

Summary Report of Planning & Management of PT Agrolestari Mandiri
Nanga Tayap Sub-District, Ketapang District, West Kalimantan Province

Executive Summary

PT Agrolestari Mandiri (PT ALM) is located in the villages of Pangkalan Teluk, Sungai Kelik, Siantau Raya, Nanga Tayap, Simpang Tiga Sembelangan and Tajuk Kayong, in Nanga Tayap Sub-District, Ketapang District, West Kalimantan Province. The Site Permit was based on the Decision Letter of the District Head of Ketapang Number 39 of 2009 dated 6 February 2009 for the total area of 19,000 ha, valid for one year as of the stipulation date.

The Plantation Business Permit (IUP) is based on the Decision Letter of the District Head of Ketapang Number 231/DISBUN-D/2012 dated 7 May 2012 for a total area of 17,890 ha. The company also operates a crude palm oil processing plant with maximum capacity of 60 Ton FFB/hour located in Nanga Tayap Sub-District, Ketapang District, West Kalimantan Province.

PT ALM obtained an environmental feasibility permit from Bapedalda of West Kalimantan under the Decision Number: 1064 of 2007 on 27 December 2007. Data on social, economic and cultural conditions in the villages around the plantation / plant of PT ALM was indirectly collected. Literature review was done of material such as the Environmental Impact Assessment (EIA) report, High Conservation Value (HCV) Identification Study and demographic data from sources such as the local government website.

The Management Unit of PT ALM has identified the existence of HCV in its concession area. No primary forest was identified, but there were eight HCVs, namely HCV1 (HCV1.1, HCV1.2 and HCV 1.3), HCV2 (HCV2.3), HCV4 (HCV4.1, HCV4.2, and HCV4.3), and HCV6. The total area containing HCV is 4,183.61 ha.

PT ALM has an HCV Management and Monitoring Plan spanning the years 2011-2013. There are also Environmental Management Plan and Environmental Monitoring Plan (RKL-RPL) documents, issued in September 2007, documents that serve as a translation of the EIA document and elucidate the monitoring timeline and impacts that the plantation and plant have on the environment. There are also management and monitoring plans arising from the social impact assessment (SIA) document prepared in March 2013. These three documents guide PT ALM in managing environmental and social impacts.

Reference Documents

The reference documents are as follows:

1. Environmental Feasibility Permit Decision dated 27 December 2007.
2. Evaluation of HCV conducted by the Forestry Faculty of Bogor Agriculture Institute (IPB) with member of team assessor already approved by RSPO (RSPO Approved HCV Assessor) for nine months in June 2010 – April 2011.
3. SIA by internal team of PT SMART, March 2013
4. Report on RKL-RPL No.1064/Year 2007 dated 27 December 2007
5. Social impact management and monitoring planning document, March 2013
6. Master plan of HCV management for the period 2011-2013

Summary of Reference Documents

The existence of PT ALM has generated positive environmental and social impacts on the surrounding community. The RKL-RPL Report was submitted to BLHD of West Kalimantan Province, Disbun of West Kalimantan Province, ESDM Agency of Kab. Ketapang, Perindagkop Agency of Kab. Ketapang, Disbun of Ketapang. The environmental component is monitored periodically. Positive impacts include economic progress in the community, while negative

impacts are social restlessness and effects on health. Eight HCVs have been identified in PT ALM, namely HCV 1 (HCV 1.1, HCV 1.2 and HCV 1.3), HCV2 (HCV 2.3), HCV4 (HCV 4.1, HCV4.2 and HCV4.3) and HCV6, which together occupy a total area of 4,183.61 ha.

