provide the right dosage of manure, a measure, quantity and timing Implement the integrated pest control Make the Manuring and Usage of Pesticides Procedure Socialized to the workers about a good and right manuring and pest control system Conduct biological pest control 	Twice a year during the Manuring activity	Sampling and measurement of water quality in the Mirah river	Every 6 month	

No	Kegiatan	Dampak	Sumber dampak	lokasi	Environment Management		Environment Monitoring		
					Plan	Period	Plan	Period	
	Operational Stage			•	•				
1	Mature Plant Maintenance	Occurrence of eutrophication due to entrainment of partial fertilizer that's not absorbed by the rain to the river. And water pollution due to use of pesticides that incompatible with the dosage	Use of manure and pesticides that aren't in accordance with the dosage and timing	• Plantation Areas	<ul style="list-style-type: none"> • Research the means of optimum manure and needs for pesticides for integrated pest control • Provide the right dosage of manure, a measure, quantity and timing • Implement the integrated pest control • Make the Manuring and Usage of Pesticides Procedure • Socialized to the workers about a good and right manuring and pest control system • Conduct biological pest control 	Twice a year during the Manuring activity	Sampling and measurement of water quality in the Mirah river		
2	FFB Transport	Increase number of work accidents	FFB transportation activity	• Plantation Areas	<ul style="list-style-type: none"> • Maintaining damaged roads which dangerous for FFB trucks • Provide traffic signs in the plantation areas • Socialized to the workers and FFB transport contractors • Use nets in a truck so FFB not fall 	Every 3 month	Recording and analyzing workplace accidents	Every 6 month	

4b. Summary of management and Mitigation Plans (SIA)

PT NKU has developed the plans for the social impacts as the operational efforts on social mitigation. The SIA development and preparation of management & monitoring plans for PT NKU was mainly based on the SIA result, in corporation with SAN.

The steps taken in the SIA development and preparation of management & monitoring plans were:

Based on the SIA results for PT NKU by SAN 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.

Table 6. Management and Mitigation Plans of Nabatindo Karya Utama

NO .	Source of Impact	Impact Management	Indicators of Success	Location of Management	Management Period	Management Institutions	Monitoring Period
I.	External Impact						
1.	Development of infrastructure	<ul style="list-style-type: none"> ▪ Coordinate with other company to do CSR ▪ Do SWOT analysis for new program and the program which has been implemented ▪ Conduct the program according to priority scale ▪ Evaluation of the programs 	<ul style="list-style-type: none"> ▪ Better education level. ▪ Improvement of social welfare 	<ul style="list-style-type: none"> ▪ Infrastructure in the village 	Continuous	<ul style="list-style-type: none"> ▪ CSR Dept. in each plantation companies at Tumbang Koling Areas 	<ul style="list-style-type: none"> ▪ every 6 month
2.	Plasma/ partnership	<ul style="list-style-type: none"> ▪ Resolve the land acquisition process with win win solution ▪ Forming a cooperative that represents all the aspirations of local farmer groups ▪ Distribution of smallholders that fair and transparent 	<ul style="list-style-type: none"> ▪ Progressed a partnership plasma system in a transparency ▪ Created trust partnership between communities and company 	<ul style="list-style-type: none"> ▪ Plasma lands that have been planned. 	Continuous	<ul style="list-style-type: none"> ▪ Management PT NKU. 	<ul style="list-style-type: none"> ▪ every 6 month
3.	Employment opportunities	<ul style="list-style-type: none"> ▪ Conduct trainings in accordance with the talents and interests of local residents ▪ Do empowerment programs, mainly womankind 	<ul style="list-style-type: none"> ▪ Existence of independent small businesses ▪ Increased revenue ▪ Improvement of social welfare 	<ul style="list-style-type: none"> ▪ Tumbang Koling Village ▪ Tumbang Sanak Hamlet 	Continuous	<ul style="list-style-type: none"> ▪ CSR Dept. PT NKU. 	<ul style="list-style-type: none"> ▪ every 1 year
4.	<ul style="list-style-type: none"> ▪ Business opportunities ▪ Peluang Usaha 	<ul style="list-style-type: none"> ▪ Do empowerment home economics program ▪ Entrepreneurial mentoring ▪ SWOT evaluation of running program. 	<ul style="list-style-type: none"> ▪ There are at least 3 types of new businesses 	<ul style="list-style-type: none"> ▪ Tumbang Koling Village ▪ Tumbang Sanak Hamlet 	Continuous	<ul style="list-style-type: none"> ▪ CSR Dept. PT NKU. 	<ul style="list-style-type: none"> ▪ every 1 year
5.	<ul style="list-style-type: none"> ▪ Increased revenue 	<ul style="list-style-type: none"> ▪ Guidance for the development of home economics ▪ Cooperative training. 	<ul style="list-style-type: none"> ▪ Improvement of social welfare 	<ul style="list-style-type: none"> ▪ Tumbang Koling Village ▪ Tumbang 	continuous	<ul style="list-style-type: none"> ▪ CSR Dept. PT NKU. 	<ul style="list-style-type: none"> ▪ every 1 year

