

# **Public Report Sustainable Forest Management System**

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



**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



**JOB NUMBER:** AJA/IFCC-008

**CLIENT NAME:** PT ARARA ABADI

**TOTAL HECTARES:** 294.915,86  
Ha

**SCOPE OF REGISTRATION:** Sustainable Forest Management to Planted Forest Covering an Area of 294.915,86 Hectares in Riau Province

**STANDARD/CRITERIA:** IFCC ST 1001:2014 & CLIENT DOCUMENTED MANAGEMENT SYSTEM

**TYPE OF AUDIT:** Stage 2

**AUDIT START DATE:** 25 May 2015

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:** 01 June 2015

**LEAD AUDITOR:** Andri Wibisono

**SIGNATURE:**

*[Handwritten signature]*

**AUDIT TEAM:** Ade Nursyaf Putra

**SIGNATURE:**

*[Handwritten signature]*

Bambang Soeharto

**SIGNATURE:**

*[Handwritten signature]*

Amin Kadani

**SIGNATURE:**

*[Handwritten signature]*

Abdullah Mujahid

**SIGNATURE:**

*[Handwritten signature]*

Agung Utama Lubis

**SIGNATURE:**

*[Handwritten signature]*

**MAJOR CARs:** 0

**MINOR CARs:** 8

**OBSERVATIONS:** 14

<b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):</b>	<input type="checkbox"/>	<b>SELECT OPTION</b>
<b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):</b>	<input checked="" type="checkbox"/>	
<b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):</b>	<input type="checkbox"/>	
<b>NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence Of Major System Failure):</b>	<input type="checkbox"/>	

# AJA EUROPE

## PUBLIC AUDIT REPORT - SFM

TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):</b>	<b>DATE OF EACH SITE VISIT:</b>
Pusaka District	Sub District Pusako, Sub District Sungai Apit, Regency Siak	25 May -28 May
Sorek-Malako District	Sub District Pelalawan, Sub District Bunut, Sub District Pangkalan Kuras, Sub District Bandar Petalangan, Sub District Kerumutan, Regency Pelalawan	29 May – 01 June
Melibur District	Sub District Sungai Mandau, Regency Siak	25 May -28 May
Rasau Kuning District	Sub District Tualang, Sub District Gasib, Sub District Sungai Mandau , Sub District Siak, Sub District Rumbai, Regency Pekanbaru.	29 May – 01 June
<b>SITE NAME (Legal Name):</b>	<b>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 (If more than 4 additional sites have been registered please add additional rows)</b>	
Distrik Gelombang	Sub District Minas, Sub District Kandis, Regency Siak	
Distrik Tapung	Sub District Tapung, Sub District Tapung Ilir, Regency Kampar	
Distrik Berbari	Sub District Pusako, Regency Siak	
Distrik Sebang	Sub District Pinggir, Regency Bengkalis	
Distrik Bukit Kapur	Sub District Bukit Batu, Sub District Bukit Kapur, Sub District Mandau, Regency Bengkalis	
Distrik Nilo	Sub District Pangkalan Kuras, Regency Pelalawan	
Distrik Merawang	Sub District Teluk Meranti, Regency Pelalawan	
<b>REF No:</b>	<b>ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)</b>	

### **Brief Description of the concession and its natural and socio-economic conditions.**

PT Arara Abadi received business permit on industrial plantation forest with a decree of the Minister of Forestry No. Minister of Forestry Decree 743/Kpts-II/1996 dated 25 Nov. 1996 covering an area of 299,975 hectares in Riau Province Jo SK No. 703/Menhut-II/2013 dated October 21, 2013 covering an area of 296,262 ha. In the forest management of PT Arara Abadi is composed of 11 District: Gelombang District (area 19,560 ha), Rasau Kuning District (area 25,300.60 ha), Tapung District (area 17,595 ha), Pusaka District (area 21,968 ha), Berbari District (21,630 ha), Melibur District (area 34,766 ha), Sebang District (36,687 ha), Bukit Kapur District (area 14,649 ha), Nilo District (area 24,455.90 ha), Sorek Malako District (area 49,706 ha), and the Merawang District (area 28,598 ha) with a total area of 294,915.86 hectares (area registered for certification). Eleven district is spread in Siak Regency, Kampar Regency, Pelalawan Regency, Bengkalis Regency, Pekanbaru Regency.

