RSPO

ROUNDTABLE ON SUSTAINABLE PALM OIL

New Planting Procedure

Summary Report

Social and Environmental Impact and High Conservation Value

PT. HAPARAN SAWIT LESTARI

Ketapang District
West Kalimantan
Indonesia

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1. Executive Summary

This report represents the executive summary of the final results of the High Conservation Values (HCV) assessment that carried out by faculty of forestry IPB (Bogor Agricultural Institute) in October - December 2013 and Social Impact Assessment that carried out by PT. LINKS (Lingkar Komunitas Sawit) in 28 September – 23 October 2010 for PT. Harapan Sawit Lestari (PT. HSL).

PT. HSL begins to implement new planting plans for production of palm oil. These plans are to expand an area of 1,200 Ha of Kemuning Estate PT. HSL (Inti) and new planting of 2,684 Ha of plasma.

Permitted area for PT. HSL was approved by Ketapang regency on 26 January 2004, No. 23 year 2004 and on 9 November 2004, No. 352 year 2004. The plantation permit was issued by Ketapang regency on 31 October 2003 as letter No. 551.31/2311/Disbun-C (± 5,819 ha). New planting area of 1,200 Ha inti is within HGU of PT. HSL No. 143/HGU/BPN/97/A/106 (± 5,137 Ha). It is appertained to and managed under Kemuning Estate of PT. HSL.

In the case of smallholder, partnership takes form of an MoU whereby smallholder produces an exclusive supply of Fresh Fruit Bunches with financial backing (credit) from Bank Syariah Mandiri. New planting area is located in Ketapang Regency, West Kalimantan Province. PT. HSL will carry out land survey, eligibility study, zero burning land clearing and providing certified palm seed. The smallholder will partake actively in this development as part of knowledge transfer from PT. HSL. As a form of independence, PT. HSL will hand-over the management of plantation to smallholder when it meets technical requirements and or meets the age of 4 years.

The result of HCV assessment that carried out by faculty of forestry IPB in 2013 shows that there is no primary forest in new planting areas of inti and smallholder respectively. New planting areas are within classification of other land-use. Based on LUC in PT. HSL, result also shows that there is no primary forest in the concession area. The satellite imagery showed that rubber, secondary regrowth and grassland are the dominant land cover.

In the areas intended for new planting, no peat soils were identified. This assessment was carried out from map of soil of the region and during HCV assessment by faculty of forestry IPB in 2013.

PT. HSL commissioned the preparation of Environmental Impact Assessment (AMDAL) in 19 November 2002 and received government approval in March 6, 2003. AMDAL was prepared by an accredited AMDAL consultant and included consideration of both negative as well as positive social and environmental impacts. The scope of AMDAL included assessment of impacts associated with land development, infrastructure, road access, mill operations and transportation. AMDAL also included assessment of the suitability of soils, topography and drainage and analysis of the land cover vegetation. AMDAL assessed the impacts on natural ecosystems and water resources.

Social Impact Assessment (SIA) that carried out by PT. LINKS in 2010 was oriented to reach reliable social impact which potentially arises due to development of PT. HSL project. Regionally, majority of local people living in the vicinity of business areas belong to Dayak Tribe, Malay, Javanese, Madurese as well as some of them are Chinese. Dayak community commonly inhabits along Sungai Jelai, while other areas are dominantly inhabited by Malay, Javanese transmigrants, and Chinese descendants.

The smallholder model in this project, in which there is no land purchase, but partnership through MoU between smallholder and PT. HSL which gives to the project the characteristic of low land conflict. The MoU also requires of land ownerships.

HCV Assessment that conducted by faculty of forestry IPB in 2013 have identified HCV areas in different categories. The assessment was carried out covering new planting areas of inti and plasma. The assessment identified 5 types of HCV. These HCVs are HCV 1.2, HCV 1.3, HCV 4.1, HCV 5 and HCV 6. The assessment also provides recommendation for the company in managing the HCV area. HCV areas are outside of those intended for planting.

2. Scope of the SEIA and HCV Assessment

2.1. Organizational information and contact persons

Table 1. Organizational information and contact persons

Company Name	Cargill Incorporated
Subsidiary	PT Harapan Sawit Lestari
Company address	Desa Manis Mata Kecamatan Manis Mata Kabupaten Ketapang Kalimantan Barat, Indonesia Tel. (62 21) 30022988 Fax. (62 21) 30022987
Geographical Location	111.012 E and -2.21549 S 111.018 E and -2.24477 S 111.037 E and -2.295 S
Capital Status	Foreign Investment (PMA)
Type of business	Palm oil plantation and milling
Status of land ownership	• PT. HSL own land (Inti) HGU No. 143/HGU/BPN/97/A/106 (± 5,137 Ha) • Smallholder 1) Surat Pernyataan Tanah (SPT), and 2) Surat Pernyataan Penguasaan Fisik Tanah (SPPFT)
Contact Person	• President Director – Nharong Somchit Email Address: Nharong_Somchit@cargill.com • Group Sustainability Manager – Yunita Widiastuti Email Address: Yunita_Widiastuti@cargill.com
Total area of new planting	• Inti = 1,200 Ha • Plasma = 2,684 Ha Total area for new planting = 3,884 Ha

2.2. Personnel involved in planning and implementation

Planning and implementation plans for new planting involves estate department, land acquisition leader, plasma support service leader, agronomy service department, GIS and EHS and sustainability department. The overall personnel are shown below.

Table 2. Personnel involved in planning and implementation

Name	Position
Nharong Somchit	President Director
Yunita Widiastuti	Group Sustainability Manager
Hidirmanto	Plasma Support Service Manager
Taufik Muksin	Land Acquisition Manager
Budiono	Senior Estate Manager
Muhammad Ichsan	Sustainability Manager
Ainul Yaqin	GIS Assistant

Name	Position
Tarmizi Lakoni	Agronomy Service Department Manager
Riduwan Muhammad	Estate Manager

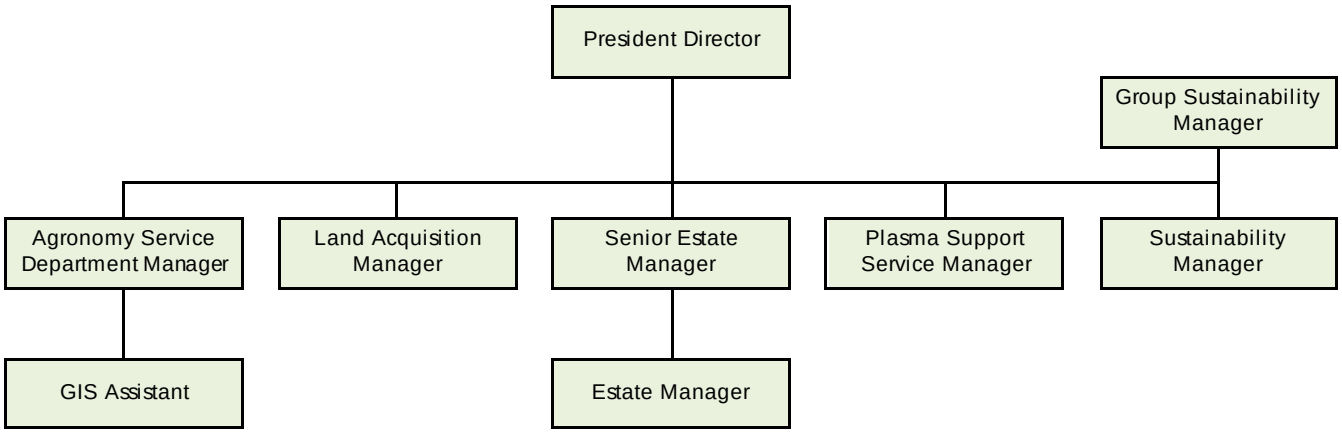


Figure 1. Organization Flowchart

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

2.3.1 List of Reports

- Environmental Impact Assessment (AMDAL document) of PT. HSL, issued by Bapedalda Pontianak on March 6, 2003 (660.1 / 172 / Bapedalda-A).
- Report of RKL/RPL (Environmental Management and Environmental Monitoring) on 2003.
- Report of Identification and Analysis of High Conservation Value of PT. HSL by HCV Team Faculty of Forestry IPB (Bogor Agriculture Institute) on 2013.
- Social Impact Assessment (SIA) from LINKS issued on November 2010.

2.3.2 List of Legal Documents

Table 3. List of legal document

Legal Documents	Issued by	Number and date
Taxpayer Notification Number (NPWP)	Ministry of Finance Directorate General of Taxation, Republic Indonesia	01.564.259.8-058.000
Plantation permit (Izin Usaha Perkebunan)	Bupati Ketapang	228 / DISBUN-D / 2012 4 May 2012
Location permit 30,000 ha (Izin lokasi)	Bupati Ketapang	• 352/2004, 9 November 2004 • 23/2004, 26 January 2004
Land use title (Hak Guna Usaha)	Badan Pertanahan Nasional Ketapang Regency	143/HGU/BPN/97/A/106 8 July 1999
Surat rekomendasi untuk pembukaan lahan	Dinas Perkebunan	525 / 1029 / DISBUN-D 24 November 2014

2.4. Location Maps

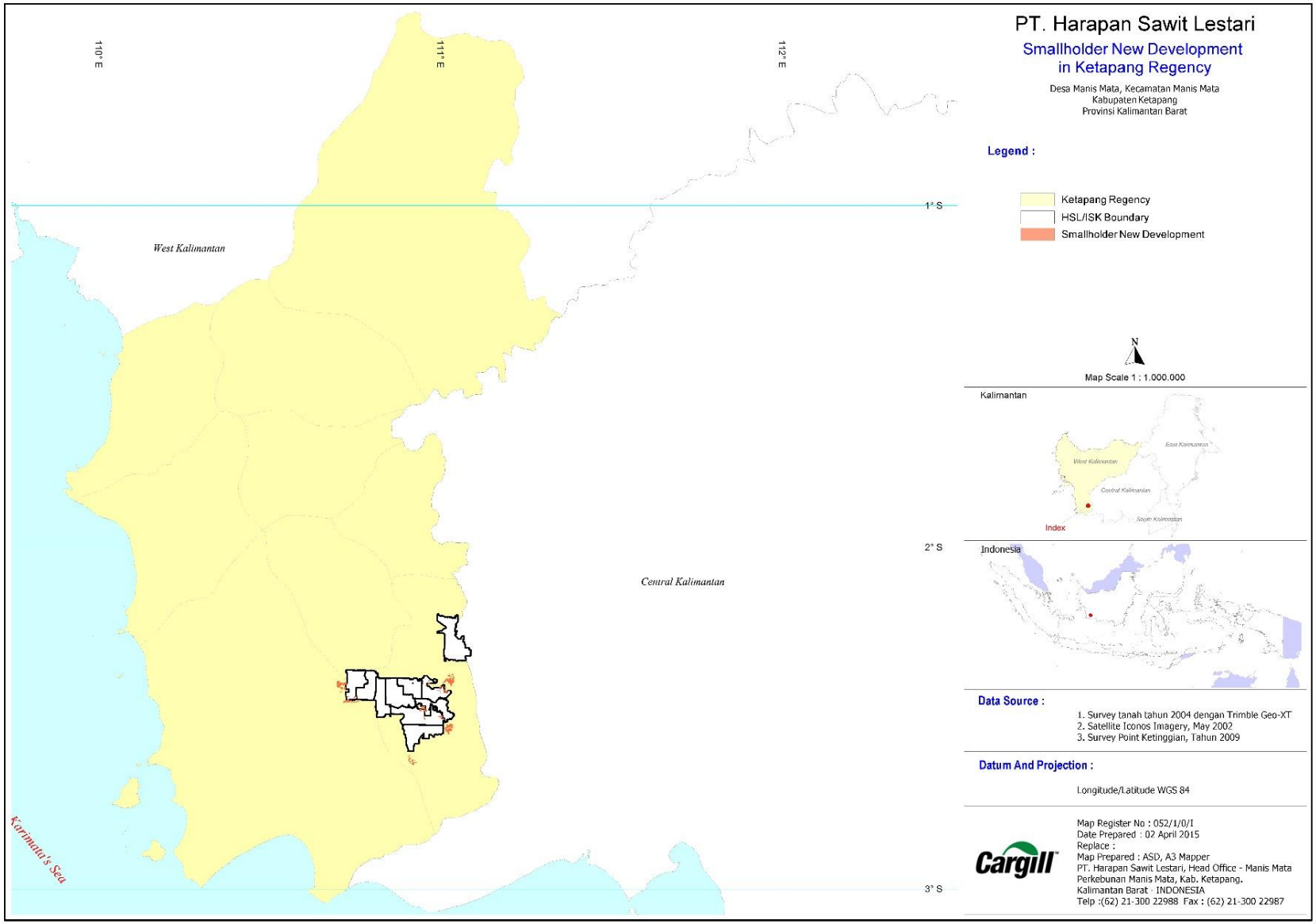


Figure 2. Location map of PT. HSL and smallholder new development in Ketapang Regency, West Kalimantan

