

**Summary Report of SEIA and HCV Assessments on PT Satya Kisma Usaha
Districts of Central Tebo and Tengah Ilir of Tebo Regency, Jambi**

Executive Summary

PT Satya Kisma Usaha (hereinafter referred to as “PT SKU”) is situated in Sungai Keruh Village of Central Tebo District and Muara Kilis Village of Tengah Ilir District, Tebo Regency, Jambi Province. The company has obtained a location permit by virtue of Tebo Regent Decree No. 227.B/BPN/2010 dated 7 May 2010, granting it a total area of 2,995 hectares in Central Tebo and Tengah Ilir Districts of Tebo Regency. This decree was amended with Tebo Regent Decree No. 243/BPN/2010 dated 8 June 2011 with a total area of 2,990 hectares (effective for three years). While for the smallholder area, [Tebo Regent Decree No. 2/BPN/2011 dated 14 Januari 2011 granted Cooperative ‘Sukma Bersatu’ with an area of 2,945 hectares took effect for a period of three years, from 7 May 2010]. Regarding this matter the outgrowers (Muara Kilis Plasma Unit/KILA) are not yet willing to apply RSPO’s NPP Procedures and Certification (according to a letter dated 28 March 2013).

PT SKU’s Environmental Management Document has been authorised with a Principal Permit based on Decree of Tebo Regency Environment Office No. 660.1/031/LH/2011 dated 2 February 2011, principally granting it with an area of 2,995 hectares in Central Tebo and Tengah Ilir Districts of Tebo Regency, Jambi.

PT SKU already has a Social Impact Assessment (“SIA”) document in possession, prepared by a team led by Yosaphat Ardhilla Renato who is a RSPO Approved HCV Assessors. Social management and monitoring plan documents are also available in the SIA document and have been socialised to the relevant stakeholders.

PT SKU’s has already carried out High Conservation Value (“HCV”) assessment on its concession. The assessment result shows that there are four HCV types found in the company’s concession, namely HCV 1.1, HCV 1.2, HCV 4.1 and HCV 6 with area of 260.14 hectares in Kilis Estate unit (KILE) and 317.851 hectares in Kilis Plasma (KILA).

Documents of Environmental Management Plan (“RKL”) and Environmental Monitoring Plan (“RPL”) were issued in February 2011 translated from its Environmental Impact Assessment (“EIA”) document and describe document of monitoring of measurement period and environmental impact caused by mill and plantation operation. The three documents are guidelines to PT SKU’s management unit in managing social and environmental aspects.

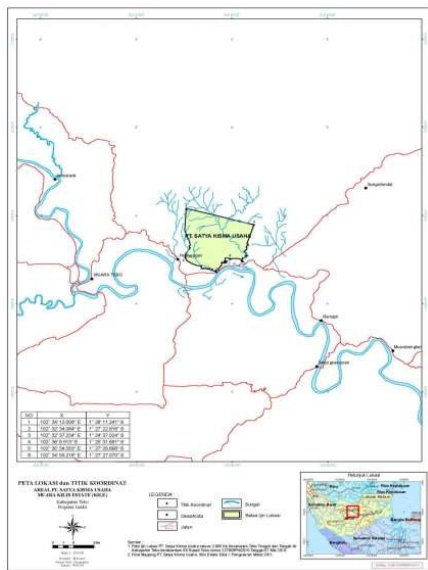
SEIA and HCV Assessment Scope

- FA** Name of Company : PT Satya Kisma Usaha
- FA** Location : Sungai Keruh Village of Central Tebo District and Muara Kilis Village of Tengah Ilir District, Tebo Regency, Jambi.
- FA** Geographic Location : (102⁰ 32'35,064" - 102⁰ 36'9.513" E) and (1⁰ 24'37,024" - 01⁰ 28'11,241" S)
- FA** Surrounding Area
- a. North : Community’s lands
 - b. East : PT Bejabang Indonesia’s plantation
 - c. West : Community’s lands and PT Tebo Plasma Intilestari’s plantation
 - d. South : Community’s land and West Sumatera Provincial Highway
- FA** Permits/Concessions
- 1. Location permit.
 - a. Regent Decree No. 227.B/BPN/2010 dated 7 May 2010 granting a total area of 2,995 hectares.
 - b. Amendment to the decree: Regent Decree No. 243 /BPN/2010 dated 8 June 2011 granting a total area of 2,990 hectares (effective for three years).

