

Public Report Sustainable Forest Management System

**Ownership of this report and the information
contained herein remain the property of AJA Europe**



AJA EUROPE
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 for Timber Plantation covering 35,777.67 hectares in Jambi Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: STAGE 2

AUDIT START DATE: Dec. 7, 2017

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: Dec. 10, 2017

LEAD AUDITOR: AGUNG UTAMA LUBIS (SOCIAL)

SIGNATURE:

AUDIT TEAM: UTOMO (PRODUCTION)

SIGNATURE:

SAD HASTO (ECOLOGY)

SIGNATURE:

MAJOR CARS: -

MINOR CARS: 7

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT. Rimba Hutani Mas	Sei Danau Bangko Block - Pemayang District, Batang Hari Regency-Jambi Province, Republic of Indonesia	December 7 & 10, 2017
PT. Rimba Hutani Mas	Sei Dasal Block - Sekerman District, Muaro Jambi Regency- Jambi Province. Republic of Indonesia	December 8 & 9, 2017
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. Rimba Hutani Mas	Taman Raja Block, Batang Asam District, Tanjung Jabung Barat Regency- Jambi Province, Republic of Indonesia	

Document: Report Format Public – IFCC

Issue: D

Date: 15 September 2016

Page : Page 2 of 6



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 the Province of Jambi. Concession boundary of PT. RHM 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 Tanjug Jabung Barat District, Muaro Jambi District, and Batanghari District, 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.

Spatial arrangement according to RKUPHHK-HTI for the period of 2009 - 2018 is as follows: Staple Plant Area of 21,819 ha (60.92%), Indigenous Species Area of 3,601 ha (10.05%), Livelihood Plant Area of 2,522 ha (7.04%), Protected Areas of 6,299 ha (17.59%), and 1,146 ha (3.20%), and Land under Dispute of 427 ha (1.19%).

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	Sei 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	Tanjab Barat Regency Muaro Jambi Regency	Muaro Jambi Regency Batanghari Regency	Tanjab Barat Regency
Forest Group	Betara Ulu River Taph 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 Flat (0 - 8%); 9,709 ha Sloping (8 -15%); 10.695 ha Somewhat Steep (15 - 25%); 2.090 ha Steep (25 - 40%); and 1,959 ha. 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

The Participatory Mapping Report for Community Development in 2016 reveals that 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, Badan Usaha Milik Desa (BUMDES) has been established.

Description of the ecological conditions of the concession

PT Rimba Hutani Mas 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 muntjak deer (*Muntiacus muntjak*); tapir (*Tapirus indicus*); gibbon (*Hylobates agilis*); sun bear (*Helarctos malayanus*); and the great argus (*Argusianus argus*), while the flora found, include, among others; 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 particular true for the Raja Park working area, which will be managed as an integrated conservation area called "Raja Park Protected Area" in cooperation with the surrounding village communities and other relevant governmental and NGO involvement.

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 Stage 2 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing November 29, 2017, 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.

Results of Stage 2 Audit of PT Rimba Hutani Mas revealed seven (7) Minor Non-Conformities (NC) as listed below. No critical issues were identified.

No	Non-Conformities	Corrective Action Performed	Category
1	In some areas there are no physical boundary markers between Staple Plant Area and Indigenous Plant Area, or in marking the riparian zone. Clause Ref. I.1.14	The Management Unit has submitted objective evidence of: 1. Minutes of installing the boundary between Indigenous Plants and Staple Plant Area 2. Photo of boundary between Indigenous Plants and Staple Plant Area 3. Map of boundary between Indigenous Plants and Staple Plant Area 4. Map of clearly marked boundary of riparian zone	Minor
2	PT Rimba Hutani Mas has not been able to show the results of degraded land identification, which will be used as a baseline for preparing a rehabilitation plan. Clause Ref. I.3.4	The Management Unit has provided objective evidence: superimposing / overlay of landsat imagery with spatial layout, claims area and overlap area.	Minor
3	The Staple Plant Area contained in the RKUPHHK-HTI document does not reflect the actual sustainable harvest levels due to occupancy in the area. Examination of the concession boundaries found missing borders, defective boundaries, and the mislocated borders. Clause Ref I..4.1	The Management Unit of PT Rimba Hutani Mas has a management plan for the main plantation area that is occupied as outlined in the ISFMP document and the RHM Dec 2017 Land Resettlement Action Plan. Management Unit has also planned and implemented repair of damaged borders, replacement of missing borders and installation of boundary borders according to coordinates.	Minor
4	Measurable and scheduled rehabilitation plans	Management Unit PT Rimba Hutani Mas has	Minor



	for degraded areas (other than ex-occupation areas conducted by PT Bukit Kautsar) do not yet exist Clause Ref I.4.5	developed plans for the rehabilitation of degraded areas in protected areas, which will be completed over the five (5) years from 2018 to 2022	
5	PSP creation has been implemented, but not effectively and writing on labels was unreadable. Clause Ref, 1.5.2	Schedule for maintenance activities of PSP plots PT Rimba Hutani Mas 2018 has been prepared, as has been submitted in evidence.	Minor
6	Field check results of the total non-IFCC area (36.53 ha) are not in accord with the area documented Clause Ref. III.1.1	Changes have been made to the documentation to adjust the area to conform with the field check findings.	Minor
7	There has been no management and monitoring of key species and their habitats as per requirements. Clause Ref. I.7.3	PT Rimba Hutani Mas has established an activity plan for wildlife management and monitoring in 2018 to meet the necessary requirements.	Minor

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 visit. If the non-conformities are not closed at the next Surveillance, the certificate may be suspended until such time as AJA is able to perform a closeout visit.