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RSPO NOTIFICATION OF PROPOSED NEW PLANTING

This notification shall be on 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:

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 notifications only

Company : PT Sawit Mandiri Lestari

Subsidiary : PT Sawit Sumbermas Sarana Tbk

RSPO Membership No. : 1-0111-07-000-00

Location of Proposed New Planting : Delang, Batang Kawa and Lamandau Sub District, Lamandau Regency, Central Kalimantan Province, Indonesia

GPS Reference :

01° 40' 54" - 01° 56' 31" South and 111° 05' 14" - 111° 19' 12" East

Location of the Proposed New Planting

PT Sawit Mandiri Lestari (PT SML), a subsidiary of PT Sawit Sumbermas Sarana Tbk, is developing approximately **19,240 ha** of oil palm plantation located at Kinipan, Batu Tambun, Ginih, Riam Panahan, Sungai Tuat, Tanjung Beringin, Cuhai, Kawa, Karang Tabu, Penopa, Suja and Tapin Bini Village, Batang Kawa, Delang and Lamandau Sub District, Lamandau Regency, Central Kalimantan Province, Indonesia.

The shareholders of PT SML are PT Sawit Sumbermas Sarana Tbk (99.90%), PT Citra Borneo Indah (0.09%) and PT Mitra Mendawai Sejati (0.01%) (based on change of certificate of incorporation no. 543 dated on December 31, 2013 by notary of Lya Indah Novelya,SH, M.Kn).

General company location information is :

Description	Information
Geography	: 01° 40' 54" - 01° 56' 31" South and 111° 05' 14" - 111° 19' 12" East
Altitude	: 20-365 meters above sea level
Government Administration	: Batang Kawa, Delang and Lamandau Sub District, Lamandau Regency, Central Kalimantan Province.
Forestry/Plantation Administration	: Dinas Kehutanan dan Perkebunan Kabupaten Lamandau / Forestry and Plantation Service Lamandau Regency
Watersheed (DAS)	: Kotawaringin Watersheed (Batangkawa, Delang and Lamandau Sub Watersheed)
Boundary :	
North	: Permit : IUPHHK-HA PT Amprah Mitra Jaya, IUPHHK-HA PT Sari Bumi Kusuma (Unit I & II) Administrative : Batang Kawa & Delang Sub District
East	: Permit : IUPHHK-HA PT Amprah Mitra Jaya Administrative : Batang Kawa & Belantika Raya Sub District
South	: Permit : IUP Pilar Wana Persada, IUP PT Trieika Agro Nusantara, IUPHHK-HA PT Bina Daya Tetra Administrative : Lamandau Sub District
West	: Permit : IUP PT Sawit Lamandau Raya, IUPHHK-HA Sari Bumi Kusuma Administrative : Lamandau Sub District

PT SML has obtained Cultivation Business Permit for release of forest land (Izin Usaha Perkebunan (IUP) untuk pelepasan kawasan hutan) issued by Head of Lamandau Regency No. Ek.525.26/01/SK-IUP/IV/2014 on April 7, 2014 covering an area of ± **26,995.46 Ha** and has obtained location permit (Izin Lokasi) for oil palm plantation issued by Head of Lamandau Regency No.Ek.525.26/15/SK-IL/VI/2012 on June 26, 2012 covering an area of ± **26,995.46 Ha** (nucleus estate amount of ±12,561.52 ha and smallholder estate amount of ± 14,433.94 ha).

In order compliance process with regulation (Ministry of Forestry decree no. P.33/Menhut-II/2010 jo P.17/Menhut-II/2011 jo P.44/Menhut-II/2011 jo P.28/Menhut-II/2014) that PT SML has obtained letter from Minister of Forestry (no. S.355/Menhut-II/2014 on August 29, 2014) about approval in principle of production forest for conversion to other forestry uses (HPK) released for the cultivation of oil palm plantation amount of **± 19,240 Ha** and map it. The total area within the letter of approval in principle from the minister of forestry is smaller than location permit because it is maximum size which allowed first time an area of 20,000 ha (based on Minister of Forestry decree no. P.33/Menhut-II/2010 article 4 paragraph 1.a.1). During assessment, implementation of the boundary survey for the release of the forest area is being carried out.

PT SML has a EIA (AMDAL) document based on Head of Lamandau Regency number Ek.525.26/15/SH-IL/VI/2012 dated on June 26, 2012 with **26,995.46 Ha** covered area and has been approved by the Environmentan Impact Assessment Commision of Central Kalimantan accordance to the letter of environmental feasibility number 660/247/Kom-AMDAL/VIII/2014 dated on August 27, 2014. On the letter already mentioned this environmental feasibility only for slope area under < 40% or 23,946.49 Ha from location permit areas.

Land use classification in the PT SML with scope of location permit are :

- In the letter of forestry and plantation service of Lamandau Regency no. 522/LMD/507/1.01/VII/2012 dated on July 27, 2012 that :
 - the result of area digitation amount of **± 26,995.46 Ha**,
 - based on the map of forest lands on Central Kalimantan Province (appendix Ministry of Forestry decree no. 529/Menhut-II/2012) that PT SML areas is production forest for conversion to other forestry uses (HPK) amount of 26,097.43 Ha (nucleus estate : 12,561.51 Ha and smallholder estate : 13,535.92 Ha), land for other use (APL) amount of 898.02 Ha in smallholder estate,
 - based on permits map from forestry and plantation service of Lamandau Regency that PT SML areas are IUPHHK-HA PT Amprah Mitra Jaya amount of 21,470.12 Ha (in nucleus estate amount of 12,561.57 Ha and smallholder estate amount of 8,908.55 Ha), IUP PT Sawit Lamandau Raya amount of 775.35 Ha in smallholder estate and IUP PT Trieka Agro Nusantara amount of **± 2,507.15 Ha** (nucleus estate amount of 1,536.96 Ha and smallholder estate amount of **± 970.18 Ha**).
- Based on indicative map revision III (appendix Ministry of Forestry decree no. SK.6315/Menhut-VII/IPSDH/2012 dated on November 19,2012 about moratorium of new concession permit for forest use and utilization) that there is no peat land and or natural primary forest within proposed concession area.

Land use classification in the PT SML with scope of approval in principle letter are production forest for conversion to other forestry uses (HPK) amount of 18,341.98 Ha (nucleus estate and smallholder estate) and land for other use (APL) amount of 898.02 Ha in smallholder estate. A comprehensive and participatory independent Social and Environmental Impact Assessment (SEIA) and High Conservation Value (HCV) Assessment which include internal and external stakeholders were completed by RSPO approved assessor from PT Sonokeling Akreditas Nusantara (PT SAN). The results are incorporated into the operational management planning to develop the new planting. The Independent assessment by RSPO approved assessors results are :

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- The area is categorized as land for other uses (*Areal Penggunaan Lain*), and production forest for conversion to other forestry uses (*hutan produksi yang dapat dikonversi*).
- All areas required to maintain or enhance one or more HCV were identified as conservation area.

