

## 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: 14th October 2014*

Tick whichever is appropriate

<input checked="" type="checkbox"/>	This is a completely new development and stakeholders may submit comments.
<input type="checkbox"/>	This is part of an ongoing planting and is meant for notification only.

**COMPANY** : **BATU KAWAN BERHAD**  
**SUBSIDIARY (If any)** : **PT TEKUKUR INDAH (under management of Kuala Lumpur Kepong Berhad)**  
**RSPO Membership Number** : **1-0014-04-000-00 (October 8<sup>th</sup>, 2004)**  
**Location of proposed new planting**

- Company Name : PT TEKUKUR INDAH
- Location : Kampong of Labanan Makmur, Labanan Jaya and Labanan Makarti, Sub-district of Teluk Bayur, Regency of Berau, Province of Kalimantan Timur, INDONESIA.
- Geographical location : East: 117° 14' 00" - 117° 20' 00"  
North: 02° 00' 00" - 02° 09' 00"
- Surrounding Entities : North: PT Satu Sembilan Delapan (Oil Palm Plantation)  
East: Kampong of Labanan Makmur and Labanan Jaya (surrounding village)  
South: PT Pratama Sumber Bumibora (Coal Mining Company)  
West: PT Pratama Sumber Bumibora and PT Berau Coal (Coal Mining Company)
- New Planting Area : ± 2,888 Ha (based on Plantation Permit No. 405 Year 2014, dated 10 June 2014)

# 1. SUMMARY FROM SEI ASSESSMENTS

## 1.1. Executive Summary

PT Tekukur Indah (TI), is an oil palm company located in Berau District, East Kalimantan Province. It is owned by Batu Kawan Berhad and managed by Kuala Lumpur Kepong Berhad who is a member of RSPO.

PT TI has conducted Social Environmental Impact Assessment (SEIA) or UKL-UPL, High Conservation Value (HCV) Assessment and Social Impact Assessment (SIA) in compliance with RSPO Criteria 7.1 and 7.3 on new planting.

The area of PT TI undergoing New Planting Procedures is 2,911 hectares (ha) as indicated in the Location Permit (Izin Lokasi) No.108 dated 1st March 2012 and is renewed in April 2014 (No. 297). It is situated in sub-district of Teluk Bayur, Berau District. In addition, the company has also obtained Plantation Business Permit (IUP-B) No. 405/2014 dated 10 June 2014 from the Regent of Berau, stating that the acquired area is 2,888 ha, of which 2,060 ha is for parent company (Inti), 283 ha is allocated for river riparian and 545 ha for smallholder scheme (Plasma).

The geographical location of PT TI is 117016'00" East and 02004'00" North in the subdistrict of Teluk Bayur. The forestry map of East Kalimantan (SK No.942/Menhut-II/2013) indicated that PT TI is in Other Usage Area (APL) and thus outside the forest area (Kawasan Hutan). According to HCV assessment and SEIA reports, the concession area does not have any peat soil.

The eastern part of PT TI is surrounded by transmigration agricultural land and KKPA Laba Sari and padi fields. Two villages are located in this area viz Desa Labanan Jaya and Desa Labanan Makmur. On the western part is the community agricultural land. Two villages are located in this area, viz Labanan Makarti and Dusun Seduung. The northern region is surrounded by River Segah whereas southern region is partly dissected by a road leading to Samarinda. One of the villages occupying this area is Tumbit Melayu.

The SEIA was conducted by PT. Integral Multi Talenta and the report (No. 197/2014) was approved by Regent of Berau on 20 March 2014. The Environmental Permit (Izin Lingkungan) was also approved by Regent of Berau on 20th March 2014. HCV & SIA assessments were conducted by Aksenta and reports were completed in June 2013 and May 2013, respectively. All the HCV members who conducted the HCV assessment are RSPO-approved assessors.

The SEIA and HCV assessment reports clearly indicated that PT TI:

- is not situated in primary forest
- has no peat soil
- is not a protected area

The results of the HCV study showed that there are 2 types of HCV found in PT TI concession area. They are HCV 1 (species diversity) and HCV 4 (ecosystem services). HCV 2 (landscape-level ecosystem), HCV 3 (ecosystems and habitats), HCV 5 (community needs) and HCV 6 (cultural values) were not found. The total HCV area identifies is 129.7 ha or 4.5% of Location Permit of 2,991 ha.

- Element of HCV 1 covers threatened and endangered species like proboscis monkey (*Nasalis larvatus*), gibbon (*Hylobates muelleri*), pangolin (*Manis javanica*), otter civet (*Cynogale bennettii*) and flat-headed cat (*Prionailurus planiceps*).
- Element of HCV 4.1 (as vital water catchment areas) involves flood banks of river like Sungai Segah, Sungai Seduung, Sungai Lapungan, Sungai Niram, Sungai Longban, Sungai Semuda Kira and Sungai Semuda Kanan. Banks of Sungai Lapungan and Sungai Tahap serves as areas of erosion and sedimentation control (HCV 4.2).

➤ HCV 4.3 was not found in PT TI.

The Social Impact Assessment study indicated that there is a potential significant impacts towards the local communities due to the presence of PT TI. The immediate positive impact is the recruitment of local workers to participate in plantation development activities such as land clearing and planting. Another potential positive impact is the proposed implementation of Corporate Social Responsible (CSR) activities by PT TI for local communities. A negative impact cited in the study is the impact of clearing land has on the surrounding areas. For this reason, a plan to mitigate these potential impacts will be implemented by PT TI to comply with SEIA/SIA Management and Mitigation Plan which is another separate report submitted to RSPO under NPP.

From the Social Environmental Impact Assessment (SEIA) study conducted, it can be concluded that there are potential environmental impacts caused by development activities of PT TI.

The possible environmental and social impacts that can occur in this project can be divided into 4 phases, Pre-development, Land Development, Operational and Post Development stages. These potential impacts on the local community can be broadly summarized as follow: deterioration of air and water quality, increase in noise level, increase in surface run-off, increase in erosion and sedimentation. Mitigation and Management Plan (a separate report to RSPO) have been drawn up to minimize these potential impacts.

## 1.2. Scope of the SEIA and SIA Assessments

### - Organizational information and contact persons

Company Name	PT TEKUKUR INDAH
Parent Company	BATU KAWAN Berhad
Address	Jl. Tekukur Indah, RT.07 Kampung Labanan Jaya, Kecamatan Teluk Bayur, Kabupaten Berau – 77352, Kalimantan Timur, INDONESIA
Office Contact No.	+62-554-25377
KL-Kepong Berhad RSPO Membership No.	1-0014-04-000-0
Person-In Charge	Hj Bakri Jamaluddin
Email	<a href="mailto:bakri.j@klk.com.my">bakri.j@klk.com.my</a>
Position	Production Director
Capital Status	PMA (Foreign Investment Company)
Taxpayer No. (NPWP)	02.033.765.5-727.000
Status Concession Area	Location Permit/Izin Lokasi (No. 108 Year 2012, dated March 1st, 2012); Plantation Business Permit/IUP-B (No. 405 Year 2014, dated 10 June 2014); Environmental Permit/UKL-UPL (No. 197 Year 2014, dated 20 March 2014)
New Planting Area	± 2,888 Ha (based on Plantation Permit)

