

# **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 in Plantation Forest covering an area of 15,360 hectares in Riau Province, Republic of Indonesia.

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

**TYPE OF AUDIT:** Surveillance 1

**AUDIT START DATE:** February 20, 2017

**AUDIT END DATE:** February 23, 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:** R. Sigit Pamungkas

**SIGNATURE:**

**AUDIT TEAM:** Ence Hedi Hasan

**SIGNATURE:**

Tata Sumitra

**SIGNATURE:**

**MAJOR CARS:**

**MINOR CARS:**

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Citra Sumber Sejahtera	Peranap Estate – Kecamatan Peranap, Kabupaten Indragiri Hulu, Propinsi Riau, Indonesia	February 20 to 23, 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	
	Not Applicable	

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**Brief Description of the concession**

PT Citra Sumber Sejahtera is a company engaged in forestry industry with core business of producing pulp and paper fiber with *Acacia mangium* and *Eucalyptus pellita* being the species produced.

PT Citra Sumber Sejahtera has a Decree of the Minister of Forestry of the Republic of Indonesia Number: 68 / Menhut-II / 2007 dated February 23, 2007, concerning License for Forest Product Utilization of Industrial Timber Estate of 15,360 ha on behalf of PT. Citra Sumber Sejahtera in Regency of Indagiri Hulu, Riau Province.

In addition, PT Citra Sumber Sejahtera Approval on Revision of Working Plan for Exploiting Timber Forest Production Forest Timber (RKUPHHK-HTI) Year 2008 - 2017 on behalf of PT. Citra Sumber Sejahtera in Riau Province, determined by Decree of the Minister of Environment and Forestry No. SK. 2593/MENLHK-VI/BUHT/2015 dated 18 June 2015. PT Citra Sumber Sejahtera has not converted natural forests for non-forest land use, or natural forest into plantation forest since December 31, 2010, and thus the scope for IFCC certification is 15,360 ha.

The Management Unit has carried out spatial arrangement in accordance with the Revised RKUPHHK-HTI Document for the 10-year period of 2008 - 2017, which was endorsed by the Ministerial Decree Environment and Forestry No. SK. 2593/MENLHK-VI/BUHT/2015 dated 18 June 2015.

HTI spatial plan based on the Revised RKUPHHK-HTI is as follows:

No	Spatial	Area	Percent (%)	Comment
A	Local Protected Areas and Other Protected Areas			
1	River Crossing	1,785	11.6	
2	KPPN and KPPS	200	1.3	
3	Protected Forest Buffer of Bukit Betabuh	644	4.2	
	Total Area A	2,629	17.1	
B	Staple Plant Area ( <i>Acacia mangium</i> & <i>Eucalyptus pellita</i> )	8,923	58.1	
	Total Area B	8,923	58.1	
C	Livelihood Plant Area ( <i>Acacia mangium</i> , fruits, intercropping plants)	3,808	24.8	Including Infrastructure
	Total Area C	3,808	24.8	
	Total	15,360	100.00	

The working area of PT Citra Sumber Sejahtera 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 the Peranap Sub-district, Indragiri Hulu Regency, Riau Province. The working area is bounded to the North by KUD Serangge Permai, to the South by Bukit Batabuh Protected Forest, to the East by KUD Seranggai Permai and KUD Cipta Bina Karya, and to the West by PT. Artelindo Wira Tama.

The working area of the Management Unit has a 51.51% flat topography (0 - 8%), 37.87% sloping (8% -15%) and 10.62% corrugated (15-25%) at an altitude of 30 to 60 meters above sea level. Being the watershed between the Peladangan River



and Serangge River, it is part of the Kwalaran River Forest Group. Based on the Schmidt-Ferguson climatic classification, the working area is included in climate type A with a value of  $Q = 14.3\%$ . Based on Geological Map of PT. Citra Sumber Sejahtera it is part of the geological formation of Palembang (Qtpu; Tpm; Tpl) and Telisa geological formation (Tmtu; Tmtl). The soil type is the podzolik red-yellow (PMK) and the entire working area is mineral land. The Management Unit has thus decided to develop *Acacia mangium* and *Eucalyptus pellita* as its staple production plants.

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

Pauhranap Village is the village closest to the working area. The community is mainly Malay (80%) with the remainder being Javanese, Minang, and Batak migrants, the livelihood of most being farming / gardening.

The Management Unit of PT. Citra Sumber Sejahtera has conducted activities that provide benefits to the communities surrounding the company, targeting improvement of living standards, as well as community health and education services. In efforts to improve their economic welfare, the Management Unit prioritizes the hiring of local labor according to their abilities, as well as providing cooperative business opportunities wherever possible. It also cooperates in the production of livelihood plants program, devoting 3,808 hectares to this project.

In addition, the Management Unit conducts its annual Corporate Social Responsibility (CSR) programs aimed at meeting the needs of local society. While part of these programs concern the development of public facilities in the areas of infrastructure, healthcare, education and social welfare in cooperation with community leaders, others are more charitable in nature such as the provision of animals for religious purposes.

It is hoped that this mixture of charitable and social-economic programs will foster the development of a positive perception by the local community in regard to the presence of PT. Citra Sumber Sejahtera, as well as strengthen their abilities to improve their own economic and social standing over the long term.