Location maps were prepared and presented in the SEIA and HCV assessment report to include all the above findings and recommendation from the assessor. Location maps showing the project location and HCV are in the attached figure below. The SEIA and HCV summary report includes additional maps showing the topography, landscape, HCV and land compensated. HCV maps prepared to include area for buffer and riparian reserve.

Company's location in Central Kalimantan Province :

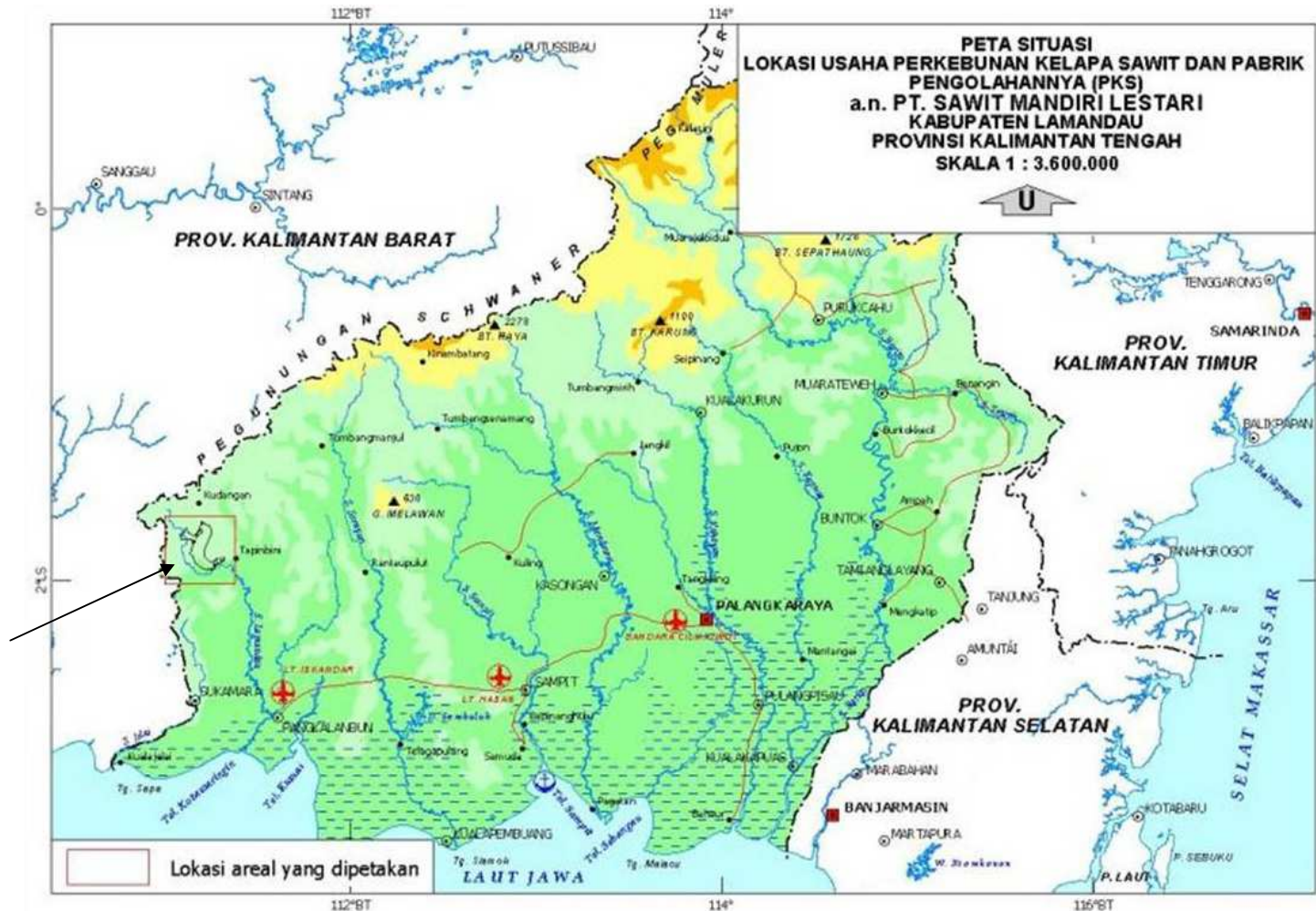


Figure 1 Location of PT Sawit Mandiri Lestari oil palm plantation as shown in Lamandau Regency

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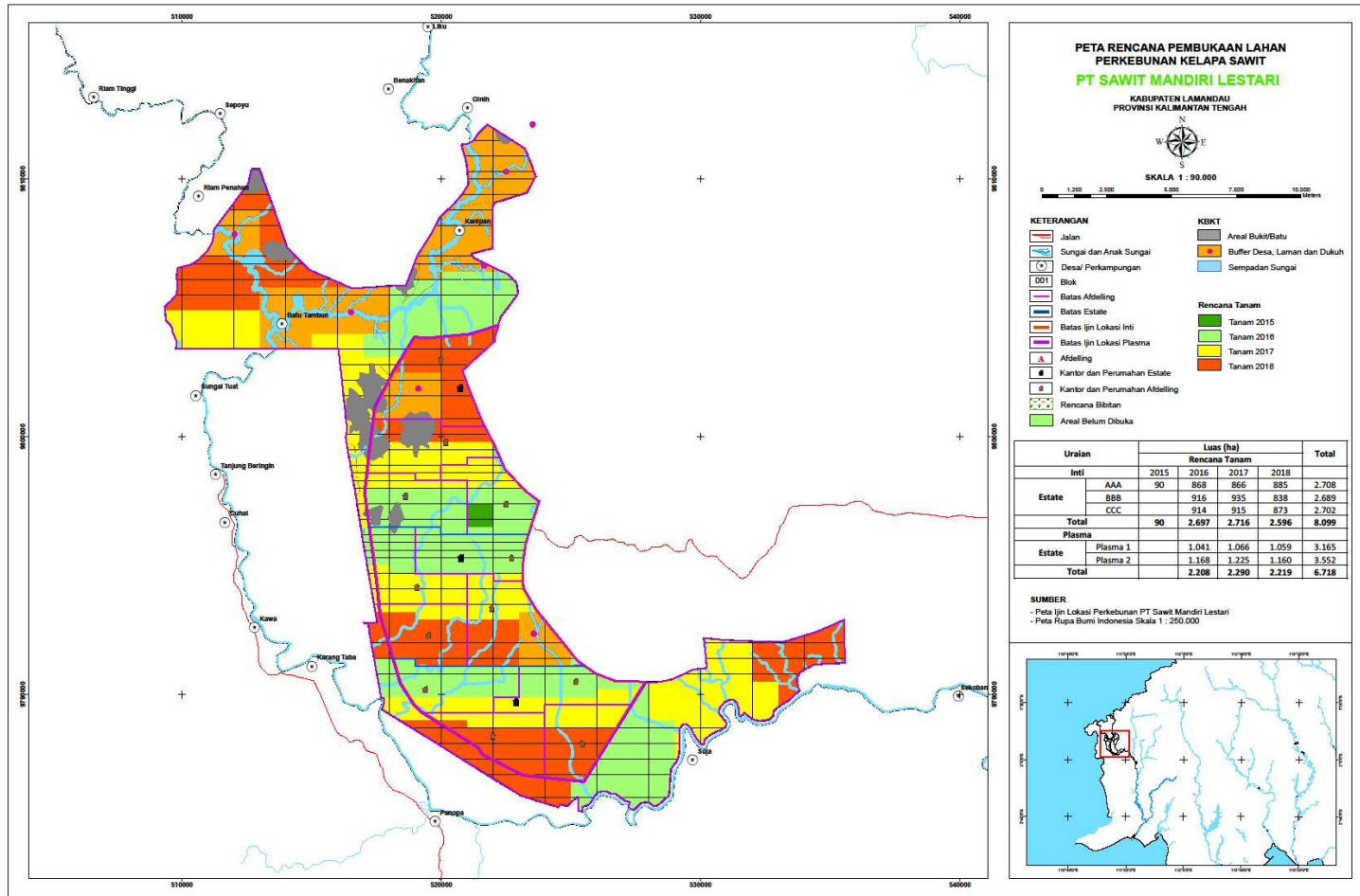


