

Summary Report of Planning & Management of PT Binasawit Abadi Pratama
District of Danau Sembuluh, Seruyan Regency, Central Kalimantan

Executive Summary

PT Binasawit Abadi Pratama (hereinafter referred to as “**PT BAP**”) is located in Terawan Village of Danau Sembuluh District, Seruyan Regency, Central Kalimantan Province. PT BAP has obtained Location Permit by virtue of East Kotawaringin Regency Land Office Head’s Decree No. 30. 460. 42 on Location Permit Authorisation for 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. Extension of the Location Permit’s Effective Period: Seruyan Regent Decree No. 03/2006 on Amendment on Decree No. 153/2004 on Granting of Location Permit for PT Agromandiri Perdana Oil Palm Plantation Development in Terawan Village of Danau Sembuluh District, Seruyan Regency, covering an area of ±17,600 hectares, dated 7 January 2006.

PT BAP has obtained Environmental Feasibility Authorisation through Central Kalimantan Governor Decree No. 431/2006 dated 21 December 2006, covering a plantation area of 15,000 hectares with production capacity of 80 tonnes of Fresh Fruit Bunch (FFB) per hour in Danau Sembuluh District, Seruyan Regency, Central Kalimantan.

PT BAP already has Social Impact Assessment (“**SIA**”) document, prepared by an assessment team led by Yosaphat Ardhilla Renato, who is registered under RSPO Approved HCV Assessors. The document includes social impact management and monitoring plan and has been consulted with relevant stakeholders.

PT BAP Management Unit has carried out High Conservation Value (“**HCV**”) assessment within its concession, the findings of which show no primary forest existing in the company’s concession. There are seven HCVs 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. PT BAP’s total HCV area is 1,595.50 hectares.

Environmental Management Plan (“**RKL**”) and Environmental Monitoring Plan (“**RPL**”) documents were issued in September 2007. These documents were translated

from the Environmental Impact Assessment (“EIA”) document. Both RKL and RPL elaborate measurement schedules monitoring and environmental impact on mill and plantation management activities.

Social impact management and monitoring plan document following up the SIA is also available. This document has been consulted with relevant stakeholders on 11 April 2013 at Perdana Mill’s Meeting Room.

The three documents serve as a guideline to PT BAP management unit in performing socio-environmental management.

Reference Documents

The reference documents are as follow:

- a. Environmental Impact Assessment (EIA) document authorised by Central Kalimantan Governor Decree No. 431/2006, December 2006;
- b. PT BAP’s HCV Assessment Report on Lenggana, Perdana, Semandau and Muara Dua Units in Seruyan Regency, Central Kalimantan. PT SMART, Tbk.’s Environmental Department, 2012;
- c. SIA document, prepared by PT SMART, Tbk.’s internal team, February 2013;
- d. RKL and RPL documents, December 2006;
- e. Social Impact Management and Monitoring Plan document, February 2013; and
- f. HCV Management Master Plan period 2010-2014.

Brief summary of the said documents:

The presence of PT BAP has brought about positive impacts on its neighbouring community’s environmental and social conditions. RKL-RPL documents were submitted to the Provincial Environmental Management and Monitoring Office (BPPLHD) of West Kalimantan Province, East Kotawaringin Regency Environmental Monitoring Office, Provincial Plantation Office of West Kalimantan, and East

Kotawaringin Regency Plantation Office. Environmental components monitoring was carried out on a regular basis.

The presence of PT BAP has brought about positive impacts to its neighbouring community's social condition. Increase of the community's income and prosperity are examples of such positive impacts. Negative impacts on the other hand are the community's perception and the spread of disease among the community members. In PT BAP's concession seven HCVs have been identified, namely HCV 1.1, HCV 1.2, HCV 1.3, HCV 1.4, HCV 2.3, HCV 4.1, and HCV 6, forming a total HCV area of 1,595.50 hectares.

Social and Environmental Impact Assessment ("SEIA") and HCV Management Planning Personnel

a. Information on the Company and the Contact person

- Name of Company : PT Binasawit Abadi Pratama
- Location : Terawan Village of Danau Sembuluh District,
Seruyan Regency, Central Kalimantan
- Geographic Site : 112° 20' 12,090" E - 112° 26' 25,620" E
2° 14' 3,497" S - 2° 20' 15,753" S
- Bordering areas
 - a. North : State Road Sampit – Pangkalan Bun
 - b. East : State Road Sampit – Pangkalan Bun
 - c. West : PT Agro Sawitnesia
 - d. South : PT Agro Indomas
- Permits
 - a. Location Permit: East Kotawaringin Regency Land Office Head's Decree No. 30. 460. 42 on Location Permit Authorisation for PT Agromandiri Perdana Oil Palm Plantation, covering an area of ±15,000 hectares in

