

New Planting Procedure - Summary of Assessments

RSPO

Roundtable on Sustainable Palm Oil



TRIPUTRA AGRO PERSADA

[Insert CB's
Company Logo
(if applicable)]

NPP Reference Number:

RSPO New Planting Procedure (NPP) 2021/PT SKM/
January/2024

Country of the NPP submission:

Indonesia

RSPO Membership Number:

1-0038-07-000-00

Section 1: General Information

New Planting Procedure submitted for new development plans in the operational area of PT Sukses Karya Mandiri (SKM). PT SKM is a subsidiary of Triputra Agro Persada which has been a member of the RSPO since 27 June 2007.

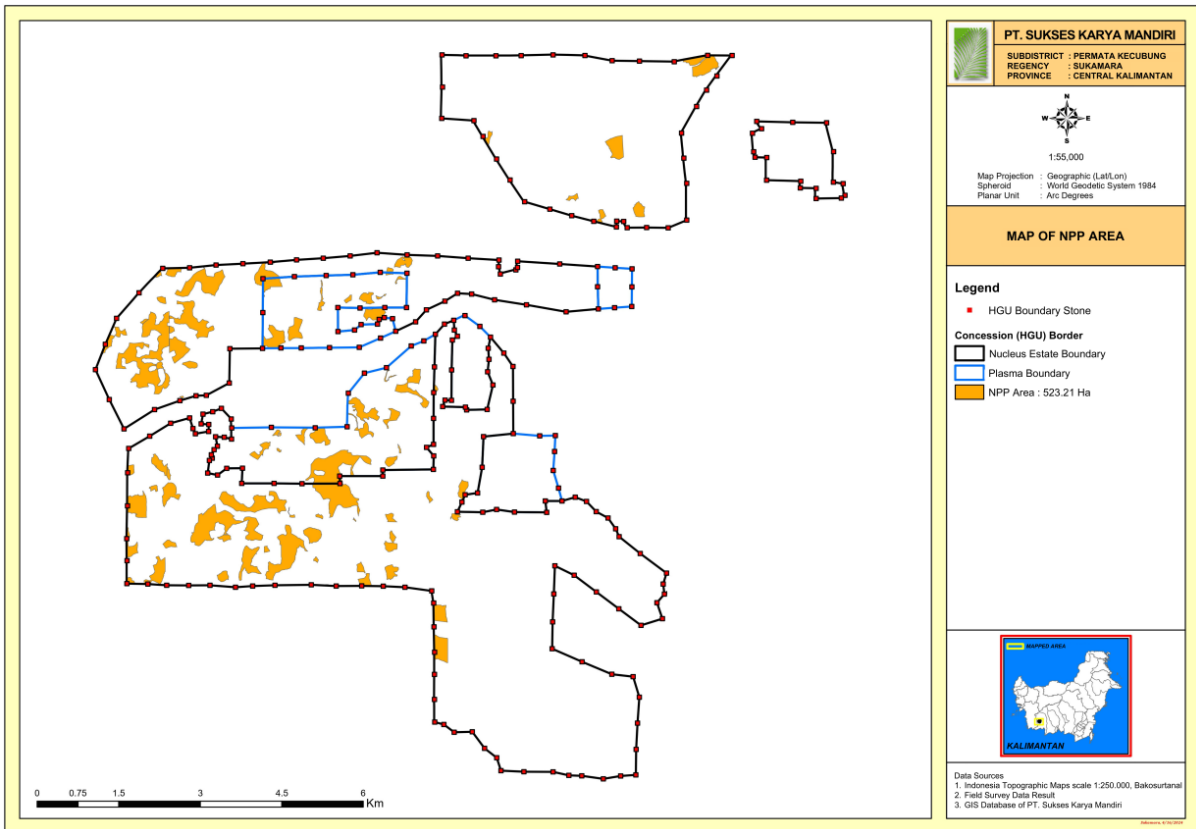
PT SKM's operational area is within the administrative area of Sukamara Regency, Central Kalimantan Province, Indonesia. PT SKM's operational area is 6,666 ha. The legal basis for management rights over land and plantation business activities in PT SKM's operational areas consists of plantation business license (IUP) through Sukamara Regent's Decree No. 99 year 2005 with total area \pm 14,600 ha, and concession issued through Decree from the Ministry of Agrarian Affairs and Spatial Planning-National Land Agency (ATR-BPN) No. 113/HGU/KEM-ATR/BPN/2017 dated 3 November 2017 with total area \pm 6,666.8652 ha. In relation to the social context, land that has been managed (currently an embedded area) has gone through a land acquisition mechanism from the previous community owners/right holders, while areas in the new development plan will be freed from community ownership/rights before the activity new developments are implemented. The company collaborates with external parties to carry out several assessments required in the NPP, including SEIA, HCV-HCS, FPIC, Soil&Topography LUCA, and GHG.

The area proposed for new development is within the scope of the PT SKM concession area. The area proposed for new development is 523.21 ha (7% of PT SKM's operational area). The proposed time plan for implementing land clearing for new development is a 3 year period between 2024 to 2026, assuming the NPP process has been completed in semester 1 of 2024.

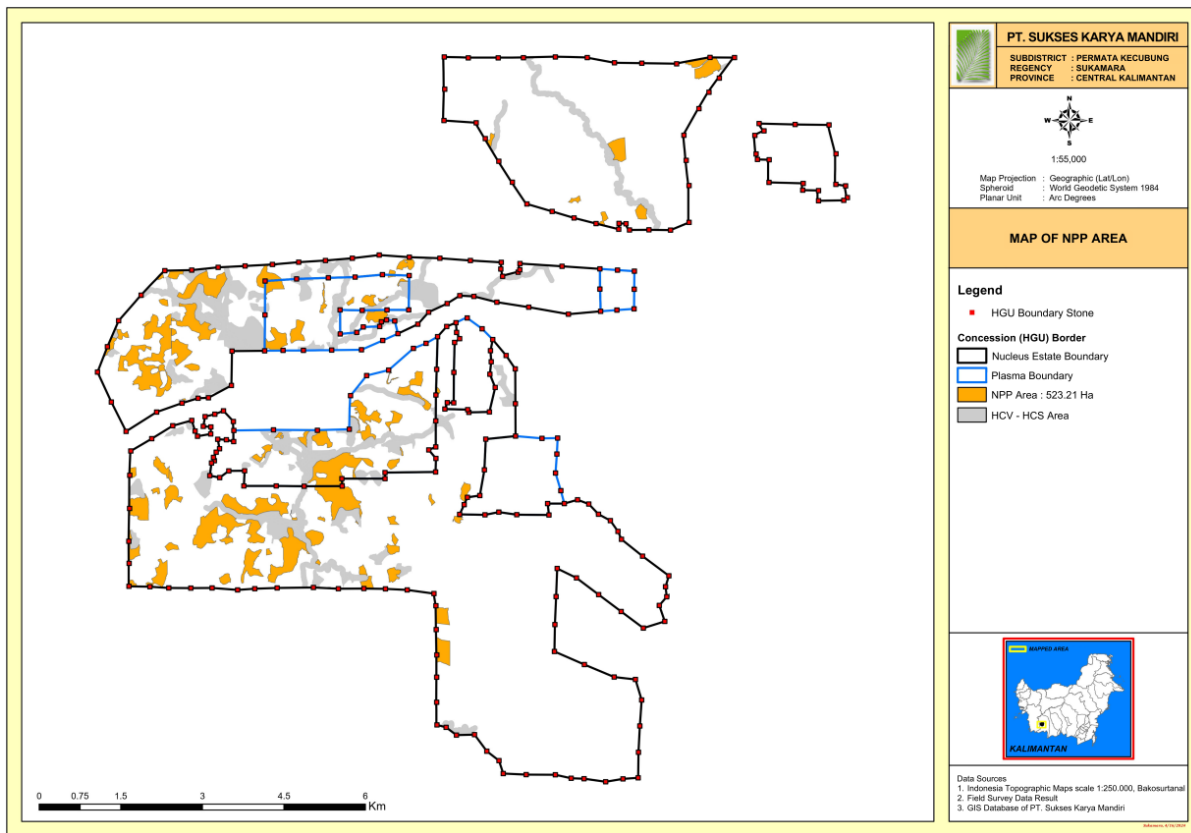
Section 2: Maps

Guidance Note: Please include the following maps here with minimum 300 dpi resolution

- Boundary (HGU) and Proposed NPP area Maps



- Proposed NPP area Maps overlaid with HCV and HCS areas.



Section 3: SEIA

Environmental Impact Analysis (ANDAL) for the Development of PT SKM's Palm Oil Plantation and Processing Factory

Date of assessment: August 2007

Name of Assessor: Drs Andrie Elia MSi

Assessor Designation and Company: Center for Environmental Research (PPLH) Palangka Raya University

1. Method

The ANDAL study was carried out with reference to the Decree of the Head of the Environmental Impact Control Agency No. 09 of 2000 concerning Guidelines for Preparing Environmental Impact Analysis.

The scope of the ANDAL study area is the PT SKM Location Permit area of 14,600 ha (Sukamara Regent's Decree No 500/134/Ek/2005 Dated 28 March 2005 - the legal basis that applies as the basis for the ANDAL study). The scope of the ANDAL study area covers the current operational area boundaries (HGJ) of PT SKM.

The scope of analysis in the ANDAL study includes several things as follows:

- A. Study of business plans and/or activities that cause impacts. The business plans and/or activities studied are divided into stages as follows:
 1. Pre-construction stage
 2. Construction stage
 3. Operational Stage

- B. Study of the environmental conditions affected which includes:
1. Assessment of baseline conditions for each affected environmental and social component
 2. Estimated impact on each environmental and social component

There are five approaches used in the data collection process, namely:

1. Secondary data collection using library research
2. Data collection by observation and field orientation
3. Data collection by observation
4. Data collection with laboratory analysis
5. Collecting data and information through public hearings and focused group discussions

The parties involved in implementing the ANDAL study consist of:

1. Community Representative
2. PT SKM management representative
3. Relevant agencies
4. Non-governmental organizations (NGOs)

Environmental and social impact forecast analysis is carried out using seven impact criteria in accordance with BAPEDAL Decree No. Kep-056 of 1994. Impact analysis is divided into two, namely estimates of the magnitude and importance (urgency) of impacts and evaluation of large and important impacts.

1. Analysis of the magnitude of the impact was carried out using a scoring approach. The magnitude of the impact is calculated based on the difference between the scoring of the baseline conditions of the environmental and social components and the scoring of the estimated changes in the conditions of the environmental and social components that occur as a result of business plans and/or activities. The level of importance of impacts is analyzed in accordance with BAPEDAL Decree No. Kep-056 of 1994, where the importance of impacts is divided into three, namely important, more important, and very important.
2. Evaluation of major and important impacts aims to review all impacts holistically with the aim of reaching conclusions regarding the benefits of the project and the efforts that can be taken to minimize potential losses (negative impacts) caused by the project. Impact evaluation was carried out by adopting a modified Leopold Interaction Matrix method.

2. Conclusion of Findings

a. Summary of estimates of impact magnitude

No	Component	Parameter	Impact Magnitude	Time of Impact		
				Pre-Cons	Cons	Opl
1	Microclimate	Temperature and humidity	Big		✓	
2	Air quality	Dust and gas	Big		✓	
3		Noise	Very large		✓	
4	Hydrology	Groundwater quality	Very large			✓
5		River water quality	Big		✓	
6		Water discharge	Big			✓
7	Land	Physical and chemical properties of soil	Big		✓	✓
8		Erosion	Big		✓	
9	Potential fire	Potential for land fires	Very large		✓	
10	Biology	Flora and fauna	Big		✓	
11		Aquatic biota	Very large			✓

12	Social and Cultural Affairs	Community attitudes and perceptions	Big	✓	✓	✓
13		Public unrest	Very large	✓	✓	✓
14		Resentment	Big		✓	✓
15		Job and business opportunities	Big		✓	
16	Health	Quality of public health	Big		✓	✓

Description: Pre-Cons: Pre-construction stage; Cons: Construction Phase; Opl: Operational Phase

b. Summary of estimates of the importance (urgency) of impacts

Stage	Activity plan	Environmental Impact	Level of Importance
Pre-construction	Socialization of development plans	Community attitudes and perceptions	Important
		Public unrest	Important
	Arranging boundaries, planting inventory and compensation	Community attitudes and perceptions	More important
		Public unrest	More important
Construction	Recruitment of workers	Job and business opportunities	More important
		Public unrest	More important
		Social jealousy	More important
	Mobilization of heavy equipment and materials	Air quality	Important
		Noise	Important
	Land clearing	Microclimate	More important
		Air quality	Important
		Bloat	Important
		Physical and chemical properties of soil	More important
		Soil erosion	More important
		Potential for land fires	More important
		Flora and fauna	More important
	Quality of public health	More important	
	Nursery	Physical and chemical properties of soil	Important
	Development of supporting facilities	Air quality	Important
		Noise	Important
River water quality		Important	
Operational	Planting seeds and ground cover crops	Microclimate	More important
		Physical and chemical properties of soil	Important
	Garden maintenance	River water quality	Very important
		Physical and chemical properties of soil	Important
		Aquatic biota	More important
	Harvesting and transporting FFB	Air quality	Important
	FFB Processing	Air quality	Important
		Noise	Important
		River water quality	More important
		Water discharge	More important
		Aquatic biota	More important
		Public unrest	More important
Transportation of CPO/PKO	Quality of public health	Important	
	Air quality	Important	
	Noise	Important	

	Factory waste management	Air quality	Important
		Noise	Important
		River water quality	More important
		Community attitudes and perceptions	More important
	Utilization of waste water	Groundwater quality	More important

c. Summary of large and important impact evaluation results

Evaluation of major and important impacts using the modified Leopold Interaction Matrix shows that the implementation of the business plan will cause a decrease in environmental quality of 2 points, or a decrease in environmental quality of 34.76% of the environmental quality at the initial baseline (before project implementation). Therefore, efforts are needed that aim to minimize negative impacts. A summary of management and monitoring plans is described in the Summary of Management Plans document.

**Section 4: HCV-HCSA Assessment; OR
ALS HCV and Standalone HCSA assessment**

PT Sukses Karya Mandiri (SKM) HCV-HCSA Assessment

ALS Satisfactory Date Obtained (ALS HCV & HCV-HCSA assessment): September 12, 2023

Link to the published HCV-HCSA Report: <https://www.hcvnetwork.org/reports/peringan-hcv-hcsa-pt-skm-kabupaten-sukamara-kalimantan-tengah-indonesia>

Name of Assessor: Bias Pradyatma

ALS Number: ALS19001BP

1. Method

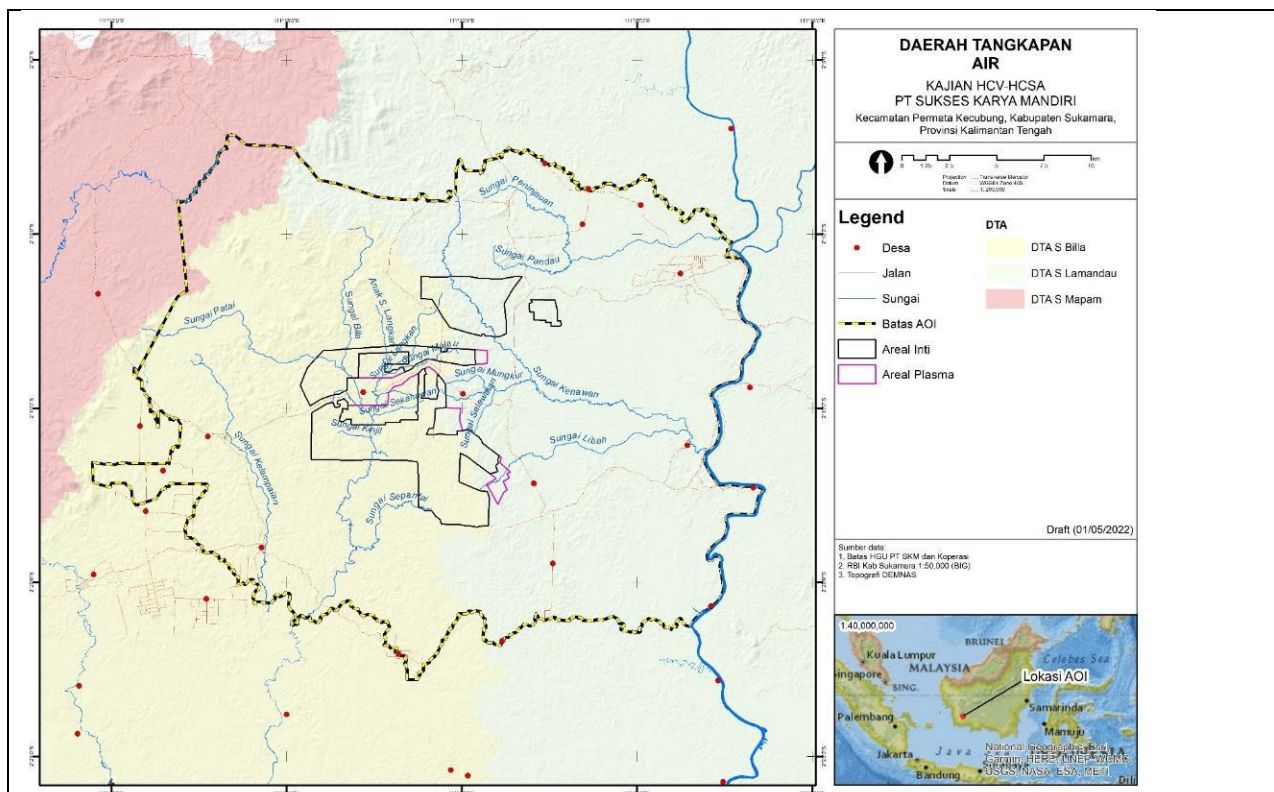
1.1. Assessment Location

The HCV-HCSA assessment was carried out in the PT SKM oil palm plantation HGU (6,666 ha) and Cooperative area with a total area of 6,794.78 ha. This area consists of the area allocated for PT SKM's core plantation (5,457.70 ha) and two partnership plantation locations between PT SKM and community cooperatives, namely the Jati Sejahtera Cooperative (847.54 ha) and the Jorong Rayo Cooperative (489.54 ha).

1.2. AOI Description

AOI (Area of Interest) assessment covers the environmental and social biophysical features in and around the company area. AOI boundaries adopt water catchment areas (DTA) that are modified based on other natural boundaries, namely rivers and land cover. The AOI boundary also covers community territorial units that have the potential to receive impacts from the company, namely the territorial boundaries of Kenawan Village, Laman Baru Village and Ajang Village.

The assessment AOI area is 68,290.8 ha. AOI boundaries are adjusted to the land cover landscape and large river flows. The AOI covers a combination of the Bila River and Lamandau River catchment segments. The upstream part of the catchment is in the Schwaner mountain area (north of the AOI). The Kenawan River empties into the Lamandau River, while the Bila River empties into the Jelai River (outside AOI). Both are order 1 rivers in the southern part of Kalimantan Island which empty into the Java Sea.



1.3. Timing and assessment stages

Stages	Activity	Location	Time
Pre-Assessment	<ul style="list-style-type: none"> Initial engagement with the company and preparation of project administration Data/information exchange Application for assessment permission and initial socialization to the community 	Jakarta	July - August 2021
Preliminary Screening Study	<ul style="list-style-type: none"> Information gathering Field trip Visiting community samples Field checks for land cover maps Stakeholder identification and initial consultation 	Permata Kecubung District	6 – 23 September 2021
Data Analysis and Mapping	<ul style="list-style-type: none"> Determination of AOI boundaries Analysis of social and environmental features of AOI Identify the potential presence of HCV in the AOI Carbon stock analysis based on initial land cover class in AOI Identify potential HCS forest land cover in AOI Survey design for full assessment 	Jakarta	25 -30 September 2021
Complete Assessment	<ul style="list-style-type: none"> Environmental survey Social survey Consultation with community representatives Forest inventory Participatory mapping 	Permata Kecubung District	October 13 - October 18, 2021
Data analysis and mapping	<ul style="list-style-type: none"> Compilation and analysis of data and information at all stages that have been carried out 	Jakarta	20 October 2021 – 30 March 2022
Final Consultation	<ul style="list-style-type: none"> Presentation of assessment results to stakeholders to verify data and information that has been obtained and discussion of assessment results and recommendations The meeting was held at two different times because some participants were unable to join in the first schedule. 	Jakarta Permata Kecubung District	April 1 and September 23, 2022

Data analysis, mapping and reporting	<ul style="list-style-type: none"> Carry out data analysis of all data that has been collected and prepare reports 	Jakarta	May-December 2022
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1.4. Information gathering methods

Collecting social information was carried out using several methods, namely library studies (information from secondary sources), focused group discussions, interviews, participatory mapping, and field observations. The sampling strategy chosen was a combination of purposive sampling and snowball sampling. This approach was chosen to be able to obtain social information according to needs in the assessment so that it is more efficient than random sampling or systematic approaches. The adequacy of the sample (representative of community characteristics) is assessed based on achieving a level of information saturation where additional samples do not add new variations to the information that has been collected.

