

# **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  
hectares

**SCOPE OF REGISTRATION:** Sustainable Forest Management in Plantation Forests covering an area of 262,473 hectares in Riau Province

**STANDARD/CRITERIA:** IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

**TYPE OF AUDIT:** Surveillance 1<sup>st</sup>

**AUDIT START DATE:** November 05, 2018

**AUDIT END DATE:** November 12, 2018

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

**LEAD AUDITOR:** Abdullah Mujahid

**SIGNATURE:**

**AUDIT TEAM:** Andri Wibisono

**SIGNATURE:**

Agung Utama Lubis

**SIGNATURE:**

**MAJOR CARS:** -

**MINOR CARS:** -

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
HO PT RAPP	Pangkalan Kerinci Village, Pangkalan Kerinci District, Pelalawan Regency, Riau Province, Indonesia	November 05&12, 2018
Estate Meranti West	Teluk Meranti Village, Teluk Meranti District, Pelalawan Regency, Riau Province, Indonesia	November 06 to 07, 2018
Estate Baserah	Gunung Melintang Village, Kuantan Hilir District, Kuantan Singingi Regency, Riau Province, Indonesia	November 08 to 09 2018
Estate Mandau	Lubuk Jering Village, Sungai Mandau District, Siak Regency, Riau Province, Indonesia	November 10 to 11, 2018
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 Logas	Petai Village, Singingi Hilir District, Kuantan Singingi Regency, Riau Province, Indonesia	
Estate Cerenti	Munsalo Village, Kuantan Tengah District, Kuantan Singingi Regency, Riau Province, Indonesia	
Estate Pelalawan	Pelalawan Village, Pelalawan District, Pelalawan Regency, Riau Province - Indonesia	
Estate Ukui	Lubuk Kembang Bungo Village, Ukui District, Pelalawan Regency, Riau Province, Indonesia	
Estate Langgam	Segati Village, Langgam District, Pelalawan Regency, Riau Province, Indonesia	
Estate Teso	Gunung Sari Village, Gunung Sahilan District, Kampar District, Riau Province, Indonesia	

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### **Brief Description of the concession**

PT Riau Andalan Pulp And Paper obtained a concession permit with the Decree of the Minister of Forestry No. 130 / Kpts-II / 1993 dated February 27, 1993. This concession permit has had four (4) addendums attached as follows:

1. 1<sup>st</sup> Addendum: Decree of the Minister of Forestry No. 137 / Kpts-II / 1997 dated March 10, 1997
2. 2<sup>nd</sup> Addendum: Decree of the Minister of Forestry No: SK. 356 / Menhut-II / 2004, October 1, 2004
3. 3<sup>rd</sup> Addendum: Decree of the Minister of Forestry No: SK. 327 / Menhut-II / 2009, June 12, 2009
4. 4<sup>th</sup> Addendum: Decree of the Minister of Forestry No: SK. 180 / Menhut-II / 2013, March 21, 2013 the area of 338,536 Hectares.

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 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.

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. August 14, 2018

PT Riau Andalan Pulp And Paper spatial planning based on RKUPHHK-HTI Period 2017-2026 (Men Decree of LHK Number: SK.28 / MenLHK-PHPL / UHP / HPL.1 / 1/2018.) includes Peat Ecosystem Protection Area of 160,726 ha (47.5%), Local Protection Areas and Other Protected Areas covering an area of 26,199 (7.7%), Staple Plants covering 124,847 ha (36.9%), Livelihood Plants of 26,764 (7.9%). Whereas based on the SK 5261 / Men LHK / UHP / HPL.1 / 8/2018 dated 14 August 2018: Peat Dome covering 9,185 ha (2,71 %), Non-Dome Peat: Staple Plant 112,398 ha (33,20 %), Livelihood Plant 43,568 ha (12.87%), Local Protection Areas and Other Protected Areas covering 24,807 ha (7,33%), Minerals: Staple Plants 92,035 ha (27.19 %) Livelihood Plants 28,115 ha (8,30 %) and Local Protection Areas and Other Protected Areas covering an area of 28,428 ha (8.40 %)

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

1. Estate Meranti West: Staple Plants 9,217 ha, Livelihood Plants 2,955 ha, Local Protection Areas - Other Protected Areas 1,385 ha for a total of 13,557 ha
2. Estate Baserah: Staple Plants 18,139 ha, Livelihood Plants 2,701 ha, Local Protection Areas - Other Protected Areas 4,015 ha for a total of 24,855 ha
3. Estate Mandau: Staple Plants 13,301 ha, Livelihood Plants 7,516 ha, Local Protection Areas - Other Protected Areas 2,627 ha for a total of 23,444 ha

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In this Surveillance I audit, the geographical location and boundaries for each estate visited were as follows:

Estate Meranti West: 00° 10' 00" to 00° 40' 00" North and 102° 27' 00" to 103° 08' 00" East

Bordered by :

- North side: IUPHHK-RE PT The Best One Timber Union, PT Gemilang Cipta Nusantara
- South side: Kampar River
- East side: Estate East Meranti
- West side: Kutub River

Estate Baserah: 00° 07' 00" to 00° 25' 00" South and 101° 30' 00" to 101° 54' 00" East

Bordered by :

- North side: Ex IUPHHK HA PT Hutan Sola Lestari
- South Side: Palm Oil Company of PT Wana Jingga Timur and Community Farm
- East side: IUPHHK-HTI PT Rimba Lazuardi
- West side: Transmigration area

Estate Mandau: 00° 48' 24" to 00° 51' 00" North and 101° 07' 49" to 101° 20' 15" East

Bordered by :

- North side: HTI PT Arara Abadi
- South Side: Palm Oil Company of PT Surya Inti Sari Raya and PT Wana Subur Sawit Indah
- East side: HTI PT Seraya Sumber Lestari
- West: HTI PT Arara Abadi

The estate of Estate Meranti is peat, with the species grown being *Acacia crassicarpa* Estate Baserah has mineral soil with the species grown being *Eucalyptus sp* and *Acacia mangium*; Estate Mandau has both mineral soil and peat. In the peat area, the species grown is *Acacia crassicarpa*, 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.

