

# **Public Report Sustainable Forest Management System**

**Ownership of this report and the information  
contained herein remain the property of AJA Europe**



**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



**JOB NUMBER:** AJA/IFCC-040

**CLIENT NAME:** PT RIMBA PERANAP INDAH

**TOTAL HECTARES:** 14,434 hectares

**SCOPE OF REGISTRATION:** Sustainable Forest Management in Plantation Forest covering an area of 14,434 hectares in Riau Province.

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

**TYPE OF AUDIT:** Stage 2

**AUDIT START DATE:** February 24, 2016

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:** February 27, 2016

**LEAD AUDITOR:** Ardi Prasetyo

**SIGNATURE:**

*[Handwritten signature]*

**AUDIT TEAM:** Muhammad Nurul Anwar

**SIGNATURE:**

*[Handwritten signature]*

Ence Hedi Hasan

**SIGNATURE:**

*[Handwritten signature]*

**MAJOR CARs: 0**

**MINOR CARs: 13**

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):

NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence Of Major System Failure):

**SELECT OPTION**

**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):</b>	<b>DATE OF EACH SITE VISIT:</b>
PT. Rimba Peranap Indah	Desa Bukit Selanjut, Kecamatan Kelayang, Kabupaten Indragiri Hulu, Provinsi Riau, Indonesia	February 24 – 27, 2016
<b>SITE NAME (Legal Name):</b>	<b>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)</b>	
	N/A	
<b>REF No:</b>	<b>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)</b>	
	N/A	

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

PT. Rimba Peranap Indah received a business license for plantation management per the Decree of the Minister of Forestry Number: 598 / Kpts - II / 1996 dated September 16, 1996 on the Granting of Plantation Forest Pattern Transmigration Upper Forest Areas covering an area of approximately 11,620 hectares in the Province of Riau. The period of validity of the license is from August 25, 1992 for a period of 43 years, i.e. 35 years plus one cycle of main crop cultivation, which is eight (8) years. As an Addendum: Ministerial Decree No. 1616 / Kpts - II / 2001 , dated October 31, 2001, on determination of the working area of Industrial Plantation Forest Concession of PT Rimba Peranap Indah, has boundaries of 5,7435.50 meters in length and covers an area of 14,434 hectares in Riau Province.

The Management Unit of PT. Rimba Peranap Indah has arranged the spatial working area covering 14,434 ha in total as follows: area of staple plants *Acacia mangium*, *Eucalyptus sp.* of 9,871.64 ha (68.39%); seed plant *Anthocephalus cadamba* area of 1,010 ha (7.00%); *Acacia mangium* plant life covering 1,319.40 ha (9.14%); protected areas of 1,855.5 ha (12.85%) - consisting of the river border areas of 1,292.94 ha (8.96%) and regional flora and fauna protection / germplasm area of 562.53 ha (3.90%); and infrastructure covering 377.56 ha (2.62%).

The geographical location of the working area lies between 101° 54' to 102° 05' East and 00° 20' to 00° 28' South. Meanwhile, administratively it is located in the Peranap, Kelayang and Lubuk Batu Jaya districts of Indragiri Hulu and the Ukui district of Pelalawan.

Based on the environmental information document, the concession has a lowland topography being predominantly flat (0-8 %) = 9,725 ha with some ramps (8-15 %) = 4,709 ha at an altitude of 54 -144 m above sea level. On average the lowest rainfall is in July and the highest in October, while it has entirely dry land conditions with a mineral soil.

In the implementation of forest management PT. Rimba Peranap Indah applies the principles of P (Plan), D (Do), C (Check), and A (Action), which includes production, ecological and social aspects. The Management Unit uses the long-term management plan (RKU) and annual work plan (RKT) as references for implementing its forest management and evaluation of its production activities. Meanwhile, in regard to the management and monitoring of environmental and social matters, the presentation of environmental information (PIL) and environmental management and monitoring plans (RKL and RPL) are used for reference and reporting. Documented SOPs and work instructions are used as standards for work in the field.