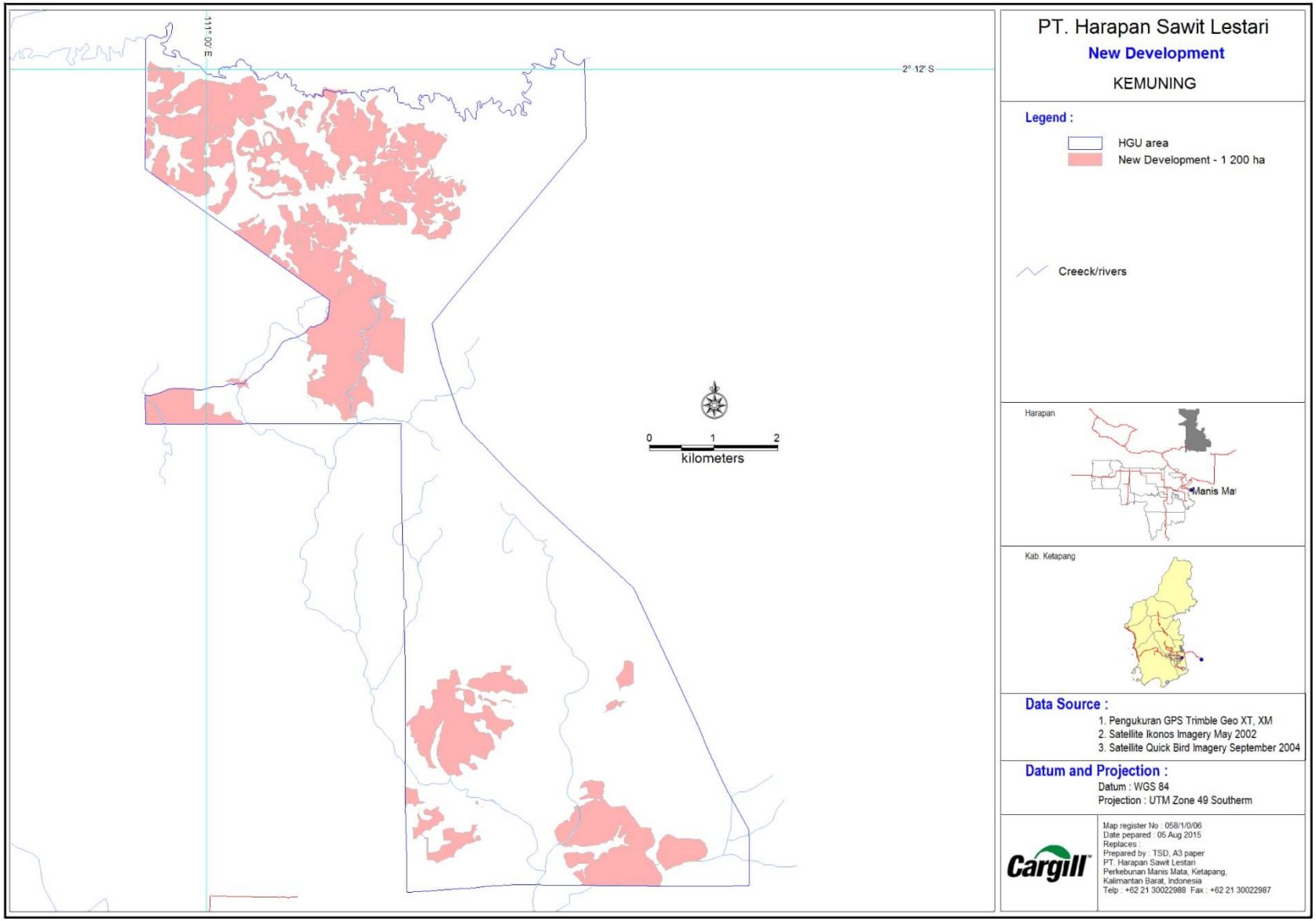


Figure 3. Location map of PT. HSL new development of 1,200 Ha

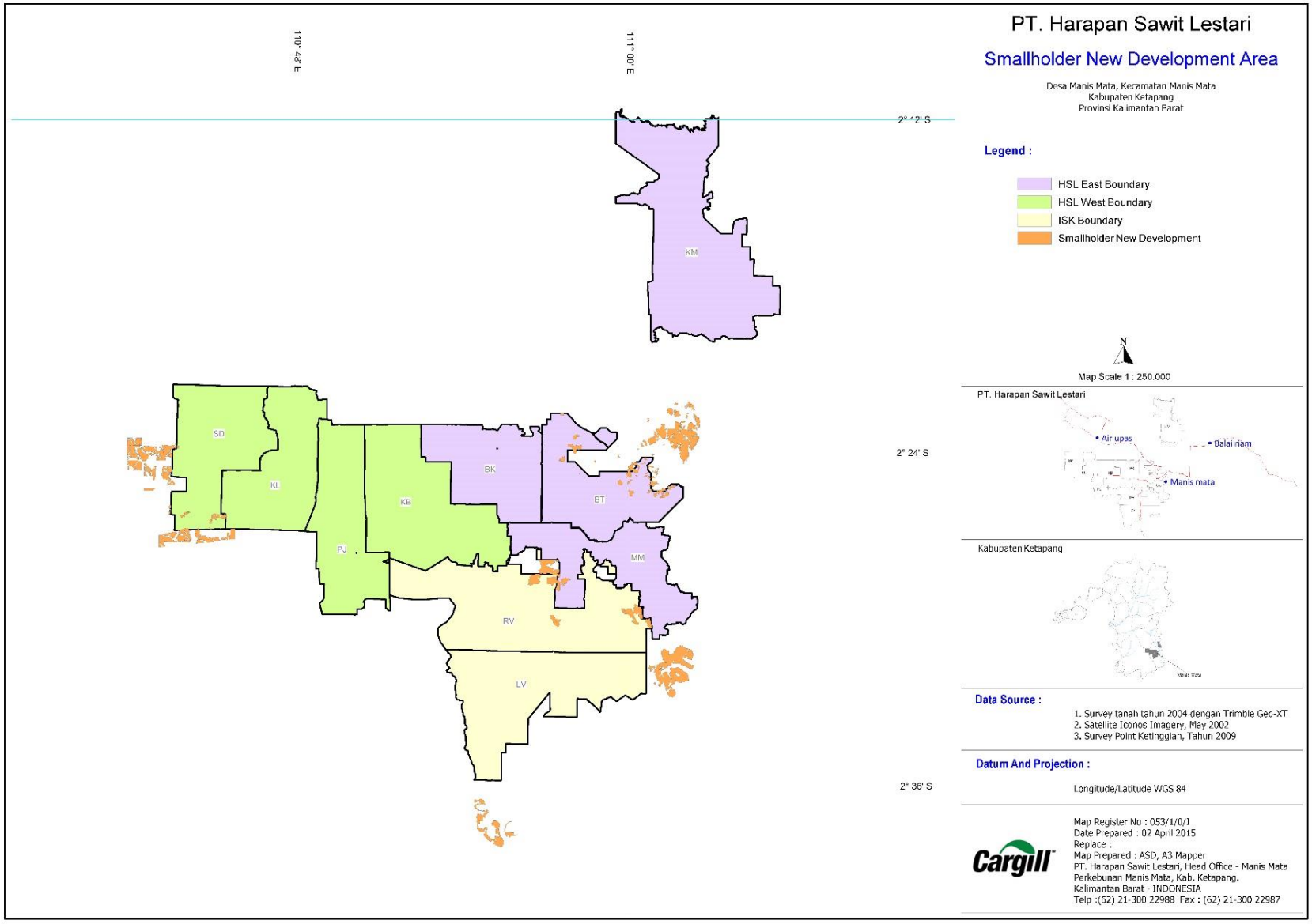


Figure 4. Location map of smallholder new development of 2,684 Ha

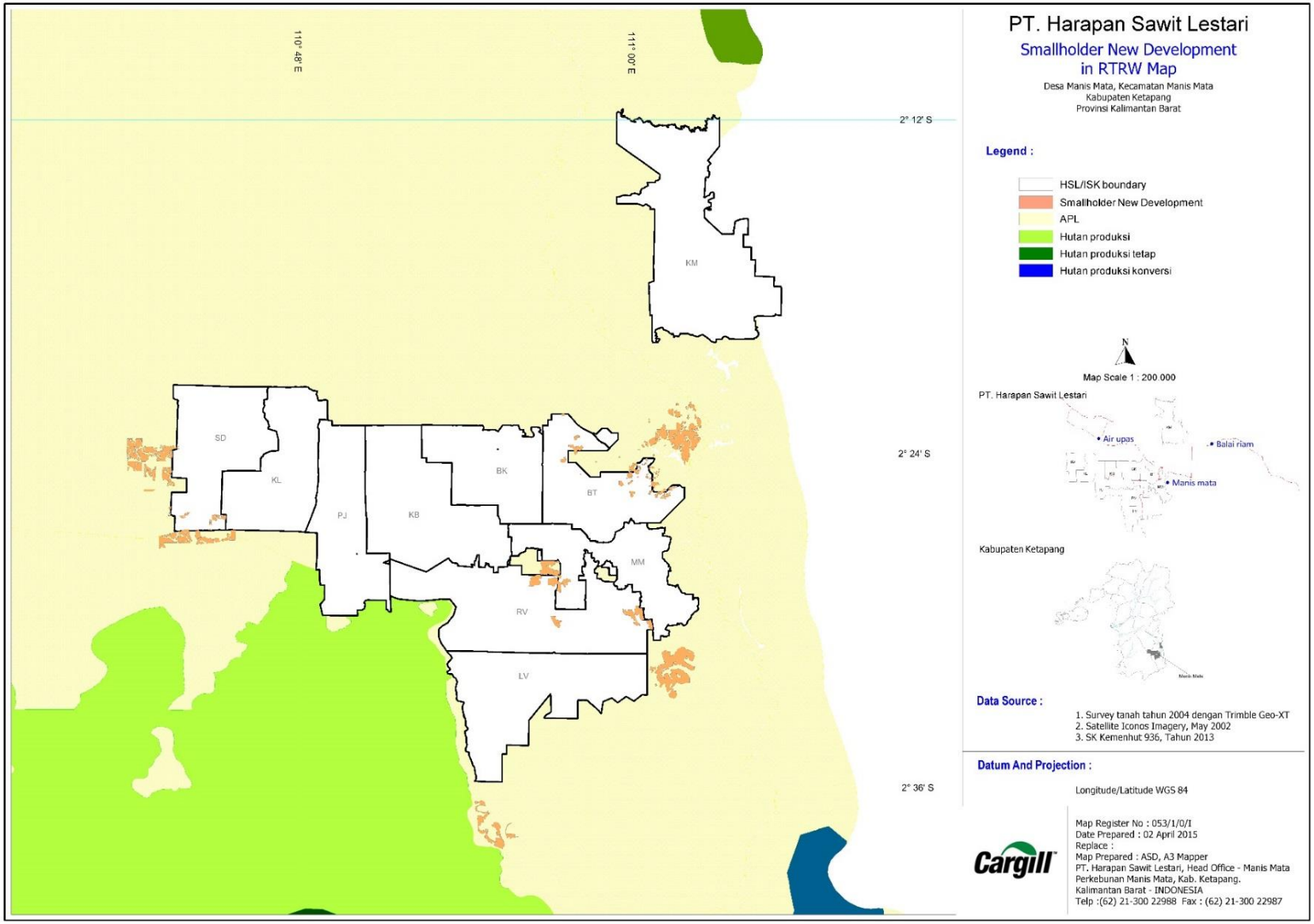


Figure 5. Map of new development within region map (RTRW)

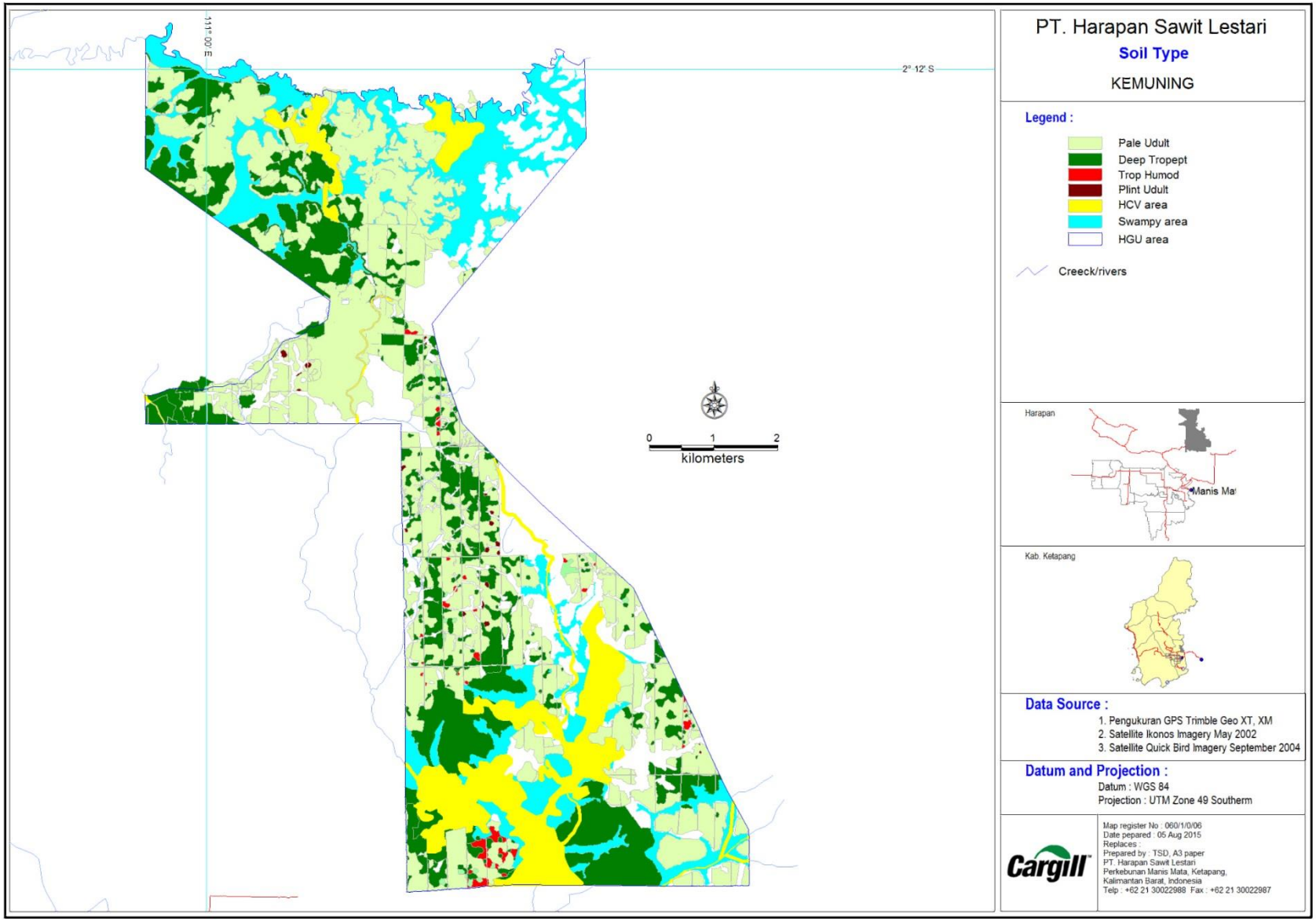


Figure 6. Map of soil type of PT. HSL new development

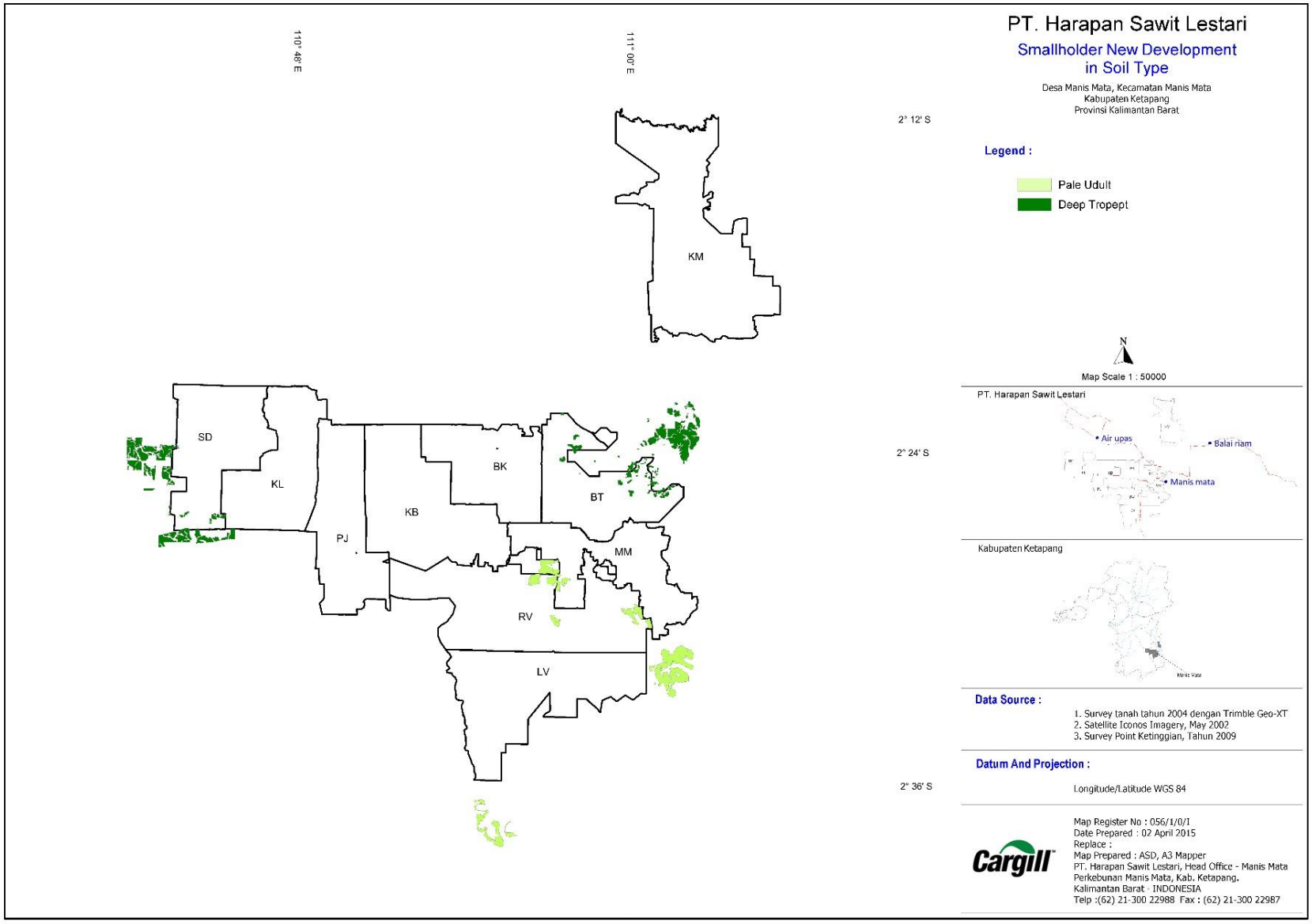


Figure 7. Map of soil type of smallholder new development

2.5. Area and time plan for new planting

New planting area of 1,200 Ha is an expansion program for Kemuning Estate of PT. HSL and is within HGU 143/HGU/BPN/97/A/106. New planting areas for smallholder are located outside of HGU with total area of 2,684 Ha. The detail area and time plan are summarized in table below.

