



Roundtable on Sustainable Palm Oil

RSPO NOTIFICATION OF PROPOSED NEW PLANTING

This notification shall be on the RSPO website for 30 days as required by the RSPO procedures for new plantings (<http://www.rspo.org/?q=page/535>). It has also been posted on local on-site notice boards.

Date of notification: 19 August 2013

Tick whichever is appropriate

	This is a completely new development and stakeholders may submit comments.
√	This is part of an ongoing planting and is meant for notification only.

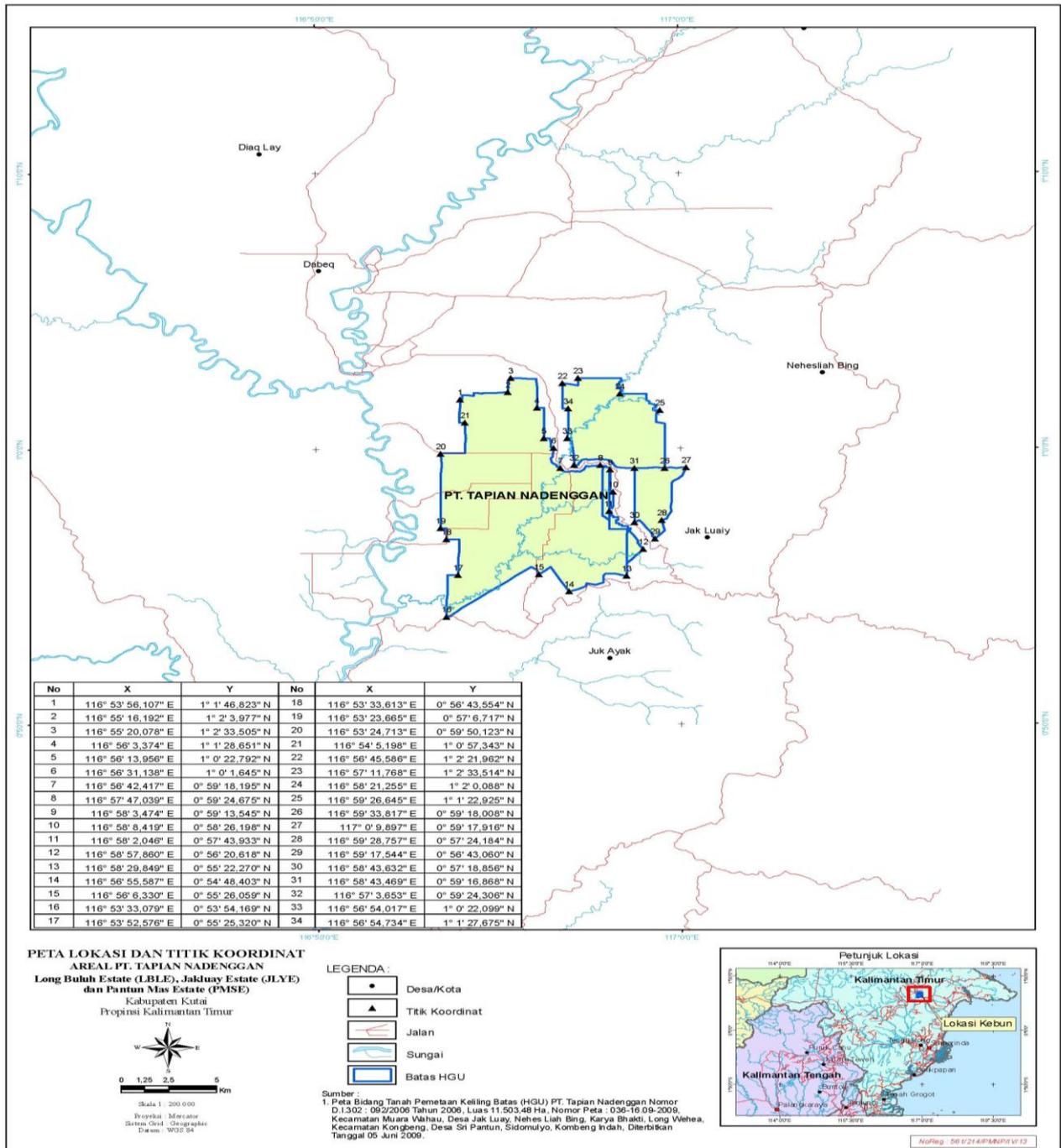
COMPANY : SMART Tbk
SUBSIDIARY (If any) : PT TAPIAN NADENGGAN
RSPO Membership Number : 1-0019-05-000-00
Dated 31 January 2005

