

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 RIAU ABADI LESTARI

TOTAL HECTARES: 12,000 ha

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 1

AUDIT START DATE: February 18, 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

AUDIT END DATE: February 21, 2019

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Riau Abadi Lestari Unit Sindotim	Tapung District, Kampar Regency, Riau Province – Republic of Indonesia	February 18 to 19, 2019
PT Riau Abadi Lestari Unit Tasik Serai	Talang Muandau District, Bengkalis Regency, Riau Province – Republic of Indonesia	February 20 to 21, 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	
PT Riau Abadi Lestari Unit Mandiangin	Minas District, Siak Regency, Riau Province – Republic of Indonesia	

Document: Report Format Public – IFCC

Issue: D

Date: 15 September 2016

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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 Industrial Plantation Forest with Transmigration Pattern from the Minister of Forestry: 542 / KPTS-II / 1997 dated August 25, 1997, for an area of 12,000 ha. There has been no conversion of natural forest to plantation forest since December 31, 2010, thus the scope for IFCC Certification is 12,000 ha.

PT. Riau Abadi Lestari consists of three (3) Blocks / Units, namely:

1. Tasik Serai Unit, located in Muandau District, Bengkalis Regency, There are three (3) villages in Tasik Serai Unit, namely Serai Wangi Village, Beringin Village, and Koto Pahit Village.
2. Sindotim Unit, located in two (2) regencies, namely in Minas District, Siak Regency, that has one (1) village, Kampung Rantau Bertuah, and in Tapung District, Kampar Regency, with a village, Kampung Bencah Kelubi.
3. Mandiangin Unit, located in Minas District, Siak Regency, with Mandiangin Village.

The Management Unit has RKUPHHK-HTI, which was approved by the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.6139 / MenLHK-PHPL / UHP / HPL.1 / 11/2017 regarding the Approval of Business Plan for Timber Forest Product Utilization in Industrial Plantation Forest (RKUPHHK-HTI) for 2017 to 2026 within the Framework of Improving Peat Governance on behalf of PT Riau Abadi Lestari in Riau Province. The spatial planning of the work area is as follows: Peat Ecosystem Protection Function Area of 677 ha (4.45%), Local Protection Area of 1,568.20 ha (10.30%), Staple Plant Area of 6,210.00 ha (40.78%) and Livelihood Plants Area of 6,771.00 ha (44.47%), with a total area of 15,226.20 ha (100.00%).

The 2017 RKUPHHK-HTI refers to; TBT report. No. LAP./BPKH.XII-2/2015 Year 2015: Report of the Results of Own and Partnership Boundary Arrangement for the Working Area of Timber Forest Product Utilization Permits in Industrial Plantation Forests (IUPHHK-HTI) of PT Riau Abadi Lestari (Tapung Block, Minas Block and Tasik Serai Block) with PT Arara Abadi in Regency of Kampar, Siak and Bengkalis, Riau Province.

- Tapung Block : 52,297.56 meters in length, covering an area of 5,113.69 ha
- Minas Block : 39,448.69 meters in length, covering an area of 5,725.72 ha
- Tasik Serai Block: 31,776.71 meters in length, covering an area of 4,386.79 ha

The description of PT Riau Abadi Lestari's concession area is as follows:

No	Description	Sindotim	Mandiangin	Tasik Serai
1.	Geographic coordinate	1. 101° 32' 10"-101° 37' 15" E 2. 01° 01' 00"- 01° 06' 00" S	3. 101° 29' 30"- 101° 34' 30" E 4. 01° 47' 15"- 01° 59' 15" S	5. 101° 15' 00"- 101° 21' 30" E 6. 00° 40' 00"- 00° 43' 30" S
2.	Government administration	1. Kampar Regency 2. Tapung Hilir District	1. Siak Regency 2. Minas District	1. Bengkalis Regency 2. Talang Muandau District
3.	Watershed (DAS)	1. Tapung Kanan River 2. Tapung Kiri River	1. Perawang River 2. Mandau River	1. Air Jamban River 2. Empohan River
4.	Type of soil	Yellow-red podsolic, organosol, Glei humus	Yellow-red podsolic, organosol, Glei humus	Yellow-red podsolic, organosol, Glei humus
	Topography	Flat (83.4%), Sloping (16.6%)	Flat (94.8%), Sloping (5.2%)	Flat (93.2%), Sloping (6.8%)
5.	Species cultivated	<i>Eucalyptus pellita</i>	<i>Eucalyptus pellita</i> <i>Acacia crassicaarpa</i>	<i>Eucalyptus pellita</i>