The collection of environmental information was carried out using literature studies (review of literature and information from secondary sources), field observations, and participatory surveys with community representatives. Specifically for the assessment of land cover carbon stocks, tree data collection was carried out using stand inventory sampling plots in each land cover class in accordance with the guidelines of the HCSA Toolkit Version 2. The allometric equation for calculating vegetation biomass values refers to the equation from Basuki et.al. (2009). This equation is one of the equations recommended by the RSPO for assessing carbon stocks in Indonesia and the tree DBH ranges used to develop the equation cover the diversity of tree DBH found in stand inventories in the AOI.

$$\ln(\text{AGB}) = c + \alpha \ln(\text{DBH})$$

Where:

- AGB = Above ground biomass (Kilograms)
- c = Intercept (coefficient used for mixed species is -1.201)
- α = Slope coefficient of regression (the coefficient used for mixed species is 2.196)
- DBH = Diameter at breast height (Centimeter)

The final consultation was carried out virtually. This method was chosen to minimize the risk of transmission of the Covid-19 Virus during the Pandemic. The choice of method has been consulted with the parties and has been approved by the parties before being implemented.

1.5. Parties involved as resource persons

The number of resource persons involved in the initial series to the complete assessment in the PT SKM HCV-HCSA Assessment consisted of 56 people. This number consists of parties representing the community at the assessment location, the company employee community, PT SKM management, traditional councils and government representatives at village, sub-district and district levels. Meanwhile, the number of participants involved in the final consultation activities consisted of 13 people. This number consists of community representatives, PT SKM management representatives, government representatives and representatives from non-government organizations (NGOs).

1.6. Guide

Analysis of the existence of HCV and HCS value areas is carried out by referring to the following guidelines:

1. Common Guidance for the Identification of High Conservation Values (Brown et al., 2017),
2. Common Guidance for Management and Monitoring of High Conservation Values (Brown et al., 2018),

3. HCV-HCSA Assessment Manual (HCVN, 2017),
4. Guidance for Using the HCV-HCSA Assessment Report Template (HCVN, 2019),
5. HCSA Toolkit Version 2 (HCSA, 2020),
6. Implementation Guide for the Social Requirements of the HCSA (HCSA, 2020),
7. National Interpretation of HCV Identification Guidelines (Indonesian HCV Toolkit Revision Consortium, 2008).

2. Summary of Results

2.1. Pre-Assessment

Based on the results of the examination in the pre-assessment stage, PT SKM has fulfilled the four HCV-HCSA Assessment pre-requisites, namely:

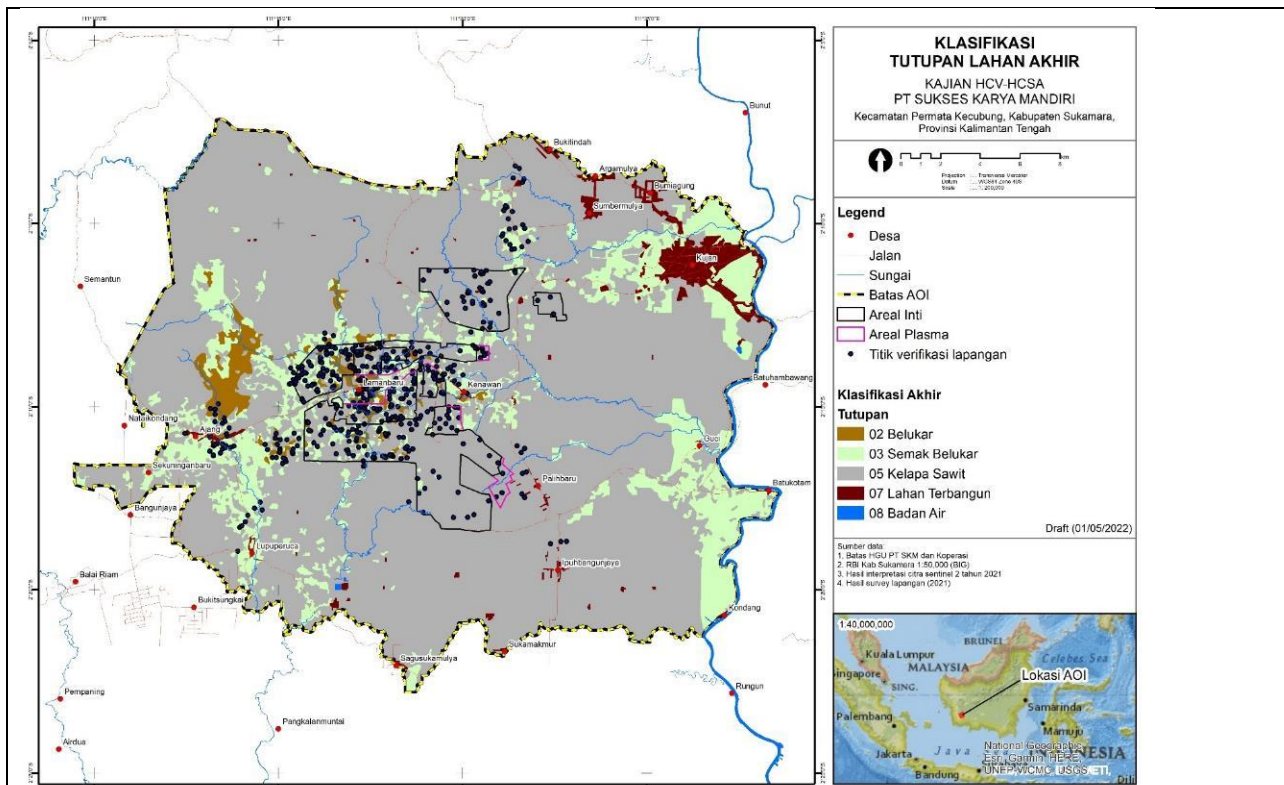
1. Availability of commitment to environmental and social safeguards.
2. There is a commitment to a moratorium on land clearing or land preparation until the proposed integrated conservation and land use plan has been prepared.
3. Availability of clear legal rights or permission to explore areas of interest.
4. The FPIC process has been initiated regarding plans for developing and implementing the HCV-HCSA assessment.

2.2. Preliminary Screening Study

a. Environmental Section

There are five land cover classes identified in the AOI assessment, namely shrubs, shrubs, oil palm, built-up land, and water bodies. Thicket is the most natural land cover class in the AOI, while other land cover classes show characteristics of areas that were once cleared for cultivation or have been completely converted for more intensive uses such as oil palm plantations and residential areas. The area of each land cover class in the AOI and within the PT SKM area is presented in the following table:

Land Cover	AOI		Company Area	
	Hectare	%	Hectare	%
Thicket	1,586.05	2.32	398.40	5.86
Shrubs	10,474.85	15.34	1,022.40	15.05
Palm oil	54,542.27	79.87	5,352.81	78.78
Open field	1,658.72	2.43	19.11	0.28
Water body	28.91	0.04	2.06	0.03
Total	68,290.80	100.00	6,794.78	100.00



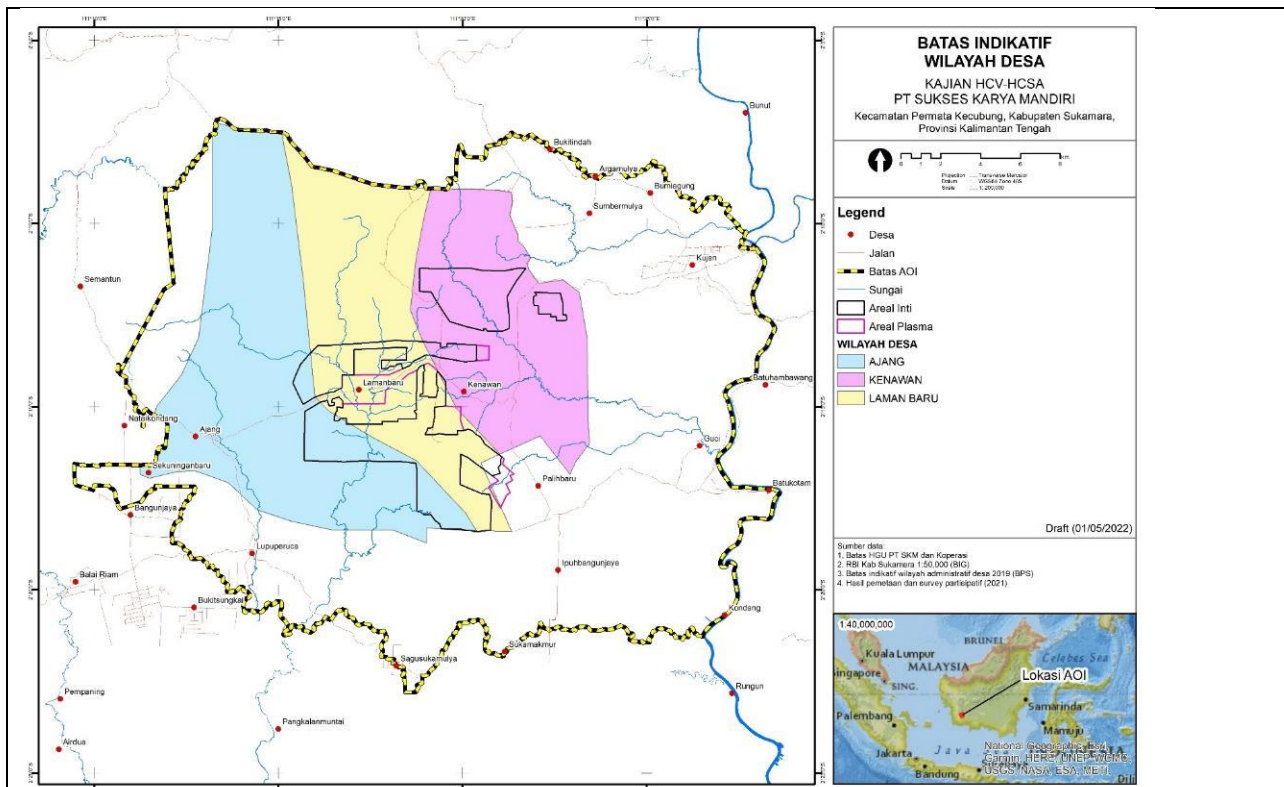
Initial environmental checks found that the company's area is in an area dominated by oil palm cover. Shrub cover, thickets, open land and water bodies can be found in the region in smaller areas. Oil palm cover in the region is dominated by plantations managed by private companies, although independent community-owned oil palm plantations can also be found. There are six oil palm plantation companies around the company area, namely: PT Sumber Mahardika Graha (PT SMG) in the north, PT Subur Sawit and PT Waringin Puspa Lestari (PT WPL) in the east, PT Bumitama Gunajaya Abadi (PT BGB) and PT Harapan Hybrid Kalbar (PT HHB) to the south.

Based on the results of the previous high carbon stock assessment, shrubs are areas that have the potential for high carbon stocks that can still be found in the company's location area. The survey results show that the bush area also has the potential to be an area of high conservation value. Based on consultations, there are still several types of wild animals such as gibbons, jungle cats and pangolins in areas covered with bushes. Apart from that, it was explained that opportunistic hunting of wild animals is still carried out by the community in areas that are quite natural (areas covered with bushes).

Based on the survey, the company area has a flat-wavy topography. There are several rivers that flow through the company area, some of which flow into the Lamandau River, while others flow into the Bila River. These geographical conditions provide the context that the company area and its surroundings have a role in providing environmental services.

b. Social Section

The results of the inspection confirmed that the company area was in the administrative area of Ajang Village, Kenawan Village and Laman Baru Village. Community representatives confirmed that all parts of the company area are within the administrative areas of Ajang Village, Kenawan Village and Laman Baru Village.



The three community communities associated with the company are indigenous Dayak people, namely: Dayak Ruko Betanah (Ajang Village), Dayak Ruko Mapam (Laman Baru Village), and Dayak Tomun (Kenawan Village). Historical and cultural values are still maintained by the community. There are several important areas/sites that are part of the social and cultural life of the community, such as sacred sites as places of worship. In addition to recognizing formal regulations and government officials, all villages have traditional councils and still apply customary law.

Currently, people's lives have developed and depend on the oil palm plantation sector as workers and independent plantation owners. The income earned is used to meet the necessities of life available at community-owned kiosks in the village environment and the larger market in Nanga Bulik (capital of Lamandau Regency).

Public facilities and infrastructure such as health and education service centers, roads, electricity networks and markets are well available. More complete public facilities can be accessed in Nanga Bulik. Accessibility in the form of roads from the three villages to Nanga Bulik is available with good quality (asphalt roads).

Apart from businesses in the oil palm sector, the community is still clearing land and maintaining agricultural land in the form of fields with rubber and mixed crops. Land clearing is being carried out at a lower intensity than in the past due to the ban on the use of fire and the price of rubber has been declining for a long time. Land is considered an asset, where its use is very dependent on the owner. In general, fields will be converted into independent oil palm plantations when capital is available, can be sold, or retained as assets. Results from existing cultivation such as fruit and rice are also used as an additional source of income. Farm products are not used as the main source of livelihood because productivity and selling prices are not fixed.

The results of the tenure study verification show that land rights that apply in the community are individual rights. Ownership rights apply to land that is managed or has been managed by community members. Land that has been managed by the community has generally experienced natural succession and is therefore found with land cover in the form of shrubs and thickets. Land that has been managed can be reused at any time by the owner. Land ownership rights can be transferred through transactions

between communities, inheritance and grants, or liberation of rights through the GRTT mechanism that applies to companies. Especially for Kenawan Village, there is communal land in the form of an orchard which is also used as a place for business purposes. This communal land consists of several locations with a relatively small area around the Kenawan Village settlement.

The company area is dominated by land that has been developed into oil palm plantations by the company. Based on the results of the consultation, the land developed by the company has been acquired through the GRTT process. Several other types of areas found within the company area are land that has been acquired but has not yet been developed, land that is still in the process of being negotiated for acquisition, and land that is currently still maintained by the owner (also known as enclave land). In this regard, companies are recommended to pay attention to management follow-up to respect community rights, especially if there are conservation areas within the company area where community ownership rights still exist. Further coordination with land owners is required to ensure the protection of conservation values in the area.

During the meeting, the community explained that they had received information regarding the HCV-HCSA assessment plan submitted by the company. The community gives permission for the assessment to be carried out in their area, both inside and outside the company area. The community is also willing to be further involved in surveys and consultations in the complete assessment. During a meeting at the initial screening study, the public was informed that the final consultation was planned to be held virtually with the aim of mitigating the risk of Covid-19 transmission during the pandemic due to direct interactions. This will be confirmed again at the full assessment stage or at another time before the final consultation is carried out.

3. HCV Social

3.1. HCV 4

All 8 situations that qualify as HCV 4 under the Common Guidance are found in the assessment AOI. Based on area type, areas with HCV 4 value in AOI consist of river areas and their borders, swamps, areas with steep slopes (slope > 40%), and areas covered with bushes. River border protection areas are determined based on PP No. 38 of 2011, namely a 100 meter buffer on both sides of the big river (Lamandau River) and a 50 meter buffer on both sides of the small river (all rivers in AOI except the Lamandau River).

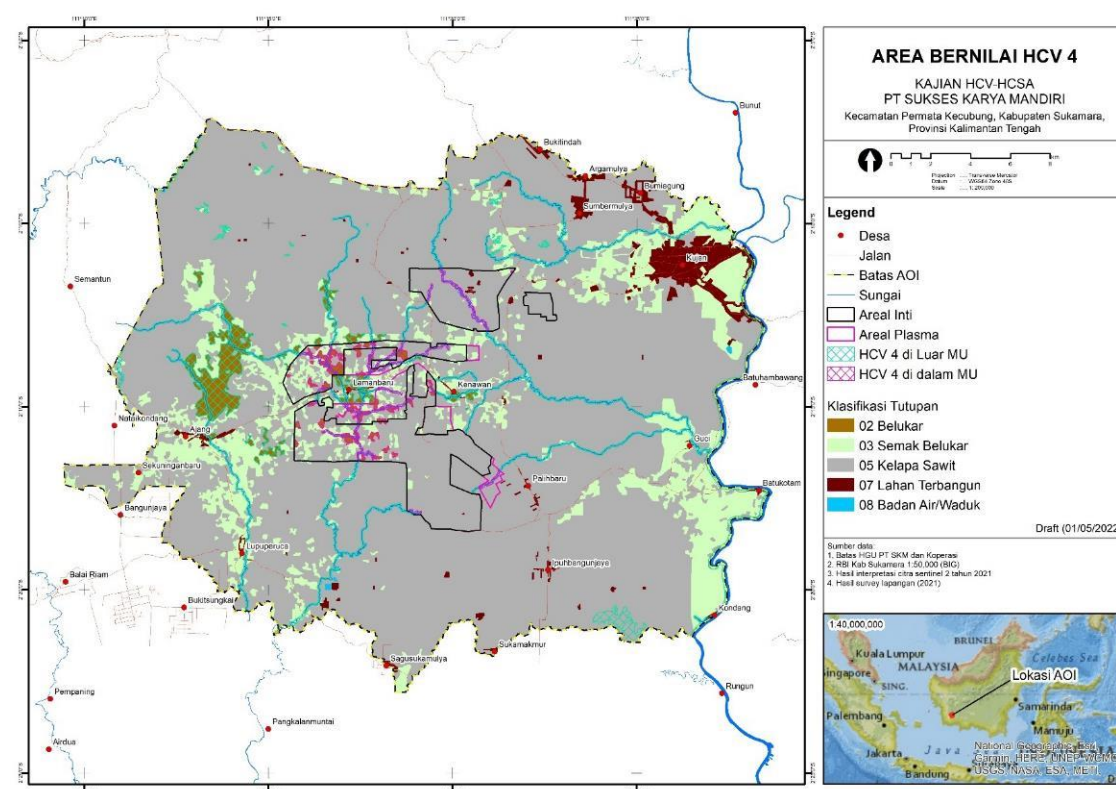
List of rivers in the AOI

No	River Name	River Width (m)	Estuary Location	Location Description
1	Ledge Creek	2	Bila River	Through the company area
2	Bila River	10	Bila River	Through the company area
3	River of Desolation	8-10	Bila River	Not through company areas
4	Kenawan River	10	Lamandau River	Through the company area
5	Keranjian River	2	Bila River	Through the company area
6	Kringan River	2	Bila River	Through the company area
7	Ledge River	4	Bila River	Through the company area
8	Libah River	2-3	Lamandau River	Through the company area
9	Majuu River	2	Bila River	Through the company area
10	Mungkur River	4	Lamandau River	Through the company area
11	Pandau River	2	Lamandau River	Not through company areas
12	Patai River	5	Bila River	Through the company area
13	Review River	10	Lamandau River	Not through company areas
14	Sengkahawan River	2	Bila River	Through the company area
15	Selawaian River	2-3	Lamandau River	Through the company area
16	Sentulut River	2	Bila River	Through the company area
17	Sepantai River	6-7	Bila River	Through the company area

18	Sepantaran River	2-3	Lamandau River	Through the company area
19	Siandu River	2-3	Bila River	Through the company area

List of situations that qualify for HCV 4

Conditions for the existence of HCV 4	Findings
Management of extreme water flow events, including vegetated buffer zones or intact flood plains	✓
Maintenance of downstream river flow regime	✓
Maintenance of water quality characteristics	✓
Protection of vulnerable lands, aquifers and fisheries	✓
Providing clean water and natural ecosystems that support slope stability	✓
Protection against wind, and regulation of humidity, rainfall, and other climatic elements	✓
Pollination services	✓
Forests, wetlands, and other ecosystems that provide boundary zones that protect against destructive fires that could threaten communities, infrastructure or other HCVs	✓



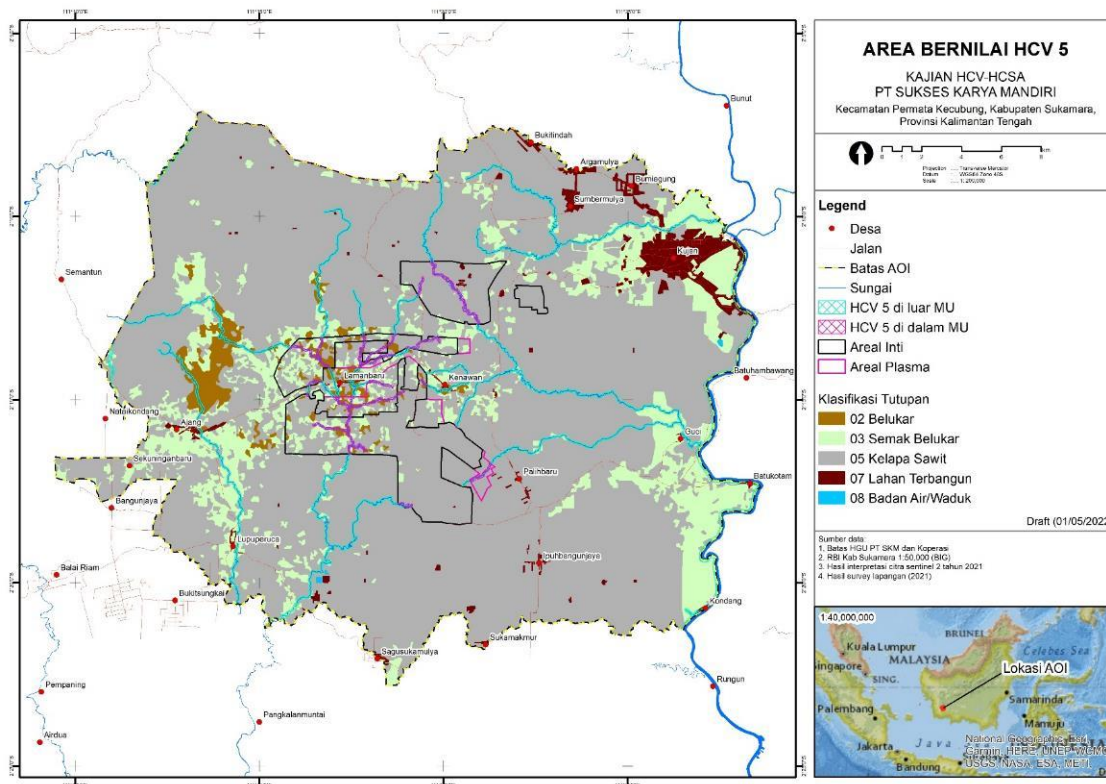
3.2. HCV 5

Of the number of situations that meet the HCV 5 qualifications, there are two situations found in AOI, namely water sources that are important for drinking water and sanitation and fish and other types of fresh water that are used by the community as a source of protein.