### - List of Legal documents, regulatory permits and property deeds related to the areas assessed.

No	Document	No & Date	Issued by	Remark
1	Location Permit/Izin Lokasi	No. 108 Year 2012, dated March 1st, 2012	Regent Berau	Renewed: No. 297 dated 28 April 2014. Area: 2,991 Ha

No	Document	No & Date	Issued by	Remark
2	Plantation Business Permit/IUP-B	No. 405 Year 2014, dated 10 June 2014	Regent Berau	Area: 2,888 Ha
3	Social Environmental Impact Assessment (UKL-UPL)	No. 196 Year 2014, dated 20 March 2014	Regent Berau	Coverage Area: 2,991 Ha
4	Environmental Permit/UKL-UPL	No. 197 Year 2014, dated 20 March 2014	Regent Berau	Coverage Area: 2,991 Ha
5	Company Registration (Tanda Daftar Perusahaan Perseroan Terbatas)	No. 170414500222 dated 14 March 2012	Board of Integrated Licensing Services (BPPT), Pemerintah Kabupaten Berau.	
6	Taxpayer Notification No. (NPWP)	No. 02.033.765.5-727.000	Department of Taxation	-
7	Company Deeds / Akta Pendirian Perusahaan	Akta No.31 dated 18 January 2007	Notary Sony Thio,SH	-
8	Approval Company Deeds / Pengesahan Akta Pendirian	SK Kemenkumham No.13-00165HT.01.01-TH.2007	Ministry of Justice and Human Rights	-

