

Summary Report of Planning & Management of PT Paramitra Internusa Pratama
Silat Hilir and Semitau Sub-Districts, Kapuas Hulu District, West Kalimantan Province

1. Executive Summary

PT Paramitra Internusa Pratama (PT PIP) received its location permit based on Kapuas Hulu Regent Decree (SK Bupati) No. 14 / 2007 dated 23 January 2007 for development of a palm oil plantation with a total area of ± 20,000 ha. It is located in Silat Hilir and Semitau Sub-Districts, Kapuas Hulu District, West Kalimantan Province. The location permit of PT PIP was extended on 12 May 2009 by Kapuas Hulu Regent Decree No. 139 / 2009 and again by Kapuas Hulu Regent Decree No. 305 / 2012.

The company has a Social and Environmental Impact Assessment (SEIA) report prepared by accredited consultant CV Integrakra Citra Persada and approved by Kapuas Hulu Regent Decree No. 289 / 2006 dated 22 December 2006, covering a total area of 20,000 ha.

An indirect collection system was used to collect social, economic and cultural data for the area surrounding PT PIP. This included a literature study of the SEIA report, HCV report and supporting data from local governmental web sources. Collection of primary data was done by direct literature study of first-hand data sources. Secondary data was collected from records of PT PIP's corporate social responsibility (CSR) activities and local maps. All data was carefully analysed according to relevant RSPO principles.

A High Conservation Value (HCV) Identification and Analysis Report identified 10 HCV areas in the concession of PT PIP. These were HCV 1 (HCV 1.1, HCV 1.2, HCV 1.3.), HCV 3 (HCV 2.2, HCV 2.3) HCV 3, HCV 4 (HCV 4.1., HCV 4.2.), HCV 5 and HCV 6. These occupy a total area of 2,179.48 ha. The HCV survey was conducted over seven days from 28 March to 4 April 2010. Satellite images were examined to identify and analyse the concession area as part of preparation work to locate potential HCV areas. During the site survey, interviews with the local community and leaders, officials, staff and relevant stakeholders were conducted to assess the social and cultural aspects. After the site survey was completed, a public consultation was held with all stakeholders.

PT PIP has developed a management and monitoring plan for HCV areas with the assistance of a team from the Forestry Faculty of Bogor Agricultural University (IPB) in 2012. This incorporates the results of a peer review of the HCV report. The HCV management and monitoring plan outlines the location of HCV areas, types of HCV,, management and monitoring activities and also schedule activities.

Forming part of PT PIP's SEIA is the environmental management and monitoring plan which was approved by Kapuas Hulu Regent Decree No. 289 / 2006 dated 22 December 2006. The environmental management and monitoring actions were approved by the Head of the Regional Environmental Agency of Kapuas Hulu District No. 660.1/03/BLHD-A dated 4th April 2011. These two documents elaborate on the EIA documentation and elucidate the monitoring timeline and environmental impacts of the processing mill and plantations. There is also a social impact management and monitoring plan derived from the social impact assessment (SIA), which was compiled in March 2013. These three documents guide PT PIP in managing its environmental and social impacts.

2. Reference Documents

The reference documents are:

- a. Social Environmental Impact Assessment (SEIA) approved by Kapuas Hulu Regent Decree No. 289 / 2006 dated 22 December 2006, covering a total area of 20,000 ha
- b. High Conservation Value (HCV) Identification and Analysis Report for PT Paramitra Internusa Pratama – West Kalimantan Province by the Faculty of Forestry, Bogor Agricultural University, 2012”.
- c. Social Impact Assessment (SIA) by PT SMART, March 2013
- d. Environmental Management and Monitoring Plans, 2006
- e. Management and Monitoring Plans of SIA, March 2013
- f. Management and Monitoring Plans of HCV Areas, by the Faculty of Forestry, Bogor Agricultural University, 2012.

Summary of Reference Documents

The presence of PT PIP has had a positive impact on the environment and, social life of the community in the area where the company operates. The report on the Environmental Management and Monitoring Plans were submitted to BPPLHD Central Kalimantan Province, BAPPEDA, BPDAS, Forestry and Agricultural Department Seruyan District, BPDAS, BPN, Agricultural Department, DisHub, Department of Manpower Transmigration and Tourism, BPM Seruyan District. Environmental monitoring is conducted periodically. Increased employment opportunities and community welfare are positive impacts of PT PIP, while social anxiety and poorer public health were identified as negative impacts.