Sebungsu, Mirah and Luwuk Sampun Villages, District of Parenggean, dated 22 November 1996;

- b. Location Permit Extension: Seruyan Regent's Decree No. 03/2006 on Amendment to Decree No. 153/2004 on Location Permit Authorisation for PT Agromandiri Perdana Oil Palm Plantation in Terawan Village, District of Danau Sembuluh, Seruyan Regency covering an area of $\pm 17,600$ hectares, dated 7 January 2006.
 - c. Plantation Business Concession for Cultivation (IUP-B).
 - 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.
- Parties Involved:

Those involved in preparing PT BAP's HCV assessment report, RKL and RPL documents are the company's management assisted by PT SMART, Tbk.'s Environmental Department staffs. Public consultation held on 11 April 2013 was attended by local office heads, community figures, traditional leaders, community representatives, and other plantation-related parties. Peer review on HCV assessment report was done by Resit Sozer (Independent Consultant) in March 2012.

Those involved in preparation of the SIA and management and monitoring plan documents are, among others, PT SMART, Tbk.'s team, village head, community representatives, village administrators, community figures, BPD, district administrators, and PT BAP itself. Public consultation was held on 11 April 2013 at Perdana Mill Meeting Room.

Summary of Planning and Management (SEIA)

a. SEIA Assessment.

EIA (AMDAL) document has already been authorised by 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. The Company already has SIA document prepared in February 2013 by PT SMART, Tbk.'s internal team, with the team leader who has been registered under RSPO Approved HCV Assessors. The SIA document also includes SEIA document and has been consulted with the relevant stakeholders.

Summary of Planning and Management (SEIA)

General Recommendations based on SIA Analysis:

1. Community's perception

According to socialisation during the investment phase, PT BAP would be built in the assessment area as provided in EIA (AMDAL) document. Land acquisition and land compensation were done under FPIC process and method. Socialisation and FPIC has provided help to the company in explaining and paving the way to the venture of oil palm plantation investment made by PT BAP. FPIC process was demonstrated also by way of forming a village team upon joint initiative between the company and community to perform transparent land compensation.

The company, in association with village team, commenced land compensation by designating the intended areas. This was an important process which might be expedient in case a land dispute arises in the future over the land acquired. This is also in line with the PT BAP's land compensation procedures. Planned CSR programme would be dedicated to community as per local requirements.

PT BAP needs to socialise their workforce demand as per quota and current employment available and to update most recent data to village or local government. Proactive communication with local stakeholders at the assessment area, and proper initial socialisation in the course of land acquisition and hiring of local workers were important priorities and cost effective too, as 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. The spread of disease

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.

Summary of PT Agromandiri Perdana's Environmental Management and Monitoring

No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
a.	Community's perception	<ul style="list-style-type: none"> • Activity plan socialisation • Land acquisition • Workforce recruitment • Employment termination. 	The presence/absence of claim, protest, demonstration or unrest from among community.	<ul style="list-style-type: none"> • To observe and to collect data as to the presence of claim, protest, demonstration due to land acquisition • To observe and to collect data as to the presence of claim, protest, demonstration 	<ul style="list-style-type: none"> • Terawan and Sebabi Villages (Sampit-Pangkalan Bun Highway at km 86) • Within the plantation and mill premises. 	Once every 3 (three) months on workforce recruitment and once a year during the plantation and mill operation. Once every 6 (six month) on work termination in the last 2 years prior to the actual employment termination.	<ul style="list-style-type: none"> • To perform effective socialisation, delivery of complete and clear information • To provide employment opportunity information • To prioritise employment opportunity to local community for occupation that only requires low level of qualifications and competence • To organize recruitment of trainees • To perform community empowerment program • To carry out community economic development • To implement clear and transparent management patterns, and fulfilment of regional minimum wage and other employee's entitlements as per prevailing law and regulation

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							<ul style="list-style-type: none"> • To perform socialisation prior to the actual employment termination.
b.	Micro-climatic change	Land clearing for plantation	Temperature, humidity, and rainfall	To perform measurements on temperature, humidity, and rainfall parameters	Plantation area, mill, open spaces near the mill, left-right sides of FFB haul roads.	Once every 6 (six) months during the land clearing and FFB processing.	<ul style="list-style-type: none"> • Not to perform land clearing for plantation in areas where protected plant habitat exists • Not to perform land clearing for plantation in riparian areas • To perform plantation and treatment of various alternative plant species in cleared riparian areas, • To set mill smokestack at sufficient height • To set dust collector unit • To perform periodic maintenance on machineries • To perform plantation and treatment of various types of tree in open spaces near the mill and on the left and the right sides along FFB/CPO transportation roads.

