

Public Report Sustainable Forest Management System

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AJA EUROPE

PUBLIC AUDIT REPORT - SFM

TO BE SUBMITTED TO THE CLIENT, IFCCAND TO AJA EUROPE



SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):	DATE OF EACH SITE VISIT:
PT NSR	Kampar Kiri Subdistrict, Kampar Regency and Langgam Subdistrict, Pelalawan Regency, Riau Province – Indonesia.	16 – 19 November 2015
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 (If more than 4 additional sites have been registered please add additional rows)	
REF No:	ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)	
	N/A	

Brief Description of the concession and its natural and socio-economic conditions.

PT. Nusantara Sentosa Raya(d/h. PT. Siak Raya Timber) is a purely private company (with the status PMDN) engaged in the business of timber forest product utilization in industrial forest plantations with the aim to produce wood fiber, located in Regency Kampar and Pelalawan, Province Riau. Forest utilization activities is based on the decision Minister of forestry Number :SK.202/MENHUT-II/2007 May 16, 2007 about Granting business license Harvesting Forest Wood On the Forest Industry Plants in the forest Plants to PT. Siak Raya Timber up hectare Production Forest Area 23.030 Ha in Regency Kampar and Pelalawan, Province Riau. and October 4, 2012 with wide working area 23.030 acres. Next through the decision Minister of forestry Number : SK.550/MENHUT-II/2012 October 4, 2012 Been stated about change / diversion legal entity company from the beginning PT. Siak Raya Timber be PT. Nusantara Sentosa Raya (NSR). In Government Administration, areal work PT. NSR located in Regency Pelalawan and Kampar, Province Riau; In forest pemangkuan included in territorial the forestry office Regency Kampar, Department Of Forestry Regency Pelalawan, Department Of Forestry Province Riau. Areal work PT. NSR Is ecosystem forest land mineral, located at an altitude of between 71 – 92 m dpl, with this type of



sediment rocks (*alluvial*) where is composed of rocks of sedimentary alluvium young and the older alluvium and not found the existence of deposit mining. The working area is included in the Group's Jungle River Nilo; River Basin (DAS) Kampar, Sub DAS Kampar River Left, Sub DAS Sengawek River, Sub DAS Teluk Kasai River and Sub DAS Segati Rivers. The location work area (Camp) PT. NSR can be reached from Pekanbaru using the road for 2 hours.

Types of staple crops that are developed are *Acacia mangium* with cycle 6 years, and Since 2010 experiment planting types of *Eucalyptus sp.* The plant life that will be developed is also the type of *Acacia mangium* through the system for the results with the community, but until then this realization still nil. Until September 2015, realization of embedded acre acreage 9.069Ha(in the County Kampar) and 1.735 Ha (in the County Pelalawan) comprising staple crops *Acacia mangium* dan *Eucalyptus sp.* The realization activities harvesting forest crops for the period RKT 2014 (16 September 2014 until 15 September 2015) in the form of timber production registration 197.199,73 m³ (target 212.792 m³) in the County Kampar and 42.531,07 m³(target 41.583 m³) in the County Pelalawan.

In and around the area of work PT. NSR there are 8 villages, i.e.: Mountain Village Sahilan, Village Kebun Durian, Village Rantau Kasih, Village River Pagar, Village Mentulik, Base village Godai, Village Sotol and Village Segati. The majority of the livelihood residents are farmers/laborers with staple crops that are grown are: padi, corn, cassava, vegetables and plant medicines (galangal, serai, Ginger, turmeric etc.). Annual plants for the most part dress rubber plant. The original ethnic that inhabit villages around the area of concessions is etnis melayu, Java, Batak and Minang which coexist well with each other. The majority population is immigrants from Labuan Batu (North Sumatra) that is largely a Javanese Wanderer. The average level of public education is primary education, with the education facilities that are present in each village is primary school and MDA (Madrasah Diniyah Awaliyah), SMP and SMA built in self help by the community. Adequate health facilities.

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

Based on the results of the audit stage 2 PT. NSR found a number of findings, i.e. 4 Minor and 20 Observations for improvement. All this audit process can proceed and the company has demonstrated the seriousness and commitment in sustainable forest management by means of continuous improvement actions to improve its performance.

The findings of these are:

1. Document RKUPHHK-HT Year 2008 – 2017 not effectively treated as reference activities, for example in case of realization of the selection of the type of staple crops. The manage plan not followed on the cultivation of the staple crops, with the reality on the ground is UM since month October 2011 until month May 2015 It also has planted *Eucalyptus sp* type covering an area of 1735.5 Ha and *Acacia crassicarpa* in 2010 and 2014 covering an area 234,9 Ha.
2. Not found proof of payment PBB over the working area in Reg. Pelalawan covering an area 7.010 Ha
3. In the implementation in the field is obtained throughout the stilt Compartment Main Plant made did not follow procedure (SOP-NSR-CAN-001 page 9) with the information: code staple crops (TP), The Name Company (NSR), Number Compartemen, Wide Compartemen, The Planting Date, Type (Clones)and Planting Distance. But only the compartment number information only (so the less informative)
4. Of the droplets of herbicide in the soil at the time of mixing chemicals activities (mixer) in plot J 001 on the activities of the spray (spraying). As for the name of the officer Mr. Agus. The main problem is the place / pedestal / containen to do the mixing of the chemicals are too small, herbicide droplets so the land.

As for corrective actions that have been carried out by the company that is:

1. Planning divison perform an evaluation and saving document on evaluation result of RKTUPHHK-HTI implementation to become references of consideration in the revision or preparation RKUPHHK-HTI next period.
2. Accounting Division ensuring all proof of payment PBB (in 2011,2012,& 2013) is available.
3. Planning division continue the repairing activities of numbering (identity) of compartment boundary markers according to SOP-NSR-CAN-001.
4. K3L Division and the Plantation Foreman perform a monitoring based on their responsibilities consistently according to SOP-NSR-LIN-008.



PT NSR in conducting sustainable forest management IFCC standard have been working hard to meet all the requirements in the standard IFCC SFM ST 1001:2014 .

Conditions under which the certificate is issued

The certificate is valid until 19/11/2018, provided that PT Nusantara Sentosa Raya complete all corrective actions in accordance with the timetable proposed in response to the nonconformities that were identified during the initial assessment. Implementation of corrective actions will be checked during the first Surveillance audit.