

Public Report Sustainable Forest Management System

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CLIENT NAME: PT Riau Abadi Lestari

TOTAL HECTARES: 12,000

SCOPE OF REGISTRATION: Sustainable Forest Management of 12,000 hectares of Plantation forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: February 11, 2020

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 14, 2020

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Utomo

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS : 0

MINOR CARS : 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
Office PT PT Riau Abadi Lestari	District of Tapung, Regency of Kampar, Riau Province – Republic of Indonesia	February 11 and 14, 2020
PT Riau Abadi Lestari Unit Tasik Serai	District of Talang Muandau, Regency of Bengkalis, Riau Province – Republic of Indonesia	February 12, 2020
PT Riau Abadi Lestari Unit Mandiangin	District of Minas, Regency of Siak, Riau Province - Republic of Indonesia	February 13, 2020
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	
PT Riau Abadi Lestari Unit Sindotim	District of Tapung, Regency of Kampar, Riau Province - Republic of Indonesia	

Brief Description of the concession

PT Riau Abadi Lestari obtained a permit based on a Decree on Business Permit for Timber Forest Product Management in Transmigration Pattern Industrial Forests from the Minister of Forestry: 542 / KPTS-II / 1997 dated August 25, 1997, for an area of 12,000 ha. There has been no forest conversion to plantation forest after December 31, 2010, so the scope of the IFCC certification is 12,000 ha.

The Management Unit has a ten-year plan that is based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK Men LHK No. SK.6079 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 dated June 28, 2019 regarding the approval of the Revised Work Plan for Utilization of Timber Forest Product in Industrial Plantation Forest (RKUPHHK-HTI) for period 2018 to 2027 on behalf of PT Riau Abadi Lestari in Riau Province. In this RKUPHHK the area based on the Border Report Number: LAP.2 / BPKH.XII-2/2015 is 15,226.20 ha. The Spatial Plan consists of: Local Protected Areas and Other Protected Areas are 1,672.20 ha (10.98%), Staple Plant Area covering 6,554.00 ha (43.04%) and Livelihood Plant Area of 7,000 ha (45.97%). Total percentage 99.99 due to rounding.

General description of work based on geographical location, location of government administration ,. The location details of each block are as follows:

1. Sindotim Unit (5,113.69 ha)

- Geographical position is located between: 00° 42' to 00° 43' North and 101° 20' to 101° 23' East
- The boundaries of the work area are as follows:
 - North side: PT. Arara Abadi
 - Southern side: PT. Arara Abadi
 - East side: River Tapung
 - West side: PT. Arara Abadi
- Government Administration: District of Tapung Hilir, Kampar Regency
- Soil Type: Red yellow podsolik, organosol, glei humus
- Topography: Flat (83.4%), Sloping (16.6%)
- Species: *Eucalyptus pellita*

2. Mandiangin Unit (5,725.72 ha)

- The geographical position is between the coordinates: 00° 48' to 00° 49' North and 101° 30' to 101° 32' East
- The boundaries of the work area are as follows:
 - North side: PT. Arara Abadi
 - Southern side: PT. Arara Abadi
 - East side: PT. Arara Abadi
 - West side: PT. Arara Abadi
- Government Administration: District of Minas, Siak Regency
- Soil Type: Red yellow podsolik, organosol, glei humus
- Topography: Flat (94.8%), Sloping (5.2%)
- Species: *Eucalyptus pellita*, *Acacia crassicarpa*

3. Tasik Serai Unit (4,386.79 ha)

- The geographical position is between the coordinates: 01° 06' to 01° 07' North and 101° 27' to 101° 29' East
- The boundaries of the work area are as follows:
 - North side: PT. Arara Abadi
 - Southern side: PT. Arara Abadi
 - East side: PT. Arara Abadi
 - West side: PT. Arara Abadi
- Government Administration: District of Talang Mandau, Bengkalis Regency
- Soil Type: Red yellow podsolik, organosol, glei humus

- Topography: Flat (93.2%), Sloping (6.8%)
- Species: *Eucalyptus pellita*

In this Surveillance 2 Audit, the units visited were Mandiangin Unit and the Tasik Serai Unit.

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

Residents living around the PT Riau Abadi Lestari concession are local people, there being no customary law communities in the PT Riau Abadi Lestari concession area in accordance with the 2017 PT Riau Abadi Lestari Indigenous Community Identification Report. The Mandiangin Village community belongs to the local community, but PT Riau Abadi Lestari honors the Customary Forest Claim and acknowledges the existence of the tomb of Kramat Datuk Muntikato.

PT Riau Abadi Lestari has made conflict resolution efforts with the surrounding community. There are Reports on the Results of Potential Mapping and Conflict Resolution in 2019, which have been reported to the Head of Riau Province's Environment and Forestry Service.

PT Riau Abadi Lestari has provided access to the surrounding community to utilize forest resources for economic and cultural interests, which include grass, fish and resin. There is a 2019 Non-Timber Forest Product Monitoring Report in Mandiangin Unit.