Then the Management Unit prepared the Adjustment of Work Plan for the Utilization of Industrial Timber Forest Timber Products (RKUPHHK-HTI) for the 2017-2026 Period for the Year 2018-2019, as approved by the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.5261MenLHK-PHPL / UHP /HPL.1/08/2018. About the Approval of Adjusting the Work Plan of Industrial Timber Forest Product Utilization Business (RKUPHHK-HTI) for 2017-2026 Year Activities 2018-2019. August 14, 2018.

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

Villages around the PT Riau Andalan Pulp and Paper concession at Estate Meranti West, Estate Baserah, Estate Mandau



belong to the local community. In Estate Baserah, there are claims from the indigenous peoples. There was no objection from the government regarding the existence of the *ulayat* rights of the indigenous people, and PT Riau Andalan Pulp and Paper has continued to respect the rights of the community over customary land claims that have existed since the Dutch colonial era. The company has cooperated with livelihood plants on about 2,000 hectares of land claimed by the community. There are no claims by customary law communities.

PT Riau Andalan Pulp and Paper has made efforts to resolve conflicts with the local community. The land claim on Meranti West Estate has been fully settled through a livelihood plants agreement, the company recognizing the community's historical claim to the agricultural areas from long before it received its concession permit. In Estate Baserah, interviews with the indigenous people reveal claims of their customary rights within the company's concessions where previously the community used to look for wood in the forest. Since the company came, however, the community has been invited to work together in a livelihood plant program. In Estate Mandau, meanwhile, interviews with the Farmers Group reveal the company will offer various alternatives to settle any historical claims to land within its concession. Alternatives offered include compensatory crops, cooperation on livelihood plants with staple plants or other plants according to the wishes of the community, but in general the community is offered rubber plants.

PT Riau Andalan Pulp and Paper has entered into a number of agreement with the surrounding community relating to livelihood crops, acceptance of local labor, local contracting partners, and corporate social responsibility programs. At the Meranti Estate, the Livelihood Plant Agreement covers an area of approximately 2,000 hectares within the company's concession. All costs from land clearing to harvest are for the company account, and after the rubber plants begin to produce they are handed over to the community cooperatives. In Baserah Estate, there is a Letter of Agreement in collaboration with livelihood plants in the 2,000 hectares of communal claim area of the community, which is planted with staple plants. In addition to the cooperation of livelihood plants, the community also receives assistance through the community development program and is prioritized in obtaining employment with the company. There is a Cooperation Agreement in regard to the Community Development Program. In the Mandau Estate, there is an Agreement on Livelihood Crop Cooperation with the Village Community.

PT Riau Andalan Pulp and Paper has carried out community empowerment programs around the company's concession area in an economic program in the form of integrated farming system and MSMEs. The education program provides scholarships for students around the area, health programs in the form of public health and social programs, volunteering employees and companions of coaching assistance. There are also 70 small and medium business partners with the communities from the various villages.

### **Description of the ecological conditions of the concession**

The management unit has carried out Forest Ecosystem and Hydrological Function Management through conducting the following activities:

- Identification of forest management activities that have important impacts, and conducted an environmental impact assessment through: PT Riau Andalan Pulp and Paper UKL & UPL AMDAL Document (Decree of the Forestry AMDAL Commission in 1994 and 1997, Decree of the Governor of Riau in 2001 and 2006. Management implementation and environmental monitoring each semester is presented in the report on the Implementation of Environmental Permits (RPL / RKL) per Estate.
- Reduced Impact Logging activities are carried out with stages before logging (pre-harvesting), during logging operations (harvesting), after logging (post-harvesting)
- Identification of areas that function as soil and water protection, designating such under local protected area and other protected areas, monitoring reports of which are submitted each semester
- Monitoring the negative impact of forest management activities in the concession area is carried out in accordance with



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the RKL and RPL AMDAL documents. utilizing documented standard procedures.

- PT Riau Andalan Pulp and Paper also has documented procedures for the controlled use of B3 (Hazardous and Toxic Materials).

The Management Unit has carried out biodiversity management through the following activities:

- Identification and inventory of protected, endemic, rare and endangered flora & fauna in the concession area, which is recorded in a map of flora and fauna distribution along with their migration patterns.
- The types of staple plant cultivated are not genetically modified, being *Eucalyptus Sp*, *Accacia mangium* and *Acacia cracicarpa*.

The Management Unit carries out Forest Protection activities through documented procedures for the protection and control of forest disturbances, be these natural such as disease or infestation, or human in nature such as encroachment or illegal land occupation, etc.

This is particularly true for implementation of forest protection measures against fire hazards, for which PT Riau Andalan Pulp and Paper has documented procedures that preclude livestock grazing activities by the local community.

### **Results of the Public Consultation**

Before carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing October 18, 2018, 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](http://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 with the conformity.**

Based on the results of the Surveillance I 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 (--/--/--)