



Roundtable on Sustainable Palm Oil

## RSPO NOTIFICATION OF PROPOSED NEW PLANTING

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

**Date of notification: 22<sup>nd</sup> – December - 2014**

Tick whichever is appropriate

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

**COMPANY : PT SURYA SAWIT SEJATI under management UNITED PLANTATIONS BERHAD**

**SUBSIDIARY (If any) : -**

**RSPO Membership Number : 1-0004-04-000-00 (July 19<sup>th</sup>, 2004)**

**Location of proposed new planting**

- Company Name : PT. SURYA SAWIT SEJATI
- Location : Village of Kumai Hulu (Sub-District of Kumai), District of Kotawaringin Barat, Province of Kalimantan Tengah – INDONESIA.
- Geographical location : Kumai Estate:

Area	Lon (East)	Lat (South)
Sungai Pulau, Kumai	111° 49' 15.48" - 111° 52' 55.07"	02° 35' 28.74" - 02° 39' 34.91"

- Surrounding Entities : **Kumai Estate (Sub-District Pangkalan Banteng, Sub-District Kumai):**  
 North: Palm Oil Plantation Company (PT Gunung Sejahtera Puti Pesona)  
 East: Palm Oil Plantation Company (PT Wana Sawit Subur Lestari)  
 South: Palm Oil Plantation Company (PT Bumi Langgeng Perdanatrada)  
 West: Kumai River

- New Planting Area : 1,092.49 Ha (within 3,157.29 Ha based on Location Permit SK Bupati Kotawaringin Barat No. 525/102/XI/2013, dated 14 November 2013). This whole area is allocated for scheme Smallholder's (Plasma).

## 1. SUMMARY FROM SEI ASSESSMENTS:

### 1.1. Executive Summary:

The legal status of PT SSS operational area included by the SEI assessment (ANDAL) is currently Location Permit, which was authorised through West Kotawaringin District Head Decree No. 525/102/XI/2013 on Granting of Location Permit to PT Surya Sawit Sejati for Oil Palm Plantation dated 14 November 2013 and will expire in 2016. Such concession size, based on the district head decree, is  $\pm$  3,157.29 hectares for plasma plantation development and conservation area. This status of the assessment area authorisation has been subject to several amendments and period extensions since 2007. Chronology of the company's operational area legal status is shown in detail by **Table 2.1**.

**Table 2.1** PT SSS operational area's legal statuses

No.	Decree No.	On	Decree Issuance Date	Effective Period	Area (ha)
1	659.480.42/BPN/IV/2007	PT Sawit Seberang Seberang Location Permit in Kumai and Pangkalan Banteng Sub-Districts.	9 April 2007	2007 - 2010	12,000
2	660.480.42/BPN/IV/2007	PT Sawit Seberang Seberang Location Permit Concession in South Arut Sub-District territory.	9 April 2007	2007 - 2010	8,000
3	525/102/I/2010	Amendment to PT Sawit Seberang Seberang Location Permit in Kumai and Pangkalan Banteng Sub-Districts territories.	27 January 2010	2010 - 2011	8,525
4	525/103/I/2010	Amendment to PT Sawit Seberang Seberang in South Arut Sub-Districts territories.	27 January 2010	2010 - 2011	7,410
5	525/45/I/2011	Extension to PT Sawit Seberang Seberang Location Permit in Kumai and Pangkalan Banteng Sub-Districts.	27 January 2011	2011 - 2012	8,525
6	525/46/I/2011	Extension to PT Sawit Seberang-Seberang Location Permit in South Arut Sub-District.	27 January 2011	2011 - 2012	7,410
7	525/102/XI/2013	PT Sawit Surya Sejati Location Permit in South Arut, Pangkalan Lada, Pangkalan Banteng and	14 November 2013	2013 - 2016	3,157.29

No.	Decree No.	On	Decree Issuance Date	Effective Period	Area (ha)
		Kumai Sub-Districts.			

Out of the total area of the Location Permit concession (3,157.29 hectares) there were areas of State Conversion Production Forest (HPK) status ( $\pm$  239.42 hectares) and Production Forest (HP) status ( $\pm$  77.88 hectares) based on Minister of Forestry Decree No. SK.529/Menhut-II/2012. Taking into account the Technical Consideration Letter No. 522.1/459/1.2/XII/2013 from West Kotawaringin District Forestry Office Head dated 20 December 2013, PT SSS then submitted a proposal to the Ministry of Forestry, backed by West Kotawaringin Sub-District Head Letter No. 522/50/Pem-V/2014 dated 9 May 2014 on Recommendation for the Removal of PT Surya Sawit Sejati HPK Concession of  $\pm$  239.43 hectares. As for the HP concession in the Location Permit concession, PT SSS submitted an application letter supported by West Kotawaringin District Letter No. 522/48/Pem-V/2014 dated 9 May 2014 on Recommendation for Forest Area Exchange of PT Surya Sawit Sejati HP Concession ( $\pm$ 77.88 hectares).

In addition to PT SSS Location Permit concession, the HCV assessment scope also includes the community plantation expansion plan to enter partnership scheme cooperation. The community plantation expansion plan has been demanded by the community in order to participate in partnership scheme with PT SSS.

The company's Location Permit Concession is located outside Primary Forest and Peatland Moratorium Territory. The nearest moratorium area is a peatland 3 km to the west and northeast of Arut Estate, and a Mangrove Primary Forest area located several hundred meters to the west of Kumai Estate.

PT SSS has been authorized with Plantation Business License (IUP-B) No. IUP-B/525/018/Ek dated 18 July 2014. The company has carried out no operational activities in the Location Permit concession (e.g. land clearing and oil palm planting) since 2008 until the issuance of the licence. Operational activities conducted in the assessment area are harvesting and maintenance in 2007-2008 planting area of 523.6 hectares in Arut Estate and in 2008-2009 planting area of 420 hectares in Kumai Estate. Some parts of the area of partnership scheme plantation expansion plan have been land-cleared and planting by the smallholding community members whose lands have been proposed to become the expansion area. No exact data, however, has been gained on the land clearing and planting area size.

Environmental feasibility study has been conducted for the preceding company, PT Surya Sawit Sejati based on an Environmental Impact Assessment (ANDAL) having been authorized through District Head Decree No. 660/19/BLH/XII/2013 dated 23 December 2013 ( $\pm$  3,157.29 hectares) and No. 660/15/BLH.III/VI/2014 dated 11 June 2014 ( $\pm$  204.49 hectares) on Authorisation of Environmental Feasibility for Oil Palm Plantation and Mill Development Activities in Kumai and Pangkalan Banteng Sub-District, West Kotawaringin District, and dated the same for the parts in South Arut and Pangkalan Lada Sub-Districts, West Kotawaringin District.

## 1.2. Scope of the SEIA and SIA Assessments:

### Organizational information and contact persons

Company's Name: PT Surya Sawit Sejati

Site Office Address: Desa Sungai Rangit Jaya SP. 06 Kecamatan Pangkalan Lada. PO Box 1017 – Pangkalan Bun, Kalimantan Tengah. 74101. Tel: +62 811 520 84801/2; Fax: +62 811 520 153.

Head Office: Wisma Nugra Santana 16th Floor. Jl. Jend. Sudirman Kav. 7-8 Jakarta 10220  
Tel: +62 21 251 0720, Fax: +62 21 251 0719.

Contact: Edward R. Daniels (President Director)

List of Legal documents, regulatory permits and property deeds related to the areas assessed;

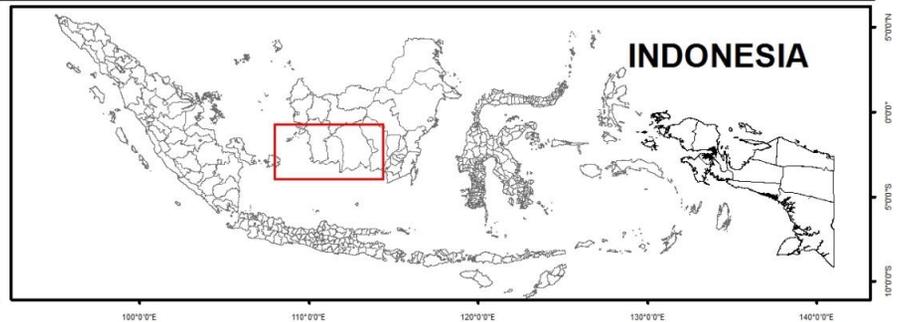
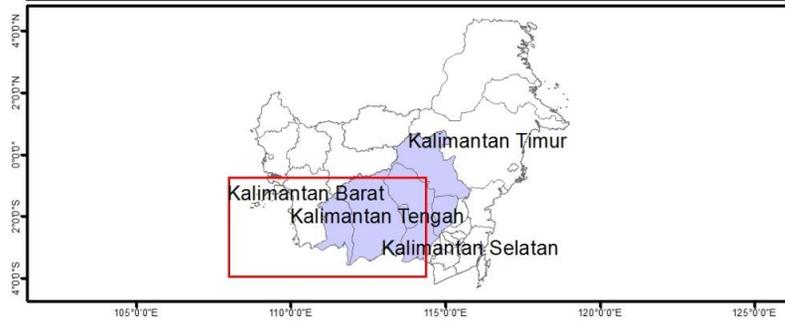
No.	Name of Permits	Issued	Number and Issuance Date	Remarks
1	Deed of Company Establishment (Akta Pendirian Perseroan Terbatas)	Eko Soemarno, SH (Notaris Dan Pejabat Pembuat Akta Tanah).	No 19 dated 6 December 2004	Deed of Company PT Surya Sawit Sejati
2	Company Deed Approval (Pengesahan Badan Hukum Perseroan)	Minister of Law and Human Rights (Menteri Hukum Dan Hak Asasi Manusia Republik Indonesia)	Nomor: C-11413 HT.01.01 TH 2005, dated 27 April 2005.	
3	Shareholders Deed (Akta Pernyataan Keputusan Para Pemegang Saham) PT Surya Sawit Sejati	Robert Purba (Notaris Dan Pejabat Pembuat Akta Tanah)	Number 27 dated 11 November 2008	Approved by Minister of Law and Human Rights, Republic of Indonesia Nomor : AHU-94483.AH.01.02. year 2008 dated 10 December 2008.
4	Deed of Shareholders Meeting (Akta Pernyataan Keputusan Rapat) PT Surya Sawit Sejati	Hasbullah Abdul Rasyid, SH., Mkn (Notaris Dan Pejabat Pembuat Akta Tanah).	Nomor 130 dated 26 June 2013	Approved by Minister of Law and Human Rights, Republic of Indonesia Nomor : AHU-.AH.01.10-47376 dated 08 November 2013.
5	Tax Registration Code Number / NPWP (Nomor Pokok Wajib Pajak)	Regional Office of Kalimantan Selatan and KalimantanTengah, Directorate General of Taxes (Kantor Pelayanan Pajak Pratama) Pangkalanbun	02.225.205.0-713.000 based on Company Registration Number (Surat Keterangan Terdaftar) Nomor: PEM.00351/WPJ.29/KP.0703/2013, dated 03-11-2012	
6	Company Registration Number (Tanda daftar Perusahaan )	Industrial and Trading Agency (Dinas Perindustrian Dan Perdagangan), Kabupaten Kotawaringin Barat.	No.15.05.1.01.00117, valid until 20 December 2019	
7	Location Permit (Izin Lokasi) PT Surya Sawit Sejati	Regent of Kotawaringin Barat	Nomor: 525/102/XI/2013, dated 14-11-2013	3.157,29 Ha in Sub-District of Arut Selatan, Sub-District of Pangkalan Lada, Sub-District of Pangkalan Banteng, and Sub-District of Kumai Regency of Kotawaringin Barat. Lampiran Peta, Skala 1