LOCATION OF PROPOSED NEW PLANTING

- Company Name : PT Tapian Nadenggan
- Location : Jak Luay Village, Nehes Liah Bing Village, Karya Bhakti Village, Long Wehea Village, Sub-District of Muara Wahau, and Sri Pantun Village, Sidomulyo Village, Kongbeng Indah Village, Muara Pantun Village, Rantau Panjang Village, Sub-District of Telen, East Kutai District, Province of East Kalimantan
- Geographical Location : 116°50'52.0248"E and 0°52'31.8405"N
- Surrounding Entities
 - a. North : Nehesliah Bing Village
 - b. East : Production Forest
 - c. West : Production Forest
 - d. South : Juk Ayak Village
- New Planting Area (planted) : 1,531.84 ha
- New Planting Area (remaining) : 6,319.10 ha
- Permit :
 - a. Land Right Title HGU No. 68 to 72 year 2009 covering 11,503.48 ha and valid through 10 September 2044.
 - b. Plantation Business License for 14,400 ha is based on Decree of East Kutai Regent No. 500/25/Ek-I/2006 for 8,450 ha and No. 500/26/Ek-I/2006 for 5,950 ha.

- Location Map : Figure 1, Figure 2, Figure 3 and Figure 4

Figure 1. Location Map of PT Tapian Nadenggan in the District of East Kutai



SUMMARY OF SEI ASSESSMENT

Because PT Tapian Nadenggan was formed by a merger of several companies, it possesses several Environmental Impact Assessment (EIA) documents.

An EIA document exists for the Oil Palm Plantation Development Plan of PT Tapian Nadenggan covering an area of 6,683 ha at the villages of Juk Ayak, Marah Haloq, Long Segar and Long Noran, Sub-District of Telen, District of East Kutai in 2012. It was approved by the EIA Committee of East Kutai District on 2 April 2012 (No. 660.5/K.216/2012). This EIA document was prepared by PT Indoconsult Cipta Prestatama (Competency Certificate No. 0009/LPJ/AMDAL-1/LRK/KLH) located at Jl. Cempaka Block E No.14 Laladon Permai Bogor, Tel (0251) 8639332. The team was led by the following certified experts:

- Team Leader: Dr. Ir. Surjono H Sutjahjo, MS,
- Physics/Chemistry Specialist: Ir. Muhhamad Faisal, MM
- Biology Specialist: Ir. Timbul H. Gultom, MSi

There is also an EIA document that was prepared for one of the predecessor companies, PT Bulungan Sarana Utama, covering an area of 11,000 ha and mill capacity of 60 tons FFB/hour, compiled in 2000 by Ir. Heru Patria Utama as Team leader (EIA A, B) and Ir. Yudha Bakti, MSi as Physics-Chemistry Sub-Team Leader (EIA A, B). Meanwhile, an EIA for Pantun Mas Estate, Jak Luay Estate, Long Buluh Estate, Pantun Mas Plasma and Jak Luay Plasma is still in progress, while the EIA framework was approved in December 2012.

