

# **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 in Plantation Forest covering 262,473 ha in Riau Province, Republic of Indonesia

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Re-Certification

AUDIT START DATE: November 23, 2017

AUDIT END DATE: November 30, 2017

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: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Zaenal Arifin

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
HO PT RAPP	Village of Pangkalan Kerinci, Sub-District of Pangkalan Kerinci, Pelalawan Regency, Riau Province - Republic of Indonesia	November 23, 30, 2017
Estate Pelalawan	Village of Pelalawan, Sub-District of Pelalawan, Pelalawan Regency, Province - Republic of Indonesia	November 24/25, 2017
Estate Langgam	Village of Segati, Sub-District of Langgam, Kabupaten Pelalawan, Riau Province - Republic of Indonesia	November 26/27, 2017
Estate Teso	Village of Gunung Sari, Sub-District of Gunung Sahilan, Kampar Regency, Riau Province - Republic of Indonesia	November 28/29, 2017
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	Village of Petai, Sub-District of Singingi Hilir, Kuantan Singingi Regency, Riau Province - Republic of Indonesia	
Estate Cerenti	Village of Munsalo, Sub-District of Kuantan Tengah, Kuantan Singingi Regency, Riau Province - Republic of Indonesia	

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Estate Baserah	Village of Gunung Melintang, Sub-District of Kuantan Hilir, Kuantan Singingi Regency, Riau Province – Republic of Indonesia
Estate Ukui	Village of Lubuk Kembang Bungo, Sub-District of Ukui, Pelalawan Regency, Riau Province – Republic of Indonesia
Estate Mandau	Village of Lubuk Jering, Sub-District of Sungai Mandau, Siak Regency, Riau Province – Republic of Indonesia
Estate Meranti West	Village of Teluk Meranti, Sub-District of Teluk Meranti, Pelalawan Regency, Riau Province – Republic of Indonesia



## **Brief Description of the concession**

PT Riau Andalan Pulp And Paper obtained its concession license per Decree of Minister of Forestry No. 130 / Kpts-II / 1993 dated February 27, 1993. This concession license currently has four addendums:

1. First Addendum: Decree of the Minister of Forestry No. 137/Kpts-II/1997 dated March 10, 1997
2. Second Addendum: Minister of Forestry Decree No: SK. 356/Menhut-II/2004, dated October 1, 2004
3. Third Addendum: Minister of Forestry Decree No: SK. 327/Menhut-II/2009, dated June 12, 2009
4. Fourth Addendum: Minister of Forestry Decree No: SK. 180/Menhut-II/2013, dated March 21, 2013

PT Riau Andalan Pulp And Paper had a management plan document, the Revised RKUPHHK-HTI for the 10-year period 2010 – 2019, which had been approved based on Kepmenhut No. SK.93 / VI-BUHT / 2013 dated 17 December 2013. The revision of RKUPHHK-HTI was compiled due to the issuance of Kepmenhut No. SK.180 / Menhut-II / 2013 dated March 21, 2013. On 16 October 2017, the Ministry of Environment and Forestry cancelled the long-term work plan (RKU) that had been valid until 2019. On 16 November 2017, PT RAPP filed an application with the State Administrative Court (PTUN) in Jakarta requesting confirmation on PT RAPP's objection to the revocation of PT RAPP's RKU, based on Law 30/2014 on Government Administration which stipulates that such responses should be made within 10 working days. Despite this, PT RAPP has continued to engage with the Ministry in good faith on the revision of its RKU to adopt the Peat Ecosystem Function (Fungsi Ekosistem Gambut /FEG) regulation.

Throughout this process, PT RAPP's position has remained consistent and compliant with the prevailing laws and regulations of Indonesia, while continuing with its efforts to work with the MoEF to achieve a positive solution to its present discussions. Having submitted the latest revision of its work plan to the Ministry on December 4, PT RAPP now looks forward to receiving the approval thereof.

The spatial arrangement of the 338,536 ha total area of PT Riau Andalan Pulp And Paper is as follows: Main Plant Area of 218,478 ha (64.5%), Indigenous Plant Area of 34,468 ha (10.2%), Livelihood Plant Area of 17,514 ha (5.2%), Protected Area of 49,707 ha (14.7%), Infrastructure Area of 7,745 ha (2.3%) and Area Unsuitable for Production of 10,623 ha (3.1%).