				: 250.000
8	Plantation Bussines License (Izin Usaha Perkebunan) PT Surya Sawit Sejati	Regent of Kotawaringin Barat	1.No.525/017/Ek, dated 18 June 2014 (Plantation Permit for Releasing of Forest Area Permit/Izin Usaha Perkebunan untuk Pelepasan Kawasan Hutan 2.No.525/018/Ek, dated 18 Juli 2014 (Plantation Bussines License / Izin Usaha Perkebunan (IUP-B))	1.Luas ± 339,80 Ha located in Sub-District of Arut Selatan, Sub-District of Pangkalan Lada, Sub-District of Pangkalan Banteng, and Sub-District of Kumai Regency of Kotawaringin Barat.. Lampiran Peta, Skala 1 : 250.000 2.Luas ± 2,400.87 Ha (Non-Forest Area / fungsi kawasan APL) located in Sub-District of Arut Selatan, Sub-District of Pangkalan Lada, Sub-District of Pangkalan Banteng, and Sub-District of Kumai Regency of Kotawaringin Barat. Lampiran Peta, Skala 1 : 250.000
9	Environmental Permit (Ijin Lingkungan)  Development of Oil Palm Plantation (Development of Smallholders Program with Combination of Conservation Area)  Pembangunan Perkebunan Kelapa Sawit (Pembangunan Kebun Plasma Dalam Program Kemitraan Dengan Kombinasi Peruntukan Lahan Konservasi Disekitarnya	Regent of Kotawaringin Barat	1. No.660/19/BLH/XII/2013, dated 23 December 2013 2. No.660/15/BLH/XII/2014, dated 11 June 2014	1. ± 3.157, 29 Ha, located in Sub-District of Arut Selatan, Sub-District of Pangkalan Lada, Sub-District of Pangkalan Banteng, and Sub-District of Kumai 2. ± 204, 49 Ha, located in Sub-District of Arut Selatan, Sub-District of Pangkalan Lada, Sub-District of Pangkalan Banteng, and Sub-District of Kumai
10	Permanent Bussines Permit (Izin Usaha Tetap)	Board of Coordination and Invesment (Badan Koordinasi Penanaman Modal)	Nomor: 1122/T/PERTANIAN/2008, dated 10 November 2008	
11	Surat Keterangan Domisili Perusahaan	1. Bupati Kotawaringin Barat 2. Pemerintah Kabupaten	1. Nomor : 25/Pem.305/DC/I/201, tanggal 30 Jauari 2013 2. Nomor: 43/PEM-	

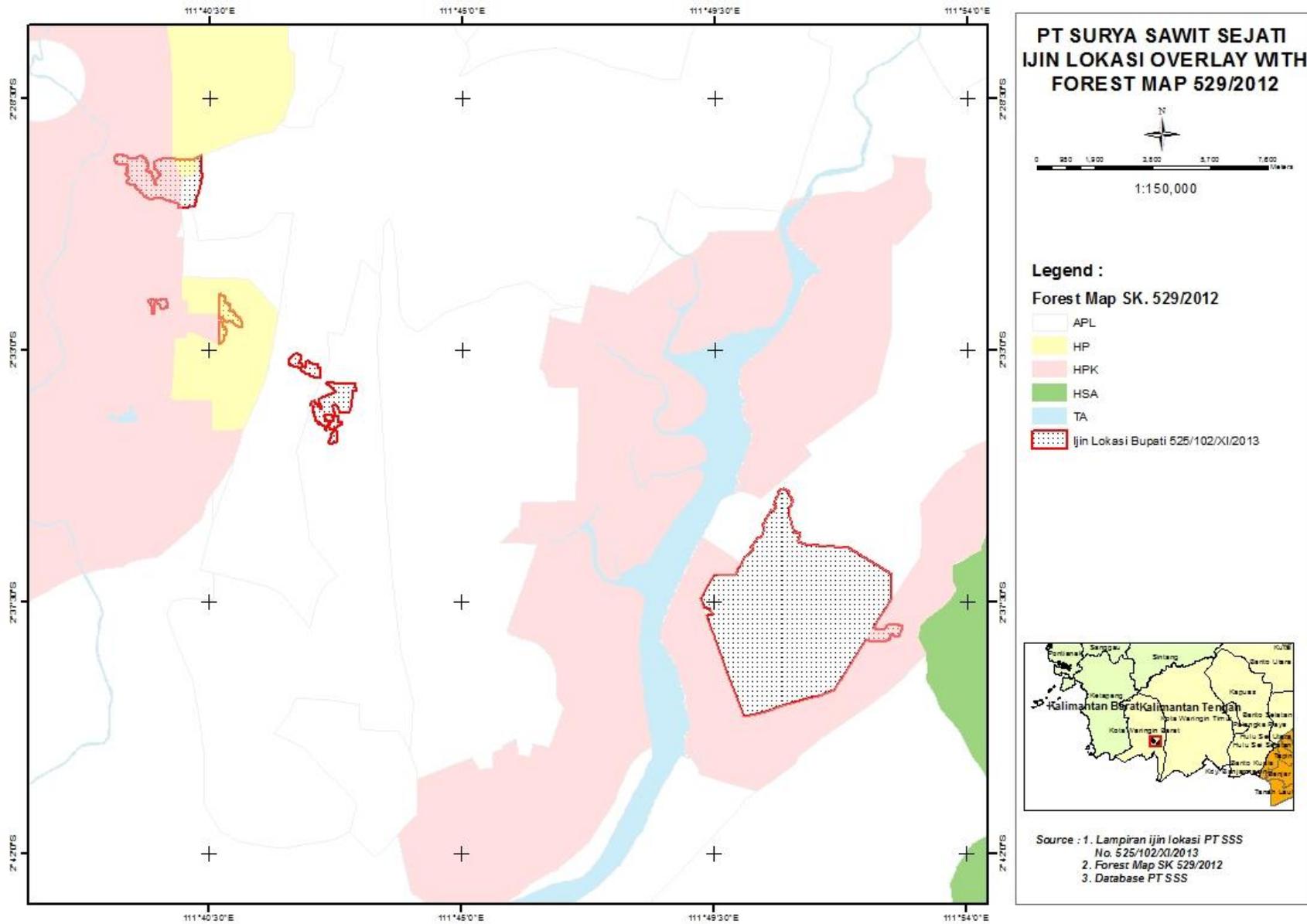
		Kotawaringin Barat Kecamatan Pangkalan Lada Desa Sungai Rangit	SRJ/PL/XII/2012, tanggal 10 Desember 2012	
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**Location maps – both at landscape level and property level**

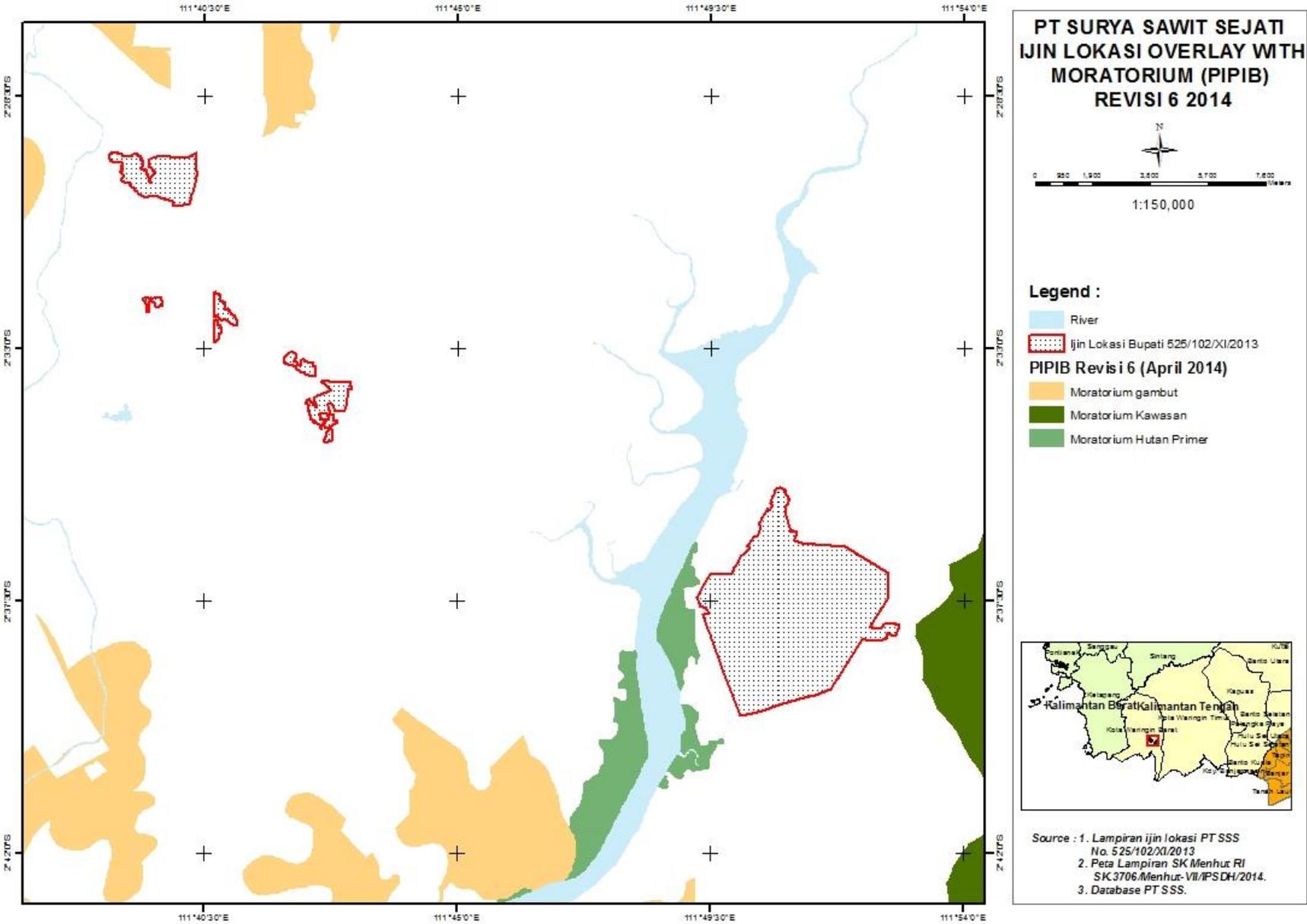
**Location map of PT SURYA SAWIT SEJATI**



