

RSPO

**RSPO NEW PLANTING PROCEDURE
SUMMARY REPORT OF PLANNING AND
MANAGEMENT**



**PT. PP. LONDON SUMATRA INDONESIA Tbk
(Pahu Makmur & Kedang Makmur Estate)**

KABUPATEN KUTAI BARAT

EAST KALIMANTAN

INDONESIA

DESEMBER 2014

1. EXECUTIVE SUMMARY

The concession of PT PP London Sumatera Indonesia Tbk - Pahu Makmur Estate (KME) and Kedang Makmur Estate (KME) covers areas of $\pm 16,341.94$ ha consisting of the area of 11,603.48 ha managed as *Pahu Makmur Estate* and the area of 4,738.46 ha managed as *Kedang Makmur Estate*. Administratively, the company area is located in the villages namely : Tanjung Jan, Pulau Lanting, Bekokong Makmur, Tanjung Isuy, Pentat (*Jempang Subdistrict*); and Muara Kedang, Penawai (*Bongan Subdistrict*), Kutai Barat Regency – Province of East Kalimantan. The company's area includes in the *Mahakam Watershed (DAS) - Bongan Tongkok Subwatershed*. Currently, steps that have been conducted by the company are Land Clearing, Planting, Plantation Maintenance and Harvesting. The plantation company is equipped with a palm oil processing plant with production capacity 60 tons/hour and located within Pahu Makmur Estate .

To ensure all the land in PME and KME was cleared with a proper HCV Assesment and due to the company's concern to sustainable palm oil on the Principles and Criteria of the Rountable on Sustainable Palm Oil (RSPO), The HCV assessment for this area was conducted in in 30 january - 6 february 2007 by AKSENTA, before the requirement of P&C 2013 for New Planting Procedure (NPP) was enforced 1st January 2010.

The Assessment has identified HCVs within the area of PT. PP London Sumatera Indonesia Tbk - Pahu Makmur Estate and Kedang Makmur Estate containing HCV1 (HCV1.2, HCV1.3,HCV1.4), HCV3, HCV4 (HCV4.1), and HCV6 which covering areas of 818,86 ha containing River Riparian Areas of 38.10 ha, Swamp Peat Forest Areas of 776,60 ha, Conservation Areas for Ulin (*Eusiderxylon zwagery*) of 1.00 ha, Burial Areas and Sacred Places of 3,162 ha.

The AMDAL Assessment in the area of PT. PP London Sumatera Indonesia Tbk - Pahu Makmur Estate and Kedang Makmur Estate (*the AMDAL document on behalf of PT GELORA MAHAPALA*) was held by competent consultant of PT POLIGON KALTIM UTAMA and has been approved by the Head of Mining and Environmental Agency / Chairman of EIA Commission of Kutai Barat Regency according to the Decree No 540.660.1/030.3/AMDAL-KBR/X/2005 dated 26 October 2005. Meanwhile, the HCV and SIA assessments were conducted in 2013 by Faculty of

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Forestry – Bogor Agricultural University which supported by assessor team accredited by RSPO.

The company of PT PT. PP London Sumatera Indonesia Tbk - Pahu Makmur Estate and Kedang Makmur Estate manages the plantation area comprehensively and professionally with reference to the principles, criteria and indicators for New Plantings Procedure of RSPO.

2. REFERENCE DOCUMENTS

2.1 List of Reports

- a) Document report on The Environmental Impact Analysis (AMDAL) of PT T PT. PP London Sumatera Indonesia Tbk - Pahu Makmur Estate and Kedang Makmur Estate (*the EIA document on behalf of PT GELORA MAHAPALA*) by PT POLIGON KALTIM UTAMA of 2005.
- b) Document report on the High Conservation Value (HCV) in the area of PT T PT. PP London Sumatera Indonesia Tbk - Pahu Makmur Estate and Kedang Makmur Estate by Faculty of Forestry – Bogor Agricultural University of 2014.
- c) Document report on the Social Impact Assessment (SIA) in the area of PT T PT. PP London Sumatera Indonesia Tbk - Pahu Makmur Estate and Kedang Makmur Estate by Faculty of Forestry – Bogor Agricultural University of 2014.