- c. Tebo Regent Decree for Sukma Bersatu Cooperative No. 2/BPN/2011 dated 14 January 2011 granting the company an area of 2,945 hectares, effective for 3 years as of 7 May 2010. In this case the outgrowers (Muara Kilis Plasma Unit/KILA) is currently not willing to apply RSPO NPP procedure and RSPO certification (based on a letter dated 28 March 2013).
2. Plantation Business Concession (IUP).
 - a. Tebo Regent Decree No. 141/Disbun/2011 dated 21 March 2011, covering an area of 2,995 hectares.
 - b. Sukma Bersatu Cooperative's Deed of Establishment No. 09/BH/Disperindagkop&UKM/IV/08 dated 18 April 2008 for the cooperative's establishment at Sungai Keruh Village of Central Tebo District and Muara Kilis Village of Tengah Ilir District, Tebo Regency.
 - c. Contract between PT SKU and Sukma Bersatu Cooperative No. 001-002/Kop.SB-SKU/VIII/2009 dated 12 August 2009 on agreement upon revitalisation-schemed oil palm plantation management.
 - d. PT SKU's Land of Title (HGU) certificate is still pending process by relevant institution.

 Location Map: Figure 1

Figure 1: Map of PT SKU' sLocation in Tebo Regency



Note: Maps with higher resolution have been attached in appendix 1.

Assessment Process and Procedures

a. SEI Assessment

Environmental Management Document (DPLH) was prepared together with Centre for Environmental Research, Universitas Jambi. The has also been acknowledged by Head of Regency Environmental Service Office of Tebo with Decree No. 660.1/031/LH/2011 dated 2 February 2011 covering an area of 2,995 hectares. PT SKU already has SIA document prepared in February 2013 by team headed by Yosaphat Ardillo Renato an RSPO Approved HCV Assessors. In addition to the SIA document available, there are also document of social impact management and monitoring plan as consulted to the relevant stakeholders. Public consultation on the social impact management and monitoring plan document was held on 19 December 2012 at one of the Management place (SBNE) in Tebo Regency. This event was attended by the office head, commander of military region, district secretary, head

of district police, private parties, cooperative head, and customary leaders. Following is the SIA document team.

SIA Team Leader:

Yosaphat Ardhilla Renato, S.Ant.

Born in Yogyakarta on 5 February 1987, he is a Corporate Social Responsibility (“CSR”) Officer to PT SMART, Tbk. Being an expert in social and cultural anthropology, he graduated bachelor of anthropology from Anthropology Department, Universitas Gadjah Mada (UGM) in 2010. He also joined HCV Resources Network and registered as a Social Discipline Specialist (*participatory rural assessment; socio-economic or cultural studies; participatory mapping; conflict resolution*) to RSPO Approved HCV Assessors.

Team Members:

Laurentius Vita Baskara, S.Sos.

Born in Yogyakarta on 29 April 1987, he is a staff to CSR Department with expertise on social development and welfare. He graduated bachelor of social from Social and Politics Faculty in 2010. His experience in surveying and assessing social impact includes his works in a number of PT SMART, Tbk.’s plantations and mills, such as social impact survey and analysis in North Sumatera, Jambi, Belitung, etc. In addition, he has also been trained on Free, Prior and Informed Consent (FPIC) and Social Mapping.

Veranita Mei Pratiwi, S.Ant.

Born in Magelang on 16 May 1987, she is a staff to CSR Department with expertise on socio-cultural anthropology. Graduated bachelor of anthropology from Cultural Anthropology of Universitas Gadjah Mada (UGM) in 2010, she has been involved in several SIA surveys in a number of PT SMART, Tbk.’s plantation areas and mill.

Suma Nugraha, S.E.