An internal party (PT SMART) conducted a Social Impact Assessment (SIA) of PT Tapian Nadenggan in February 2013. The team, led by Yosaphat Ardhilla Renato S.Ant. (RSPO approved assessor, CSR officer, Social and Cultural Anthropology), comprised the following members:

- Laurentius Vita Baskara SSos (staff of CSR Dept, Social Development and Community Welfare /Sosiatri);
- Veranita Mei Pratiwi SAnt (staff of CSR Dept, Social and Cultural Anthropology);
- Suma Nugraha SE (staff of CSR Dept, Social, Economic and Political); and
- Widodo C Yuwono (Social Impact Assessment & Grievance Section Head).

The following methods were used to collect and analyze EIA data:

- Secondary data literature study for climate, hydrology, flora and fauna, and social data;
- Observation and field orientation as well as measurement and questionnaire-based interviews for hydrology, soil, flora and fauna, and social data;
- Measurement of soil quality, water quality, air quality and noise to obtain primary data; and
- Water sampling and laboratory analysis of aquatic biota.

Methods used to obtain data on the social, economic, and cultural conditions of villages close to PT Tapian Nadenggan's plantation are indirect collecting system. This method was put into practice by conducting literature review of the Environmental Impact Assessment (EIA) documentation and High Conservation Value (HCV) identification reports as well as analysis of the supporting data collected from the governments, such as through local official government official website pages.

Results of EIA for PT Tapian Nedenggan

NO.	IMPACT	MANAGEMENT	MONITORING
2	Degradation of water quality	<ul style="list-style-type: none"> - Plant layout - IPAL - Developing TPA 	<ul style="list-style-type: none"> - Water quality in the river (pH, COD, BOD, TSS, oil)
3	Employment and business opportunities	<ul style="list-style-type: none"> - Provide training and guidance impact of business on society - Participate in developing infrastructure and economy - Providing information about job opportunities - 	<ul style="list-style-type: none"> - Level of employment -
4	Diversity of vegetation	<ul style="list-style-type: none"> - Providing boundary protection for rare vegetation - Facilitating residents who wish to undertake planting of vegetation - Re-vegetation using endemic species of local vegetation - Coordination with the local government 	<ul style="list-style-type: none"> - Type and population of plants - Planting activities
5	(community unrest	<ul style="list-style-type: none"> - Priority recruitment - Observation of factory sewage 	<ul style="list-style-type: none"> - Level of employment - Remuneration - Level of community anxiety

Results of Social Environmental Impact Assessment for PT Tapian Nedenggan

No.	Social Impacts	Social Issue
1.	Community Perceptions	Land acquisition activities may trigger a conflict because of disagreement over the land acquisition price.
		Involvement of the government, community leaders, and traditional institutions in every land acquisition activity and at the pre-construction stage.
		Clarity on plasma programme and planned CSR programme
		Vehicles transporting FFB and CPO pass through residential areas and impact environmental health.
		Emergence of traffic disruption and safety risk to community carrying out activities around the company.
		Hiring and termination of employment processes which are open and in line with applicable employment regulations.

No.	Social Impacts	Social Issue
2.	Regional Income and Community Income	Regulation where the company sets rules regarding taxes and retributions, as well as other licensing.
		Wages received by working employees directly increase wages in the agricultural sector and per capita income, thus raising the consumption level.
		Existence of the company, community and employee income increases the turnover rate of money and result in economic growth,
		Presence of plasma plantations increases community income.
3.	Accessibility of Region	The company conducts opening and development of infrastructure that can be used by the surrounding community
		The road opened by the company can also be used by the community for inter connecting villages around the companyf
4.	Job and Business Opportunities	Recruitment by companies with respect to local labour quotas need to be considered and adapted to the needs of the labourers.
		The company uses a particular contractor continuously according to work portion generally used before.
		Appearance of stalls, kiosk and the increasing of income sources is a result of community increasing economic activity.
		Plasma plantations can absorb many local workers, especially those who do not own a plasma plantation.
5	Social Unrest and Jealousy	Difference between the number of local and migrant workers hired by the company.