Areas containing an HCV value of 5 in the AOI consist of all rivers and their borders in the AOI. The determination of river border protection areas in the HCV 5 Analysis also refers to PP No. 38 of 2011, namely a 100 meter buffer on both sides of the big river bank (Lamandau River) and a 50 meter buffer on both sides of the small river bank (all rivers in the AOI except the Lamandau River).

List of situations that qualify for HCV 5

Conditions for the existence of HCV 5	Findings
Hunting and trapping grounds (for game meat, skins and fur)	✗
PHBK (non-timber forest products) such as nuts, berries, mushrooms, medicinal plants, rattan	✗
Fuel for household activities such as cooking, lighting and heating	✗
Fish (as the main source of protein) and other freshwater species are used by the community	✓
Building materials (poles, straw, wood)	✗
Seasonal fodder and grazing	✗
An important water source for drinking water and sanitation	✓
Goods that are exchanged for other essential goods, or sold for cash which is then used to buy essential goods such as medicine or clothing, or to pay school fees	✗



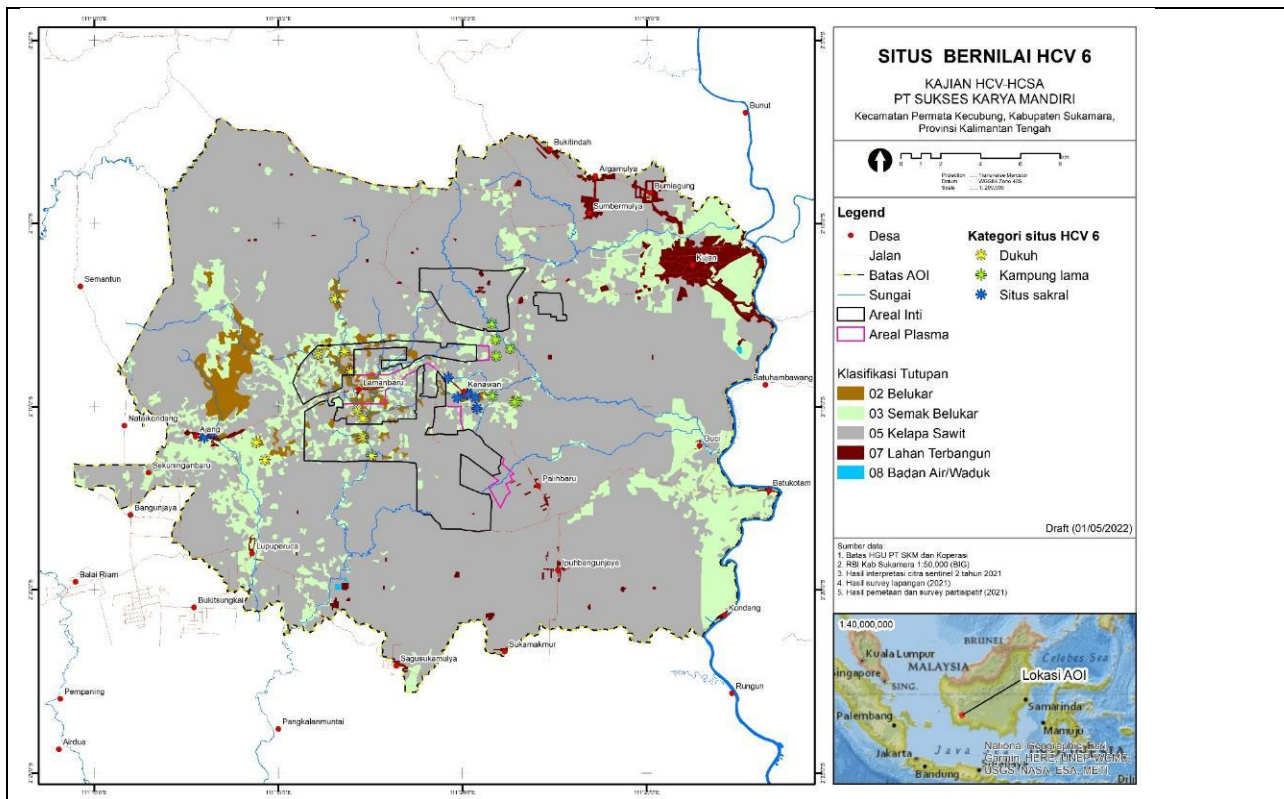
3.3. HCV 6

There are two situations that meet the HCV 6 qualifications found in AOI, namely sites with recognized historical and cultural value, even if not protected by legislation and religious or sacred sites, burial grounds, or sites used as locations for traditional ceremonies that have an important role. for local or traditional communities. The list of HCV 6 value sites found in the AOI is described in the Table below.

No	Conditions for the existence of HCV 6	Category	Location
1	Sedawak Hamlet	Hamlet location	Outside MU
2	Ponti Hamlet	Hamlet location	Outside MU
3	Hamlet Gadi	Hamlet location	Inside MU
4	Patai Hamlet	Hamlet location	Inside MU

5	Hamlet Sabar Huntut	Hamlet location	Inside MU
6	Siandu Hamlet	Hamlet location	Inside MU
7	Dukuh Ledge	Hamlet location	Inside MU
8	Hamlet Kjevan	Hamlet location	Inside MU
9	Keranjian Hamlet	Hamlet location	Inside MU
10	Tanjung Poring and Pengkaranan villages	Old village location	Inside MU
11	Lubuk Potung Village	Old village location	Outside MU
12	Antalah Village	Old village location	Outside MU
13	Gambir Tugoh Village	Old village location	Outside MU
14	Sabang Pabirdan	Sacred/sacred site	Outside MU
15	Pahobang Page	Sacred/sacred site	Outside MU
16	Bantan Arai	Sacred/sacred site	Outside MU
17	Bantan Page Guardian	Sacred/sacred site	Outside MU
18	Banning	Sacred/sacred site	Outside MU
19	Bat Tungkang Stone	Sacred/sacred site	Outside MU
20	Selawaian Village	Old village location	Outside MU
21	Sebaki Village	Old village location	Outside MU
22	Setinting Village	Old village location	Outside MU
23	Bantan Garu	Sacred/sacred site	Outside MU
24	Dukuh Limau	Hamlet location	Outside MU
25	Dukuh Tarung	Hamlet location	Outside MU
26	Tiang Langkang Batan Durian	Sacred/sacred site	Outside MU
27	Bantan Sengsari Benua	Sacred/sacred site	Outside MU

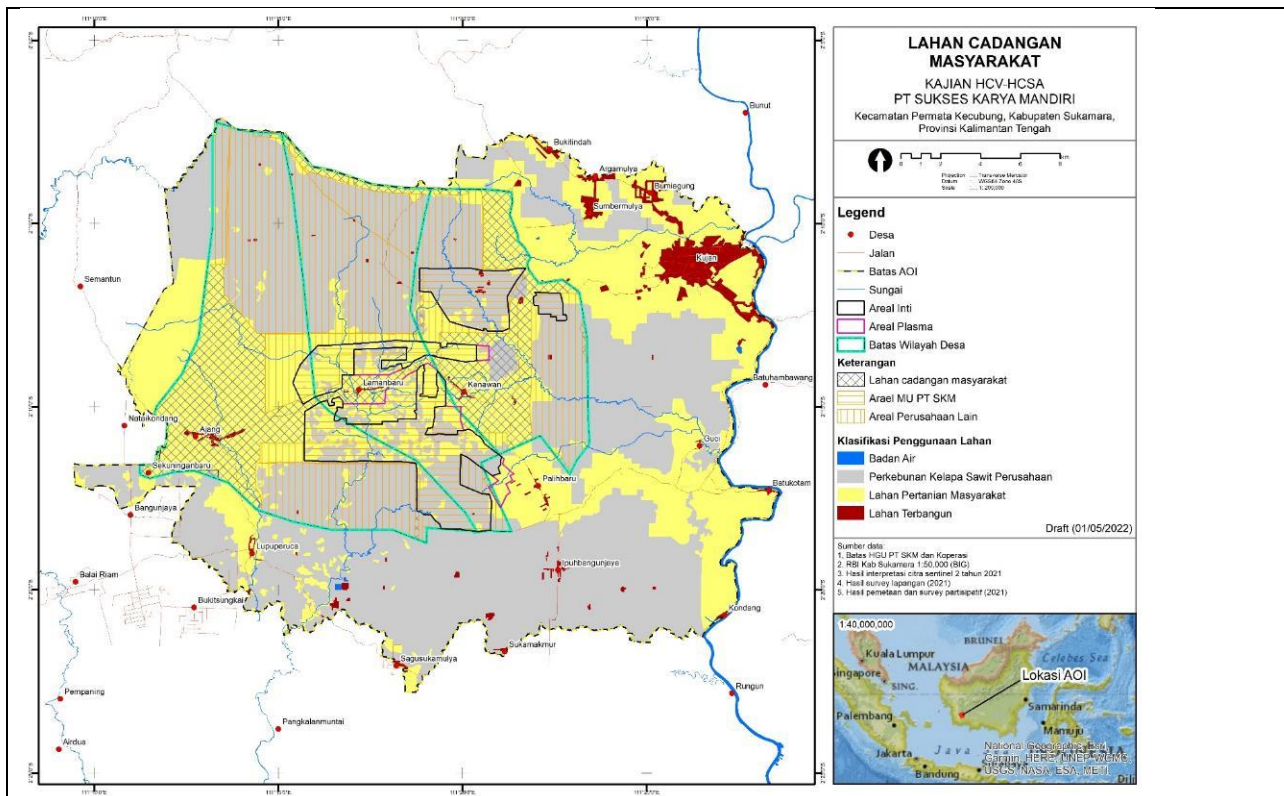
Conditions for the existence of HCV 6	Findings
Sites recognized by national policy and legislation as having high cultural value	✘
Sites that have official designation from national governments and/or international institutions such as UNESCO	✘
Sites with recognized important historical and cultural values, even if not protected by legislation	✓
Religious or sacred sites, burial grounds or sites used as locations for holding traditional ceremonies which have an important role for local or traditional communities.	✓
Plant or animal resources that have totemic value or are used in traditional ceremonies	✘



3.4. Land security and community livelihoods in the future

The results of the analysis of land availability for future land reserves and livelihoods show that the development plan in the PT SKM area does not result in a shortage of minimum land allocation for the community for future land security and livelihoods. Based on the analysis results, there is a hypothetical land allocation of 2.95 ha for each member of the community. The Reserve Land is outside the PT SKM area and the indicative boundaries of other Company concessions within the village area.

Village	Village Area (Ha)	MU PT SKM area (Ha)	Other Company Concession Areas (Ha)	Community Reserve Land* (Ha)
Ajang Village	13,639.85	1,521.41	7,583.31	4,535.14
Kenawan Village	8,548.37	1,577.34	3,755.91	3,215.12
Laman Baru Village	9,460.09	3,504.90	5,122.69	832.50
Total	31,648.31	6,603.65	16,461.90	8,582.76
Community reserve land area (ha)				8,582.76
Number of residents (individuals)				2,907
Land allocation per resident (ha/individual)				2.95

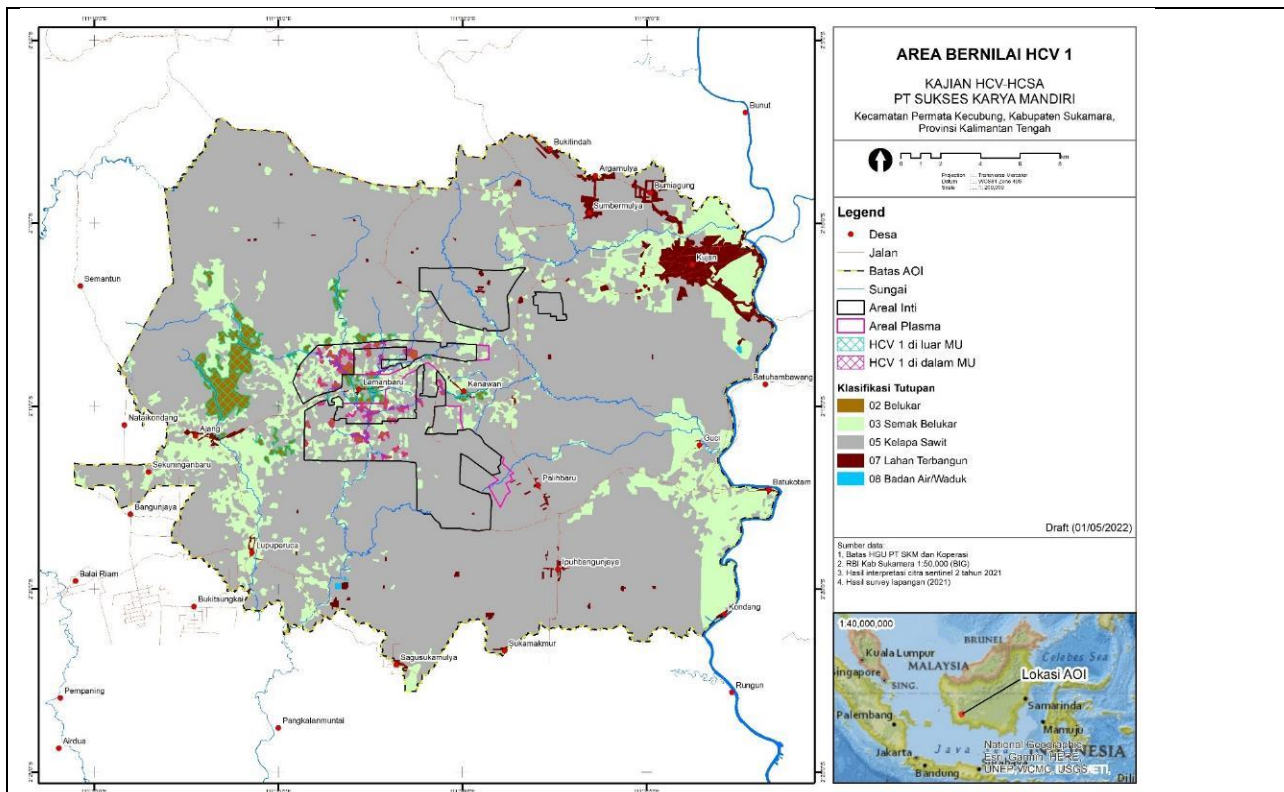


4. Environmental HCV

4.1. HCV 1

There was only one situation qualifying for HCV 1 found in the AOI and one other situation considered potentially present in the AOI. A summary of HCV 1 value situations found in the AOI is described in the Table below. Based on the typology, the HCV 1 value area in AOI consists of areas covered with shrubs.

Conditions for the existence of HCV 1	Findings
Populations of some endemic species or RTE.	✓
High overall species richness, diversity, or uniqueness when compared with other sites in the same biogeographic region.	✗
Critical populations or high densities of endemic or RTE species, representing a substantial proportion of the regional, national or global population required to maintain viable populations, whether year-round or seasonally, including migration corridors, breeding, nesting or hibernation sites, or places shelter from disturbances.	✗
Small populations of endemic species or individual RTEs, where the national, regional or global survival of the species depends critically on the region concerned.	✗
Sites with significant RTE species richness, or populations (including temporary concentrations) of priority species close to key protected areas or other priority sites (e.g. KBA) within the same biogeographic boundary.	✗
An important genetic variant, subspecies or variety.	=



4.2. HCV 2

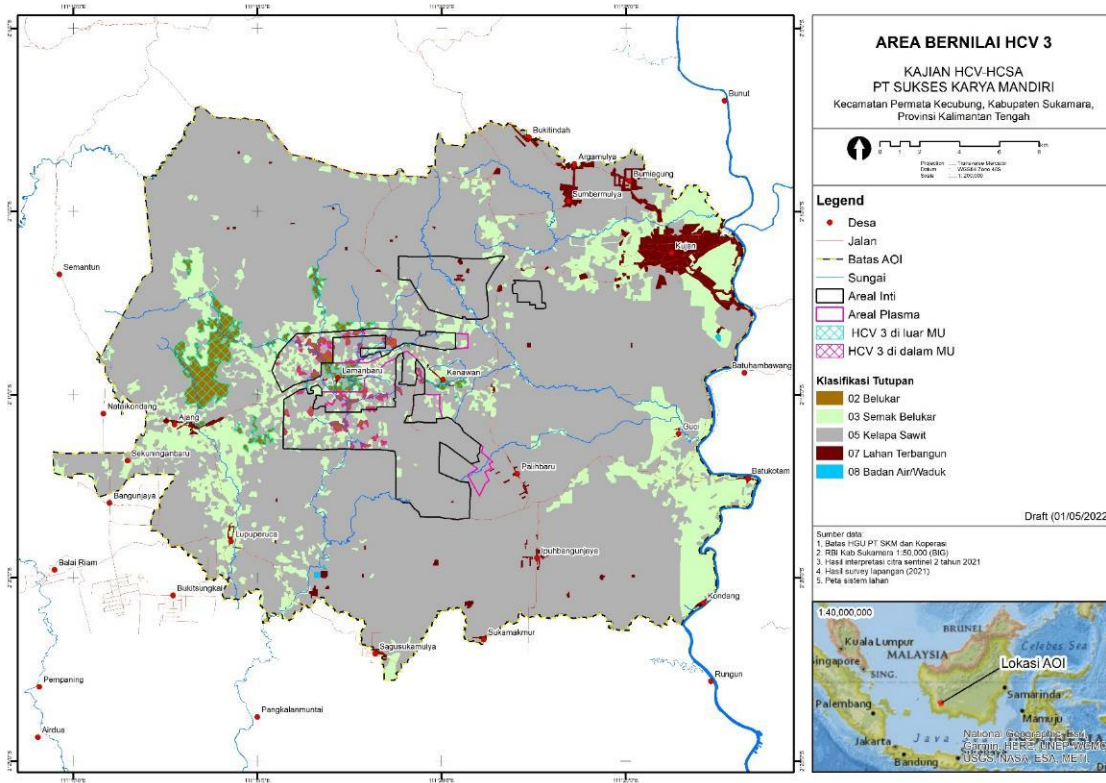
There are no situations that qualify for HCV 2 in the AOI.