2.2 Legal Documents, Government Regulation and Property Deeds Related to The Area Assessed

Legal documents provided before operational are as follows :

1. Area permit on behalf of PT. London Sumatera Indonesia which is issued by the Head of National Land Agency of Kutai Barat Regency (SK. No : 07/PKT-BPN-16.3/UM-03/111-1996 dated 8 March 1996 covering area of 15,000 ha and located in Muara Lawa and Muara Pahu Sub-districts, Kutai Regency.
2. Area permit on behalf of PT. London Sumatera Internasional which is issued by the Head of National Land Agency of Kutai Barat Regency (SK. No : 33/PKT/BPN-16.3/UM-33/XI-1995 dated 21 November 1995) covering area of 18,000 ha and located in Jempang and Muara Pahu Sub-districts, Kutai Regency.

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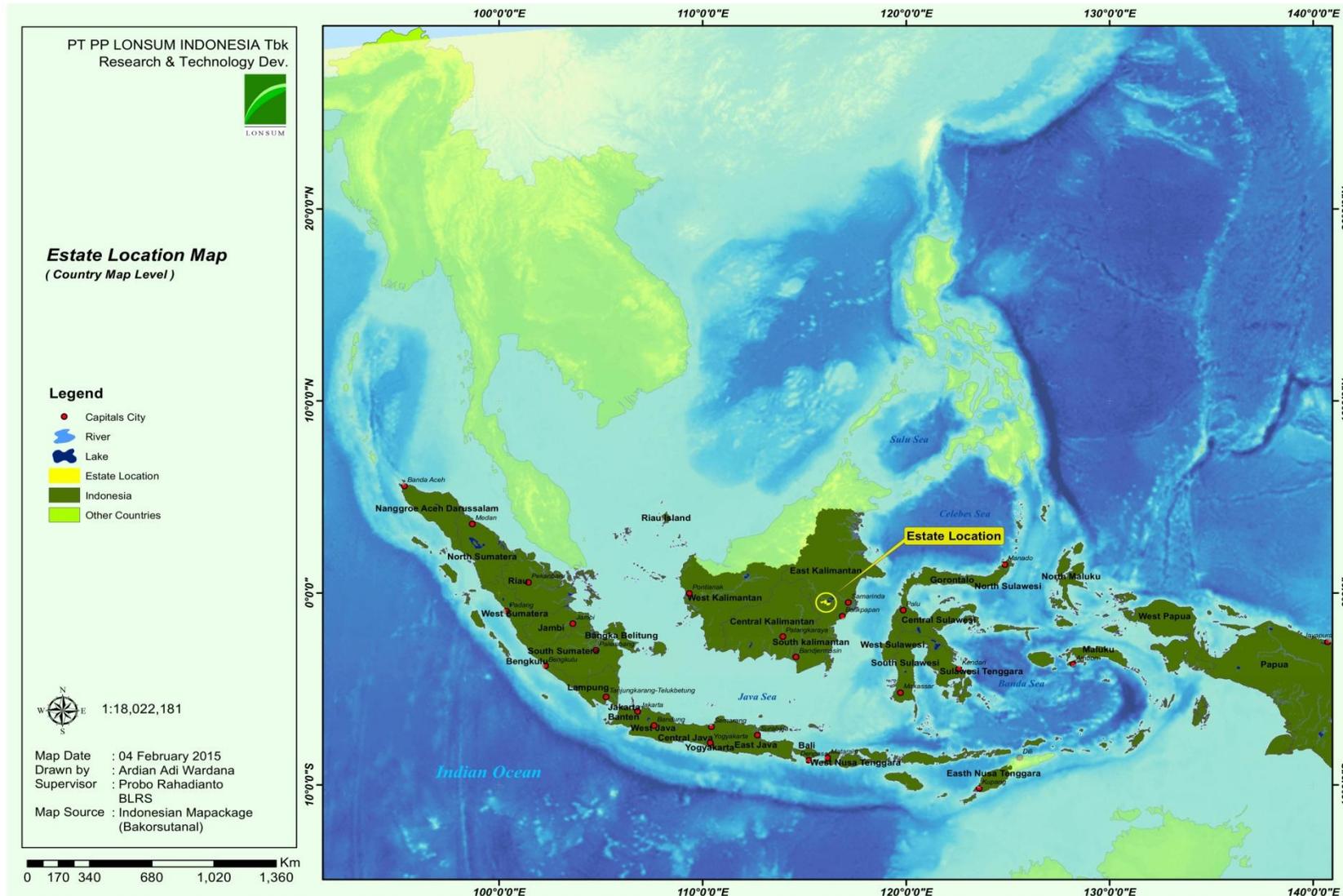
3. Principle approval on the plantation bussiness license on behalf of PT. London Sumatera Internasional which is issued by the Agriculture Minister (SK No 9 K8.320/458/Mentan/XII/95 dated 4 December 1995).
4. Area permit on behalf of PT. Gelora Mahapala which is issued by the Head of National Land Agency of Kutai Barat Regency (SK. No : 03/PKT/BPN-16.8/UM-06/III-1996 dated 8 March 1996 covering area of 15,000 ha and located in Jempang and Bongan Sub-districts, Kutai Regency
5. Principle approval on the plantation bussiness license on behalf of PT. PT. Gelora Mahapala which is issued by the Minister of Forestry (SK No HK.350/E5.354/05/96 dated 02 May1996).
6. Area permit for oil palm plantation development on behalf of PT. London Sumatera Indonesia which is issued by the Head of National Land Agency of Kutai Barat Regency (SK. No : 06/PRT/BPN.16.3/UM-16/III-1997 dated 26 March 1997) covering area of 11,500 ha and located in Muara Ohong village, Perigiq village, Mancong village, Tanjung Laung village, Jempang Sub-districts, Kutai Regency.
7. Principle approval on the plantation bussiness license on behalf of PT. London Sumatera Indonesia which is issued by the Director General of Plantation (SK No KB.320/458/Mentan/XII/1995 dated 04 December 1995) and the license renewal No HK.530/E5.776/09.9/dated 3 September 1997.
8. Principle approval on the plantation bussiness license on behalf of PT. London Sumatera Internasional which is issued by the Agriculture Minister (HK.300/E5.724/09/96 dated 13 September 1996) covering area of 15,000 ha and located in the villages of Tebisak, Jerang Dayaq, Tanah Mea, Tepian Ulag, Muara Baroh, Muara Pahu, Dasaq, Mendong, Kolik, Jerang Melayu, Sub-district of Muara Pahu, Kutai regency.
9. Extended Area Permit on behalf of PT. London Sumatera Internasional for oil palm plantation development (SK No 10/PKT/BPM-16.3/UM-10/IV-1997).
10. Principle approval on the plantation bussiness license on the second year on behalf of PT. Gelora Mahapala which is issued by the Director General of Plantation (SK No HK.300/E5.777/09.97 dated 03 September 1997).
11. Extended Area Permit for Oil Palm Plantation on behalf of PT. Gelora Mahapala which issued by the Head of National Land Agency No 11/PKT/BPN-16.3/UM-II/IV-1997 dated 28 April 1997 covering area of 15,000

