

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 CITRA SUMBER SEJAHTERA

TOTAL HECTARES: 15,360 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 15,360 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification

AUDIT START DATE: May 8, 2019

AUDIT END DATE: May 11, 2019

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: Riyadi Sigit Pamungkas

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS : 0

MINOR CARS : 4

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Citra Sumber Sejahtera	Peranap District, Indragiri Hulu Regency, Riau Province, Indonesia	May 8 to 11, 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	
N/A		

Brief Description of the concession

The area of PT Citra Sumber Sejahtera is based on the Decree of the Minister of Forestry of the Republic of Indonesia No. 68/Menhut-II/2007 on February 23, 2007, covering an area of 15,360 ha located in Indragiri Hulu Regency, in Riau Province.

There has been no conversion of natural forest since 31 December 2010, so the scope of the IFCC certification is 15,360 ha.

The work area of PT Citra Sumber Sejahtera is located between 00° 43' 20" to 00° 51' 30" South and 101° 53' 45" to 102° 00' 35" East. Based on governmental administration, meanwhile, it is located in Peranap District, Indragiri Hulu Regency, Riau Province. Area boundaries are as follows:

- North side: Serangge Permai Village Cooperative;
- South side: Bukit Batabuh Protection Forest;
- East side: KUD Seranggai Permai and KUD Cipta Bina Karya;
- West side: PT. Artelindo Wira Tama

The spatial planning of PT Citra Sumber Sejahtera consists of: Local Protected Areas and Other Protected Areas of 2,708 ha (17.63%), Staple Plant Area of 8,984 ha (58.49%), and Livelihood Plant Area of 3,668 ha (23.88%); percentage total of 100%.

The working area of the Management Unit has a mainly flat topography (0 - 8%) 51.51%, Ramps (8% -15%) 37.87% and Corrugated (15-25%) 10.62% at an altitude of 30 to 60 meters above sea level. It is part of the Kwalaran River, Pelambangan River and Serangge River forest groups. Based on climate classification according to Schmidt-Ferguson, PT. Citra Sumber Sejahtera is included in climate type A with a value of Q = 14.3%. Based on the Geological Map of the area, PT. Citra Sumber Sejahtera is included in the Palembang geological formation (Qtpr; Tpm; Tpl) and Telisa geological formation (Tmtu; Tmtl). The soil type is a Red Yellow Podsollic type (PMK). The entire work area of PT. Citra Sumber Sejahtera has mineral soil.

Based on the foregoing the Management Unit cultivates *Acacia mangium* and *Eucalyptus* Sp.

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

PT Citra Sumber Sejahtera has identified and respects the legal rights of the local community as outlined in the Environmental Impact Assessment (EIA) document that was approved by the Head of the Indragiri Hulu Regency Environmental Impact Management Agency.

In carrying out forest operations, the Management Unit of PT Citra Sumber Sejahtera has collaboration agreements with the local community in regard to:

- a. Livelihood plants in the form of acacia used for the community in the form of production fees.
- b. Development of palm oil plantation for the local community and villages.

Based on information from management unit and the village, the agreement on livelihood plants was running and every month the community received a fee from staple plants production, plus proof of handover of production fee money was provided by PT Citra Sumber Sejahtera.

There was online reporting of demonstrations by residents in February 2018 that resulted in clashes with the company. This problem stemmed from the acquisition of cultivated land by migrant communities from North Sumatra. This land consisted of oil palm plantations that illegally enter into the company's concession area. Interviews with representatives of the village government and the Management Unit revealed the problem had been handled by the Regency Government, Ministry of Environment and Forestry, and other relevant agencies. In all, there are records of seven meetings being held in 2018 and 2019 in an effort to resolve the land disputes before final agreement was reached in April 2019 that was signed by each of the parties and of which the local government is aware.

The Management Unit has made a report on the mapping of potential and conflict resolution in the PT Citra Sumber Lestari concession area for the second semester of 2018, which was reported to the Riau Province Environment and Forestry Service.

The management unit of PT Citra Sumber Sejahtera had a documented plan for the CD/CSR program in 2018, which covers the fields of: economic, social, religious, infrastructure, and village development. Based on the report on its realization, the 2018 CD/CSR program consisted of activities involving:

- a. Development assistance for the village, building plaster, empowerment of local customs, etc.
- b. Village infrastructure, social, youth assistance.