Figure 2. Estate design block map PT Sawit Mandiri Lestari, Lamandau Regency, Central Kalimantan Province

SUMMARY FROM SEI ASSESSMENTS :

The Social Impact Assessment (SIA) of PT Sawit Mandiri Lestari was carried out by an independent consultant from PT Sonokeling Akreditasi Nusantara which is located at Jl. Komplek Sari Inten 44, Ciomas – Bogor, West Java, Indonesia 16610; Telephone : +62 251 7521685, Fax : +62 251 7521686, website : www.sanforsan.com. The team members consist of consultants includes :

- a. **Burhanuddin Gala**. He has his first degree from faculty of social & polictic, Indonesian University and Master of Antrophology from Indonesian University. He is experienced much focused on the preparation of management plan and Environmental Impact Assessment, HCVA assessment, Social Impact Assessment especially the socio-economic.
- b. **Achmad Sukantomo**. He hold graduated from the agriculture social economic department - agriculture faculty of Bogor Agricultural University. He is experienced as manager in PT Perkebunan Nusantara XII (Persero) and as social expert on SIA of PT Karyabhakti Sejahtera Agrotama.

Whereas Environmental Impact Assessment (EIA) of PT Sawit Mandiri Lestari was carried out by an independent consultant from PT Sonokeling which is located at Villa Ciomas Indah, Jl. Poksay, block G7 No.1-2, Ciomas-Bogor, West Java, Indonesia 16610; Telephone : +62 251 8632919, Fax : +62 251 8639695, email : sonokeling_pt@yahoo.com. The team members consist of assessor accredited and approved by the National Association of Professional Consultant of Indonesia includes :

- a. **Achmad Djazuli** as vegetation expert. He hold graduated from the forestry faculty of Bogor Agricultural University. He has competency certificate as team leader of EIA compiler (no. 000943/SKPA-P1/LSK-INTAKINDO/VI/2013).
- b. **Burhanuddin Gala** as social-economic and culture expert. He has his first degree from faculty of social & polictic, Indonesian University and an M.Antrophology from Indonesian University. He is experienced much focused on the preparation of management plan and Environmental Impact Assessment, HCVA assessment, Social Impact Assessment especially the socio-economic. He has competency certificate as member team of EIA compiler (no. 000195/SKPA-P1/LSK-INTAKINDO/V/2013).
- c. **Budi Wahyu Jumeneng** as phisic-chemist about water and air quality expert. He hold graduated from the fish and marine science & technology faculty of Bogor Agricultural University. He has competency certificate as member team of EIA compiler (no. 000596/SKPA/LSK-INTAKINDO/V/2012).
- d. **Prama Adithya** as vegetation and wildlife expert. He hold graduated from the forestry faculty of Bogor Agricultural University and certificate of environmental impact assessment training.
- e. **Siswanto** as soil expert. He hold graduated from the agriculture faculty of Bogor Agricultural University.
- f. **Riri Ridwan** as community health expert. He hold graduated from the communities helath science faculty of Jakarta Muhamadiyah University.

Assessment Methods (Data sources, data collection, dates, program, and places visited)

The methods and techniques of Social Impact Assessment on the ground was carried out by Rapid Rural Assessment (RRA) was combined with in-depth interviews, observation and Focus Group Discussion (FGD) as follows :

1. **Villages Selection** : There are 12 villages and 3 sub districts where in and around the location permit PT SML i.e Lamandau sub district (Cuhai village, Kawa village, Panopa village, Suja village, Tapin Bini village, Karang Taba village, Tanjung Beringin village and Sungai Tuat village), Batang Kawa sub district (Batu Tambun village, Kinipan village and Ginih village) and Delang sub district (Riam Penahan village). The villages are located around the site location permit are native villages that had existed before the presence of the company in the land. The villages are usually dominated by the local population Dayak Tomun. However, there are another ethnics such as Javanese, Sundanese, Timor/Flores, Banjar, Madura and Batak in minority.
2. **Literature Study** : it was conducted by collecting and studying the relevant document.
3. **Depth interviews** : interview were conducted to explore the opinions and perception of the community related social impacts are estimated to occur today and the future. Interviews were conducted with members of the community are considered to have the necessary information related to the object of study. Besides that interviews were also conducted on other relevant sources are considered to understand the key issues or social issues, based on previous studies that document.
4. **Observation** : to see the conditions and factual condition in the field, relate with the object of assessment or issues being examined.
5. **Focus Group Discussion (FGD)** : it was conducted with the involvement of local leaders and local government officials and others who are considered competent to valuation issues.

The methods and techniques of Environmental Impact Assessment (EIA) on the ground was carried out as follows :

1. **Location of observation** : sub component of air quality are settlement in Riam Panahan, Kinipan, Suja village and candidate of garden (each of 1 sample), sub component of soil are young and old thickets and log over areas/secondary forest (10 samples), sub component of hydrology/sedimentation are inlet and outlet Lamandau River, Kayan River and Karang Taba River (5 samples), sub component of surface water quality and aquatic biota are inlet dan outlet Lamandau River, Kayan River and Karang Taba River (7 samples), sub component groundwater quality are inlet dan outlet Lamandau River, Kayan River and Karang Taba River (5 villages i.e Riam Panahan village, Kinipan village, Cuhai village, Karang Taba village and Suja village), sub component of vegetation and wildlife are secondary forest (2 samples), primary thickets (2 samples), secondary thickets and shrub (1 sample), plantation (1 sample), dry land farming (1 sample), component of social and public health (12 villages).
2. **Literature Study** : This method was used for the purpose of gathering information on the socio-context and environmental aspect of the location which was evaluated. It was carried out in the early phase-before going to the field and at the result analysis phase.