4.3. HCV 3

HCV 3 analysis was carried out by referring to the precautionary approach in the National Interpretation of HCV Identification Guidelines (Indonesian HCV Toolkit Revision Consortium, 2008). There are five potential natural ecosystems in AOI which are considered threatened and/or rare natural ecosystems as explained in the table below.





Island	Elevation Zone*	Land System**	Potential Ecosystem Types	Status***	
				Rare	Threatened
Kalimantan	Lowland (0-500 m)	BKN	Lowland Forest on alluvium soil		✓
		BWN	Lowland Forest on sandstone		✓ (especially <300 masl)
		BPD	Mixed Dipterocarpaceae forest or hills on the malihan rock		✓
		HJA, JLH, PLN, RGK	Mixed Dipterocarp forests or hills on deep igneous rock (granite)		✓ (especially <300 masl)
		KLR	Weed grassy swamp	✓	

Based on the analysis results, the shrub-covered areas in AOI have characteristics that represent the five types of natural ecosystems found in AOI. Analysis using a precautionary approach also explains that areas covered with shrubs are concluded as areas of HCV 3 value because they are important for protecting the existence of rare or threatened natural ecosystems in the AOI.



5. HCSA Analysis
5.1. HCSA Stratification

No	Land Cover	Description and Stratification in HCS Classification	Photo
1	Shrub (Agroforestry)	<p>Based on the results of the stand inventory, the shrub is classified as young regenerating forest (YRF) in the HCSA stratification. The thickets in AOI are part of the community's farming areas so they do not have the quality of species diversity like forests. Shrubs also have a lower tree density and carbon stock value than forests. Based on the results of the stand inventory, Rubber trees (<i>Hevea brasiliensis</i>) and other types of fruit trees can be found in all plots in the bush area.</p> <p>Some of the shrub plots are dominated by rubber trees and fruit tree species, while others are dominated by natural pioneer trees. Apart from that, thickets are also the area with the best ecological quality in the AOI, so it is the last area that can support biodiversity in the AOI. Therefore, with caution, the entire scrub area was classified in the YRF strata. This consideration is also based on the explanation of YRF characteristics based on the HCSA toolkit where community agricultural areas may be found in the YRF area.</p>	

2	Scrub	<p>Based on the results of the stand inventory, shrubs are classified as scrub (S) in the HCSA stratification.</p> <p>Scrub are community farming areas that are managed more intensively than shrub areas. The bushes are found in the form of a mosaic of mixed cultivation and monoculture agricultural fields of rubber and oil palm. Scrub have a lower dominance of tree vegetation than shrubs. In general, scrub are dominated by plants with a shrub habit or young trees.</p> <p>The bush can be said to be an area that has been heavily degraded. There were no forest fragments or natural cover found in the expanse of bushland. Shrubs are classified in the scrub strata because of the dominance of young vegetation and shrubs. Scrub are not classified in the smallholder agricultural use strata because do not have agroforestry characteristics.</p>	
3	Palm oil	<p>Oil palm cover is an intensively managed plantation area. Oil palm plantations in AOI consist of plantations managed by corporations and independent community plantations. In HCS stratification, oil palm is classified in the agricultural estate strata (AGRI).</p>	
4	Built Up Land	<p>Built-up land is an area that has buildings on it. Built-up land has no vegetation cover. Built-up land in AOI consists of community residential areas and plantation company infrastructure in AOI. In the HCSAS stratification, built-up land is classified into the built-up area (BU) strata.</p>	
5	Water Body/Reservoir	<p>The water body in AOI consists of two forms, namely a small part of the Lamandau River flow which was detected as an area in the land cover and reservoir analysis. The reservoir at AOI consists of a factory waste processing pond managed by the corporation at AOI and a water reservoir. the entire reservoir is an artificial water body. In the HCSA stratification, river and reservoir water bodies are classified in the Water category.</p>	

Land Cover Class	Area (ha)	Number of Plots in the Field	Average Carbon Value (tonC/ha)	Mean Standard Error	Confidence Interval Limit (90%)		Total Carbon Value (tonC)
					Lower (tonC/ha)	On (tonC/ha)	
HCS Potential							
Thicket (YRF)	398.40	57	71.73	0.45	70.83	72.63	28,577.05
Non-HCS							
Shrubs (Scrubs)	1,022.40	77	32.45	0.2	32.04	32.86	33,178.49
Palm oil (AGRI)	5,352.81	-	-	-	-	-	-
Built Up Land Built-up Land (BU)	19.11	-	-	-	-	-	-
Water body Other (Water)	2.06	-	-	-	-	-	-

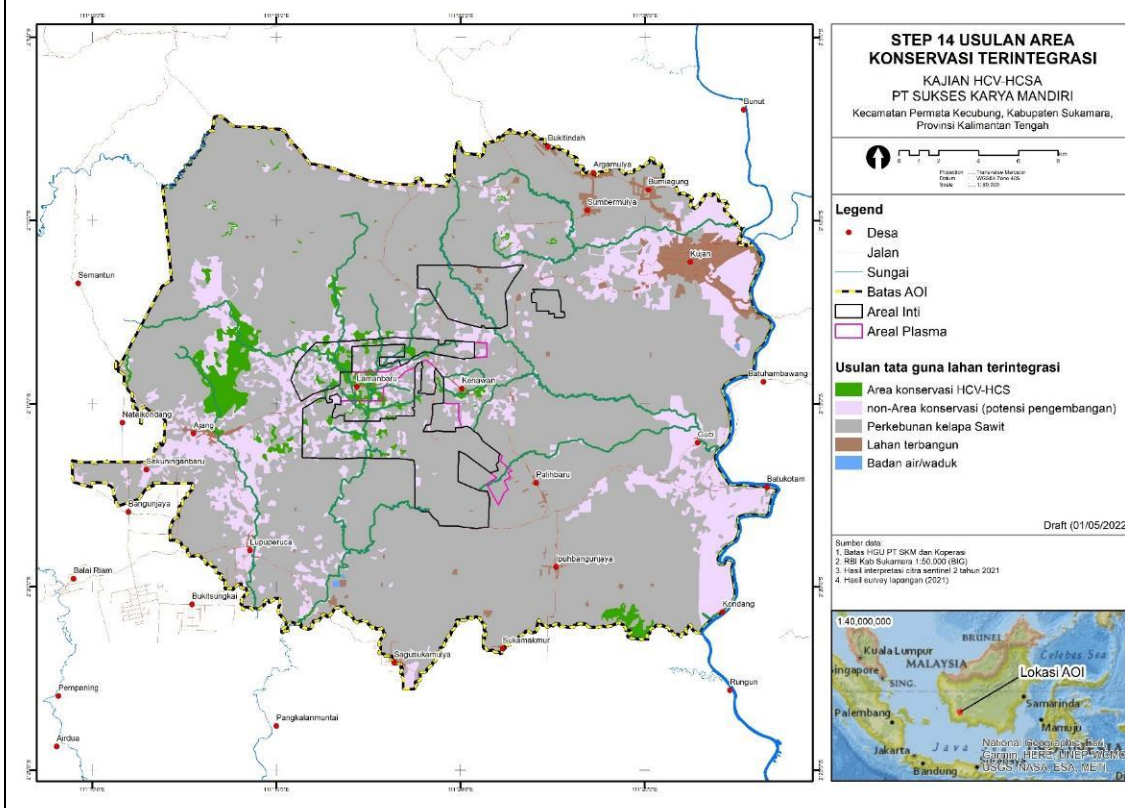
5.2. Patch Analysis

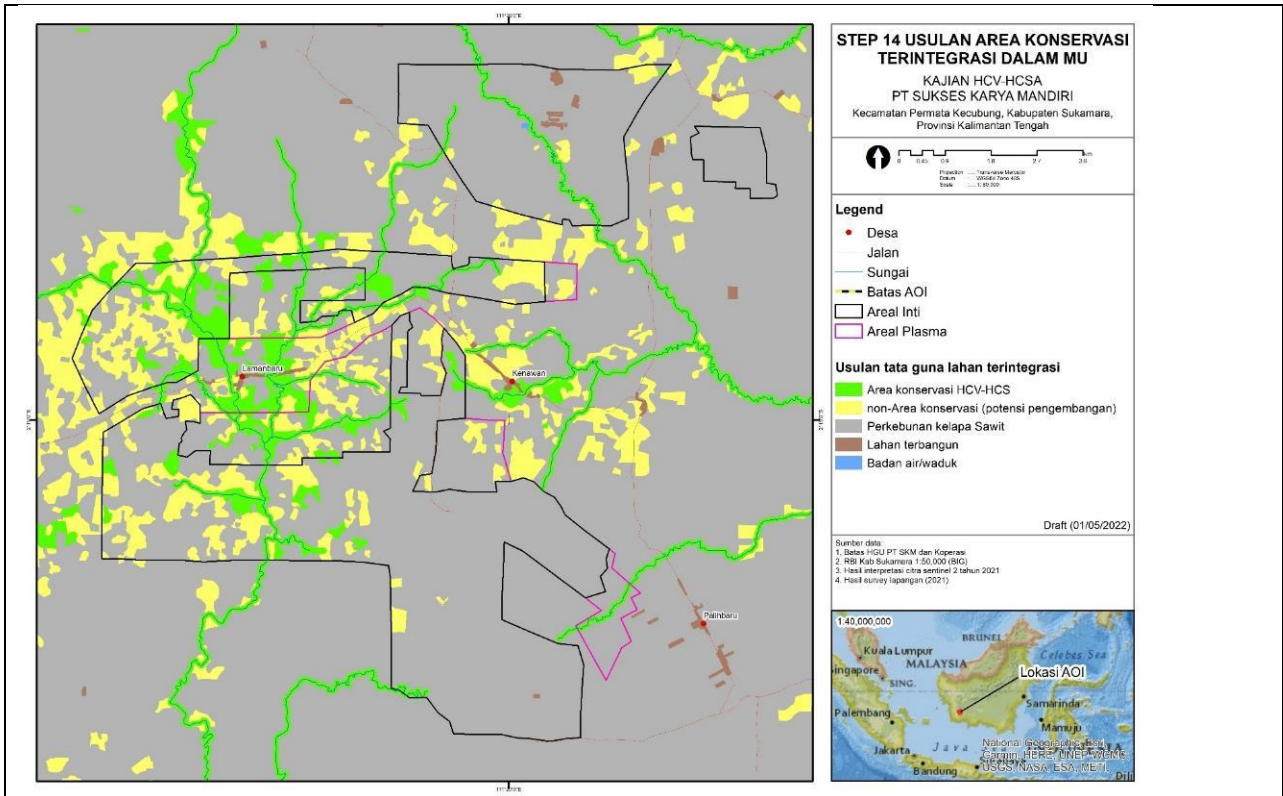
There is only one type of land cover in the AOI that meets the HCS forest criteria, namely shrubs (YRF). There are 60 HCS forest patches in AOI with a total area of 1,586.05 ha. Based on the core area, there are 1 HPP (high priority patch), 3 MPP (medium priority patch), 23 LPP (low priority patch), and 33 LPP w/o core (low priority patch without core area).

Based on the patch analysis process and results, there are two types of important areas for conservation in AOI, namely HCS forests and HCV value areas. Areas with HCV value are considered equivalent to HPP and are automatically categorized as areas for conservation.

In the plot analysis, there were no HCS patches that were included in the interchangeable patch category (excluded from the conservation proposal for development potential). All MPP and LPP patches were found to be connected to HPPs or overlap with HCV value areas so that all MPPs and LPPs in the AOI are of conservation interest. Therefore, several steps that regulate the process of exchanging and adjusting the patch shape were not carried out. All HCS patches in AOI (with a total area of 1,586.05 ha) are designated as HCS patches for conservation.

Based on the integration of HCV and HCS conservation areas, there are 3,850.81 ha of areas proposed for conservation within the AOI. Specifically within the company area, there are 661.90 ha (value based on the results of the latest spatial data verification in the preparation of the NPP). Some of the areas proposed for conservation within the company area are areas that have not yet gone through the rights acquisition process. Therefore, in a further stage the company needs to negotiate the determination of control rights and utilization patterns of these areas to fulfill the company's commitment to protecting areas of HCV and HCS conservation value.





6. Conservation Area Typology Assessment

Spatial references are important in implementing effective management and monitoring of conservation areas. The assessment formulates a management and monitoring plan based on the typology of areas where HCV and HCS values are present and the surrounding areas that support the protection of these values.

Area ID	Description
A1	Natural area covered with shrubs
B2	Very steep area covered with bushes
B3	Very steep area covered with palm oil
C1	The river and its borders are covered with bushes
C2	The river and its borders are covered with bushes
C3	The river and its borders are covered with palm oil
C4	The river and its borders are covered by bodies of water
D	The site has an HCV value of 6
E	Community land within the company area that has not been released

Note: HCVMA river border coverage (C1-C4) follows the border protection zone in accordance with PP No. 38 of 2011 for rivers within the Company Area, namely 50 meters on each river bank.

7. Threat Assessment

Based on the assessment results, there are 4 events that are assessed as threats to conservation values, namely:

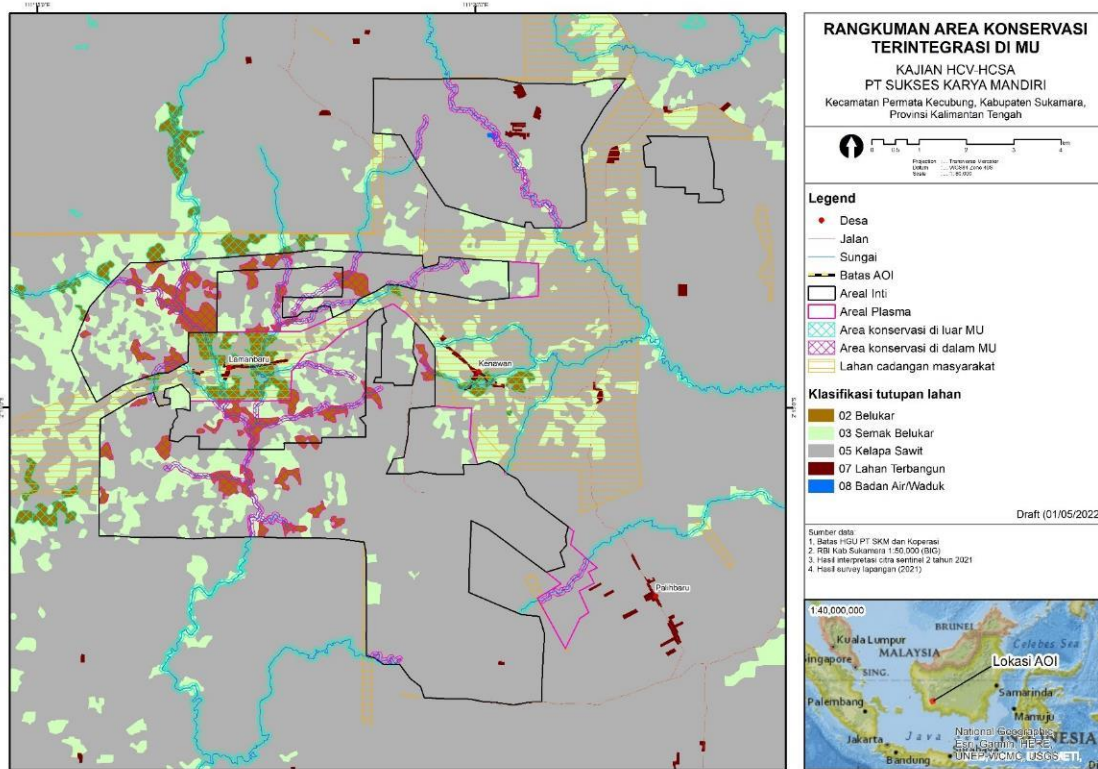
1. Clearing of land for cultivation by communities (including the use of fire and land conversion to develop independent community oil palm plantations).
2. Land conversion plans for new development by the company.
3. Hunting of wild animals for recreation/hobby purposes by the public.
4. Agricultural effluent (fertilizer and pesticide application on company plantations).

Mark	Area ID	Threats	Timings	Scope	Severity	Threats Impact	Source of Threat
HCS Forest	A1, C1	Clearing of land for cultivation by the community	On-going (3)	Majority (2)	Very Rapid (3)	High Impact	External
		Conversion plans for new development by the company	Future (1)	Majority (2)	Rapid (2)	Low Impact	Internal
HCV 1	A1, C1	Clearing of land for cultivation by the community	On-going (3)	Majority (2)	Very Rapid (3)	High Impact	External
		Hunting of wild animals for recreation/hobby purposes by the public	On-going (3)	Majority (2)	Slow (1)	Medium Impact	External
		Conversion plans for new development by the company	Future (1)	Majority (2)	Rapid (2)	Low Impact	Internal
HCV 3	A1, C1	Clearing of land for cultivation by the community	On-going (3)	Majority (2)	Very Rapid (3)	High Impact	External
		Conversion plans for new development by the company	Future (1)	Majority (2)	Rapid (2)	Low Impact	Internal
HCV 4	A1, B2, B3, C1, C2, C3, C4	Clearing of land for cultivation by the community	On-going (3)	Majority (2)	Very Rapid (3)	High Impact	External
		Conversion plans for new development by the company	Future (1)	Majority (2)	Rapid (2)	Low Impact	Internal
		Agricultural effluent (fertilizer and pesticide application)	On-going (3)	Majority (2)	Slow (1)	Medium Impact	Internal
HCV 5	C1, C2, C3, C4	Clearing of land for cultivation by the community	On-going (3)	Majority (2)	Very Rapid (3)	High Impact	External
		Conversion plans for new development by the company	Future (1)	Majority (2)	Rapid (2)	Low Impact	Internal
		Agricultural effluent (fertilizer and pesticide application)	On-going (3)	Majority (2)	Slow (1)	Medium Impact	Internal
HCV 6	D	Clearing of land for cultivation by the community	On-going (3)	Majority (2)	Very Rapid (3)	High Impact	External
		Conversion plans for new development by the company	Future (1)	Majority (2)	Rapid (2)	Low Impact	Internal
Community Land Potential	E	Conversion plans for new development by the company	Future (1)	Majority (2)	Rapid (2)	Low Impact	Internal

8. Integrated Conservation Land Use Plan

Mark	Area ID	Area where value is found (ha)	HCVMA Management Area (ha)
HCS Forest	A1	310.47	310.47
	C1	93.47	93.47
HCS Forest Sub-total		403.94	403.94
Peat	-	-	-
Peatland Sub-total		-	-
HCV1	A1	310.47	310.47
	C1	93.47	93.47
	C2	-	71.64
	C3	-	192.39
	C4	-	0.49
HCV sub-total 1		403.94	668.46
HCV2	-	-	-
HCV2 sub-total		-	-
HCV3	A1	310.47	310.47

	C1	93.47	93.47
HCV3 sub-total		403.94	403.94
HCV4	A1	310.47	310.47
	B2	0.05	0.05
	B3	1.06	1.06
	C1	93.47	93.47
	C2	71.64	71.64
	C3	192.39	192.39
	C4	0.49	0.49
HCV4 sub-total		669.57	669.57
HCV5	C1	93.47	93.47
	C2	71.64	71.64
	C3	192.39	192.39
	C4	0.49	0.49
HCV5 sub-total		357.99	357.99
HCV6	D*	n/a	n/a
HCV6 sub-total		n/a	n/a
Community land	-		_**
Community Land Sub-total			_**
Total HCV-HCS Conservation Area		669.57 (9.85%)*	669.57 (9.85%)*
Total Management Area		669.57 (9.85%)*	669.57 (9.85%)*



Section 5: FPIC

Verification of FPIC implementation is carried out by external parties (Ecotrop) in August 10th, 2021 – January 24th, 2022. Consist of Information gathering and preliminary analysis, field visit, analysis and reporting.

A summary of the conclusions of the FPIC verification results is as follows:

1. Communities in all villages who interact with the company's concession area approve of the presence and operational activities of the company, in this case the management of PT SKM.