**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



The Management Unit of PT Rimba Peranap Indah is also tasked with the management and monitoring of protected areas, namely the river bank areas and land set aside for the conservation of flora and fauna. Activities undertaken include surveys, identification and monitoring of flora and fauna, installation of appeal and prohibition signboards, and patrol of protected areas. The unit also has a management environmental management plan (RKL) and environmental monitoring plan (RPL) the results of the implementation of which are reported each semester. In addition, the Management Unit is responsible for the monitoring and management of the water and soil quality in the border rivers and forest areas.

PT. Rimba Peranap Indah manages, monitors and records the use of hazardous and toxic materials, as well as makes provision for the handling of their waste by providing storage until such time as they can be removed by an authorized third party (transporter) in accordance with the standard procedures. The Management Unit has also implemented an integrated pest control program that prioritizes biological control and is friendly to the environment. As part of its forest protection activities, the Management Unit makes efforts to prevent and control forest fires by the formation of a special team of firefighters, shelters and warehouses for fire-fighting equipment, as well as facilities and infrastructure, plus the installation of signs banning the lighting of fires in the forest, and patrols and outreach. The Management Unit also uses routine patrols to identify land occupation and uses formal and informal interventions to handle incursions.

A number of villages are located around the working area of PT. Rimba Peranap Indah. The presentation of environmental information (PIL) document discusses: population, livelihood, employment, education, accessibility, mobility, economic growth centers, religion, culture, etc.

Based on the results of the 1993 presentation of environmental information (PIL) document, the village communities surrounding the concession are mostly Malay, with Javanese and Batak newcomers. Prior to the establishment of timber and oil palm plantations, they had quite a high dependence on rubber plantations and forest products, but with the arrival of the timber and oil companies they prefer to work for the oil company and farm their own land.

The Management Unit provides access to the surrounding community to seek non-timber forest products ( NTFPs ), with fish from the rivers being particular prevalent. The Management Unit also provides employment opportunities for local villagers to work for the company. The company has also introduced a community development – corporate social responsibility (CSR) program in 2015 that provides support in the fields of education and health, as well as for social, cultural and religious events.

The Management Unit has certain areas within the concession that are claimed by the local communities as being ancestral land, four locations in particular being characterized by the presence of old graves. To settle such land problems, the Management Unit applies the provisions of the SOP for resolution of conflicts and land problems. In addition, it plans to conduct socialization of the plans and agreements related to the areas of livelihood plants for the community in accordance with the development problems that occur. In resolving these land conflicts it also involves third parties, mainly from the forestry agencies, local government and security forces.

The Management Unit has ensured fulfillment of the rights of the workers according to the regulations, including documented labor agreement (PKB) with the Trade Union of Forestry Indonesia (Kahutindo), and there is no retention of salary, identity card (KTP), diplomas or other documents by the company. Scrutiny of the payroll in February 2016 revealed that no employees are hired at below the District minimum wages, while all have been registered as participants in BPJS (Social Security). The company also provides the following infrastructure: offices, employee housing, warehouses and mosque.

The Management Unit has put in place occupational health and safety (K3), having an environmental policy, and has an expert trained in K3. There are recaps and proof of distribution of safety equipment to employees, plus facilities for employees in the form of buildings that include: employees mess on camp, air tower, offices, drilling, installation of electricity, and a mosque.

Prior to conducting its Stage 2 Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing February 4, 2016, asking stakeholders to provide feedback on PT Rimba Peranap Indah. The public consultation was uploaded to the website of PT AJA Sertifikasi Indonesia ([www.ajaindonesia.com](http://www.ajaindonesia.com)), plus sent to the parties via e-mail or postal mail, and

**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



published in a local newspaper.

Feedback from the public consultation revealed a number of areas of dissatisfaction, including that since the Management Company had begun operations there has been a marked reduction in the level of water in the rivers around the area, especially during the dry season when it is very low. Then there are also difficulties in obtaining wood and natural game animals from the forest, plus the company's activities have led to the destruction of old cemeteries in two locations. These land conflicts have led to the existence of a less than harmonious relationship between the Management Unit representatives and members of some of the villages around the forest. The audit team has followed up on this feedback in the field. In response, the Management Unit has taken steps to minimize such impacts by maintaining riparian forest areas along the borders of the river. Likewise, restrictions on non-timber forest resources have been reduced, and people are permitted to seek NTFR in the limited protected areas (other than protected species). PT Rimba Peranap Indah has made efforts to provide public access to the old cemeteries and will carry out maintenance and mark the locations of the old cemeteries as a form of cultural sites in the area of maintenance works. Moreover, the Management Unit has made attempts at settlement of the above conflict with the communities about land by involving a variety of stakeholders.