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No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
c.	Erosion	<ul style="list-style-type: none"> Land clearing for plantation. Mill land area preparation and maturation. 	Erosion rate.	To perform erosion rate parameter measurement	Entire mill area	Once every 6 (six) months.	<ul style="list-style-type: none"> Not to perform land clearing for plantation in areas where protected plant habitat exists Not to perform land clearing for plantation in riparian areas
d.	Decline surface water physical and chemical qualities.	<ul style="list-style-type: none"> Land clearing for plantation. Mill land area preparation and maturation. 	Temperature, turbidity, TSS, and pH	Laboratory observation, measurement, and water sampling. Analysis findings were compared to the values of surface water baseline and quality standards.	Entire plantation area	Once every 3 (three) months.	<ul style="list-style-type: none"> To perform plantation and treatment of various alternative plant species in cleared riparian areas, primarily those estimated to become food source and or wildlife habitat To pile windrows and contour linear planting to impede rainwater flow To maintain land structure stability by keeping the steepness of slopes or by providing construction (building) reinforcement

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No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
e.	Natural vegetation	Land clearing for plantation.	Types composition, stand structure, natural vegetation diversity index, flora protection under government regulations No. 6/1995	Observation, measurement, analysis of species composition, stand structure, and vegetation diversity index.	Plantation area	Once every 6 (six) months.	<ul style="list-style-type: none"> • Avoid land clearing for plantation in areas where protected plant habitat exists • Avoid land clearing for plantation in riparian areas • To perform plantation and treatment of various alternative plant species in cleared riparian areas, primarily those estimated to become food source and or wildlife habitat
f.	Decline wildlife population.	Land clearing for plantation	Number of species of wild fauna species according to Government Regulation No. 13/1994	Field observation and data analysis	Plantation area	Once every 6 (six) months.	<ul style="list-style-type: none"> • To perform plantation and treatment of various alternative plant species in cleared riparian areas, primarily those estimated to become food source and or wildlife habitat
g.	The spread of disease.	Land clearing for plantation	Dominant infectious disease.	Observation, recording, analysis, calculation on type and dominant disease	Plantation area	Once every 6 (six) months during the land clearing.	<ul style="list-style-type: none"> • Not to perform land clearing for plantation in areas where protected plant habitat exists • Not to perform land clearing for plantation in riparian areas • To perform plantation and treatment

Summary of PT Agromandiri Perdana's Environmental Management and Monitoring

No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
							<p>of various alternative plant species in cleared riparian areas, primarily those estimated to become food source and or wildlife habitat</p> <ul style="list-style-type: none"> • To pile windrows and contour linear planting to impede rainwater flow • To maintain land structure stability by keeping the steepness of slopes or by providing construction (building) reinforcement • To provide facilities and medical service personnel to employees and neighbouring community near the plantation and mill.

Summary of PT Agromandiri Perdana's Environmental Management and Monitoring

No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
h.	Air quality	Processing of FFN to become CPO.	Dust particles (PM10), sulphur dioxide (SO ₂), nitrogen dioxide (NO ₂), carbon monoxide (CO) and O ₃	Parameter measurement on dust (PM10), sulphur dioxide (SO ₂), nitrogen dioxide (NO ₂), carbon monoxide (CO) and O ₃	In the mill, open spaces near the mill, left-right sides along FFB haul roads.	Once every 6 (six) months	<ul style="list-style-type: none"> • To select machineries technology which produce less pollutant emission • To set mill smokestack at sufficient height • To set dust collector unit • To perform periodic maintenance on machineries • To perform plantation and treatment of various types of trees in open spaces near the mill and on the left and the right sides along FFB/CPO haul roads.