PT Riau Abadi Lestari has signed cooperation agreements with surrounding communities. There is a Letter of Agreement for the Development of Industrial Plantation Forests in 2017 between PT Riau Abadi Lestari and local contractor partner. There is a Cooperation Agreement for the Prevention and Management of Forest and Land Fires in 2019, between PT Riau Abadi Lestari and the Fire Care Community of the village.

PT Riau Abadi Lestari has carried out corporate social responsibility (CSR) activities for the surrounding community. There is a Forest Village Community Empowerment Operational Plan Document for 2019. Types of activities include improvement of human resources, agriculture, social/ cultural, religious, village facilities and infrastructure. A report on the empowerment of forest village communities for the period of January - December 2019 was issued on January 20, 2020.

Description of the ecological conditions of the concession

The Management Unit has conducted forest ecosystem and hydrological function management activities, which have identified those management activities that have significant impacts, and conducted an environmental impact assessment, through: the implementation of AMDAL activities, RKL RPL of PT Riau Abadi Lestari in 1996. These include monitoring soil density and erosion, water debit and quality, and monitoring of protected areas. Moreover, the implementation of management and monitoring the environment is presented in the environmental permit implementation (RPL / RKL) report each semester.

Reduced impact logging activities are carried out in stages before the harvesting activities (pre-harvesting), during the harvesting operations, after the harvesting activities (post-harvesting).

Identification of the area that serves to protect soil and water is made by allocating a Local Protection Area and Other Protected Areas covering an area of 1672.20 ha, divided into Mandiangin Unit of 306.19 ha consisting of: KPPN covering 92 ha, Riparian Area of 214.19 ha; Tasik Serai unit of 49.79 ha consisting of: KPSL 49.79 ha, and; Sindotim Unit of 1,316.22 ha consisting of Buffer Zone of 93.00 ha, Riparian Area of 1,155.22 ha and natural forest of 68.00 ha.

The Management Unit has carried out biodiversity management activities, through identification, and an inventory of protected, endemic, rare and threatened / endangered flora & fauna in the concession area. The results of the

identification and inventory are reported in the Environmental Permit Implementation Report (RKL / RPL each semester. PT Riau Abadi Lestari does not cultivate genetically modified tree species, but *Eucalyptus pellita* and *Acacia cracicarpa*.

The Management Unit has conducted forest protection activities, which have identified and monitored disturbance in sustainable forest management, whether due to human or natural causes. Signboards are posted to mark boundaries, as well as warning notices forbidding illegal entry, hunting and the lighting of fires, etc. To prevent and deal with disease and pest infestations, the Management Unit has documented procedures. These include manual, natural and chemical solutions as may be applicable. PT Riau Abadi Lestari also has documented procedures for the management of chemical pesticides, the handling of fuel oil spills, lubricants and chemicals and waste management of hazardous and toxic materials (B3).

PT Riau Abadi Lestari has implemented forest protection measures against fire hazards that includes the Fire Care Agreement with the local community. By implementing appropriate steps,, the Management Unit has documented procedures for fire protection activities.

Results of the Public Consultation

Prior to undertaking the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing February 05, 2020, requesting stakeholders to provide input and information on PT Riau Abadi Lestari. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email or postal mail, and announced in local newspapers.

There was input from an NGO during the public consultation. In the letter there are three (3) suggestions to PT. Riau Abadi Lestari about riparian area management. The audit team has performed field verification related to the input and found that PT Riau Abadi Lestari does not conduct planting of commercial species in the riparian area. In fact, it has become a community garden in the form of oil palm and rubber plantations.

PT AJA Sertifikasi Indonesia received no further input from stakeholders during the public consultation. The audit team also collected information from the mass media about PT Riau Abadi Lestari, such reported cases being given material consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

PT Riau Abadi Lestari has identified all necessary requirements for this certification process, comprising legal aspects that include compliance with international regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 12.000 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 2 Audit identified two (2) Non-Conformities of a Minor category.

No	Non-Conformities	Corrective Action Performed	Category
1	There are inconsistent land-cover data in the 2017-2020 RKUPHHK-HTI document and PT Riau Abadi Lestari's IUPHHK-HTI Satellite Imagery Map. In the RKUPHHK-HTI 2017-2020 Revision document, there is a Protected Area from	The Management Unit will revise the RKUPHHK in the form of supplements, which contain revisions to spatial planning and adds information regarding land claims and conflict areas	Minor



	<p>where the area has been in the form of plantations (Main Crops and Living Plants). Most of the area of PT. Riau Abadi Lestari is actually a claim area and this is a conflict area. This information is not stated in the RKU document.</p> <p>Clause Ref I. 1.14</p>			
2	<p>PT. Riau Abadi Lestari has carried out PSP manufacturing activities for three (3) crop rotations. PSP data measurement results have been processed, but analysis of the results of during the 3rd rotation period has not been carried out.</p> <p>Clause Ref I.5.2.</p>	<p>The Management Unit will carry out PSP data analysis per cycle.</p>	Minor	

Conditions under which the certificate is issued

Certificate is valid until (March 11, 2021), provided that PT Riau Abadi Lestari 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.