Document: Report Format Public – IFCC

Issue: A

Date: 18 August 2014

Page : Page 3 of 7

PT Arara Abadi based site/small site area consists of mineral soil (dry land) and peat (wet land) so it will be different in its management. Topography of work area is mostly flat (slope class A: 0-8%) and a small portion ramps (slope class B: 9-15%). Based on the type of soil largely organosol soil type (42.4%), other soil types: gleisol, alluvial, podsol, kambisol. MU work area based on Watershed Area (DAS) entered in the Rokan River, Siak Kecil, Kampar, Siak watershed. Climatic conditions: Climate Type A. Accessibility towards each district can be reached by road and waterways (by river).

Communities around the MU work area mostly garden farmers. The existence of the company is very meaningful for the community around the work area. Harmonious relationship to be achieved in forest management. The positive impact is felt by the community are: the opening of accessibility, employment, community empowerment. The villages around the working area there are 78 villages spread over 11 district. This condition can be a potential conflict between the company and the community. Any conflicts that arise MU PT Arara Abadi has a resolution of the conflict to resolve.

### 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 results of the audit stage 2 at PT. Arara Abadi there are 8 non-conformity with the category Minor, and 14 observations, namely:

CAR No: 1 of 8	Standar: IFCC ST 1001:2014	Reff Klausul: I.4.1	Klasifikasi: Minor
<p><b>Non-conformity Identified:</b> Border pole was not found on plot PSKB033301 and PSKB033401. In the field there were no boundary pole between plots. (Pusaka District).</p> <p><b>Corrective Actions:</b> Maintaining bopoundary poles by reputed missing poles especially at plot PSKB033301 and PSKB033401</p> <p><b>Objective evidences viewed to support the certification recommendation:</b> Minutes/news event was created on boundry pole installatuion in plot PSKA033301, plot PSKA033401 created by Muhamad Saleh (planning Head) signed by Ricky Abdulrazak (District Head) attached by plots boundary pole location map and its coordinates.</p>			
CAR No: 2 of 8	Standar: IFCC ST 1001:2014	Reff Klausul: I.4.4	Klasifikasi: Minor
<p><b>Non-conformity Identified:</b> At the location of the cutting block RSKA002504 , coordinates 00 ° 46'04,0 "N and 101 ° 33'46,4 " BT found stump height of more than 5 cm , it is not in accordance with SOP / SMF / H001-01 , about logging , point 6a.6 stated that height stumps harvested cultivated as low as possible and should not be more than 5 cm . ( District Rasau Kuning )</p> <p><b>Corrective Actions:</b> - Socialization on how to perform logging according to SOP/SMF/H001-01 - More intensive supervision to contractor worker for logging to that not do logging leaving more than 5 cm stomp</p> <p><b>Objective evidences viewed to support the certification recommendation:</b> Minutes/news event for an improvement over the findings of the stump is more than 5 cm . Equipped with photo and coordinates. Minutes/news event signed by P &amp; P Coordinator acknowledged by District Chief Rasau Kuning.</p>			
CAR No: 3 of 8	Standar: IFCC ST 1001:2014	Reff Klausul: I.5.2	Klasifikasi: Minor
<p><b>Non-conformity Identified:</b> Of 3 plots PSP verified all trees into the measuring plot overlooking the center plot has no paint color " WHITE " in referring Work Instruction No. WI / SMF / PMD - 001 , verification was done on plots MBRB 040 805 2 years old plants , plant 071 801 MBRB plots the age of 3 years and plots MBRA 009 801 4 year old plant . ( District Melibur )</p> <p><b>Corrective Actions:</b> Doing marking by using white paint on trees that go into measuring the plot in accordance with the WI / SMF / PMD - 001</p> <p><b>Objective evidences viewed to support the certification recommendation:</b> Minutes/news event of tagging has been made of trees on a plot of PSP Melibur District made by Imam Shafi'i (Enviroment) is equipped with a photo. Repair marking is done at box 040 805 BRB 2 year old plants, box plants MBRB 071 801 of 3 years old and box MBRA 009 801 of 4 year old plants.</p>			