3. **Dialogue** : This method was used to identify the nature of the parties, identify the potential issues and impacts, gathering information about expectations, ideas, and opinions to enable identification of potential solutions to address these potential issues and impacts. The process was carried out through meetings both in formal and in non-formal sequence focusing on specific topics (Focus Group Discussion or FGD);
4. **On-the-Spot Observation** : This method was used to understand directly the actual facts on the grounds which serve as indicators of the issues and social impacts;
5. **In-depth Interview** : This technique was used to get a deeper understanding about the issues. It was done in-depth by interviewing the key people who will be affected by the development of plantation. The criteria of choosing the respondents were based on the knowledge possessed or their direct experience over the impact or impacts.
6. **Triangulations** : This method was carried out in integrated way to reciprocally verify the actual issues, opinions and ideas.
7. **Laboratory analysis** : This method was carried out to analyst of observation/samples for sub component of air quality, soil quality, surface water quality and sedimentation.
8. **Observation** : to see the conditions and factual condition in the field, relate with the object of assessment or issues being examined.

Summary of assessment findings for SEI assessments

The SIA (*Social Impact Assessment*) was conducted to determine the social-economic condition of community of surroundings area being affected by the company's activities including development of palm oil estate and mill in Lamandau, Delang and Batang Kawa Sub District – Lamandau Districts area.

The finding from the Environmental Impact Assessment (AMDAL/EIA and RKL-RPL document) and SIA assessment identifies both positive and negative impacts from the proposed operational activities of PT SML. In the pre-construction phase/stage, there are some activities was classified/categorized as important impacts (environment document) such as encouraging the perception of positive and negative by communities, reduced land tenure, land use change and the rise of social inconvenience. The source of the impact from some activities was categorized as important impacts (SIA document) i.e socialization of action plan and land acquisition. Whereas in SIA document that component as a source of impact i.e land acquisition and change land ownership and assets, infrastructure, roads, bridges and lighting, quantity and distribution of the population, employment and business opportunities, the level of income and standard of living, change of perceptions and attitudes communities, educational, religious, change of ethnic composition, change of social and culture communities, social conflict, company social management, smallholder areas, the environment and public health, water for consumption, nutritional status, disease vector, industrial relations, develop of HR competencies, career employees, salaries, allowances and other facilities and communication system in internal employee.

All activities was classified/categorized as important impacts and component as a source of impact has available of management and monitoring plan and alternative of strategic and activities so that negative impacts can be minimized and positive impacts can be maintained.

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The stakeholders mentioned in the context of Social Impact Assessment are those who may affect or being affected by the operation of the oil palm plantations and mills. The identification of those parties was carried out through a series of Focus Group Discussion (FGD) meetings within the management and local community as well as on site interviews such as in Kinipan, Batu Tambun, Sungai Tuat, Ginih, Cuhai, Tanjung Beringin, Karang Taba, Kawa, Panopa, Taping Bini, Suja, Riam Panahan villages.

There is a detail stakeholders consulted during the assessments and this is presented in the SIA report of PT SML estate, April - May 2014. There were several FGD activities conducted during Social Impact Assessment process i.e.:

Location	Dated	Attended by villagers
Riam Penahan village	2 May	2
Taping Bini village	30 April	2
Suja village	30 April	2
Panopa village	2 May	4
Karang Taba village	1 May	4
Kawa village	1 May	2
Cuhai village	1 May	3
Tanjung Beringin village	1 May	1
Ginih village	3 May	7
Sungai Tuat village	3 May	2
Kinipan village	4 May	2
Batu Tambun village	4 May	1

Awareness and socialization sessions were held by the company in villages and with other stakeholder on stakeholder related matters (dispute settling, environmental issues etc.). Hereby the customary traditions were recognized by involving the communities' representatives and village leaders including village heads, hamlet heads and customary heads. Socialization of oil palm plantation develop plan has carried out in Karang Taba village (date on September 11, 2014 and attended by 36 persons), Penopa village (date on September 11, 2014 and attended by 47 persons), Riam Penahan village (date on September 13, 2014 and attended by 26 persons), Suja village (date on September 12, 2014 and attended by 90 persons), Taping Bini village (date on September 12, 2014 and attended by 40 persons), Sungai Tuat village (date on September 4, 2014 and attended by 90 persons), Tanjung Beringin village (date on September 4, 2014 and attended by 56 persons), Cuhai village (date on September 5, 2014 and attended by 26 persons), Kawa village (date on September 5, 2014 and attended by 41 persons), Kinipan village (date on September 24, 2014), Ginih village (date on September 24, 2014) and Batu Tambun village (date on September 30, 2014). Whereas, three villages (Batang Kawa Sub District) not available regard attendant list because worry misused (as informed on minute of meeting all socialization activities). The results of verification in field (Sungai Tuat village, Tanjung Beringin village, Cuhai village and Kawa village) are the socialization has carried out. Files are available showing the socialization process, minute of meeting, attendant list and photograph. This is socialization is initial socialization so that does not explain the detailed mechanism of compensation or restitution of land. The topic of discussion will be on the next socializations.

SUMMARY FROM HCV ASSESSMENT :

The HCV assessment at PT SML was carried out by a consultant from PT Sonokeling Akreditasi Nusantara which is located in Sari Inten Complex No. 44 RT 02 RW 09, Ciomas Rahayu, Kecamatan Ciomas – Kabupaten Bogor 16610, Jawa Barat, Indonesia, Telp/Fax : +62 251-7521685 / +62 251-7521686. The team consist of RSPO-approved HCV Assessors as below :

