

Public Report Sustainable Forest Management System

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AJA EUROPE
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 in Plantation Forest area of 15,360 hectares in Riau Province, Republic of Indonesia.

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: March 25, 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

AUDIT END DATE: March 28, 2018

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Amin Kadani,

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS:-

MINOR CARS: 1-

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Citra Sumber Sejahtera	Peranap Estate, Peranap District, Indragiri Hulu Regency, Riau Province, Indonesia	March 25 to 28, 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	
N/A		

Document: Report Format Public - IFCC

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Date: 15 September 2016

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Brief Description of the concession

The area of PT. Citra Sumber Sejahtera (PT CSS) based on the Decree of the Minister of Forestry of the Republic of Indonesia No. 68 / Menhut-II / 2007 dated 23/2/2007, covers an area of 15,360 ha. located in Indragiri Hulu Regency, in Riau Province, Republic of Indonesia

There has been no conversion of natural forest since December 31, 2010 and the scope for IFCC certification is thus the total area of 15,360 ha.

Based on the RKUPHHK for the 10-year period 2018-2027 (SK LHK Decree No. SK 123/MENLHK-PHPL/UHP/HPL.1/1/2018 dated 22 January 2018, the spatial planning of the work area consists of Staple Plant Areas of 8,984 ha (58.49%), Livelihood Plant Areas of 3,668 ha (23.88%), and Local and Other Protected Areas of 2,708 ha (17.63%).

The work area of PT CSS Management Unit is located between 00° 43' 20" to 00° 51' 30" South and 101° 53' 45" to 102° 00' 35" East. It falls under the governmental administration of Peranap Sub-District, Indragiri Hulu Regency, Riau Province, and is bounded as follows:

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

The working area has a largely flat topography (0 - 8%) - 51.51%, along with Sloping (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 Forest Group, and includes the Kemadang and Serangge rivers. Based on climatic classification according to Schmidt-Ferguson, PT. CSS is included in climate type A with a value of Q = 14.3%. Based on Geological Map of PT. CSS, it is included in the geological formation of Palembang (Qtptu; Tpm; Tpl) and Telisa geological formation (Tmtu; Tmtl). The entire working area of PT. CSS has mineral soil with Podsolik Red Yellow (PMK) soil type. Given the foregoing, the Management Unit cultivates *Acacia mangium* and *Eucalyptus Sp.* as staple plant crops.

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

The people who live around the concession area of PT Citra Sumber Sejahtera are local people, despite the claims of the Tiga Lorong in Peranap subdistrict to be indigenous peoples.

PT Citra Sumber Sejahtera has made efforts to resolve conflicts with the surrounding community, maintaining maps and documentation of conflict resolution procedures on an ongoing basis.

PT Citra Sumber Sejahtera has also signed a Deed of Cooperation Agreement with representatives of the Pauh Ranap Village Community, under which it continues with its efforts facilitate the economic and social advancement of the surrounding community.

PT Citra Sumber Sejahtera continues to implement its capacity building program for local communities. Through its Community Development Program and Corporate Social Responsibility Program, it has assisted with the development of Desa Pauh Ranap (through the granting of wood fees); empowerment of customary institutions of the Tiga Lorong;

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infrastructure support; facilitation and support of religious practices and celebrations; facilitation of youth and sport, together with assistance to the villages of Pauh Ranap, Semelinang Tebing, Gumanti, and Peranap.

Description of the ecological conditions of the concession

Based on RKUPHHK-HTI for the 10-year period 2018 – 2027, the Management Unit has allocated local and other protected areas of 2,708 ha (17.63%), consisting of Riparian Area of the Sempadan river of 1,813 ha (11.80%) of , KPPN of 100 ha (0.65%), KPSL of 100 ha (0.65%), and Buffer Hutan Bukit Betabuh of 695 Ha (4.52%).

In conducting its environmental management, PT Citra Sumber Sejahtera has identified forest management activities that have significant impacts and carried out an environmental impact assessment. The impact parameters are managed and monitored, i.e. in the construction stage of the opening up of the forest area, the parameters affected include land subsidence, fire hazard, hydrology and water quality, and wildlife habitat. For land preparation activities, the parameters affected are the physical properties of the soil, chemical properties, soil degradation, fire hazard, protected species and changes in wildlife habitat. Meanwhile, parameters affecting planting activities include soil fertility, pests and plant diseases.

The Management Unit carries out environmental management responsibilities through an Environmental Management Plan (RKL) and an Environmental Monitoring Plan (RPL) to minimize negative impacts and improve environmental quality in the work area, documentation of which being reported to the Regional Environmental Agency (BLHD) each semester. In so doing, the Management Unit conducts the following activities: monitoring of protected areas; monitoring of erosion and soil quality; monitoring of water discharge and quality; management of hazardous and toxic wastes (B3); and management and monitoring of protected flora and fauna.

Results of the Public Consultation

Prior to implementing the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing March 9, 2018, requesting stakeholders to provide feedback and information on PT Citra Sumber Sejahtera. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to the parties via email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders as a result of the public consultation.

The audit team also gathered information from the mass media about PT Citra Sumber Sejahtera, the reported cases being given material consideration as part of the audit process of PT AJA Sertifikasi Indonesia.

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

Result of Surveillance 2 Audit of PT Citra Sumber Sejahtera just one (1) Minor Non-conformity was identified. The management system of PT CSS is operating effectively. No critical issues were identified.

NO	Nonconformities	Corrective Action performed	Category
1.	Field investigations revealed that 20 ha of a former claim area had not been fully recovered with a lack of weeding due to manpower deficiencies Clause I.4.3	The Management Unit has issued a Work Order for the weeding of the 20 ha area in the former claim area.	Minor



Conditions under which the certificate is issued

SFM Certificate IFCC PT. Citra Sumber Sejahtera certificate number: AJA/IFCC-PEFC/FMC-HT/00025/VII/2016 remains valid until 26/07/2019