SUMMARY OF HCV ASSESSMENT

HCV identification was carried out in August 2010 by an internal team from PT SMART's Environment Department. The team included five RSPO-approved HCV Assessors and experts in biodiversity, ecology, environmental services, economics, sociology and culture. Their HCV analysis covered the areas of Pantun Mas Estate (PMSE), Jak Luay Estate (JLE), Long Buluh Estate (LBLE), Pantun Mas Plasma (PMSA), Jak Luay Plasma (JLYA) and Bukit Subur Estate (BSRE).

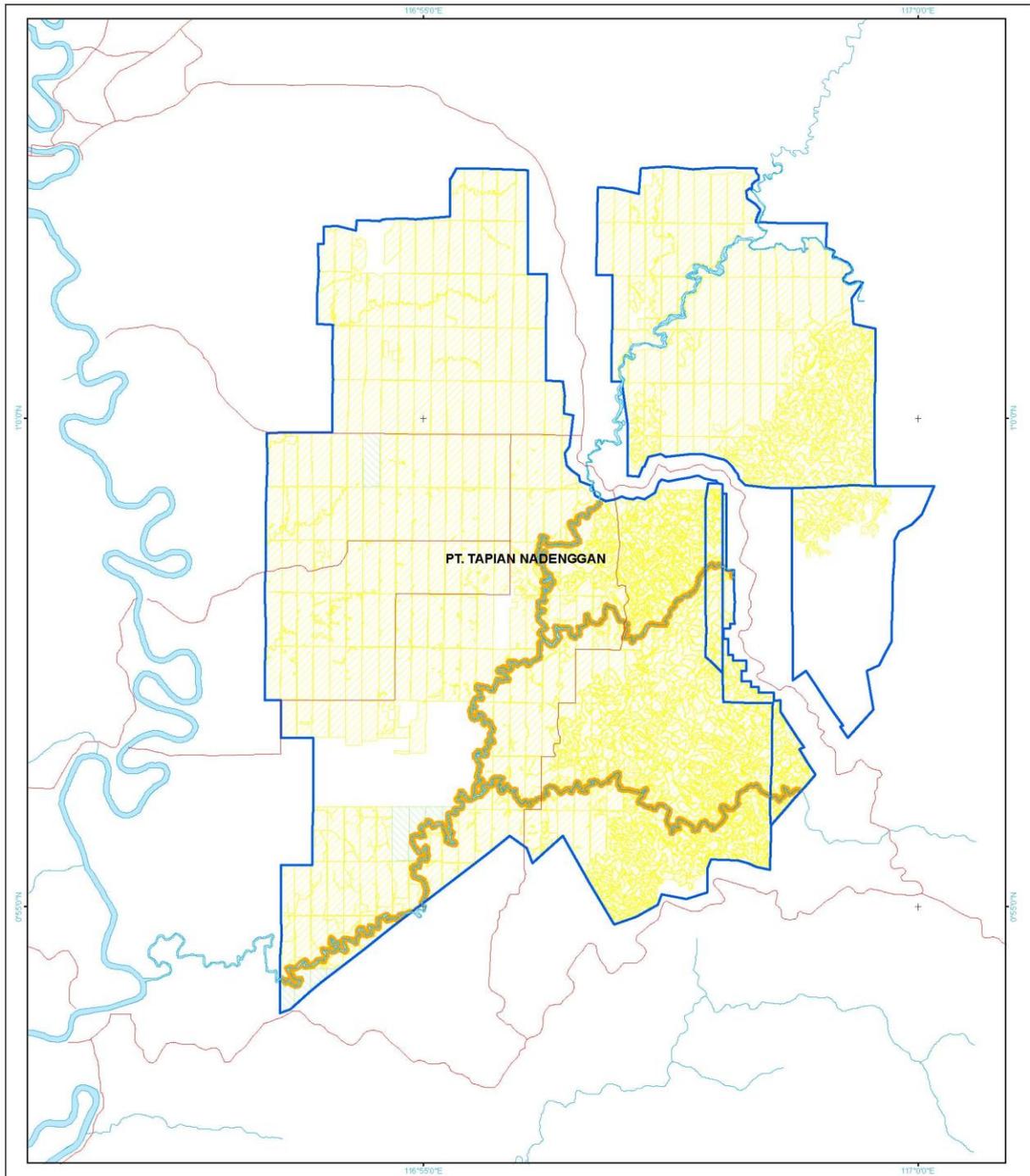
HCV Areas at PMSE, JLYE, LBLE, PMSA, and JLYA