- Location maps – both at landscape level and property level

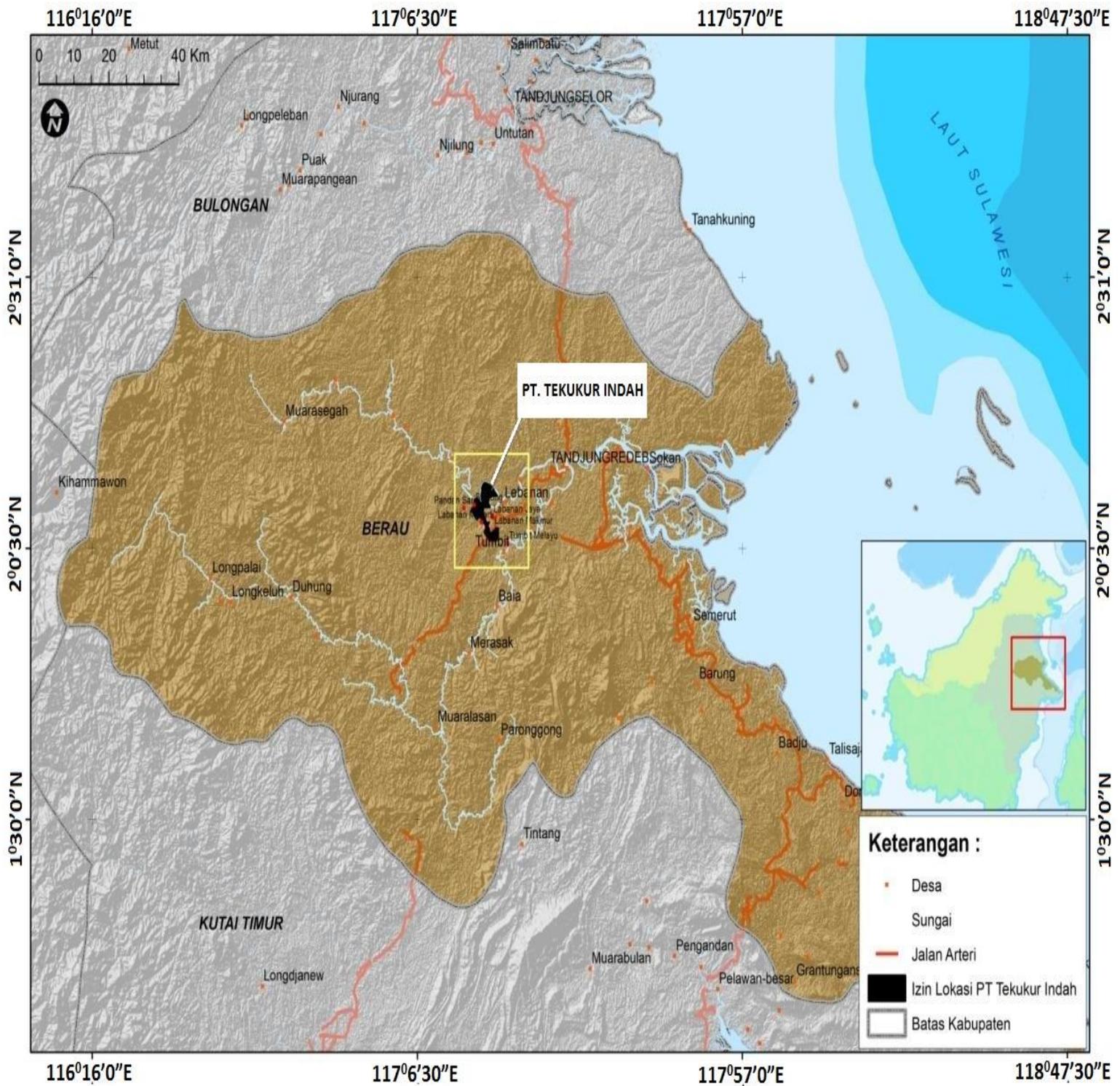


Figure.1 Landscape map of PT Tekukur Indah in Kalimantan Island

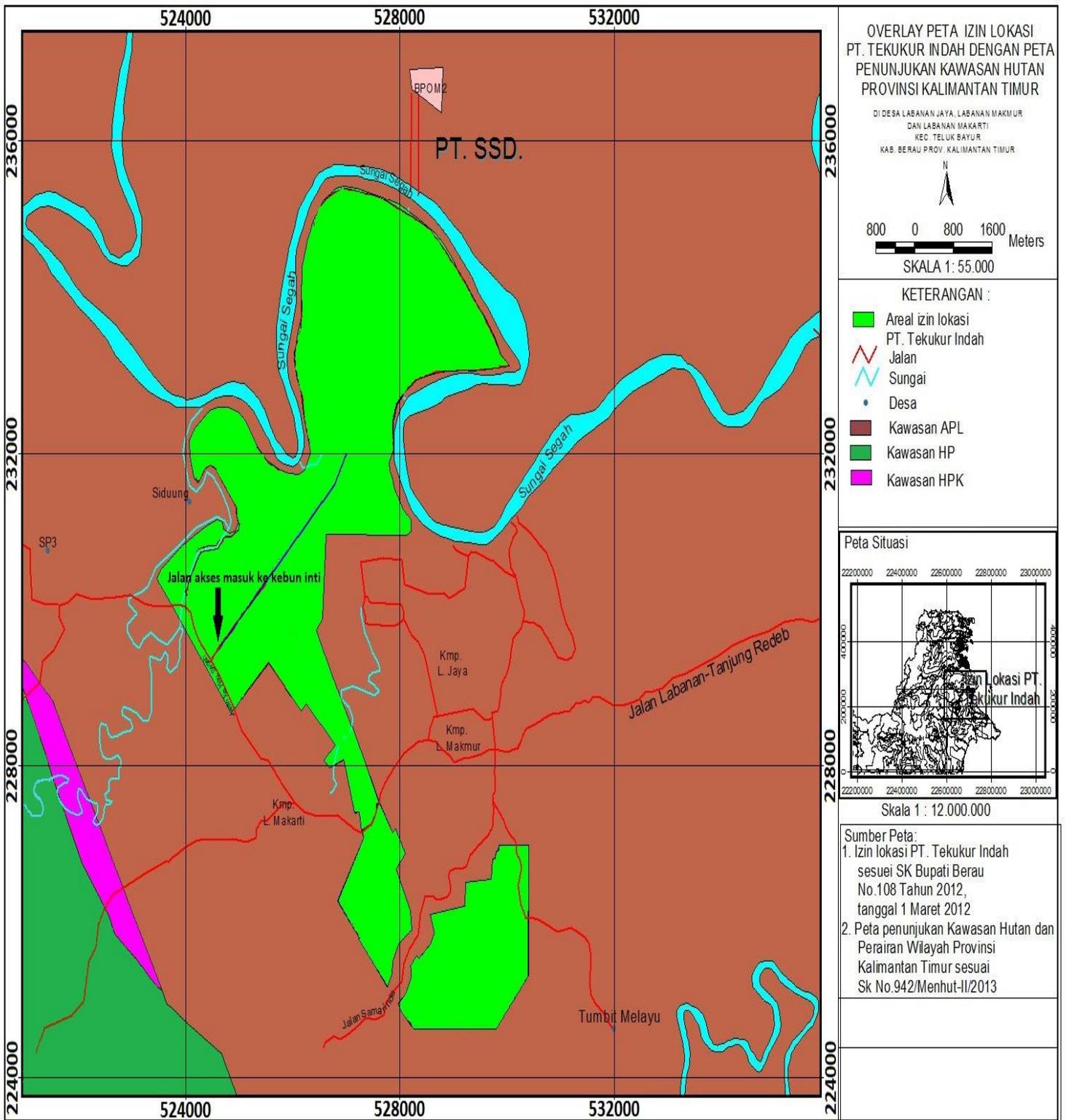


Figure.2 Location map of PT Tekukur Indah – Project Area

- Area of new plantings and time-plan for new plantings.

The development plan of PT TI has incorporated the findings from SEIA (UKL-UPL) conducted by PT. Integral Multi Talenta, HCV Assessment and Social Impact Assessment conducted by Aksenta. This plan has been drawn up and is covered under Summary Report of Planning and Management of new plantings.

The total area allocated in the Plantation Business Permit is 2,888 ha, of which 2,060 ha will be developed as the company plantation, 283 ha is allocated for river riparian and 545 ha for smallholder scheme (Plasma) [Refer Figure 3].

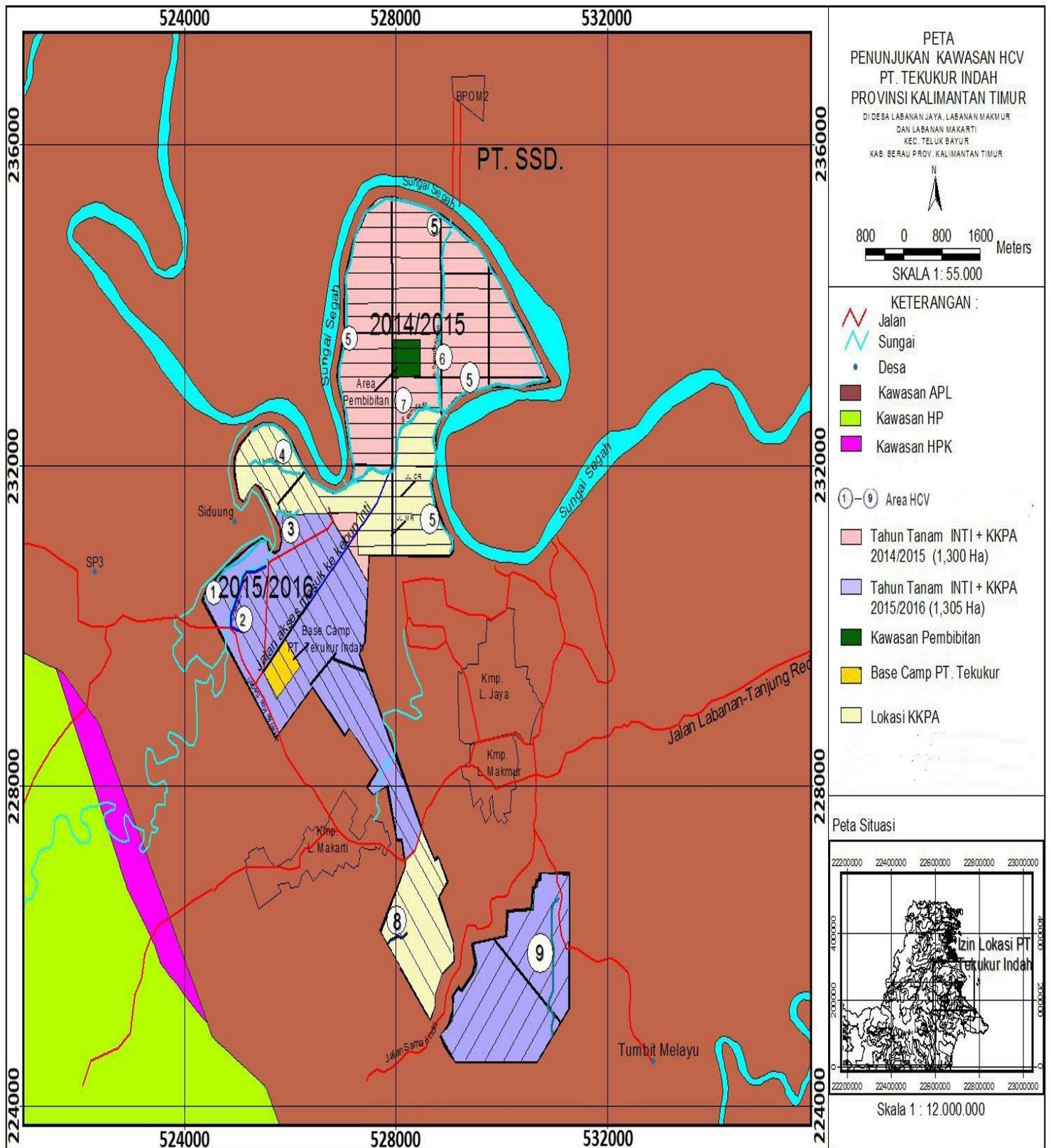


Figure.3 Map indicating Land Clearing, Planting Program and HCV Areas of PT Tekukur Indah

After the New Planting Procedures has been approved by RSPO, land clearing and planting will commence in 2014 and they are programmed to be completed by Financial Year 2015/16 as shown in Table 1 and Figure 3.

**Table 1 Program of Land Clearing and Planting in PT Tekukur Indah**

No.	Financial Year	Land Clearing (ha)	Planting (ha)	Remarks
1	2014/15	1,300	1,000	Inti + KKPA
2	2015/16	1,305	1,605	Inti + KKPA
	<b>Total</b>	<b>2,605</b>	<b>2,605</b>	

Note: 1. Parent Co. (Inti) = 2,060 Ha; 2. Plasma/KKPA (Smallholders) = 545 Ha.