NO	Source of Impact	Impact Management	Indicators of Success	Location of Management	Management Period	Management Institutions	Monitoring Period
				Sanak Hamlet			
	<ul style="list-style-type: none"> ▪ Environmental and public health 	<ul style="list-style-type: none"> ▪ Identify cultural elements related to patterns of health care ▪ Explore the knowledge about etnomedicine ▪ Identify utilization patterns of medication resources (curative, preventive and rehabilitation) 	<ul style="list-style-type: none"> ▪ Improve community health status. 	<ul style="list-style-type: none"> ▪ Tumbang Koling Village ▪ Tumbang Sanak Hamlet 	Continuous	<ul style="list-style-type: none"> ▪ CSR Dept. PT NKU. ▪ Local health department 	<ul style="list-style-type: none"> ▪ every 1 year
	Internal Impact						
5.	Industrial relationship	<ul style="list-style-type: none"> ▪ Recognize the employees ▪ Identify facilities and infrastructure that support effectivity of works ▪ Evaluation of employee performance 	<ul style="list-style-type: none"> ▪ Formation of trade unions . ▪ Improvement of employee welfare 	<ul style="list-style-type: none"> ▪ PT NKU 	continuous	<ul style="list-style-type: none"> ▪ Management PT NKU 	<ul style="list-style-type: none"> ▪ every 6 month
6.	Careers	<ul style="list-style-type: none"> ▪ Promotion and recommendations ▪ Trainings ▪ Implementation of punishment and reward is firmly. 	<ul style="list-style-type: none"> ▪ Improved employee performance. ▪ Employee loyalty ▪ Mobilization within the organizational structure of the company. 	<ul style="list-style-type: none"> ▪ PT NKU 	continuous	<ul style="list-style-type: none"> ▪ Management PT NKU 	<ul style="list-style-type: none"> ▪ every 1 year
7.	Salary and welfare benefits	<ul style="list-style-type: none"> ▪ Forming cooperative employees ▪ Adjustment of wages and allowances. 	<ul style="list-style-type: none"> ▪ Improved employee performance ▪ Employee loyalty 	<ul style="list-style-type: none"> ▪ PT NKU 	continuous	<ul style="list-style-type: none"> ▪ Management PT NKU 	<ul style="list-style-type: none"> ▪ every 6 month
8.	Employee facilities	<ul style="list-style-type: none"> ▪ Health care facilities ▪ Educational facilities ▪ Economic facilities ▪ Entertainment facilities (arts and sports) 	<ul style="list-style-type: none"> ▪ Improved employee performance ▪ Employee loyalty 	<ul style="list-style-type: none"> ▪ PT NKU 	continuous	<ul style="list-style-type: none"> ▪ Management PT NKU 	<ul style="list-style-type: none"> ▪ every 6 month

4c. 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 were based on the result of the HCV assessment which was administered in July 2013 by independent consultants from SAN who has been personality accredited and approved by RSPO. This process provides data and information related to the presence of the HCV areas in the Permitted Location (Ijin Lokasi) of PT NKU, 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 were 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 review should be conducted at the end of the management periodical plan, that is in the end of the third years (summative review) and every six months (formative review).