In this Surveillance 1 Audit, the units visited were Sindotim Unit and the Tasik Serai Unit



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

PT Riau Abadi Lestari concession area falls under the administrative area of Tasik Betung Village, Sungai Mandau District, Siak Regency, Riau Province. There are no indigenous peoples to be found around the concession area, the inhabitants of the villages being dominated by transmigration communities originating from Java Island plus a small number of Malays.

In managing the concession area, the Management Unit has cooperation agreements with the surrounding community in regard to livelihood plants as well as the formation a Fire Care Society (MPA) for the prevention and control of land and forest fires.

Based on the report on the realization of the CD / CSR program in 2018, the items realized through December 2018 were in the form of: educational aspects, economic improvement of the community in the form of assistance in the fields of agriculture, fisheries, animal husbandry, entrepreneurship, as well as the watering of roads and provision for social and religious aspects such as Indonesian Independence Day, assistance with sacrificial animals and other requirements for religious holidays, and infrastructure.

Description of the ecological conditions of the concession

PT. Riau Abadi Lestari has carried out the identification of negative environmental effects in all its work areas. The activity has been documented in the AMDAL document, the revised RKU documents for 2018-2027 that describes the management of of protected areas covering 200 hectares, consisting of KPPN in the Mandiangin block covering 98 hectares, riparian areas of Parapakan river and Tapung river in Sindotim block covering 62 hectares, and DPSL in Tasik Serai block covering 40 hectares.

The Management Unit also monitored various indicators relating to the health of the soil and the quality of the air and water. Items that are managed and monitored across the whole of the concession working area consist of physical and chemical components that include microclimate, air quality, soil fertility, soil erosion, water quality and sedimentation, among others. The results of its monitoring activity are reported to the relevant authorities on a periodic basis.

The Management Unit has optimized the use of forest resources where the initial activity is to make a micro plan outlined in a 1: 6,000 scale map at the time of harvesting.

The Management Unit has identified through inventory and mapping the distribution of protected, endemic, rare and endangered flora and fauna and endangered species and their habitats, which are monitored throughout the year. The Management Unit provides part of the natural forest as habitat (animal pockets) and animal corridors for the flora and fauna. Based on the results of the HCV study in March 2014, fauna identified as endangered species are the Sumatran Elephant (*Elephas maximus Sumatranus*) and Sumatran Tiger (*Panthera tigris Sumatranus*).

Among the efforts PT Riau Abadi Lestari has made to protect the forest are such activities as maintaining boundary and warning signs forbidding the lighting of fires, marking protected areas, etc. It also carries out regular patrols to inhibit illegal encroachment, logging, grazing of livestock and the like. Among the measures it has taken to protect against forest/land fires is the setting up of a Fire Care Society (MPA) with the local community whereby the company provides equipment and training to best utilize their combined efforts against fire hazards.

Results of the Public Consultation

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Prior to undertaking the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing January 28, 2019, which asked stakeholders to provide feedback 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 a public consultation response from a stakeholder that was posted on February 13, 2019 regarding complaint to the plantation of acacia on the watershed and the company's RKT 2018. The stakeholder was not asked for approval of the company's RKT 2018 and there had been no reports to date.

Verification, document review and interview at the time of the audit with the management of PT Riau Abadi Lestari revealed that:

- a. The related watershed location is included in the scope of another company.
- b. The concession area is mostly in the form of mineral soil and the commodities that planted by the company is the types of *Eucalyptus* sp.
- c. In 2019, however, there had been replacement of the District Head. But there are minutes on implementing the integrated socialization, approval and agreement of the HTI 2018 development program to the community of which both the Village Head and the previous District Head are aware.
- d. There was no socialization activity had been carried out in the District area under which the Sindotim Unit falls, because no operational activity of RKT 2019 planned there.

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

Based on the Surveillance 1 Audit results of PT Riau Abadi Lestari, no Non-Conformities of either a major or minor nature were identified by the the audit team.

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.