

Public Report Sustainable Forest Management System

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PUBLIC AUDIT REPORT – SFM

TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



CLIENT NAME: PT RIAU ANDALAN PULP AND PAPER

TOTAL HECTARES: 262,473

SCOPE OF REGISTRATION: Sustainable Forest Management of 262,473 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: 13 November 2019

AUDIT END DATE: 20 November 2019

LEAD AUDITOR: R Sigit Pamungkas

AUDIT TEAM: Ence Hedi Hasan

Warsito

In signing this document the Audit team confirms that they have had no involvement with the company under audit in terms of consultancy, training, direct employment etc. within the last 2 years and have no other involvement (financial, shareholding or commercial) that would constitute a Conflict of Interest

SIGNATURE:

SIGNATURE:

SIGNATURE:

MAJOR CARS :-

MINOR CARS :-

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
Head Office PT Riau Andalan Pulp and Paper	Pangkalan Kerinci Village, Pangkalan Kerinci District, Pelalawan Regency, Riau Province, Indonesia	13 and 20 November 2019
Estate Cerenti	Munsalo Village, Kuantan Tengah District, Kuantan Singingi Regency, Riau Province, Indonesia	November 14 to 15, 2019
Estate Logas	Petai Village, Singingi Hilir District, Kuantan Singingi Regency, Riau Province, Indonesia	November 16 to 17, 2019
Estate Ukui	Lubuk Kembang Bungo Village, Ukui District, Pelalawan Regency, Riau Province, Indonesia	November 18 to 19, 2019
SITE NAME (Legal Name):	ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION INCLUDING COUNTRY – TO BE COMPLETED IF CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN	
Estate Meranti West	Teluk Meranti Village, Teluk Meranti District, Pelalawan Regency, Riau Province, Indonesia	
Estate Baserah	Gunung Melintang Village, Kuantan Hilir District, Kuantan Singingi Regency, Riau Province, Indonesia	
Estate Mandau	Lubuk Jering Village, Sungai Mandau District, Siak Regency, Riau Province, Indonesia	
Estate Pelalawan	Pelalawan Village, Pelalawan District, Pelalawan Regency, Riau Province - Indonesia	

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Estate Langgam	Segati Village, Langgam District, Pelalawan Regency, Riau Province, Indonesia
Estate Teso	Gunung Sari Village, Gunung Sahilan District, Kampar District, Riau Province, Indonesia

Brief Description of the concession

PT Riau Andalan Pulp And Paper obtained a concession permit by Minister of Forestry Decree No. 130 / Kpts-II / 1993 dated February 27, 1993 total area ± 300,000 ha. This concession permit has been added 4 times:

- 1st Addendum: Decree of the Minister of Forestry No. 137 / Kpts-II / 1997 dated March 10, 1997, area ± 159,500 ha
- 2nd Addendum: Minister of Forestry Decree No: SK. 356 / Menhut-II / 2004, dated October 1, 2004, area ± 235,140 ha
- 3rd Addendum: Minister of Forestry Decree No: SK. 327 / Menhut-II / 2009, dated June 12, 2009, area ± 350,165 ha
- 4th Addendum: Minister of Forestry Decree No: SK. 180 / Menhut-II / 2013, dated March 21, 2013, area ± 338,536 ha

There has been no conversion of natural forest to plantation forest since December 31, 2010 within the areas registered for certification. The Management Unit is committed to not converting natural forest to plantation forest.

The certification at PT Riau Andalan Pulp And Paper (RAPP) is a multi-site certification, where the registered work areas consist of nine (9) registered estates, as follows: Estate Pelalawan, Estate Langgam, Estate Teso, Estate Mandau, Estate Ukui, Estate Baserah, Cerenti Estate, Logas Estate and Meranti West Estate. There are estates that are not registered for certification, Pulau Padang Estate, Tasik Belat Estate and Meranti East Estate. The area to be certified is 262,473 ha.