Management and mitigation plans for threats in HCV areas.

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:

1. Identification, documentation and recondition of baseline HCV elements and that threatents.
2. Socialization to (management, worker, and local peoples) the HCV area regarding the existence and importance of protecting HCV areas.
3. Develop dialogue and facilitate people for making like-minded of HCV management.
4. Dialogue with stakeholders, especially government for increasing protecting HCV elements and areas.
5. Monitoring of land clearing activity.
6. Measuring fluctuation activity of water level on rainy season and dry season as *baseline* in rivers which have the important function as the catchment areas.
7. Avoid/minimizing superficial of river with GAP (Group Agriculture Policy) which is land clearing until maintenance and harvesting.
8. Recondition and making the policy and procedure (SOP) which is supporting the effectiveness of HCV management.

HCV LOCATION THAT WILL MANAGED BY COMPANY

HCV location that will be managed by company is location which is included in operational as many as 9,300 Ha, not all location in permit area. That because the location in permit area has some settlement with local people.

Table 7. Area Management Plan HCV PT NKU

Number	HCV Area	HCV Attribute	Area (ha)
1	Sungai Mirah Minting	4.1.	51.21
2	Sungai Mirah Lui	4.1.	42.24
3	Sungai Mirah	4.1.	116.61
4	Anak Sungai Mirah Minting	4.1.	17.83
5	Sungai Mirah Hujan	1.1; 1.3; 1.4; 2.3; 4.1.	53.13
6	Sungai Koling	4.1.	26.89
7	Sungai Sandung	4.1.	14.42
8	Sungai Batur	4.1.	42.11
9	Areal Berhutan blok S22-29, T22-27, U23-26	1.1; 1.3; 1.4; 2.3	334.61
	Total		699.06