1. **Dr. Ir. Machmud Thohari, DEA.** (RSPO-approved). As a HCV team coordinator. Graduated from Mammal Genetics and Ecological Science, Doctoral Program in Institute des Sciences d'Evolution, Universite des Sciences et Techniques du Languedoc (USTL) Montpellier, France. He is an expert in the field management and biodiversity and also faculty member of Conservation Departement and Ecotourism, Faculty of Forestry – Bogor Agriculture University. He is also member of HCV-RIWG (High Conservation Value – Rountable Indonesian Working Group). He is experienced in HCV assessment and Ecological assessor in forest certification standard.
2. **Ir. Kresno Dwi Santosa, M.Si** (RSPO-approved). As a HCV team leader and responsible for all HCV assessment aspect. Graduated from Environmental & Natural Resources Management in Bogor Agriculture University. He is experienced in forest management specialist and HCVF and he is also has involved in revision of HCVF Toolkit Indonesia.
3. **Dr. Ir. Rachmad Hermawan, MSc.F.** (RSPO-approved). As a HCV team member and responsible for environmental services. Graduated from Doctoral Program in Faculty of Forestry – Bogor Agriculture University and also member of Forestry Faculty as teacher (Dosen). He is expert in the field management and biodiversity and experienced HCV assessment in 75 palm oil companies and HCVF assessment for 3 forestry company.
4. **Ir. Achmad Jazuli.** As a HCV team member and responsible for biodiversity. Graduated from Faculty of Forestry Bachelor degree, Bogor Agriculture University. He is expert in forestry and environmental management. Also, experienced in EIA assessment, Indonesian sustainable forest management for natural forest and plantation forest (PHPL-IUIPHHK-HA dan IUIPHHK-HTI) for more than 30 companies.
5. **Domi Suryadi.** As a HCV team member and responsible for flora. Graduated from Faculty of Forestry Bachelor degree, Bogor Agriculture University. He is experienced HCV assessment in 16 palm oil companies and HCVF assessment for 1 forestry company.
6. **Latief Ginanjar.** As a HCV team member and responsible for environmental services. Graduated from Faculty of Planology Bachelor degree, Islamic Bandung University. He is experienced HCV assessment in 12 palm oil companies.
7. **Aulia Bahadhor Mukti, SP.** As a HCV team member and responsible for environmental services. Graduated from Faculty of Agriculture Bachelor degree in Land Resources, Bogor Agriculture University. He is experienced HCV assessment in field assessment for soil and hidrology survey.
8. **Ahmad Yudana, S.Hut.** As a HCV team member and responsible for social and culture. Graduated from Faculty of Forestry Bachelor degree, Bogor Agriculture University. He is experienced in HCV assessment in 4 companies and experienced in forest Indonesian sustainable forest management.

9. **Rahmat.** As a HCV team member and responsible for geographical information system (GIS). Graduated from Faculty of Forestry Bachelor degree, Bogor Agriculture University. He is expert and experienced in forest surveyor and HCVF GIS expert in forestry company and also for palm oil company.

HCV Identifying Methods on the ground was carried out as follow :

The Indonesian HCV toolkit was employed for HCV assessment conducted at PT SML. The assessment covers the permitted area which is included into the company's project area. The assessment was also expanded into villages and other areas which are of considerable importance to the surrounding proposed plantation area. The assessment was conducted from April 15 until May 7, 2014 including for (data collection, analyzed for methodology, field visit and data collection for biodiversity and ecosystem services and socio-economic-cultural, public consultation). In the process, each observation team was accompanied by field staff from the company and local representatives who are familiar with the site. Beside field assessment and primary data collection, HCV team also collected information from the local community through the individual interviews and Focus Group Discussion (FGD) as well as public consultations the list of stakeholders in the participative process is presented in HCV report of PT SML by the consultant.

At the same time, confirmation and cross-checking of the findings were carried out with the local community using the technique of purposive sampling – which includes the communities, the enclaves' owners (where they existed), and the related interested/affected parties. The understanding and scope of HCV for the oil palm plantation is confined to the HCV definitions, criteria and methods which are applicable to the forestry sector as adopted by the RSPO. The Identification of High Conservation Value in Indonesia was developed by the Konsorsium Revisi HCV Toolkit Indonesia (version 2008) (the toolkit for the revision HCV consortium). Other references used include IUCN, CITES, and other guidelines as well as the relevant Laws of Indonesia were also taken into consideration

Summary of assessment findings (For HCV assessments)

Administratively PT SML include in Delang District, Batang Kawa District, and Lamandau District, Lamandau Regency, Central Kalimantan Province. The location adjacent with :

- North : IUIPHHK – HA PT Amprah Mitra Jaya
- East : Palm Oil Plantation PT Trieka Agro Nusantara, PT Pilar Wana Persada and IUIPHHK-HA PT Bina Daya Tetra
- South : IUIPHHK – HA PT Amprah Mitra Jaya
- West : IUIPHHK – HA PT Sari Bumi Kusuma and Lamandau Palm Oil Plantation.

HCV assessment covered for 26,995.46 Ha with condition not open/not cleared area. Land cover this area consist of :

1. Dry secondary forest
 - Own estate : Convertible production forest (Hutan Produksi Konversi) 11,872 Ha.
 - Smallholder : Convertible production forest (Hutan Produksi Konversi) 4,886 Ha, and other purpose area (Area Penggunaan Lain) 33 Ha.
2. Belukar tua (primary shurb)
 - Own estate: -
 - Smallholder : Convertible production forest (Hutan Produksi Konversi) 2,147 Ha and other purpose area (Area Penggunaan Lain) 1 Ha.

3. Belukar muda (secondary shrub)
 - Own estate: Convertible production forest (Hutan Produksi Konversi) 676 Ha, and other purpose area (Area Penggunaan Lain) 4 Ha.
 - Smallholder: Convertible production forest (Hutan Produksi Konversi) 4,388 Ha, and other purpose area (Area Penggunaan Lain) 297 Ha.
4. Land agriculture (plantation)
 - Own estate: -
 - Smallholder: Convertible production forest (Hutan Produksi Konversi) 404 Ha.
5. Mix agriculture (agriculture)
 - Smallholder: Convertible production forest (Hutan Produksi Konversi) 1,841 Ha, and other purpose area (Area Penggunaan Lain) 439 Ha.
6. Open land
 - Own estate: Convertible production forest (Hutan Produksi Konversi) 10 Ha.
 - Smallholder: Convertible production forest (Hutan Produksi Konversi) 48 Ha.

Based on soil map in EIA dan HCV document, there is no peat soil. The soil type dominated by Land system *Honja* (HJA) with soil associated by Dystropepts Tropudults Paleudults (12,281.88 Ha); Tropudults Dystropepts (3,144.24 Ha); and Tropudults Paleudults Tropohumults 11,569.34 Ha). Slope condition in PT SML area, is consist of:

- 0 – 8% (flat) : 9,688.18 Ha
- 8 – 15% (sloping) : 1,579.67 Ha
- 15 – 25% (rather steep) : 1,110.08 Ha
- 25 – 40% (hilly) : 10,050.05 Ha
- > 40% : 4,567.46 Ha

Around of PT SML there is no protection forest by government. PT SML bordered with consession forest from other forest company and palm oil plantation.

Based on HCV assessment identification by PT Sonokeling Akreditas Nusantara, has been identified amount of 4,832.83 Ha as HCV area with HCV present is HCV 1, HCV 2, HCV 4, HCV 5 and HCV 6 (**Figure 3**).

Based on overlay map of HCV with land clearing plan of PT SML, all of areas HCV was excluded from land clearing plan (**Figure 2**). Result of field visited when the NPP assessment conducted showed that PT SML still in land clearing activity process without planting yet.