The Management Unit has a Work Plan for Industrial Timber Forest Product Utilization Business (RKUPHHK-HTI) for the Period of 2017-2026, which was approved based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.28 / MenLHK-PHPL / UHP / HPL.1 / 1/2018 regarding "Approval of the Work Plan for the Utilization of Industrial Timber Forest Timber Products (RKUPHHK-HTI) for 2017-2026 in the Context of Improving the Management of Peatlands in PT Riau Andalan Pulp and Paper in Riau Province". January 9, 2018.

The Management Unit has a Work Plan for Industrial Timber Forest Product Utilization Business (RKUPHHK-HTI) for the Period of 2017-2026, which was approved based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.28 / MenLHK-PHPL / UHP / HPL.1 / 1/2018 regarding "Approval of the Work Plan for the Utilization of Industrial Timber Forest Timber Products (RKUPHHK-HTI) for 2017-2026 in the Context of Improving the Management of Peatlands in PT Riau Andalan Pulp and Paper in Riau Province" on January 9, 2018.

Adjustment of Work Plan for Industrial Timber Forest Timber Product Utilization Business (RKUPHHK-HTI) for the 2017-2026 Period For the 2018-2019 Activity Year approved by the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.5261MenLHK-PHPL / UHP / HPL.1 / 8/2018. About "Approval of Adjusting the Work Plan for Industrial Timber Forest Timber Product Utilization Business ((RKUPHHK-HTI) for 2017-2026 Year Activities 2018-2019 on August 14, 2018".

PT Riau Andalan Pulp And Paper has conducted spatial planning based on RKUPHHK-HTI for the 2017-2026 period (LHK Men Decree Number: SK.28 / MenLHK-PHPL / UHP / HPL.1 / 1/2018.) Local Protection Areas and Other Protected Areas Areas of 55,973 ha (16.5%), Staple Plant Area of 208,305 ha (61.5%), Livelihood Plant Area of 21,892 ha (6.5%), Indigenous Plants Area of 32,140 ha (9.5%), Infrastructure Area of 9,045 ha (2.7%) and Area Ineffective for Production or 11,181 ha (3.3%) of the total area of 338,536 ha (100%).

Then based on the Revised RKUPHHK-HTI for the Period of 2017-2026 (Decree of MenLHK SK.6058 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 dated June 28, 2019) the spatial planning would be as follows: Local Protection Areas and Other Protected Areas 55,096 ha (17.5%), Staple Plant Area with an area of 208,304 ha (61.5%) and Livelihood Plant Area with an area of 71,136 ha (21.1%).

The estate visited for the Surveillance 2 Audit was Cerenti Estate, Estate Logas and Ukui Estate.

In the estates visited, the spatial arrangements were as follows:

- 1) Cerenti Estate:

Area of Staple plants of 20,532 ha (67.7%), Livelihood plants of 3,689 ha (12.3%), Protected Areas of 5,999 ha (20%), with the total area of 30,040 ha

2) Estate Logas:

Area of Staple plants of 14,413 ha (60%), Livelihood plants of 3,147 ha (13%), Local Protected Areas - Other Protected Areas of 6,530 ha (27%), with the total area of 24,090 ha

3) Ukui Estate:

Area of Staple plants of 9,925 ha (61%), Livelihood plants of 3,150 ha (19%), Local Protected Areas - Other Protected Areas of 2,015 ha (12%), Buffer Protected Areas of 1,222 ha (7%), with the total area of 16,312 ha.