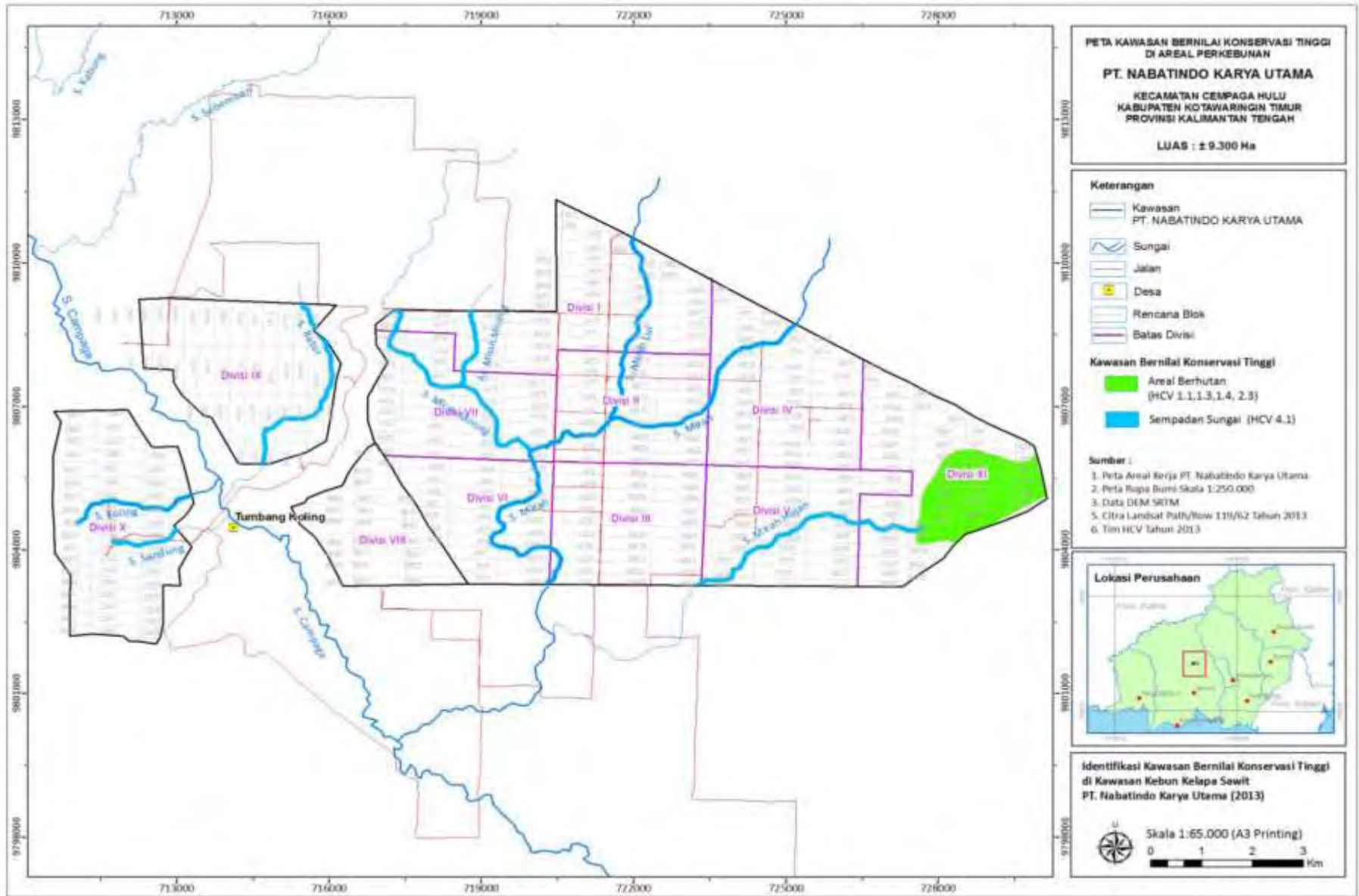


Figure 4 HCV Map PT NKU over lay with Permitted Area

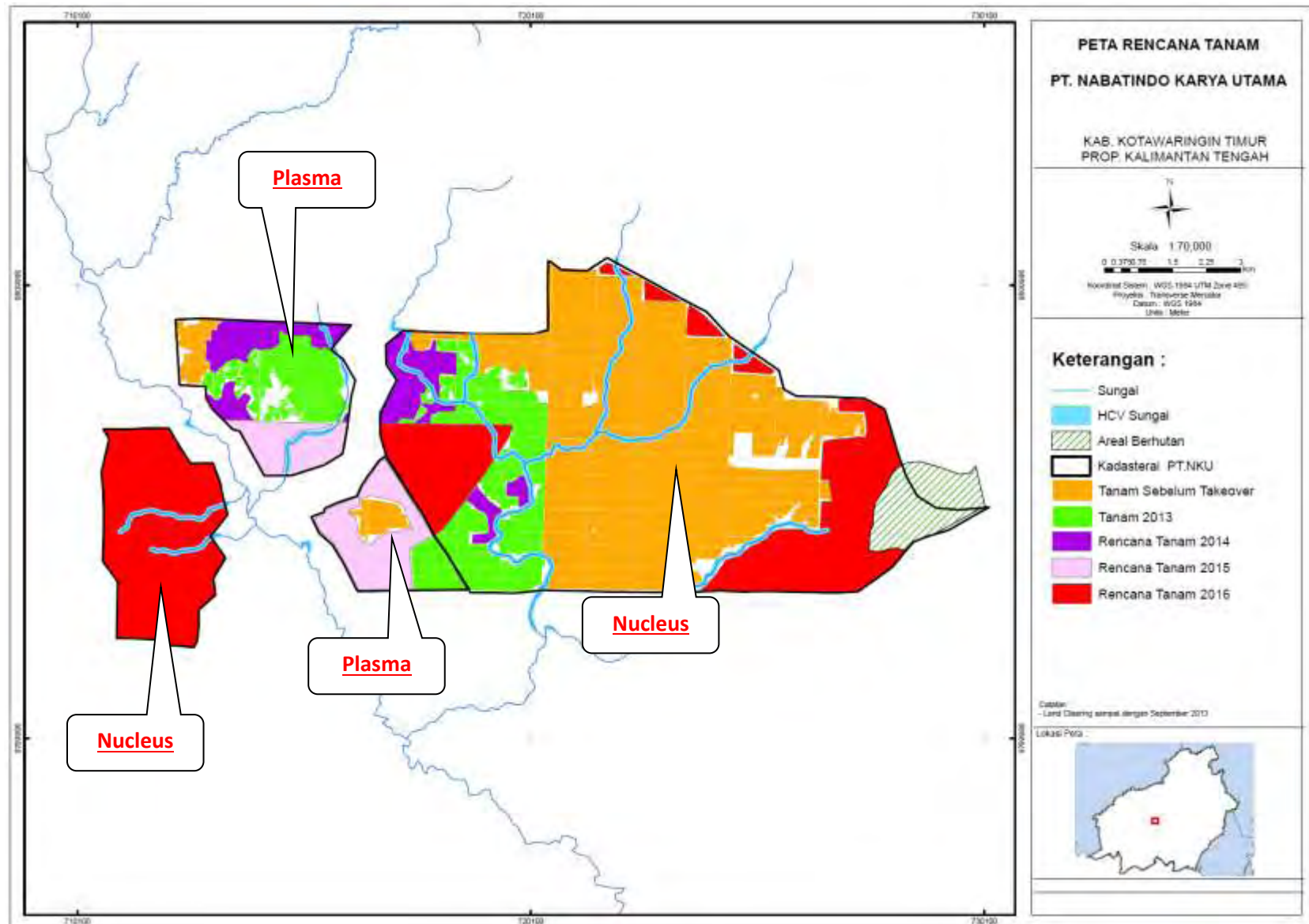


Figure 5 HCV Map PT NKU over lay with Permitted Area and management plan for planting

Table 7. Summary of Management and Mitigation Plans (HCV)

HCV	Location	HCV's Management	Time Plan	Monitored Indicators	Time Plan
HCV 1.1. Areas that contain or provide biodiversity support function to protection or conservation areas	<ul style="list-style-type: none"> Riparian of the Mirah River Forested Area on the east of the PT NKU (block S22-29, T22-27, U23-26) 	<ul style="list-style-type: none"> 50 meters riparian determinations Socialization the HCV 1.1 areas to all staf and stakeholders Arrangement and measurement of boundary, and also laying demarcation, involving local governmen forces, public figures and community representatives Authentication of protected area demarcation document known by the related side Fitting signboards of the HCV 1.1 areas and protected areas, especially in the area around villages and the path traveled by the community and staff Enrichment of plants in the riparian areas especially with plantf of wildlife feed Maintenance of demarcations, signboards, and mark on trees periodically 	<ul style="list-style-type: none"> 6 months Every 1 year 1 year 1 year 3 Years Every 6 month 	<ul style="list-style-type: none"> Disturbance intensity of the HCV 1.1. area, including illegal logging & fire hazard the effectivity of socialization to communities and participation of community to secure the protected area Actual implementation and success rehabilitations againts HCV 1.1, including enrichment of plants Trend changing of flora & fauna, also aquaic biota, monitored in the permanent sample plots with a sampling intensity 0.1% 	<ul style="list-style-type: none"> Continuously in every month Every 6 month Every 6 month Every 1 year
HCV 1.2. Critically	<ul style="list-style-type: none"> <i>Cervus timorensis</i> <i>Muntiacus muntjak</i> <i>Helarcos malayanus</i> 	<ul style="list-style-type: none"> Do marking on individual plants that can not be cleared 	<ul style="list-style-type: none"> 6 months 	<ul style="list-style-type: none"> <i>Cervus timorensis</i>, <i>Muntiacus muntjak</i>, <i>Helarctos malayanus</i>, <i>Pongo pygmaeus</i> and <i>Manis</i> 	<ul style="list-style-type: none"> Every 1 year