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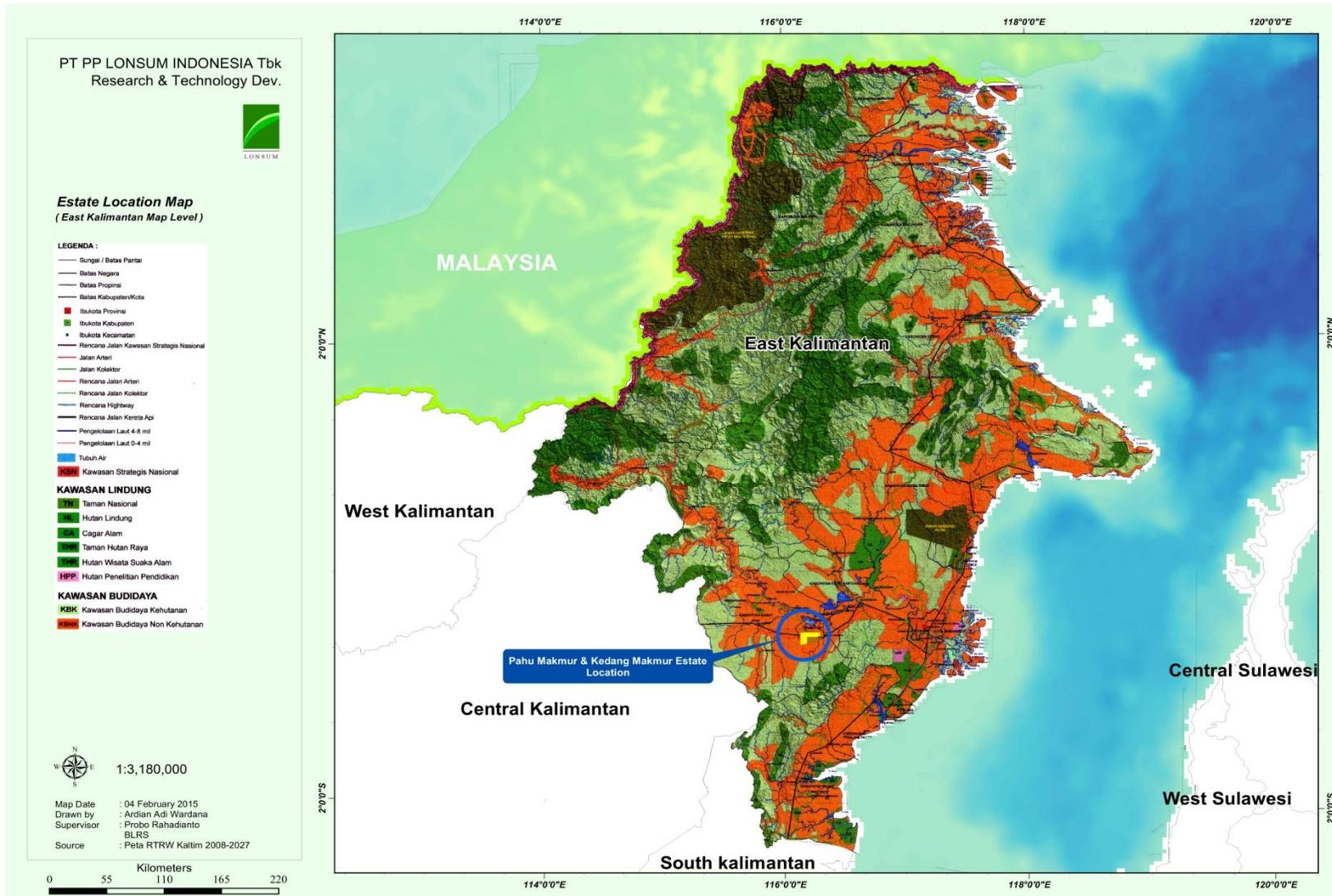
ha located in Jempang Subdistrict (Tanjung Isuy village, Tanjung Jan village, Pulau Lanting village, Muara Nayan village, Pentat village, Lembonah village) and Bongan Subdistrict (Penaun village, Muara Kedang village and Resak village), Kutai Regency.