The geographical location and boundaries for each estate visited were as follows:

1) Cerenti Estate: 101°35'00 " to 101°54'00" East and 000°29'00 " to 000°43'00" South

Bordered by:

- North side: HTI PT Arara Abadi
- Southern side: Tesso Nilo National Park (TNTN)
- East side: PT Musi Mas Plantation, Nilo River, PT Inti Indosawit Subur Plantation
- West side: HTI PT Arara Abadi

2) Estate Logas: 100°10'51 " to 100°22'57" East and 000°03'25 "to 000°12'59" South

Bordered by :

- North side: PT Pantai Raja estate (Ds. Tg Pauh area)
- Southern Side: Community Garden (Pulau Padang Village, Muara Lembu Village)
- East side: Community Garden (Kebun Lado Village, Petai Village, Sungai Paku Village, Koto Baru Village)
- West side: Bukit Rimbang & Bukit Baling Wildlife Reserves

3) Ukui Estate: 101°51'49 "to 101°03'01" East and 000°03'07 " to 000°12'07" South

Bordered by :

- North side: HTI PT Arara Abadi
- Southern side: Tesso Nilo National Park (TNTN)
- East side: PT Indosawit Subur
- West side: HTI PT Arara Abadi

Cerenti Estate and Logas Estate forest site has mineral soil, with the species grown being *Eucalyptus* sp. and *Acacia mangium*. Meanwhile, Ukui Estate has both mineral soil and peat. In the peat area, the species grown is *Acacia crassicaarpa*, while in the mineral soil both *Eucalyptus* sp and *Acacia mangium* are the species grown.

PT Riau Andalan Pulp and Paper has submitted a Peat Ecosystem Recovery Document that has been approved based on the Director General's Decision on Pollution and Environmental Damage Control Number SK.50 / PPKL / PKG / PKL0 / 5/2018 on 21 May 2018. The proposed estates are: Meranti, Pelalawan, Pulau Padang, Mandau, Tasik Belat, Langgam and Ukui. Some improvements in plantation management prior to recovery and recovery include: hydrological recovery in the form of improved zoning of water management, improvement of hydrological infrastructure and monitoring of groundwater levels.

Description of the socio-economic conditions of the concession and the concession's social programs

The Management Unit has identified community rights as contained in the Environmental Impact Analysis (AMDAL) document and the High Conservation Value (HCV) document. In carrying out HTI development operations, the company has involved the community in the form of socialization which is routinely carried out every year in all villages where there are logging activities (RKT). The 2019 RKT socialization program is available for villages that are included in the RKT activities which include socialization: vision and mission, concession boundaries, conservation areas, CD / CSR programs, complete with attendance lists, activity materials and activity documentation.

In the management of industrial plantations, the management unit of PT Riau Andalan Pulp And Paper has cooperated with communities around the concession, especially in the Cerenti Estate, Estate Logas and Ukui Estate in the form of cooperation in livelihood plants, the formation of the Fire Concerned Community (MPA), and the use of Non-Timber Forest Products (NTFPs) in the form of forest honey, rattan and freshwater fish. Records of collaboration on livelihood plants, NTFP utilization, and MPA formation are available.

The management unit has procedures for handling claims, complaints and requests for assistance governing the land settlement process claimed by the community. Conflict mapping and conflict resolution mapping reports are available on all lands that are still controlled by communities throughout the concession area and the efforts that have been made in settling land claims by the community.

There are documents for the CD program plan for 2019 with a 73% of budgets were realized. There are guided farmer groups spread across 9 estates with a total of 126 farmer groups with arable land and livestock assistance provided to the community around a total of 987 head of cattle. In addition there are 1958 senior high school scholarships and 2019 higher education scholarships. There is an evaluation report and a survey of the beneficiaries' satisfaction completed with the results of the evaluation and the 2018 PT Riau Andalan Pulp And Paper CD program.

Description of the Ecological conditions of the concession

The management unit has maintained and improved protected flora and fauna habitats, endemic, rare and threatened / endangered species, as well as features for biological purposes such as mother trees/ seedlings, dead/hollow trees, nesting and feeding sites, in the activities of:

- Patrolling in the context of monitoring forest fires and forest disturbance
- Creating map of animal distribution.
- Collecting of flora and fauna data in the Germplasm Conservation Area (KPPN), Wildlife Conservation Areas (KPSL), and Riparian.
- Installing of camera traps in the context of monitoring protected fauna
- Monitoring the value of vegetation diversity in the protected area (KPPN), KPSL and Leading Plants. Other than that, the conservation area is very effective as a water catchment area, germplasm protection and as an animal enclosure.
- Installing sign boards, in the form of appeal boards and prohibitions are quite effective in helping to maintain protected areas.