The audit team also gathered information from the media about PT Rimba Peranap Indah, which was considered during the audit process.

PT. Rimba Peranap Indah has registered its concession to be certified in an area of 14,434 hectares. The Management Unit has identified all the necessary requirements for this certification process, comprising legal aspects that include compliance with the provisions of national legislation and international conventions.

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

The results of the Stage 2 Audit of PT. Rimba Peranap Indah identified 13 minor items of non-compliance: All findings have already been addressed by PT RPI so that the certification process can be resumed. This shows a strong and serious commitment to sustainable forest management and the Management Unit continues to make improvements.

NO	Non-conformities	Corrective Action performed	Category
1.	No documentation or media socialization was available to show that PT. Rimba Peranap Indah (RPI) has communicated its commitment (vision, mission and company objectives) to relevant stakeholders (employees/workers, local communities, etc.).  <b>Ref. Clause: I.1.6</b>	The Management Unit has devised a plan and schedule for the socialization of vision, mission and objectives of the company, which was signed by the Environment Section on March 21, 2016	Minor
2.	The Management Unit had not made the Management Plan Summary and Annual Report available to the public either through its website or on request.  <b>Ref. Clause: I.2.4</b>	The Management Unit has demonstrated that the Summary of the Management Plan and Annual Report are now available to the public and contain data on total production, forest management practices implemented, employment and infrastructure.	Minor
3.	The Management Unit was unable to demonstrate the availability to the public of an overall summary and a summary of the Management Plan Monitoring and Evaluation for the current year.	The Management Unit has made available to the public a summary of the Management Plan and Monitoring and Evaluation for the current year, which contains general company information, management plans, realization, scope of activities running, and monitoring and	Minor

	<b>Ref. Clause: I.3.3</b>	evaluation of sustainable forest management.	
4.	<p>Field verification revealed the following:</p> <ul style="list-style-type: none"> <li>▪ Plants in the staple plant area are not those stipulated in the revised document long-term management plan period 2010 – 2019.</li> <li>▪ The plant species in the seed plant area is not that stipulated in the revised document RKUPHHK-HT period 2010 -2019.</li> <li>▪ Two (2) compartments were not formally identified.</li> </ul> <p><b>Ref. Clause: I.4.1</b></p>	<p>PT. Rimba Peranap Indah (RPI) has had its annual work plan approved by all relevant parties, so the existing types of plants are those that have been recommended by the authorized agency.</p> <p>The Management Unit has compiled Maintenance Plan Limits for Compartments PT . Rimba Peranap Indah 2016, which was signed by the Environment Section on March 21, 2016</p>	Minor
5.	<p>PT. Rimba Peranap Indah (RPI) was not able to demonstrate optimization of the use of forest resources in the form of the results of RWA (Residual Wood Assessment)</p> <p><b>Ref. Clause: I.4.4</b></p>	<p>PT. Rimba Peranap Indah (RPI) has provided quantified results of Harvesting Quality Assessment (HQA), and RWA (Residual Wood Assessment, which are indicative of optimal utilization of forest resources.</p>	Minor
6.	<p>Field observations reveal that PT. Rimba Peranap Indah (RPI) has not undertaken rehabilitation of degraded (burned) land.</p> <p><b>Ref. Clause: I.4.5</b></p>	<p>Based on the RWA (Residual Wood Assessment) the Management Unit has developed plans for the rehabilitation of degraded (burned) land in 2016.</p>	Minor
7.	<p>PT. Rimba Peranap Indah (RPI) could not provide documentation of the results of research and development aspects of sustainable forest management.</p> <p><b>Ref. Clause: I.1.16</b></p>	<p>PT. Rimba Peranap Indah (RPI) has provided a summary document and updated research results contained in the document APRIL RD forestry Kerinci Key Programs 2011-2018. Other research results cover a study of the disease Ceratocystis sp. on acacia plants, and observations on soil fertility</p>	Minor
8.	<p>PT. Rimba Peranap Indah (RPI) had not identified the socio-economic conditions in the villages around its operations, as provided for in its relevant Community Social Survey SOP.</p> <p><b>Ref. Clause: I.9.1.</b></p>	<p>PT. Rimba Peranap Indah (RPI) has provided evidence of identification of the socio-economic conditions in the villages around its operations, in in the following documents:</p> <ol style="list-style-type: none"> <li>1.Presentation of Environmental Information Development plantation Forest - Trans PT. Rimba Peranap Indah .</li> <li>2. Revision long-term management plan - PT. Rimba Peranap Indah (RPI) Period 2010-2019</li> </ol>	Minor
9.	<p>The relevant provisions for livelihood plants have not been implemented for all the villages</p>	<p>The Management Unit has prepared an outreach plan for the development of livelihood plants, which was signed by</p>	Minor