Based on plan of land clearing and planting above, PT SML was excluded the HCV area on their plan, when the plan is: green colour for planting in 2015, light green for 2016, yellow green for 2017 and orange green for 2018. Whereas for HCV area indicated with light blue and gray colour.

The important element of HCV 1, *First* is: HCV 1.1; there are forest area with slope more than 40%, riparian bufferzone, and also refugium area for wildlife in PT SML consession. It was identified of forest area with slope more than 40% is 2,837.26 Ha consist of 15 hills, and 1,919.69 Ha riparian bufferzone from 28 river in PT SML consession as refugium wildlife and also for flora habitat. *Second* is: HCV 1.2, to identified of Critically Endangered Species according to IUCN, CITES and Indonesian Government Regulation Number 7/1999. There are 2 flora species are categorized Critically Endangered and ICUN Red List i.e.: *Shorea hopeifolia* and *Shorea johorensis*. *Third* is: HCV 1.3, to identified and manage of habitat for endangered species, vulnerable, restricted range species and also viable population in HCV area accordance to IUCN, CITES and Indonesian Government

Regulation Number 7/1999. Based on HCV assessment there is 5 flora area categorized CR, EN and VU, i.e.: *Shorea hopeifolia*, *Shorea johorensis*, *Shorea agami*, *Shorea dasyphylla* and *Eusidroxylon zwageri*. For fauna/wildlife was identified 4 categorized EN, 9 categorized VU Red List IUCN, 22 categorized Appendix II CITES and also 36 categorized protected by Indonesian Government Regulation Number 7/1999. The wildlife are *Sus barbatus*, *Lutra perspicillata*, *Helarctos malayanus*, *Macaca nemestrina*, *Arctictis binturong*, *Muntiacus muntjak*, *Felis bengalensis*, *Nycticebus menagensis*, *Hystrix brachyura*, *Presbitis nubicunda*, *Neofelis nebulosa*, *Macaca fascicularis*, *Pongo pygmaeus*, *Hylobates muelleri*, *Tragulus javanicus*, *Tragulus napu*, *Cervus unicolor*, *Aonyx cinerea*, *Trasius bancanus*, *Mydaus javanensis*, *Manis javanica*, *Naja sumtrana*, *Ictinaetus malayensis*, *Elanus caerulus*, *Spizetus cirrhatus*, *Buceros rhinoceros*, *Buceros vigil*, and others. All of flora and wildlife found in HCV 1.1 i.e.: refugium area (hills and riparian bufferzone). Fourth is HCV 1.4 to identified the key habitat for species to temporary used. Based on HCV assessment all of hills and riparian bufferzone also categorized HCV 1.4 because this area used as habitat by the birds species such as *Spizetus cirrhatus*, *Incanaetus malayensis*, *Elanus caerulus* and *Spilornis cheela*.

HCV 2.3 also identified in PT SML permitted area. This HCV area identified in location of HCV 1.1. HCV 2.3 aims to identified landscape with containing population from representation of natural species which still survive. This landscape containing habitat for predator species such as *Spizetus cirrhatus*, *Incanaetus malayensis*, *Elanus caerulus*, *Spilornis cheela*, *Felis bengalensis*, *Neofelis nebulosa* and *Tornistoma schlegelii*.

For HCV 4, to identified environmental services, specially for hydrology and natural stream (river). PT SML area located in up stream of watershed of Kotawaringin (DAS Kotawaringin). According to Indonesia Regulation Number 38/2011 about River and President Decree Number 32/1990, the Indonesian Government has sett the riparian bufferzone for wide river, when the wide river more than ≥ 30 meters the riparian bufferzone is 100 meter for left and right, and river for < 30 meters the riparian bufferzone is 50 meter for left and right. Based on HCV assessment has identified 33 river (natural stream) on PT SML area, covered 1,975.57 Ha area in PT SML, with wide riparian bufferzone from 100 meter until 50 meter for left and right. Two categories of environmental service values were present in the concession areas i.e (i) important areas or ecosystem for the provision of water and anticipation of floods in the downstream communities (HCV 4.1) and (ii) important areas for the prevention of erosion and sedimentation (HCV 4.2).

The important element for HCV 5 are to fulfil basic needs by communities such as food, water, medicine, wood and others. Based on HCV assessment PT SML area is important area to fulfil source by the communities. There are 12 villages which utilized the several of HCV area in PT SML as a source of protein (fish and meat), fruit and carbohydrate. The HCV location as a need basic source is :

- Lamandau river as source of fishes and water from Tapin Bini village, Suja village, Panopa village, Karang Taba village, Kawa village, Tanjung Beringin village.
- Limau river as source of fish from Tapin Bini village.
- Kaloka river as source of fish from Tapin Bini village.
- Uyan river as source of fish from Taping Bini village and Suja village.
- Panyiluan river as source of fish from Suja village.
- Sabuyu river as source of fish from Suja village.
- Pojaran river as source of fish from Suja and Panopa village.
- Lindung/Unuk river as source of fish from Panopa and Karang Taba village.

- Kayan river as source of fish from Karang Taba village.
- Pasasyan/Lopas river as source of fish from Karang Taba village.
- Delang river as source of drink water and fish from Riam Panahan village.
- Pebantan river as source of fish from Riam Panahan village.
- Liu river as source of fish from Riam Panahan and Batu Tambun village.
- Batang Kawa river as source of clean water and fish for Batu Tambun, Kiripan and Girih village.
- Ayawan river as source of fish from Batu Tambun village.
- Benemang river as source of fish from Batu Tambun village.
- Misan river as source of fish from Kinipan village.
- Uakan river as source of fish from Kinipan village.
- Tolin river as source of fish from Kinipan village.
- Inuhan river as source of fish from Kinipan village.
- Nanga river as source of fish from Kinipan village
- Kinipan river as source of fish from Kinipan village.
- And others, explained on the HCV report by the consultant.

The element of HCV 6 is the areas that have important function for local communities culture are archeological sites (protected or sacred object therefore they have ancestral heritage or historical value) and cultural rituals (the location and materials necessary to perform them). Based on HCV assessment, there are several villages has cultural identity, i.e. :

- Suja village there are archeological sites
- Karang Taba village there are archeological sites
- Cuhai village there are cultural ceremonial
- Riam Panahan village there are archeological sites
- Batu Tambun village there are archeological sites
- Kinipan village there are archeological sites

PT SML has commitment to maintain all of HCV area through the management plan for HCV.

Stakeholders' Consultation

The process of the HCV and SIA development and preparation of management plans and monitoring PT SML involved consultation with the relevant stakeholders such as local community members, formal and informal community leaders, company staff and Government officials. A stakeholders' consultation of the HCV and SIA management plan involving the stakeholders from local community members, formal and informal community leaders, company staff, Government officials, PT SML Management team and RSPO accreditation assessors from PT Sonokeling Akreditasi Nusantara was held at Tanjung Beringin village office (Balai Desa Tanjung Beringin) on May 07, 2014.