### 1.3. Assessment process and procedures (for SEI Assessment):

#### - SEIA Assessors and their credentials

Documents of Environmental Management and Environmental Monitoring Efforts were prepared by PT Integral Multi Talenta, a consulting firm for Environmental Document Preparation Services that have been registered competencies, as EIA Constituent Services Provider Body (LPJP AMDAL) and Registered in the Ministry of Environment with No. 0033/LPJ/EIA-1/LRK/KLH. The composition team is:

No.	Name	Competencies Registered Number	Remark of Competencies
1	Suyoto	000915/SKPA-P1/LSK-INTAKINDO//VIII/2013 dated 31 August 2013	Team Leader of SEIA Constituent
2	Ir. Sulaeman MP	000841/SKPA-P1/LSK-INTAKINDO/III/2013 dated 19 August 2013	Team Leader of SEIA Constituent
3	Fachruddin Awari ST M.Msi	001030/SKPA-P1/LSK-INTAKINDO/XI/2013 dated 26 November 2013	Team Leader of SEIA Constituent
4	Agus Nurhadi Irawan S.Hut	001077/SKPA-P1/LSK-INTAKINDO/XII/2013 dated 03 December 2014	Team Leader of SEIA Constituent
5	Ir. Andi Yusuf, MP	001076/SKPA-P1/LSK-INTAKINDO/XII/2013 dated 03 December 2015	Team Leader of SEIA Constituent
6	Dr. Rivia Gina Rahmawaty	-	Member Team
7	Febriyanto Mauldansyah S.Hut	-	Member Team

#### - SIA Assessors and their credentials

The team members consist of:

1. Andri Novi ([andri.novi@aksenta.com](mailto:andri.novi@aksenta.com)) holds a Bachelor of Literature from University of Padjadjaran majoring in cultural sciences, literature and linguistics. He has experience in the field of Participatory Action Research and Community Development and was a Regional Development Capacity Building & Training Expert for the National Community Empowerment

Program (PNPM). He has done Social Impact Assessment in some oil palm plantation companies in Indonesia and in 2010 received approval from RSPO as a Discipline Specialist for the study of HCV in the social and cultural fields (HCV 5 & 6). His role in this assessment is to study social impacts.

2. Sabeni ([sabeni@aksenta.com](mailto:sabeni@aksenta.com)), graduated in Forestry from Bogor Agricultural Institute. He has gained a lot of work experience related to environment, forestry and natural resources. His interest is towards social development of community especially in empowering community. He also gained expertise in the field of social-conservation dan participative decision making. He has a lot of experience in conducting social analysis in forestry sector and currently he is in the process of obtaining RSPO accreditation as Discipline Specialist. In this assessment, he conducts study on social institutions and policies.
3. Miranti Magetsari ([aget@aksenta.com](mailto:aget@aksenta.com)), graduated from Bandung Institute of Technology, Physics Department, Faculty of Mathematics and Natural Sciences. Has attended relevant training in ISO 14001 Environmental Management System, OHSAS 18001 in Management and Occupational Health and Safety Management system certification. She is also involved in ISCC audit and has a lot of experience in conducting SIA and HCV assessments for oil palm and HTI in Indonesia. In this assessment, she is the team leader.

- *Social Impact Assessment methods*

SIA assessment was conducted simultaneously with HCV assessment focusing on villages surrounding concession area of PT TI from 28<sup>th</sup> January 2013 – 1<sup>st</sup> February 2013. Stages of SIA assessment included:

- a. Desktop study prior to field assessment
- b. Field assessment: field data collection
- c. Data analysis and synthesis: identification of key stakeholders, key social issues, main social impacts, main social risks.

Data collection method was conducted through a rapid social assessment method which includes a combination of methods or techniques of:

- a. Secondary data reviews
- b. Open dialogue through Focus Group Discussion (FGD)
- c. Participatory mapping
- d. Field observations
- e. Semi-structured interviews and in-depth interviews
- f. Triangulation

The methods used to analyze social impacts and risks were qualitative using the tools of sustainable livelihood, RSPO Principles and Criteria, FPIC principles, national laws and regulations and other applicable standards.

- *Stakeholder consultation*

Early public consultation was conducted during SEIA in order to obtain feedback from the various relevant stakeholders prior to land acquisition and land compensation in line with Free Prior Informed Consent (FPIC) process.

Another round of public consultation was conducted by Aksenta on 1<sup>st</sup> February 2013 and was attended by 44 stakeholders who included employees of PT TI, leaders of cooperatives (KKPA), community leaders, village chiefs, district representatives, and government agencies.

#### **1.4. Summary of assessment findings for SEIA Assessment (UKL-UPL)**

1. Local communities are generally positive towards the development of their land by PT TI.
2. There is an expectation of job opportunity for local communities around the area to be developed by PT TI.
3. There is a concern of negative environmental impacts as a result of development like air quality, safety and health, noise, soil erosion, sedimentation and quality of surface water.

#### **1.5. Summary of assessment findings for Social Impact Assessment**

1. Majority of Labanan community, accepts the presence of PT TI as indicated by their willingness to sell their un-utilized land to be converted into productive land.
2. The development of PT TI has the potential to promote economic growth of surrounding villages.
3. PT TI has to ensure that the issue between the community and Cooperative Laba Sari is settled with BPN.
4. Of the four villages, village Dusun Siduung Muara is most susceptible to negative impacts of land clearing.
5. Farmers of Daerah Penjaringan (paddy planting using irrigation from surrounding rivers) are concerned that planting of oil palms will affect the water level of River Loangban and Lapungga and thus causing the paddy field to dry out.

## **2. SUMMARY FROM HCV ASSESSMENT(S):**

### **2.1. Executive Summary**

PT TI has conducted Social Environmental Impact Assessment (SEIA) or UKL-UPL, High Conservation Value (HCV) Assessment and Social Impact Assessment (SIA) in compliance with RSPO Criteria 7.1 and 7.3 on new planting.

The area of PT TI undergoing New Planting Procedures is 2,911 hectares (ha) as indicated in the Location Permit (Izin Lokasi) No.108 dated 1st March 2012 and is renewed in April 2014 (No. 297). It is situated in sub-district of Teluk Bayur, Berau District. In addition, the company has also obtained Plantation Business Permit (IUP-B) No. 405/2014 dated 10 June 2014 from the Regent of Berau, stating that the acquired area is 2,888 ha, of which 2,060 ha is for parent company (Inti), 283 ha is allocated for river riparian and 545 ha for smallholder scheme (Plasma).

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HCV & SIA assessments were conducted by Aksenta and reports were completed in June 2013 and May 2013, respectively. All the HCV members who conducted the HCV assessment are RSPO-approved assessors.

The SEIA and HCV assessment reports clearly indicated that PT TI:

- is not situated in primary forest

- has no peat soil
- is not a protected area

## 2.2. Assessment process and procedures (for HCV Assessment)

### - *Assessors and their credentials*

The HCV assessment of PT TI was conducted by Aksenta with its office located at Jl Gandaria VIII/10, Kebayoran Baru, Jakarta 12130, (Tel/Fax: +6221739-6518, Email: [aksenta@aksenta.com](mailto:aksenta@aksenta.com)).