SEIA and HCV Management Planning Personnel

a. Company information and contact person

• Company Name	:	PT Agrolestari Mandiri
• Location	:	Nanga Tayap, Sungai Kelik, Lembah Hijau I, Lembah Hijau II, Siantau Raya, Tajok Kayong and SP3 Sembelangaan Villages, Nanga Tayap Sub-District, Ketapang District, West Kalimantan Province
• Geographical location	:	110°22'18.767" - 110°36'42.062" E and 1°28'5.470" - 1°38'45.907" S
• Boundaries		
a. North	:	Palm Oil Plantation (PT Ladang Sawit Mas)
b. East	:	Palm Oil Plantation (PT Ketapang Agri Pribumi)
c. West	:	Palm Oil Plantation (PT G.I Plantation)
d. South	:	Palm Oil Plantation (PT Duta Sumber Nabati and PT Agro Palma Lestari)
• Licenses		<ol style="list-style-type: none"> 1. Site Permit: Decision of District Head of Ketapang Number 39 of 2009 dated 6 February 2009 for a total area of 19,000 ha, valid for 1 year from stipulated date. 2. Plantation Business Permit (IUP): Decision of the District Head of Ketapang Number 231/DISBUN-D/2012 dated 7 May 2012 for a total area of 17,890 ha. 3. Land Use Permit (HGU): In process.
• Parties Involved	:	<p>The parties involved in the preparation of HCV document and preparation of management and monitoring plan for PT ALM are the company's management assisted by the team from IPB, representative from Public Figures, local government officials,, Traditional Figures, Nanga Tayap District, Nanga Tayap Village Head, and representatives from villages of Sungai Kelik, Siantau Raya Sembelangaan, Tajok Kayong, Lembah Hijau I, Lembah Hijau II. Peer Review of the HCV assessment report was carried out by independent consultant Resit Sozer in October 2010. The parties above attended the public consultation held on 25 June 2010</p> <p>The SIA recommendations are available and were prepared by an internal team from PT SMART in March 2012. The SIA is being implemented by the management of PT ALM with the assistance of the team from PT SMART and local government.</p>

Summary of SEIA Planning and Management

The EIA document has been prepared by the Environmental Research Centre (PPLH) of Tanjungpura Pontianak University, which is accredited by the government. The EIA document has also been approved by the Governor of Central Kalimantan by the Decision of the Governor No. 1064 of 2007 dated 10 May 2007 regarding Environmental Feasibility of Palm Oil Plantation and Processing Plant Activities (Plant Capacity is 60 Ton FFBhour) by PT ALM in Nanga Tayap Sub-District, Ketapang District, West Kalimantan Province. Besides the EIA document, the company also has an SIA document prepared in February 2013 by an internal team from PT SMART, led by Mr Yosaphat Ardhilla Renato (RSPO-approved HCV assessor's specialist for social impact management).

Summary of Environmental Management and Monitoring Plan for PT ALM

No.	Environmental parameter component (Operational Phase)	Source of Impact	Environmental Parameter	Data Collection and Analysis Method	Location	Monitoring Period and Location	Environmental Management Plan (RKL)
a.	Soil Erosion Rate	Land Clearing for plantation, road, base camp and plant construction.	Potential erosion, actual erosion, and erosion value.	Monitoring of soil erosion by using board/stick method.	Planted area with gradient of 8-25% and other open areas such as around the road network.	2 times yearly.	<ol style="list-style-type: none"> 1. Technological Approach <ol style="list-style-type: none"> a. Source of impact: construction of road <ul style="list-style-type: none"> • Construction of main road and block road with slightly convex profile and a trench in the right-left part. Especially in areas at dip of 8%, the trenches are connected to a dam, allowing the soil carried by the water to settle there instead of flowing into the river. • Planting of land cover along road edge to decrease topsoil erosion rate. • Construction of drainage. b. Source of impact : land clearing <ul style="list-style-type: none"> • Construction of individual terrace and rain water reservoir to minimise topsoil erosion rate. 2. Social Economic Approach. <ol style="list-style-type: none"> a. Source of impact: road construction <ul style="list-style-type: none"> • Community outreach on the danger of erosion and how to prevent it by terracing on sloping roads. • Community outreach on the importance of protecting land and water, protected areas and riparian areas. 3. Institutional Approach <ol style="list-style-type: none"> a. Source of impact: road construction and land clearing <ul style="list-style-type: none"> • Implementation of environmental management in cooperation with the provincial and district governments. • Solicit assistance from the relevant agency in