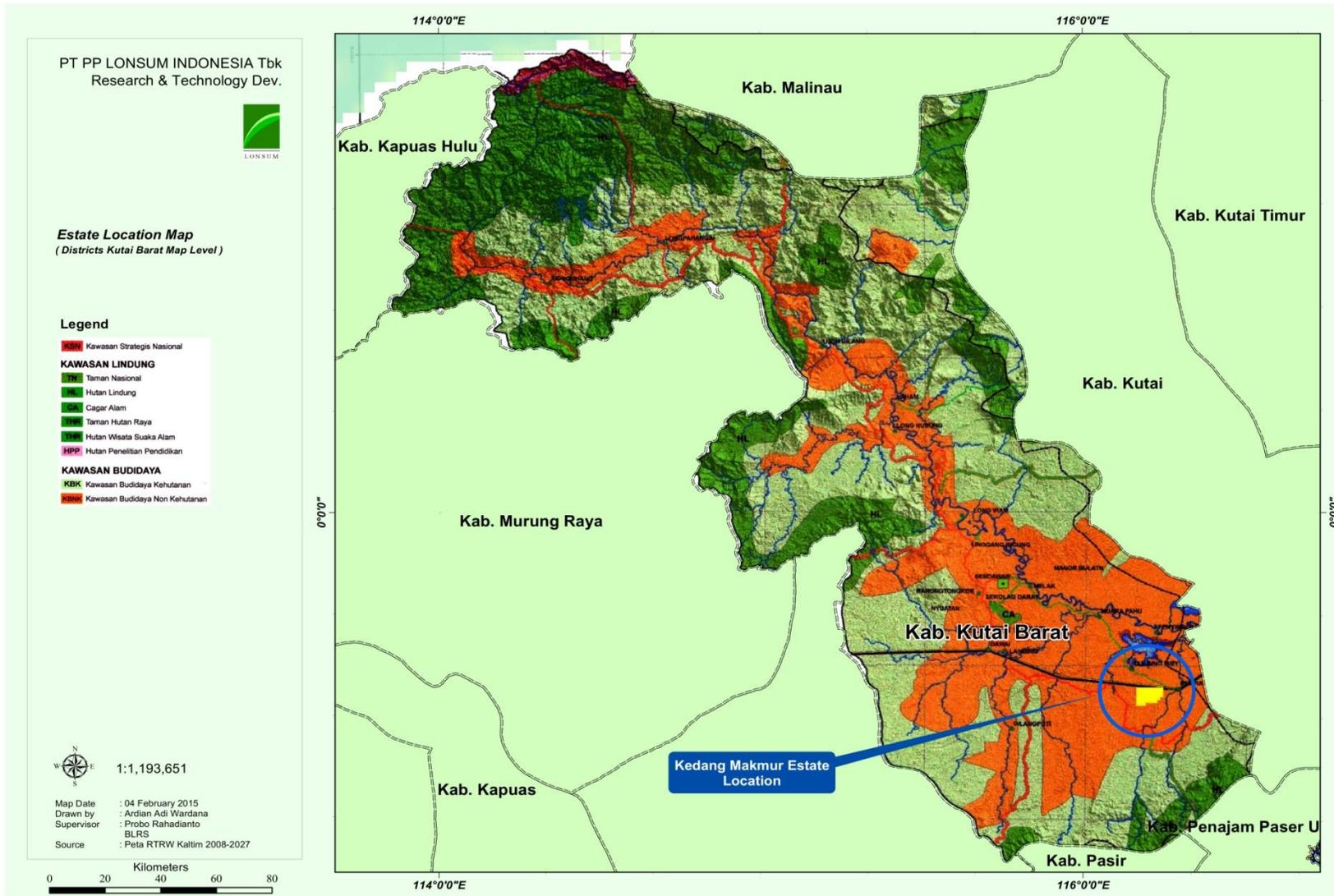
12. Law No. 32 of 2009 regarding The Environmental Management and Protection.
13. Government Regulation No 82 of 2001 regarding Water Quality Management and Water Pollution Control
14. Regulation of The Environmental Minister No 11 of 2006 on The List of Bussiness and Activity Plans That Must be Provided with EIA (AMDAL)
15. Regulation of The Environmental Minister No 08 of 2006 on Guidance of The Environmentl Impacts Analysis Document Preparation
16. Regulation of The Environmental Minister No 45 of 2005 regarding to Guidance of The Implementation of Environmental Management (RKL) and Monitoring Plans (RPL)..
17. Decree of The Head of Environmental Control Agency No. Kep-015, 1997 regarding to Guidance of The Implementation of Environmental Management and Monitoring Plan (RKL/RPL)