Born in Garut on 7 July 1984, he is a staff to CSR Department with expertise on social, economy, and politics. He graduated bachelor of economy from Economy and Management Faculty of Bogor Agricultural University (IPB) in 2008, and currently is pursuing his CSR master's degree from Trisakti University. He has been involved in social data gathering and social impact management monitoring in a number of PT SMART, Tbk.'s plantation areas and mill.

Widodo C. Yuwono

He currently holds position of Social Impact Assessment & Grievance Section Head. Having joined PT SMART, Tbk. since 1995, he graduated from Extra-School Education Major of IKIP-Jakarta State University. His carrier started as a Training Officer under Training & Development Department, tasked with training planning, making training syllabus, delivering training, and evaluation and training. Prior to holding position as Social Impact Assessment & Grievance Section Head, he was tasked with pioneering the company's CSR activities as a CSR Section Head whose main job was planning and implementing the company's CSR activities.

Assessment Methods

The method employed to collect data on socio-economic and cultural condition in the villages around PT SKU' plantations or mill is direct and indirect collecting system. Direct data collection system is carried out with survey method using questionnaire as its tool. Questionnaires are filled by informants and through Focus Group Discussion (FGD). As for the indirect data collection system, it was carried out through literature studies over Environmental Management Document (DPLH), HCV assessment, supporting literatures of official data from the Government such as those to find at the local governments' websites.

Primary data collection carried out through field visit is expected to provide specific and accurate data. The result will be completed by secondary data obtained through desktop study, containing the collected items and representing the data needed. Secondary data to collect other than through document or literature are PT SKU's Corporate Social Responsibility (CSR) programme and map of local area. The data generated from the

desktop study are analysed against the relevant RSPO principles and sustainable social aspects.

a. HCV assessment

HCV assessment activities were carried out by PT SMART, Tbk.'s Environment Department staffs, most of whom are already registered under RSPO Approved HCV Assessor. Following is the HCV assessment team members.

 Norman Faried Mustakiem

Born in Madiun on 26 February 1972, he currently is holding position as Section Head of the Environment Department, PT SMART, Tbk. His field of expertise is HCV assessment on Habitat Ecology. Graduated bachelor from Universitas Mulawarman, Samarinda in 1997, his name is now registered under RSPO Approved HCV Assessor.

 Firmansyah

Born in Jakarta on 5 July 1979, he is a staff to the Environment Department, PT SMART, Tbk. Graduated bachelor of biology in 2004 from Universitas Nasional, Jakarta, he was once a researcher working for Bornean Orangutan Survival Foundation (BOSF). Engaged in several HCV assessment activities in several companies, he currently registered as participant to HCV-Network.

 Ridho Farianto

Born in Sleman on 20 September 1979, he is a staff under PT SMART, Tbk.'s Environment Department. His field of expertise is HCV assessment on Flora and Environmental Services. Graduated from Universitas Kapuas Hulu in 2008, he to date has been involved in several HCV research for several companies and is registered as participant to HCV-Network.

 Dede M. Nasir

Born in Bogor on 18 May 1981, he currently is a staff of PT SMART, Tbk.'s Environment Department. His expertise is HCV assessment on Fauna Ecology and GIS Mapping. Graduated from Bogor Agricultural University (IPB) in 2004,

he has attended several HCV assessment-supporting seminars and trainings and is registered under RSPO Approved HCV Assessor.

Febia Arisnagara

Born in Bondowoso on 7 February 1985, he is a staff of PT SMART, Tbk.'s Environment Department. Graduated Bachelor of Forestry from Bogor Agricultural University (IPB) in 2009, he was once the Faculty of Forestry's HCV team member and have been involved in HCV Assessment on several plantation areas. He is registered under RSPO Approved HCV Assessor.

Laurentius Vita Baskara, S.Sos.

Born in Yogyakarta on 29 April 1987, he is a staff under PT SMART, Tbk.'s Environment Department with expertise on social development and welfare. He graduated bachelor of social from Social and Politics Faculty in 2010. His experience in surveying and assessing social impact includes his works in a number of PT SMART, Tbk.'s plantations and mills, such as social impact survey and analysis in North Sumatera, Jambi, Belitung, etc. In addition, he has also been trained on Free, Prior and Informed Consent (FPIC) and Social Mapping and Social Need Assessment (SNA) delivered by LINKS.