No	HCV Attribute	Annotation	Unit	Area (ha)
1	HCV 1.1 HCV 1.3 HCV 4.1	Demarcation of Pantun River	PMSE	67.16
			LBLE	196.79
			JLYE	14.87
			JLYA	47.12
		PMSA	2.81	
		Demarcation of Long Buluh River	LBLE	108.29
		Demarcation of Kongbeng River	PMSA	7.58
Demarcation of Nyelong River	LBLE	63.38		
		Demarcation of Sedak Lake	JLYA	12.75
2	HCV 1.2	Protected and endangered species present: Anteaters, Porcupines, Bears, Monkeys, Gibbons, Deer/Brackish, Brahminy Kites, Hornbills.		
Total				520.75

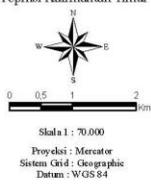
HCV Areas at BSRE and BSRA

No	HCV Attribute	Annotation	Area (ha)
1	HCV 1.1	Demarcation of Mendasar River	158.51 (with overlap)
		Demarcation of Krenyanyan River	
		Swamp area	
		Lake/Reservoir Area	
2	HCV 1.2	Swamp Area	-
		Demarcation of Mendasar River	
		Demarcation of Krenyanyan River	
		Demarcation of Lake/Reservoir	
		Area of Plantation and the surrounding	
3	HCV 1.3	Containing the presence of protected and endangered species: Swamp Area, Demarcations of Rivers, Lakes/Reservoirs.	158.51 (with overlap)
4	HCV 1.3	Swamp Area	51.10 (with overlap)
5	HCV 4.1	Containing area that functions as flood control and water supply : Swamp Area, Demarcations of Rivers, Lakes/Reservoirs	158.51 (with overlap)
TOTAL			158.51

Figure 3. Map of Identified HCV Areas at PT Tapan Nadenggan consisted with areas of Pantun Mas Estate, Jak Luay Estate, Long Buluh Estate, Pantun Mas Plasma, and Jak Luay Plasma



PETA AREA STATEMENT DAN SEBARAN NKT
AREAL PT. TAPIAN NADENGGAN
Long Buluh Estate (LBLE), Jakluay Estate (JLYE)
dan Pantun Mas Estate (PMSE)
 Kabupaten Kutai
 Propinsi Kalimantan Timur



LEGENDA :

- Jalan
- Sungai
- Batas HGU
- Areal NKT
- Tahun Tanam < 2010
- Tahun Tanam ≥ 2010