In the estates visited the spatial arrangement was as follows:

1. Pelalawan Estate (85,855 ha): Main Plant Area of 55,882 ha (65%), Indigenous Plant Area of 16,009 ha (19%), Livelihood Plant Area of 1,979 ha (2%), Protected Area of 8,441 ha (10%), Infrastructure Area of 2,003 ha (8%), Area Unsuitable for Production of 1,541 ha (2%);
2. Estate Langgam (6,710 ha): Main Plant Area of 4,603 ha (69%), Indigenous Plant Area of 647 ha (10%), Protected Area of 1,262 ha (19%), Infrastructure Area of 166 ha (1%), Area Unsuitable for Production of 32 ha (0%);
3. Estate Teso:
  - a) Teso Timur (17,095 ha): Main Plant Area of 12,123 ha (71%), Indigenous Plant Area of 2,110 ha (12%), Livelihood Plant Area of 368 ha (2%), Protected Area of 2,118 ha (12%), Infrastructure Area of 376 ha (2%), Area Unsuitable for Production of 0 ha (0%); and
  - b) Teso Barat (20,110 ha): Main Plant Area of 11,341 ha (56%), Indigenous Plant Area of 414 ha (2%), Livelihood Plant Area of 3,064 ha (15%), Protected Area of 2,531 ha (12%), Infrastructure Area of 532 ha (2%), Area Unsuitable for Production of 2,281 ha (11%).

The estate of Pulau Padang, Tasik Belat, and Meranti East are excluded from the certification on the basis of ineligible conversion

PT Riau Andalan Pulp And Paper is incorporated as part of the APRIL Group and is thus committed to the APRIL Group Policies on Sustainable Forest Management 2.0 (APRIL SFMP 2.0) dated June 3, 2015, as follows:

- Creating prosperity and sustainable raw materials in lands designated by the Government for the development of forest plantations; support the Government to achieve and maintain the status of conservation in the area of operations. Guarantee that only legal wood fibers will enter the company production line and support the Government's actions in the fight against illegal logging and hunting.

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- Manage concession in accordance with the concept of sustainable forest mosaic plants to produce wood fibers, and to maintain or increase the representation of ecosystems within the concession.
- Promote and protect the health, safety and welfare of employees, labor contractors and the communities around the area of operations of PT. RAPP, improve the performance of Environmental, Social, Health and Safety in a sustainable manner, and achieve sustainable forest management certification and K3

Audit sampling for the Re-Certification Audit selected the Pelalawan Estate, Estate Langgam and Estate Teso. The geographical locations and area boundaries of the estates are as follows:

Pelalawan Estate: 00° 12' 15" to 00° 40' 00" North and 101° 57' 10" to 102° 26' 46" East.

Borders:

- North: SM. Lake Great Lake
- South: Garden of Inti Hibrindo, HTI PT Selaras Abadi Utama
- East: HTI CV Alam Lestari, HTI PT Bhakti Praja Mulia, Pole River
- West: HTI CV Buah Negeri, HTI CV Bahtera Mandiri

Estate Langgam: 00° 29' 00" to 00° 40' 00" North and 100° 40' 00" to 101° 29' 00" East.

Borders:

- North: Kampar Kiri River, PT Mitra Unggul Pusaka
- South: HTI PT Nusa Wana Raya
- East: PT Mitra Unggul Pusaka
- West: Kampar River

The Teso Estate consists of Teso Timur and Teso Barat:

East Teso: 00° 10' 00" to 00° 01' 00" South and 101° 18' 00" to 101° 33' 00" East.

Borders:

- North: HPH PT Siak Raya Timber, HTI PT Nusa Wana Raya
- South: HTI PT Hutani Sola Lestari
- East: HPH PT Siak Raya Timber
- West: Teso River, Kampar Kiri River

West Teso: 00° 03' 53" to 00° 42' 58" South and 100° 14' 19" to 100° 23' 45" East.

Borders:

- North: Kampar Kiri River
- South: HTI PT Wana Riau Sentosa
- East: PT Blang Kolam, APL
- West: PT Ganda Buaninda, APL

The Pelalawan Estate is of peat type soil on which *Acacia crassicarpa* is the main species grown, whereas both Estate Langgam and Estate Teso have mineral type soils with the species grown being *Eucalyptus sp* and *Acacia mangium*

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

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In accordance with the APRIL Group Policy in Sustainable Forest Management 2.0 (APRIL SFMP 2.0) dated June 3, 2015, PT Riau Andalan Pulp and Paper recognizes and respects the legal rights of tenure systems of the people residing around its working area. There are no indigenous peoples as defined under the law (Law No. 27 of 2007 and Presidential Decree No. 111 of 1999) to be found around the working areas.

For this re-certification audit, the Pelalawan, Langgam and Teso estates were visited. As with the other estates, there are numerous village communities surrounding the working areas, with the majority earning their livelihood in the agricultural sector.

As with its other estates, the Management Unit has entered into cooperation agreements for the management of livelihood plants, utilization of non-timber forest products, and the implementation of the Community Development program.