The HCV Assessment Phases

The HCV Assessment was carried out in November 2010, followed by public consultation on 19 December 2012. The phases of HCV assessment and identification in PT SKU's concession (at KILE-KILA units) were document and map collecting, review of documents and maps relevant to the assessment study, collecting general data and information concerning the assessment area, data analysis, HCV identification, and management and monitoring plan on the assessed HCV area.

Summary of Assessment Findings

a. SEIA Assessment

Based on the SIA implementation objective, following are the conclusion drawn.

1. PT SKU's presence has positively contributed of given impact to social condition of the community living in the area neighbouring the company. Various direct and indirect activities have brought about positive impacts to the community in the assessed area.
2. The positive impacts PT SKU has contributed to the community are, among others, those relating to the aspects of employment, economy, transportation infrastructure, religion and social relations. The positive aspects that the community benefits from are good road access, meeting of the community's social needs, improvement of its economic quality, and improvement of health service.
3. Land acquisition process was properly preceded by prior information, followed by mutual agreement between the company and the compensated community. This compensation process is adjusted to the PT SKU's procedure in place.
4. PT SKU's policy related to the Management of Occupational Health and Safety (OHS) has been practised. It increases positive impacts to the company staffs due to occupational safety security for all of them.
5. Negative impacts arising according to the Social Impact Analysis and Assessment are social unrest related to the disruption of KILA cooperation with outgrowers due to insufficient number of field workers.

List PT SKU's Social Impacts

No.	Social Impact	Social Issue
1.	Social unrest regarding to the plasma plantation	Currently non-optimised staffs' performance, especially in the plasma operational implementation.
		Currently uneven distribution/handover of estate certificates to those whose payments have been settled.
2.	Employment opportunities	Local workforce absorption by the company taking account of the quota for locals need to be concerned and adjusted to its workforce demand.

		Clear employment contracts from recruitment to salary payment and employment termination.
		Staff well-beings, capacity building programmes, protection of labours' rights through OHS implementation are performed by the company because they are parts of its inseparable obligations.

General Recommendation Based on the Social Impact Analysis and Assessment

1. Social unrest concerning the plasma estates

Based on the socialisation during investment phase, PT SKU's plantation would be developed at the assessment area described in the EIA document. Its land acquisition process has gone through FPIC process and method. This socialisation process can be seen in the supporting document of the public consultation on oil palm plantation investment which at that time would be run by PT SKU. The land stipulation at the beginning of the land acquisition is a crucial process to anticipate any undesired problems over the company's already-compensated lands. This is according to the procedure applied by PT SKU concerning land acquisition process.

PT SKU also forges cooperation with the local community for plasma estate opening as previously socialised. Concerning the land compensation process, establishment of community institutions such as farmer group, cooperative, as well as the workforce needed for the operational activities. Proactive communication to the stakeholders in the assessed area, socialisation to the landowners, farmer groups and Village Cooperative Unit (KUD) members and management, as well as operational staff training and strict supervision over the workforce are a series of endeavours in managing essential negative impact, namely social unrest regarding to the plasma plantation opening. Moreover, due to the increasing production year by year, it is expected that plasma plantation yields will be able to improve the local community's economy.