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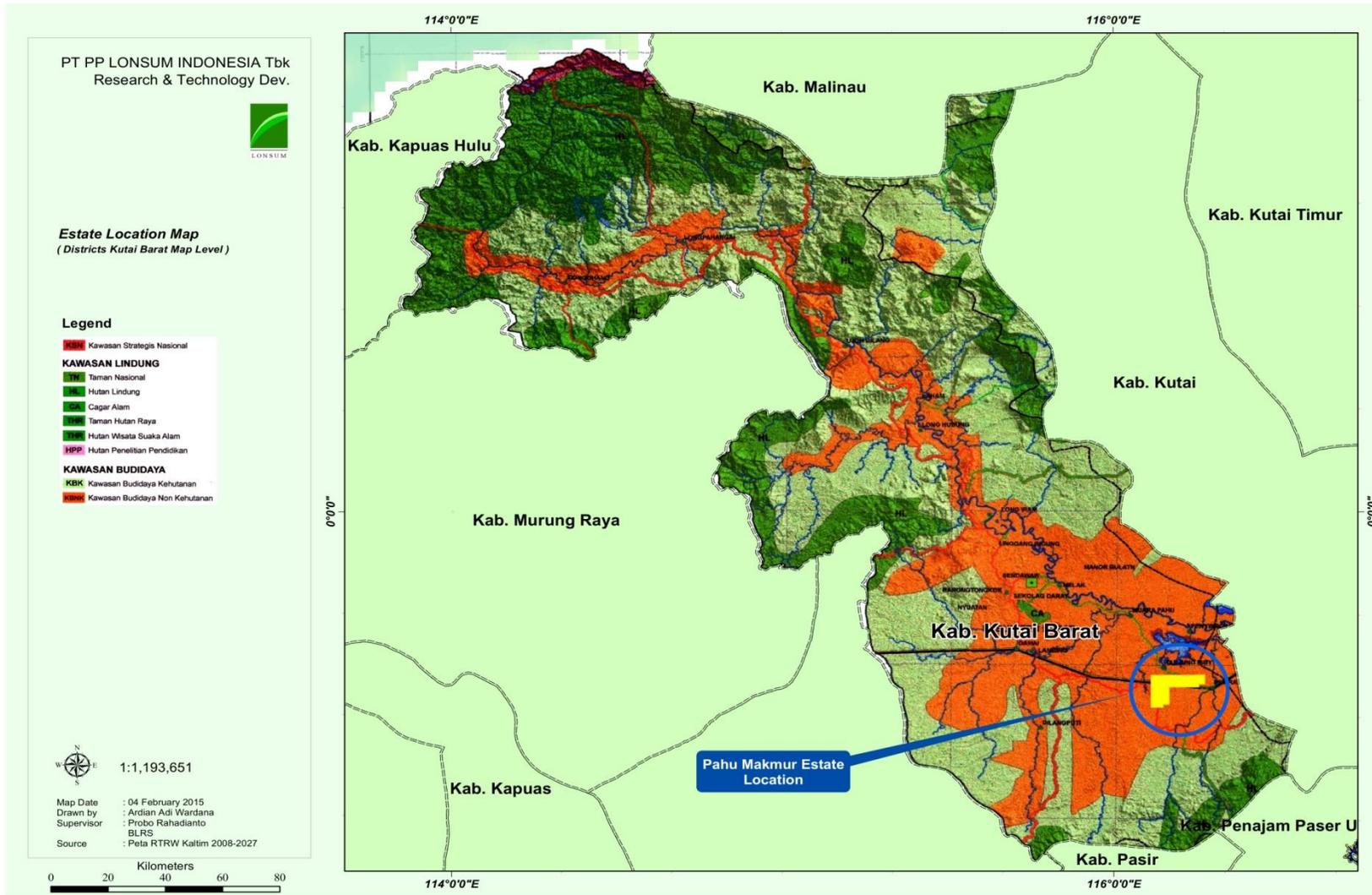