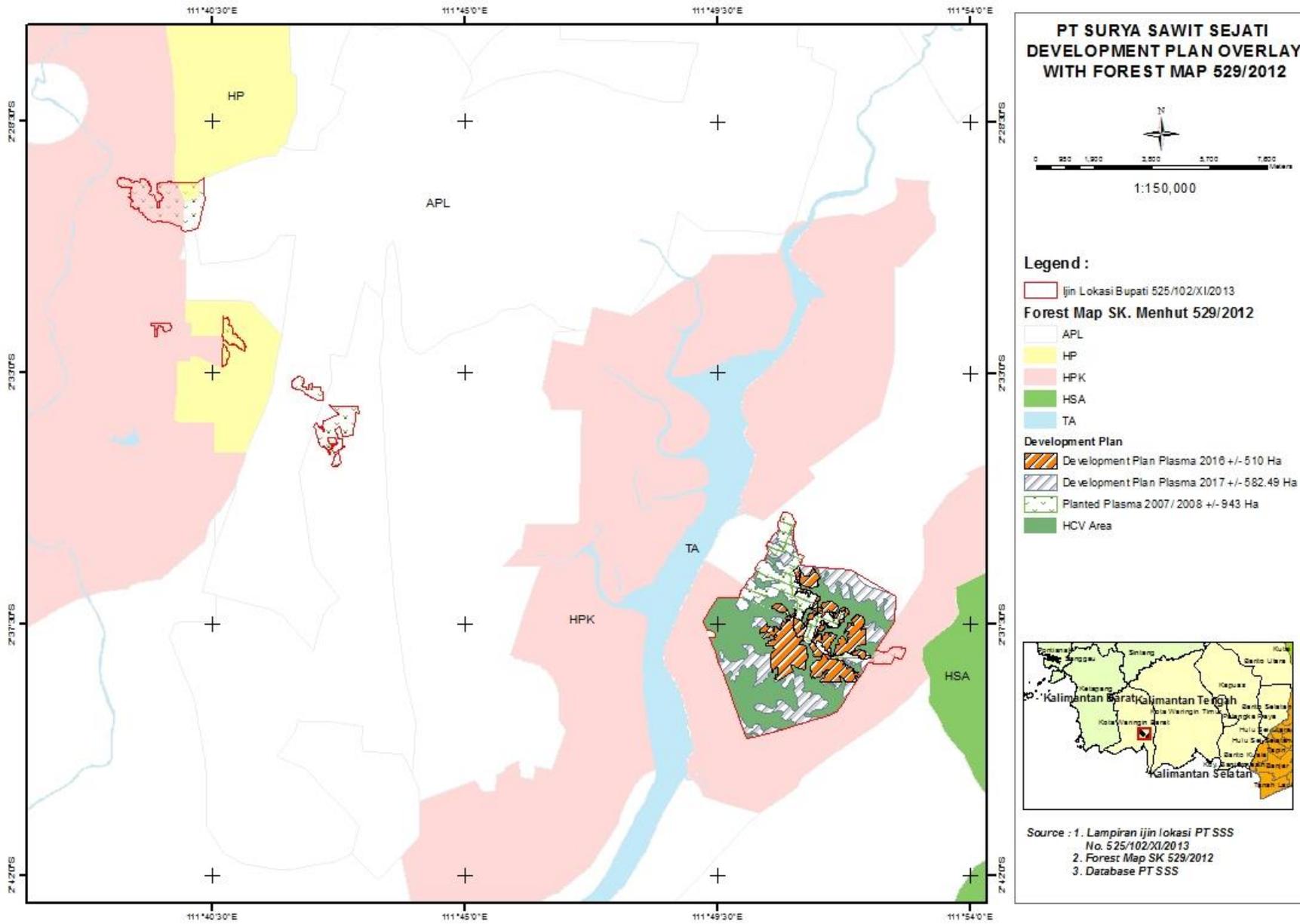
## Overlay Map between “Izin Lokasi” or Location Permit and Forest Areas



**Overlay Map between “Izin Lokasi” or Location Permit and Moratorium areas**



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



**KUMAI ESTATE (Map of Development Planting area)**

Area	Time Plan for New Plantings	Hectarage (Ha)	Status
Block 1 Medangsari (ARUT ESTATE)	2007/2008	298.97	Planted
Block 2 Medangsari (ARUT ESTATE)	2007	13.50	Planted
Block 3 Medangsari (ARUT ESTATE)	2007	47.70	Planted
Block 4 Sumber Agung (ARUT ESTATE)	2008	36.60	Planted
Block 5 Sumber Agung (ARUT ESTATE)	2007/2008	126.80	Planted
<i>Sub Total ARUT ESTATE</i>		<i>523.57</i>	<i>Planted</i>
Sungai Pulau & Kumai (KUMAI ESTATE)	2008	420.00	Planted
	2016 – 2017	510.00	Proposed
	2017 – 2018	582.49	Proposed
<i>Sub Total KUMAI ESTATE</i>		<i>1,189.45</i>	
Total Planted		943.60	
Total Proposed New Planting		1,092.49	
Total HCV Area		1,121.20	
Total Area		3,157.26	
Total Location Permitted Area		3,157.29	

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

#### Assessor and their Credential

#### a. HCV (High Conservation Value) Assessment

The HCV Assessment was performed by:

AKSENTA

Jalan Gandaria VIII/10, Kebayoran Baru, Jakarta 12130

Indonesia

Telp/Fax: 62-21- 739 6518

Email: [aksenta@aksenta.com](mailto:aksenta@aksenta.com)

#### **Assessor Team**

**Resit Sözer – Team Leader** obtained his Master's degree in Tropical Ecology from Universiteit van Amsterdam (UvA). His expertise and experiences are wildlife management, habitat and population assessment, and wildlife conflict mitigation. Today, in addition of his position as HCVA consultant, he manages a wildlife rescue centre in Sukabumi, West Java, Indonesia. His competency in assessing HCVA has been acknowledged by RSPO and he is listed as an RSPO Accredited HCVA Team Leader, focusing on identification of HCVA 1, 2, and 3. Contact: [resit@aksenta.com](mailto:resit@aksenta.com)

**Fersely Getsemani Feliggi** is a Bachelors graduate of Geophysics and Meteorology, Faculty of Natural Sciences and Mathematics, Bogor Agricultural University. He is experienced in assessments in the fields of meteorology, hydrology, natural resource management, water resource management, and watershed management. He has conducted numerous HCVA assessments in palm oil plantations throughout Indonesia since 2010 and registered as an RSPO Approved HCVA Assessor – Discipline Specialist in Environmental Services. In this assessment he focused on HCVA 4. Contact: [gets@aksenta.com](mailto:gets@aksenta.com)

**Budi Harlend** completed his Bachelor's degree in economy from Faculty of Economics, University of Indonesia, specialising in Natural Resource and Environmental Economy. He has work experiences in conducting economic valuation and developing economic policy implementation models in several government agencies. He also has worked in an international strategic communications consultant as Project Manager and Economic Risk Analyst. Since early 2013, he began working on HCVA assessments and Social Impact Assessment (SIA) in palm oil plantations throughout Indonesia. He is also registered as RSPO Approved HCVA Assessor – Discipline Specialist in Social issues. In this particular assessment he assessed HCVA 5 and 6. Contact: [harlend@aksenta.com](mailto:harlend@aksenta.com)

**Muhammad Juan Ardha** has Bachelor's degree of forestry, Faculty of Forestry, Bogor Agricultural University. His skills and experiences include spatial data analysis (Remote Sensing and Geographic Information System – GIS) for application in forestry, hydrology, and natural resources management. He is the GIS specialist of the team, conducting spatial analysis and HCVA mapping. Contact: [mjardha@gmail.com](mailto:mjardha@gmail.com)

#### b. Environmental Impact Analysis (EIA)

Study of Environment Impacts Analysis was held by: EDUTAMA ENVIROCARE

Address : Jalan Patimura No. 26 Palangka Raya – Kalimantan Tengah

Phone : +62-536 – 3226768; Fax: +62-536 - 3220072

#### **Assessor Team**

Drs. Abdul Mun'im S., MSi - Team Leader

Drs. Abudarin, MSi - Team Member (Specialty: Chemistry)

Drs. Andi Bustan AP, MSi - Team Member (Specialty: Physical)  
Drs. Najamuddin, MSi - Team Member (Specialty: Biology)  
Muhamad Ramly, SP - Team Member (Specialty: Agriculture)  
Ir. Sustiyah, MP - Team Member (Specialty: Agriculture)  
Drs. Sabirin, ME - Team Member (Specialty: Socio-economic)

### c. SIA (Social Impact Assessment)

#### Assessor Team

SIA activities were carried out by a team of three with the following short description of names, qualifications, skills and roles of the members.

1. Muayat Ali Muhshi (team coordinator; his fields are community development and conflict resolution studies; contact: [muayat@aksenta.com](mailto:muayat@aksenta.com)).
2. Sigit Budhi Setyanto (team member, his fields are cultural assessment and social development and relations; contact: [sigit@aksenta.com](mailto:sigit@aksenta.com)).
3. Teuku Ade Fachlevi (team member, his fields are socio-economic and development studies; contact: [adhefachlevi@hotmail.com](mailto:adhefachlevi@hotmail.com)).

#### Assessment Methods

##### A. High Conservation Value (HCV)

###### 1. HCVA Identification Guidelines Used

HCVA assessments was (and must be) carried out using an HCV Toolkit. To date, a number of HCV assessment toolkits are available, such as (i) *The High Conservation Values Forest Toolkit* (ProForest, 2003), (ii) *Good Practice Guidelines for High Conservation Value Assessment: a Practical Guide for Practitioners and Auditors* (ProForest, 2008)<sup>1</sup>, and (iii) *Panduan Identifikasi Kawasan Bernilai Konservasi Tinggi di Indonesia* (Indonesian HCV Toolkit Revision Consortium, 2008)<sup>2</sup>.

Aksenta's HCVA assessment was done using *The High Conservation Values Forest Toolkit* (ProForest, 2003) and *Good Practice Guidelines for High Conservation Value Assessment: a Practical Guide for Practitioners and Auditors* (ProForest, 2008) as guidelines. We used *Panduan Identifikasi Kawasan Bernilai Konservasi Tinggi di Indonesia* (Indonesian HCV Toolkit Revision Consortium, 2008) as additional reference. The latter was not used as primary reference because we found a number of substantial points in this guideline (interpretations or adaptations from ProForest HCV Toolkit 2003) that are mistaken. If we refer to these points, the HCVA assessment and identification will be erroneous and in turn will produce inaccurate outputs and conclusions. Critical review of *Panduan Identifikasi HCV Indonesia* (2008) is provided in **Appendix 1**.

When using the ProForest Guidelines (2003; 2008), the HCVA Assessment team made several adaptations and interpretations, including:

- 1) HCVA's do not necessarily have to be forest ecosystems. Other non-forest ecosystem types may be categorized as HCVA's, such as lake, freshwater swamp, or forest

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<sup>1</sup> Document issued as follow-up to as well as finalisation of HCVF Toolkit (ProForest, 2003). When using this document, HCV assessors must also refer to HCVF Toolkit (ProForest, 2003) as guideline in the work processes (ProForest, 2008; p.4).

<sup>2</sup> Document that is the product of HCVF Toolkit (ProForest, 2003) interpretation and adaptation for Indonesian context and as revision for the previous document (*Mengidentifikasi, Mengelola, dan Memantau Hutan dengan Nilai Konservasi Tinggi: Sebuah Toolkit untuk Pengelola Hutan dan Pihak-pihak Terkait lainnya*, 2003).

ecosystems. This is in line with the HCV scope from HCVF (High Conservation Value Forest) into HCVA (High Conservation Value Area).