As part of the APRIL Group, PT Riau Andalan Pulp and Paper has in place conflict resolution mechanisms to resolve possible areas of conflict with the surrounding communities. The Management Unit documents claim and complaint reports, mapping of stakeholders and civil society, and a map of the area in the case of land claims. Interviews with community leaders in the villages confirmed that claims in the past had all been settled

The PT Riau Andalan Pulp and Paper Community Development Program (CD) focuses on improvement of community economic income through assistance with an integrated farming system and local small and medium enterprises. From the social standpoint, meanwhile, it ensures the provision of community healthcare and educational facilities, as well as improvements in the provision of basic infrastructure, The Management Unit is also very sympathetic to requests for assistance that relate to observance of religious responsibilities.

PT RAPP Community Development Program activities include:

- ◆ Integrated Farming System: Training for farmers, aid for farmers, agricultural inputs, farmer meetings, cattle training, goat livestock training, organic fertilizer training.
- ◆ Micro, Small and Medium Scale Business Activities: Assistance to local community partners, increasing number of partners, entrepreneurship training, exhibition support for network marketing enhancement, meeting partners.
- ◆ Educational Activities: Training for teachers and students, scholarships for nearby communities to universities, health campaigns, integrated health posts (posyandu), health care.
- ◆ Infrastructure: construction of community facilities, building material assistance, youth and sport assistance,
- ◆ Community Development activities undertaken by PT RAPP are undertaken on the basis of community proposals on a bottom-up basis. PT RAPP conducts 'Rembug' activities in the villages to determine the program to be implemented the following year.
- ◆ To evaluate community empowerment activities, PT RAPP conducted a Community Satisfaction Survey (CSS) in 2016. Based on the results of the survey, community development programs can establish better relationships between companies and communities.

**Description of the Ecological conditions of the concession**



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PT Riau Andalan Pulp And Paper has environmental documents that serve as guidance in environmental management, which include: ANDAL (Environmental impact analysis), RKL (Environmental Management Plan) and RPL (Environmental Monitoring Plan). The results of its environmental monitoring and management are reported to the requisite authorities on a regular periodic basis.

Among the impacts monitored are micro-climate changes and air quality (carbon emissions), as well as various indicators relating to the health of the soil and the quality of the water. Each estate has also allocated protected areas for the protection of flora and fauna, including protected and endangered species, and the protection of the surrounding ecosystem. Pelalawan Estate has an area of 85,855 ha, Langgam Estate an area of 6,710 ha and Teso Estate an area of 37,206 ha in total. Protection of these areas includes marking and monitoring of their boundaries, socialization of the areas to the public, employees and their families, maintaining an inventory of their contents and implementing regular patrols.

Fire watch patrols are also carried out on a regular basis, while plants in all areas are monitored for any outbreak of disease or infestation by pests. Installation of information boards prohibiting the lighting of fires in the forest and regular patrols are also carried out to minimize negative impacts due to illegal incursions or forest/land fires.

**Results of the Public Consultation**

Prior to performing the Re-Certification Audit, PT AJA Certification Indonesia conducted public consultation commencing 16 November 2017, asking stakeholders to provide feedback and information on PT Riau Andalan Pulp And Paper. The public consultation was uploaded to PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to the parties via email or postal mail, and published in a local newspaper. PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation.

The audit team also gathered information from the mass media about PT Riau Andalan Pulp and Paper. Such reported cases are considered to be part of the audit process by PT AJA Sertifikasi Indonesia.

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

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

The results of the Re-Certification Audit of PT Riau Andalan Pulp and Paper revealed just a single minor non-conformity. The management system of PT Riau Andalan Pulp and Paper is still running effectively.

No	Non-Conformity	Corrective Action Performed	Category
1	PT RAPP has presented evidence of the revision and approval process of RKUPHHK-HTI Document (Work Plan for Timber Industry Plantation Forest Utilization) for the period of 2017-2026 in an effort to adjust Spatial Planning to PP No. 71 Year 2014 Jo. PP Number 57 of 2016 on the Protection and Management of Peat Ecosystems, but up to the time of the Re-Certification Audit the document has not	PT RAPP has submitted a new revised RKUPHHK-HTI to the Ministry of Environment and Forestry on 4 December 2017 which adopts the Peat Ecosystem Function (Fungsi Ekosistem Gambut /FEG) regulation.	Minor

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	been approved by the authorized institution  <b>Clause Ref: I.1.1</b>		
<b>Conditions under which the certificate is issued</b>			
IFCC SFM Certificate PT Riau Andalan Pulp And Paper Certificate number: AJA/IFCC-PEFC/FMC-HT/00001/XII/2014 is valid until December 9, 2020 on the condition that PT RAPP continues to make progress towards resolving the status of its RKU.			