

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 Unit Sumsel

TOTAL HECTARES: 61,366.7

SCOPE OF REGISTRATION: Sustainable Forest Management of 61,366.7 hectares of Plantation Forest in South Sumatra

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: November 10, 2020
AUDIT END DATE: November 14, 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

AUDITOR LEAD: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Priyo Handoko

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: -

MINOR CARS: -

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Buring District	Bayung Lencir District, Musi Banyuasin Regency, South Sumatra Province, Republic of Indonesia	November 10 to 14, 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	
N / A		

Brief Description of the concession

PT Rimba Hutani Mas obtained SK IUPHHK-HTI (Business Permit for Utilization of Timber Forest Products in Industrial Plantation Forest) by Decree of the Minister of Forestry Number 90 / Kpts-II / 2007 dated March 22, 2007 concerning the Granting of Concession Rights for Industrial Plantation Forests over forest areas covering about 67,100 hectares in the Province of South Sumatra to PT Rimba Hutani Mas Unit Sumsel. There was a conversion of natural forest to plantation forest after December 31, 2010 covering an area of 5,733.3 hectares. Based on SK. Minister of Forestry No. SK.90 / Menhut-II / 2007 dated March 22, 2007, the working area was approximately 67,100 ha., thus the scope for IFCC certification is 61,366.7 hectares.

In the implementation of forest management operations, the Management Unit has a Revised Work Plan for Business Permit for Utilization of Timber Forest Products in Industrial Plantation Forest (RKUPHHK-HTI) for 2017 to 2026. This was approved based on Decree of the Minister of Environment and Forestry Number SK.6046 / MenLHK-PHPL / UHP.1 / 6/2019 dated June 28, 2019. Spatial arrangement of the work area in the 2019 Revised RKUPHHK-HTI document is as follows: Local Protection Areas and Other Protected Areas of 22,475 ha (33.49%), Staple Plant Area of 31,972 ha (47.65%), Livelihood Plant Area of 12,653 ha (18.86%). Local Protected Areas and Other Protected Areas consist of: Riparian Areas of 1,512 ha (2.25%), Crocodile Conservation of 11,763 ha (17.53%), Germplasm Conservation Area of 2,048 ha (3.05%), Wildlife Conservation Area of 2,733 ha (4.07%), and Peat Dome Peak Area of 4,419 Ha (6.59%).

PT Rimba Hutani Mas is administratively located in Bayung Lencir District, Musi Banyuasin Regency, South Sumatra Province, consisting of two (2) blocks with the following geographical locations:

- a. Block I (Meranti): 103° 31' 42" to 103° 38' 18" East and 02° 00' 00" to 02° 09' 20" South, included in Meranti River Forest, Bayat, Bahar Forest Group,
- b. Block II (Lalan): 103° 51' 31" to 104° 38' 50" East and 01° 45' 25" to 02° 15' 11" South, included in Lalan River Forest Group.

General condition of work area based on land condition: Dry: 17%, Wet: 83%, Brackish: 0%. Topography: Flat (0 - 8%) 100% at an altitude of 0 - 30 meters above sea level. Soil Types: Gleisols, Alluvials, Red-Yellow Podisols, Yellow-Brown Podisols. Geological Formations (Rock Types): Block I: Classical Sedimentary Formations and a little volcanic sediment; Block II: Formation of Raw Water Deposits, Clastic Sediments and Volcanic Sediments. Climate: Climate Type: A (Schmidt & Ferguson) with Highest Monthly Rainfall in March and Lowest in August. Hydrology: Lalan watershed, rivers / streams located in the work area are Belangan River, Buring River, Kerkai River, Lalan River, Medak River, Merang River and Bahar River. Forest Function: based on the Map of Forest Area and Marine Conservation of South Sumatra Province SK 454 / MenLHK PK TL / KUH / PLA.2 / 6/2016 dated 17 June 2016: 64,990 ha of Production Forest, 318 ha of Converted Production Forest, and 1,792 ha of Other Use Area.

The working area boundary to the north side: Muara Merang Village Forest, PT Tri Pupajaya, East side: PT Mentari Subur Abadi, South side: PT Lonsum, PT Global Alam Lestari, West side: PT Pakerin, PT Swadaya Bhakti Negaramas. The production plants developed are *Eucalyptus sp*, *Acacia mangium*, *Acacia crassicarpa*.

The Management Unit has complied with the regulations related to peatland management. PT Rimba Hutani Mas has carried out: Revision of RKUPHHK in order to improve Peat Management based on Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK MenLHK No. SK.6127 / MenLHK-PHPL / UHP / HPL.1 / 11/2017 dated November 14, 2017. The Management Unit has compiled Reports on the Implementation of Peatland Ecosystem Restoration and Control of Forest and Land Fires based on the Decree of the Director General of Pollution and Environmental Damage Control SK.15 / PPKL / PKG / PKL.0 / 1/2018 dated January 2, 2018. Made adjustments for activities in 2018 to 2019 based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.4301 / MenLHK-PHPL / UHP.1 / 6/2018 dated 28 June 2018. There are peat dome peaks covering an area of 6,368 hectares spread in Riverbanks of 147 hectares, Crocodile Conservation of 48 hectares,

KPSL of 760 hectares, KPPN of 1,014 hectares, former Staple plant area and Livelihood plant area of 4,419 hectares.

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

The villages that are the company's target villages are: Pulai Gading Dusun I, Ma Medak Village (Core Assisted Village), Ma Bahar Village, Ma Merang Village (Regular Assisted Village), and Mangsang Village (Ordinary Assisted Village) - all of the assisted villages are in Bayung Lencir District, Musi Banyuasin Regency, South Sumatra Province.