The team of assessors who conducted the study has been approved by the RSPO. Its team members are:

#### 1. Pupung Firman Nurwatha ([pupung@aksenta.com](mailto:pupung@aksenta.com)) -Team Leader

Has a Bachelor in Biology from University of Padjadjaran University. He has experience in wildlife research since 1990, skilled at conducting community-based biodiversity assessment and manages a group of wildlife conservationists. He undergoes various training including Fieldwork Techniques for Conservational Expeditions in 2002 in London. He has experience in conducting studies of HCV in the plantation sector and is a RSPO-approved assessor specialising in HCV 1, 2 and 3.

#### 2. Robert Horaliman Sinaga ([rohansinaga@aksenta.com](mailto:rohansinaga@aksenta.com))

Has a science degree in Applied Meteorology from Faculty of Mathematics and Natural Science, Bogor Agricultural University (IPB). He has experience in GIS and Remote Sensing technique in Biology Conservation and land use issues. He has conducted research in radiation quantities in energy uses in the forest using GIS techniques and Remote Sensing. In this assessment, his role is to identify HCV 4 and carry out HCV mapping. He is RSPO-approved HCV assessor specializing in ecosystem services of HCV 4.

#### 3. Muayat Ali Muhshi ([muayat@aksenta.com](mailto:muayat@aksenta.com))

He graduated from the Faculty of Forestry Graduated from Bogor Agricultural University (IPB) – Bogor majoring in Forest Resources Conservation. He was a researcher at WALHI and is a editor of a book entitled “Peran HPH dalam Pembangunan Ekonomi Regional Kaltim” (Walhi and World Resources Institute, 1990-1991). He is also a coordinator in Forestry Program in Pelangi Indonesia Foundation and is doing a study on: “Integrasi Bina Desa dalam Kerangka Pengelolaan KPHP” supported by ODA – in cooperation with Ministry of Forestry – UK Tropical Forestry Management Program. He has experience in social and HCV studies in oil palm and forestry sectors and is RSPO-approved assessor. In this HCV study, he serves as HCV 5 & 6 assessor.

#### 4. Risa Desiana Syarif ([risa@aksenta.com](mailto:risa@aksenta.com))

Holds a degree in forestry from Agricultural Institute of Bogor. Experience in analysis of remote sensing and GIS data. In this study, she focuses on spatial analysis and mapping of HCV area.

### - *Assessment methods (Data sources, data collection, dates, programme, places visited)*

HCV assessments were using HCVF Toolkit (Proforest, 2003) dan Good Practice Guidelines for High Conservation Value Assessment; A Practical Guide or Practitioners and Auditors (Pro Forest, 2008) as reference.

The HCV assessment team consists of specialists in the area of biodiversity, environmental services, social and cultural and supported by a GIS expert. Identification of HCV is generally

done through a series of stages from pre-assessment (desk study), field survey to analysis and interpretation of final results. During the field assessment which is conducted from 28/1-2/2/2013, the HCV assessors were accompanied by staff of PT TI who are knowledgeable of physical and social environments in the area under study. In addition to making observations in the field, the team also collected Information from the local community in the villages of Labanan and other surrounding locations by ways of individual interviews, focus group discussions (FGD), participative mapping as well as public consultations. The team also performed confirmation and cross-check findings through purposive sampling ie cross-check with community leaders and stakeholders surrounding concession area. Definition and scope of HCV assessment used in the oil palm sector is still very much based on HCV concept applied in the forestry sector. For the purpose of this assessment, HCV Toolkits (2003, 2008) of the Proforest were used but reference is also made to Guidance of Indonesian HCV Toolkit 2008. Other references used that are relevant in the assessment also include IUCN, CITES and other relevant guidelines/regulations in Indonesia.

- *Stakeholder consultation (stakeholders contacted, consultation notices and dates)*

Early public consultation was conducted during SEIA in order to obtain feedback from the various relevant stakeholders prior to land acquisition and land compensation in line with Free Prior Informed Consent (FPIC) process.

Another round of public consultation was conducted by Aksenta on 1<sup>st</sup> February 2013 and was attended by 44 stakeholders who included employees of PT TI, leaders of cooperatives (KKPA), community leaders, village chiefs, district representatives, and government agencies.

### 2.3. Summary of assessment findings (for HCV Assessment)

The results of the HCV study showed that there are 2 types of HCV found in PT TI concession area. They are HCV 1 (species diversity) and HCV 4 (ecosystem services). HCV 2 (landscape-level ecosystem), HCV 3 (ecosystems and habitats), HCV 5 (community needs) and HCV 6 (cultural values) were not found. The total HCV area identifies is 129.7 ha or 4.5% of Location Permit of 2,991 ha.

- Element of HCV 1 covers threatened and endangered species like proboscis monkey (*Nasalis larvatus*), gibbon (*Hylobates muelleri*), pangolin (*Manis javanica*), otter civet (*Cynogale bennettii*) and flat-headed cat (*Prionailurus planiceps*).
- Element of HCV 4.1 (as vital water catchment areas) involves flood banks of river like Sungai Segah, Sungai Seduung, Sungai Lapungan, Sungai Niram, Sungai Longban, Sungai Semuda Kira and Sungai Semuda Kanan. Banks of Sungai Lapungan and Sungai Tahap serves as areas of erosion and sedimentation control (HCV 4.2).
- HCV 4.3 was not found in PT TI.

**Table 2 Summary of HCV Findings in Location Permit of PT Tekukur Indah**

Index	Element HCV	Area (Ha)	Description
1	1.2,1.3,1.4,4.1	14.9	Area along riparian of Sungai Siduung (100 m wide).The area is still covered by riparian forest which serves as a wide flood plain.
2	1.2,1.3,1.4, 4.1	20.2	Area along riparian of Sungai Lapungan (50m wide). Some of this area is still covered by riparian forest which serves as a flood plain.
3	1.2,1.3,1.4, 4.1	8.9	Area along riparian of Sungai Niram (50m wide). Serves as flood plain and tree canopy is still closed
4	1.2,1.3,1.4, 4.1	13.8	Area along riparian of Sungai Longban (50m wide). A large part of the riparian is still covered by fragmented forest and scrubs.

5	1.2,1.3,1.4, 4.1	26.6	Areas along riparian Sungai Segah (100 m) in the north of Location permit.
6	1.2,1.3,1.4, 4.1	16.8	Area along riparian of Sungai Semuda Kanan (50 m wide). A large part of the riparian is still covered by fragmented forest and the lower portion of the river. Encountered Proboscis monkey ( <i>Nasalis larvatus</i> ), weasel ( <i>Cynogale bennettii</i> ), beaver ( <i>Aonyx cinerea</i> , <i>Lutra perspicillata</i> ) and terrapin ( <i>Amyda cartilaginea</i> ).
7	1.2,1.3,1.4, 4.1	17.0	Area along riparian of Sungai Semuda Kiri (50m wide). A large part of the riparian is still covered by fragmented forest on the lower portion of the river. Encountered proboscis monkey, weasel, beaver and terrapin.
8	4.1, 4.2	2.6	Area along stream of Sungai Lapungan which serves as water source for irrigation.
9	4.2	8.9	Area along stream of Sungai Tahap (20m wide).
Total HCV area (Ha)		129.7	
Total area PT TI (Ha)		2,911.0	
% HCV area		4.5	

Some threats to HCV inside concession areas of PT TI, both actual and potential, have been identified as follow:

1. Illegal land clearing by community especially along river banks can potentially harm HCV 4.
2. Development activities of KKPA (plasma) scheme surrounding PT TI can potentially jeopardize HCV areas.
3. Game hunting of wildlife eg pangolin, gibbon, otter, etc.
4. Land clearing by burning especially during drought season.
5. Land development by contractors who do not comply with company standard operating procedures in safeguarding HCVs areas.