2. Increase of employment opportunities

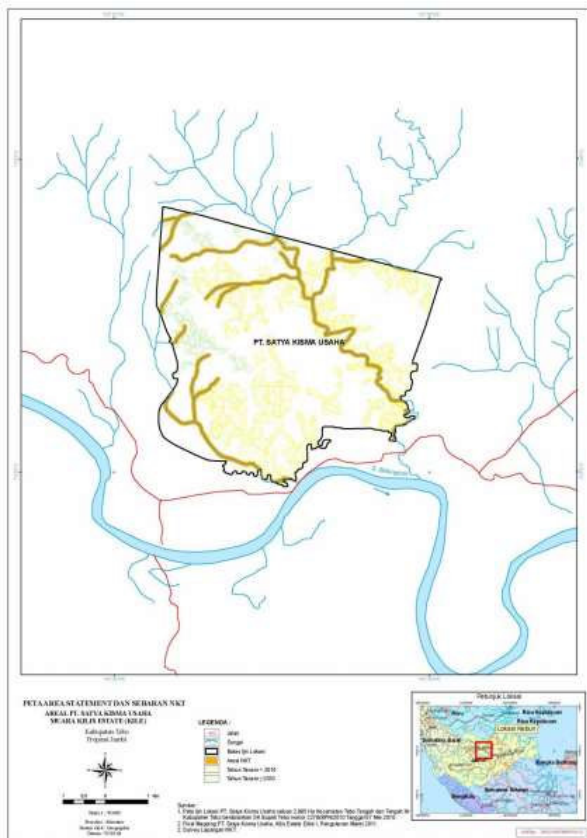
Increase of the local community's employment opportunities is carried out through several management actions such as: the company releases information on its workforce demand to the local government according to the job positions and their qualifications to accommodate the local workforce's absorption into permanent employment. The employees already joining the company are provided with OHS security because it is committed to applying OHS standards in its every operational activity.

b. HCV assessment

Based on the result of HCV assessment in PT SKU's concession, there are four HCV types found, namely HCV 1.1, HCV 4.1 (Kilis Besar, Kilis Kecil, Selingur, Inoman, Ibul and Buluh Rivers), HCV 1.2 or protected species, and HCV 6 (sacred forest of Bulian and cemetery). Total of the HCV area in KILE unit is 260.14 hectares while in KILA unit is 317.851 hectares. Public consultation was held on 19 December 2012 in one of the Management housing (SBNE) in Tebo Regency, attended by the office head, commander of military region, district secretary, head of district police, private parties, cooperative head, and customary leaders.

Recommendation made for PT SKU's management unit is that the company should immediately prepare its management and monitoring plan on the assessed HCV area. Once the document is available, the management unit must manage and monitor the assessed HCV area and conduct socialisation to, liaise with and consult the relevant stakeholders (e.g. the Government, local community, and relevant institutions) with regard to management of the assessed HCV areas.