Table 4. Area and time plan for proposed expansion in PT. HSL Kemuning Estate

Properties	Total HGU (Ha)	Planted Area (Ha)	Building, roads, nursery, enclave, etc. (Ha)	HCV Area (Ha)	Proposed Expansion (Ha)	Planting Time Table
PT. HSL	5,137	1,355	61	515	1,200	October 2015

Table 5. Area and time plan for proposed new planting of smallholder

Properties	Location	Proposed New Planting (Ha)	HCV Area (Ha)	Planting Time Table
Cooperative Beringin Jaya Lestari	Manis Mata Village Ratu Elok Village Asam Besar Village	934	115	October 2015
Cooperative Sinar Beraduk Jaya	Pantai Ketikal Village Petanaman Village	750	37	October 2015
Cooperative Tagari Utama Mandiri	Asam Besar Village Kuala Asam Village Bagan Kusik Village Belian Sungsang Village Batu Sedau Village Lipat Gunting Village	1,000	75	October 2015

3. Assessment Process and Procedures

3.1. Assessors and their credentials

3.1.1. HCV Assessment Assessor

The HCV Assessment of PT. HSL was prepared by assessor from Faculty of Forestry, Institut Pertanian Bogor (IPB). The HCV Assessment team consist of 3 (three) RSPO-Approved assessors and led by Dr. Ir. Jarwadi Budi Hernowo, MSc. F. The HCV consultant addressed at Faculty of Forestry, Institut Pertanian Bogor (Bogor Agriculture University), IPB Darmaga Campus Bogor, Bogor Regency – West Java Province Indonesia 16001 (Phone: 62-251- 621947, Fax: 62-251-6219470).

Table 6. HCV assessor credentials

Expert Name	Position / Expertise	Status
Dr. Ir. Jarwadi Budi Hernowo, MSc. F	Team Leader	Approved by RSPO
Dr. Ir. Cahyo Wibowo, MSc. F	Soil and Hydrology	Non-approved
Ir. Siswoyo, MSi	Flora Ecology	Approved by RSPO

Expert Name	Position / Expertise	Status
Handian Purwawangsa, S. Hut, MSi	Socio and Cultural	Approved by RSPO
Aep Hidayat, BSc. F	Geographical Information System	Non-approved
Aprian Whayu, S. IP	Socio and Cultural	Non-approved
Dera Syafrudin, S. Hut	Socio and Cultural	Non-approved

3.1.2.SIA Assessor

The Social Impact Assessment of PT. HSL was carried out by PT.LINKS (Lingkar Komunitas Sawit) which is located at Jl. Sempur Kaler, No.24, Bogor, Indonesia-16129, Tel/Fax: 0251-8313265, Email: info@komunitassawit.org. Website: www.komunitassawit.org. The key consultants conducting these assessments have been accredited and approved by RSPO.

Table 7. SIA assessor credentials

Expert Name	Background
Edi Susanto	He graduated from the "Veteran (National university, Yogyakarta) and major on Social & Politics. He attended several workshops / trainings like: • Workshop Jurnalistik Lingkungan Kerjasama Walhi dengan Aliansi Jurnalis Independent (AJI), tahun 2006. • Pelatihan Pemetaan Wilayah Kelola Rakyat dan Pemetaan Partisipatif di Kawasan Merapi, kerja sama Walhi Jojakarta dan Jaringan Pemetaan Pratisipatif, tahun 2006. • Training Pendampingan Masyarakat "Menerapkan Konstruktivisme dan Appreciative Inquiry dalam community organizing" dilaksanakan oleh Jendela Ekologi, tahun 2008. • Training "The Secret of Vibrant Communication Angkatan XIV" Inspirit Innovation Circle, Bali, tahun 2008. He has conducted several HCV and Social Impact Assessments in oil palm plantations in Indonesia with PSLH UGM and LINKS.
Dr. Feybe E.N Lumuru	She graduated from the STIE Dua Lima Pohalaa Gorontalo and major on Management in 1999, further graduated from Sekolah Pasca Sarjana Universitas Gadjah Mada Jogjakarta and major on Magister Ilmu Sosiologi (M. Si) in 2004 and finally graduated from Sekolah Pasca Sarjana Universitas Gadjah Mada Jogjakarta and major on Doktor Sosiologi (Dr) in 2008. She went through various trainings and workshops like: • Environment Education, CBDRM Training (Community Base Disaster Risk Management). • Pelatihan Jurnalistik, The Secret of Art Vibrant Communication, Environment Management Leader (EML) Program.

3.2. Assessment Method

3.2.1.HCV Assessment Method

The periode of HCV assessment has taken time for 3 months, starting on October until December 2013. The HCV assessment was conducted using a High Conservation Value Toolkit year 2008, published by

The Consortium Revised HCV Toolkit Indonesia, as a guidance to assess the presence of HCV area in concession of PT.HSL.

Data sources used in the identification and analysis HCV process including:

- AMDAL of PT. HSL, Map of the areas of PT. HSL
- Landsat Image 7 year 2010
- Slope Class and Topography Maps
- Forest Land Use Maps
- Land System Maps and river network Maps as well as materials for field surveys
- Field Guide Book (Birds of Java, Bali, Sumatra and Kalimantan-BirdLife) and Field Guide to the Mammals of Borneo (Payne et al., 1985-published by WWF Malaysia, Kuala Lumpur)
- Social and Questionnaires on Social and Culture and the field book

Some tools were used in this assessment including: GPS, compass (Brunton), 50 meters of plastic ropes (which was marked at 2 meters), meter (diameter), camera, binoculars, computers, and stationery (rulers, pencils, and pens).

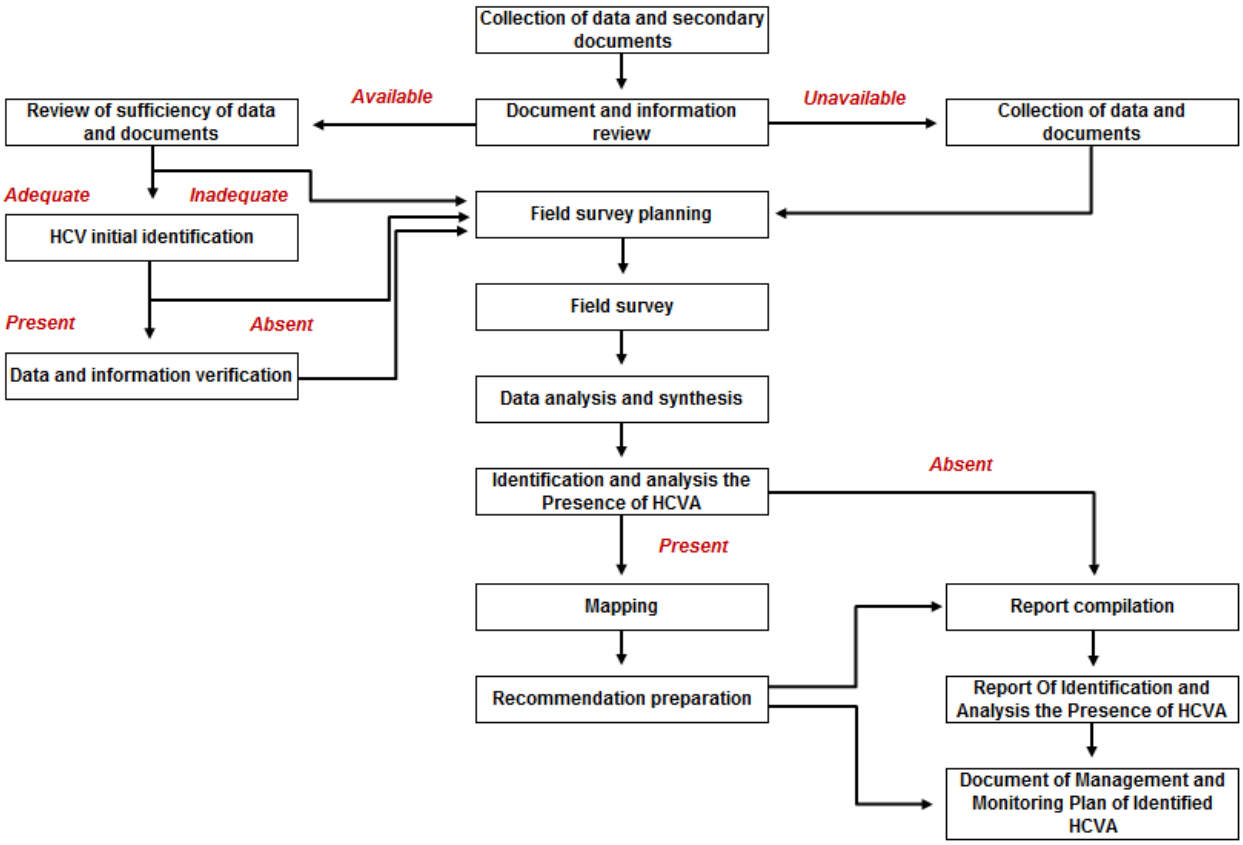


Figure 8. HCV assessment method

Identification of HCVs was conducted based on the analysis and mapping of the area, with the following process:

1) HCV 1. Areas with Important Levels of Biodiversity
    - Mapping the forest cover and ecosystem within PT. HSL area.

- Mapping the existence of primary forest or conservation forest within the area proposed and landscape surrounding, includes conservation area that identified by the local communities.
- Determining whether the concession area potentially provides support function of biodiversity to the primary or conservation forest within or surround the concession area.
- Mapping the interdependencies of the landscape which can provide support to the biodiversity within it.

2) HCV 2. Natural Landscapes & Dynamics
   - Mapping the vegetation cover in the concession area in the landscape level.
   - Mapping the mature forest cover in the concession area in the landscape level.
   - Determining the potential of core and supporting zone in the concession area on the landscape level.
   - Considering the potential scenarios for changes which might occur within the core and border zone based on the land use title.

3) HCV 3. Rare or Endangered Ecosystems
   - Identifying rare or endangered ecosystem within the concession.
   - Identifying the area and the uniqueness of the rare or endangered ecosystem

4) HCV 4, 5, 6
   - Overlaying the concession border on top of the TGHK, RTRWK and RTRWP map.
   - Mapping the watercourses (e.g. rivers) within and the surrounding concession area.
   - Identifying the dependency of the community of the water source.
   - Identifying and delineation of the riparian areas on the map.
   - Mapping the ecosystem using map of HCV3 that previously identified in the HCV3. If the map is not available, RePPProT (Regional Physical Planning Project for Transmigration) map can be used as an indicative map.
   - Mapping the hotspot zones.
   - Producing land-cover / land use map based on the field verification and data obtained from the satellite map.

PT. HSL also conducted Land Use Change (LUC) analysis to ensure that there is no deforestation due to land development. PT. HSL conducted assessment in April 2015 through combination of analysis of satellite imagery from landsat and ikonos and ground check. Stages and process LUC are as follows:

- Maps and satellite imagery
- Analysis of vegetation stratification using ArcView 3.3
- NDVI (Normalized Difference Vegetation Index)
- Field verification

3.2.2.SIA Method

Scope of Social Impact Assessment includes the operational area of the PT. HSL include the social cohesion of local people such as the people who live in community areas in the concession area and its surroundings. Implementation of the Social Impact Assessment on the ground reached by following the rules or principles as follows:

- Participative
  Issues identification and information searching were done in participative way. This participative approach enabled of the participants as the subjects in mapping the social issues they are facing, expressing their opinions and ideas, as well as being involved in designing the administration and changing of the issues.
- Multiparty
  Issues identification and information searching were done in multiparty way by involving related parties directly or indirectly in giving or receiving the impacts.
- Rapid and Ex-ante
  Issues identification and information searching were done in rapidly and based on the forecast of the changes tendencies that occur rather than the factual and accurate data – as the solution to the Social Impact Assessment approach and time limitation.
- Appreciative
  Issues identification and information searching were guided positively, not only to find out the gap on the location but also to collect the data about expectations, potentials, and ideas in order to find out solutions and social issues that happened.
- Social Learning Cycles
  The social impact assessment is not a linear process which is instantly created but a cycled process which functions as the social learning processes to respond the changes in the environment.

The methods and techniques applied in the Social Impact Assessment were:

Table 8. SIA method

Method	Description
Literature Study	This method was used for the purpose of gathering the understanding on the socio-context and environmental aspect of the location which was evaluated. It was carried out in the early phase -before going to the field and at the result analysis phase.
Dialogue	This method was used to identify the nature of the relevant parties, identify the potential issues to impact, gathering information about expectations, ideas, and opinions to bring the solutions for the actual issues. The process was carried out through the meetings both in formal and in non-formal sequence with definite topics (Focus Group Discussion).
Field Observation	This method was used to understand directly the actual facts which will be indicator of the issues and social impact happened.
In-depth Interview	It was used to get a deeper understanding about the issues. It was done in-depth by interviewing the key socialite who will act as respondents. The criteria of choosing the respondents were based on the knowledge possessed or their direct experience over the impact or impacts.
Tri Angulations	The above methods were carried out in integrated way to reciprocally verify the actual issues, opinions, and ideas.
Social Learning Cycle	The social impact assessment is not a linear process which is instantly created but a cycled process which functions as the social learning processes to respond the changes in the environment.

The findings obtained from the methods above were analyzed. The baseline of the analysis was based on RSPO criteria which relevant to sustainable social aspects. The recommendations also covered other issues which were not entailed in the RSPO criteria, in the form of ideas or aspirations as the result of the field analysis.

3.3. Stakeholder Consultations

The Stakeholders' consultation was held on January 21, 2014 at Manis Mata, Ketapang district, West Kalimantan Province. Consultation with the relevant stakeholders was attended by community's leaders, heads of village and cooperatives. The consultation was to provide opportunities for communication and sharing the information / opinion / suggestions between the company and the workers, contractors, suppliers, smallholders, consumers, government agencies and communities to move forward for the benefit and common progress. This is also part of the process of free, prior and informed consent procedures to ensure that there is a balance in the social and environmental harmony in the development of the oil palm planting project between PT. HSL and stakeholders.

The following table shows the list of stakeholders attended the consultation:

Table 9. List of stakeholder

Community Leader / Village head / Religious leader / Cultural leader	• Beriam village • Belian Sungsang village • Pangkalan Padang village • Terusan village • Suren village • Keladi village • Manis Mata village • Kalimantan village • Air Tarap village
Community	• Local communities • Cooperatives (KUD)
Plantation Management	• Estate Management • Program Assurance • Conservation Team • Human Resource • Plasma support service • Mill Management

Tabulated below is the result of stakeholder consultation conducted on January 21, 2014 at Manis Mata, Ketapang district, West Kalimantan Province.