Summary of PT Agromandiri Perdana's Environmental Management and Monitoring

No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
i.	Surface water quality	<ul style="list-style-type: none"> • Plant treatment. • Waste and LA processing 	Temperature, turbidity, TSS, pH, BOD, COD, NH ₃ -N and oil and grease contents.	Observation, measurement, and water sampling on site to be analysed in lab. Analysis findings were then compared to the values of surface water baseline and quality standards.	<ul style="list-style-type: none"> • Entire plantation area • At IPAL and Entire plantation and mill areas 	Once every 6 (six) months	<ul style="list-style-type: none"> • To pile windrows and to perform oil palm contour linear plantation to impede rainwater flow • To plant ground cover plant capable of increasing nitrogen • To use environmental friendly fertiliser • To utilise natural predator in HPT and weeds control • To plant alternative vegetation as wildlife habitat (pest predator) on empty land plantation areas • To use toxic substance / pesticide selectively and restrictively as the last option in HPT and weeds control • To plan ground cover plant on sloping mill areas such IPAL pond peripheries • To perform IPAL operation as per technical plan requirements and proper technical procedures of

Summary of PT Agromandiri Perdana's Environmental Management and Monitoring

No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
							operation/ treatment <ul style="list-style-type: none"> To select land area and LA technology adapted to topographic and land hydrological conditions.
j.	Aquatic biota	<ul style="list-style-type: none"> Plant treatment. Waste and LA processing 	Species, abundance, and aquatic biota diversity (plankton, benthos, and nekton)	<ul style="list-style-type: none"> Observation, measurement, and water sampling on site to be analysed in lab. Analysis findings were then compared to the values of surface water baseline and quality standards. Planting of ground cover plant of grass 	<ul style="list-style-type: none"> Entire plantation area At IPAl and Entire plantation and mill areas 	Once every 6 (six) months during the plant treatment, waste and LA processing.	<ul style="list-style-type: none"> To pile windrows and to perform oil palm contour linear plantation to impede rainwater flow To plant ground cover plant capable of increasing nitrogen To use environmental friendly fertiliser To utilise natural predator in HPT and weeds control To plant alternative vegetation as

Summary of PT Agromandiri Perdana's Environmental Management and Monitoring

No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
				<p>species in sloping mill areas such as dam peripheries, IPAL pond peripheries</p> <ul style="list-style-type: none"> • IPAL operation as per plan technical requirements and operating procedures / proper maintenance. • Selection of land area and LA technology adapted to land topographic and hydrological conditions. 			<p>wildlife habitat (pest predator) on empty land plantation areas</p> <ul style="list-style-type: none"> • To use toxic substance / pesticide selectively and restrictively as the last option in HPT and weeds control • To plan ground cover plant on sloping mill areas such IPAL pond peripheries • To perform IPAL operation as per technical plan requirements and proper technical procedures of operation/ treatment • To select land area and LA technology adapted to topographic and land hydrological conditions.

Summary of PT Agromandiri Perdana's Environmental Management and Monitoring

No.	Environmental parameter Component (operating phase)	Source of Impact	Environmental Parameter	Data collection and analysis methods	Location	Monitoring Period and Location	RKL
k.	The community's health quality	Mill waste processing operation	The community's health quality	Direct observation and interviews with community members near the plantation, selection of interviewees was done by way of random sampling. Interview was done through structured questionnaire distribution supported by in-depth interview. Data analysis was done under both quantitative and qualitative methods.	Penda Durian, Pahirangan, Satiung and Santilik Villages	Twice in a year	

Summary of Planning and Management (HCV)

Management Recommendations:

Management plan of PT BAP takes form as:

1. socialisation to neighbouring community relating to the HCV presence;
2. marking of HCV area borders;
3. area protection by patrolling; and
4. riparian area re-vegetation/restoration.

Monitoring Recommendations:

Monitoring recommendations are directed to address the existing problem intensity and anticipate any possibilities in the future, diversity of flora and fauna species found in each individual location with HCV, interaction between the location with HCV and its neighbouring areas.

Plan for HCV Monitoring and Regular Review of Data

Review on HCV Assessment Report and HCV Area Management and Monitoring Plan document within PT BAP's concession was done by Resit Sozer in March 2012. The review's conclusions were then made input to rectify HCV Assessment Report and HCV Area Management and Monitoring Plan.

Management and planning over threats to the HCV areas

1. Properly manage borders by installing clear and explicit border signs and signboards/announcement/warning/prohibition to ensure the security of protected areas.
2. Protected area management SOP's preparation and implementation which include:
 - a. securing of protected areas;

- b. biodiversity inventory and monitoring;
 - c. inventorying and monitoring on environment physical conditions, such as water quality, climatic quality, fire hazards, etc.
3. RKL implementation and monitoring within the protected areas.

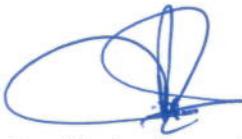
Management plans to enhance or maintain the conservation values of assessed HCV areas

1. Protected areas rehabilitation/restoration.
2. Making and fitting of protected area signboards.
3. Safeguarding borders.

Internal Responsibility

We hereby sign off on the above Summary Report of Planning and Management, 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