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No.	Environmental parameter component (Operational Phase)	Source of Impact	Environmental Parameter	Data Collection and Analysis Method	Location	Monitoring Period and Location	Environmental Management Plan (RKL)
							terms of courses and extension to minimise topsoil erosion and in cooperation with local university
b.	Decrease in Water Quality	Product processing and fertilising activities.	Turbidity, Temperature, TSS, TDS, pH, BOD, DO, and COD.	Water sampling and reference laboratory analysis.	Outlet of IPAL and Pekawai River.	2 times yearly during the production period	a. Technological Approach <ul style="list-style-type: none"> Preventive measures to retain waste in the plant area Handling the wastewater by constructing IPAL b. Social Economic Approach <ul style="list-style-type: none"> Assisting the community's health service in relation to water-borne diseases through Puskesmas. Securing clean water sources (wells) c. Institutional Approach <ul style="list-style-type: none"> Establishing a unit for Environmental Management and Monitoring in PT ALM's plantation and processing plant.
c.	Decrease in species diversity and aquatic biota population	Decrease in aquatic biota habitat due to erosion and mill PKS operation.	Number of types, diversity index, homogeneity index and dominancy of aquatic biota.		Pekawai River.	2 times yearly during the construction period	a. Technological Approach <ul style="list-style-type: none"> 1h-house keeping Conducting against to the species of fish having economic value and ecology around the study area, by not conducting mechanical exploitation. IPAL construction Maintaining the vegetation along the river Maintaining and preserving flora that serve an ecological function for fish (e.g. feeding, sheltering, breeding).

Summary of Environmental Management and Monitoring Plan for PT ALM

No.	Environmental parameter component (Operational Phase)	Source of Impact	Environmental Parameter	Data Collection and Analysis Method	Location	Monitoring Period and Location	Environmental Management Plan (RKL)
d	Community's Health	Existence of FFB permanent and transportation, TM maintenance, and mill operational.	<ul style="list-style-type: none"> The heap of garbage not handled the project area Increase in total vector diseases. 	Field observation, checklist, interviews and evaluation of periodic reports received.	Community in the villages around the study area.	2 times yearly during the production period	<ul style="list-style-type: none"> b. Social Economic Approach <ul style="list-style-type: none"> Conducting persuasive outreach to the community to maintain water quality for aquatic biota habitat. Allocating funds to implement these activities. c. Institutional Approach <ul style="list-style-type: none"> Taking part in establishing an environmental division in the village organisation. Coordinating with various technical agencies to protect and preserve the protected fish species in the study area. a. Technological Approach <ul style="list-style-type: none"> Providing health care for members of the community affected by "water-borne diseases". Increasing the health service frequency to the potentially affected community. Intensive monitoring of potential sources of environmental pollution Strict monitoring to LA implementation Monitoring river water quality Providing outreach program to employees to use OHS facilities. b. Social Approach <ul style="list-style-type: none"> Facilitating the community in completing the facilities and infrastructure to improve health and sanitation. Allocating funds to carry out these activities. c. Institutional Approach <ul style="list-style-type: none"> Community outreach on the importance of

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No.	Environmental parameter component (Operational Phase)	Source of Impact	Environmental Parameter	Data Collection and Analysis Method	Location	Monitoring Period and Location	Environmental Management Plan (RKL)
							hygiene and sanitation, and of early treatment if symptoms of disease occur. <ul style="list-style-type: none"> • Coordinating with polyclinic / local clinicto prevent common diseases in the community.

General Recommendations based on the SIA

1. Designation of Area and Land Compensation Process

Construction activities are carried out in the study area as prescribed by the EIA/ SEIA documentation, and the free, prior, informed, consent (FPIC) process and method are applied to land acquisition and compensation. This process is indicated by several verbal and written statements from the community supporting the plantation investment that would be operated by PT ALM. Zoning is a key step in the land compensation process, and is useful if future problems arise regarding the land acquisition and compensation. This is done in accordance with the land compensation procedures of PT ALM.