Table 10. The minutes of stakeholder consultation

No	Name of Stakeholder	Issues raised by stakeholder	Comments
1	Petrus Mamoto Terusan village	Questioning how to propose plasma development in scrubbed area to PT. HSL.	Proposal plasma development is not associated with HCV assessment. However, if the villlagers request for plasma, land status needs to be clear

No	Name of Stakeholder	Issues raised by stakeholder	Comments
			and proposal has to be communicated to local authorities. PT. HSL will remain open for public request.
2	Hasuiang Bagan Kajang, Manis Mata village	a. Need explicit action / legal sanction to people who disturb and hunting wildlife in area of PT. HSL. PT. HSL should socialize any protected fauna and what sanctions if violated. Need cooperation between community and company. b. In order to conserve environment, PT. HSL should cooperate with relevant parties.	a. Company has to socialize to surrounding community regarding wildlife species protection especially those protected and endangered which exist in company areas. After socialization and protection efforts, people who violate will be given sanction. This should cooperate with relevant parties, Forest Service Natural Resource Conservation Center, and Police department. b. Conservation in HCV areas should be supported by all parties (stakeholder).
3	Efendi BJS Head of Manis Mata village	a. Provide mapping of which areas need to be protected and maintained, including sacred areas. b. Need another program / second tier to increase people's incomes.	a. Company needs to disseminate the results of the mapping of HCV areas to community, put signboards and the coordination with surrounding community. b. In order to protect flora and fauna, further study to improve welfare surrounding communities should be considered technically, economically and ecologically. Preferably local species that once existed and produtive like Gaharu tree.
4	Ruswandi Ratu Elok village	a. Environmental conservation issues need big capital such as planting rubber tree., gaharu trees and sengon trees b. Suggested Belida fish farming for community. c. Proposed clean water supply to company. d. Informed that people poisoned fishes in the lake and tributaries in Ratu Elok village.	a. Need discussion with company how to plant trees. b. Choose native fishes to farm. Local authorities is to coorporate with company. We avoid clash between government program and company CSR program. Company wil remain open for any coorporation. c. Clean water supply is well water. d. Agree to eliminate poison.
5	H. Uti Juli Cooperative Beringin Jaya Lestari, Ratu Elok village	a. HCV only fixated on PT HSL but not with other companies around us. b. Need mapping for HCV areas. c. Species such as the orang-utan, klasi, kelempiau are not in the area of PT. HSL, those species have moved to other area.	a. Riparian areas have been mapped and marked. b. Native tree is prefereble to plant in HCV areas. c. Protection for Species such as the orang-utan, klasi, kelempiau is responsible all parties.
6	Asiyung Keladi, Ratu Elok village	a. Need infromation on what is sustainable palm oil company	a. Company wants to maintain and continue efforts in sustainable palm oil, meaning continuous productivity in accordance with RSPO and ISPO. One of the efforts is HCV

No	Name of Stakeholder	Issues raised by stakeholder	Comments
		b. There are nepenthes in block O and Bagan Kajang viilage eventhough the population is few c. Company to provide job openings to surrounding community d. There is unidentified cultural sites outside PT. HSL e. Need information how to maintain riparian areas in Keladi sub-village	assessment. Surrounding communities also have to receive benefits from palm oil production. b. All nepenthes in company areas has been studied and mapped. c. Job opening can be communicated with company. d. HCV outside of company areas is not managed and monitored by company. e. Riparian maintenance is covered on this assessment. Company has scheduled socialization for community.
7	Robert Asam Besar village	a. Critics regarding rainfall. In the end of 2013, there was flood occurred in Asam Besar village. River that flows to community is niot treated by company. b. Palm in our village is still sprayed with chemical. c. Need company support to eliminate mucuna in community's palm tree in Asam Besar village	a. Rainfall data being addressed in this study are recorded only until 2012. Flood is not occurred due to palm operation only, excessive of rainfall also can contribute to flood. b. Riparian in company area is company responsible. Riparian is community area is community responsible. c. Need further coordination with company.

3.4. List of Legal, regulatory and other guidance referenced

Table 11. List of legal, regulatory and other guidance referenced

Reference	Details
Status of vulnerability according to the world Conservation Union (IUCN) Red list	Vulnerability of plants and wildlife
Status in terms of trade of world's wild fauna and flora (CITES)	Rule on trade (usage) of plants and wildlife
HCV Toolkit	Guidance on High Conservation Value Area Identification in Indonesia version 2 (2008)
UU No. 32 thn 2009	Protection and Management of the Environment
UU No. 41 tahun 1999	Forestry
UU No. 5 Tahun 1990	Nature Resource and Their Ecosystem Conservation
PP No. 7 Tahun 1999	Protected of plants and wildlife list
PP No. 35 Tahun 1991	River
PP No. 68 year 1998	Nature reserve management
Presidential Decree No. 32 Tahun 1990	Management of Protected Area

4. Summary of Assessments

4.1. Summary of SEI Assessment

The SEIA development and preparation of management and monitoring Plan for PT. HSL is prepared under cooperation agreement between PT. HSL and AMDAL consultant and PT.LINKS. The preparation of such report refers to the result of identification and analysis of Social Impact Assessment conducted in 28 September – 23 October 2010 in the area of PT. HSL, Ketapang Regency, West Kalimantan Province and the frame of reference of the agreed work.

Results from identification and categorization based on findings and fieldwork in HSL's areas are presented in table below.

Table 12. Result from identification SEI Assessment

No	Social Aspects	Area Studied	Form of Social Problem	Trigger of Problems	Community Reaction	Company Response
1	Transparency and Legal Compliance	Dusun Abi, Pakit, Kalimantan, Keladi, Asam Besar, Landau, and Manis Mata	Repeated claiming for land	Due to improper practices implemented before HSL was managed by Cargill	Community expressed, company has taken over their ancestral lands and did not give proper compensation for it. Planting rubber and other plants between palm oil's problematic areas. Local people demand and protest to get land compensation from the management. Those who live in Kemuning Estate, Asam Besar and Kebanteng Tengah is recently mobilizing people to get compensation from the company. While in Manis Mata, protest to obtain compensation is launched by person.	HSL under Cargill implement proper land acquisition with transparent ways. They also create control dociments for compensation and land releasing since 2005. Conducting discussion with community members who have claimed their land and also by negosiation mediated by county authority. If based on the fact that local people have not obtained compensation, so HSL will give them proper payment as requested and of course document it. Specifically for ancestral land (tanah ulayat) located in Asam Besar village, HSL does not have any documented accounts for compensation because such practices were done away before Cargill managed HSL.
2	Responsibility to the employees	Kemuning Estate (Abi, Pakit, Kalimantan), Hampul	Company should fulfil What employees need / required	Safety equipments and tools distribution in timely manner	Employees complained about the renewals of safety equipments and tools (ideally every 6 months)	Providing safety equipments and tools regularly and evaluating its stocklist
		Kemuning Estate, Manis Mata and Specially		Housing need for employees	Complaining inadequate numbers of housing for employees.	Company has planning ability to develop housing for employees who do not have it yet.

No	Social Aspects	Area Studied	Form of Social Problem	Trigger of Problems	Community Reaction	Company Response
		designated harbor owned by HSL in Jambi Village			At specially designated harbor, the management must post additional 3 security guard in guest room temporarily.	
		Manis mata		Medical equipments and officer shortage compared to the number of employees and family as well as local people who visited that medical service centre	Addressing a proposal to internal management for improving medical services and adding some medical officers	Company medical service centre is operational support for company. Medical service centre responsible is employees and family. Local community can refer to community medical centre.
		Abi, Pakit, Kalimantan, Manis Mata, Asam Besar, Keladi, Tarahan Bagan Kusik, Beliang Sungsang, Paku Juang and Keluwin	Addressing a protest regarding employee's right at work	A need to get equal opportunity for working at the company	Addressing a social jealousy about the dominant number of Javanese employees who work at strategic position in HSL. Meanwhile, local community are just recruited for freelance labor in maintenance department.	Providing a clarification and clear information about a competency gap among local people. They are not able to reach company standard for employee recruitment. Open chances and opportunity for local people to work in the projects, but it should match with their competence level
3	Partnership with KKPA farmers	Kemuning Estate, Manis Mata, Asam Besar, Pakalang Tukang, Kebanteng Tengah	Repeated claims for land in plasma areas.	Undocumented land acquisition Some of plasma have been sold to third parties or subcontracted. But local people as the owner claim it to the company.Local people	Addressing compensation request to HSL internal management. A protest to get compensation is usually launched by blocking the road and planting rubber in the claimed areas.	Providing an evident that HSL has implemented proper procedures for land acquisition in transparent and accountable ways. It is done by implementing control document for payment archives and compensation for issues that raised since 2005. Carrying out a discussion with local people who claimed their land and this discussion should involve county

No	Social Aspects	Area Studied	Form of Social Problem	Trigger of Problems	Community Reaction	Company Response
				have handed some of their land for palm oil plantation for HSL operation but they did not get any shared areas.		authority as mediator. If an evident is foundthat local people has not obtained any compensation, so HSL will provide proper payment and keep it in an archive or other forms of documentation.
		Kemuning Estate, Area Kebun KKPA ASL and Kebanteng Tengah	Discontendedness Among farmers caused by low income and profit rate as well as fees deducted for KKPA.	Income fluctuation and Intransparency in KKPA management	Expressing their dissatisfaction about harvest income in KKPA which are only worth of Rp.50.000-Rp.100.000 during 2010. Expressing suspicion that internal management has improperly done many intransparency in managing KKPA that causes low income. In Kemuning Estate, local community confirmed that their KUD KKPA has not carried out Annual Members Assembly for 8 years. Local people living in Kebanteng Tengah and Pakit has deployed mass for protest, and also involved LSM LAKI and a figure named SIHOMBING.	Making a clarification that KKPA income/profit rate is around Rp.50.000-Rp100.000. It is actually not an income but just a non-interest loan given by company to help farmer cope with low income after harvesting and because some of palm oils were not transported due to broken road. Confirming that they have not done any facilitation training for capacity building for KUD because the company is busy solving the KKPA problems. Confirming that company has acknowledged local people demands and also protest. Confirming that company has also acknowledged local community demand in Kebanteng Tengah but meeting for clarification has not been attended by regional parliament (DPRD) because of time constraint.

No	Social Aspects	Area Studied	Form of Social Problem	Trigger of Problems	Community Reaction	Company Response
4	Contribution to local development.	All locations	local demands and proposal to obtain aids from HSL	Improper social approach that company had done in the past and unavailability of standard and limitation about how to provide/grant aids in recent.	Improper social approach that company had done in the past and unavailability of standard and limitation about how to provide/grant aids in recent.	Implementing procedures and selection process without any clear guidance and procedures.

The following management and mitigation measures are recommended for adoption and implementation, in order to address the significant potential social and environmental impacts and make the project socially acceptable and beneficial.

Table 13. Management and mitigation measures for Social Impact Assessment

No	Potential Impact	Proposed Mitigation Measures
1	Managing social problem	• Evaluation on working equipment and safety tools are necessary and urgent. Housing, support, employee's rights, medical and healthcare services, as well as other means for labor unions should be fulfilled by the company respectively. It is highly recommended for internal management to fulfill any kinds of employee's right as it is accordance to normative and legal requirement as well as related to compliance to mutual agreements.
2	Managing local stakeholder	• Tracking: By collecting information and data related to activities and also relationship demonstrated by stakeholders. • Informing: It is one way communication, done by providing annual or quarter report. • Consultation: Maintaining the dialogue flows between company and relevant stakeholders through informal sources (or can be called as "back channel dialogue"). • Support: Activities that relate to the provision of financial support or non-financial one which can be demonstrated through philanthropic activities and sponsorships. • Collaboration: Managing collective projects with one stake holder bounded up within informal agreement. • Partnership: Managing collective project with one stakeholder bounded up within formal agreement. • Networks: Managing collective projects with several stakeholders within informal and formal agreements.
3	Managing local needs	• The social management should be oriented to the management of social problems at local communities. Efforts to manage this social problem as well as answer the needs of the community management and development of cooperatives and farmers KKPA, increase revenue and unconditioned stability of income. • The social management should be oriented to social cohesion (social cohesion). In the case of the management has not develop an optimal social communication with the local community or the analysis related to the degree of proximity of the reactive (negative relationship patterns) between the management and the public, should be used as a basis for evaluating and developing social cohesion improvements management of the community around the project. • Human resource oriented and strengthening the local economy. PT. HSL Management needs to respond to the needs of the local community to be able to work in the project through a special recruitment mechanism. Given that local people around this area and has a hard character and low competence in the work, before the hiring is done, companies need to develop an agreement on the terms of recruitment, training, problem solving and termination of employment that involves government officials and representatives of rural communities. This agreement by both parties to be your labor recruitment and resolution of employment issues that arise after the implementation of recruitment. In addition, community empowerment and strengthening local economies also could be developed through education scholarship assistance, social services and free medicine, training technical agriculture and industry.

No	Potential Impact	Proposed Mitigation Measures
		• Company in partnership with communities and governments around the village area gardens can also support joint advocacy agenda conveyed to the government districts and provinces, such as electricity, road improvement district and village, as well as construction of public facilities to gradually condition of quasi state was experiencing at this time be addressed.

Table 14. Management and mitigation measures for Environmental Impact Assessment

No	Impact	Source of Impact	Location	Mitigation	Time Frame
1	Soil erosion	Land clearing activity	Planting area exclude conservation	• Build terraces on the sloping area following the land contour • Build drainage in the area • Intensify the vegetation cover to maximize soil protection	Throughout the construction phase
2	Reduction in diversity of protected vegetation / wild species	Land clearing activity	Conservation areas and riparian	• Provide planning for conservation area • Provide warning signboards of illegal logging and illegal hunting, and socialize to the public	Throughout the construction and operational phase
3	Land fire potential	Land clearing activity and other activity that possibly contributes to land fire at the operational phase	Planting area	• Land clearing without burning • Build control tower to monitor fire hazard and necessary equipment • Provide adequate fire extinguishers and access to isolate the spread of flames • Build the water reservoir at capacity, which in case of emergency, the water reservoir can be used for fire fighting process • Conduct socialization to communities	Throughout the construction and operational phase
4	Socio-economic and culture	Land clearing activity and recruitment	Surrounding villages in Manis Mata Sub-district	• Prioritize workers recruitment in surrounding areas according to the needs and required qualifications • Provide information to local people when job opening • Provide clinic, housing facility, education, sport and worship place • Provide scholarship for student from surrounding communities	Throughout the construction and operational phase
5	Health issues • Increasing no. of malaria disease • Increasing no. of occupational illness • Increasing no. of diarrhea	Planting activity	Surrounding villages in Manis Mata Sub-district	• Encourage to use mosquito net • Provide health and safety training • Provide safety committee • Disciplinary action for health and safety violation	Throughout the construction and operational phase

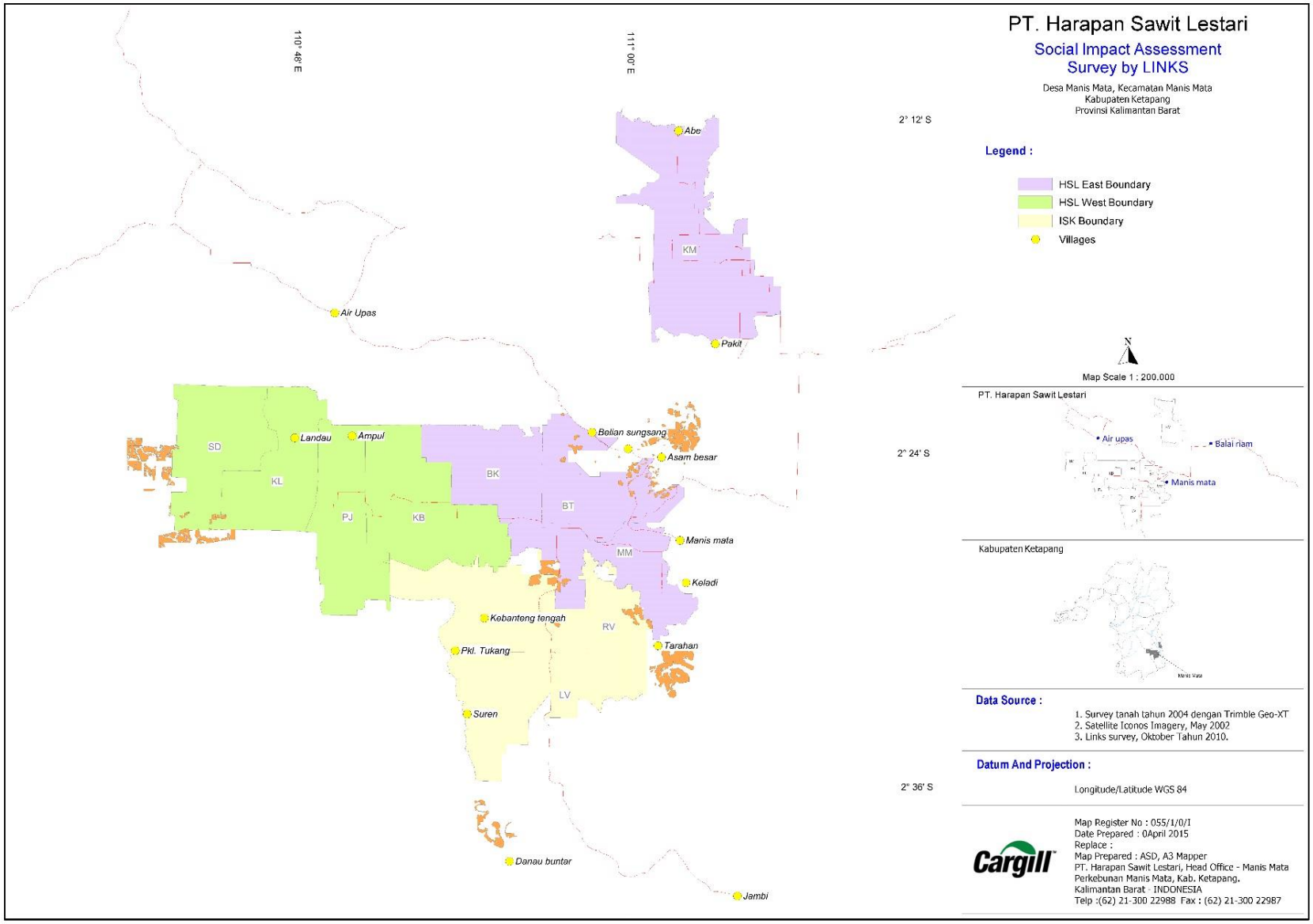


Figure 7. Location map of visited village during social impact assessment

4.2. Summary of HCV Assessment

The result of HCV assessment that carried out by faculty of forestry IPB in 2013 shows that there is no primary forest in new planting areas of inti and smallholder respectively. New planting areas are within classification of other land-use. Based on LUC in PT. HSL, result also shows that there is no primary forest in the concession area. The satellite imagery showed that rubber, secondary regrowth and grassland are the dominant land cover.