2. The FPIC process carried out by the company has taken into account the stages of the FPIC guidelines for RSPO membership.
3. A documentation system is available, but there are still deficiencies in organizing documents, this can be seen from several meetings between the community and companies which are not well documented.
4. Part of the agreement between the company and the community has been realized, but others are still in process. The public has received complete information regarding the agreement between the company and the community which has not yet been realized.
5. All information related to the company's operational plans and activities has been conveyed to the public through community representatives.

The FPIC verification results matrix is explained in the following table:

No	CRITERIA	INDICATOR	MARK	JUSTIFICATION & RECOMMENDATIONS
1	FPIC rights holders and FPIC holders have committed to carrying out the FPIC process based on the most comprehensive guidelines (for example the RSPO Guidelines). Agreement on the guidelines referred to must be stated in a Minutes of Agreement.	<ul style="list-style-type: none"> • Documents demonstrating commitment to implementing FPIC and references to methodologies (e.g. RSPO/FAO guidelines or others) that are at the institutional discretion of the project proponent; and/or • Minutes or Decree regarding plans to conduct FPIC on a specific activity, describing the methodology, as well as ensuring that there are sufficient human resources, budget and time. • The document above should be held by the rights holder (community) as a form of openness regarding the project proponent's policy regarding FPIC. • Interviews were conducted with the project initiator to ensure that the policies in the document were actually implemented in internal management practices. 	1	<ul style="list-style-type: none"> • The commitment to implement FPIC in company activities as a whole is contained in the TAPG (Parent Company) Sustainability Policy to respect human rights and global anti-discrimination policies. • Technical guidelines for implementing FPIC are contained in the form of Standard Operating Procedures (SOP) for Receiving and Resolving Complaints from Stakeholders – SOP/SUPP/III/2018/001, and Land Acquisition – SOP/SUPP/X/2019/001. Both SOPs refer to P&C RSPO INA-NIWG 4.2 regarding the availability of a mutually agreed upon and documented system for handling complaints and grievances, which is implemented and accepted by all affected parties. • A series of socialization activities and negotiations with the community have been carried out by PT SKM for all concession areas they manage. • Documentation of some meetings is available in the company but not all of them are available in the community. However, community representatives provided information that the meetings shown in the documentation had taken place.

				<ul style="list-style-type: none"> The company's commitment to implementing FPIC has been implemented according to its needs in the types of company activities (for example: ANDAL socialization, socialization and process of land rights acquisition, CSR implementation, Social Impact Assessment (SIA), High Conservation Value (HCV) assessment, and etc). All of these activities have been carried out by the company in the period 2007 – 2021.
2	The FPIC implementation process is accurately documented and all documentation is maintained by both parties.	<p>Process recordings, both written, audio and audio-visual recordings, and event reports. Certain documents and minutes are further detailed in the other criteria below. For this criterion, it is verified that the overall process is well documented. If there are systematic deficiencies, they are identified here. The documents mentioned above all need to be shared and kept by the community, and also by the local government as a regulator in terms of licensing.</p> <p>Interviews are conducted with project initiators, the community, and other participants (e.g. witnesses or local government) to collect testimony that the recorded process occurred in accordance with the evidence.</p>	3	<p>Documentation of the FPIC process is not entirely well documented, but community representatives stated that the company had carried out FPIC steps such as conducting socialization, asking for approval from the community, carrying out environmental management activities, CSR programs and others in a participatory manner. The community does not have documents related to the FPIC process carried out by the company, according to the community this is due to community concerns regarding misuse of these documents. The interview explained that the meetings and follow-up actions had been carried out in accordance with the available documentation. Among these are ANDAL socialization, land compensation processes, receiving and handling complaints, CSR programs, SIA, HCV, and so on.</p> <p>Recommendation: Improving a more organized documentation system for each socialization activity/meeting with the community, and making meeting notes/minutes at each meeting. The company is obliged to submit meeting notes/minutes to community representatives involved in discussion/consultation activities, or provide procedures so that the</p>

				community can access the FPIC documents.
3	<p>Rights holders, obligation holders and objects for FPIC have been clearly identified at the initial stage of the FPIC implementation process through a participatory land tenure study. Including:</p> <ul style="list-style-type: none"> ▶ The typology of communities living in the area targeted by the project proponent has been clearly identified, categorized as customary law communities or local communities. ▶ The types of objects used by the community have been clearly and definitely identified ▶ The types of rights that exist in the company's targeted areas are identified at an early stage through studies 	<ul style="list-style-type: none"> • Minutes or other documents that identify the party carrying the obligation, the party holding the right, and the object of the right, which is an element of the FPIC process. Includes identifying: <ul style="list-style-type: none"> ▶ Typology of communities living in the area targeted by the project proponent, as customary law communities or local communities ▶ Types of objects used by society ▶ The types of rights contained in the company's targeted areas • To verify that a number of different sources have been referred to to confirm information about the presence or absence of communities, community typology, objects utilized, as well as the types of rights contained in the area targeted by the project proponent, the verification tools are written recordings of interview results, documents -research documents used as references, audio and audio-visual recording evidence, and survey results documents. • Participatory land tenure study document, created at the beginning of the FPIC process, involving the community, 	1	<ul style="list-style-type: none"> • Community typologies have been identified and explained in several assessments that have been carried out, including ANDAL, SIA and HCV, HCV-HCSA. • Studies that explain community dependence on the use of natural resources to fulfill daily living needs and are related to the culture or history of the community are carried out in the SIA, HCV, HCV-HCSA assessment. Documentation of the assessment process and results is available in the SIA, HCV, HCV-HCSA Report. • The community provides information verifying that all of the above assessments were correctly carried out by involving the community.

		<p>including to verify the results of the study.</p> <ul style="list-style-type: none"> • The participatory process in making a participatory land tenure study needs to be verified with the community, by looking at the study method and findings together, to verify that the process is participatory and the content is accepted/approved by the relevant community. 		
4	<p>The potential and risks of investment in the area targeted by the project proponent have been carried out and the results have been informed to the community who have been identified as living in and/or currently using the land.</p>	<p>Document the results of the study of investment potential and risks Minutes and recorded results of the process that the document has been discussed, explained and shared with the community who live in and/or are utilizing the land targeted by the project proponent. Equipped with process notes regarding the questions and answers that occurred. Signed by the leadership of each party, as well as independent witnesses and the local government. Verified that documents 1 and 2 above are kept by both parties. Verified through interviews that community leaders or representatives understand the contents of the document.</p>	2	<p>Environmental and social impact assessments from plantation activities have been carried out and documented in ANDAL, SIA, HCV, HCV-HCSA documents. The partner/plasma plantation business analysis has been prepared and is owned by the company and the community as stated in the cooperation agreement letter. Minutes showing recordings of the meeting process (including participant responses/questions and answers), attendance lists, and photos of activities are available for some meetings. The verification results show that the minutes available at the company are not available to the public. However, documents that are a follow-up to the results of the meeting are well available on both parties (for example: agreements, MoUs, land compensation documents, and so on). The verification results show that the parties representing the community (village officials and traditional councils) understand the activities that have been carried out and understand the contents of the documentation for these activities.</p> <p>Recommendation:</p>

				The company is obliged to submit meeting notes/minutes to community representatives involved in discussion/consultation activities, or provide procedures so that the community can access the FPIC documents.
5	Community representatives and procedures for community decision making have been identified at the outset, including the limits of authority of these representatives in decision making; and the legitimacy of the representative system and decision-making mechanisms that apply in indigenous or local communities have been confirmed at the beginning, namely after the scoping stage and before initial socialization.	Minutes and recordings of deliberations (both written, audio and audio visual) between the project proponent and the community stating clearly in writing that: both parties have identified a community representation system and have agreed to act as community representatives in negotiations with project proponents. The project initiator has clarified and confirmed with competent parties in the community concerned regarding the validity of the chosen representative system. The community has agreed on the representative system they choose and legislate according to the decision-making mechanisms that apply in their community, without any intervention from outside parties. The project proponent already knows the community representative system that will represent the community in negotiating with the project proponent. confirm through interviews with related parties that the above process occurs as stated in the documentation.	1	A system of community and company representation has been established and is recognized by both parties. This representative system is used and stated in several company procedures such as the land acquisition process, submitting complaints, and so on. However, there are no documents available to confirm this (such as an agreement prepared by a notary, a memorandum of understanding, or something else). The company has identified parties trusted by the community as its representatives. These parties are village officials (village head and village secretary), traditional leaders, cooperative administrators/cooperative heads. Other responsible persons/representatives/coordinators from the community for other purposes, if necessary, can be selected through deliberations within the community. The results of the interviews show that the community has agreed on the chosen representative system. The positions of Village Head and Traditional Leader are responsible and have the authority to coordinate deliberations for decision making and are responsible and authorized to represent the community in relations with the company. The activities described through the available documentation were confirmed through interviews to have been carried out.

6	Local authorities who have the authority to provide legitimacy to a ritual, traditional ceremony, or the results of deliberation through mechanisms applicable in the community have been identified from the start, namely after scoping and before initial socialization.	Minutes of meetings with the community to identify the authorities living in the local community; And Records of the social mapping process (study) which contain information about local authorities who have the authority to provide legitimacy for rituals, traditional ceremonies, and the results of deliberations through mechanisms that apply in society. Confirm through interviews with related parties that the above process occurs as stated in the documentation.	1	The SIA and HCV studies have explained that local authorities have the authority to provide legitimacy for rituals, traditional ceremonies and the results of deliberations, namely the village head and traditional leaders. Verification of the implementation of FPIC confirms that the village head and traditional leader are community representatives appointed by the community and can represent the community's aspirations. The village head's authority includes positive legal aspects, while the traditional leader's authority includes cultural aspects (customary law, ceremonies, rituals, and so on).
7	The project proponent has agreed to a third party chosen by the community to be the community's companion in terms of advice and technical assistance in related fields such as, but not limited to, economics, social culture, law and the environment.	Minutes of the meeting which clearly states that the project proponent has agreed on a companion chosen by the community to assist the community with advice and technical assistance in related fields such as, but not limited to, law, economics, social culture and the environment; and that the companion is welcome to be involved in the FPIC process as a companion for the community. Confirm through interviews with relevant parties that the above process occurs as stated in the documentation, and that the community understands that they can choose a companion in the FPIC process.	1	People do not use third parties as companions. The community is represented by the village head and traditional leaders or other village officials in interacting with companies and other outside parties. Decision making that is collective in nature or related to certain community members will be discussed together (for collective decisions) or with the parties concerned (for decisions related to certain community members). The community states that its community and the representatives who have been selected are capable of participating in the interaction processes with the company.
8	The project proponent has submitted initial information about	Documents that include the information mentioned above, which are in the hands of the public in a	3	Socialization from the start which includes initial assessments, socialization of development plans and plantation management plans,

<p>the project plan including: Information sheet about the project Proponent; Diagram of the permit obtaining process and ongoing stages; Information sheet regarding the FPIC standards used; Details of proposed development plans (including legal and financial consequences); Initial summary of alleged social and environmental risks and benefits; Proposal High conservation value study and participatory assessment of social and environmental impacts; Participatory map development proposal; Proposal for farmer/outdoor fruit supplier scheme, plasma scheme; Supporting organization (IMO) contact details; Contact details of the organization whose standards are used by the project initiator; applicable project initiator SOP; And Recommended next steps in the FPIC process.</p>	<p>form and language that is easy for the public to understand. Minutes of the meeting between the project initiator and the community explaining in writing that the project initiator has explained and has clarified matters asked by the community regarding the information submitted. Confirm through interviews with related parties that the above process occurs as stated in the documentation, and that the public is given the opportunity to ask questions about the contents of the document, and that the public understands the contents of the document.</p>	<p>environmental and social studies and other studies related to RSPO procedures has been carried out by the company. Documentation on initial socialization activities is not available, this is because the previous ownership of PT SKM was not under TAPG. Documentation related to the FPIC implementation process has only been available since TAPG took over PT SKM in 2011 as stated in Deed Number 14 dated 27 April 2011. Community representatives confirmed that PT SKM's old management held several meetings to socialize the project plan. However, all documentation is not available. Apart from that, the community confirmed that after PT SKM was under TAPG management, participatory socialization and consultation activities were increasingly carried out more intensely.</p> <p>Recommendation: Improve the documentation system by making meeting notes/minutes, attendance lists, and photos of activities at each socialization activity or meeting.</p>
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9	<p>The project proponent has ensured that the community is aware of a number of important rights in the context of implementing FPIC, and the project proponent has explained to the community that they have the right to:</p> <ul style="list-style-type: none"> map the boundaries of their territory and use the results of that mapping as a basis for negotiations with project proponents. own and keep the map and freely decide on its use. refuse to participate in proposed activities offered by the project proponent. carry out advocacy to encourage state legal recognition of the territory they have mapped. 	<p>Minutes explaining in writing that there was a deliberation between the project initiator and the community to explain the community's rights. Confirm through interviews with related parties that the above process occurs as stated in the documentation.</p>	<p>3</p> <p>Adequate documentation of the land mapping and land acquisition or land compensation process is available. The rights to land under community control are recognized by the company. The process of releasing land rights is carried out by the company in accordance with the standards for releasing land rights in accordance with RSPO principles and criteria. The company also recognizes all rights to community land that are not acquired but are within the scope of the company's operational area. Community representatives stated that the mechanism of this process (which is contained in the SOP) was already known to the community. This process has also been carried out by the community for land that has now been agreed to be released and has been compensated. Regarding community land rights that have not been acquired by the company within the company's operational area, the company recognizes them as community rights, but the community concerned cannot upgrade the legal status of the land from a Land Certificate (SKT) to an Ownership Rights Certificate (SHM).</p> <p>Recommendation: Coordinate with the National Land Agency (BPN) regarding the determination of HGU boundaries. Map all land that is still under community control and then carry out a negotiation process with the rights holders. If there is land within the company's operational area that the community does not want to let go of, the company is obliged to mark the land as an enclave. Coordinate with community representatives and declare that all community land within the company's operational area is recognized by the company as community property and can be used by the community for their needs.</p>
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10	<p>The project proponent has conveyed to the community the participatory assessment and mapping plan, what its objectives are, and its relation to community rights, both communities holding land rights and communities potentially affected by project development, and the community has given their approval to the participatory assessment and mapping plan.</p>	<p>Minutes of the deliberation meeting between the project initiator and the community explaining in writing that the project initiator has submitted plans, objectives and scope of participatory study and mapping activities. Statement of Approval from the community for the mapping and study plan signed by community representatives and representatives of the project proponent. Minutes of the meeting between the project proponent and the community explaining in writing that the meeting resulted in a Statement of Approval, where the meeting meets the requirements. Confirm through interviews with related parties that the above process occurs as stated in the documentation.</p>	3	<p>Minutes/documentation of meetings between the company and the community are available in various documents, including the ANDAL report, HCV assessment, SIA assessment, and several other assessments; All of these documents contain meeting notes, attendance lists and photos of meeting activities with the community. The community stated that discussion/consultation activities between the company and community representatives had been carried out. Some of these activities were carried out during the implementation of social and environmental studies, while others were carried out in separate meetings and in documents regarding the transfer of land rights or land compensation. All notes in the available documentation correspond to important questions regarding important information for the community.</p> <p>Recommendation: Coordinate with community representatives regarding all company operational plans and activities on a regular basis, at least once a year.</p>
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11	<p>Participatory studies and mapping have been carried out by the project initiator with active participation from the community involving all interest groups in the community, especially those most potentially affected by the planned development project. The study needs to include:</p> <p>Land boundaries Land area Land use Tenure studies Participatory HCV (High Conservation Value) and SKT (High Carbon Stock) assessments, and management plans participatory, and management plans Participatory social and environmental impact assessment</p>	<p>Minutes of the implementation of participatory studies and mapping. Documents resulting from participatory studies and mapping that have been approved, verified and validated by the community include the following: Land boundaries Land area Land use Tenure studies Participatory HCV and HCS studies Participatory social and environmental impact assessment</p> <p>Minutes explaining in writing the process of verifying and validating the results of participatory studies and mapping by the community.</p> <p>Minutes of participation of communities whose land is directly adjacent to the mapped land and a statement of approval from these communities for the mapping results.</p> <p>Confirm through interviews with related parties that the above process occurs as stated in the documentation</p>	2	<p>Minutes/documentation for the implementation of studies are available and attached to each report. These points were consulted with the community. Even the field survey also involved several representatives from the community. The public can request an assessment report that includes information on these points at the company office.</p> <p>Minutes/documentation of the process of community involvement are attached to the reports on the results of several of these studies. Community representatives confirmed that they were involved in field surveys, mapping and consultation in these studies.</p> <p>Several studies conducted by the company explain village boundaries, land use, tenure, HCV and HCSA, and environmental impacts. Meanwhile, the area of land ownership per individual is explained in the land rights release document or land compensation.</p> <p>Recommendation: Coordinate with community representatives regarding all company operational plans and activities on a regular basis, at least once a year.</p>
12	<p>The project proponent has provided further information to the community including the following: Information about the results of studies and mapping, and HCV</p>	<p>The minutes of document submission contain information about the matters mentioned above from the project proponent to the community.</p> <p>A community statement letter signed by community representatives explaining that the community has been given sufficient time</p>	2	<p>Community representatives stated that the community had received socialization and was willing to follow the commitment to protect conservation areas, especially in areas that had been cleared by the company. The land acquisition process follows existing SOPs. Even though the community has received socialization and is willing to participate in the protection of conservation areas, this agreement is</p>

	<p>management plans Potential impacts, risks and benefits of the project for the community A form of compensation for the community provided by the project proponent Recovery steps if adverse impacts occur on the environment and on humans Complaint mechanisms provided by project proponents to the community The next process is if the community still agrees to the project planned by the initiator On the basis of this information, the community has the right to freely express their consideration, or immediately approve or reject the company's plan to carry out the next process after studying all the information they receive from the project initiator. If the community agrees, the next stage is to prepare the negotiation process.</p>	<p>to study and discuss the information in the documents submitted by the project proponent to the community. Letter of Agreement between the community and the project initiator which states clearly in writing that the community agrees to the company's plans for carrying out the next process. Confirm through interviews with related parties that the above process occurs as stated in the documentation.</p>	<p>not specifically made/stated in an agreement document or memorandum of understanding, or in any other form.</p> <p>Recommendation: Coordinate with community representatives related to areas that have been designated as conservation areas (HCV-HCSA). Make an agreement regarding participatory management and monitoring of conservation areas with community representatives/land owners.</p>
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13	The project proponent and the community have agreed on the Terms of Reference for negotiations including the place, time frame, proposed agenda, as well as witnesses and observers and regarding the presence of a third party to assist the community.	Proof of agreement on the terms of reference for negotiations includes procedures for carrying out negotiations, proposed agenda, timelines, place/location of negotiations, third parties who assist the community, as well as the presence of agreed witnesses. Proof of confirmation of the presence of a third party to accompany and provide considerations needed by the community. Confirm through interviews with related parties that the above process occurs as stated in the documentation.	2	<p>A third party to help the community is not required. This was stated by community representatives in FPIC verification consultation activities using the FGD method.</p> <p>The process of releasing land rights from the community to the company is assisted by a team formed by the village government called the village team. The village team is tasked with collecting data on land ownership, mapping and ensuring the correctness of land rights.</p> <p>There is no evidence/documentation that states that the community does not need third party assistance.</p> <p>Recommendation: Coordinate with the village government to verify the correctness of land ownership information to be acquired by the company. Make a statement that the community does not need a third party in the negotiation process.</p>
14	The negotiation process takes place according to the detailed contents of the agreement made in the Negotiation Preparation stage, and meets the criteria of 'without coercion', transparency (the people involved know the progress of the negotiations), and representativeness (decision making in a previously agreed manner).	Minutes for each stage of negotiations that have been carried out which explain in writing the process and results achieved in the negotiations. Recording of the internal meeting process of each party to discuss important matters before they are brought into each stage of the negotiation process. Results of interviews with related parties (two negotiating parties, companions, witnesses) about how the negotiation process was carried out, to assess the level of 'non-coercion', 'transparency' and 'representativeness'.	1	<p>The negotiation process until the agreement is carried out in accordance with the existing SOP. Minutes are prepared at the final stage (handover of compensation payments).</p> <p>The criteria for non-coercion and transparency were met according to information from community representatives.</p> <p>The complaint/grievance mechanism is also stated through the available SOP. According to the community, this mechanism can be used if necessary.</p>
15	The project proponent and the	Minutes of negotiations between the project	1	The components that are part of the SOP for making an agreement