- 2) HCVAAs do not necessarily have to be natural ecosystems. Areas of semi-natural<sup>3</sup> ecosystems (such as mixed-rubber forest) can be categorized as HCVA. As long as it is proven to have significant or outstanding natural functions in supporting nature conservation and sustainability of the lives of surrounding communities, especially in the landscape context in the HCVA assessment area (meeting the requirements of one of more HCVA attributes or elements), therefore the semi-natural ecosystem area can be considered as HCVA.
- 3) According to ProForest (2003, 2008), HCV 1.1 are sites with protected area status<sup>4</sup>, including proposed protected areas. This HCVA assessment identifies the presence of protected areas directly bordering plantations that are part of the assessment area as HCVA 1.1. Since these protected areas (HCVA 1.1) are located outside of the plantation, they are not the company responsibility. However, presence of protected areas bordering or near to the plantation must be identified to establish High Conservation Value Management Area (HCVA), or areas within the plantation that directly border protected areas (HCVA 1.1), that require to be managed differently as other plantation areas in sites that are farther from or do not directly border protected areas. Protected area HCVMA is the company's actual contribution in supporting the existence and conservation of protected areas.
- 4) According to ProForest (2003, 2008), HCV 1.3 are areas that are habitats of endemic<sup>5</sup> species. This HCVA assessment focuses on restricted-range species rather than only to "meet the standard" for endemic species. For example, several wildlife species are categorised as endemic species in certain areas, such as endemic to Indonesia (naturally found only within areas of the Republic of Indonesia and absent in other countries) but the species is actually widely distributed throughout Indonesia. Endemic species with wide distributions are not categorised as attribute or elements of HCVA 1.3.
- 5) According to ProForest (2003, 2008), HCV 1.4 are areas used temporally by wildlife species (in certain seasons or conditions), for instance breeding grounds, migration sites, migration routes or corridors, or sites where one or more globally important species concentrate. This HCVA assessment includes wildlife refugia and corridors that are permanent in nature (not temporal) as HCVA 1.4 attributes.

## ***2. Stages for HCVA Identification***

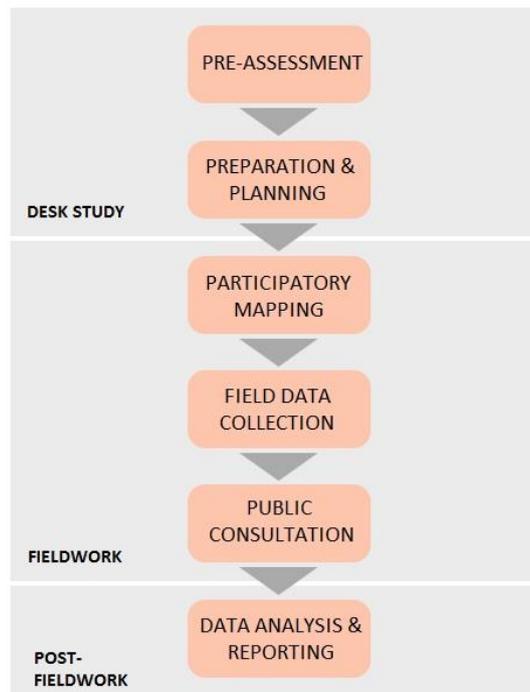
HCVA identification was done in a number of stages: (i) pre-fieldwork, (ii) fieldwork, and (iii) post-fieldwork. These important stages in HCVA identification are presented in short in **Figure 3.1**, while the details of each (stage, objective, and activities in each stage) are presented in **Table 3.1**.

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<sup>3</sup> Area once cleared in the past for agriculture, plantation, settlements, or other purposes, which then experiences succession creating a secondary forest formation mixed with cultivated plants which remain from farms or gardens around former settlements, which have interspersed with various natural plant species (forest trees, rattans, bamboos, and other natural vegetation) and inhabited by a number of wildlife species.

<sup>4</sup> Areas designated by the Government for in-situ biodiversity conservation.

<sup>5</sup> Endemic species are wildlife (plant or animal) species that are naturally found only in certain areas.



**Figure 3.1.** Important stages in HCVA identification process

**Table 3.1.** Stages, objectives, and activities in HCVA identification

Stages	Objectives	Activities
PRE-FIELDWORK		
Pre-assessment and preparations	<ul style="list-style-type: none"> <li>Identify potential and indications of HCVA attributes or elements</li> <li>Identify potential HCVA</li> <li>Better understand landscape context</li> <li>Learn about conservation issues and potential threats concerning HCV</li> <li>Determine methods, survey design, assessment team, and timeframe for fieldwork</li> </ul>	<ul style="list-style-type: none"> <li>Collect preliminary data and information from company of plantation development and management status</li> <li>Collect preliminary data and information from secondary sources (reports, papers, books, statistical data, basic maps) and respondents</li> <li>Conduct data and spatial analysis</li> </ul>
FIELDWORK		
Opening meeting & basic training on HCV	<ul style="list-style-type: none"> <li>Deliver purpose and objectives of HCVA assessment</li> <li>Obtain additional data and information on plantation development and management status</li> <li>Develop understanding of management unit on HCV: background, purpose and objectives, concepts, HCVA types, key attributes or elements, and identification methods</li> <li>Form working team (HCVA assessment team + team from management unit as counterpart) and agree on work schedule</li> </ul>	<ul style="list-style-type: none"> <li>Workshop with company's management unit</li> <li>Training for company's management unit</li> </ul>
Participatory mapping	<ul style="list-style-type: none"> <li>Clarify potential HCVA from pre-assessment results</li> <li>Collect additional data and information on presence of HCVA attributes or elements</li> </ul>	<ul style="list-style-type: none"> <li>Workshop with resource persons</li> </ul>
Field survey	<ul style="list-style-type: none"> <li>Verify presence of HCVA attributes or elements</li> <li>Identify HCVA and map indicative boundaries of</li> </ul>	<ul style="list-style-type: none"> <li>Ground check for land cover</li> <li>Collect field data</li> </ul>

Stages	Objectives	Activities
	HCVA's <ul style="list-style-type: none"> <li>Identify threats and potential threats to HCV</li> </ul>	<ul style="list-style-type: none"> <li>Interview through triangulation</li> </ul>
Public consultation	<ul style="list-style-type: none"> <li>Share HCVA identification results to other stakeholders (communities, local government, NGOs)</li> <li>Collect additional data and information and clarify presence of HCVA attributes or elements and threats or potential threats to HCV</li> <li>Collect inputs to compile recommendations and options for HCVA management and monitoring plan</li> </ul>	<ul style="list-style-type: none"> <li>Workshop with key stakeholders</li> <li>FGD with key stakeholders</li> <li>Interview with respondents</li> </ul>
Field analysis and interim report preparation	<ul style="list-style-type: none"> <li>Present interim results from field assessment activities<sup>1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Prepare interim report</li> </ul>
Closing meeting	<ul style="list-style-type: none"> <li>Deliver HCVA identification interim results to management unit</li> </ul>	<ul style="list-style-type: none"> <li>Presentation and discussion</li> <li>Submit Interim Report</li> </ul>
POST- FIELDWORK		
Analysis and reporting	<ul style="list-style-type: none"> <li>Compile HCVA assessment results in a report with format and systematics that meet scientific principles but coherent and simple that is easy to understand by management unit as primary report users</li> </ul>	<ul style="list-style-type: none"> <li>Data analysis</li> <li>Spatial analysis</li> <li>Prepare report</li> </ul>

Remarks: 1) Interim report was prepared for submission to management unit in the field so that management unit can immediately learn about the results of the field assessment and take actions of urgent nature, and did not have to wait for the HCVA report to be finished. In essence, the interim report's content includes: presence of HCVA attributes or elements, temporary estimate of HCVA, HCVA distribution, latest status (situation and condition) of HCVA's, threats to HCVA sustainability, and urgent recommendations.

### 3. Analysis and Mapping

The data obtained from field survey was then compiled and tabulated based on survey site. For the first stage, compilation and tabulation were done separately for each assessment scope (biodiversity, ecosystem services, and socio-cultural). A list of HCVA attributes or elements confirmed through field survey is made for each area. This process was followed by analysis to support justification of the conclusion that HCVA attributes or elements were found or not in the areas surveyed and to determine HCVA boundaries. Further description of the analysis for each assessment scope is presented in the next section.

Coordinates of HCVA attributes or elements were mapped in the work map. Site description of HCVA attribute or element was used to identify areas in the said sites with similar ground characteristics based on satellite image interpretation. These similar ground characteristics, for biodiversity HCVA's and socio-cultural HCVA, were similar forest cover or ecosystem types (such as dense forest, secondary forest, shrubs, mixed-rubber, lake, river, swamp). For ecosystem services HCVA, similar ground conditions may be steep cliffs, rivers, riparian buffer, banks of open water bodies, or depressions (lowlands, basins).

Boundaries for areas with similar field characteristics were then digitised on the work map. This digitation process produced closed polygons. Boundaries represented by closed polygons in the map were determined as indicative HCVA boundaries. These HCVA's were described as indicative because they are based map, not delineation on the ground. Because these boundaries were indicative in nature, their areas were also indicative. The maps produced through this process were the indicative HCVA maps.

Indicative HCVA maps were produced for each assessment scope, thus three maps were produced: (i) indicative biodiversity HCVA map (HCVA 1, HCVA 2, and HCVA 3), indicative ecosystem services HCVA map (HCVA 4), and (iii) indicative socio-cultural HCVA map (HCVA 5 and HCVA 6). The three maps were then merged into an HCVA indicative map.

To produce a definitive HCVA map, field survey was required for delineation (recording coordinates in the field) of the indicative HCVA boundaries. Results of this delineation process were then mapped to revise indicative HCVA map boundaries produced in this HCVA assessment.

#### **4. Date, Program and Places Visited**

HCVA Assessment in PT Surya Sawit Sejati was carried out on 13-22 May 2014. Field activity schedule is provided in details in **Table** as follow.

HCVA assessment activities in PT Surya Sawit Sejati Location Permit

<b>Activities</b>	<b>Time</b>	<b>Location</b>
Pre-assessment & preparation	13-15 May 2014	Jakarta
Opening meeting & basic training on HCVA	16 May 2014	PT SSS' head office
Participatory mapping	17 May 2014	PT SSS' Biodiversity Division office
Field survey	18-21 May 2014	Arut Estate and Kumai Estate
Public consultation	22 May 2014	Kecubung Hotel, Pangkalan Bun
Closing meeting & interim report	22 May 2014	PT SSS' head office

#### **List of places visited during assessment**

The HCV assessment activities in PT SSS Location Permit concession cover 1 non-autonomous village and 4 villages 4 sub-districts in West Kotawaringin District, Central Kalimantan. This assessment was done in PT Surya Sawit Sejati (area is divided into two, i.e. Arut and Kumai Estates) Location Permit covering 3,157.29 ha, as well as in the proposed community plantation expansion that will be done in in collaboration through the partnership scheme covering 87.7 ha<sup>6</sup> located outside of PT SSS Location Permit.

### **B. SIA (Social Impact Assessment)**

#### **1. Approach**

SIA implementation in the field is carried out following these rules or principles.

1. **Participatory.** Issues are identified and information explored in participatory ways. Such approach puts participants as subjects to map social issues they experience, express their opinions and aspirations, and participate in designing management and change.
2. **Multi-stakeholder.** Issue identification and information exploration are conducted using multi-stakeholder approach, involving stakeholders that give or take direct or indirect impacts.

<sup>6</sup> Area based on calculations using GPS

3. **Rapid and Ex-ante.** Issue identification and information exploration is conducted rapidly and more based on forecast towards changes' tendency rather than on accurate factual data. This is a solution to SIA approach and time limitedness.
4. **Appreciative.** Issue identification and information exploration is positively guided and is not limited only to identify the gap, but also to explore expectations, potentials and ideas to search for solution to social issues found.
5. **Social-Learning Cycle.** SIA is not a one-off linear process; but rather, it is a cycled process serving as social learning process to respond environmental changes.