The HCV assessment was conducted by Faculty of Forestry IPB (Bogor Agriculture Institute) on October - December 2013 using HCV Toolkit year 2008, published by The Consortium Revised HCV Toolkit Indonesia as a guidance to assess the presence of HCV area in concession of PT.HSL.

HCV areas identified in the assessment were allocated outside those intended for planting of 1,200 Ha of nucleus and 2,584 Ha of smallholder's. However, the assessment identified 5 types of HCV in entire PT. HSL and smallholders and provides recommendation for the company in managing the HCV area present within the concession area, also to enable all the available resources to be focused, integrated and effective achieving the HCV management outcome. Table below shows locations of HCV in PT. HSL and smallholder.

Table 15. Location and total area of HCV

No.	HCV Element	Size (Ha)	NKT
A.	**Sempadan Sungai (SS) – Riparian Zone**		
1	SS Anak S. Kebanteng	0,29	1.2, 1.3, 4.1
2	SS Kebanteng	11,27	1.2, 1.3, 4.1
3	SS Belian Sungsan	10,88	4.1
4	SS Tarahan Batu-Utara	12,74	1.2, 1.3, 4.1, 5
5	SS Beriam	6,29	4.1
6	SS Bagan Kusik	3,14	4.1
7	SS Pakit	14,77	1.3, 4.1
8	SS Ringis	15,46	1.3, 4.1
9	SS Lubuk Riam	15,27	4.1
10	SS Perupuk Atas	5,11	1.3, 4.1
11	SS Perupuk Tengah	11,04	4.1
12	SS Perupuk Bawah	3,39	4.1
13	SS Rasak	1,11	1.3, 4.1
14	SS Dabu	28,34	4.1
15	SS Air Hitam	35,79	4.1
16	SS Pama	5,34	4.1
17	SS Penampaan	4,65	4.1
18	SS Petuakan	27,86	4.1
19	SS Landau	22,63	4.1
20	SS Terusan	7,05	1.3, 4.1
21	SS Anak S. Terusan	1,43	1.3, 4.1
22	SS Ampul	14,11	4.1

No.	HCV Element	Size (Ha)	NKT
23	SS Kelik (Berais)	32,49	1.3, 4.1
24	SS Kebanteng Persemaian	18,72	4.1
25	SS Pantai Ketikal	8,33	4.1
	Total A	**317,50**	
B.	**Kawasan sekitar Waduk/Danau (KSW)**		
1	KSW Blok H21	48,14	1.3, 4.1
2	KSW Blok H22	0,61	4.1
3	KSW Paku Juang	23,99	1.3, 4.1
4	KSW Keladi	43,00	1.3, 4.1
	Total B	**115,74**	
C.	**Rawa**		
1	Rawa Pakit	470,31	1.3, 4.1
2	Rawa Selaba	56,60	1.3, 4.1
3	Rawa & Sungai Blok J20	48,14	1.2, 1.3, 4.1
4	Rawa Air Hitam	381,18	4.1
5	Rawa Abe	4,83	4.1
6	Rawa Air Besar	39,87	4.1
7	Rawa-1	60,81	4.1
8	Rawa-2	19,17	4.1
9	Rawa-3	97,49	4.1
10	Rawa-4	36,32	4.1
11	Rawa-5	22,61	4.1
12	Rawa-6	65,51	4.1
13	Rawa-7	34,02	4.1
14	Rawa-8	106,17	4.1
15	Rawa-9	37,61	4.1
16	Rawa-10	29,16	4.1
17	Rawa-11	42,25	4.1
18	Rawa-12	37,42	4.1
19	Rawa-13	43,49	4.1
	Total C	**1.632,96**	
D.	**Areal yang Menjadi Identitas Masyarakat Lokal**		
1	Sacred site in Betivau Estate Block I16	0,25	6
2	Sacred site in Manis Mata Estate	0,25	6
3	Graveyard in Betivau Estate Block I21	0,25	6
	Total D	**0,75**	
	Total HCV Area	**2.066,95**	

The purpose of management and monitoring plan of HCV are:

- To ensure all the identified HCV and all area that assigned as HCV are protected and managed well, so that the HCV functions are well preserved.

- To enhance the administration and documentation of the management and monitoring in the sense that the process carried out is more systematically according to the legal aspects.

HCV identification and proposed measure to maintain those identified are shown in table below.

Table 16. Identification of HCV areas and proposed measure

HCV Title		Finding	Program	
			Management	Monitoring
1.1	Areas that Contain or Provide Biodiversity Support Function to Protection or Conservation Areas	Absent	Not required	Not required
1.2	Critically Endangered Species	Present	• Inventory and identification of land cover conditions in the area of habitat of plant species including CR/Critically Endangered species • Demarcate areas of habitat of plant species including CR/Critically Endangered species • Allocate HCV 1.2 outside of new development area • Maintain the boundary poles that mark habitat of plant species including CR/Critically Endangered species • Protect plant species including the CR/Critically Endangered species and their habitats, both active and passive • Rehabilitation and enrichment in the area of habitat of plant species including CR/Critically Endangered species from disturbance • Socialization about the existence and importance of protecting plant species including CR/Critically Endangered species to the local communities and people around the areas • Socialization about the existence and importance of protecting plant species including CR/Critically Endangered species to employees • Develop an SOP of management and monitoring plant species including CR/Critically Endangered species • Develop organization structure for HCV management and monitoring system • Coordinate with related agencies to support protection of plant species including CR/Critically Endangered species	• Measure the intensity of disturbance in HCV areas including fire hazards potential • Monitor recent condition and density plant species biodiversity include protected and endangered species • Monitor the realization of rehabilitation activity and percentage of rehabilitation coverage area
1.3	Areas that Contain Habitat for Viable Populations of Endangered, Restricted Range or Protected Species	Present	• Inventory and identification of land cover conditions in the habitat area of plant species and wildlife species biodiversity including those protected and endangered • Demarcate habitat area of plant species and wildlife species biodiversity including those protected and endangered • Allocate HCV 1.3 outside of new development area	• Measure the intensity of disturbance in HCV areas including fire hazards potential • Monitor recent condition and density plant species and wildlife species biodiversity including those protected and endangered • Monitor the realization of rehabilitation activity and percentage of rehabilitation coverage area

HCV Title		Finding	Program	
			Management	Monitoring
			• Maintain the boundary poles that mark habitat area of plant species and wildlife species biodiversity including those protected and endangered • Protect plant species and wildlife species biodiversity including those protected and endangered and their habitats, both active and passive • Rehabilitation and enrichment in the area of habitat of plant species and wildlife species biodiversity including those protected and endangered from disturbance • Socialization about the existence and importance of protecting plant species and wildlife species biodiversity including those protected and endangered to the local communities and people around the areas • Socialization about the existence and importance of protecting plant species and wildlife species biodiversity including those protected and endangered to the employees • Develop an SOP of management and monitoring plant species and wildlife species biodiversity including those protected and endangered • Develop organization structure for HCV management and monitoring system • Coordinate with related agencies to support protection of plant species and wildlife species biodiversity including those protected and endangered	
1.4	Areas that Contain Habitat of Temporary Use by Species or Congregations of Species	Absent	Not required	Not required
2.1	Large Natural Landscapes with Capacity to Maintain Natural Ecological Processes and Dynamics	Absent	Not required	Not required
2.2	Areas that Contain Two or More Contiguous Ecosystems	Absent	Not required	Not required
2.3	Areas that Contain Representative Populations of Most Naturally Occurring Species	Absent	Not required	Not required
3	Rare or Endangered Ecosystems	Absent	Not required	Not required
4.1	Areas or Ecosystems Important for the Provision of Water and HCV	Present	• Inventory and identification of land cover conditions in the buffer zone • Measure width of buffer zone	• Measure the intensity of disturbance in HCV areas including fire hazards potential • Monitor the realization of rehabilitation activity and percentage of rehabilitation coverage area

HCV Title		Finding	Program	
			Management	Monitoring
	Prevention of Floods for Downstream communities		• Maintain the boundary poles that mark buffer zone area • Allocate HCV 4.1 outside of new development area • Protect buffer zone areas, both active and passive • Rehabilitation and enrichment in the area of buffer zone areas from disturbance • Socialization about the existence and importance of protecting buffer zones area to the local communities and people around the areas • Socialization about the existence and importance of protecting buffer zones area to employees • Develop an SOP of management and monitoring buffer zone areas • Develop organization structure for HCV management and monitoring system • Coordinate with related agencies to support protection of buffer zone areas	• Monitor changes in river width • Monitor the river / lake (reservoir) water quality periodically • Monitoring of aquatic biota in the stream / lake (reservoir)
4.2	Areas Important for the Prevention of Erosion and Sedimentation	Absent	Not required	Not required
4.3	Areas that Function as Natural Barriers to the Spread of Forest or Ground Fire	Absent	Not required	Not required
5	Natural Areas Critical for Meeting the Basic Needs of Local People	Present	• Inventory and identification of land cover conditions in the riparian of Tarahan Batu-utara river • Measure width and demarcate boundary of Tarahan Batu-utara river • Allocate HCV 5 outside of new development area • Maintain the boundary poles of Tarahan Batu-utara river • Protect riparian areas of Tarahan Batu-utara river, both active and passive • Rehabilitation and enrichment in the area of Tarahan Batu-utara river from disturbance • Socialization about the existence and importance of protecting riparian of Tarahan Batu-utara river to the local communities and people around the areas • Socialization about the existence and importance of protecting riparian of Tarahan Batu-utara river to employees • Develop an SOP of management and monitoring buffer zone areas • Develop organization structure for HCV management and monitoring system • Coordinate with related agencies to support protection of Tarahan Batu-utara river	• Measure the intensity of disturbance in HCV areas including fire hazards potential • Monitor the realization of rehabilitation activity and percentage of rehabilitation coverage area • Monitor changes in river width • Monitor Tarahan Batu-utara river water quality periodically

HCV Title		Finding	Program	
			Management	Monitoring
6	Areas Critical for Maintaining the Cultural Identity of Local Communities	Present	• Inventory and identification of boundary of sacred grave and sacred sites • Allocate HCV 6 outside of new development area • Maintain the boundary poles of sacred grave and sacred sites • Protect sacred grave and sacred sites, both active and passive • Socialization about the existence and importance of protecting sacred grave and sacred sites to the local communities and people around the areas • Socialization about the existence and importance of sacred grave and sacred sites to employees • Develop an SOP of management and monitoring sacred grave and sacred sites • Develop organization structure for HCV management and monitoring system • Coordinate with related agencies to support protection of sacred grave and sacred sites	• Measure the intensity of disturbance in HCV areas including fire hazards potential