Land Use Change's report

Current conditions, the company has not carried out land clearing operations and has carried out HCV identification on August 2014 where the period of November 2005 to 30 November 2007, 1 December 2007 to 31 December 2009 and 1 January 2014 to 9 May 2014 was not found change of cover land use in PT SML areas or land clearing activities for oil palm development by PT SML.

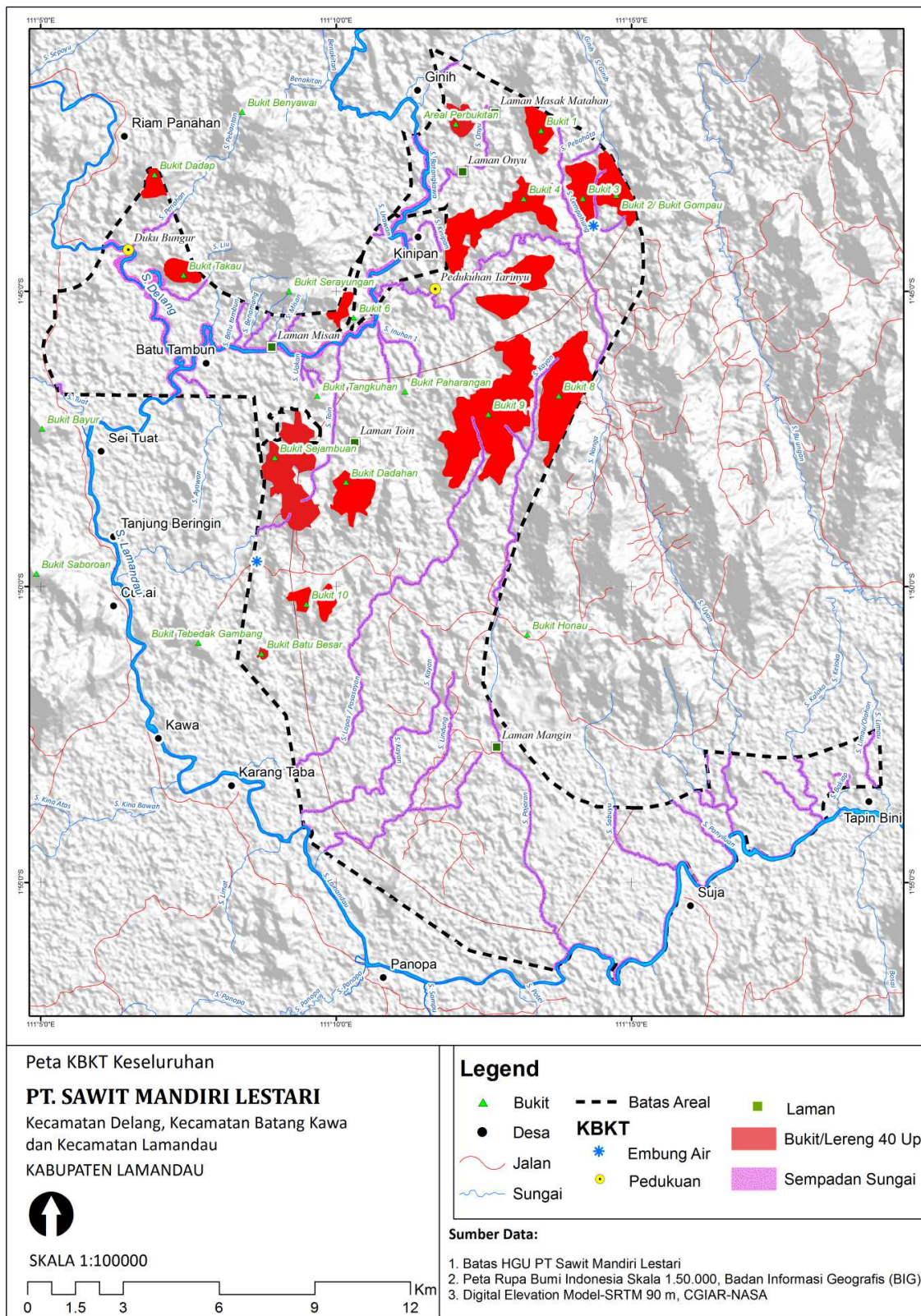


Figure 3. HCV identification in PT SML areas based on location permit areas with sign of red, green, yellow and purple colour (HCV 1, 2, 4, 5, 6).

SUMMARY OF PLANS :

a. Summary of Management and Mitigation Plans (SEIA)

Some of the steps to be taken to reduce and mitigate the negative impacts identified and maintenance of positive impacts from source impact consist of :

No	Component	Alternative of Strategic and Activities Plan
1	Land acquisition and change land ownership and assets	<ul style="list-style-type: none"> • The company prepares the team with human resources which competent in community approach specially. • Compensation with the amount has agreed • Maximizing of CSR • Smallholder program
2	Infrastructure, roads, bridges and lighting	Infrastructure improvement program based on the priority of the cooperation with local government (village, sub district, district), with the purpose of rising positive impact and minimize negative impact.
3	Quantity and distribution of the population	<ul style="list-style-type: none"> • Encourage self reliance communities • Empowerment program through CD- CSR department • Provide of new business opportunities for the community such as supply of basic commodities to the company and employees.
4	Employment and business opportunities	<ul style="list-style-type: none"> • Empowerment program through CD- CSR department with purpose to releasing communities's dependence from company • Provide of employment opportunities at least a minimum 60% of the labor requirements for local communities • Provide of new business opportunities for the community such as the procurement of seeds, procurement of fertilizer, supply of basic commodities to the employees • Encourage and provide of support in the form of training and market access for the communities to reactivate traditional craft.
5	The level of income and standard of living	<ul style="list-style-type: none"> • Land compensation has adequate or smallholder program. • Providing wages appropriate with regional minimum wage • By CSR program, the company helping marketing communities's product such as rattan, rubber, fishery and purun craft • Making training program for other type of businesses for communities so that their income can be more efficient . • Creating community deveopment program for insentification and eksentification business communities.
6	Change of perceptions and attitudes communities	<ul style="list-style-type: none"> • Socialization and visit to communities continuously for communicate with relate of community • Recruiting of local employees • Encourage new busineses opportunity for communities • Maximizing of CSR program
7	Educational	<ul style="list-style-type: none"> • Ripair of education facilities existing in villages include teacher and other facilities where cooperation with local goverment (village, sub district and district). • Non physical donation to the improvement of public education
8	Religious	<ul style="list-style-type: none"> • Carry out discussion, religious studies which to improvement and enhancement of faith each communities. • Donation for ripair of worship places in villages
9	Change of ethnic composition	<ul style="list-style-type: none"> • Managing ethnic diversity existing in community social life around the plantation • Be aware of the potential of ethnic conflict • Treat workers from different ethnic with proportionally
10	Change of social and	Creating social management program