	<p>community have negotiated what items will be included as points of agreement, which should include, but are not limited to the following: Minutes of the handover of land rights from the community to the project proponent along with the conditions proposed by the community. Forms of compensation and compensation that must be carried out by the project initiator Draft procedures for monitoring the implementation of the contents of the agreement Draft mechanism for submitting complaints and making complaints Draft Minutes regarding the management section of the Company which is responsible for handling public complaints Draft conflict resolution mechanism and recovery measures (remedy) Documentation of the entire negotiation process and results</p>	<p>proponent and the community explaining in writing that both parties have discussed and agreed on matters that include, but are not limited to, the points mentioned in the criteria. News of the transfer of land rights from the community to the project proponent Minutes of agreement on forms of compensation from the project proponent for the community Draft Document of agreed monitoring procedures Draft document of the agreed conflict resolution mechanism Minutes of agreement regarding the parties who have the right to obtain and store process documents and minutes of events Check whether the Minutes and negotiations and all draft documents negotiated in original form that have been signed by both parties are distributed, received and stored by each party (meaning the original BA must be prepared and ratified by both parties in 2 copies) Confirm through interviews with related parties that the above process occurs as stated in the documentation.</p>	<p>(compensation) have been agreed upon and stated in the SOP. According to information from community representatives, the components according to the SOP have been understood and their fulfillment is accompanied by the village government. This process has also been carried out for land that has been released. The mechanism for handling conflict has also been understood and the village government is open to facilitating community members who need assistance when there are complaints or grievances that need to be submitted.</p>
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	The party has the right to obtain and store all documents of the negotiation process and results			
16	<p>The community and project proponents have agreed on all things that have been prepared in the Pre-Finalization stage, including: Compensation has been paid according to the agreed form and value All Minutes that have been discussed and prepared in the Pre-Finalization Agreement Stage The procedures and mechanisms that have been discussed in the Pre-Finalization Agreement stage are approved and signed by community representatives and project proponents.</p>	<p>The agreement document is signed by both parties, and the witnesses and each party, namely the community and the project initiator, receive one original and the same file. The notarial deed which legally strengthens the agreement between the two parties is accepted and stored by each party in the same form. Confirm through interviews with related parties that the above process occurs as stated in the documentation.</p>	1	<p>The signing of the land compensation agreement letter and other agreements was carried out by both parties and was completely documented. The process of making the agreement and documentation was witnessed by witnesses from both parties and village officials. The land compensation agreement process is not supervised/ratified by a notary. However, the agreement process for developing partner/plasma plantations is supervised and ratified by a notary. The community through interviews explained that the presence of a notary was not considered necessary for the land compensation process. The validity of the agreement is supported by the presence of witnesses and village officials as independent parties. Meanwhile, for agreements to develop partner/plasma plantations through cooperatives, it is important to involve a notary, this is required by the bank that will provide loans to the cooperative.</p>
17	Both parties carry out the contents of the agreement in accordance with their respective obligations stated in the agreement	<p>The report on the implementation of the contents of the agreement in original form is held/kept by each party (meaning that the report must be provided in two original copies). Confirm through interviews with related</p>	1	<p>Documentation of each agreement and understanding (memorandum of understanding) is available and maintained by both parties. Community representatives confirmed that in general the clauses in the agreement or memorandum of understanding were fulfilled by each party.</p>

		parties that the above process occurs as stated in the documentation.		<p>Complaints and/or grievances are handled through channels in accordance with applicable SOPs. All villages that interact directly with the company receive partner/plasma oil palm plantations which are organized in two cooperatives, except for Ajang Village.</p> <p>The construction of a partnership/plasma garden for the Ajang Village community is currently still in the process stage. This is because the people of Ajang Village do not have an area that can be proposed as a partnership/plasma garden area.</p> <p>The company has committed to building an oil palm plantation for the Ajang Village community if available land can be applied for. The conditions for this land are that it is outside the forest area and does not overlap with other company permits.</p>
18	Both parties agreed to carry out monitoring and evaluation by an independent third party to assess the fulfillment of the parties' obligations in the agreement	Minutes of agreement regarding independent monitoring by third parties. Monitoring and evaluation results reports held by each party. Confirm through interviews with related parties that the above process occurs as stated in the documentation.	1	<p>The village government and traditional council are agreed by the community and the company as independent parties who have the right to monitor and evaluate the fulfillment of the parties' obligations as independent parties.</p> <p>Negotiations will be held again if the supervision of the village government and traditional council is deemed unable to facilitate the monitoring and evaluation function.</p>
19	Both parties agreed to use a complaint mechanism to handle any violations of the contents of the agreement.	Complaint mechanism document signed by both parties. Complaint reports use an agreed mechanism (if any). Confirm through interviews with relevant parties that the mechanism is operational.	1	<p>Both parties stated that they agreed to use a complaint mechanism to handle any violations of the contents of the agreement. If mediation by the village government and traditional leaders is unsuccessful in obtaining an agreement, it will be resolved through positive legal channels.</p> <p>SOPs for complaints are available, this mechanism has been used in several land claim issues and has been resolved.</p>

20	Both parties agreed to take recovery steps as stipulated in the agreement document on the recovery mechanism.	Minutes of negotiations between the two parties regarding recovery steps and mechanisms Recovery mechanism document signed by both parties as a sign of approval There is a document related to the recovery action that both parties signed as a sign of agreement Confirm through interviews with related parties that the mechanism is operating according to the agreement.	1	Recovery mechanisms are available and have been agreed to be pursued if necessary. The recovery mechanism process is not formally described and explained in detail because authority will be given to the party determined to be given authority. Coordination meetings are held by the company with community representatives, namely the village government through the CSR department.
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Section 6: Soil and topography

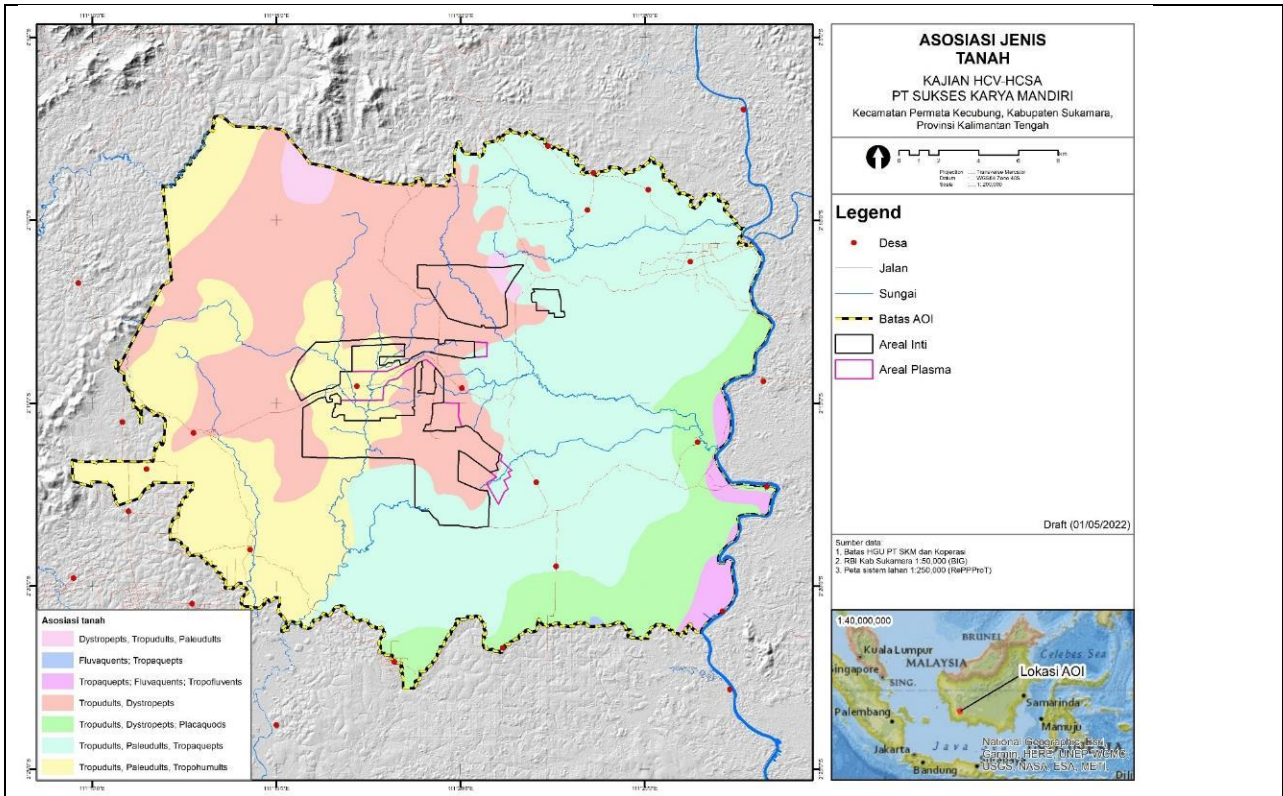
Date of Assessment: October 2021

Name of Assessor: Bias Berlio PR

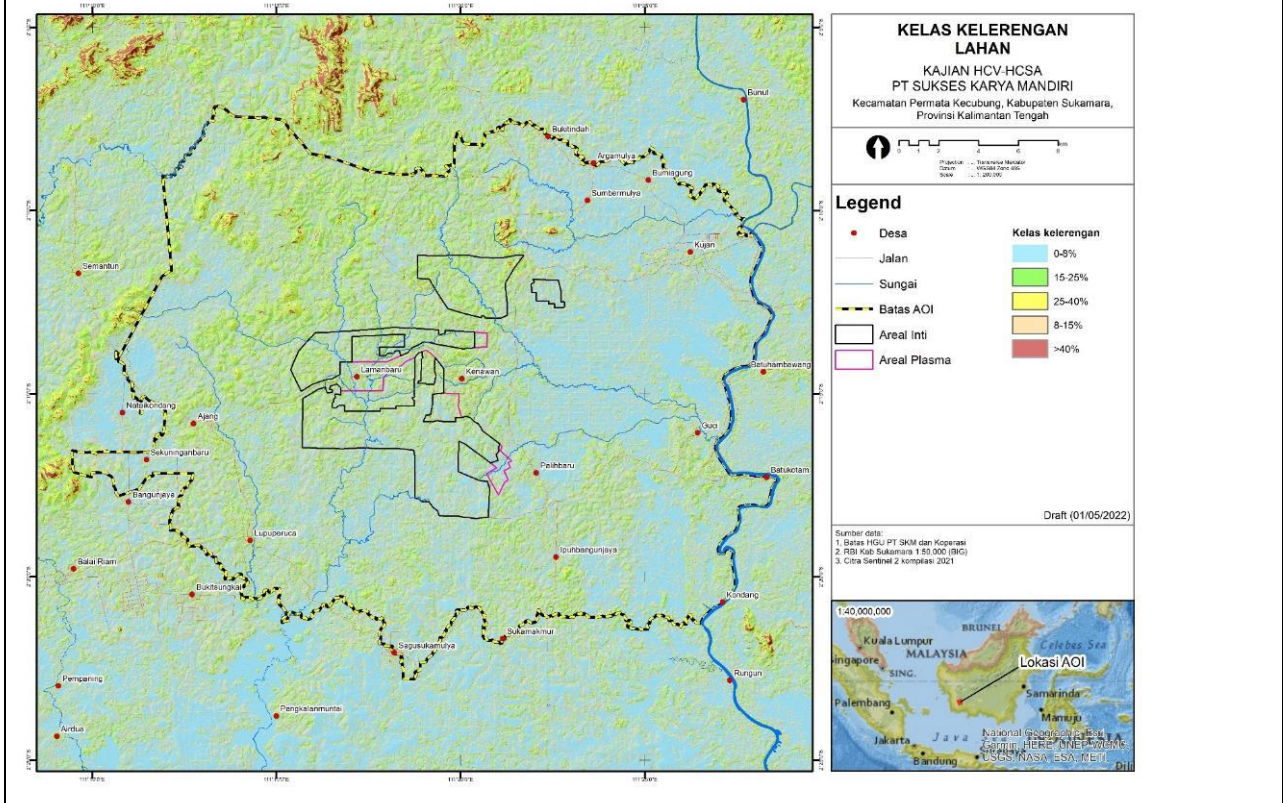
Assessor Designation and Company: Environmental expert at Ecotrop

Information on soil types and topography in the PT SKM area is quoted from the results of soil and topography surveys carried out in the HCV-HCSA Assessment. The process of identifying and mapping soil types and topography begins with data analysis from secondary sources, namely land system spatial data from RePPPProT (1990) and the DEMNAS digital elevation model with a resolution of 10 m. The assessment continues with verification in the field (99 locations) to ensure the accuracy of the data.

Based on the assessment results, there are seven types of land associations in the PT SKM area and its surroundings. Based on soil taxonomy (USDA, 1975), the seven types of associations can be regrouped into four types of soil, namely: Ultisol (podzolic), Inceptisol (cambisol), Entisol, and Spodosol. All types of soil are not peat soil.



The company area is in a lowland area and is dominated by flat land. There are several locations that have very steep slopes within the PT SKM area with a total area of 1.11 ha.



Section 7: Greenhouse Gases (GHG)

Date of Assessment: December 2023-January 2024

Name of Assessor: Bias Berlio Pradyatma R

Assessor Designation and Company: Environmental expert at Ecotrop

1. Resources

The information required for the GHG assessment is obtained from other assessments that have been carried out in the PT SKM area and from PT SKM management. Data analysis and preparation of alternative management scenarios are carried out in accordance with the guidelines provided by the RSPO in the RSPO GHG Assessment Procedure for New Development Version 4, July 2021 (hereinafter referred to as the GHG Assessment Guide). The information used in the GHG assessment, and its sources are presented in the table below.

No	Information	Reference source
1	Land cover classification	HCV-HCSA assessment results
2	Land cover biomass carbon stocks	HCV-HCSA assessment results
3	Palm oil biomass carbon reserves	Default values from the GHG Assessment Guide
4	Map of area proposed for development	PT SKM Management
5	Estimated FFB productivity	Estimates from PT SKM management
6	Fuel use in plantations	Reflection from existing plantation data
7	Fertilizer use	Proposed fertilizer procurement budget for new plantation plans from PT SKM management
8	Fertilizer content	Product MSDS
9	The presence of peatlands	Soil survey and HCV-HCSA assessment
10	OER and KER estimation	Estimates from PT SKM management
11	Fuel use in factories	Reflection of factory operational data
12	POME Management	Available infrastructure capacity
13	Electricity usage (none)	Available infrastructure capacity
14	Management of excess electrical power	Available infrastructure capacity
15	Shell management	Reflection of factory operational data
16	Empty queue management	Reflection of factory operational data

2. New Development Area

The scope of the area to be proposed for new development is determined based on data on planted and unplanted areas as well as areas determined for conservation use from the HCV-HCSA Assessment. Based on this approach, the area potential for new development is 952.60 ha (company proposed 523.21 ha for NPP). See the table below for a summary of areas based on use within the PT SKM operational area.

Usage	Hectare (ha)	Percentage (%)
Existing plantation area	5,180.28	76.24
Conservation area	661.90	9.74
New development area	952.60	14.02
Total (PT SKM operational area)	6,794.78	100.00

3. Land Cover Carbon Stocks

Land cover vegetation is an important element in considering GHG emissions from new development plans. In calculating GHG emissions, vegetation land cover within the area proposed for new development

is considered as a full emission factor. Therefore, it is important to identify land cover and biomass carbon stock values in each land cover class.

Land cover classification within the PT SKM area was identified based on the results of the HCV-HCSA assessment. Based on this assessment, there are five land cover classes within the PT SKM area. The five classes consist of shrubs, bushes, oil palms, built-up land, and water bodies/reservoirs. A summary of the area and coverage of land cover classes in the PT SKM area based on its land use plan is explained in the table below.

Land Cover Class	Carbon Reserves (tonC/ha)	Carbon Reserves (tonCO2e/ha)	Hectare (ha)	Percentage (%)
Conservation Area				
Thicket	71.73	263.01	398.39	5.86
Shrubs	32.45	118.98	69.80	1.03
Palm oil	63.83	234.04	193.22	2.84
Body of water/reservoir	n/a	n/a	0.49	0.01
Sub-total conservation area			661.90	9.74
Existing Plantation Area				
Palm oil	63.83	234.04	5,159.59	75.93
Built-up land	n/a	n/a	19.11	0.28
Body of water/reservoir	n/a	n/a	1.58	0.02
Sub-total area of existing plantations			5,180.28	76.24
Area Proposed for New Development				
Shrubs	32.45	118.98	952.60	14.02
Sub-total area proposed for new development			952.60	14.02
Total operational area of PT SKM			6,794.78	100.00

4. Management Plan Scenario

The preparation of alternative scenarios was motivated by efforts to reduce net GHG emissions from the management plan for new oil palm plantations. Alternative scenarios are prepared based on possibilities that have an impact on reducing GHG emissions (relative to the baseline scenario) and can be fulfilled by the management/management unit while still considering business feasibility.

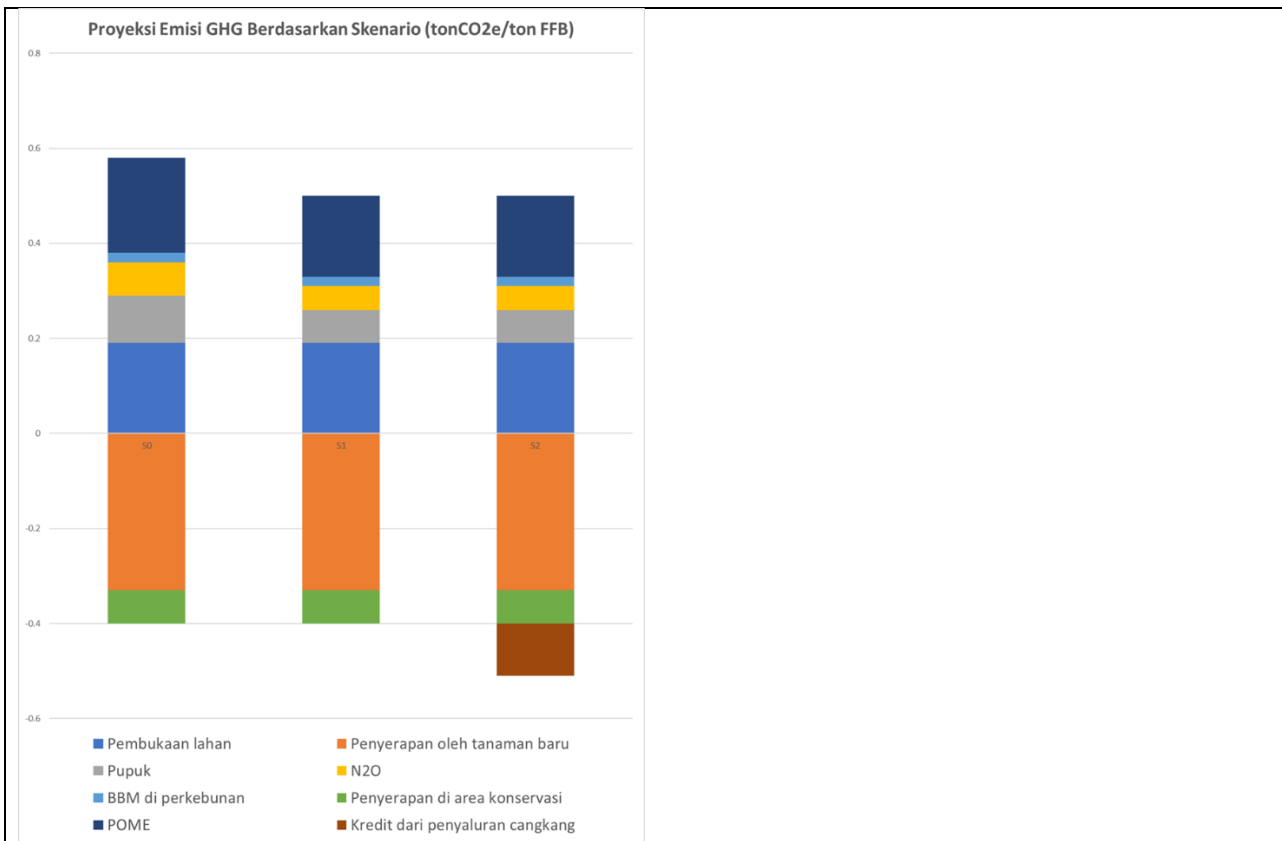
Based on discussions with PT SKM management, development plans will be carried out according to potential areas for new development based on the results of the HCV-HCSA assessment (all areas for conservation will be protected). However, there are several components in the management plan at the plantation or factory level where adjustments can be made with the aim of reducing potential GHG emissions from the management plan in the future. A summary of the components adjusted for each alternative scenario and the projected net GHG emissions from each scenario are presented below.