Map 1. Location of Pahu Makmur Estate (PME) and Kedang Makmur (KME) in Indonesia

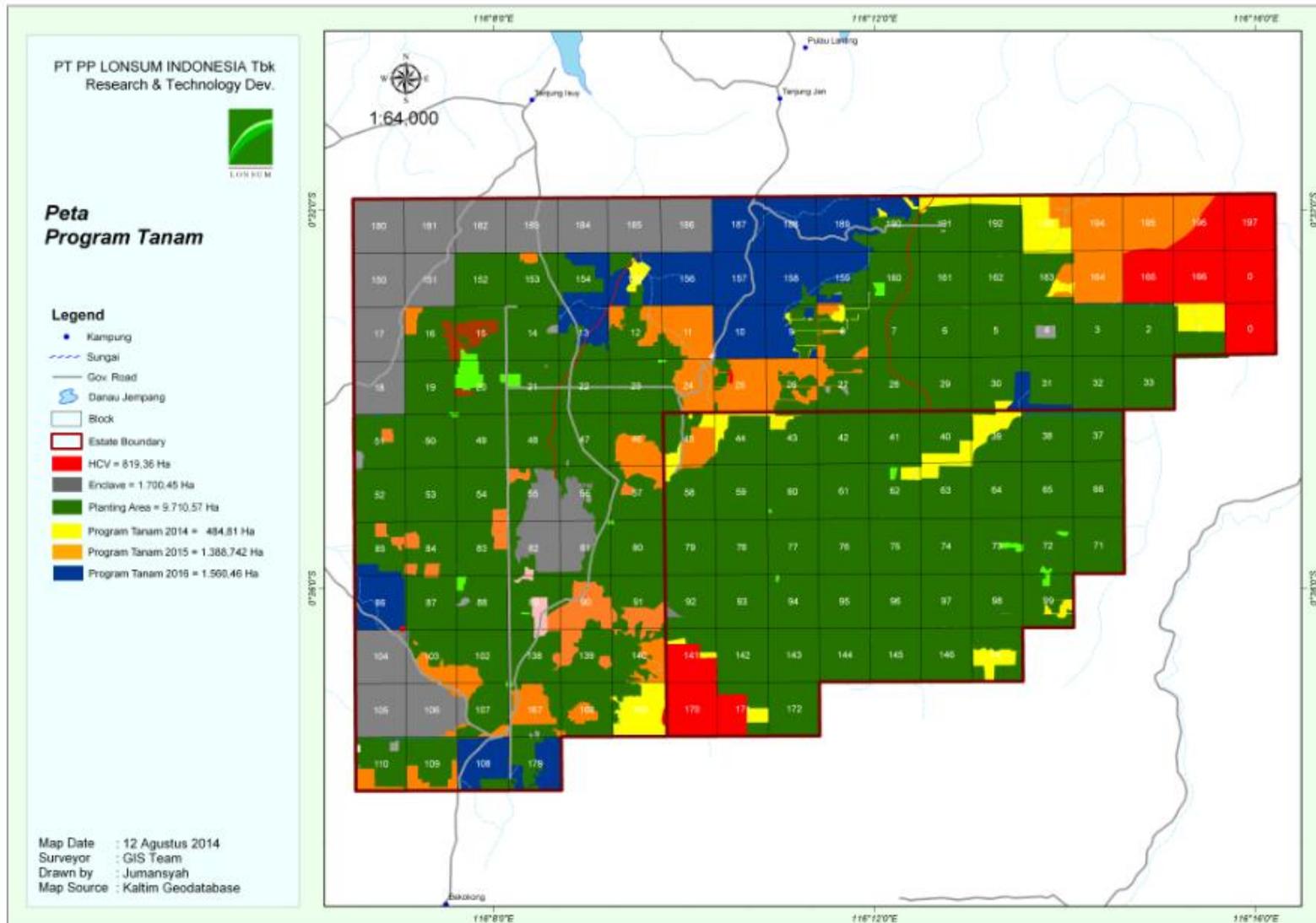