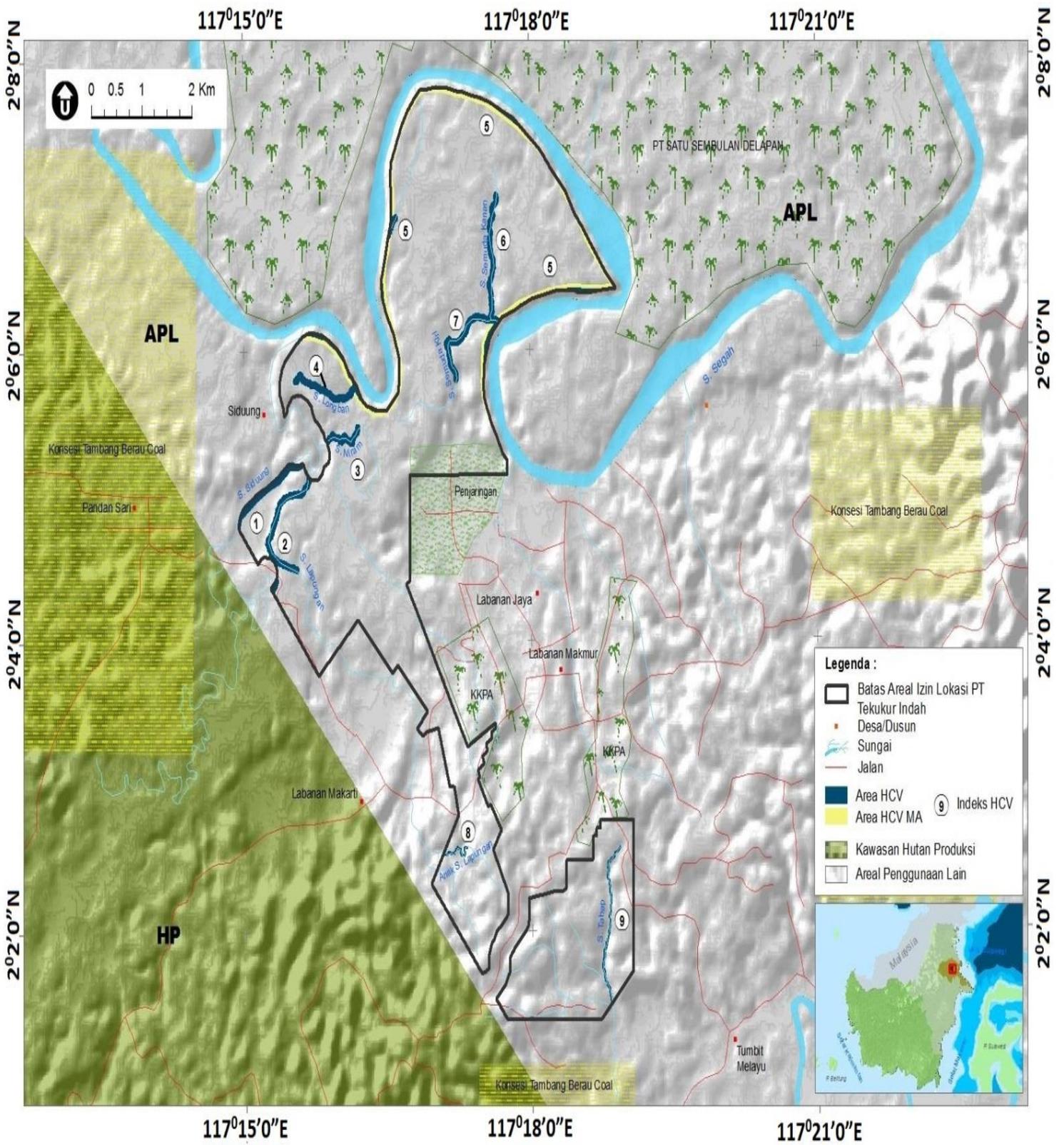


Figure.4 Map indicating HCV Areas as indicated by Index 1-9 (Table 2)

Evidences of Free, Prior and Informed Consent of Land compensation (Ganti Rugi) from community affected (villagers) by the development of the concession, PT TI has completely shown the all documents of ceding land. Total 1,615.82 Ha (776 land owners) has been compensated since 2012 – 2014. The compensation details as following:

**Table 3 Compensation of Ceding Land 2012 - 2014**

No	Village	Ha	Land Owner
1	Labanan Jaya	1,123.63	554
2	Labanan Makmur	98.68	46
3	Labanan Makarti	393.51	176
<b>Total Compensation</b>		<b>1,615.82</b>	<b>776</b>

### 3. SUMMARY OF PLANS:

#### 3.1. Executive Summary

PT Tekukur Indah (TI), is an oil palm company located in Berau District, East Kalimantan Province. It is owned by Batu Kawan Berhad and managed by Kuala Lumpur Berhad who is a member of RSPO.

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- has no peat soil
- is not a protected area

The results of the HCV study showed that there are 2 types of HCV found in PT TI concession area. They are HCV 1 (species diversity) and HCV 4 (ecosystem services). HCV 2 (landscape-level ecosystem), HCV 3 (ecosystems and habitats), HCV 5 (community needs) and HCV 6 (cultural values) were not found. The total HCV area identifies is 129.7 ha or 4.5% of Location Permit of 2,991 ha.

- Element of HCV 1 covers threatened and endangered species like proboscis monkey (*Nasalis larvatus*), gibbon (*Hylobates muelleri*), pangolin (*Manis javanica*), otter civet (*Cynogale bennettii*) and flat-headed cat (*Prionailurus planiceps*).
- Element of HCV 4.1 (as vital water catchment areas) involves flood banks of river like Sungai Segah, Sungai Seduung, Sungai Lapungan, Sungai Niram, Sungai Longban, Sungai Semuda Kira and Sungai Semuda Kanan. Banks of Sungai Lapungan and Sungai Tahap serves as areas of erosion and sedimentation control (HCV 4.2).
- HCV 4.3 was not found in PT TI.

The Social Impact Assessment study indicated that there is a potential significant impacts towards the local communities due to the presence of PT TI. The immediate positive impact is the recruitment of local workers to participate in plantation development activities such as land clearing and planting. Another potential positive impact is the proposed implementation of Corporate Social Responsible (CSR) activities by PT TI for local communities. A negative impact cited in the study is the impact of clearing land has on the surrounding areas. For this reason, a plan to mitigate these potential impacts will be implemented by PT TI to comply with SEIA/SIA Management and Mitigation Plan which is another separate report submitted to RSPO under NPP.

From the Social Environmental Impact Assessment (SEIA) study conducted, it can be concluded that there are potential environmental impacts caused by development activities of PT TI.

