

Public Report Sustainable Forests Management System

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CLIENT NAME: PT RIMBA LAZUARDI

TOTAL HECTARES: 19,706.85

SCOPE OF REGISTRATION: Sustainable Forest Management of 19,706.85 Hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: SURVEILLANCE 1

AUDIT START DATE: June 19, 2023

AUDIT END DATE: June 22, 2023

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: Riyadi Sigit Pamungkas

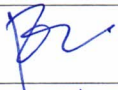

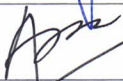
SIGNATURE:

AUDIT TEAM: Andri Wibisono

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: -

MINOR CARS: -

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head office	Jl. Dr. Sutomo No 62, Pekanbaru, 28141, Riau - Indonesia	June 19, 2023
Site	Desa Lubuk Kembang Bungo, Kecamatan Ukui, Kabupaten Pelalawan, Desa Pangkalan, Kecamatan Pucuk Rantau, Kabupaten Kuantan Singingi, Riau, Indonesia	June 20 to 22, 2023
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	

Brief Description of the concession

PT. Rimba Lazuardi received its latest forest area management permit based on:

1. Decree of the Minister of Environment and Forestry Number: 436/Menlhk/Setjen/PLA.2/7/2019 dated 10 July 2019 concerning Determination of the IUPHHK-HTI work area of PT Rimba Lazuardi of 19,706.85 Ha (Block I of 10,992.58 Ha and Block II of 8,714.27 Ha) in Pelalawan Regency, Kuantan Singingi Regency and Indragiri Hulu Regency, Riau Province.
2. Decree of PBPH (Forest Utilization Business Licensing): SK No 1129/MENLHK/SETJEN/HPL.0/11/2021 dated 17 November 2023. There is a change in nomenclature from IUPHHK-HT to PBPH, with the working area of 19,706.85 Ha.

In its operations, PT Rimba Lazuardi has a Forest Utilization Work Plan (RKUPH) document for the 10 years period of 2018 to 2027. The RKUPH document is ratified by the Decree of the Minister of Forestry Number: SK.3035/MenLHK-PHPL/UHP/HPL.1/5/2018 dated 17 May 2018. The RKUPH document was signed by the Director General of Sustainable Production Forest Management. According to the document, the spatial arrangement is Protected Area of 3,412.67 ha (17.32%), a Staple Plant Area of 12,220.08 ha (62.00%), and a Livelihood Plant area of 4,074.10 ha (20.68%).

PT Rimba Lazuardi consists of 2 blocks, namely:

1. Block I

It is geographically located at 00 40'26" to 00 50'00" South and 101° 44'48" to 101° 47'00" East. The location of its activities is administratively in Batang Peranap District, Indragiri Hulu Regency, and Pucuk District, Kuantan Singingi Regency, Riau Province. It is geographically located between 101° 43' to 101° 50' East and 0° 40' to 00 51' South. It is included in the Forest Group of Lubuk Jambi. The condition of the land is dry soil (mineral) with a flat topography (0-8%) to sloping (8-15%) with a height of 60 to 150 meters above sea level. The type of soil is podzolic with the type of rock (geology) in the form of sediment and volcanic. The climate type is A (Schmidt and Fergusson) with an annual rainfall of 2,500 mm/year, the highest month in September and the lowest in August. The rivers crossing this block are the Serangge River and Beringin River. The boundaries of Block I are:

- North: PT Riau Andalan Pulp and Paper
- South side: PT Riau Muda Agro
- East: PT Rigunan Agri Utama, PT Artelindo Wiratama
- West side: PT Tribakti Sarimas

2. Block II:

It is geographically located at 00 15'00" to 00 25'00" South and 101° 45'00" to 102° 00'00" East. Administratively it falls under the government of Ukui District, Pelalawan Regency, Riau Province. The geographical location is between 101° 45' to 102° 00' East and 0° 18' to 0° 25' South. The forest is part of Tesso Nilo Forest Group. The land is a dry soil (mineral) with a flat topography area (0-8%) of 67.38% and a gentle slope area (8-15%) of 32.62%. It is located at a height of 54 to 144 meters above sea level. The type of soil is podzolic with the type of rock (geology) in the form of sediment and volcanic. The climate is type A (Schmidt and Fergusson) with an annual rainfall of 2,586,6 mm/year, the highest month in September and the lowest in August. The rivers in the working area are the Air Hitam River and the Tembago River. The boundaries of Block II are:

- North: Tesso Nilo National Park, CV Putri Lindung Bulan
- South: PT Rimba Peranap Indah
- East: CV Putri Lindung Bulan
- West: PT Riau Andalan Pulp and Paper

The types of plants cultivated are *Acacia mangium*, *Acacia crassicarpa*, and *Eucalyptus* sp.

