

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 Rimba Lazuardi

TOTAL HECTARES: 19,706.85
ha

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: Recertification

AUDIT START DATE: July 02, 2019

AUDIT END DATE: July 05, 2019

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: Amin Kadeni

SIGNATURE:

Abdul Salam

SIGNATURE:

MAJOR CARS: 0

MINOR CARS : 1

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, and Pangkalan Terap Village, Pucuk Rantau District, Kuantan Singingi Regency, Riau Province, Republic of Indonesia	July 02 to 05, 2019
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	
	NA	

Brief Description of the concession

PT Rimba Lazuardi operates based on the Decree of the Minister of Environment and Forestry Number: SK.2257 / MenLHK-PHPL / KHP / HPL-1/4/2017 concerning First Addendum to the Minister of Forestry's Letter No. SK.79 / Menhut-II / 2007 dated March 5, 2007 and Director General of Forestry and Environmental Planning Letter No. S.1247 / PKTL / KUH / PLA.2 / 11/2016 dated November 22, 2016, whereby the area of work based on the results of the boundary arrangement became 19,706.85 ha (Block I covering 10,992.58 ha and Block II covering 8,714.27 ha).

There has been no conversion of natural forest to plantation forest after December 31, 2010, thus the scope of IFCC certification is for an area of 19,706.85 ha. The spatial layout of PT Rimba Lazuardi is as follows: Local Protected Area and Other Protected Area of 3,412.67 ha (17.32%), Staple Plant Area of 12,220.08 (62.01%), and Livelihood Plant Area of 4,074.10 ha (20.67%).

The area of PT Rimba Lazuardi consists of two (2) blocks with details as follows:

Block I:

The location of the activities is in Batang Peranap District, Indragiri Hulu Regency and Pucuk District, Kuantan Singingi Regency, Riau Province under whose governmental administration it falls. The work area lies between 00° 18' to 00° 25' South and 101° 45' to 102° 00' East, and it is part of the Lubuk Jambi forest group. .

The land conditions are in the form of dry mineral land with a mainly flat topography (0-8% slopes) with some ramps (8-15% slopes) situated at a height of 60 to 150 meters above sea level. It has a Podsolc soil type with geological rock types being in the form of sedimentary and volcanic origins. The area has climate type A (Schmidt & Ferguson) with annual rainfall of 2,500 mm/year, the highest falling in September and the least in August. The rivers in the work area are Serangge River and Beringin River.

Block II:

The location of the work area is in the Ukui District, Pelalawan Regency, Riau Province under whose governmental administration it falls. The work area lies between 00° 18' to 00° 25' South and 101° 45' to 102° 00' East, and it is part of the Tesso Nilo forest group.

The land conditions are in the form of dry mineral land with a 67.38% flat topography (0-8% slopes) and 32.62% Ramps (8-15% slopes) at a height of 54 to 144 meters above sea level. It has a Podsolc soil type with geological rock types in the form of sedimentary and volcanic origins. The area has climate type A (Schmidt & Ferguson) with annual rainfall of 2,586.6 mm with the highest in September and the least in August. Rivers in the work area are Air Hitam River and Sugai Tembago River.

The species of plants cultivated are *Acacia mangium* and *Eucalyptus* sp.

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

The Management Unit has conducted an assessment of the social impacts of planned forest management activities, which covers such areas as enhancement of the economic welfare of the surrounding community and raising the general perception of the community in regard to the presence of the company and its operations by becoming a partner in their economic and social welfare.

In enhancing economic welfare, the company ensures the provision of job and business opportunities for members of the local community, offering training in agribusiness and cooperatives, as well as in livelihood plant partnership patterns. For the promotion of business opportunity, meanwhile, the local community is fostered to become partners in planting, logging and infrastructure development activities, as well as encouraged to trade within the work area so as to improve the village economy.

Community empowerment is also fostered through institutional strengthening by socializing the formation of cooperative institutions, forming community groups and entering into binding cooperation agreements.