The possible environmental and social impacts that can occur in this project can be divided into 4 phases, Pre-development, Land Development, Operational and Post Development stages. These potential impacts on the local community can be broadly summarized as follow: deterioration of air and water quality, increase in noise level, increase in surface run-off, increase in erosion and sedimentation. Mitigation and Management Plan (a separate report to RSPO) have been drawn up to minimize these potential impacts.

### 3.2. Reference Documents

- List of assessment reports
  - Report of Social Environmental Impact Assessment (UKL-UPL) for PT Tekukur Indah by Integral Multi Talenta approved by Regent of Berau on 20 March 2014.
  - Report of HCV Assessment for PT Tekukur Indah by Aksenta dated June 2013.
  - Report of SIA for PT Tekukur Indah by Aksenta in May 2013.
- List of Legal documents and regulatory permits and Property Deeds

No	Document	No & Date	Issued by	Remark
1	Location Permit/Izin Lokasi	No. 108 Year 2012, dated March 1st,	Regent Berau	Renewed: No. 297 dated 28 April 2014.

No	Document	No & Date	Issued by	Remark
		2012		Area: 2,991 Ha
2	Plantation Business Permit/IUP-B	No. 405 Year 2014, dated 10 June 2014	Regent Berau	Area: 2,888 Ha
3	Social Environmental Impact Assessment (UKL-UPL)	No. 196 Year 2014, dated 20 March 2014	Regent Berau	Coverage Area: 2,991 Ha
4	Environmental Permit/UKL-UPL	No. 197 Year 2014, dated 20 March 2014	Regent Berau	Coverage Area: 2,991 Ha
5	Company Registration (Tanda Daftar Perusahaan Perseroan Terbatas)	No. 170414500222 dated 14 March 2012	Board of Integrated Licensing Services (BPPT), Pemerintah Kabupaten Berau.	
6	Taxpayer Notification No. (NPWP)	No. 02.033.765.5-727.000	Department of Taxation	-
7	Company Deeds / Akta Pendirian Perusahaan	Akta No.31 dated 18 January 2007	Notary Sony Thio,SH	-
8	Approval Company Deeds / Pengesahan Akta Pendirian	SK Kemenkumham No.13-00165HT.01.01-TH.2007	Ministry of Justice and Human Rights	-

### 3.3. SEIA and HCV Management & Planning Personnel

#### - Organisational information and contact persons

Company Name	PT TEKUKUR INDAH
Parent Company	BATU KAWAN Berhad
Address	Jl. Tekukur Indah, RT.07 Kampung Labanan Jaya, Kecamatan Teluk Bayur, Kabupaten Berau – 77352, Kalimantan Timur, INDONESIA
Office Contact No.	+62-554-25377
KL-Kepong Berhad RSPO Membership No.	1-0014-04-000-0
Person-In Charge	Hj Bakri Jamaluddin
Email	<a href="mailto:bakri.j@klk.com.my">bakri.j@klk.com.my</a>
Position	Production Director
Capital Status	PMA (Foreign Investment Company)
Taxpayer No. (NPWP)	02.033.765.5-727.000
Status Concession Area	Location Permit/Izin Lokasi (No. 108 Year 2012, dated March 1st, 2012) Plantation Business Permit/IUP-B (No. 405 Year 2014, dated 10 June 2014) Environmental Permit/UKL-UPL (No. 197 Year 2014, dated 20 March 2014)
New Planting Area	± 2,888 Ha (based on Plantation Permit)

- Personnel involved in planning and implementation

Those involved in the planning and implementation will be the Production Director, Estate Manager, Human Resources Manager and Sustainability personnel.

- Stakeholders to be involved.

Early public consultation was conducted during SEIA in order to obtain feedback from the various relevant stakeholders prior to land acquisition and land compensation in line with Free Prior Informed Consent (FPIC) process.

Another round of public consultation was conducted by Aksenta on 1<sup>st</sup> February 2013 and was attended by 44 stakeholders who included employees of PT TI, leaders of cooperatives (KKPA), community leaders, village chiefs, district representatives, and government agencies.

The list of stakeholders is shown in Table below.

**Table 4 List of Key Stakeholders of PT Tekukur Indah**

<b>Statutory Body</b>	<b>Contact and Address</b>	<b>Telephone</b>
BPJS Ketenagakerjaan, Berau	Ibu Helen, Jl.H.Isa III No.89	HP: 085247532898 Tel: 0554-21976
Disnakertrans,Berau	Bpk Yossy, Jl. Dr Murjani No.96, Tj Redeb	HP: 085250957651 Tel: 0554-21139
Dinas Perkebunan, Berau	Bpk Yulianto, Jl Dr. Murjani No.82	Tel: 0554-21139
Badan Lingkungan Hidup Berau	Bpk Zulkifi, Jl APT,PranotoNo.10,Tj Redeb	HP: 0811594395 Tel: 055421157
Dinas Pemadam Kebakaran	Bpk Darno, Jl. Pemuda, Tj Redeb	HP: 081346257917 Tel: 0554-22525
Dinas Kehutanan Berau	Bpk Warista, Jl. Pulau Sambit, Tj Redeb	HP: 082254400543 Tel: 0554-22012
Diskoperindag Berau	Bpk Warsita, Jl. Dr.Murjani,Tg Redeb	Tel: 0554-21026
RS.Pemda Berau “Abdul Rival”	Jl.Pulau Panjang Tg Redeb,77311	0554-21098
Puskesmas	Bpk Aceng	081250317500
Pospol Labanan	Bpk Dirman	081350773828
Polres Berau	Jl.Pemuda, No.673, Tj Redeb, Berau	0554-21414
<b>Local Community/Villages</b>	<b>Contact and Address</b>	<b>Telephone</b>
Kantor Kecamatan Teluk Bayur	Hj.Siti Hasanah,SE	08125401670
Kepala Kampung Labanan Jaya	Rahmat Kholis	081252003870
Kepala Kampung Labanan Makmur	Nasori	085250317500
Kepala Kampung Labanan Makarti	Mudawi	081258497754
Tokoh Masyarakat	Eko Wiyono	08125422207
<b>Contractors of Land Clearing</b>	<b>Contact and Address</b>	<b>Telephone</b>
PT MJA	Bpk Supriadi,ST, Jl Marsma Iswahyudi Rinding, Teluk Bayur	0811763334
<b>Non Government Organisation</b>	<b>Contact and Address</b>	<b>Telephone</b>
The Nature Conservancy (TNC)	Jl. Cempaka 2, No.7, RT.7 Tj Redeb, Berau	0554-23388

### 3.4. Summary of Management and Mitigations Plans (SEIA)

Findings of SIA and SEIA studies showed that there are potential negative impacts on local community due to the development of PT TI. For this reason a Management and Mitigation Plans in accordance with SEIA & SIA is drawn up to prevent or mitigate the impacts.