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

PT Citra Sumber Sejahtera undertakes activities to minimize negative environmental impacts in accordance with RKL (Environmental Management Plan) and RPL (Environmental Monitoring Plan) documentation, the results of which are reported to the requisite authorities on a periodic basis. Among the impacts monitored are various indicators relating to the health of the soil and the quality of the water.

In addition to the regular inventory and mapping of the flora and fauna as required for biodiversity management within its concession area, PT Citra Sumber Sejahtera pays specific attention to its protected areas of 2,629 ha through the installation of boundary markers, enrichment planting of natural species and routine patrols throughout the areas. Moreover, it also socializes to the surrounding community, as well as its own workers and their families, about the existence and importance of these areas to maintain responsible forest management. The Management Unit submits twice yearly reports on its monitoring activities in the protected areas to the requisite authorities.

Fire is a constant risk in concession areas and PT Citra Sumber Sejahtera is responsible for guarding against and controlling any such outbreak in its working area. The Management Unit has formed and trained firefighter teams for active response, as well as retaining constant vigilance of potential hotspots. From a preventative aspect, the Management Unit controls the buildup of wood waste and ensures that all access roads are free from obstruction. Moreover, signs are posted throughout the forest area forbidding the lighting of fires, while regular patrols seek to minimize forest disturbances that could potentially lead to fires such as encroachment, as well as to detect outbreaks of disease or

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infestation.

The Management Unit has developed and implemented SOPs for the management of Hazardous Toxic Materials (B3), which include an inventory of waste, source, and estimated amount. All such waste is regularly collected and retained in temporary storage until its collection by a licensed disposal company.

**Results of the Public Consultation**

Prior to carrying out Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing February 6, 2017, asking 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](http://www.ajaindonesia.com)), sent to related parties via email and / or postal mail, and announced in local newspapers.

PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation. The audit team has also gathered information from the mass media about PT Citra Sumber Sejahtera, such material being considered material in the audit process implemented by PT. AJA Sertifikasi Indonesia.

The Management Unit has identified all necessary requirements for this certification process, comprising legal aspects that include compliance with international rules or conventions. The management system has been built to include all activities in the field of certification, which is registered for certification of an area of 15,360 ha.

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

The results of Surveillance 1 Audit of PT Citra Sumber Sejahtera revealed seven (7) Minor Non-Conformities, as follows:

NO	Non-conformities	Corrective Action performed	Category
1	The management unit has not undertaken rehabilitation of open land or under-planted areas within the concession area to provide environmental, social and economic benefit to society.  <b>Clause Ref : I.3.4</b>	PT Citra Sumber Sejahtera has sent evidence related to the plan for the rehabilitation of critical land and has made nursery of natural seedlings as a source of seeds.	Minor
2	The management unit has not yet identified the key species and migration patterns of the Sumatran elephants. Based on Amdal Document, PT Citra Sumber Sejahtera has identified key protected species of Flora and Fauna in its working area, such as:- Elephant ( <i>Elephas maximus sumatrensis</i> ) Sumatran tiger ( <i>Panthera tigris sumatrae</i> )  Field observations revealed evidence of the presence of Sumatran elephants, employees maintain there are still Sumatran tiger present.	PT Citra Sumber Sejahtera has established teams, compiled schedules and identified key species of Sumatran elephants.	Minor



	Clause Ref : III.7.3		
3	The Management Unit has not implemented appropriate and effective methods and strategies to protect its forest area from encroachment by the local community. One area allocated to livelihood crops has become a village, while the Bukit Betabuh buffer zone has been transformed into a palm oil area.  <b>Clause Ref: III.8.6</b>	PT Citra Sumber Sejahtera has created a strategy matrix in order to protect the livelihood crops area from community claims and settlement measures have been pursued.	Minor
4	The Management Unit has not managed controlled usage of B3, with the discovery of oil and diesel oil spills in the PT Citra Sumber Sejahtera generator house.  <b>Clause Ref: III.6.6</b>	PT Citra Sumber Sejahtera has now established and implemented proper and effective B3 waste management	Minor
5	The management unit does not provide proper sports facilities and entertainment facilities (television), nor has it performed maintenance and repair of water installations located in the Camp  <b>Clause Ref: III.11.8</b>	PT Citra Sumber Sejahtera has made Minutes of Provision of decent sports facilities and entertainment facilities (television), plus performed maintenance and repair of water installations located in the Camp	Minor
6	The Management Unit has not produced the requisite mapping and conflict resolution reports per regulation.  <b>Clause Ref: III.9.5</b>	The Management Unit has made a report on the mapping of potential conflicts in its area covering 15,360 ha	Minor
7	Figures for the realization of production up to February 17, 2017 appear to have exceeded the total planned for 2016/2017.  <b>Clause Ref: I.5.1</b>	PT Citra Sumber Sejahtera has made a recapitulation of the forest inventory report / additional plan of production of plantation forest in the remaining target of RKT 2016/2017	Minor

#### Conditions under which the certificate is issued

The certificate is valid until 27 July 2019 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 problem at the next Surveillance 2 visit. If non-conformities are not closed at the next Surveillance 2, the certificate may be suspended until such time as PT AJA Sertifikasi Indonesia is able to perform a closeout visit