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

There are 9 villages in PT Rimba Lazuardi of Block I and Block II which are spread across 3 regencies and 5 districts. According to the interviews with village heads as well as based on observations in the field, there are no customary law communities around the PT Rimba Lazuardi concession. Most of the residents are plantation farmers, especially oil palm plantations and rubber plantations. Working in rubber plantations is a livelihood that has existed for a long time but has now been largely replaced by oil palm plantations.

According to the 2022 Social Impact Assessment Report, there are land claims in Block I including claims by the community. PT Rimba Lazuardi has made efforts to resolve the land claims. The final efforts after holding deliberation, reporting to the police to trial in court is making agreements in livelihood plants. Apart from that, the company also carries out Community Development activities in surrounding villages, including cattle livestock assistance programs, religious programs, educational assistance, assistance with equipment for local village offices.

PT Rimba Lazuardi has implemented a Corporate Social Responsibility program for the surrounding village community. Based on the 2022 Community Development (CD) Program Report, the realization of the CD program amounts to 117% of the planned program. CD Program activities include education, religious, social and environmental, infrastructure, economic, and health. While for this year, as of June 2023, the realization of the CD program has reached 36% of what was planned. Activities carried out include infrastructure, education, religious and economic programs, such as computer and printer assistance, building materials for the community mosque, and cattle and fish cultivation assistance.

Description of the Ecological conditions of the concession

The Management Unit has implemented ecosystem management and hydrological functions including implementation of AMDAL and RIL procedures. The Management Unit has established and implemented Reduced Impact Logging (RIL) Documented Procedures to minimize the negative impacts of harvesting, transportation and infrastructure development on the environment. PT Rimba Lazuardi implemented appropriate steps to protect the area from damage due to forest management operational activities. These steps are:

- a. Allocation and Designation of River Borders as Water Protection Areas.
- b. Management of Water Protected Areas
- c. Protected area patrol.

The results of this monitoring can be seen in the daily Patrol Report and RKL/RPL Implementation Report every semester.

PT. Rimba Lazuardi has identified, inventoried protected, endemic, rare and threatened/endangered flora, and fauna in the concession area. The results of identification and inventory are several types of vegetation were found such as meranti (*Shorea sp.*), kranji (*Dialium sp.*), forest kedondong (*Spondias sp.*), forest durian (*Durio zibethinus*) and cempedak (*Artocarpus champeen*). While the protected flora is kempas (*Koompassia malaccensis*) which is protected based on Minister of Environment and Forestry Regulation no. 106/2018, IUCN, including Vulnerable according to CITES Appendix II. The management that has been carried out to protect key species is not to disturb the path of the Sumatran Elephant (*Elephas maximus*). This is in accordance with the SOP concerning Management and Monitoring of Protected Wild Animals.

The impact monitoring activities on physical and biological environmental conditions are carried out periodically, including:

- a. Condition of vegetation cover in protected areas,
- b. Density and diversity of vegetation in protected areas and production areas,
- c. Types and diversity of wildlife in protected areas,
- d. The presence of wild animals in the production area,
- e. Pest attacks and plant diseases,
- f. Forest protection, including monitoring forest fires, encroachment, illegal logging, etc.

g. Threatened and protected species of flora and fauna are not exploited for commercial purposes.

PT. Rimba Lazuardi has implemented appropriate steps to protect forests from unauthorized activities. Currently there is a major disturbance in forest protection issues, namely forest encroachment or land occupation by outside parties. They control land by clearing land by cutting down staple crops and vegetation in protected areas and then planting them with oil palm and rubber. Due to this case, PT Rimba Lazuardi may limit public access to forests for the purpose of protecting ownership rights.

Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing May 12, 2023, asking stakeholders to provide feedback and information about PT Rimba Lazuardi. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties by email or postal mail, and published in local newspapers. During the public consultation, PT AJA Sertifikasi Indonesia did not receive any inputs.

The audit team also collected information from the mass media about PT Rimba Lazuardi. The reported cases are considered as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects which include compliance with international regulations and rules and conventions. A management system has been established to cover all activities in the area of certification, registered for certification covering an area of 19,706.85 hectares.

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

The results of Surveillance Audit 1 is non-conformity either in minor or major category.

Conditions under which the certificate is issued

Certificate is valid until September 13, 2023, provided that PT Rimba Lazuardi maintains its Surveillance schedule and does not have potential major non-conformity at the next Surveillance.