Description of the ecological conditions of the concession

The Management Unit of PT. Citra Sumber Sejahtera undertakes activities to minimize negative environmental effects. Among the impacts monitored are various indicators relating to the health of the soil and the quality of the air and water. Items that are managed and monitored across the whole of the concession working area consist of physical and chemical components that include microclimate, air quality, soil fertility, soil erosion, water quality and sedimentation, among others. The results of its monitoring activity are reported to the relevant authorities on a periodic basis.

PT. Citra Sumber Sejahtera has local protected areas and other protected areas of 2,708 hectares (17.63%). These consist of riparian areas covering 1,813 ha (11.80%), KPPN covering 100 ha (0.65%), KPSL covering 100 ha (0.65%), and Bukit Betabuh Protected Forest Buffer of 695 Ha (4.5%). Through inventory and mapping as recorded in EJA document in 2002, PT. Citra Sumber Sejahtera has identified the distribution of protected, endemic, rare flora and fauna and endangered/threatened species and their habitat. Based on the Amdal document, PT. Citra Sumber Sejahtera has identified the key species in its working area as being the Elephant (*Elephas maximus sumatranus*). No logging activities are carried out within the protected areas.

No illegal hunting takes place and there are no illegal settlements within the concession area. The Management Unit makes Minutes of each negative activity in violation of its forest protection activities, resolving problems of encroachment and land claims by identification of the areas involved and reporting this to the requisite authorities.

To counter negative human activities, meanwhile, the Management Unit has erected and maintains boundary and warning signs forbidding the lighting of fires, marking protected areas, etc. It also carries out regular patrols to inhibit illegal encroachment, logging, grazing of livestock and the like. Among the measures it has taken to protect against forest/land fires is the setting up of a Fire Care Society (MPA) with the local community whereby the company provides equipment and training to best utilize their combined efforts against fire hazards

Results of the Public Consultation

Prior to undertaking the Recertification Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing April 22, 2019, which asked stakeholders to provide feedback and information on PT Citra Sumber Sejahtera. The public consultation Recertification audit, was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email or postal mail, and announced in local newspapers...

PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation. The audit team also collected information from the mass media about PT Citra Sumber Sejahtera, such reported cases being given material consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

PT Citra Sumber Sejahtera has identified all necessary requirements for this certification process, comprising legal aspect that include compliance with international regulations and conventions. The established management system includes all field activities for certification of an area of 15,360 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 PT Citra Sumber Sejahtera Recertification audit identified for (4) Minor Non-Conformities (NC) as listed below,:

No.	Non-Conformities	Corrective Action Performed	Category
1	Based on the data in regard to the monitoring of the March 2019 planting activities, there were still areas that had not yet been planted, thus giving rise to increased costs for PPS (Pre Plantation Spraying) activities. Indicator I.3.2	Continued follow-up until the planting tool arrived at the location and made a tighter contractor selection so that there would be no delay in the arrival of the equipment.	Minor
2	Maintenance activities for rehabilitation of plants in the Sempadan River Protected Area have not been implemented properly, with some of the planted species already dry. Indicator I.6.5	Make a more detailed inspection report and action plan for dead plants.	Minor
3	B3 Waste Management belonging to one of the contractors was not properly managed. Based on the field visit, the B3 waste was not stored in PT Citra Sumber Sejahtera's B3 waste facilities but had been transported to Pekanbaru by the contractor. Indicator I.6.6	<ol style="list-style-type: none"> 1. Waste checking and transportation by the company to the TPS (disposal) of PT. Citra Sumber Sejahtera 2. Dissemination to all contractors regarding the matter of B3 waste to be collected at the TPS PT. Citra Sumber Sejahtera 3. Periodical check of waste from contractors by the K3 team of PT. Citra Sumber Sejahtera. 	Minor
4	Based on visits to PT Citra Sumber Sejahtera housing facilities and PT Bumi Raya Mestika contractor camps, organic and inorganic waste was still found to be mixed. Cleanliness and tidiness of	Separation of organic and inorganic waste in each camp and then transported to the company TPS, which has	Minor



	employee housing facilities needs to be improved in accordance with the SOP. Indicator I.12.4	organic and inorganic facilities.	
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Conditions under which the certificate is issued

Certificate is valid until July 26, 2022 provided that PT Citra Sumber Sejahtera completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same problems at the next Surveillance visit. If the non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time as AJA is able to perform a closeout visit.