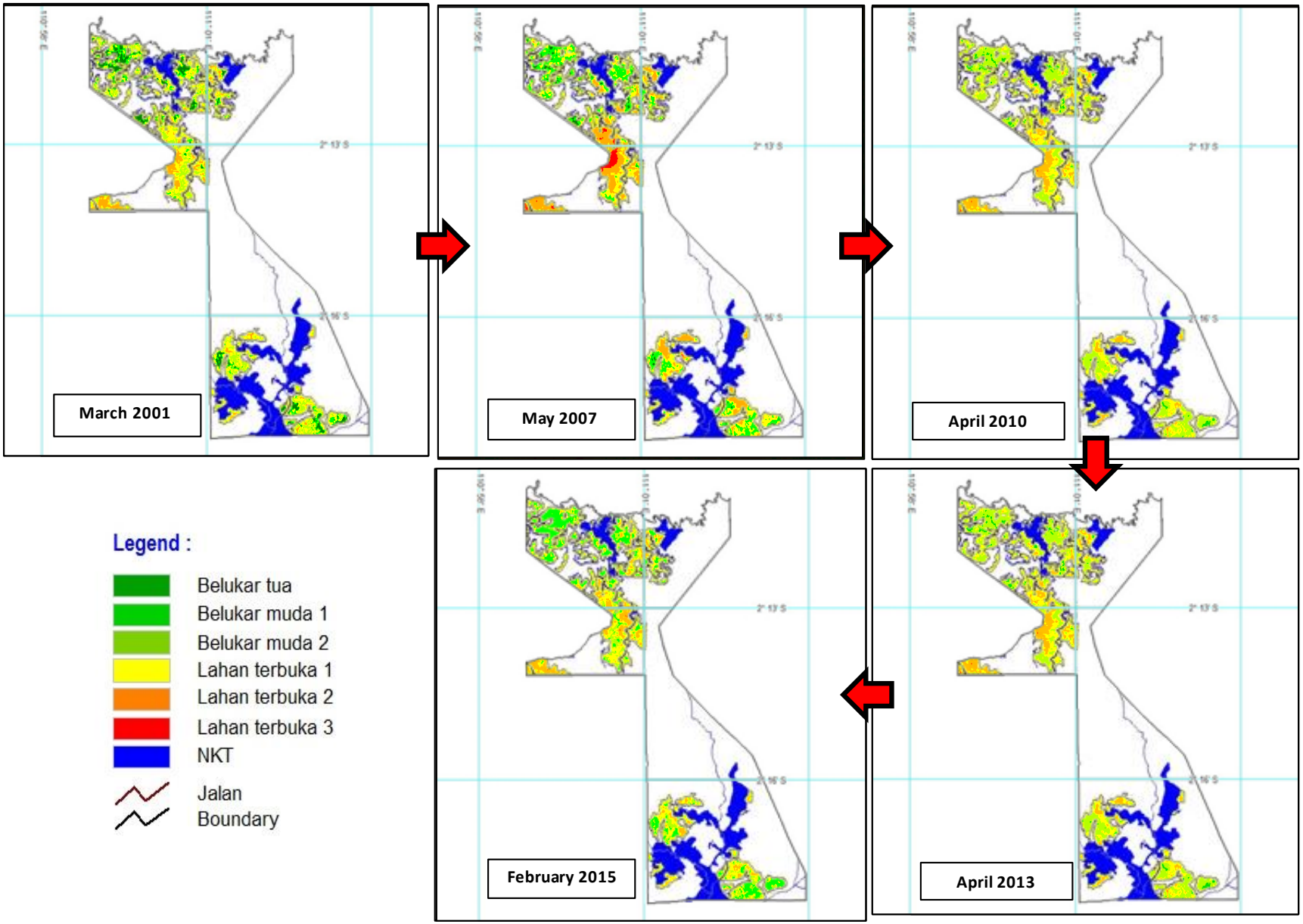


Figure 9. Land cover change in Kemuning Estate, PT. HSL

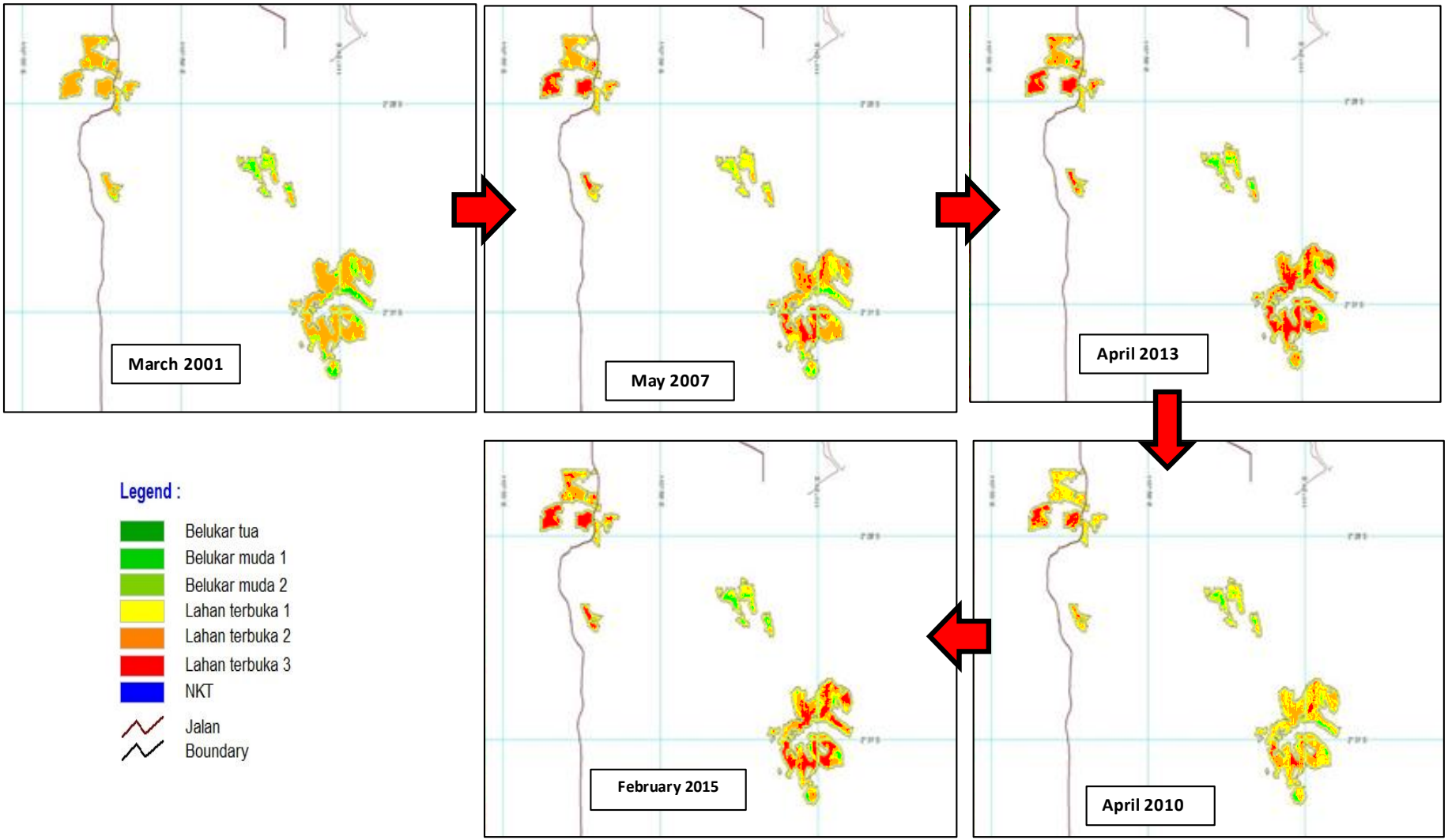


Figure 10. Land cover change in Cooperative Beringin Jaya Lestari

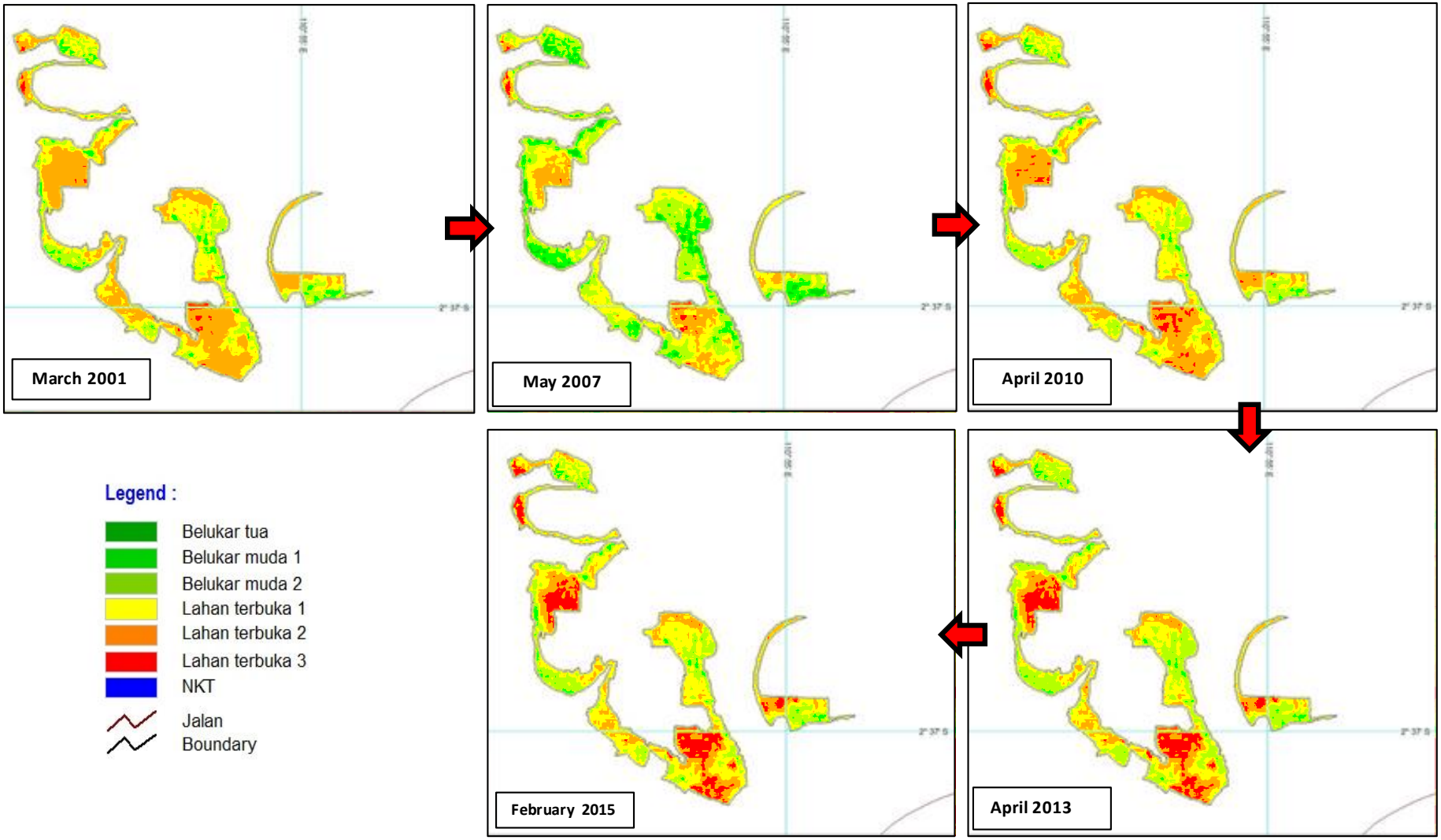


Figure 11. Land cover change in Cooperative Beringin Jaya Lestari (Southern Area)