**Table 5 Social Management and Mitigation Plans of PT Tekukur Indah**

No	Objective	Activity	Monitoring	Person in-Charge
1	To hold periodic meeting with relevant to foster communication.	<ol style="list-style-type: none"> <li>To conduct initial socialization on land acquisition and compensation with local community.</li> <li>To conduct more intensive communication with local community through social activities like sports, religious functions etc.</li> <li>Settle land issue between Lahan Usaha (Transmigration land), Laba Sari Koperasi and National Land Body (BPN).</li> <li>To give local priority over outsiders on employment.</li> <li>To provide villages information regarding job opportunity</li> </ol>	<p>2013 –Done</p> <p>1x6 month</p> <p>1x 6 month from 2014-2015</p> <p>1x3 month</p> <p>1x3 month</p>	<p>Pak Damin; Consultant SEIA; Humas</p> <p>Manager, TI; Humas</p> <p>Manager, TI; Humas</p> <p>Manager, TI; Humas</p> <p>Manager, TI; Humas</p>
2	To identify stakeholders	<ol style="list-style-type: none"> <li>To identify and map relevant stakeholders.</li> <li>To identify new stakeholders</li> <li>To communicate regularly with stakeholders pertaining to company's policies</li> </ol>	<p>2014-Done</p> <p>1x12 month</p> <p>1x12 month</p>	<p>Manager, TI; Humas</p>
3	To implement Corporate Social Responsibility (CSR)	<ol style="list-style-type: none"> <li>To identify local needs through consultation</li> <li>To implement CSR based on CSR program</li> </ol>	<p>1x12 month</p>	<p>Production Director; Manager, TI; Humas</p>
4	To provide basic amenities to workers and upgrade public facilities	<ol style="list-style-type: none"> <li>To identify specific needs through consultation</li> <li>To provide basic needs to workers and community within the means of the company.</li> </ol>	<p>1x12 month</p>	<p>Production Director; Manager, TI; Humas</p>
5	To communicate with contractors & the community prior to land clearing	<ol style="list-style-type: none"> <li>To communicate with the community on potential negative impacts like noise, water and air pollutions prior to land clearing</li> <li>To closely supervise land clearing by contractors to ensure Good Agricultural Practices is adhered to.</li> </ol>	<p>Until land clearing is completed</p>	<p>Manager, TI; Humas</p>
6	To monitor & evaluate environment	<ol style="list-style-type: none"> <li>To conduct activities in line with requirements of SEIA (UKL-UPL)</li> <li>To send water and soil</li> </ol>	<p>1x1 month</p>	<p>Manager, TI; Humas; Sustainability Team</p>

No	Objective	Activity	Monitoring	Person in-Charge
		<ul style="list-style-type: none"> <li>3. To conduct air-quality test</li> <li>4. To evaluate test results of water, air and soil samples</li> <li>5. To carry out corrective measures based on test results</li> </ul>	Frequency in compliance with SEIA	
7	To prepare report as per requirements of SEIA	To prepare reports and submit to Environmental Department on a periodical basis	1x6 month	Manager, TI; Sustainability Team

### 3.5. Summary of Management and Mitigations Plans (HCV)

The development of HCV management and mitigation plans is based on results of HCV assessment reports which is conducted by Aksenta and are summarized in Table 6.

**Table 6 HCV Management and Mitigation Plans of PT Tekukur Indah**

No	Objective	Activity	Monitoring	Person in-Charge
1	To protect endangered and vulnerable species	<ul style="list-style-type: none"> <li>1. To identify and map the presence or spread of 5 endangered species: proboscis monkey, bornean gibbon, pangolin, otter civet, flat-headed cat and 7 vulnerable species: bornean slow loris, sun bear, marbled cat, pig-tailed macaque, small clawed otter, smooth-coated otter &amp; bearded pig</li> <li>2. To conduct survey on endangered &amp; vulnerable species</li> <li>3. To conduct socialisation to local community on the importance of endangered and vulnerable species</li> </ul>	<p>1x3 month</p> <p>1x 3 month</p> <p>Annually - 1x12 month</p>	Manager, TI; Humas; Sustainability team
2	To protect habitat of endangered & vulnerable species	<ul style="list-style-type: none"> <li>1. To monitor HCV areas to ensure that they are rehabilitated and protected in terms of vegetative coverage and land use</li> <li>2. To conduct socialization to local community on the importance of protecting endangered and vulnerable species and their habitats.</li> </ul>	<p>Annually - 1x12 month</p> <p>Annually - 1x12 month</p>	Manager, TI; Humas; Sustainability team
3	To protect protected species and prevent illegal hunting.	<ul style="list-style-type: none"> <li>1. To socialize to own workers and local community on "No Hunting" policy.</li> <li>2. To put up appropriate signboards related to no-hunting policy.</li> <li>3. To identify and patrol areas prone to illegal hunting.</li> </ul>	<p>Annually - 1x12 month</p> <p>Before commencement of land clearing</p> <p>1x1 month</p>	Manager, TI; Humas; Sustainability team

No	Objective	Activity	Monitoring	Person in-Charge
		4. To monitor & record number of cases of illegal hunting and inform relevant authorities. 5. To facilitate and create awareness among workers and local community on the importance of protecting protected species by returning captured species to relevant authority.	Whenever there are cases  Whenever there are cases	Manager, TI;
4	To minimize soil erosion in HCV areas and protect riparian.	1. To demarcate HCV and riparian areas and erect appropriate sign ages. 2. To closely supervise land clearing contractors. 3. To adopt Good Agricultural Practices (GAP) on New Planting. 4. To monitor areas prone to erosion and take corrective measures as per GAP. 5. To clean up rivers of debris and other obstacles that can hinder free flow of water.	Before commencement of land clearing.  Before commencement of land clearing.  To conduct regular supervision.	Manager, TI;
5	SOP, HCV training and monitoring checklist	1. To ensure that SOP on management of HCV is available and reviewed if and when necessary 2. To conduct HCV training on a regular basis 3. To build capacity & human resources related to HCV. 4. To use standardized forms for monitoring related to HCV	If and when necessary  1x12 month  Ongoing process  Available and will be implemented	Sustainability team

#### 4. VERIFICATION STATEMENT:

PT TEKUKUR INDAH opted for document audit. Two (2) Mutuagung Lestari auditors have conducted desk study at their site office in Berau Regency, Kalimantan Timur from 13<sup>th</sup> - 15<sup>th</sup> August 2014; and also held interviews with the management representatives of PT TEKUKUR INDAH during the verification. The auditor teams are: Y. Wisnu Rahmanto (Legal and Social Aspect), Nanang Mualib (HCV and SEIA Aspect).

The SEIA (AMDAL) was conducted by the government-accredited consultant whereas the SIA and HCV assessments were conducted by RSPO-approved assessors. Therefore PT TEKUKUR INDAH has adhered to RSPO New Planting Procedure.

Submission of new planting area PT TEKUKUR INDAH is covering 2,888 Ha and there is no activity was commenced are identified. Documents of the assessments process and the content of the plan are comprehensive, of professional quality and in compliance with relevant RSPO Principles, Criteria and Indicators. In relation with the process and action steps for inclusion of Criterion 7.8, carbon

assessment (including identification, calculation and estimation) of PT TEKUKUR INDAH is being progress and will be submitted to ERWG via RSPO Secretariat before 31<sup>st</sup> December 2014.

Signed on behalf of,

PT MUTUAGUNG LESTARI

PT TEKUKUR INDAH



**Y. WISNU RAHMANTO**

Lead Auditor  
18<sup>th</sup> September 2014



**STEPHEN TIONG MEE ING**

Development Director Sustainability Indonesia  
18<sup>th</sup> September 2014