Scenario	Summary of differences with other scenarios
S0 (Baseline)	<ul style="list-style-type: none"> ▪ The use of fuel and fertilizer refers to the procurement budget plan. ▪ All POME from FFB processing from new plantations will be managed in waste ponds (conventional). ▪ There is no distribution of shells (as an energy source) originating from FFB processing from new plantations.
S1	<ul style="list-style-type: none"> ▪ Budget efficiency for fuel and fertilizer procurement.

	<ul style="list-style-type: none"> All POME from FFB processing from new plantations will be managed in waste ponds (conventional). There is no distribution of shells (as an energy source) originating from FFB processing from new plantations.
S2	<ul style="list-style-type: none"> Budget efficiency for fuel and fertilizer procurement. As much as 15% of POME from processing results from new plantations is managed using methane capture for flaring while the other 85% is managed using waste ponds (conventional). Distribution of shells (as an energy source) originating from FFB processing from new plantations.

		S0 (Baseline)	S1	S2
Category	Information			
Protected area	HCV-HCS area	661.90 ha	661.90 ha	661.90 ha
Area to be developed	Area covered with bushes	952.6 ha	952.6 ha	952.6 ha
Use of fuel and fertilizer	According to the procurement budget	✓		
	Efficiency is carried out		✓	✓
POME Management	Conventional	100%	100%	85%
	Methane capture (flaring)	-	-	15%
Shell management	Not managed	✓		
	Channeled as an energy source		✓	✓

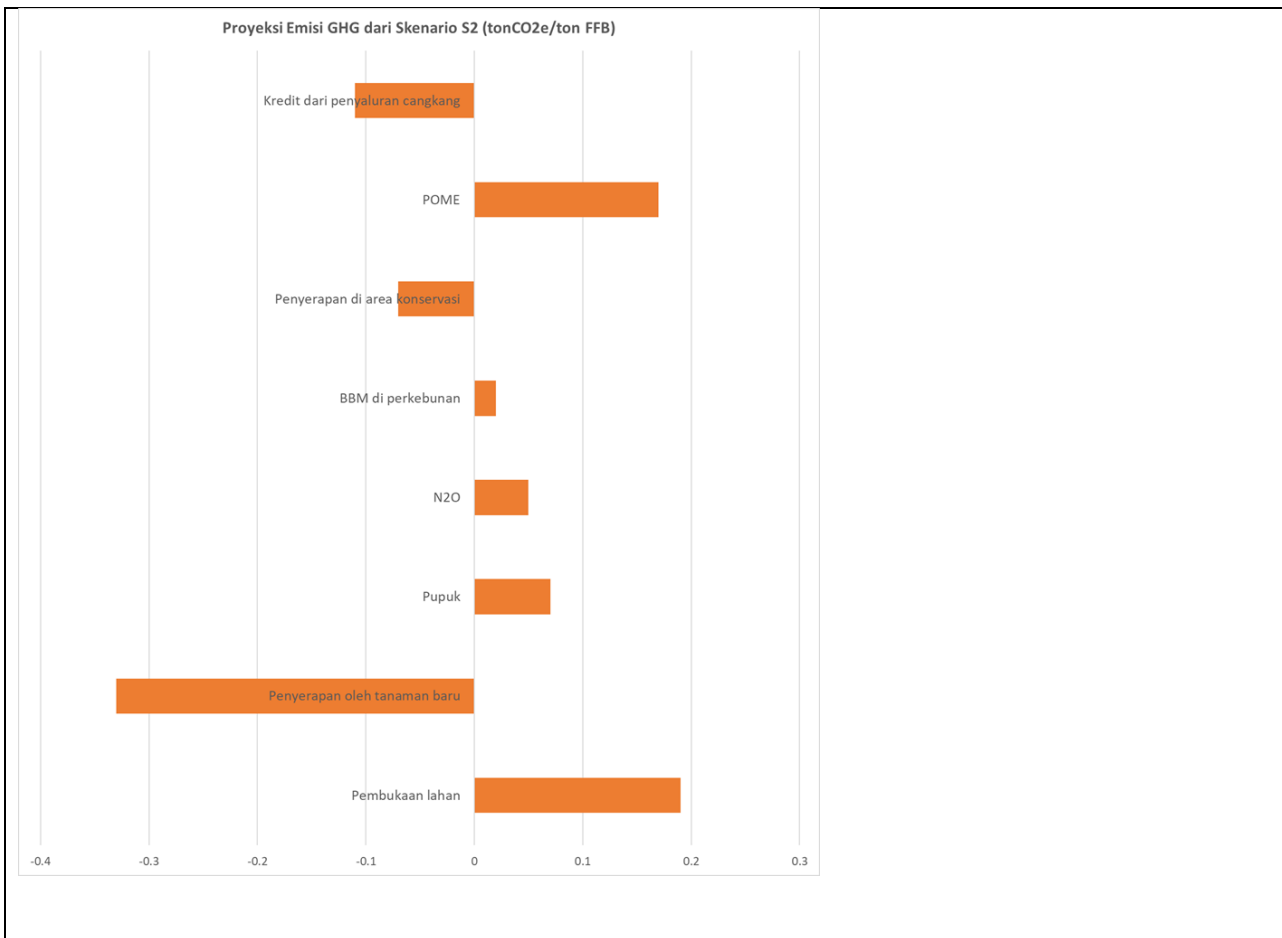
Sources of GHG Emissions	Amount of GHG Emissions (tonCO2e/ton FFB)		
	S0 (Baseline)	S1	S2
(A) Parameters of plantation management (FFB production on plantations)			
Land clearing	0.19	0.19	0.19
Uptake by new plants	-0.33	-0.33	-0.33
Fertilizer	0.10	0.07	0.07
N2O	0.07	0.05	0.05
fuel in plantations	0.02	0.02	0.02
Peatlands	0.00	0.00	0.00
Absorption in conservation areas	-0.07	-0.07	-0.07
Sub-total (A) (tonCO2e/ton FFB)	-0.02	-0.07	-0.07
(B) Parameters of management at the factory (CPO and PKO production in the factory)			
POME	0.20	0.17	0.17
fuel at the factory	0.00	0.00	0.00
Purchase of Electrical energy	0.00	0.00	0.00
Credit from Electrical energy exports	0.00	0.00	0.00
Credit from shell distribution	0.00	0.00	-0.11
Sub-total (B) (tonCO2e/ton FFB)	0.20	0.17	0.06
Total (A+B) (tonCO2e/ton FFB)	0.18	0.10	-0.01
Total Emissions (tonCO2e)	4,143	2,361	-273
Total Emissions (tonCO2e/ton CPO)	0.60	0.34	-0.04
Total Emissions (tonCO2e/ton PK)	0.60	0.34	-0.04



5. Selected Scenario

Based on the results of PT SKM management considerations, scenario S2 will be selected to be used in managing new oil palm plantations in the PT SKM area. To implement scenario S2, there are several management components that need to be implemented differently from the baseline scenario and therefore need to be included in the management plan for new oil palm plantations in the future. A summary of management pattern adjustments for new oil palm plantations in the PT SKM area is presented in the table below.

Category	Management Components
Protected area	HCV-HCS conservation area (661.90 ha)
Area to be developed	The area is covered with bushes and has been categorized as a potential area for new development (952.60 ha)
Use of fuel and fertilizer	Efficiency in the amount of fuel and fertilizer has been carried out. Detailed information is presented in Appendix 1.
POME Management	Ensure the availability of methane capture flaring infrastructure to manage (at least) 15% of the POME produced, while the other 85% will be managed with waste ponds.
Shell management	Ensuring the ongoing distribution of the entire shell () to become an energy source.



Section 8: Land Use Change Analysis (LUCA)

Date of Assessment: July 2022-February 2024

Name of Assessor: Bias Berlio Pradyatma R

Assessor Designation and Company: Environmental expert at Ecotrop

1. Methodology

A set of satellite imagery was used to conduct the landcover change analysis, namely Landsat 5 Imagery, Landsat 7 Imagery, Landsat 8 Imagery, and Sentinel 2 Imagery. All the satellite imagery used in the analysis have < 5% cloud coverage and equipped with georeferencing system hence additional radiometric and geometric corrections was not necessary to be conducted. Except for the baseline landcover analysis (i.e., landcover before November 2005), acquisition date of all satellite imagery data used in the analysis is within 6 months period after the cut-off date of each LUCA period. For the November 2005 landcover classification, period of image acquisition was extended to 12 months before November 2005 to allow the assessor to acquire satellite imagery with less than 5% cloud cover. See Tabel below for the dates of image acquisition of satellite imagery data for each LUCA period cut-off dates.

Table 1. Date of acquisition of satellite imagery data used in the LUCA.

Period	Date of acquisition	Cloud cover (%)
Before November 1, 2005 (baseline)	10/02/2005	2%
November 1, 2005-November 31, 2007	23/04/2008	2%
December 1, 2007-December 31, 2009	Compilation of Jan-Jun 2010	3%
January 1, 2010-April 27, 2011	Compilation of Apr 1-30, 2011	5%

April 28, 2011-May 9, 2014	- Compilation of Jun-Oct 2014 - 02/11/2014	5%
May 10, 2014-October 22, 2014 (First HCV Assessment)	Compilation of Nov 2014-Apr 2015	5%
September 2021 (satellite image used for ground-truthing)	Compilation of Apr-Jul 2021	0%

Image analysis was carried out using combination of object based visual interpretation and on-screen manual digitation. Result of the image analysis was then verified through groundtruthing activities, including field observation and drone survey. Landcover photographs (i.e., photos of the four compass directions + canopy cover) were collected in each of the field observation point, whereas bird view photographs were taken by drone survey.

The minimum number of samples for landcover groundtruthing was determined using Taro Yamane Formula with 90% confidence level. Proposed locations for groundtruthing were determined using stratified random sampling based on landcover classification. Number of samples collected during the field survey were increased to improve accuracy of the landcover classification. However, locations of the groundtruthing points needed to be adapted to ensure the representation of groundtruthing location, availability of access, and safety of the team. See Table below for target number of landcover groundtruthing samples and number of the actual samples collected.

Table 2. Number of the minimum landcover groundtruthing sample points and the actual samples collected.

Remark	Old shrubs	Shrubs	Oil Palm	Bare land	Water body	Total
Groundtruthing for landcover classification in nucleus plantation area of PT SKM						
Minimum samples	10	12	12	4	2	40
Actual samples collected	63	90	94	12	6	265
Groundtruthing for landcover classification in partnership scheme plantation area of PT SKM						
Minimum samples	8	10	12	Not found	Not found	30
Actual samples collected	23	56	56	Not found	Not found	135

Validation of the landcover classification result was carried out using the Kappa Accuracy test. Result of the test on the result of landcover classification shows that the Overall Accuracy is 95.8% and Kappa accuracy is 94.1%. Therefore, result of the landcover classification is adequate to be used in the LUCA.

Landcover change analysis to identify noncompliance land clearing prior without prior HCV assessment and the resulted remediation and compensation liabilities was carried out by first differentiating corporate land clearance from non-corporate land clearance. Corporate land clearance is defined as any landcover change that occurred due to land clearing or preparation to establish company's oil palm plantation or other associated facilities (e.g., warehouse), whereas non-corporate land clearance is any land clearing carried out by parties other than the company and not for the interest of the company (e.g., local community's agricultural activity, slash and burn agriculture). A set of criteria was developed to characterise corporate land clearing from the non-corporate clearing (e.g., size and pattern of the clearing area, cross-checking with company's hectare statement, etc.).

All land clearing without prior HCV assessments in each LUCA period were analysed based on its landcover class in November 2005 and the associated vegetation coefficient as per the RSPO LUCA Guidance. Compensation liability was calculated See Table below for the vegetation coefficient for each landcover class found in November 2005.

Compensation liability was calculated based on the sanctions that correspond to periods when non-compliance land clearing occurred as per the RSPO RaCP. Environmental remediation liability was identified as any land clearing and/ or degradation of landcover that occurred in areas where planting of oil palm is prohibited by the RSPO. Social remediation liability was identified as loss of any social HCVs due to corporate land clearing.

Table 3. Vegetation coefficient of landcover class identified in November 2005.

Vegetation Coefficient	Landcover
1.0	Not found
0.7	Secondary forest (found only in November 2005)
0.4	Not found
0.0	Shrubs (semak belukar), bush (semak), oil palm (kelapa sawit), baren land (lahan terbuka)

2. Summary of landcover analysis results

See tables and maps below for the satellite imagery and results of landcover analysis depicting landcover change occurred in the nucleus and partnership scheme plantation areas of PT SKM.

Figure 1. Satellite imagery depicting landcover change in the Nucleus Plantation Area.

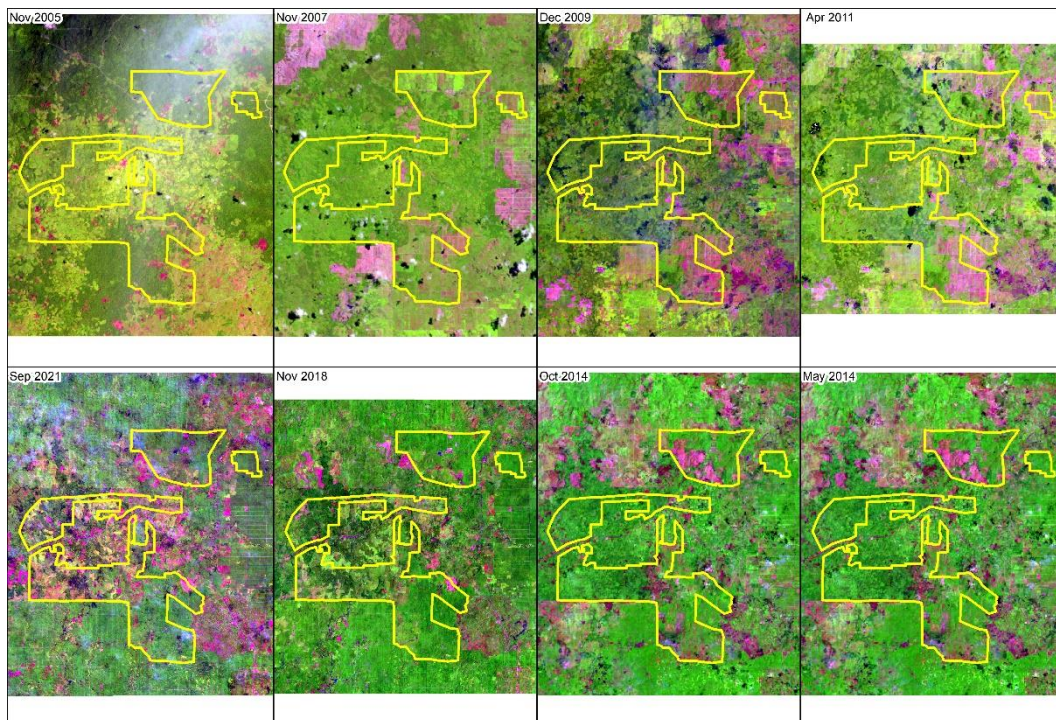


Figure 2. Satellite imagery depicting landcover change in the Partnership Scheme Plantation Area.

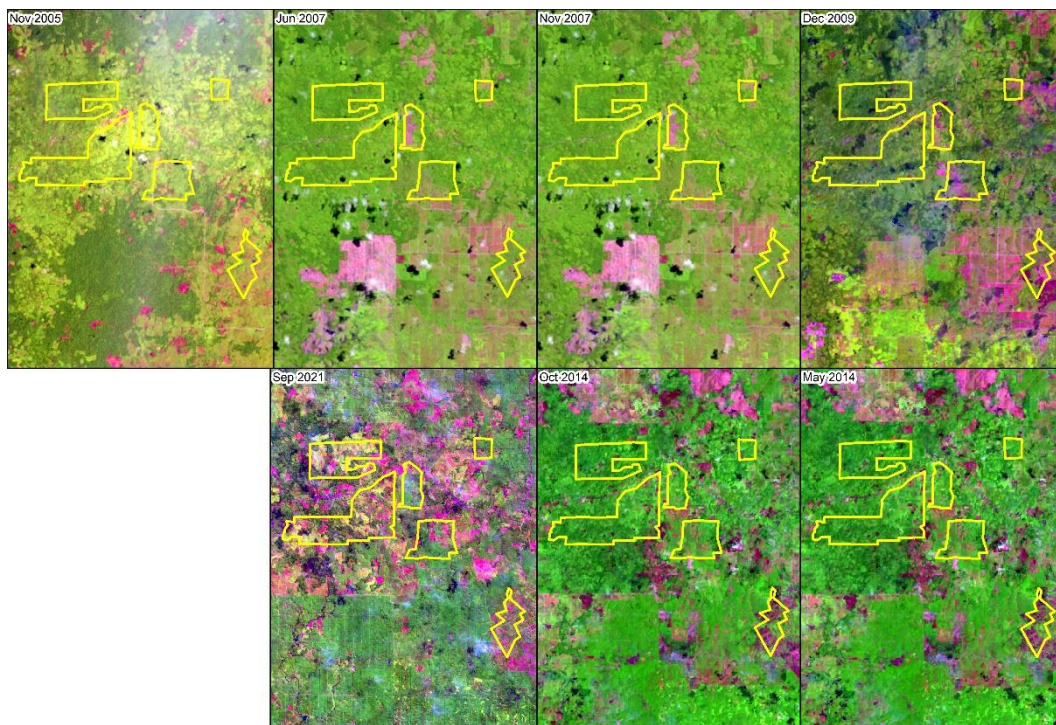


Figure 3. Landcover change analysis in the Nucleus Plantation Area.

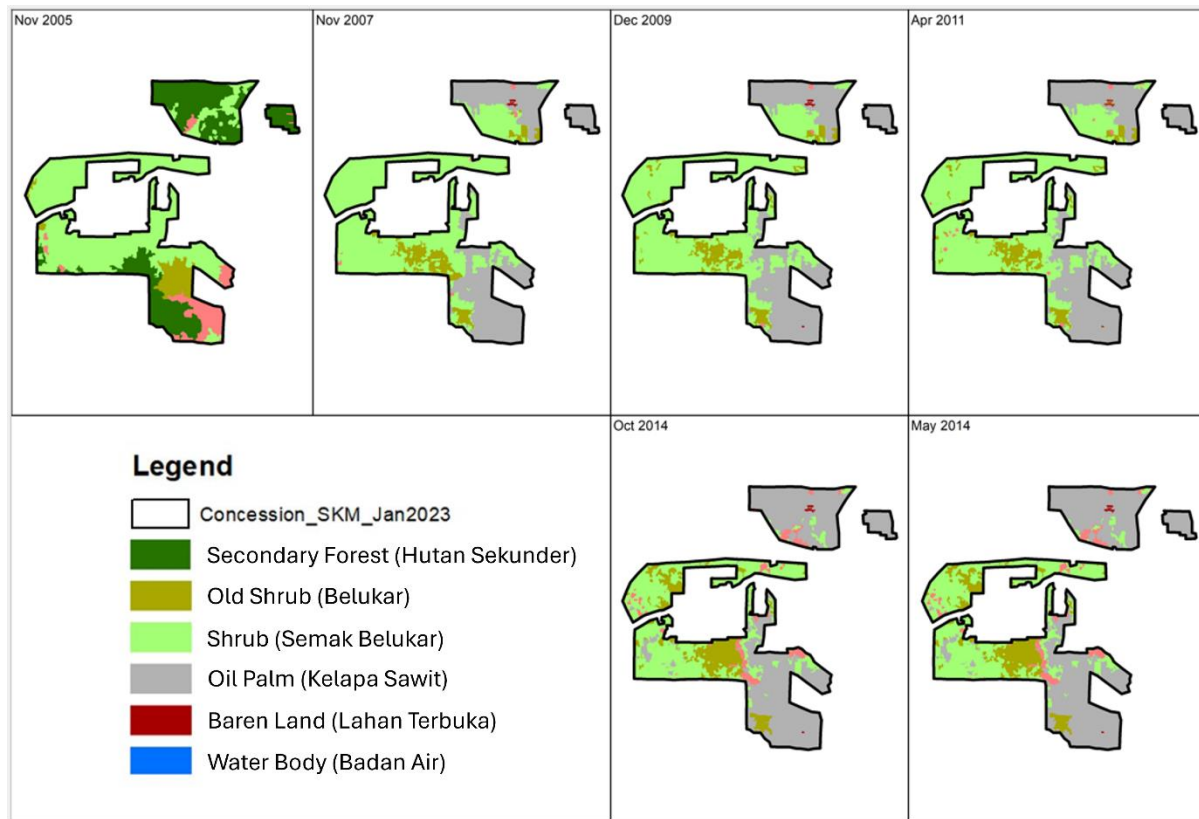




Figure 4. Landcover change analysis in the Partnership Scheme Plantation Area.



