

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 HUTANI MAS

TOTAL HECTARES: 35,777.67
ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 35,777.67 hectares of Plantation Forest in Jambi Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: February 12, 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 15, 2019

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Ence Hedi Hasan Zubaedi

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:
HO PT Rimba Hutani Mas	Tebing Tinggi Village, Tingkal Ulu District, Tanjung Jabung Barat Regency, Jambi Province, Republic of Indonesia	February 12, 2019
PT Rimba Hutani Mas	Danau Bangko Block, Pemayung District, Batang Hari Regency, Jambi Province, Republic of Indonesia	February 13 to 14 2019
PT Rimba Hutani Mas	Taman Raja Block, Batang Asam District, Tanjung Jabung Barat Regency, Jambi Province. Republic of Indonesia	February 15, 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	
	Sei Dasal Block, Sekerman District, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	

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Date: 15 September 2016

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Brief Description of the concession

Operational permit for PT Rimba Hutani Mas was re-enacted through Kepmenhut No. SK.68 / Menhut-II / 2004 on the re-enactment of Minister of Forestry Decree No. 167 / Kpts-II / 1998 on granting HPHTI to PT Rimba Hutani Mas over forest area of 51,260 ha in Jambi Province. Concession boundary of PT Rimba Hutani Mas was implemented in 2010 and has been determined through Decree of Minister of Forestry No. SK 689 / MENHUT-II / 2010, dated 13/12/2010 on the stipulation of IUPHHK work area in PT Rimba Hutani Mas area of 35,814.20 ha in Tanjung Jabung Barat Regency, Muaro Jambi Regency, and Batanghari Regency, Jambi Province. There was conversion of 36.53 hectares of natural forest to plantation forest after December 31, 2010, so the scope of IFCC certification is 35,777.67 ha.

The Management Unit has a Forest Management Document, namely a Document of the Work Plan for the Utilization of Industrial Plantation Forest Products (RKUPHHK-HTI) for the 10-year period 2017 - 2026 on behalf of PT Rimba Hutani Mas in Jambi Province, which was ratified through the Decision of Minister of Forestry Number: SK.6144 / Men LHK-PHPL / UHP / HPL.1 / 11/2017 dated November 14, 2017. Spatial planning according to the 2017 - 2026 RKUPHHK-HTI is a Peat Ecosystem Protected Area (KFLEG) in the form of a Cultivation Function 291 ha (0.81%), Local Protection Areas and Other Protected Areas (Non-Peat) covering an area of 8,141.20 (22.73%), Staple Plant areas covering 20,411 ha (56.99%) and Livelihood Plants area covering an 6,971 ha (19.46%): percentage total 99.99% due to rounding.

Description of the location of the work area based on geographical location and government administration, as well as forest grouping and species grown is presented in the following table:

Description	Block		
	Sei Dasal	Danau Bangko	Taman Raja
Size	9,975.2 ha	16,640 ha	9,199 ha
Geographical location	01° 11' 25" to 01° 17' 06" South 103° 11' 35" to 103° 28' 10" East	01° 19' 58" to 01° 32' 13" South 103° 12' 43" to 103° 21' 49" East	1° 05' 07" to 1° 15' 20" South 102° 51' 08" to 102° 57' 30" East
Government Administration	Tanjung Jabung Barat Regency Muaro Jambi Regency	Muaro Jambi Regency Batanghari Regency	Tanjung Jabung Barat Regency
Forest Group	Betara Ulu River Tapah River	Danau Bangko River Air Hitam River	Asam River, Tantang River, Pengabuan Hulu River
Type of Plantation	<i>Acacia Sp</i> <i>Eucalyptus Sp</i>	<i>Acacia Sp</i> <i>Eucalyptus Sp</i>	Forest Conservation Program

Based on Environmental Management Plan and Environmental Monitoring Reports, PT Rimba Hutani Mas has a mixed topography: 11,361,20 ha of flat slopes (0 - 8%); 9,709 ha of ramps (8-15 %); 10,695 ha of slightly steep (15 - 25%); 2,090 ha of steep (25 - 40%); and 1,959 ha of very steep (>40%). The altitude lies between 40 to 1,500 meters above sea level, while the following soil types are to be found: Alluvial, Gleisol, Kambisol, Oxisol, Podsollic.

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

Based on the Participatory Mapping Report for Community Development in 2016, there are 14 villages in the vicinity of PT Rimba Hutani Mas concession area, the inhabitants of which are classified as local community and in the main earn their livelihood in the agricultural sector.

PT Rimba Hutani Mas has standard processes for resolving conflicts with the local community and maintains full documentation including mapping of each area of conflict with the local community. There have been a number of land claims within the concession area and based on interviews with community leaders, PT Rimba Hutani Mas has made efforts to settle such claims by involving local community leaders and approaching those who control the claimed area. As such, PT Rimba Hutani Mas has settled a number of claims by cooperating with local communities in regard to livelihood



plants and partnership management of the plantation forest, Currently, agreement documents are being prepared to signify the mutual agreement between the community and PT Rimba Hutani Mas, under which the claimed areas will be planted as part of the concession.

PT Rimba Hutani Mas has identified and respects the legal rights of the local community, providing access to local communities to utilize non-timber forest resources mainly in the form of honey, fish, and rattan. The use of non-timber forest products is documented by person and their average income per month, while the distribution of the non-timber forest products is mapped for each area.