As part of these binding agreements, PT. Rimba Lazuardi will carry out the Livelihood Plant Program for the first cycle covering around 201 hectares in supporting the welfare of the community. For the next and subsequent cycles of the Livelihood Plant Program this will be carried out at 5% of the realization of the annual production tonnage. The types of commodities to be developed are acacia and/or other species in the spatial areas. The term of this agreement is for the length of PT Rimba Lazuardi's operating license.

For its part, the local community is obliged to help ensure the safety of living plants from incidents of encroachment and/or theft by third parties, plus is tasked with distributing the proceeds from livelihood plants and NTFPs among the local community. Moreover, they are prohibited from collaborating with other parties in regard to the livelihood plant program.

PT Rimba Lazuardi also conducts its CD/CSR program covering the areas of education, health and sports facilities, social and religious affairs, as well as assistance with the provision of community infrastructure.

Description of the ecological conditions of the concession

The Management Unit of PT Rimba Lazuardi undertakes activities to minimize negative environmental impacts of its operations, 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 air and water. These include physical and chemical measurement of soil and water properties, as well biological aspects.

PT Rimba Lazuardi has identified areas that function to protect the land. From the results of verification and field observations, several areas have been designated as protected areas, namely riparian and buffer zones. These protected areas function as soil protection sites, as well as water, wildlife, vegetation and ecosystem protection sites.

PT Rimba Lazuardi has identified protected, endemic, rare and endangered, and endangered species of flora and fauna and their habitats in the working area. In accordance with the applicable regulations, inventory activity has been conducted and a map of the distribution of the flora and fauna has been prepared. Within the working area of PT. Rimba Lazuardi there are two key protected species, Sumatran Elephant (*Elephas maximus Sumatranus*) and Sumatran Tiger (*Panthera tigris*). The habitat of the key species is natural forest within the protected area of the Management Unit. The migration pattern of these key species exploits the riparian zones which act as a wildlife corridor, as well as KPPN that is located next to the concession area. To forestall the animals from entering planted areas or settlements, PT Rimba Lazuardi maintains the riparian forests as wildlife corridors.

Recognizing the status of the protected flora and fauna, PT Rimba Lazuardi does not exploit them for commercial or non-commercial purposes. On the other hand, to protect wildlife from illegal hunting, besides providing a protected area, PT Rimba Lazuardi has also installed a wildlife hunting ban notice board and conducts routine patrols to prevent

poachers from entering PT Rimba Lazuardi's area.

Based on interviews and field observations, currently there is a major disturbance in the issue of forest protection, namely forest encroachment or occupation of land by outsiders. They control land by clearing it by cutting down staple crops and vegetation in protected areas and then planting it with oil palm and rubber.

PT Rimba Lazuardi conducts security patrols in the work area in cooperation with a company engaged in the field of security services. Moreover, the Management Unit has established a security post at each strategic entry point with security being very strict for those who would enter the Management Unit area, requesting identity, purpose, parties to be met and time. Guests are also required to fill in the guest list, plus sign when entering and leaving the Management Unit area.

Results of the Public Consultation

Prior to carrying out the Recertification Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing June 21, 2019, requesting stakeholders to provide feedback and information about PT. Rimba Lazuardi. The public consultation was uploaded to the website of PT AJA Sertifikasi Indonesia (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 during public consultations.

The audit team also gathered information from the mass media about PT. Rimba Lazuardi, 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 19,706.85 hectares.

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

Based on the results of the Recertification Audit of PT. Rimba Lazuardi there was one (1) Minor Non-Conformity identified:

NO	Non-conformities	Corrective Action performed	Category
1	PT Rimba Lazuardi could provide no evidence of submission of the report on the implementation of the maintenance and security of the work area boundaries in 2018 to the Head of Balai Pemantapan Kawasan Hutan (BPKH). Clause Ref. I.1.14	PT Rimba Lazuardi has been implementing the maintenance and security of the work area boundaries and reporting this to the Head of Balai Pemantapan Kawasan Hutan (BPKH).	Minor

Conditions under which the certificate is issued

Certificate is valid until September 13, 2022, provided that PT Rimba Lazuardi completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same problems at the next Surveillance visit. If the non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time as AJA is able to perform a closeout visit.