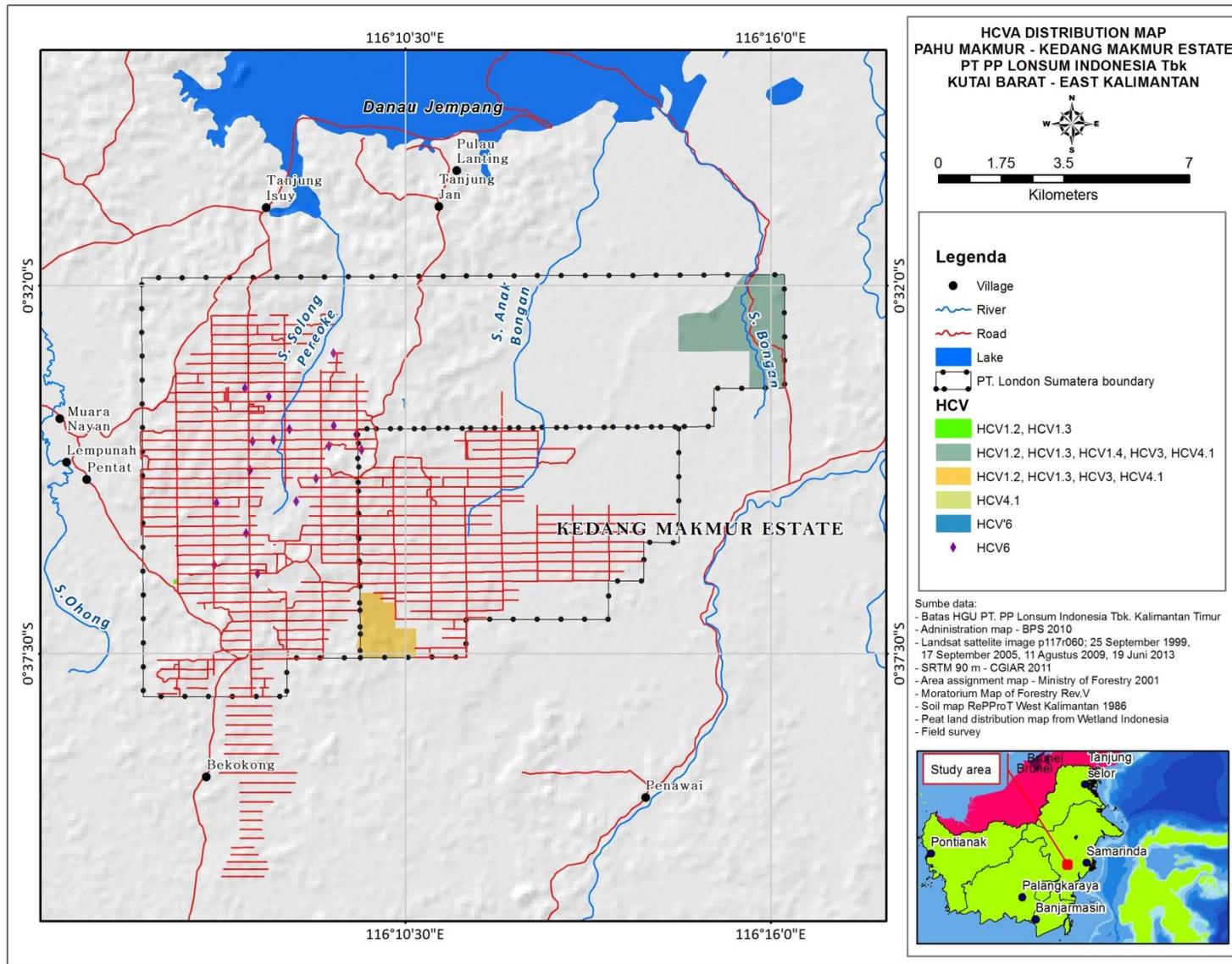
Map 4. Location Of Kedang Makmur Estate (KME) in Kabupaten Kutai Barat