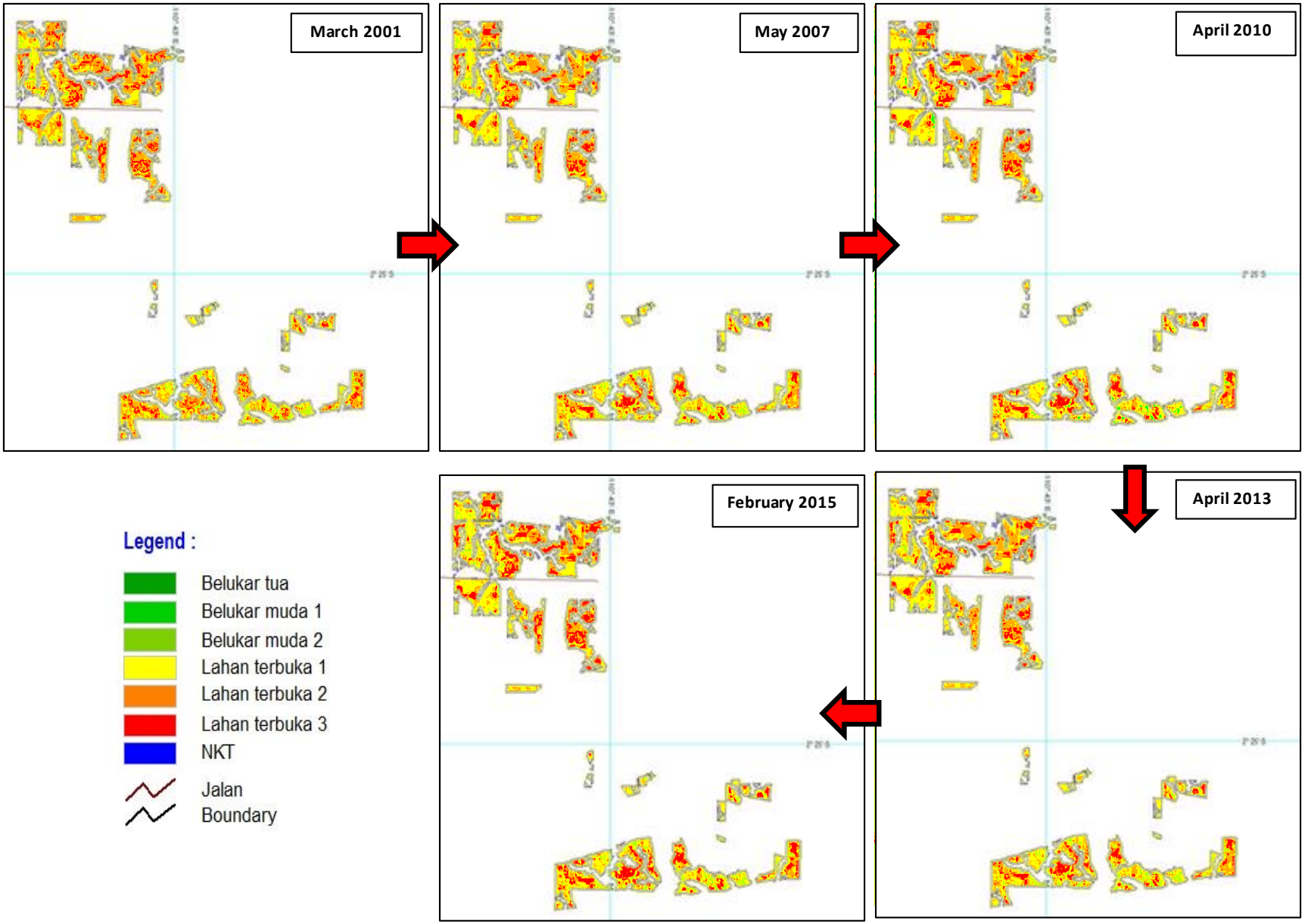


Figure 12. Land cover change Cooperative Sinar Beraduk Jaya

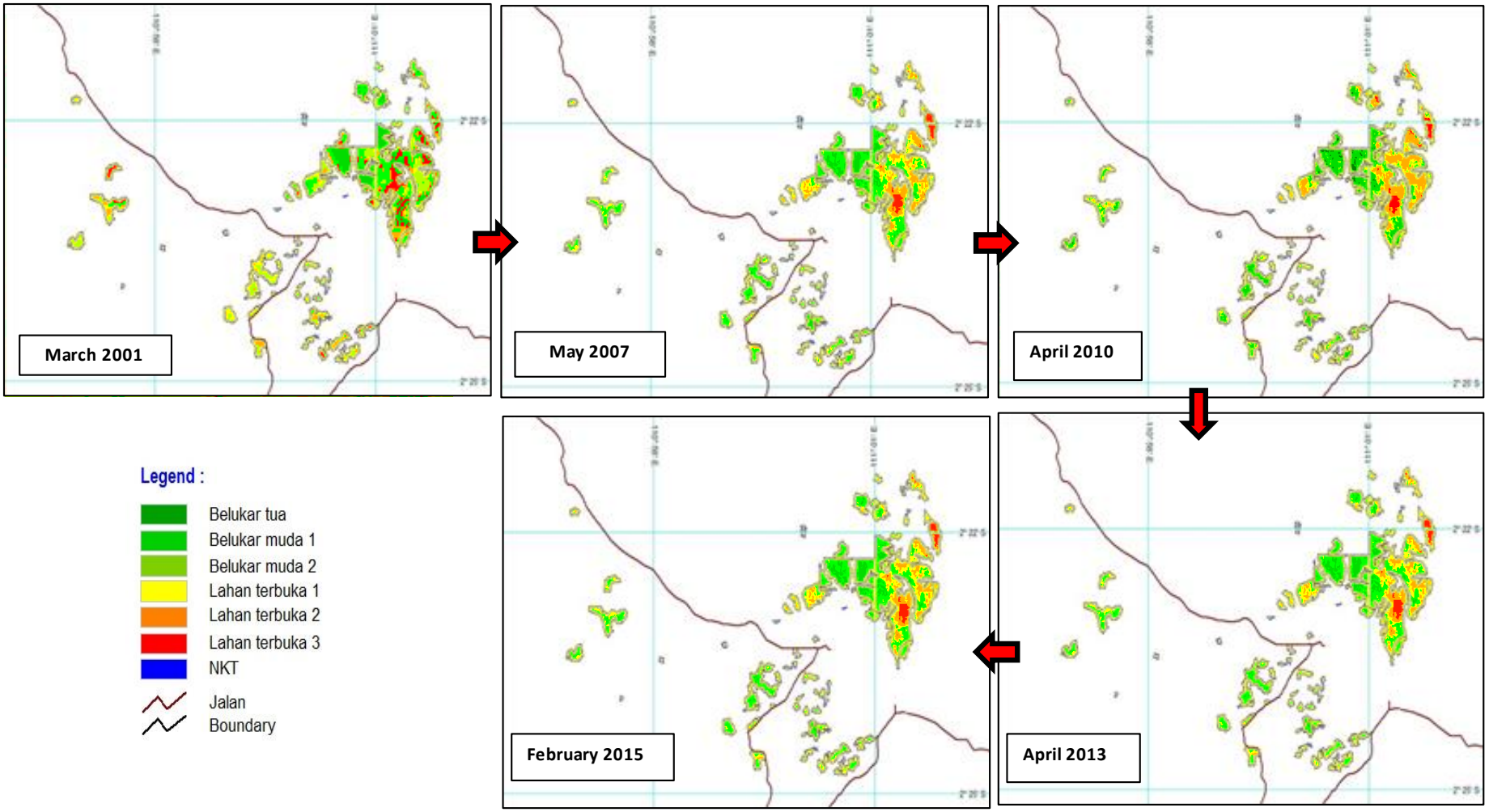


Figure 13. Land cover change in Cooperative Tagari Utama Mandiri

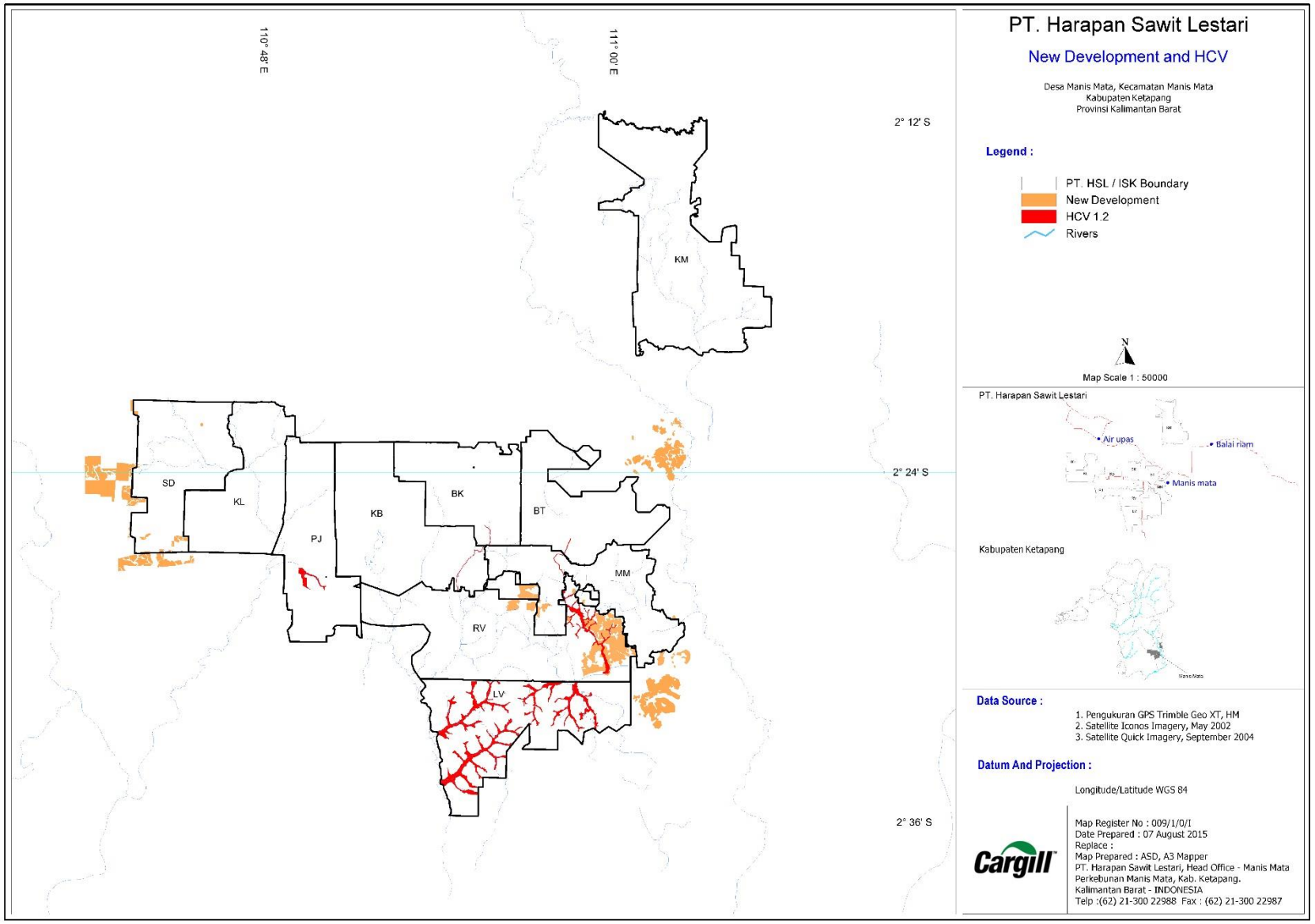


Figure 14. Location map of HCV 1.2 area and smallholder new development area

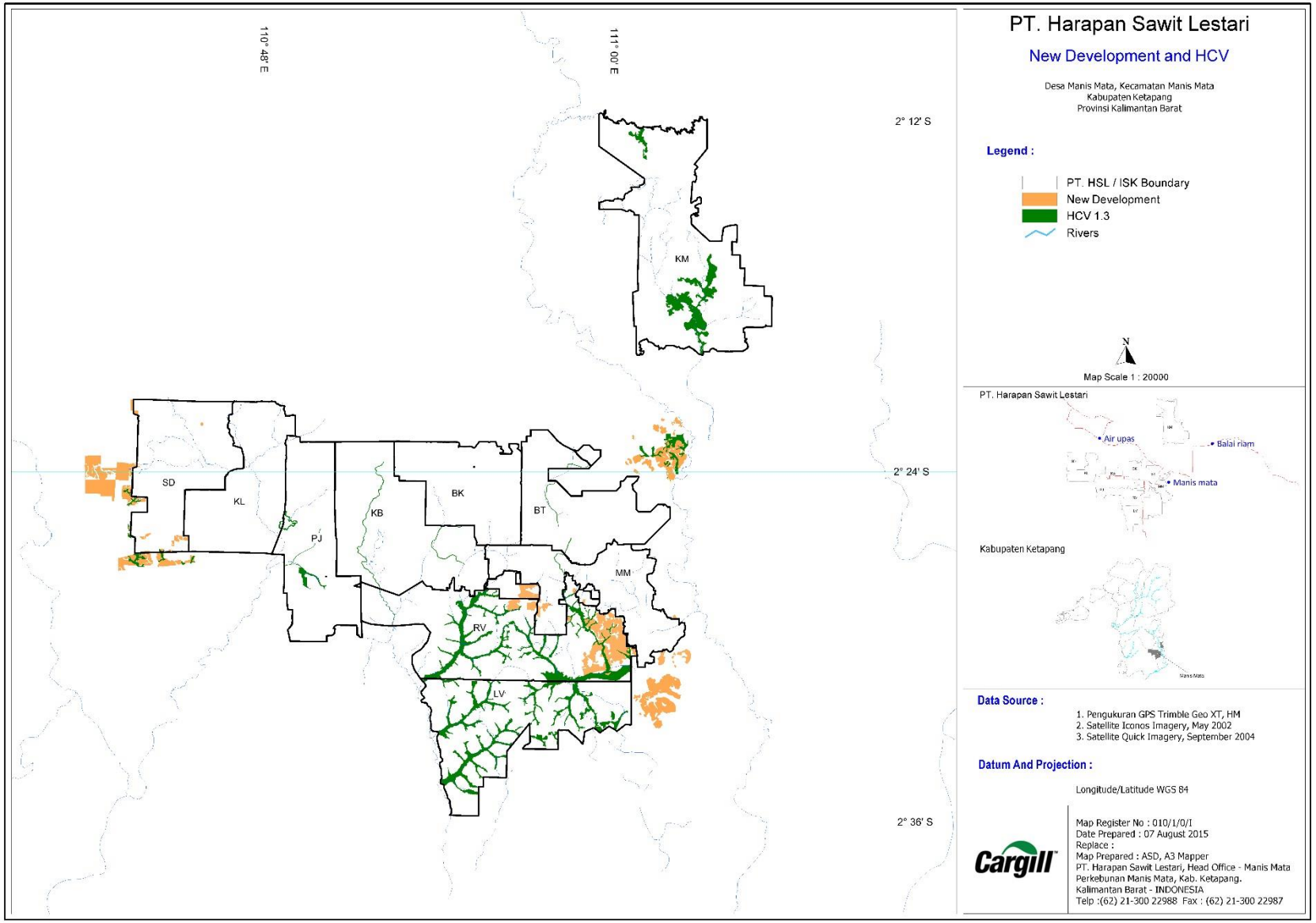


Figure 15. Location map of HCV 1.3 area and smallholder new development area

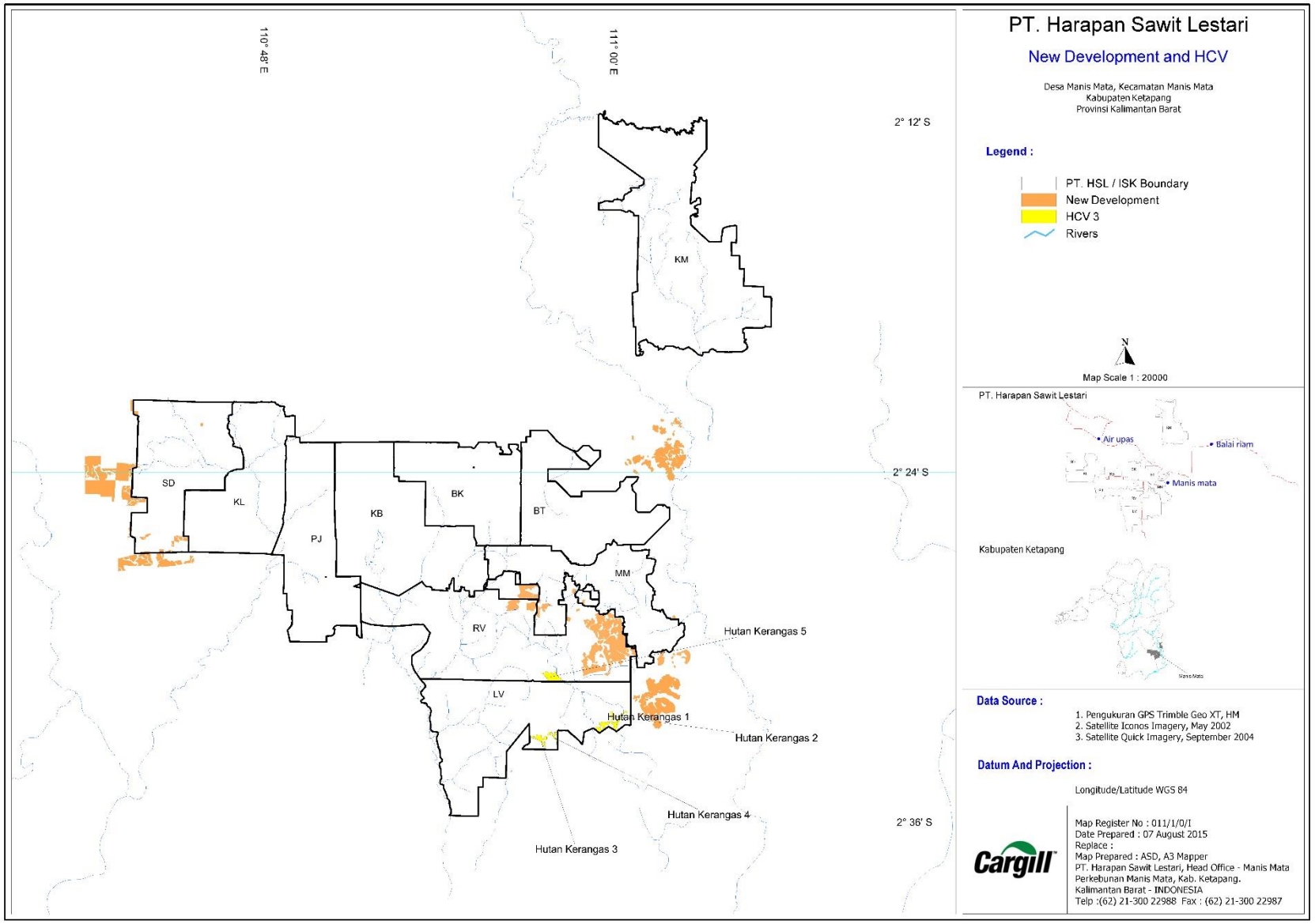


Figure 16. Location map of HCV 3 and smallholder new development area

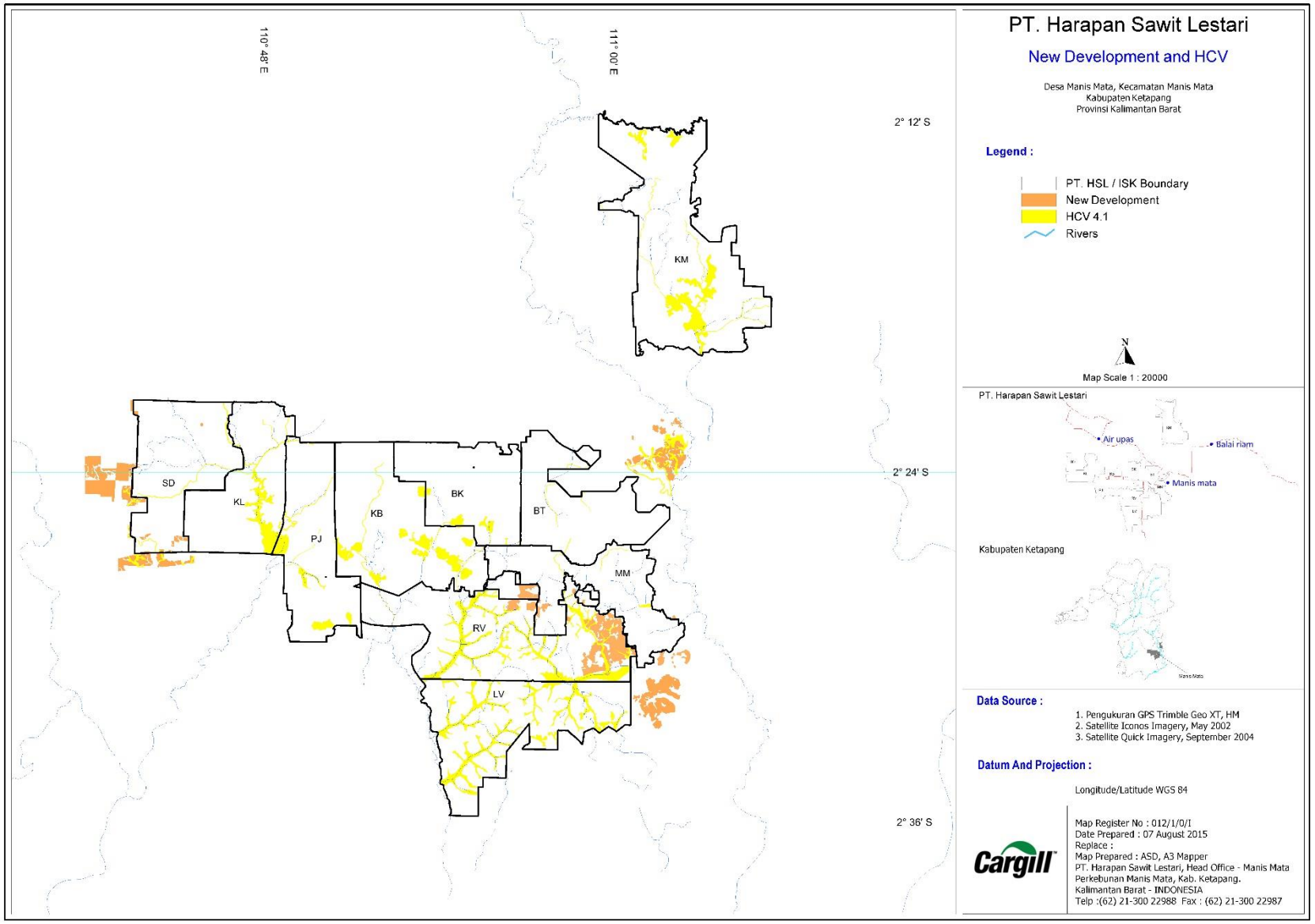


Figure 17. Location map of HCV 4.1 and smallholder new development area

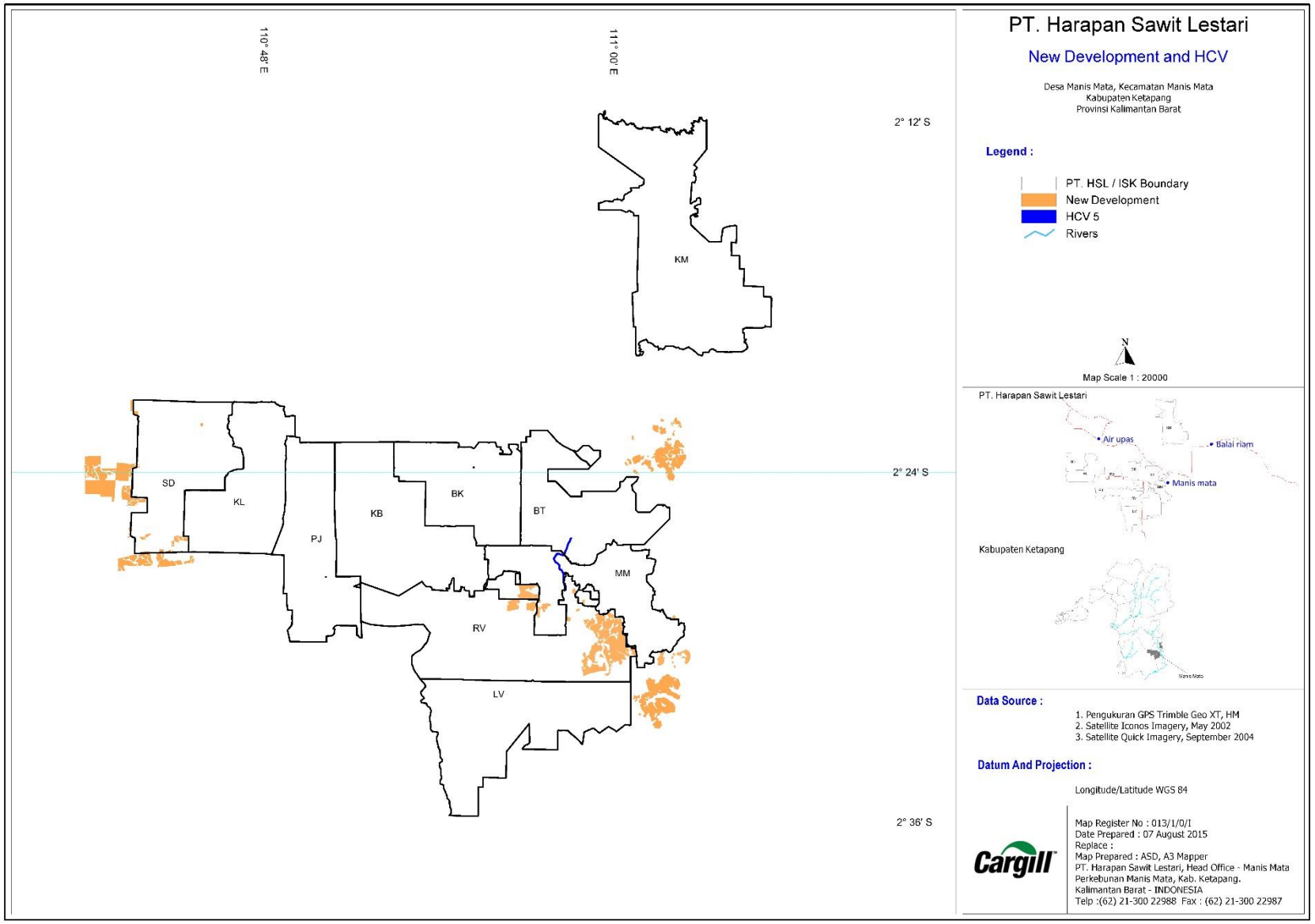


Figure 18. Location map of HCV 5 and smallholder new development area

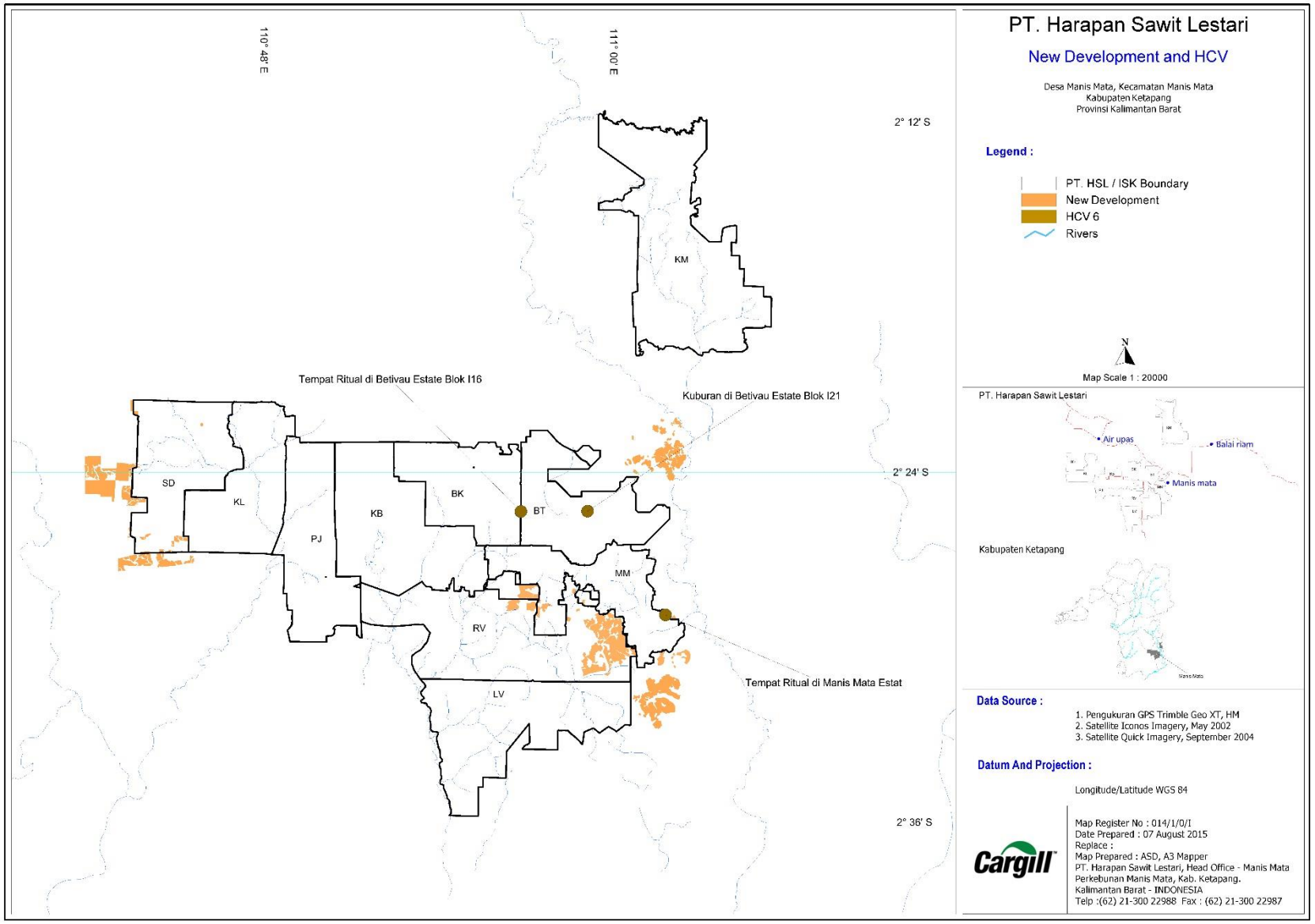


Figure 19. Location map of HCV 6 and smallholder new development area

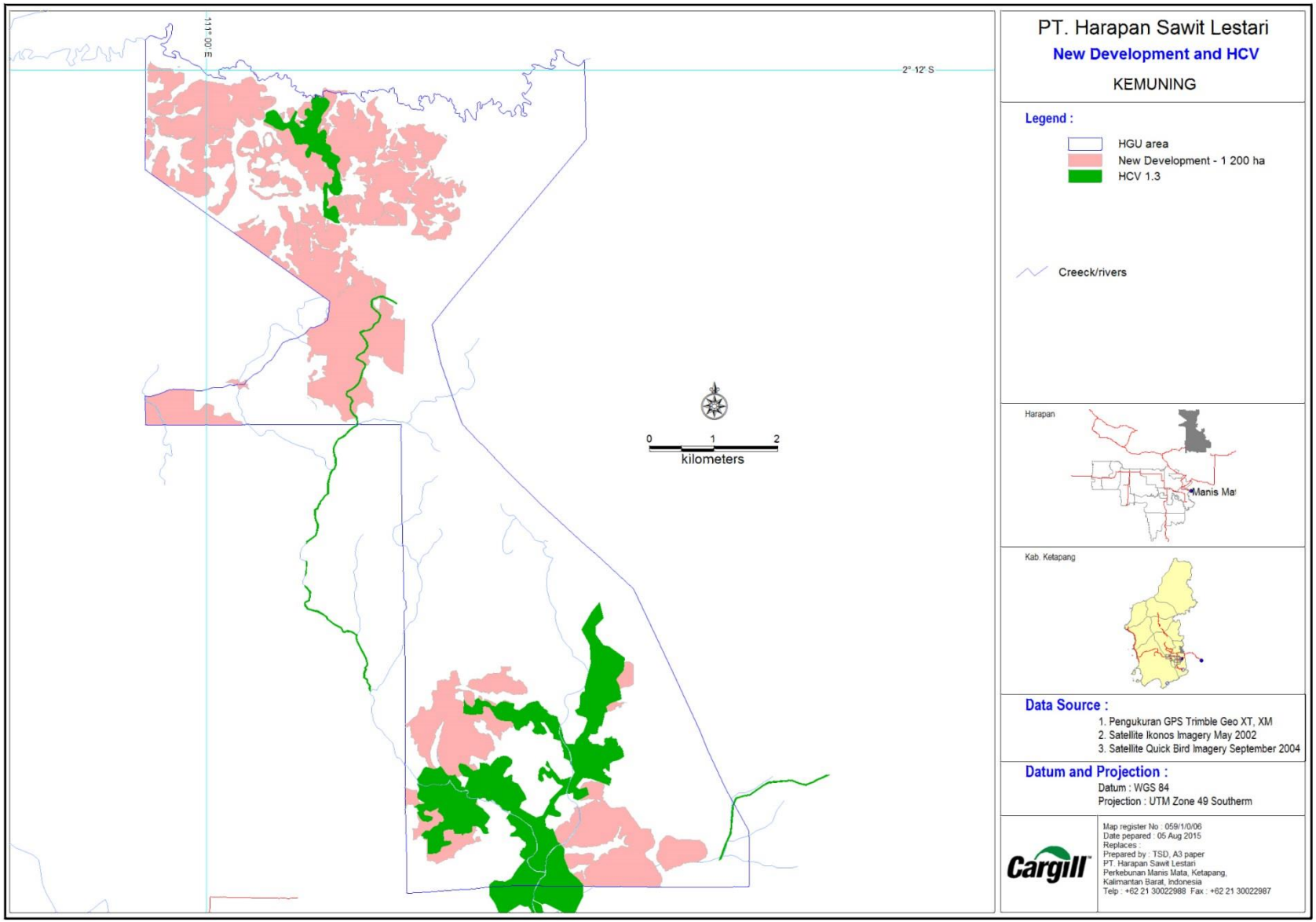


Figure 20. Location map of HCV 1.3 and inti new development area

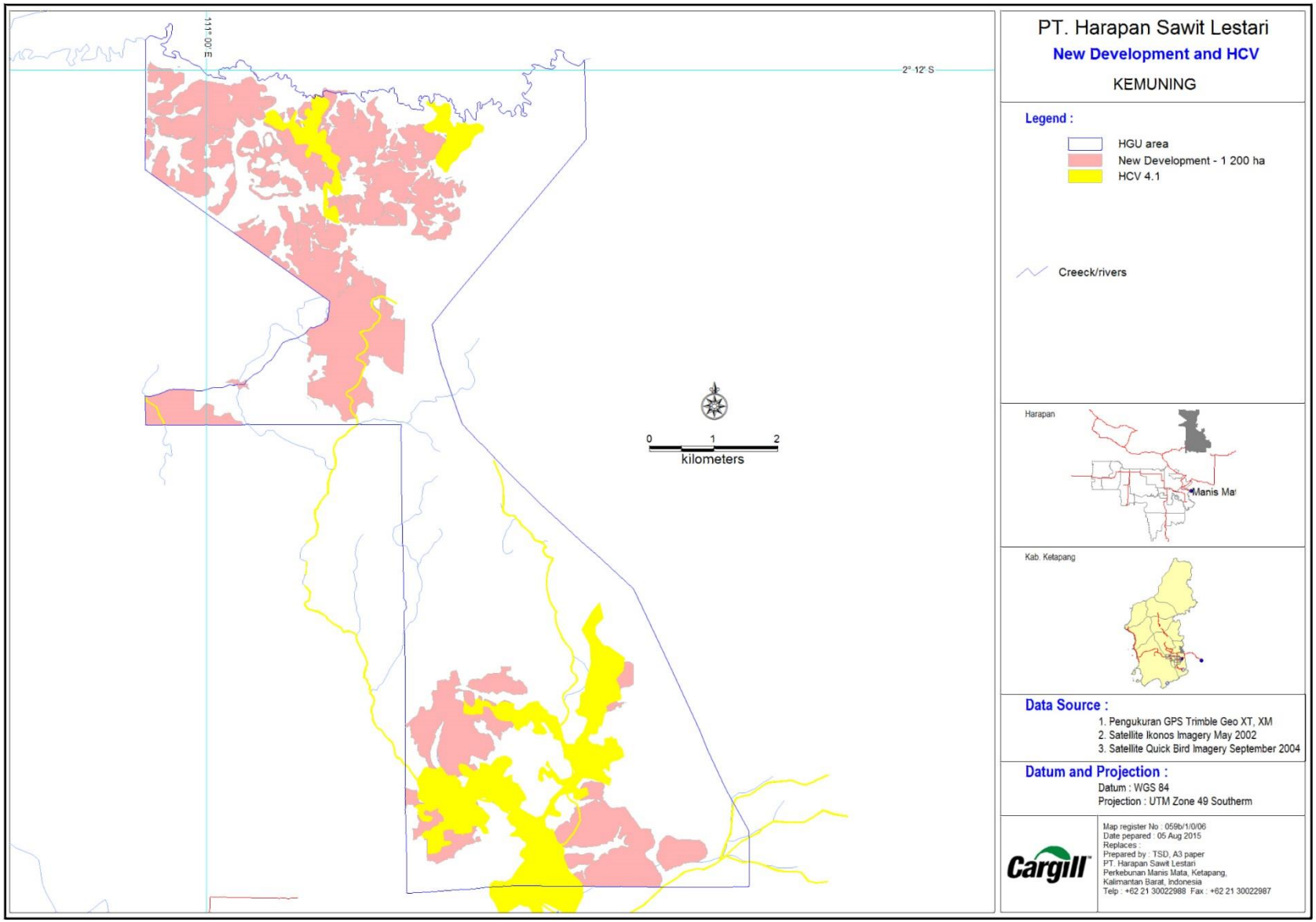


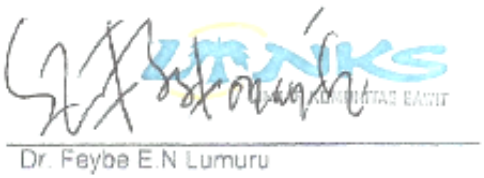