PT Rimba Hutani Mas has also been working with the communities around the concession area in regard to cooperation agreements for the growth of livelihood plants. Based on interviews with village elders, the Management Unit collects data and communicates with the community in regard to what type of plant life should be planted, e.g. vegetables such as petai, as well as durian and other fruits. This includes areas that were previously planted with palm oil, and under the agreements the planting and cultivation of the areas falls under the Company's jurisdiction and the local communities will not be allowed to reopen land in the concession area.

Through its Corporate Social Responsibility (CSR) programs, PT Rimba Hutani Mas provides support for capacity building, as well as infrastructure and economic development in the surrounding communities. These CSR programs include activities in the following areas:

- Economics: entrepreneurship (workshops, craftsmen), agriculture and animal husbandry, fisheries, business entities (cooperatives, BUMDES);
- Socio-cultural: provision of recreation and sports facilities, especially for youth, health (posyandu, mass medication), commemoration of religious holidays, National Day celebrations, etc.
- Education: provision of scholarships, teacher fees, educational facilities, educational infrastructure.
- Infrastructure: roads, religious buildings, housing.
- Environment: wash canals, greening, environmental counseling, clean water facilities, road cleaning.

Focus Group Discussions have been carried out to determine future programs, which include raising goats, cultivation of various fish types, as well as crops such as watermelon, beans, etc. Meanwhile, Village Owned Enterprise (BUMDES) has been established.

Description of the ecological conditions of the concession

The Management Unit undertakes activities to minimize negative environmental impacts in accordance with RKL (Environmental Management Plan) and RPL (Environmental Monitoring Plan) documentation, 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.

Based on the High Conservation Value (HCV) documents, the protected fauna identified in the plantation area include: Sumatran tiger (*Panthera tigris sumatrae*); sambar (*Cervus unicolor*) and kijang (*Muntiacus muntjak*); tapir (*Tapirus indicus*); siamang (*Hylobates agilis*); sun bear (*Helarctos malayanus*); and argus agung (*Argusianus argus*), while the flora found, include: balam (*Palaquium sumatrans*), keruing (*Dipterocarpus crinitus* and *D. gracilis*), jelutung (*Dyera costulata*), meranti (*Parashorea aptera*, *P. lucida*, *Shorea conica*, *S. leprosula*, *S. platycarpa* and *S. seminis*). The efforts of the Management Unit are directed at preventing, overcoming and controlling negative impacts while fostering and enhancing the positives. This is applied in Taman Raja working area, which will be managed as an integrated conservation area called "Taman Raja Protected Area" in cooperation with the surrounding village communities and other relevant governmental and NGO involvement.

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Components that are managed and monitored across the plantation working areas include physical, chemical and biological components. Physical and chemical components include; microclimate, air quality, soil fertility, soil erosion, river discharge, sedimentation, water quality and fire hazards. Biological components, meanwhile, include not only protected plant and animal species, but also pests and diseases that could cause disruption of the forest.

The Management Unit implements standard methods for the handling of hazardous waste materials (B3), which include an inventory of waste, source, and estimated amount. All such waste is regularly collected and retained in temporary storage until its collection by a licensed disposal company.

Results of the Public Consultation

Prior to performing the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing January 25, 2019, asking stakeholders to provide feedback and information on PT Rimba Hutani Mas. The public consultation was uploaded to the website of PT AJA Sertifikasi Indonesia (www.ajaindonesia.com), sent to related parties via email and / or postal mail, and announced in local newspapers.

PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation. The audit team also gathered information from the mass media about PT Rimba Hutani Mas, such reported cases being considered as a material part of the audit process carried out by PT AJA Sertifikasi Indonesia.

PT Rimba Hutani Mas has identified all necessary requirements for this certification process, comprising legal aspects that include compliance with international rules or conventions. The established management system includes all field activities for certification, where the area registered for certification is 35,777.67 ha.

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

The results of PT Rimba Hutani Mas Surveillance 1 Audit, identified two (2) minor non-conformities (NC), as follows.

No	Non-Conformities	Corrective Action Performed	Category
1	Standard procedures related to HTI Spatial Planning (Planning SOP and SOP for Land Development and HTI Compartment System Plans) have not been revised in accordance with the latest regulations, namely the Minister of Environment and Forestry Regulation on Industrial Plantation Forest Development and Minister of Environment and Forestry Regulation Revision of Peat Management. Clause Ref. I.1.11:	The Management Unit had revised the Standard procedures related to HTI Spatial Planning (Planning SOPs and SOP for Land Development and Compartment System HTI Systems) as revised according to the latest regulations, namely Minister of Environment and Forestry Regulation on Industrial Plantation Forest Development and Tata Revised Minister of Environment and Forestry Regulation Manage Peat.	Minor
2	Based on the 2017-2026 RKUPHHK-HTI document that was ratified, in the PT Rimba Hutani Mas estate HTI spatial layout there was an area of 291 ha of FBEG in Sei Dasal Block. Meanwhile, the results of the field check of the PT Rimba Hutani Mas team at the intended location are that it is of mineral land without	The Management Unit has made a plan for the revision of the 2017-2026 RKUPHHK-HTI document.	Minor

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	any peat being found. Therefore, this condition requires a decision / determination from the authorities (Kemen LHK) Clause Ref I.1.14:		
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Conditions under which the certificate is issued

Certificate is valid until (15/03/2021), provided that PT Rimba Hutani Mas 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 2 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.