## 2. SIA Phases

The following are phases of SIA field activities.

1. **Opening Meeting.** Meeting with the company represented by the plantation and mill management. This meeting involves field activity presentation, SIA information dissemination, multi-stakeholder analysis, scheduling, and field technical preparation.
2. **Stakeholder Mapping and Field Scoping** to obtain preliminary data on key stakeholders according to operation executives' perception.
3. **Field Observation.** Carried out to locations in which social issues or impacts emerge or occur, in addition to other locations deemed important to field fact finding being indication of changes, including image capture.
4. **In-depth Interview.** This is carried out to company operation officers, community informal and formal leaders, local government officials (village, sub-district and district) and community members from a wide range of profession and social classes around the company operational area.
5. **Focus Group Discussion (FGD).** With employees from estate unit and mill's entire station.
6. **Document Review.** Carried out to documents available in the company and other documents from other relevant sources available in the location to help with understanding on the social and environmental context.
7. **Closing Meeting.** This is to communicate early findings to the company management, clarify the findings, ask feedback and provide interim recommendations.

## 3. Data Collection

Data collection technique includes the following.

- **Desk Review.** This method is used for obtaining record on plantation and mill implementation and management condition by the company, in addition to obtain village demographic data to represent local community's social life.
- **Dialogue.** This method aims to identify stakeholders, explore issues constituting impacts, explores expectations, ideas and aspiration to make solution for the issues. This is carried out through formal and informal meetings with guided topics (Focus Group Discussion).
- **Field Observation.** This method is employed to directly comprehend field facts indicating social issues and impacts that occur.
- **In-Depth Interview.** This aims at exploring and obtaining in-depth understanding on emerging issues. In-depth interview is carried out involving selected key stakeholders for becoming the informant, where their choice is made based on their knowledge, or stakeholders/actors having directly taken an impact.

- **Triangulation.** This is a combination of the above methods, carried out in integrated manner to mutually verify issues, opinions and ideas captured.

#### 4. Location and Time of Implementation

The SIA activities were carried out in the period of 16-23 May 2014 with details as follow (field activity schedule is provided in details in table below).

Activity	Date	Venue
Preliminary assessment	13-15 May 2014	Aksenta office, Jakarta
Kickoff meeting	16 May 2014	PT SSS Principal Office
Participatory mapping	16 May 2014	PT SSS Principal Office
Field data collection	16-21 May 2014	Villages around the plantation development plan area.
Stakeholder consultation	22 May 2014	Kecubung Hotel, Pangkalan Bun
Closing meeting & interim report	23 May 2014	PT SSS Principal Office
Data analysis, as well as social issue, impact and risk mapping, and conclusion drawing	June 2014	Aksenta office, Jakarta
Reporting	July 2014	Aksenta office, Jakarta

PT Surya Sawit Sejati (“PT SSS”) principal office is situated in Sungai Rangit Jaya Village (SP.6), Pangkalan Lada Sub-District, West Kotawaringin District. The Location Permit for the company's oil palm plantation expansion for Plasma (smallholders) development and conservation area plan cover scattered areas in Medangsari Village of South Arut Sub-District, Sumber Agung and Kadipi Atas Villages of Pangkalan Lada Sub-District, Mulyajadi, Karang Sari and Sungai Pulau Villages of Pangkalan Banteng Sub-District, as well as Sungai Sekonyer Village and Kumai Hulu Non-Autonomous Village of Kumai Sub-District, West Kotawaringin District, Central Kalimantan Province.

#### 5. Data Analysis

The collected field findings are then analysed to allow better comprehension on the contexts and reciprocal relationship, for further synthesis and drawing conclusions.

The result analysis frame is made using RSPO Criteria relevant to social sustainability aspects and changes on pentagon asset elements. Also, impact analysis is carried out by taking into account the guidance on highlighted impact measurement. Conditions of each relevantly significant issue are described, along with their impacts on pentagon asset's elements.

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

### 2.1. Executive Summary:

United Plantations Berhad (UP) is committed to achieve sustainable oil palm plantation management practices. As a form of this commitment, the company will strengthen its environmental and social management through High Conservation Value (HCV). As the first steps of this HCVA management, an HCVA presence identification/assessment was conducted from 13 May to 22 May 2014. This assessment was done in PT Surya Sawit Sejati Location Permit covering 3,157.29 ha, as well as in the proposed community plantation expansion that will be done in in collaboration through the partnership scheme covering 87.7 ha<sup>7</sup> located outside of PT SSS Location Permit.

The stages of this assessment include pre-assessment as preliminary observations, field survey to obtain findings and indications of HCVAs, public consultation, analysis and synthesis, and determination of HCVAs. This HCVA assessment included the entire PT Surya Sawit Sejati Location Permit area and villages surrounding the assessment area, and is a complete assessment that comprises all HCVA types (HCVA 1.1-1.4, HCVA 2, HCVA 3, HCVA 4.1-4.3, HCVA 5, and HCVA 6).

This HCVA assessment was conducted done using *The High Conservation Values Forest Toolkit* (ProForest, 2003) and *Good Practice Guidelines for High Conservation Value Assessment: a Practical Guide for Practitioners and Auditors* (ProForest, 2008) as guidelines. *Panduan Identifikasi Kawasan Bernilai Konservasi Tinggi di Indonesia* (Indonesian HCV Toolkit Revision Consortium, 2008) was used as additional reference.

This HCVA assessment report contains HCVA identification results, including: (i) presence of HCVAs and its key constituting attributes or elements, (ii) HCVA distribution map, (iii) landscape context, (iv) current status of HCVAs and their key attributes and elements, (v) threats to its sustainability, and (vi) interim recommendations for protection, management, and monitoring. This report does not include HCVA management and monitoring. HCVA management and monitoring are the company's domain and responsibility.

### **HCVs Identification and Analysis**

PT SSS Location Permit is located in South Arut Sub-district (Medang Sari Village), Pangkalan Lada Sub-district (Kadipi Atas and Sumber Agung Villages), Pangkalan Banteng Sub-district (Sungai Pulau Village), and Kumai Sub-district (Kumai Hulu non-autonomous village), which are all located in West Kotawaringin District administrative area, Central Kalimantan Province. Based on its area, the assessment area was divided into Arut Estate and Kumai Estate.

In both assessment areas, **primary forests** or undisturbed forests **were not found**. Large-scale forest and land fires have occurred in and around the assessment area in 1997/1998. Dominant land cover in Arut Estate is oil palm planted since 2007/2008. In Kumai Estate are several land cover in addition to oil palm, including secondary forests in swamp areas (peat and freshwater), grasslands and shrubs.

**No protected area was found in the assessment area**, whether within or directly bordering PT SSS Location Permit. The nearest protected area is Tanjung Puting National Park located approximately 1 km to the east of Kumai Estate boundary. The assessment area is not

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<sup>7</sup> Area based on calculations using GPS

located in primary forest and peatland moratorium area. The closest moratorium area is a peat land located around 3 km west and 3 km northeast of Arut Estate of primary mangrove forest surrounding Kumai River.

At least 35 mammal species, 20 reptile species, 9 amphibian species, and 90 bird species were recorded in PT Surya Sawit Sejati Location Permit. Key species identified as HCVA 1 elements in PT SSS Location Permit included, among others, Orangutan (*Pongo pygmaeus*) and Bornean White-bearded Gibbon (*Hylobates albibarbis*) that are listed as Endangered and are protected by national regulations; Marbled Cat (*Felis marmorata*), Horsfield's Tarsier (*Tarsius bancanus*), Sun Bear (*Helarctos malayanus*) and Lesser Adjutant (*Leptoptilos javanicus*) listed as Vulnerable and protected under national regulations; and Great Slaty Woodpecker (*Mulleripicus pulverulentus*) is listed as Vulnerable. In addition, a number of Borneo endemic bird species were found in the assessment area, such as Bornean Bristlehead (*Pityriasis gymnocephala*) and the Bornean Crestless Fireback sub-species (*Lophura erythrophthalma pyronota*). All HCV areas in Kumai Estate function as wildlife corridor and potentially support connectivity between wildlife species in mangrove forest to the west and Tanjung Puting National Park to the east.

Fluvial processes in the area have formed backswamps comprising freshwater swamps and peat swamps which are located in the topographical depression. Based on measurements results, peat area in the assessment area is deep peat (>3 m) with peat depth profile that is increasingly shallow approaching rivers or land (*natai*).<sup>8</sup> Peat forest with important value as HCVA are only peat land with natural vegetation (secondary forest) that still has its ecological and hydrological functions found in Kumai Estate.

The main rivers located in the area are Arut River, Kumai River, and Sekonyer River.<sup>9</sup> The three rivers are located outside the assessment area. Therefore, the rivers flowing through PT SSS Location Permit are tributaries of these three rivers. All the rivers in this area are affected by tide, whether seawater tide downstream or freshwater tide upstream.

The land's flat slope leads to low erosion level in both assessment areas. The average land erosion level in Arut Estate is 2.9 tonnes/ha/year, and 1.3 tonnes/ha/year in Kumai Estate. Both are categorised as very low Erosion Danger Level (which means smaller than 15 tonnes/ha/year).

The native community living in and around the assessment area are Banjar Tribe or sometimes referred to as the Dayak Melayu, who mostly resides in Kumai Hulu Non-Autonomous Village and Sungai Sekonyer River. These people converted to Islam since the age of the Kotawaringin Empire, thus their customs and traditions have been influenced by Islamic teachings. Intensity of natural resources use in the assessment area tends to be low and is now rarely done by the native community. This is due to the community's focus on oil palm and/or rubber plantation as their source of livelihood to meet their basic needs.

The PT SSS Location Permit area utilisation which plays an important function for the cultural identity of the local (native) community is the ancestral burial grounds complex in Block 60 in Arut Estate. The complex is often called the "*Kuburan Dayak*" and is believed to

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<sup>8</sup> Local language meaning land that is never inundated. In several areas *natai* is located in the middle of the swamp therefore its area is similar to an island.

<sup>9</sup> Written as Sikunir River in the Indonesian Atlas (Geospatial Information Body, 1998)

have been around since early 20<sup>th</sup> century. The history and the people buried in Dayak ancestral burial grounds are not known, because stories of the burial grounds were passed down orally through generations. However, the Dayak cemetery is regarded as important to the native community, the Dayak Melayu (Banjar) tribe, and is considered as part of the Dayak Melayu (Banjar) ancestors' history for those residing around the assessment area or those who now live in other parts of Central Kalimantan, such as Pangkalan Bun, Sampit, and Palangkaraya. The local people still visit and clean the clean the burial grounds every year after the Eid holiday.

Four HCVA types were found in PT SSS Location Permit based on field survey and data analysis: HCVA 1 (globally, regionally, or nationally important biodiversity), HCVA 3 (rare or threatened ecosystems), HCVA 4 (natural ecosystem services), and HCVA 6 (areas critical to local communities' cultural and traditional identity). HCVA 1 and HCVA 3 were only recorded in Kumai Estate, while HCVA 4 was found in both assessment areas, and HCVA 6 was found in Arut Estate. HCVA 2 (area which is or forms part of a large globally, regionally, or nationally important landscape, that are habitat inhabited by wildlife and plant species) and HCVA 5 (sources for meeting basic needs of local communities) were not found in both assessment areas.