PT Riau Andalan Pulp and Paper has identified key species in its concession areas, by conducting: Camera Trap Installation for monitoring key species, Making Maps of distribution of key species including Honey Bear, Sumatran Tiger and Tapir. Identification and monitoring of fauna in the KPPN, KPSL and river border areas. Installation of sign boards containing information on types of protected wildlife and key species.

PT Riau Andalan Pulp and Paper is committed to building its entire area by implementing best practices in the fields of: social, environmental and economic. This is demonstrated by the launch of a policy on sustainable forest management by the APRIL Group (APRIL SFMP). This policy was launched on January 28, 2014 and then updated with the APRIL SFMP 2.0 on June 3, 2015. This policy includes: Long-term sustainability, forest conservation and protection, peatland management, sustainable reduction of the carbon footprint, pro-active support from local communities, respecting the rights of indigenous and tribal peoples, responsible practices in the working area, legal compliance and certification, good corporate governance, verification and transparency. Based on the above information it can be proven that it does not seek for genetically modified trees (GMO).

PT Riau Andalan Pulp and Paper has a document on Peat Ecosystem Recovery Plans and a Proposed Groundwater Height Compliance Point, an Automatic Groundwater Level Measurement Installation Point, and a rainfall monitoring station point for the business responsible. PT RAPP. 2017. The preparation of the company's RPEG documents refers to PP No.71 of 2014 jo. PP No.57 of 2016 concerning Protection and Management of Peat Ecosystems, Letter of the Director General

of Pollution and Environmental Damage Control No: S.55 / PPKL / PKG / PKL.0 / 3/2017, dated 29 March 2017 concerning the order for the Implementation of Peat Ecosystem Restoration.

Policy for the Use of Pesticides and Other Hazardous Materials February 2018:

- APRIL is committed to sustainable development in all locations where it operates. This is in accordance with the policy on sustainable forest management 2.0.
- APRIL has operational procedures and standards related to the monitoring, evaluation and review of pesticides and other hazardous materials, including controlling the use, storage, handling, storage, transportation and disposal.
- APRIL is committed to not to use prohibited materials as listed in Annex 3, IFCC standards 2013, WHO types I A and I B (2013), Stockholm Convention (2016) and Rotterdam Convention (2015).

PT Riau Andalan Pulp and Paper has conducted Forest Fire Monitoring which is carried out by patrol via land and air as well as via satellites to vulnerable points.

Prevention efforts undertaken:

1. Fire Aware Community Program.
2. Intensifying the role of the Fire Aware Community (MPA)
3. Formation of the Forestry Team and training.
4. Socialization of larvae burning forests and land.
5. Intensive patrol.
6. Making maps of fire-prone and daily fire hazard index monitoring.
7. Emergency team training, Provision of adequate fire equipment.
8. Installing warning signs of fire danger and a prohibition board for hunting animals in the area of PT. Riau Andalan Pulp and Paper.

Results of the Public Consultation

Before carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing October 23, 2019, asking stakeholders to provide feedback and information about PT Riau Andalan Pulp and Paper. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via e-mail or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders during the public consultation.

The audit team also collected information from the mass media about PT Riau Andalan Pulp and Paper, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, which consist of legal aspects that include compliance with rules and regulations and international conventions. The management system has been built to cover all activities in the field of certification, which is registered for an area covering 262,473 hectares.

Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.

Based on the results of the Surveillance 2 Audit of PT Riau Andalan Pulp and Paper, no Non-Conformities of either a Major or Minor nature were identified by the audit team.

Conditions under which the certificate is issued



Certificate is valid until December 09, 2020, provided that PT Riau Andalan Pulp and Paper maintains its surveillance schedule and does not have any major non-conformities at the time of the next surveillance visit