Figure 2: Map of HCV assessment and PT SKU's project area

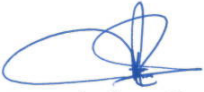


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Internal Responsibility

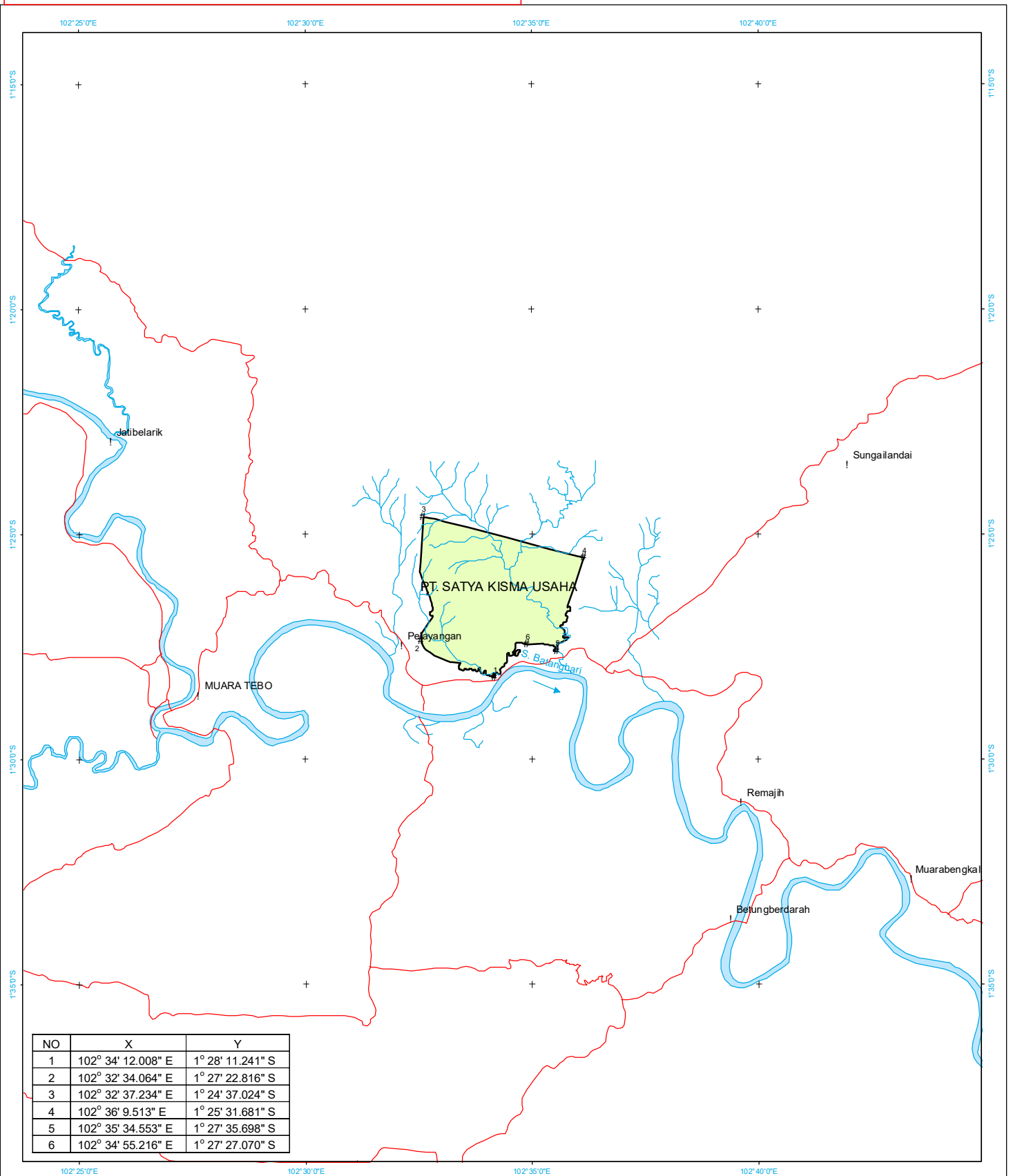
We hereby sign off on the above Summary Report of SEIA and HCV, The above may be amended and clarified for improvement during the development of the plantation but it will remain in accordance with RSPO Standards and Principles.

On behalf of the Management of **PT Satya Kisma Usaha**,



Dr. Haskarlianus Pasang
Head of Sustainability Division
Date: June 4th, 2013

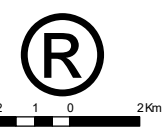
Appendix 1. Figure 1: Map of PT SKU's Location in Tebo Regency



NO	X	Y
1	102° 34' 12.008" E	1° 28' 11.241" S
2	102° 32' 34.064" E	1° 27' 22.816" S
3	102° 32' 37.234" E	1° 24' 37.024" S
4	102° 36' 9.513" E	1° 25' 31.681" S
5	102° 35' 34.553" E	1° 27' 35.698" S
6	102° 34' 55.216" E	1° 27' 27.070" S

PETA LOKASI dan TITIK KOORDINAT
AREAL PT. SATYA KISMA USAHA
MUARA KILISESTATE (KILE)

Kabupaten Tebo
 Propinsi Jambi



Skala 1 : 150.000
 Proyeksi : Mercator
 Sistem Grid : Geographic
 Datum : WGS 84

LEGENDA :

- # Titik Koordinat
- ! Desa/Kota
- Jalan
- Sungai
- Batas Ijin Lokasi

Sumber :
 1. Peta Ijin Lokasi PT. Satya Kisma Usaha seluas 2.995 Ha Kecamatan Tebo Tengah dan Tengah Ilir Kabupaten Tebo berdasarkan SK Bupati Tebo nomor 227/B/BN/2010 Tanggal 07 Mei 2010.
 2. Final Mapping PT. Satya Kisma Usaha, Kilis Estate Edisi I, Pengukuran Maret 2011.



Appendix 1. Figure 2: Map of HCV assessment and PT SKU's project area