Based on area typology, the H CV areas found in PT SSS Location Permit were categorised into four types: (i) Freshwater Swamp Forest, (ii) Peat Swamp Forest, (iii) Rivers and Riparian Buffers, and (iv) Dayak ancestral burial grounds. These four HCVA typologies were divided into 11 index numbers with a total indicative HCVA area of 1,121.2 ha or 35.5% of the total PT SSS Location Permit area. The indicative sizes and short description of each HCVA are presented in **Table 1** and **Table 2**, and HCVA distribution (locations) is presented in **Figures 1** and **2**.

**Table 1. Indicative HCVA 4 area descriptions and sizes in PT SSS**

ID	Area Name	Description	HCVA Type	Size (ha)
1	Dayak ancestral burial grounds in Arut Estate, Block 60	Consist of three graves surrounded by ironwood fence and approximately six needlewood trees ( <i>Schima waliichii</i> ). These ancestral burial grounds are still visited by devotees and cleaned every year after the Eid holiday by the Dayak Melayu (Banjar) community.	6	0.006
2	Arut River tributary and riparian buffer in Arut Estate	Water source, natural drainage, flood control area erosion and sedimentation control area	4.1, 4.2	0.5
3	Peat Swamp Forest and Freshwater Swamp Forest in the Siapak River Headwaters, Kumai Estate	Rare species, endemic species, and wildlife passages; unique and threatened ecosystems; Siapak River water catchment area, flood control and natural firebreaks were found.	1.2, 1.3, 1.4, 3, 4.1, 4.3	11.6
4	Peat Swamp Forest and Freshwater Swamp Forest in the Siapak River Headwaters,	Rare species, endemic species, and wildlife passages; unique and threatened ecosystems; Siapak River water catchment area, flood control and natural firebreaks were found.	1.2, 1.3, 1.4, 3, 4.1, 4.3	14.2

ID	Area Name	Description	HCVA Type	Size (ha)
	Kumai Estate			
5	Peat Swamp Forest in Benaning River catchment area, Kumai Estate	Rare species, endemic species, and wildlife passages; unique and threatened ecosystems; Benaning River water catchment area, flood control and natural firebreaks were found.	1.2, 1.3, 1.4, 3, 4.1, 4.3	382.0
6	Peat Swamp Forest in Pengeruingan River catchment area, Kumai Estate	Rare species, endemic species, and wildlife passages; unique and threatened ecosystems; Pengeruingan River water catchment area, flood control and natural firebreaks were found.	1.2, 1.3, 1.4, 3, 4.1, 4.3	302.1
7	Peat Swamp Forest and Freshwater Peat Swamp in Tengkwang River Headwaters, Kumai Estate	Rare species, endemic species, and wildlife passages; unique and threatened ecosystems; Tengkwang River water catchment area, flood control and natural firebreaks were found.	1.2, 1.3, 1.4, 3, 4.1, 4.3	4.9
8	Peat Swamp Forest and Freshwater Peat Swamp in Kampak River catchment area, Kumai Estate	Rare species, endemic species, and wildlife passages; unique and threatened ecosystems; Kampak River water catchment area, flood control and natural firebreaks were found.	1.2, 1.3, 1.4, 3, 4.1, 4.3	146.8
9	Peat Swamp Forest and Freshwater Swamp in Sekonyer River Tributary catchment area, Kumai Estate	Rare species, endemic species, and wildlife passages; unique and threatened ecosystems; Sekonyer River tributary water catchment area, flood control and natural firebreaks were found.	1.2, 1.3, 1.4, 3, 4.1, 4.3	14.7
10	Peat Swamp Forest and Freshwater Peat Swamp in Sekonyer River Tributary catchment area, Kumai Estate	Rare species, endemic species, and wildlife passages; unique and threatened ecosystems; Sekonyer River tributary water catchment area, flood control and natural firebreaks were found.	1.2, 1.3, 1.4, 3, 4.1, 4.3	22.9
11	Peat Swamp Forest and Freshwater Peat Swamp in Sekonyer River catchment area, Kumai Estate	Rare species, endemic species, and wildlife passages; unique and threatened ecosystems; Sekonyer River water catchment area, flood control and natural firebreaks were found.	1.2, 1.3, 1.4, 3, 4.1, 4.3	221.5
Total HCVA area in PT SSS Location Permit (ha)				<b>1,121.2</b>
Total area of PT SSS Location Permit (ha)				<b>3,157.29</b>
Proportion of HCVA area in PT SSS Location Permit (%)				<b>35.5</b>

**Table 2.** Indicative HCVA 4 areas and descriptions in proposed community partnership plantation expansion area

ID	Area Name	Description	HCY Type	Size (ha)
12	Peat swamp area in Sekonyer River tributary, Kumai Estate	Sekonyer River tributary water catchment area, flood control and natural firebreak	4.1	1.6

13	Peat swamp area in Sekonyer River tributary, Kumai Estate	Sekonyer River tributary water catchment area, flood control and natural firebreak	4.1	13.3
Total HCVA area in PT SSS Location Permit (ha)				<b>14.9</b>
Total area of PT SSS Location Permit (ha)				<b>87.7</b>
Proportion of HCVA area in PT SSS Location Permit (%)				<b>17.0</b>

Remarks: \*Area based on calculations using GIS

Presence of these HCVs provides two strategic roles for the company. *First* is as a management instrument in maintaining the balance between environmental and social components to ensure company sustainability. *Second* is as the company's concrete contribution to environmental conservation issues in the local, regional, even international scale. Therefore these areas must be seriously managed to protect against threats that can disturb or remove HCVA functions. To ensure HCVA presence and functions, the following are two main and urgent recommendations: (i) delineate and mark HCVA map on the ground, as well as conduct socialisation with all staff, employees, and plantation management stakeholders on HCVA purpose and objectives; (ii) immediately develop HCVA Management and Monitoring Plans.

Map of HCV Areas Identified in New Development Area of Kumai Estate - PT. Surya Sawit Sejati