Figure 21. Location map of HCV 4.1 and inti new development area

5. Internal Responsibility

This document is summary of assessment result of High Conservation Value (HCV), Social Impact Assessment (SIA) and AMDAL of PT. Harapan Sawit Lestari has been approved by the management of PT. Harapan Sawit Lestari.

PT. LINKS, Social Assessor

Assessor Signature,



Dr. Feyba E.N Lumuru

Date: 13 July 2015

Faculty of Forestry, Institut Pertanian Bogor (IPB), HCV Assessor

Assessor Signature,

Dr. Ir. Jarwadi Budi Hernowo, MSc. F

Date: 13 July 2015

Management of PT. Harapan Sawit Lestari,

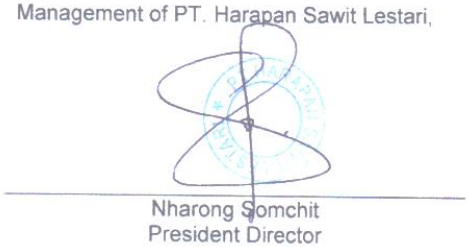
Nharong Somchit
President Director

Date: 13 July 2015

The statement of acceptance of responsibility for assessments

Assessment result document on High Conservation Value (HCV) by Faculty of Forestry, Institut Pertanian Bogor (IPB) and Social Impact Assessment (SIA) by PT. LINKS (Lingkar Komunitas Sawit) of PT. Harapan Sawit Lestari will be applied as one of the guidelines in managing palm oil plantation in PT. Harapan Sawit Lestari.

Management of PT. Harapan Sawit Lestari,



Nharong Somchit
President Director

Date: 13 July 2015