**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



	<p>around the concession area in accordance with the regulation of Ministry of Environment and Forestry of the Republic of Indonesia</p> <p><b>Ref. Clause: I.9.3.</b></p>	<p>the Director of PT. RPI on March 21, 2016</p>	
10.	<p>PT. Rimba Peranap Indah (RPI) was unable to show the results of the assessment of social impacts of forest management activities, especially villages located around the concession area</p> <p><b>Ref. Clause: I.10.1.</b></p>	<p>PT. Rimba Peranap Indah (RPI) has scheduled implementation of a social monitoring plan. The results of the proficiency level will be incorporated into the Environmental Permit Report for the second period of 2016.</p>	Minor
11.	<p>PT. Rimba Peranap Indah (RPI) has failed to adequately perform:</p> <ul style="list-style-type: none"> <li>• Socialization associated with the boundaries of the concession of PT. Rimba Peranap Indah (RPI), such that clarification has not been provided to the village government and the public of the exact limits of the concession.</li> <li>• Socialization of PT. Rimba Peranap Indah (RPI) rights and obligations as the holder of the concession in respect to the surrounding community.</li> <li>• PT. Rimba Peranap Indah (RPI) has not been able to provide documentation of effective communication and consultation on a continuous basis with all the villages and local communities bordering the concession</li> </ul> <p><b>Ref Clause: I.10.6.</b></p>	<p>PT. Rimba Peranap Indah (RPI) has released documentation that provides clear identification of the concession boundaries. The document shows the installation of boundary markers, which are known to the representatives of the government, especially the village heads.</p>	Minor
12.	<p>The following infrastructure was not yet available:</p> <ul style="list-style-type: none"> <li>• toilets in all security posts</li> <li>• bins had not been provided for separating organic and non-organic waste, and that which cannot be recycled</li> <li>• water taps at the location of fertilizer warehouse, chemicals warehouse, and warehouse for toxic and hazardous materials</li> </ul> <p><b>Ref. Clause: I.11.8.</b></p>	<p>PT. Rimba Peranap Indah (RPI) has budgeted for toilets in the security post and provided a detailed image of the sanitation facilities. Pictorial documentation has been provided of the dumpster that separates organic and inorganic waste, which has been placed in the work area / employee housing. PT. Rimba Peranap Indah (RPI) has also provided photographic evidence showing the installation of the water faucets reservoirs in the storage areas for fertilizers, chemicals, and toxic and hazardous material waste.</p>	Minor

**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



13.	<p>The sanitation facilities at security post were not yet available.</p> <p><b>Ref. Clause: I.12.5.</b></p>	<p>PT. Rimba Peranap Indah (RPI) has budgeted for the provision of sanitation facilities for the security post and provided a detailed image of the plans for the facilities. The Management Unit has also provided documentary evidence of the provision of potable water for the security post.</p>	Minor
-----	--------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------

**Conditions under which the certificate is issued**

The certificate is valid until 06/09/2019 provided that PT. Rimba Peranap Indah has completed all the corrective actions according to the proposed time schedule and does not have the same problems on the next surveillance visit. If non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time that AJA is able to perform a close-out visit.