HCV	Location	HCV's Management	Time Plan	Monitored Indicators	Time Plan
endangered species	<ul style="list-style-type: none"> Pongo pygmaeus Manis javanica 	<ul style="list-style-type: none"> Socialization HCV 1.2 areas to staff and the community Put signboards HCV 1.2 areas and prohibition to cut down the plants Make a standard operating procedure to identify and protection of flora & fauna are protected Identify wildlife periodically Relocation orangutan due to their habitats has been fragmented. Protection of wildlife habitat in Block S22-29, T22-27 and U23-26 	<ul style="list-style-type: none"> 6 months 6 months Every 1 year 3 Years Continuous 	<p>Javanica census population periodically</p> <ul style="list-style-type: none"> Actual implementation and success rehabilitations against HCV 1.2 Intensity of wildlife illegal hunting 	
HCV 1.3 Area that contain habitat for viable populations of endangered, restricted range or protected species	<ul style="list-style-type: none"> Riparian of the Mirah River Forested Area on the east of the PT NKU (block S22-29, T22-27, U23-26) 	<ul style="list-style-type: none"> Inventory of flora and wildlife population, include density and distribution of population, also the quality of their habitat Arrangement and measurement of boundary, and also laying demarcation Socialization HCV 1.3 area to staff and the community Put signboards HCV 1.3 areas and prohibition of illegal hunting & wildlife disturbance in that areas. Coordinate with Forestry Agency and regional 	<ul style="list-style-type: none"> Every 1 year 6 months 6 months 6 months 	<ul style="list-style-type: none"> Intensity of interference to area which have HCV 1.3, including prohibition of illegal hunting & wildlife disturbance, usage of hazardous & toxic materials and also fire hazard Inventory of flora and wildlife habitat Variety conditions and wealth of flora fauna species periodically Presentation growth and death of enrichment plants Actual implementation of activities and the survival of rehabilitated against HCV 1.3 areas 	<ul style="list-style-type: none"> Every 3 month Every 1 year Every 1 year Every 6 month Every 1 year

HCV	Location	HCV's Management	Time Plan	Monitored Indicators	Time Plan
		<ul style="list-style-type: none"> conservation center for the management of the wildlife population • Enrichment of plants in that protected areas, especially with local plants • Rehabilitation at the protected areas which has been conversion to palm oil plantation • Securing HCV 1.3 areas from land conversion, illegal logging and illegal hunting • Maintenance of waters ecosystem, include the depth of the river, water quality, population of aquatic biota • Socialization to the worker and communities periodically 	<ul style="list-style-type: none"> • 3 Years • Continuous • Continuous • Continuous • Every 1 year 	<ul style="list-style-type: none"> • Effectivity of securing HCV 1.3 areas 	<ul style="list-style-type: none"> • Every 6 month
<p>HCV 1.4.</p> <p>Areas that contain habitat of temporary use by species or congregations of species</p>	<ul style="list-style-type: none"> • Riparian of the Mirah River • Forested Area on the east of the PT NKU (block S22-29, T22-27, U23-26) 	<ul style="list-style-type: none"> • Arrange and measurement of boundary, and also laying demarcation • Socialization the HCV 1.4 areas to all staf and stakeholders, periodically • Put signboards in HCV 1.4 areas • Enrichment of plants in HCV 1.4 area, especially with feed crops 	<ul style="list-style-type: none"> • 6 months • 6 months • Every 1 year • 6 months 	<ul style="list-style-type: none"> • Wildlife Population; density, distribution and territory, also age and sex ratio • Variety conditions, wealth and habitat of flora fauna species periodically • Water quality • Intensity of interference to area which have HCV 1.4 including prohibiton of illegal hunting & wildlife disturbance, usage of hazardous & toxic 	<ul style="list-style-type: none"> • Every 1 year • Every 1 year • Every 6 month • Every 3 month