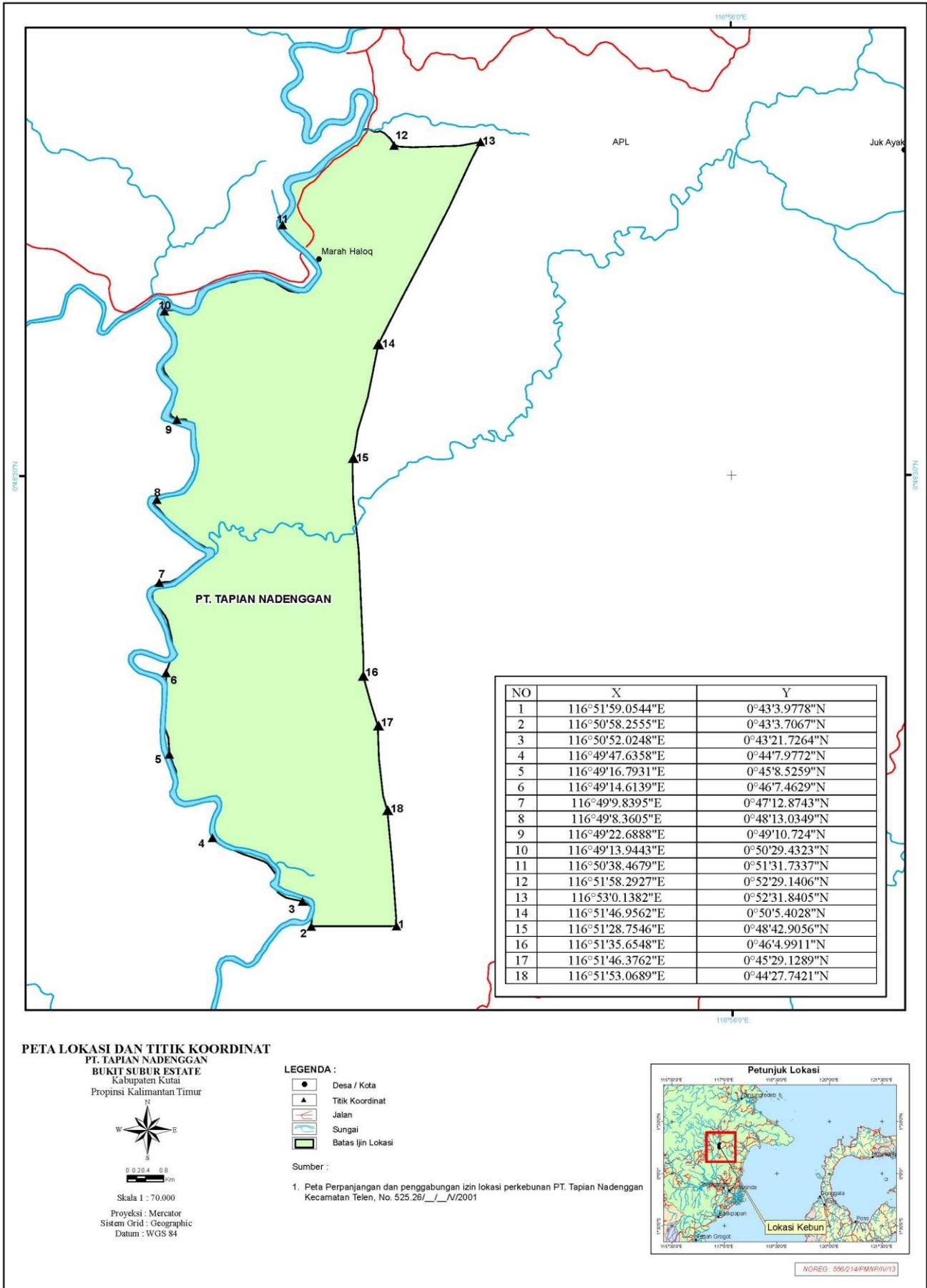
Sumber

1. Peta Bidang Tanah Pemetaan Keliling Batas (HGU) PT. Tapan Nadenggan Nomor D1.302 : 092/2006 Tahun 2006, Luas 11.503,48 Ha, Nomor Peta : 036-16/09-2009, Kecamatan Muara Wahau, Desa Jak Luay, Nehen, Liah Bng, Karya Bhekti, Long Wehea, Kecamatan Kumbang, Desa Sri Partun, Sibunjuye, Kumbang Indah, Cibelesan Tanggal 05 Juni 2009.
2. Final Mapping PT. Tapan Nadenggan, Pantun Mas Estate Revisi 2 Tahun 2009.
3. Final Map Long Buluh Estate, Edisi 2, Terbit Oktober 2010, PHEUP Division.
4. Final Map Jakluay Estate Edisi 5, Terbit Januari 2010, PMNP Division.
5. Peta Nilai Konservasi Tinggi Areal PT. Tapan Nadenggan, Long Buluh Estate (LBLE).
6. Peta Nilai Konservasi Tinggi Areal PT. Tapan Nadenggan, Jakluay Estate (JLYE).
7. Peta Nilai Konservasi Tinggi Areal PT. Tapan Nadenggan, Jakluay Plasma (JLYA).
8. Peta Nilai Konservasi Tinggi Areal PT. Tapan Nadenggan, Pantun Mas Plasma (PMSA).