# AJA EUROPE

## PUBLIC AUDIT REPORT - SFM

### TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



<b>CAR No: 4 of 8</b>	<b>Standar: IFCC ST 1001:2014</b>	<b>Reff Klausul: I.6.4</b>	<b>Klasifikasi: Minor</b>
<b>Non-conformity Identified:</b> The area around Lake Naga Sakti partly is a seed crop area. This is not in accordance with the provisions of that 50-100 M area around the lake is an area that should be designated as protected areas. (Pusaka District) <b>Corrective Actions:</b> Make a statement approved by board of director to maintain the border area of the lake + 50 meters from the edge of the lake which is for indigenous plant area, and in the future will be revised spatial to become protected areas based on the results of the study ISMP <b>Objective evidences viewed to support the certification recommendation:</b> Statement have been made: 1. the indigenous plants in the area around the lake as far as 50 meters will not do logging, 2. There will be a change to the layout until preparation of integrated document of sustainable Forest Management Planning (ISFMP) is completed. Statement letter signed by Edie Haris MZ (Director Power of Attorney)			
<b>CAR No: 5 of 8</b>	<b>Standar: IFCC ST 1001:2014</b>	<b>Reff Klausul: I.7.1</b>	<b>Klasifikasi: Minor</b>
<b>Non-conformity Identified:</b> At the river boundary area there are no observation / monitoring of vegetation plot. Vegetation observation plot conducted on Protected Areas Regional Arboretum and Wildlife Protection (Rasau Kuning District) <b>Corrective Actions:</b> - Create planning of creation of vegetation observation plot in Rasau Kuning District's river boundary's protective area. - Conducting vegetation observation in Rasau Kuning District's river boundary's protective area for the period of 2015. <b>Objective evidences viewed to support the certification recommendation:</b> Minutes/news event has been made for rehabilitation over the audit findings in Rasau Kuning District stating that the job will be carried out monitoring of vegetation on river boundary in September 2015 in conjunction with the implementation of the Biodiversity survey. Minutes/news event signed by Planning Survey Head, Environment Head, and Head of the District, equipped with map of vegetation and wild life monitoring line plan in the river border.			
<b>CAR No: 6 of 8</b>	<b>Standar: IFCC ST 1001:2014</b>	<b>Reff Klausul: I.11.8</b>	<b>Klasifikasi: Minor</b>
<b>Non-conformity Identified:</b> Most workers under the contractor does not have BPJS card , which is the guarantee of workers' health benefit. Based on the data presented ( List of Contractor workers – Sorek District ( LBS ) Period of May 2015 ) that the contractor's worker has not been registered as BPJS participants , namely : PT Bina Lintas Saudara ( 100 % not yet) , PT Dwika Jaya ( 100 % not yet) , PT Riau Pratama Mandiri ( 100 % not yet) , PT Damar Jaya Abadi ( 100 % not yet) . ( Sorek District - Malako ) <b>Corrective Actions:</b> - Create affidavit with contractor concerned to immediately register employment BPJS and health BPJS for all workers - Create Memo to all contractors to register all their workers to employment BPJS and health BPJS <b>Objective evidences viewed to support the certification recommendation:</b> Letter number NSD/V/2015/023 on Registering Contractor's Membership of Employment BPJS to PT Dwika Jaya's Chairman has been created. Letter number NSD/V/2015/025 on Registering Contractor's Membership of Employment BPJS to PT Riau Rezeki Makmur's Chairman has been created. Letter number NSD/V/2015/024 on Registering Contractor's Membership of Employment BPJS to PT Damar Jaya Abadi's Chairman has been created. Letter number NSD/V/2015/024 on Registering Contractor's Membership of Employment BPJS to PT Riau Pratama Mandiri's Chairman has been created. The letter was created by District Head contains reprimand and warning to the contractor in order to enroll their employees to become BPJS member.			
<b>CAR No: 7 of 8</b>	<b>Standar: IFCC ST 1001:2014</b>	<b>Reff Klausul: I.12.5</b>	<b>Klasifikasi: Minor</b>
<b>Non-conformity Identified:</b> The water in the office toilet is brown, and one of the office toilet is full ( clogged ). This is not in accordance with the IFCC Indicators I.12.5 . namely : MU must ensure that the camp facilities provided to workers in a state of clean , safe , and able to meet the basic needs of workers . (Rasau Kuning District)			