No	Component	Alternative of Strategic and Activities Plan
	culture communities	
11	Social conflict	<ul style="list-style-type: none"> • Socialization regularly • Reasonable compensation • Smallholder program to communities • Social management program in accordance with the needs of the community • Recruiting employee with proportionally
12	Company social management	<ul style="list-style-type: none"> • Creating a social management plan (short term, medium term and long term), including implementation, monitoring and evaluation. • Carry out of detail survey of socio-economic and cultural of community • CSR department is not united with the smallholder and public relations department • Reformation of birocration • Provide of infrastructure and cost which adequate for CSR department
13	Smallholder areas	Carry out socialization continously to communities regarding benefit of smallholder program.
14	The environment and public health and water for consumption	To monitor quacity and quality water that is utilized by communities
15	Nutritional status	The company provide counseling on a regular basis the importance of maintaining and improving the nutritional status of the community
16	Disease vector	<ul style="list-style-type: none"> • Handling the impact of dust and fumes from the company operations • Health education on regular basis to provide of guidance to the communities how to avoid certain disease. • Construction of the clinic can also be utilized by the communities
17	Industrial relations	Create of union labor and agreement with union labor so that harmonize of industrial relations
18	Develop of HR competencies	<ul style="list-style-type: none"> • Design of employees training program a regularly basis • Develop of training centre in plantation areas
19	Career employees	<ul style="list-style-type: none"> • Encourage the promotions or career employee on each level • Provide of equal treatment to all employees accordance with the level
20	Salaries, allowances and other facilities	<ul style="list-style-type: none"> • Employee's wages appropriate with ragonal minimum wage • Provide of overtime and premi/bonus • Provide of housing, healthcare, education, water, worship facilities, sports and recreation family facilities
21	Communication system in internal employee	Carry out socialization on regularly basis to each employee regarding corporate culture

In Environmental Management and Monitoring Plans (RKL & RPL) consists of three phase consists of pre-construction, construction and operation with few parameter i.e encourage the perception of positive and negative by communities, reduced land tenure, land use change and the rise of social inconvenience.

Currently, phase of operation auditee is pre-construction so environmental management plans (RKL) that is :

1. Conducting socialization of the develop of plantation activity plans with involve community leader in 12 villages,
2. Donation of health and education sector,
3. Recruiting a person as community relation from community leaders.
4. Conducting socialization of land acquisition

5. Conduct an inventory and mapping of community land by participatory with local authorities and communities,
6. Carry out land acquisition step by step from the land that has been approved,
7. Installment of permanent mark on the boundary has approved,
8. Installment of billboards on develop of plantation plan on the boundary of nearby villages,
9. Payment of compensation for the assests of indigenous peoples and individuals to truly has right or heirs
10. Doing consensus agreement relating to the settlement of land together with related institutions,
11. Make a written agreement which is know by the local government for all activities (starting marking the boundary to the payment of compensation and the establishment of partnership),
12. Allocate space protectio/conservation and riparian which as source of life the community and the region that is considered sacred by the community,
13. Carry out land clearing by gradually and started from the farthest areas from settlement in order to give opportunity a chance utilize areas for communities.

While environmental monitoring plans (RPL) that is conducting observation and interviews with people around the location of the plantation and analysis data of quantitative and qualitative.

b. Summary of recommendation for HCV Management Plan.

The HCV management plan has been constructed by the consultan, i.e.:

1. HCV 1

- Establish the conservation status for all of area was identified as a HCV area.
- Brief for all stakehoders to maintain dan protect the HCV area.
- Prepare procedure for HCV 1.
- Demarcation and delineation of HCV area.
- Signboard installtion
- Enrichment endemic species

2. HCV 2

- Prepare for habitat management plan for short-term and long-term
- Prepare for MoU with community for protect the HCV area together
- Demarcation and delineation with vegetation borders
- Installation of signboard
- Develop for integrated pest management
- Organic fertilizer for palm oil tree in along of riaprian bufferzone
- Prepare procedure for HCV 2.
- Brief periodically for all stakeholders about HCV 2 management and protection

3. HCV 4

- Brief for all stakeholders about result of HCV assessment to inform about important functions from environmental services.
- Demarcation and delineation fro all HCV 4 has been identified

- Periodically patrol to protect the HCV 4 area from illegal activity
- Control of chemical use
- Control of illegal gold mining from the local community
- Prepare the MoU collaboration for all stakeholder to protect and maintain together the HCV 4 area
- Prepare procedure for HCV 4

4. HCV 5

- Demarcation and prepare signboard and also borders for HCV 5 area
- Enrichment and also no land clearing activity in along of riparian bufferzone area accordance to national regulation
- Installation signboard to inform about illegal fishing

5. HCV 6

- Demarcation and delineation all of identified HCV 6 area
- Periodically patrol to protect the HCV 6 area
- Brief for all stakeholder to maintain and protect the HCV 6 area together

VERIFICATION STATEMENT :

The social and environmental assessments were detailed, comprehensive and professionally carried out. The management plan has included the findings of the SEIA (AMDAL) conducted by the government approved consultants as well as incorporating the HCV and SIA assessments findings by consultants accredited and approved by the RSPO. PT Sawit Mandiri Lestari has adhered to the RSPO New Planting Procedures and has documented the assessments and plans according to the RSPO templates issued in May, 2010. TUV Rheinland auditors conducted desk study and review relevant documents and verification to field was done on September 10-11, 2014 . Two TUV Rheinland auditors (Mr Hendra Fachrurozy and Mr M.Fundy Cholis Kurniawan) were present with the management team of PT Sawit Mandiri Lestari at their head office in Jakarta on that time to verify the findings of the desk study and field visit and held further discussions on the review and verification conducted. It is the opinion of the TUV Rheinland auditors that PT Sawit Mandiri Lestari has complied with the RSPO New Planting Procedures enforced on 1st January, 2010. TUV Rheinland confirmed that the assessment and plan are comprehensive, professional and compliant of RSPO principles, criteria and indicators for the ongoing plantation activities in PT Sawit Mandiri Lestari.

**Signed on behalf of
PT TUV Rheinland Indonesia**



**Hendra Fachrurozy
Lead Auditor
Date : December 30, 2014**

RSPO New Planting Procedure Assessment Report
PT Sawit Mandiri Lestari – Central Kalimantan



On behalf of the company, I acknowledge the responsibilities of the company to implement the management and mitigations plans.

Signed on behalf of
PT Sawit Mandiri Lestari

A handwritten signature in black ink, appearing to read 'Rudy Hendrarto', written over a large, faint, oval-shaped stamp or watermark.

Rudy Hendrarto
Management Representative
Date : December 30, 2014