NoReg : 559/214/PMNP/W/13

Figure 4 . Map of Identified HCV Areas for PT Tapan Nadenggan with area of Bukit Subur Estate.



DOCUMENTATION OF FREE, PRIOR AND INFORMED CONSENT

The RSPO requires Free, Prior and Informed Consent (FPIC) from the local community affected by the development of a concession area or the opening of an area. There is evidence that PT Tapan Nadenggan has applied the principle of FPIC to areas that have been and will be opened. For example, there are formal records of socialisation clearance and approval from seven Heads of villages around the plantation area of PT Tapan Nadenggan.

SUMMARY OF PLANS

PT Tapan Nadenggan has comprehensive plans for managing and monitoring the environmental and social aspects of its operations in accordance with the principles of the RSPO Principles and Criteria for New Plantings. The plans consist of three documents that serve to guide the company's managers and decision-makers:

1. The three-year Plan for HCV Area Management and Monitoring focuses on HCV areas at rivers, lake/reservoir and swamp.
2. The Impact Management and Monitoring Plan is available in accordance with the guidance in PT Tapan Nadenggan's Environmental Management Plan.
3. There is also a Plan for Managing and Monitoring Social Impact.

VERIFICATION STATEMENT

PT Tapan Nadenggan chooses to be audited through documents. Three auditors of Mutu Agung Lestari have conducted document reviews and audited relevant documents. The audit took place at the head office of Sinarmas in Jakarta on 9 April 2013. In addition, some interviews were conducted during the audit, including interviews with management representatives, namely the Head of the Sustainability Division (Conservation and Biodiversity), Officer of Certification, and the Department Head of Document and Liaison..

A review of corporate documents including legal, HCV Identification, SIA and EIA documents, the shows that;

1. There are no indications of land clearing after 2010 1020 in HCV areas, primary forest or peat land.
2. The company has performed HCV identification as well as an SIA, and these findings will be taken into consideration when opening new areas for planting.
3. The company has adhered to the principles of FPIC when acquiring land for palm oil plantations managed by the company.
4. The company has met the legal requirements for opening a new plantation, as well as obtaining a Location Permit, Cultivation Business Permit (IUP), and Land Use Permit (HGU).

A Social Impact Assessment was conducted by PT Indoconsult Cipta Prestama, Bogor (a consultant accredited by the Indonesian Ministry of Environment). The SIA was conducted by an internal team from PT SMART, comprising experts in their respective fields and five people are RSPO-approved HCV Assessor. HCV Assessment was done by the Environment Department Team comprising 6 people led by Dr Kunkun J. Gurmaya, and five team members are registered RSPO HCV Assessors.

PT Tapan Nadenggan has adhered to the RSPO New Planting Procedure, with thorough and professional documentation of assessment and planning in accordance with RSPO requirements and the RSPO Principles and Criteria for New Planting.

Signed on behalf of

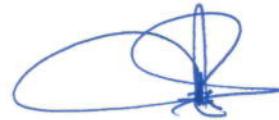
MUTUAGUNG LESTARI



Octo HPN Nainggolan

Lead Auditor
5 August 2013

PT TAPIAN NADENGGAN



Dr Haskarlianus Pasang
Division Head of Sustainability
5 August 2013