Based on 2019 data from Bayung Lencir Subdistrict, most of the residents in the villages around the company's concession work as farmers, from 7,663 families in the surrounding village, 4,545 heads of families (59%) are farmers.

In the village of Muara Medak, there is a settlement of the Suku Anak Dalam tribe, according to the 2020 Report on the Identification and Development of the Suku Anak Dalam by PT Rimba Hutani Mas. Based on this report, they number 165 people in 52 families. Their livelihood patterns are fishing, gardening and hunting. The location of the Suku Anak Dalam settlement is outside the company concession, but based on interviews with the Management Unit, the company has provided them coaching assistance including conducting health checks, and counseling on Covid 19, providing masks and hand sanitizers. There is a report on the Health Examination of the Suku Anak Dalam on November 3, 2020, in the form dissemination of prevention of the spread of the COVID-19 pandemic, health checks, distribution of masks, distribution of hand sanitizers, giving vitamins, as well as socialization of forest fire prevention,. The report includes minutes, photos of activities, recapitulation of health examination results, and list of members of the Suku Anak Dalam.

PT Rimba Hutani Mas has made conflict resolution efforts with the surrounding community. There are Potential Mapping Reports and Conflict Resolution for Semester II 2019 and Semester I 2020. Based on these reports, the conflict status in the company's concession is under control. In 2020, there is a claim area of 776.41 ha that can be resolved through a welfare approach or alternative dispute resolution.

PT Rimba Hutani Mas has collaborated with local communities from 2012 to 2018 on livelihood plant. The realization of livelihood plant until 2018 was 4,878.90 ha or 8% of the 61,366 ha concession area. The livelihood plant agreement is carried out by managing the location of the livelihood plants together with the surrounding community group, not in the form of staple plant cooperation as many other companies do. So there is no livelihood plant fee from the company. Based on existing documents, the previous livelihood plant cooperation was the location of the claim area, which was then carried out by negotiations between the company and the community.

A Forest Fire Prevention and Management Agreement between PT Rimba Hutani Mas and the Fire Care Community Group (KMPA) of the 10 villages was signed on June 8, 2020.

PT Rimba Hutani Mas has implemented a corporate social responsibility (CSR) program for the surrounding community. Based on the CSR Program Realization Report for 2020 up to 31 August 2020, the activities carried out include: Operational assistance for the Miftahul Huda Mosque, Eid gifts for mosque administrators and community leaders, assistance for sacrificial animals, assistance for the office equipment, assistance for installing solarcell, mosque renovation assistance, religious aids, Desa Makmur Peduli Api in rice farming and horticulture cultivation. Based on this report, the realization of the company's CSR program up to August 2020 has reached 57% of that planned. The programs implemented in addition to charity assistance also include a program to improve the economy of the surrounding community through the DMPA program.

Description of the ecological conditions of the concession

The Management Unit has carried out Management of Forest Ecosystem and Hydrological Functions, through the following activities:

- Identification of forest management activities with significant impacts, and conducting environmental impact assessments through: the AMDAL document that was validated based on the Decree of the Regent of Musi Banyuasin No. 1794 of 2006 dated 6 September 2016, Revision, RKUPPHK 2017-2026 Improvement of Peat Governance. The implementation of environmental management and monitoring is presented in the Environmental Permit Implementation report (RPL / RKL) each semester.
- The Reduced Impact Logging activity is carried out in stages: before logging activities (pre-harvesting), during harvesting operations, and after logging activities (post-harvesting)
- Identification of areas that function for land protection. are designated as protected areas such as Sempadan, KPPN / KPSL and Other Protected Areas
- Identification of areas that function for water protection are allocated and designated as a water protection areas, such as Borders, KPPN / KPSL and Other Protected Areas.
- Monitoring of negative impacts of forest management activities is carried out through documented procedures that act as guidelines for Monitoring Protected Areas, Monitoring of Discharge and Water Quality and Monitoring Subsidence and TPMAT.

The Management Unit has carried out Biodiversity Management activities through the following activities:

- Identification and inventory of protected, endemic, rare and threatened / endangered flora & fauna within the concession areas. There is a map of fauna distribution, but not yet for flora distribution.
- Identification of key protected and threatened / endangered species, their habitats and their migration patterns has been carried out, based on which there are no key species in the area.
- The staple plants cultivated are not genetically modified tree species, being *Acacia cracicarpa*, *Acacia mangium* and *Eucalyptus pellita*.

The Management Unit has carried out Forest Protection activities, be disturbances due to human or natural causes.

- Has a documented procedure to prevent and deal with disease and pest attacks, utilizing manual, biological or pesticide solutions as deemed most suitable.
- Besides Integrated Pest and Disease Management, the Management Unit has standard procedures for Weed Control, handling spills of fuel, lubricants and chemicals and for the management of hazardous and toxic waste (B3).
- Has implemented forest protection measures against fire hazards. In the work area there is no livestock grazing permitted by the community. Appropriate and measurable steps have been taken for forest protection activities.

Results of the Public Consultation

Before carrying out the Surveillance Audit 1, PT AJA Sertifikasi Indonesia conducted a public consultation commencing November 1, 2020, asking stakeholders to provide feedback and information about PT. Rimba Hutani Mas The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties by email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from the Public Consultation.

The audit team also collected information from the mass media about PT. Rimba Hutani Mas, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the necessary requirements for this certification process, which consist of legal aspects that include compliance with international rules and regulations and conventions. A management system has been built to cover all activities in the area of certification, which is registered for an area of 61,366.7 hectares.



Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.
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Based on the results of the Surveillance 1 Audit, no Non-Conformities of either the Major or Minor nature were identified by the audit team.
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Conditions under which the certificate is issued

Certificate is valid until March 26, 2023