2. Social impact management and monitoring as a sustainable form of social relations between the company and community

- Economic aspect: to strengthen people's livelihoods, the company pays employees at or above the minimum wage, empowers the community through local partnership and local purchases, applies workplace health, safety, environment (HSE) policies, and provides training for employees to improve their competence.
- Health and Environmental aspect: proactive communication with stakeholders in the study area, conducting socialisation and suggesting ways for contractors to control the environment in the operational activities, adopting best practices in managing palm oil waste and hazardous and toxic waste, reporting on the management and monitoring of social and environmental impacts to the relevant agency, and implementation of HSE policies in the company's operations.
- Community Relations aspect: providing scholarships to outstanding students and supporting traditional activities including ceremonies in the community.

3. Management Program of PT ALM related to local economic development

The company helps to develop the local economy by: providing jobs to the local community, making local purchases, forming partnerships with local transportation contractors, and developing plasma plantations.

Summary of HCV Planning and Management

Management Recommendations

The HCV management plan in PT ALM's concession consists of managing HCV in terms of demarcating the riparian area, areas around lakes, hills, buffer zone around Bukit Batu Menangis, conservation forest and cemetery /sacred place.

The plan covers:

- Marking of HCV area boundary;
- Maintenance of HCV area boundary;
- Protection of area, flora and fauna;
- Rehabilitation and enrichment in KBKT area;
- Community Outreach;
- Employee training;
- Arrangement /revision of SOP for HCV management;
- Organisation Empowerment;
- Coordination with relevant agency.

Monitoring Recommendations

Indicators are monitored based on the HCV category in each location. The forms of HCV in PT ALM's concession in West Kalimantan are HCV 1 (HCV1.1, HCV1.2, and HCV1.3), HCV 2 (HCV2.3), HCV4 (HCV4.1, HCV4.2, and HCV4.3) and HCV 6.

The monitoring plan directs HCV management activities in each location, and involves monitoring the following:

- Intensity of disruption to KBKT area, including the danger of fire.
- Flora species biodiversity and density, including protected and rare, threatened, endangered (RTE) species, in HCV areas.
- Fauna species biodiversity and abundance, including protected and RTE species, in HCV areas.
- Implementation and survival rate of vegetation planted as part of rehabilitation activities in HCV areas.
- Changes in river width.
- River and lake water quality.
- Aquatic biota in river and lake

Plan for HCV Monitoring and Regular Review of Data

The HCV assessment report and HCV Management and Monitoring Plan document for PT ALM was peer reviewed by independent consultant Resit Sozer in October 2010. The review findings were then used to revise the documents.

Management and planning for threats to HCV areas

1. Technological Approach

- Inventory taking and identification of over burden condition
- Marking of area boundaries: riparian areas, hills, peat forest and wildlife corridors, planting areas and sacred places.
- Maintenance of boundary markings
- Protection of area, flora and fauna
- Rehabilitation and enrichment in KBKT area

2. Social Economic Approach

- Community outreach
- Employee training

3. Institutional Approach

- Preparation /revision of SOP
- Organisation
- Coordination with the relevant agency

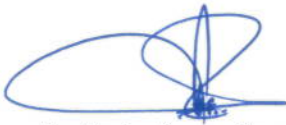
Management plans to enhance or maintain conservation values of identified HCV areas

Indicators are monitored based on the HCV category in each location. The forms of HCV in PT ALM's concession in West Kalimantan are HCV 1 (HCV1.1, HCV1.2, and HCV1.3), HCV 2 (HCV2.3), HCV4 (HCV4.1, HCV4.2, and HCV4.3), and HCV 6. The monitoring plan directs HCV management activities in each location. In general, the indicators are the intensity of existing as well as potential disturbance, diversity of flora and fauna species in each HCV area, area interaction that have HCV to the surrounding environment and quality of HCV component therein. The monitoring objective is directed according to the indicator to monitor. It is to synchronize between the plan and target to attain in monitoring for 5 (five) years from 2012 to 2016

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 Agrolestari Mandiri**,



Dr. Haskarlianus Pasang

Head of Sustainability Division

Date: May 10th, 2013