**Corrective Actions:**

- Make improvement to clean water installation for office toilet
- Make improvement to sanitation pipe in office toilet

**Objective evidences viewed to support the certification recommendation:**

The broken toilet was fixed and minutes/news event completed by picture signed by Rasau Kuning District's GA and District Head.

**CAR No: 8 of 8**

**Standar: IFCC ST 1001:2014**

**Reff Klausul: I.12.2**

**Klasifikasi: Minor**

**Non-conformity Identified:**

Fire extinguisher at generator's house has two months (April and May 2015) was not maintained. Last checked on March 5, 2015. For a fire extinguisher at other locations in the MU last inspected in May 2015. This is contrary to the IFCC Standards I.12.2. MU must **provide a safe working environment** and healthy and should take effective measures to prevent accidents and injury to workers' health by minimizing the causes of hazards that could potentially occur in the workplace. (District Melibur)

**Corrective Actions:**

- Performs regular checking (monthly) to all fire extinguishers especially in generator's house
- Record checking result of fire extinguishers in the available control card

**Objective evidences viewed to support the certification recommendation:**

Minutes/news event has been made to check fire extinguishers in Melibur district, completed with picture of control card to 2 fire extinguishers that was checked

Non-conformity category Observation :

1. Conformity of distance between animal observation plots better be observed in location Transek Line I (Km 10).
2. Maintaining and repairing Peilscale with condition of the machine is in broken condition and unread, in Peilscale observation location PSK 4 Plot PSKA017001.
3. Availability of Information board in Plot/Observation Point for Subsidence and Water Table.
4. At the nursery Warehouse Separation should be done in Warehouse Storage for Hazardous Materials (Liquid, Powder and other materials).
5. The company has provided Personal Protective Equipment (PPE) but in doing its work (security officer) still hasn't used mask to protect from dust.
6. In recruiting workers in the community there is no proof of information announcement.
7. On harvesting activity in plot 032B, 54A, 54B micro planning map has not been created.
8. In the event of protection monitoring event to the land, permanent erosion observation plot is needed on each small plot (Plant Age Class, Land Type and Slope Class).
9. Observation Fire Danger Index as Early Detection System of Forest Fire to Protect the Forest. Therefore, must be created, reported and updated every day according to monitoring period.
10. Realization of CSR activity in year 2014 for scholarship activity to be realized, because realization is 0%
11. Plot PSP Compartment RSKA119A01 white paint marking on all trees in plot PSP should be veasible. MU to remark white paint to all trees in plot PSP.
12. Center plot sign board PSP plot MBRB071801 used is broken, needs to be fixed.
13. Sign board for River Boundary Protective Area to be maintained, when missing to be replaced. Such as in Wild Animal Protective Area)
14. Village Monograph Data is still in hand writing, should be better.

Against fifteen minor non-conformity, PT Arara Abadi has to take corrective action to fulfill them. Based on review of the auditors towards the objective evidence presented therefore determined to fifteen minor non-conformity have been closed and Minor CARs released to be reviewed at the next audit (surveillance). Therefore PT Arara Abadi recommended for Sustainable Forest Management certification IFCC.

**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



Still there are areas of natural forest were converted on December 31, 2010 covering an area of 443.4 hectares, at the location of the Annual Work Plan (AWP) 2011 and 2012 covering an area of 1346.14 hectares, and are not registered for SFM certification IFCC. Land claim is an issue Management Unit working area, MU has a resolution of the conflict in solving problems that occur. MU always keep good relationship with the communities around the work area.

PT. Arara Abadi has a strong commitment to sustainable forest management, which is expressed in the company's vision, mission statement. These commitments are implemented in forest operations activity.