Map 5. Location Of Pahu Makmur Estate (PME) in Kabupaten Kutai Barat



Map 6. Planting Program



3. KEY PERSONNEL

Organizational information and contact person

Holding Company Name	: PT London Sumatra Indonesia Tbk
RSPO membership number	: 1 – 0015 – 04 – 000 – 00
Capital Status	: Foreign Investment (PMA)
Type of Business	: Oil palm Plantation and Palm oil Mill
Adress	
Head Office	: Prudential Tower 15 floor Jln Jend Sudirman Kav 79 tlp 021 57957718 Jakarta 12910
Branch Office	: Ruko Mitra Mas 8 – kav 27 – 28 Jln Ahmad Yani tlp 0541 738804 Samarinda 75117
Email	: muhammad.waras@londonsumatra.com
Contact Person	: Muhammad Waras

Personil Involved in Planning and Implementation :

1. Mr. Benny Tjoeng (President Director)
2. Mr. Muhammad Waras (Head of Environment & CSR)
3. Mr. Win Alamsyah (Area Manager Agronomy East Kalimantan)
4. Mr. Achmad Adi Bastomi (Environment Manager)
5. Mr. Muhammad Sufinur (Environment Officer East Kalimantan)
6. Mr. Chris Runtu (Indah Permai Estate Manager)
7. Mr. Irwansyah (Pahu Makmur Estate Manager)
8. Mr. Usul (Kedang Makmur Estate Manager)

Stakeholders involved during implementation

Local Government (Kepala Desa, Camat)

Non Government/ Local People (Ketua Adat)

Non Government Organization

Company Employees

4. SEIA and HCV Management

4a. SEIA Mangement

No	Program	Action Plan	Remarks
1	Land Conflict Mitigation	<ul style="list-style-type: none"> • Land Inventory based on HGU Permit • Land Aquisition done as Company's SOP and suitable to land owner • Planting is done in company's land 	continuously
2	Social Internal and External Conflict Mitigation	<ul style="list-style-type: none"> • Wages paid as government regulation • CSR activity must touch basic needed (water and medical treatment) 	continuously
3	Improving Economic, Health and Education quality for Local CommunityStakeholders	<ul style="list-style-type: none"> • Giving oportunity as company's supplier, FFB and EFB transporter • Develop plasma scheme • Develop small clinic for baby and pregnant examination for local community • Develop kinder garten, elementary school, study house that free for local community, provide scholarship program • Socialization for health life (water and waste management) 	continuously
4	Employment and Local Community/Stakeholders Improvement	<ul style="list-style-type: none"> • Develop training about oil palm cultivation for local commnunity • Develop training about Health and Safety, Fire extinguisher, Pesticide use and Labor Union Engagement • Provide help for kampong improvement (road grader etc) 	continuously
5	Maintain good relation to Local Government	<ul style="list-style-type: none"> • Involved in local activity 	
6	Comply AMDAL/SEIA	<ul style="list-style-type: none"> • Doing environment monitoring (air quality, water quality, effluent 	

		quality and soil quality) and also labour who work in high risk location	
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4b. HCV Management

No	Program	Action Plan	Remarks
1	Maintaining HCV	<ul style="list-style-type: none"> • Socialization about HCV function and importance for the company to labors and local community where close to HCV area • HCV Enrichment by planting local species and protection of biodiversity especially at riparian strip and also other HCV • Not allowed to open HCV for plantation 	
2	Riparian Strip Management	Making boundary of riparian strip, Enrichment planting with local species, making signboard forbidden spraying and socialization this	

5. INTERNAL RESPONSIBILITY

This summary of Planning and Management has been approved by the management of PT PP London Sumatra Indonesia Tbk

December 2014

Proposed by



Achamd Adi Bastomi
Environment Manager

Reviewed by



Win Alamsyah
AMA of East Kalimantan

Agreed By



Muhammad Waras
Head of Environment & CSR

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