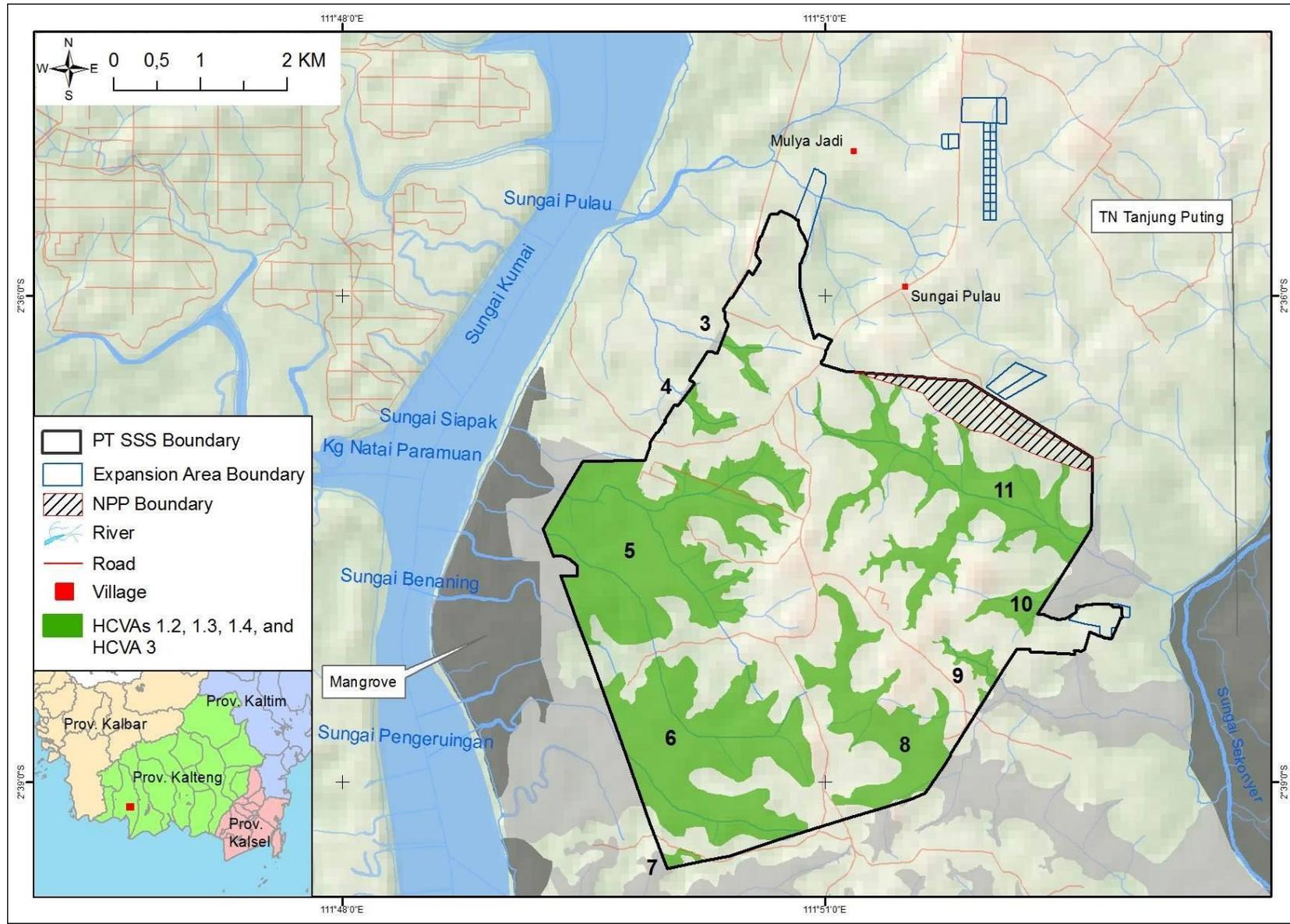


Figure 6.1. HCVA 1 and HCVA 3 in PT Surya Sawit Sejati Location Permit

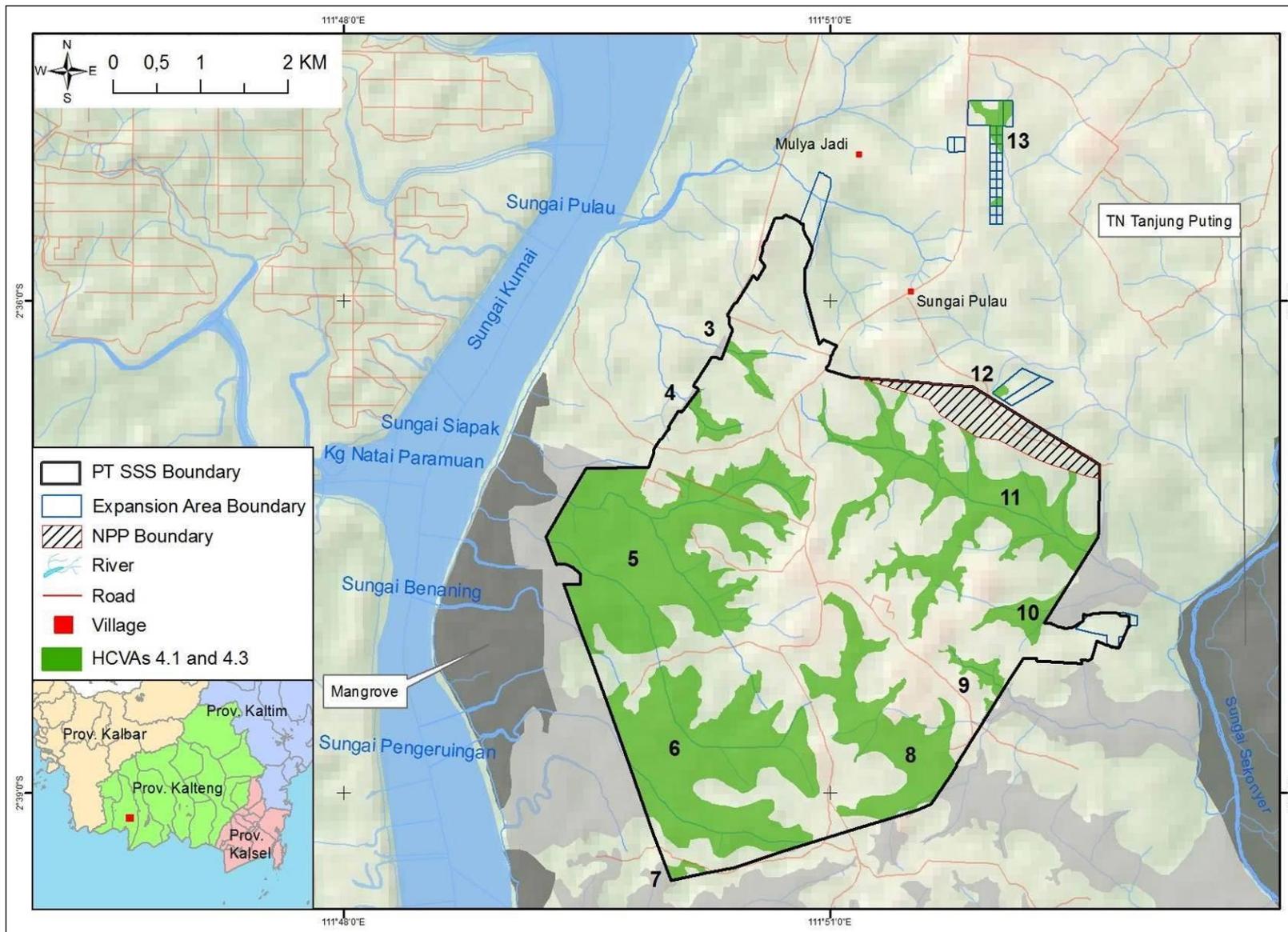


Figure 6.2. HCV 4 distribution in Kumai Estate in PT SSS Location Permit

### 3. SUMMARY OF PLANS:

#### 3.1. Executive Summary

##### **Background**

PT Surya Sawit Sejati (PT SSS) is committed to protecting and managing areas of essential environmental and social values. In the context of environmental management, such commitment is materialised by assessing High Conservation Value (HCV) which exist in particular areas or sites within the company's operational area, which in this case is oil palm plantation Location Permit concession in Arut and Kumai Estate located in West Kotawaringin District, Central Kalimantan Province. This concession has HCVs that needs to be managed (preserved, protected and enhanced) in order to guarantee the ecological functions, environmental service and socio-cultural aspects sustainability.

As a part of RSPO Certification scheme, PT SSS has conducted HCV assessment in May 2014 assisted by RSPO-Accredited Assessors. This assessment result has been documented in report. In the frame of HCV management, the next phase after HCV Assessment and HCV Area (HCVA) delineation by plantation company is HCV Management Plan document preparation, followed by the plan realisation, as well as monitoring and evaluation activities for continuous improvement of the company's HCVA management. This HCVA Management Plan document for PT SSS location permit concession is deemed the company's reference to manage its HCVA's. The technical implementation will adjust to the company policies.

##### **Social Impact Assessment**

Social impacts are resulted from development intervention towards human. They take a variety of forms. While significant benefits are generated from development, negative externalities also occur and need identification and evaluation. Social impacts are important not only to be identified and measured, but also be managed as such to maximise the positive externalities and minimise the negative ones. Social Impact Assessment (hereinafter "SIA") becomes more important to be implemented from time to time. This is in line with the tendency of intensifying social issues and challenges due to the local, regional and global changes.

For the company, the document of Social Impact Assessment can be used as the basis in the preparation of Social Management Plan and activity plans in the *Corporate Social Responsibility* (CSR). CSR is a company's effort to synergize shareholders and stakeholders interests in the step of both, planning and the implementation. In an extractive industry, the implementation of CSR program is emphasized to establish relationship and supports from local communities, which intended to improve sense of belonging of the stakeholders toward the company, improve independence and empowerment of local community. Law No 40 of 2007 on Limited Company and the Law No 25 of 2007 on Investment, require a company to conduct *Corporate Social Responsibility* (CSR).

In the context of oil palm, SIA is meant to help oil palm plantation and mill companies identify social impacts and issues in their surrounding areas as well as the social risks that they face. SIA output constitutes a basis to company social management planning. Company social plan includes well-planned strategy, initiatives, and programmes designed to (i) mitigate company presence and operation's negative social impacts; (ii) strengthen company presence and operation's positive social impacts; (iii) mitigate company social risks; and (iv)

develop company social roles for real contribution in social life and local development surrounding its concession.

It is expected that social management program implemented by the company will fit the needs of local community and the company social sustainability will be met. The Social Impact Assessment will be one of the requirements in the RSPO Certification Process.

The potential negative impacts in general are degradation of environmental quality, diminishing land availability for farming, timber/wood sources and other non-wood forest products.

### 3.2. Reference Documents:

DOCUMENTS	BY WHOM	YEAR
AMDAL KEGIATAN PEMBANGUNAN PERKEBUNAN DAN PABRIK PENGOLAHAN KELAPA SAWIT	EDUTAMA ENVIROCARE	2010
UKL	PT. BARITO PRIMA KONSULTAN	2014
HCV FINAL REPORT	AKSENTA	2014
SIA FINAL REPORT	AKSENTA	2014
LUCA	AKSENTA	2014
HCS ASSESSMENT	DAEMETER	2014
IZIN LOKASI	BUPATI'S OFFICE	2013
IUP	BUPATI'S OFFICE	2014

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

#### Management & Planning Personnel:

Head of RSPO/ISPO Business Unit: Mr. Amrik Singh, Biodiversity Division Manager: Mr. Moh. Silmi, Estate Manager: Mr. Rama Devan;

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

#### **Social Impact Management and Monitoring Plan**

##### **a. Management Plan**

By focusing on achieving its targets and taking into account the urgency, priority and resources that it has, PT SSS will run the social management in stages. The basic programme activities' focus will be addressed to the community living in the area near the plantation where the company runs its operations, as well as the employees and estate community.

The basic programmes are as follow.

1. Programme of development of communication and social relationship with local community surrounding the company.

2. CSR development programme to help improve the community's independence and to allow them to participate in improving basic facilities that facilitate both the company and the community.
3. Employment and business opportunity increase programme for the local community.
4. Scheme plantation development programmes for Sungai Pulau, Sungai Sekonyer and Kumai Hulu village community.

The following are programmes addressed to the employees and estate community.

1. Internal communication and social relationship development programme.
2. Employee prosperity improvement programme.
3. Occupational Health and Safety (OHS) implementation consistency improvement programme.

Sub-activities to be carried out by the company (as mentioned in detail in PT SSS social impact management and monitoring programme plan matrix in Chapter 5) are derived from these basic programmes.

#### b. Monitoring Plan

Monitoring aims at checking whether the activities run according to plan, the targeted outputs are achievable, and resources (human, finance, and time) are effectively invested. The monitoring results are input to the activity implementation improvement to enable more effective and efficient output generation. Monitoring is carried out in participatory way, where the programme beneficiaries (i.e. the local community) are involved. It is carried out regularly and at any time during the activity programme implementation period. The monitoring plan is a part integrated into the whole Management Plan.

The description of each basic element of the social management plan under each programme activity (scopes of the local community, as well as the employees and estate community) is presented in the following **Matrix 5.1 (Social Impact Management and Monitoring Plan for Local Community)** and **Matrix 5.2 (Social Impact Management and Monitoring Plan for Employees and Estate Community)**.

#### 5.1. Social Management Plan for the Community Surrounding PT SSS (Period of 2014-2016)

No	Programme	Target	Activities	Monitoring	PIC	Target Achievement Timeline
1.	Development of communication and social relationship with local community surrounding the company.	1.1. Established harmonious relationship with the local community.	<ol style="list-style-type: none"> <li>1. Map stakeholders, identify the actors, and measure the level of their interests/needs and power.</li> <li>2. Develop appropriate approach strategy for each stakeholder.</li> <li>3. Improve the management's active participation in the surrounding community's activities (social, religious and sport activities).</li> <li>4. Regularly hold meetings with stakeholders to maintain communication.</li> <li>5. Identify needs based on the community's input.</li> <li>6. Provide help and cooperate with other stakeholders in developing infrastructures needed by the community according to the</li> </ol>	Progress report according to the activities.	HR Manager (Div Humas & CSR)  Estate Manager	On going

No	Programme	Target	Activities	Monitoring	PIC	Target Achievement Timeline
			company's ability.			
		1.2. Zero disturbance to the company's operation	<ol style="list-style-type: none"> <li>1. Map stakeholders to identify any figures who may potentially prompt social risks.</li> <li>2. Develop and apply appropriate approach strategy for each figure who may potentially prompt social risks.</li> <li>3. Use mutual consent-based approaches in resolving conflict with community.</li> <li>4. Improve the relationship between the company and customary institutions, as well as government key figures at the district level.</li> </ol>	Progress report according to the activities.	HR Manager (Div Humas & CSR)  Estate Manager	On going
II.	CSR development programme to help improve the community's independence and to allow them to participate in improving basic facilities that facilitate both the company and the community	2.1 Established non-land and non-palm oil-based businesses	<ol style="list-style-type: none"> <li>1. Identify the local economic potentials for developing businesses appropriate to the community</li> <li>2. Develop productive businesses appropriate to the community, particularly the group of their educated young generations</li> <li>3. Deliver trainings supportive to the businesses to be developed</li> <li>4. Facilitate expert assistants to provide technical development to the target group.</li> </ol>	Progress report according to the activities.	HR Manager (Div Humas & CSR)  & Estate Manager	On going
		2.2 Established basic infrastructure facilitation for the surrounding community	<ol style="list-style-type: none"> <li>1. Identify needs based on community inputs.</li> <li>2. Cooperate with relevant stakeholders in developing necessary basic infrastructure (economy, transportation, education and health) according to the company's financial ability.</li> </ol>	Progress report according to the activities.	HR Manager (Div Humas & CSR)  Estate Manager	On going
III.	Employment and business opportunity increase for the local community	3.1 Opportunities can be accessed by the local community to work for the company	<ol style="list-style-type: none"> <li>1. Make recruitment policies</li> <li>2. Identify the needs for and availability of manpower</li> <li>3. Disseminate information on worker recruitment</li> <li>4. Recruit local manpower according to the needs</li> </ol>	Progress report according to the activities	HR Manager	On going
		3.2 Job opportunities are open for local contractor and supplier	<ol style="list-style-type: none"> <li>1. Make policy for local contractor and supplier</li> <li>2. Identify the needs for local contractor and supplier and their availability</li> <li>3. Disseminate information</li> </ol>	Progress report according to the activities	HR Manager & Estate Manager	On going