HCV	Location	HCV's Management	Time Plan	Monitored Indicators	Time Plan
		<ul style="list-style-type: none"> • Securing HCV 1.4 areas from land conversion, illegal logging and illegal hunting • Rehabilitation at the protected areas which has been conversion to palm oil plantation 	<ul style="list-style-type: none"> • 3 Years • Continuous 	materials and also fire hazard	
HCV 2.3. Areas that contain two or more contiguous ecosystem	<ul style="list-style-type: none"> • Riparian of the Mirah River • Forested Area on the east of the PT NKU (block S22-29, T22-27, U23-26) 	<ul style="list-style-type: none"> • Arrange and measurement of boundary, and also laying demarcation • Socialization the HCV 2.3 areas to all staf and stakeholders, periodically • Put signboards in HCV 2.3 areas • Enrichment of plants in HCV 2.3 area, especially with feed crops • Securing HCV 2.3 areas from land conversion, illegal logging and illegal hunting • Rehabilitation at the protected areas which has been conversion to palm oil plantation 	<ul style="list-style-type: none"> • 6 months • 6 months • Every 1 year • 6 months • 3 Years • Continuous 	<ul style="list-style-type: none"> • Wildlife Population; density, distribution and territory, also age and sex ratio • Variety conditions, wealth and habitat of flora fauna species periodically • Water quality • Intensity of interference to area which have HCV 2.3 including prohibiton of illegal hunting & wildlife disturbance, usage of hazardous & toxic materials and also fire hazard 	<ul style="list-style-type: none"> • Every 1 year • Every 1 year • Every 6 month • Every 3 month
HCV 4.1. Areas or ecosystem important for	<ul style="list-style-type: none"> • Riparian of the Mirah Minting River • Riparian of the Mirah Lui River • Riparian of the Mirah River • Riparian of the Anak Mirah River 	<ul style="list-style-type: none"> • Arrange and measurement of boundary, and also laying demarcation for HCV 4.1 Areas • Socialization the HCV 4.1 	<ul style="list-style-type: none"> • 6 month • Every 1 year 	<ul style="list-style-type: none"> • Intensity of interference to area which have HCV 4.1 (erosion, clearing, logging, fire hazzard) • Implementation of activities 	<ul style="list-style-type: none"> • Every 6 month • Every 1 year

HCV	Location	HCV's Management	Time Plan	Monitored Indicators	Time Plan
the provision of water and prevention of flood for downstream communities	<ul style="list-style-type: none"> • Riparian of Koling River • Riparian of the Sandung River • Riparian of the Batur River • 	<p>areas to all staf and stakeholders</p> <ul style="list-style-type: none"> • Put signboards in HCV 4.1 areas • Enrichment of plants in HCV 4.1 area, especially with feed crops • Securing HCV 4.1 areas from land conversion, illegal logging and illegal hunting, usage of hazardous & toxic materials and also fire hazard • Vegetation iventory in HCV 4.1 area 	<ul style="list-style-type: none"> • 6 month • 3 Year • Continuous • Every 1 year 	<p>and percentage of land cover plant in the area of rehabilitaton, also care monitoring against HCV 4.1</p> <ul style="list-style-type: none"> • Debit and water quality of the river, periodically • Erosion rates in steep slope areas • River sedimentation rates 	<ul style="list-style-type: none"> • Every 6 month • Every 6 month • Every 6 month

Internal Responsibility

Formal signing off by assessors and company

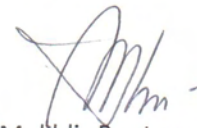
This document is the summary of assessment result on High Conservation Value (HCV) in PT Nabatindo Karya Utama Kotawaringin Timur Regency Center Kalimantan Province and has been approved by the Management of PT Nabatindo Karya Utama.

Sonokeling Akreditasi Nusantara

The image shows a handwritten signature in black ink over a light blue and green logo for Sonokeling Akreditasi Nusantara. The signature is written in a cursive style.

Kresno Dwi Santosa
Team Leader HCV & SIA
Dated : 7 January 2014

Management
PT Nabatindo Karya Utama,

The image shows a handwritten signature in black ink. The signature is written in a cursive style.

Mukhlis Bentara
General Manager
Dated : 7 January 2014

Statement of acceptance of responsibility for assessment

Assessment result document on High Conservation Value (HCV) of PT Nabatindo Karya Utama by Sonokeling Akreditasi Nusantara (SAN), will be applied as one of the guidelines in managing Oil Palm plantation in PT Nabatindo Karya Utama

Management
PT Nabatindo Karya Utama,

The image shows a handwritten signature in black ink. The signature is written in a cursive style.

Mukhlis Bentara
General Manager
Dated : 7 January 2014