

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. RIMBA LAZUARDI

TOTAL HECTARES: 23,340 ha

SCOPE OF REGISTRATION: Sustainable Forest Management in Plantation Forest Area of 23,340 hectares in Riau Province, Republic of Indonesia

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: April 28, 2018

AUDIT END DATE: May 2, 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

LEAD AUDITOR: Abdullah Mujahid

AUDIT TEAM: Rahmat Safe'i

Agung Utama Lubis

SIGNATURE:

SIGNATURE:

SIGNATURE:

MAJOR CARs: -

MINOR CARs: -

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Rimba Lazuardi	Lubuk Kembang Bungo Village, Ukui District, Pelalawan Regency, Pangkalan Village, Pucuk Rantau District, Kuantan Singingi Regency, Riau Province, Republic of Indonesia	April 28 to May 2, 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



Brief Description of the concession

Based on the Decree of the Minister of Forestry Number: SK.79 / MENHUT-II / 2007 dated March 5, 2007, the total area of PT Rimba Lazuardi is 23,340 ha. There was no conversion of natural forest to plantations after 31 December 2010 so that the total area of PT Rimba Lazuardi, which covers 23,340 ha, is included in the scope of IFCC Scheme Certification.

PT Rimba Lazuardi area consists of 2 Blocks, namely:

Block I:

The location of its activity is in Batang Peranap Sub-district, Indragiri Hulu Regency and Pucuk District of Kuantan Sengingi Regency of Riau Province. Details of the working area of the management of Industrial Plantation Forest are as follows:

Geographically located between: 0° 40' to 0° 51' South and 101° 43' to 101° 50' East

- Forest Group: Lubuk Jambi
- Government administration
 - Province: Riau
 - District and Sub-district: Batang Peranap District, Indragiri Hulu Regency and Pucuk Rantau District, Kuantan Sengingi Regency

Land conditions in the form of dry soil (mineral) with flat topography (0-8%) to sloping (8-15%), at a height of 60 to 150 meters above sea level. Type of Podsolc soil with rock type (Geology) in the form of sediment and volcanic. Block has climate type A (Schmidt & Ferguson) with annual rainfall of 2,500 mm, the highest falling in September and the lowest in August. The Serangge and Beringin Rivers traverse the work area.

Block II:

Location of its activities in the District Ukui, Pelalawan District Riau Province. Details of the working area of the management of Industrial Plantation Forest are as follows:

Geographically located between: 0° 18' to 0° 25' South and 101° 45' to 102° 00' East

- Forest Group: Tesso Nilo
- Government administration
 - Province: Riau
 - Regency: Pelalawan
 - District: Ukui

The condition of land in the form of dry land (mineral) with 67.38% flat topography (0-8%) and 32.62% Sloping (8-15%), at a height of 54 to 144 meters above sea level. Type of Podsolc soil with rock type (Geology) in the form of sediment and volcanic. Block has climate type A (Schmidt & Ferguson) with annual rainfall of 2,586.6 mm, the highest falling in September and the lowest in August. The Air Hitam and Tembago Rivers traverse the work area.

The types of crops cultivated in both Block I and Block II are *Acacia mangium* and *Eucalyptus Sp.*

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

Neither the district nor the Riau provincial governments recognize any customary law community in the villages bordering PT Rimba Lazuardi Block I or Block II, the claims on behalf of indigenous people in two villages bordering Block



I being negated by examination of maps of the previous disposition of the region that clearly show their area of ethnic origin lying elsewhere outside the concession area of PT Rimba Lazuardi.

Nevertheless, PT Rimba Lazuardi has made efforts to resolve conflicts with the surrounding community, the 2017 report on mapping of potential and conflict resolution groups them into four distinct cases, two involving land claims by immigrants to the area, and the other pair being with separate oil palm plantation companies and village cooperatives.

The agricultural sector dominates the source of livelihood for the vast majority of the local community in the villages surrounding the concession area, although some are also involved in processing industries as there are also substantial oil palm and rubber plantations in the region. There are also a number involved in their own businesses, such as trading, contracting, hospitality, etc.

Interviews with the heads of several villages bordering both Block I and Block II confirmed that PT Rimba Lazuardi provides employment opportunities for the local community, either as direct hire labor or as local contracting partner, and that this had proven attractive particularly to the younger villagers. The company has also signed numerous livelihood plant agreements with representatives of villages adjacent to both Block I and Block II. Funds from the sale of these crops have been paid to the villages per the agreements. PT Rimba Lazuardi has also honored its obligations in the area of corporate social responsibility, providing funding to facilitate religious observance, as well as natural disaster relief and flood repair.

Description of the ecological conditions of the concession

The Management Unit has created an Environmental Management Plan (RKL) and an Environmental Monitoring Plan (RPL) to minimize negative impacts and improve environmental quality in the Management Unit work area. Activities undertaken include the monitoring of: Protected Areas, Erosion and Soil Quality, Debit and Water Quality, Hazardous and Toxic Waste Management (B3), Protected Satellite Management, and Management of Protected Flora.

PT Rimba Lazuardi is committed to implementing sustainable forest management, by making external reports for related agencies, namely: Environmental Management Plan Report (RKL), Environmental Monitoring Report (RPL) every semester to Regional Environment Agency; Monthly Report on the Implementation of RKTUPHHK HTI (Annual Work Plan for Utilization of Forest Timber Forest Products) is addressed to the Director General of Sustainable Production Forest Management c.q. Director of Production Forest Business; The Annual Report on the Implementation of RKTUPHHK HTI (Annual Work Plan for Utilization of Forest Timber Forest Products) is addressed to the Director General of Sustainable Production Forest Management c.q. Director of Production Forest Business and Book of RKTUPHHK HTI (Annual Working Plan of Timber Forest Product Utilization) each year.

Results of the Public Consultation

Prior to conducting Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing April 18, 2018, in which stakeholders were asked to provide feedback or knowledge on PT Rimba Lazuardi. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email and / or regular mail, and announced in local newspapers. No input was received from stakeholders as a result of the public consultation.

The audit team has also gathered information from the mass media about PT Rimba Lazuardi, which was given material consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

The Management Unit has identified all the requirements required for this certification process, including legal aspects and compliance with international rules or conventions. The established management system includes all field activities for certification, where the area registered for certification is 23,340 ha



Findings on the certified client conformity with the certification requirements and description of critical issues in relation with the conformity.
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Based on the results of Surveillance 2 Audit of PT Rimba Lazuardi, no Non-conformities of either a Major or Minor nature were identified by the audit team.

Conditions under which the certificate is issued

Certificate is valid until (--/--/----).
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