The HCV Identification and Analysis Report identified 10 HCV categories in the PT PIP concession, namely: HCV 1 (HCV 1.1, HCV 1.2, HCV 1.3.), HCV 3 (HCV 2.2, HCV 2.3) HCV 3, HCV 4 (HCV 4.1., HCV 4.2.), HCV 5 and HCV 6. They occupy a total area of 2,179,48 ha. The HCV report and Management and Monitoring Plans were reviewed by independent consultant Resit Sozer in November 2010. The results of the review were used to improve these documents.

3. SEIA and HCV Management Planning Personnel

a. Organisational information and contact persons

- Company Name : PT Paramitra Internusa Pratama
- Location : Baru Village, Silat Hilir Sub-District, Nanga Seberuang Village and Kenepai Komplek Village, Semitau Sub-District, Kapuas Hulu District, West Kalimantan Province
- Geographical location : (111° 41' 21.039" E - 111° 53' 39.717" E) and (0° 25' 47.747" N - 0° 34' 32.877" N)
- Surrounding Entities
 - a. North : Limited production forest
 - b. East : Area for other uses
 - c. West : Sintang District
 - d. South : Area for other uses

- Permits

1. Location Permit

Kapuas Hulu Regent Decree (SK Bupati) No. 14 / 2007 dated 23 January 2007 for development of a palm oil plantation with total area of ± 20,000 ha located in Silat Hilir and Semitau Sub-Districts, Kapuas Hulu District, West Kalimantan Province

2. Extension of Location Permit

- Kapuas Hulu Regent Decree No. 139 / 2009 dated 12 May 2009 for development of a palm oil plantation with total area of ± 20,000 ha located in Silat Hilir and Semitau Sub-Districts, Kapuas Hulu District, West Kalimantan Province

- Kapuas Hulu Regent Decree No. 305 / 2012 for development of palm oil plantation with total area of ± 20,000 ha located in Silat Hilir and Semitau Sub-Districts, Kapuas Hulu District, West Kalimantan Province

3. Plantation Permit (IUP) :

Kapuas Hulu Regent Decree No. 239 / 2012 dated 12 July 2012 for a total area of 20,000 ha and a palm oil mill capacity of 80 tons FFB/hour

4. Land Title (HGU)

PT PIP is still in the process of obtaining a Land Title (HGU) with submission of land parcel measurements and mapping to the National Land Bureau - West Kalimantan regional office (Submission letter No. 008/PIP-KPH/DL8/JKTO/III/12 dated 12 March 2012). The total area to be measured for cadastral survey and mapping is 16,616.83 ha.

- Parties Involved :

The management team of PT PIP, with assistance from the Faculty of Forestry, Bogor Agricultural University, developed and prepared the HCV Management and Monitoring Plans. A public consultation held on 5 July 2010 was attended by the village heads, sub-district heads, head of local police, head of local military, community and religious leaders, the estate management team, local university, local NGOs and other relevant stakeholders. A peer review of the HCV report was done by independent consultant Resit Sozer in November 2010.

Heads of the villages, heads of the village representative boards, members of the local community and the management team of PT PIP were involved in developing and preparing the SEIA document and Management and Monitoring Plans.

4a. Summary of Planning and Management (SEIA)

A social environmental impact assessment (SEIA) report was prepared for PT PIP by accredited consultant CV Integrakra Citra Persada. It was approved by Kapuas Hulu Regent Decree No. 289 / 2006 dated 22 December 2006, covering a total area of 20,000 ha. A social impact assessment (SIA) was also developed by an internal team from PT SMART in March 2013, led by Mr. Yosaphat Ardhilla Renato (an RSPO-approved specialist in social impact management).

General Recommendations based on SIA

1. **Social anxiety and decline in public health**

During public consultation on the company's plan for oil palm plantation development, socialisation was carried out with the process of free, prior, informed consent (FPIC), as mentioned in the SEIA. The process of delineating the

area for land for compensation is important and will be useful if there is any future claim on the land acquired by the company. This is aligned with PT PIP's existing procedures on land compensation.

PT PIP needs to provide the local government with information on available job positions and qualifications as well as up-to-date data on employment.. The company also needs to prioritise proactive communication with all stakeholders, education and strict supervision of contractors to practise environmental management in operations, implementation of best practices to manage operational waste and hazardous waste, reporting on social and environmental impact monitoring to the relevant agencies. These efforts will help to manage the negative impacts of social anxiety and problems of public health.

2. Increase in employment opportunities and community welfare

PT PIP is in a position to increase employment opportunities for the local community by providing the local government with information on job openings in accordance with the company's requirements, so that local workers can be recruited. The company has also implemented occupational safety and health (OSH) policies and procedures for all employees to follow.

The company can improve community welfare by supporting local businesses (e.g. grocery stores and minimarts) that meet local needs, and partnering local contractors to supply the services it requires. PT PIP also needs to develop its plasma plantation programme which will have the potential to increase economic welfare of the local community and farmers involved in the programme.