No	Programme	Target	Activities	Monitoring	PIC	Target Achievement Timeline
		according to the quality standards set by the company	<p>on the company demands for local contractor and supplier</p> <p>4. Prepare employment agreement letter</p> <p>5. Establish cooperation with local contractor and supplier according to the company's needs.</p>			
IV.	Scheme plantation development for Sungai Pulau, Sungai Sekonyer and Kumai Hulu village community	4.1 Established scheme plantations for Sungai Pulau, Sungai Sekonyer and Kumai Hulu village community.	<p>1. Disseminate information to the surrounding community on scheme plantation development plan (including the plasma scheme, land acquisition/provision and other requirements).</p> <p>2. Coordinate with and consult relevant stakeholders.</p> <p>3. Inventory the lands.</p>	Progress report according to the activities.	<p>HR Manager (Div Humas &amp; CSR)</p> <p>Estate Manager</p> <p>Plasma Team</p>	On going

## 5.2. Social Management Work Programme for PT SSS Employee and Estate Community (Period of 2014– 2016)

No.	Programme	Target	Activity	Monitoring	PIC	Target Achievement Timeline
I.	Internal communication and social relationship development	1.1 Established harmonious employment relationship	<p>1. Trade union institutional capacity building through training for its management board.</p> <p>2. Facilitate trade union to allow them to run their organisational matters well and provide positive contribution to the bipartite relationship between the company and its labours.</p> <p>3. Develop and carry out activities involving all employee families.</p>	Bi-annual progress report	HR Manager	On going
II.	Employee prosperity improvement	2.1 Employees' satisfied normative rights	<p>1. Disseminate information on normative rights, particularly relating to wage system and health security for employees.</p> <p>2. Disseminate information on employment policy and procedures.</p> <p>3. Evaluate uniformity and consistency in satisfying each estate employees' normative rights.</p>	Six Monthly progress report	HR Manager	On going
		2.2 Available basic and	1. Maintain housing units and their facilities.	Annual progress	Estate Manager	On going

No.	Programme	Target	Activity	Monitoring	PIC	Target Achievement Timeline
		additional housing facilities in all estates.	<ol style="list-style-type: none"> <li>2. Construct new housing to replace the old ones being no longer appropriate.</li> <li>3. Construct and provide clean water installation in all employees housing.</li> <li>4. Maintain water sources for housing.</li> <li>5. Provide appropriate and safe public transportation for workers and school children.</li> <li>6. Provide day cares with skilful babysitters in all employee housing complexes.</li> <li>7. Provide worship facility at each division.</li> <li>8. Provide sport facilities in housing complexes.</li> <li>9. Provide healthcare facilities/clinics</li> </ol>	report		
III.	Occupational Health and Safety (OHS) implementation consistency improvement	3.1 Established healthy, secure and comfortable work atmosphere.	<ol style="list-style-type: none"> <li>1. Provide sufficient quality Protective Personal Equipment (PPE) to employees.</li> <li>2. Guarantee stock of PPE, first-aid kit, and medicines in storage for work.</li> <li>3. Identify the needs for light fire extinguishers and then provide them accordingly.</li> <li>4. Identify the needs for warning signs and then provide them accordingly.</li> <li>5. Develop reward and punishment system upon work units for their consistency or failure in applying OHS system.</li> <li>6. Run campaign on OHS importance to all employees.</li> <li>7. Deliver OHS trainings to employees.</li> </ol>	Quarterly progress report	Estate Manager	On going
		3.2 Healthy employee family/estate community.	<ol style="list-style-type: none"> <li>1. Provide education on local health condition to employees and housing complex residents.</li> <li>2. Run campaign and training on healthy life for employees and housing complex residents.</li> <li>3. Regularly maintain</li> </ol>	Annually progress report	Estate Manager Hospital Assistant	On-going

No.	Programme	Target	Activity	Monitoring	PIC	Target Achievement Timeline
			<p>employee housing complex involving the residents.</p> <p>4. Improve housing sanitation system.</p> <p>5. Provide sufficient trash bins at each housing complex.</p> <p>6. Anticipate and take precautionary actions against spread of disease.</p> <p>7. Provide education on national family birth control programme (KB) and family health.</p>			

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

#### HCVA Management Strategy

##### Objectives

In line with the RSPO requirement to formulate a HCV-management plan, PT SSS has developed a HCV-management plan for Arut and Kumai Estates. The objective of this management plan is to:

**“Ensure that the company’s HCV areas are managed and protected to prevent deterioration of its biodiversity values and ecosystem functions.”**

To achieve the objective the BioD has set out a number of time-bound “outputs” (mile stones) that are supported by a number of activity areas. These include baseline biodiversity surveys, monitoring of biotic and abiotic parameters and research that aim at measuring the operational impact of plantation operations on HCV-areas and, if necessary, develop mitigation responses. .

##### Period

This HCV management plan covers the 5-year period from 2014-2019. Progress will be monitored concurrently and annual “status reports” will be produced.

##### Management and Mitigation Plan

Such major activities necessary or should be carried out to achieve the major targets includes the following.

1. Vegetation enrichment in disturbed areas.
2. Wildlife poaching mitigation.
3. Land and forest encroachment mitigation.
4. Land and forest fire mitigation.
5. Agrochemical use control.
6. Soil and water conservation by means of civil engineering.
7. Historical-cultural site conservation collaboration with other relevant stakeholders.
8. Wildlife management policy and procedure establishment.
9. Land and forest encroachment handling policy and procedure establishment.
10. Land and forest fire handling policy and procedure establishment.
11. Soil and water conservation policy and procedure establishment.

## 12. Historical-cultural site conservation policy and procedure establishment.

To allow effective implementation of those major activities, human resources capacity building efforts will be necessary to allow them to possess knowledge and skill relevant to implementation of all of the planned activities. In addition, infrastructure provision is also necessary to allow effective activity implementation.

For the context of PT SSS having HCVA 1, 3, 4 and 6, at least the following basic knowledge and skills are important to have.

### **For HCVA 1 and 3:**

1. Identification and mapping of key species (rare/threatened) distribution in PT SSS Location Permit concession.
2. Identification and inventorying of flora species in freshwater and peat swamp forest ecosystems.
3. Monitoring of key species and plant/forest richness and abundance.
4. Food distribution and abundance mapping.
5. Freshwater and peat swamp ecosystems observation.

### **For HCVA 4:**

1. Freshwater and peat swamp forests area mapping (peat distribution and depth).
2. Soil and water conservation, particularly erosion and sedimentation prevention and control through both vegetative and civil engineering approaches.
3. Water quality measurement and assessment.
4. Erosion and sedimentation measurement and monitoring.

### **For HCVA 6:**

1. Knowledge on community history and culture.
2. Cultural reserve governance.

This technical knowledge and skills are important to the activity programme PICs (the managers) and staffs/employees whose roles are dedicated for implementing protection, management and monitoring. Such technical knowledge and skills can be delivered through training, training-workshop, or joint activities with expert team.





OUTPUTS, <i>activity areas</i> and activities	Year: 2015-2020	January				February				March				April				May				June				July				August				October				November				December							
	Responsible persons/ divisions	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4				
Collaboration with community for sustainable of used NTFP																																																	
Collaboration on historical - cultural site conservation with relevant stake holder																																																	

#### 4. VERIFICATION STATEMENT:

PT SURYA SAWIT SEJATI opted for document audit. Two (2) PT Mutuagung Lestari auditors have **conducted desk study** at their site office in Jakarta from 2<sup>nd</sup> – 3<sup>rd</sup> December 2014; and also held interviews with the management representatives of PT SURYA SAWIT SEJATI during the verification. The auditor teams are: Y. Wisnu Rahmanto (HCV and SEIA Aspect), Oktovianus Rusmin (Legal and Social Aspect).

The SEIA (AMDAL) was conducted by the government-accredited consultant whereas the SIA and HCV assessments were conducted by RSPO-approved assessors. In accordance with RSPO requirements PT SURYA SAWIT SEJATI needs to obtain free, prior and informed consent from the local community that would be affected by the development of the concession area.

In accordance with RSPO requirements PT SURYA SAWIT SEJATI obtained free, prior and informed consent (FPIC) from the local community that would be affected by the development of the concession area or land that would be opened. The company had have procedure for land compensation (SOP 2A.0: SOP Oil Palm New Planting). FPIC process have been showed by evidences of land compensation process, for examples; Letter of Land Ownership (included attachment of land position & boundaries), Citizenship Card of land owner and Payment Receive by company to land owner. There are summary of land compensation process within period 2007 – 2014 covering **3,245.3601** Hectare and divided in two estate:

- a. Total 2,701.575 hectare for 119 land owner in Kumai Estate
- b. Total 543.7591 hectare for 17 land owner in Arut Estate

Although the compensation has been made in 2007, PTSSS in her commitment to continuous improvements has engaged the services LINKS consultant to further improve the link with the communities in the true spirit of FPIC on 3,157.29 ha Ijin Lokasi. This New Development area has been allocated for Scheme Smallholders (Plasma).

As listed above, new planting activities did take place in 2007/2008 for Arut Estate and Kumai Estate based on the approved initial “Ijin lokasi” 1 (Kumai estate), no. 659.480.42/BPN/IV/2007, dated 9 April 2007 and “Ijin lokasi” 2 (Arut estate), no. 660.480.42/BPN/IV/2007, dated 9 April 2007, totalling approximately 943 Ha’s of planted areas. No new planting has taken place since 2009/2010. This was further verified and reported during the company’s Annual Surveillance Assessment in 2012 under partial certification and again, during the re-certification in 2013, where the company had proactively taken steps, including a “Self-Declaration” to RSPO concerning the planted plasma.

In Q2 2014, during the annual surveillance assessment 1, the company in its pursuit to achieve 20% of it land bank as Plasma has decided to re-structure its holdings as follows:

PT SSS 1 received a new izin lokasi, Location Permit SK Bupati Kotawaringin Barat No. 525/102/XI/2013 for 3,157.29 Ha with the following breakdown:

- a. Approximately 943 Ha of planted area;
- b. Approximately 1,120 Ha for conservation;
- c. And the potential for new planting is approximately 1,092 Ha.

In the liquidation of PT SSS 2, all employees will be paid their dues based on the labour laws of Indonesia. It is a commendable initiative from the company to covert the planted areas of PT SSS 2, into Plasma for the surrounding small farmers. The process of converting the PT SSS 2 planted area, from HP and HPK, into APL areas is being processed as per PP #60 2012.

From the above exercise, PT SSS will hold:

- a. an INTI area of approximately 9,000 Ha’s;
- b. a potential Plasma + new planting area of approximately 2,035 Ha’s (including the existing planted conversion of 943 Ha).
- c. And a conservation area of approximately 1,120 Ha’s

Based on the findings from the desk review, PT SURYA SAWIT SEJATI has adhered to RSPO New Planting Procedure for New Development Planting.

To fulfill of Criterion 7.3, Land Use Change Analysis (LUCA) of PT SURYA SAWIT SEJATI has been done by Aksenta consultant on 16-23 May 2014. 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 SURYA SAWIT SEJATI conducted by Daemeter consultant. The Report of Carbon Stock Change Assessment Associated with New Oil Palm Planting is finalized on 13 November 2014 and will be submitted to ERWG via RSPO Secretariat.

Signed on behalf of,

Mutuagung Lestari



**YUDWI WISNU RAHMANTO**

Lead Auditor

17<sup>th</sup> – December – 2014

PT. SURYA SAWIT SEJATI



**AMRIK SINGH**

Head of BUSINESS UNIT , PTSSS

17<sup>th</sup> – December – 2014