Figure 5. Processed landcover maps in the Nucleus Plantation Area.

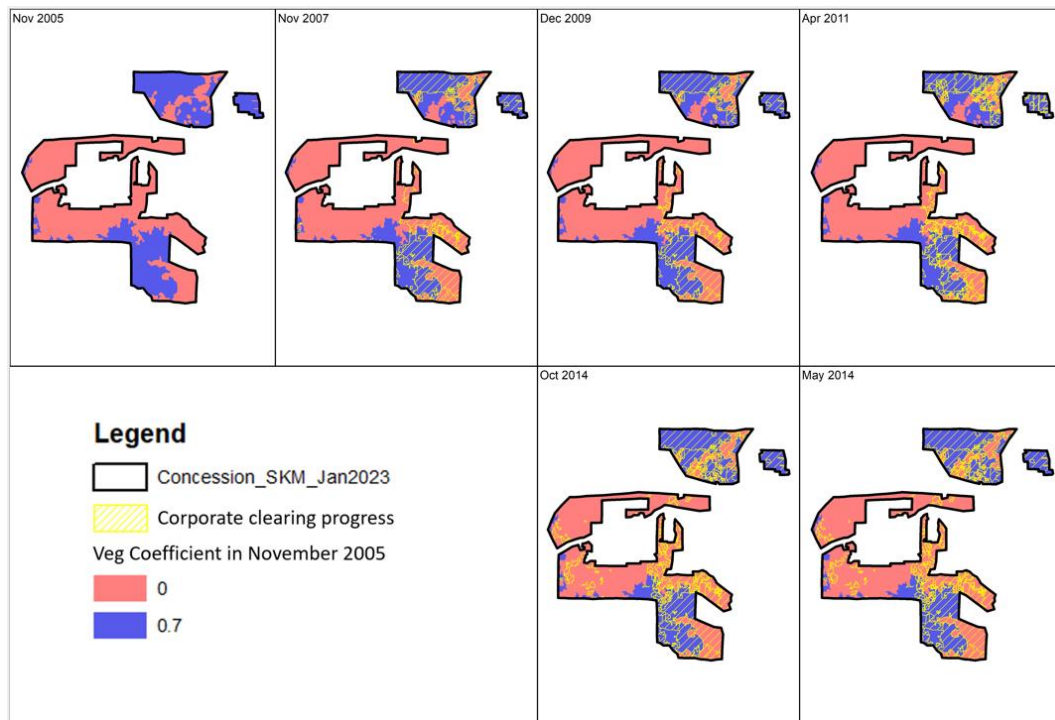


Figure 6. Processed landcover maps in the Partnership Scheme Plantation Area.

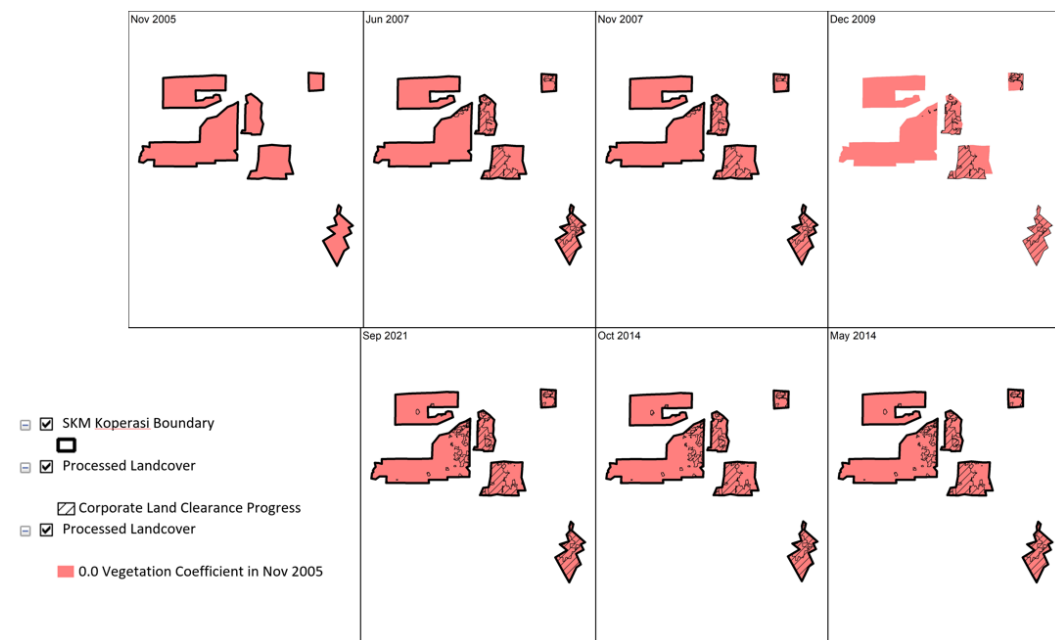


Table 4. Landcover area change in Nucleus Plantation Area of PT SKM.

Landcover	Nov-05	Jun-07	Nov-07	Dec-09	Apr-11	May-14	Oct-14
Secondary forest	1,680.70						
Old shrub	317.98	397.17	397.17	394.59	394.09	609.94	609.94
Shrub	3,009.58	3,007.79	3,007.79	2,978.01	2,937.21	1,863.13	1,863.13
Oil palm		2,015.56	2,015.56	2,056.93	2,076.63	2,720.50	2,720.50
Built-up area		9.11	9.11	10.17	10.17	10.17	10.17
Baren land	449.45	28.07	28.07	18.01	39.60	253.97	253.97
Total	5,457.70	5,457.70	5,457.70	5,457.70	5,457.70	5,457.70	5,457.70

Table 5. Landcover area change in Partnership Scheme Plantation Area of PT SKM.

Landcover	Nov-05	Jun-07	Nov-07	Dec-09	May-14	Oct-14
Old shrub		110.43	110.43	115.79	144.29	144.29
Shrub	1,231.14	899.12	899.12	894.01	772.67	772.67
Oil palm		305.36	305.36	309.02	373.82	373.82
Baren land	105.94	22.18	22.18	18.27	46.31	46.31
Total	1,337.08	1,337.08	1,337.08	1,337.08	1,337.08	1,337.08

3. Summary of findings on environmental remediation liability

See table and map below for the details on areas requiring remediation.

Figure 7. Areas requiring remediation in the Nucleus Plantation Area.

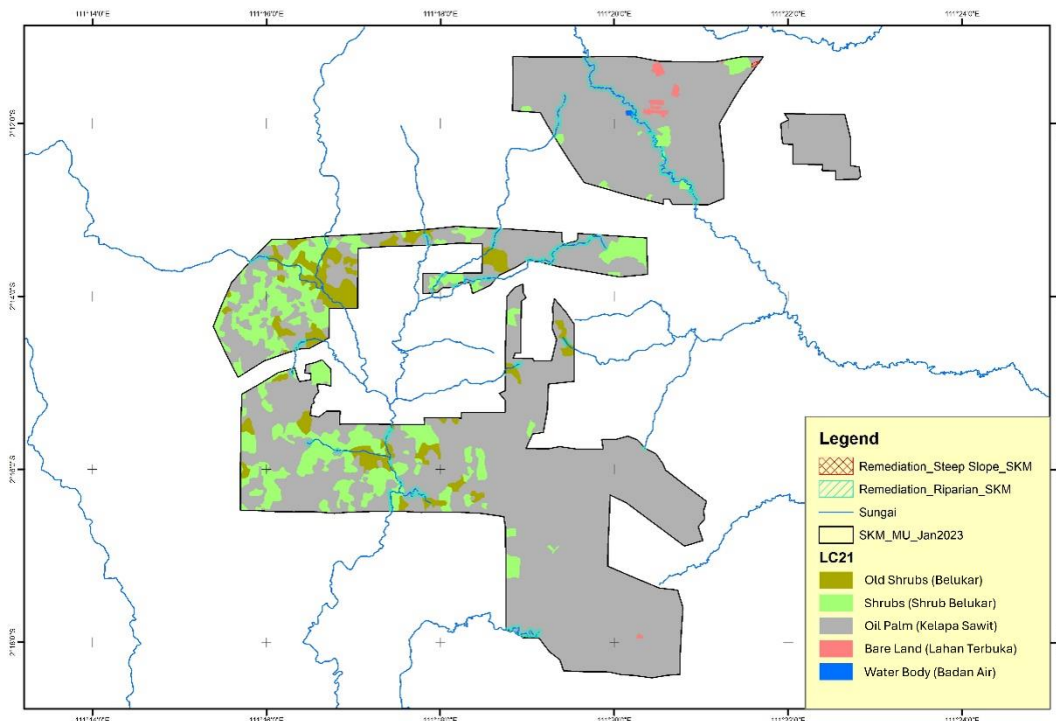


Table 6. Remediation area in the Nucleus Plantation Area.

Land clearing period	Riparian (ha)	Steep Area (ha)	Peat (ha)	Total (ha)
Nov 2005-Nov 2007	34.25	0.27		34.52
Nov 2007-Dec 2009	2.09			2.09
Jan 2010-Apr 2011	0.13			0.13
Apr 2011-May 2014	27.19	0.79		27.98
May 2014-Oct 2014				
Total	63.66	1.06		64.72

Figure 8. Areas requiring remediation in the Partnership Scheme Plantation Area.

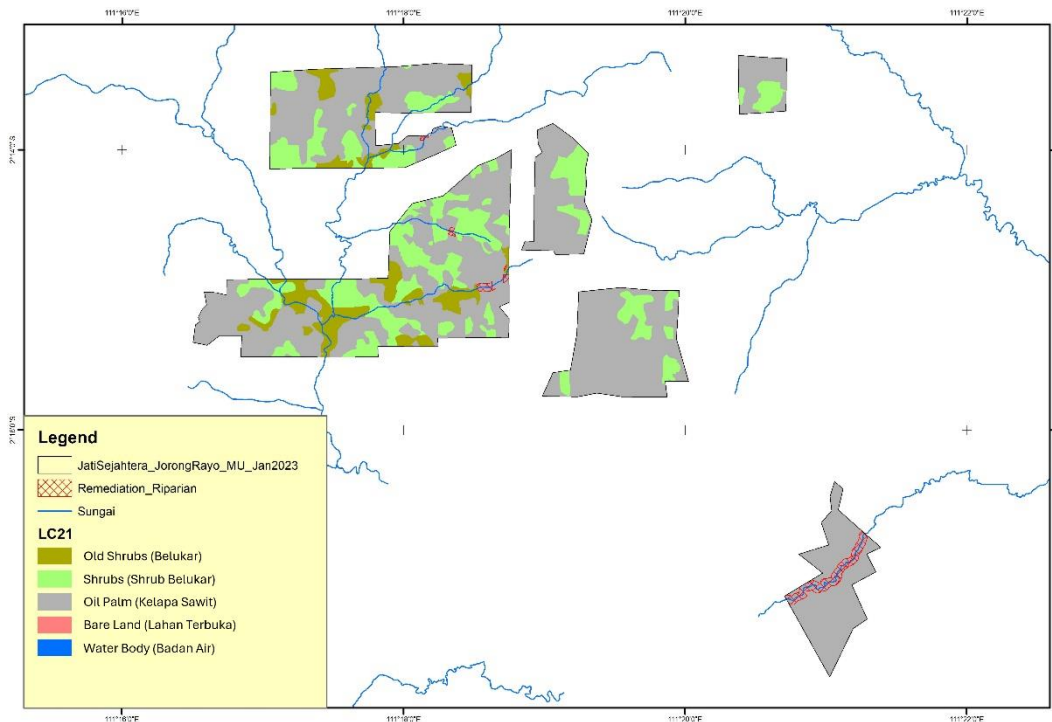


Table 7. Remediation area in the Partnership Scheme Plantation Area.

Land clearing period	Riparian (ha)	Steep Area (ha)	Peat (ha)	Total (ha)
Nov 2005-Nov 2007	16.38			16.38
Jun 2007-Nov 2007				
Nov 2007-Dec 2009				
Jan 2010-Apr 2011				
Apr 2011-May 2014	3.70			3.70
May 2014-Oct 2014				
Total	20.53			20.53

4. Summary of findings on social remediation liability

Result of social liability assessment found that there was no loss of social HCVs due to corporate land clearing conducted without prior HCV Assessment. Information gathered from the social communities and representative of the local government (village head) explained that activities related with planting of oil palm carried out by the company has been preceded by discussion with the local communities and compensation of the ownership and use rights of the land and there was no HCV 4, 5, or 6 loss due to land clearing and planting of oil palm carried out by the company both in the nucleus and the partnership scheme plantation areas.

5. Calculation of compensation liability

See Table 7 and Tabel 8 for the total hectare of corporate land clearing without prior HCV assessment before multiplied by vegetation coefficient and sanction coefficient in the Nucleus and Partnership Scheme Plantation Areas respectively. See Table 9 and 10 for the calculation of the final compensation liability from land clearing without prior HCV assessment in the Nucleus and Partnership Scheme Plantation Areas respectively.

Table 8. Total hectare of corporate clearing without prior HCV Assessment in the Nucleus Plantation Area.

Vegetation Coefficient	Nov 2005 - Nov 2007	Nov 2007 - Dec 2009	Jan 2010 - Apr 2011	Apr 2011 - May 2014	May 2014 - Oct 2014	Total NCLC Corporate
	Corporate					
Coeff 1.0						
Coeff 0.7	1,205.83	19.14	1.06	420.93		
Coeff 0.4						
Coeff 0.0	836.23	51.96	9.58	383.67		
Total Corporate	2,042.06	71.09	10.64	804.60	-	2,928.40
Vegetation Coefficient	Nov 2005 - Nov 2007	Nov 2007 - Dec 2009	Jan 2010 - Apr 2011	Apr 2011 - May 2014	May 2014 - Oct 2014	Total NCLC non-corporate
	Non-Corporate					
Coeff 1.0						
Coeff 0.7	5.48		5.05	8.38		
Coeff 0.4						
Coeff 0.0	5.19	1.62	17.85	15.03		
Total Non-Corporate	10.67	1.62	22.90	23.41	-	58.60

Table 9. Total hectare of corporate clearing without prior HCV Assessment in the Partnership Scheme Plantation Area.

Landcover Class	Vegetation Coefficient	Nov 2005 to Jun 2007	Jun 2007 to Nov 2007	Nov 2007 to Dec 2009	Jan 2010 to May 2014	May 2014 to Oct 2014	Total NCLC
n/a	1	-	-	-	-	-	
Old shrub	0.7	-	-	-	-	-	
n/a	0.4	-	-	-	-	-	
Shrub, bare land, oil palm	0	221.68	-	11.11	88.11	-	
Total		221.68	-	11.11	88.11	-	320.90

Table 10. Total final compensation liability in the Nucleus Plantation Area.

NCLC Period	Land controlled by a non RSPO member at the time of clearance	Land controlled by RSPO member at the time of clearance
Nov 2005 to Nov 2007	$0 \times ((0.0 \times 836.23) + (0.7 \times 1,205.83)) = 0$	n/a
Nov 2007 to Dec 2009	$0.5 \times ((0.0 \times 51.96) + (0.7 \times 19.14)) = 6.70$	n/a
Jan 2010 to Apr 2011	$1 \times ((0.0 \times 9.58) + (0.7 \times 1.06)) = 0.74$	n/a
Apr 2011 to May 2014	n/a	$2 \times ((0.0 \times 383.67) + (0.7 \times 420.93)) = 589.30$
Total FCL		596.74

Table 11. Total final compensation liability in the Partnership Scheme Plantation Area.

Period of land clearance	Land controlled by a non-member at time of clearance	Land controlled by an RSPO member at the time of clearance. This includes land acquired from other RSPO members
May 9, 2014 to October 2014	n/a	0.0
January 1, 2010 to May 9, 2014	n/a	0.0
December 1, 2007 to December 31, 2009	n/a	0.0
Jun 2007 to November 30, 2007	n/a	0.0
November 1, 2005 to June 2007	0.0	n/a
Total (sum of rows and columns)		0.0

Section 9: Conclusions

1. SEIA

The Environmental Impact Analysis (ANDAL) carried out in the PT SKM area found that there was a potential negative impact of the planned business/activity on the environment and social. Impact evaluation shows that future project implementation will have a negative impact in the form of reducing environmental quality by around 34% of the initial quality. For this reason, a management and monitoring plan is needed which aims to minimize these negative impacts.

2. HCV-HCSA Assessment

The HCV-HCSA assessment identified that there is an area of 661.90 ha of land within the PT SKM operational area. Furthermore, there are several situations and activities that have the potential to pose a threat to the HCV-HCSA conservation area. To guarantee commitment to environmental and social protection, a management and monitoring plan is needed which aims to protect and improve the quality of HCV-HCS areas within the PT SKM area. In addition, companies need to ensure

Notes: Based on re-examination of the spatial data of the HCV-HCS conservation area within the PT SKM area, double counting was found in calculating the area of the conservation area included in the PT SKM HCV-HCSA report (the area included in the report is 669.57 ha). Double counting areas are found at several points in river conservation areas (points where two rivers meet). The total area of HCV-HCS and management area should be 661.90 ha.

3. FPIC Verification

The verification results of the implementation of FPIC principles in the management of PT SKM show that the FPIC processes have been initiated by the Company. The public already knows and understands the existence and operational activities of the Company. However, there are several aspects of implementation that have not been implemented optimally. For this reason, companies need to have an action and monitoring plan aimed at continuing the implementation of FPIC in accordance with available provisions and procedures as well as efforts to remediate unresolved issues (eg, documentation that is

not available in full, information that is understood by some Incomplete society to be taken into consideration).

4. Soil and Topographic Survey

The results of soil and topographic surveys carried out in the HCV-HCSA assessment show that there are no peatlands or certain types of soil that need special attention in the PT SKM operational area. However, there are several locations that have very steep slopes (>40%) with a total area of 1.11 ha. This area consists of 0.05 ha of very steep area covered with bushes and 1.06 ha of very steep area covered with oil palm. In relation to soil and topography, management and monitoring are needed for areas with very steep slopes to prevent landslides and erosion.

5. Greenhouse Gas Assessment

The management scenario chosen by S2 produces net GHG emissions of -0.04 tonCO₂e/ton CPO. To ensure that GHG emission mitigation efforts are achieved, a management and monitoring plan is needed which aims to ensure the implementation of the selected management scenario.

Ensure land clearing is carried out in accordance with designated areas and proposed for new development.

6. LUCA

Based on the result of LUCA, the company has environmental remediation liability and compensation liability due to corporate land clearing without prior HCV Assessment. Total of the environmental remediation liability is 85.25 ha, and the total compensation liability is 596.74 ha. See Section 8: LUCA above for the details.

Additional landcover analysis in the period between HCV Assessment and submission of NPP shows that there were land clearings after HCV Assessment without prior completion of NPP. Such land clearing accounts for the sanctions of land clearing without prior NPP as per the guidance in the RSPO NPP 2021 Document. The company acknowledges that the land clearing is not in conformity to the NPP requirements and hence will follow up with the sanction of not being able to trade the FFB produced from the sanction areas for the first three years of certification.



The total of the NPP sanction area is 1,478.88 ha. See Figure 9 below for the scope of the sanction area.

Figure 9. Areas cleared after HCV Assessment without prior completion of NPP.



Section 10: Confirmation of Report

This document is a summary of the assessment results for compliance with PT SKM's New Planting Procedures. The assessment team states that it is responsible for the assessment results included in this summary document and the Company Management states that it has accepted the assessment results and recommendations included in this summary document.

		
<p>Dian Novita Putri PT SKM Representative (Certification&Environment Management)</p>		<p>Berlio PR Bias Representative of the Assessment Team (Assessor)</p>
Date of Completion	January 27 th , 2024	
Signature		
Name		
Position		