Summary of Environmental Management and Monitoring Plan for PT Paramitra Internusa Pratama

No.	Component of environmental parameters (Operational Stage)	Sources of impact	Environmental Parameters	Collecting Method and Data Analysis	Location	Period	Environmental Management Plan (RKL)
a.	Air quality	Harvest and transportation of harvest	PP RI No. 41 / 1999 Noise < 75dBA	Sampling method, study of secondary data, interview with employees, community and paramedics.	Plantation area	Once in six months	Lowering the speed of vehicles, managing the frequency and time of mobilisation, on-time maintenance to minimise emissions and noise, regular road watering to minimise dust
b.	Water quality	Plantation maintenance, replanting	PP 82 / 2001	Water sampling at Kapuas, Jenui and Lemedak rivers	Kapuas, Jenui and Lemedak rivers	Once in six months	Gradual land clearing, hazardous waste management (e.g. of used oil) in accordance with regulations, maintaining plants along the watershed
c.	Land erosion	Replanting	Erosion groove and trench in plantation area and roads. Erosion rate does not exceed the allowed erosion limit. For high permeability <11,21 tons/ha/year and for medium permeability <13,45 tons/ha/year	Observation and direct measurement using erosion stick, measurement of volume or thickness of eroded land mass	Land with slopes > 40%	Once in six months	Land clearing for replanting without burning manually and mechanically, planting cover crops, making individual patio/hoooves, constructing primary drainage channels, pave the way eroded, terracing to prevent run-off.
d.	Public health	Plantation maintenance, replanting	Changes in the health of employees and the local community who live along transport routes (both land and water routes)	Study of secondary data, interviews with employees and community	Local community of Kapuas, Jenui and Lemedak rivers	Once in six months	Lowering the speed of vehicles in dusty areas near local settlements to minimise dust, daily road watering during the dry season, greening along transport routes, minimisation of water body contamination, gradual land clearing for replanting

4b. Summary of Planning and Management (HCV)

General Recommendations for Management

The HCV area management plan for PT PIP covers riparian areas, springs, hills, swamps, protected nepenthes habitat, local forest, reserved forest, tembawai/gupung and sacred areas. Actions to manage the HCV areas include:

- Marking of HCV area boundaries
- Maintenance of HCV area boundary markers
- Protection of HCV areas including flora and fauna
- Rehabilitation and enrichment of HCV areas
- Counselling and education of local community surrounding HCV area
- Employee training
- Improvement of SOP for HCV area management
- Organisational empowerment
- Coordination with relevant agencies

General Recommendations for Monitoring

A monitoring plan was developed to concentrate on HCV area management at each of the abovementioned locations. This involves monitoring the following:

- Intensity of potential threats to HCV area, e.g. fire risk
- Population density and diversity of flora condition in HCV area including protected and rare, threatened, endangered (RTE) species
- Population density and diversity of fauna condition in HCV area including protected and RTE species
- Implementation of the activities and survival percentage of plants grown as part of the rehabilitation of the HCV area
- Changes in river width
- Quality of surface water and ground water
- Aquatic biota (river)

HCV Monitoring and Review of Data

The HCV report and Management and Monitoring Plans were reviewed by Resit Sozer, an independent consultant. Based on the results of the review, improvements were made to the documents.

Management and plan for threats to HCV areas.

Technological Approach

- (1) Inventory and identification of land cover conditions. This will be done according to actual land cover conditions including inventory and identification of land cover conditions at riparian areas, hills, areas surrounding lakes, buffer zone of protected forest, and conservation forest
- (2) Installation and maintenance of markers indicating HCV area boundaries
- (3) Protection of HCV area including flora and fauna

(4) Rehabilitation and enrichment of HCV area

Socio-Economic Approach

(1) Counselling and education of employees and local community

(2) Environmental training for employees

Institutional Approach

(1) Improvement of SOP

(2) Coordination with relevant agencies

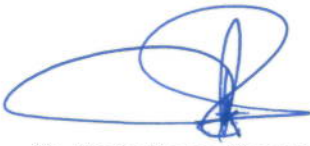
Management to enhance or maintain conservation values of HCV areas

- Determination of the extent of riparian, spring and lake areas, followed by installation and maintenance of markers indicating HCV area boundaries
- Inventory and identification of land cover conditions in HCV areas
- Protection of HCV areas, both passive and active
- Rehabilitation and/or restoration of HCV areas
- Communication and coordination with stakeholders
- Periodic maintenance

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 Paramitra Internusa Pratama**,



Dr. Haskarlianus Pasang

Head of Sustainability Division

Date: May 10th, 2013