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CW-11 May 2017



# Rainforest Alliance

## Forest Management **Controlled Wood** Assessment Report for:

PT. Surya Hutani Jaya  
in  
East Kalimantan, Indonesia

Auditors:                   - Indu Bikal Sapkota  
                                  - Titiek Setyawati  
                                  - Satria Astana  
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*This report is based on following standard(s):  
FSC-STD-30-010 (version 2-0, approved 4th October, 2006)*

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## Glossary of terms

Bahasa term	English term
AMDAL (Analisa Mengenai Dampak Lingkungan)	Environmental impact assessment
BKSDA (Balai Konservasi Sumber Daya Alam)	Nature Conservation Agency; Indonesia
BPJS Kesehatan	Mandatory social security program for health
BPJS Ketenagakerjaan	Mandatory social security program for manpower
Desa	Village
DPSL (Daerah Perlindungan Satwa Liar)	Wildlife protection area
HTI (Hutan Tanaman Industri)	Plantation
ISFMP	Integrated Sustainable Forest Management Plan
IUPHHK	Forest Concession License
LHC (Laporan Hasil Cruising)	Cruising report
LHP (Laporan Hasil Produksi)	Production report
NPWP (Nomor Pokok Wajib Pajak)	Valid Tax Identity Number
PBB	Land and building tax
PHPL certification	Mandatory national scheme of sustainable forest management
PHTPK (Pengelolaan Hutan Tanaman Pola Kemitraan)	Plantation Forest Management with Partnership Pattern
PKB (Perjanjian Kerja Bersama)	Joint Work Agreement (between worker union and the FME)
Pos Faktur	Log administration Post
PSDH	Forest product fee
RKL (Rencana Pengelolaan Lingkungan)	Environment Management Plan
RKT (Rencana Kerja Tahunan)	Annual working plan
RKU (Rencana Kerja Usaha)	10 years working plan
RPL (Rencana Pemantauan Lingkungan)	Environment Monitoring Plan
SIPUHH (Sistem Informasi Penataan Usaha Hasil Hutan)	Forest Product Information System
SIUP (Surat Ijin Usaha Perdagangan)	Trading Business License
SKSHHK (Surat Keterangan Sah Hasil Hutan Kayu)	Mandatory Log Transport Document
SP (Serikat Pekerja)	Worker Union
SVLK	Mandatory certification on Timber Legality Assurance System
Tanaman Kehidupan	Livelihood Plantation (Mandatory for every concessions license 20% at minimum of total area)
TDP	Company Registration Certificate
TPK (Tempat Penimbunan Kayu)	Log yard
TPK Antara	Log yard transit
TPN (Tempat Penimbunan Sementara)	Log landing yard
TPS	Temporary Hazardous Chemical Waste Storage

# 1. INTRODUCTION

As a part of Asia Pulp & Paper Group's (APP) preparation to meet the Forest Stewardship Council's (FSC) conditionally approved "Roadmap towards ending the Disassociation from APP"<sup>1</sup> requirements, APP will undertake assessments on APP's own and a selection of supplier concessions in Indonesia. This will be one of fifteen assessments that will inform APP where its strengths and weaknesses lie in relation to the *FSC Controlled Wood Standard for Forest Management Enterprises* – FSC-STD-30-010. These assessments are not a formal part of the Roadmap. No certificates will be issued because of these audits<sup>2</sup>.

This report presents the findings of an independent evaluation conducted by a team of specialists representing the RA-Cert Program of the Rainforest Alliance. The purpose of the evaluation was to evaluate the FMEs level of conformance to the Forest Stewardship Council (FSC) Controlled Wood requirements as defined in the *FSC standard for forest management enterprises supplying non FSC-certified controlled wood (FSC-STD-30-010, version 2-0)*. The intent of this standard is to allow forest management enterprises to supply FSC Controlled Wood to FSC chain-of-custody certified operations for mixing with FSC certified materials in production of FSC mixed products.

Conformance with the specified controlled wood standard allows forest management enterprises (FME) to demonstrate that the wood they supply has been controlled to avoid wood from the five controversial categories defined by FSC. Controversial categories include wood that is: 1) illegally harvested, 2) harvested in violation of traditional and civil rights, 3) harvested in forest management units in which high conservation values are threatened by management activities, 4) harvested in areas in which forests are being converted to plantations or non-forest use or 5) harvested from forests in which genetically modified trees are planted. FSC-STD-30-010 provides the basic requirements at the forest management unit level to demonstrate that wood from the FME's forest area(s) is controlled. Products from verified controlled sources can be used by manufacturers mixing FSC-certified wood and controlled wood.

The scope of this evaluation is for the FME PT. Surya Hutani Jaya, located in Kalimantan Timur, Indonesia, with a total area of 156,398 ha.

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<sup>1</sup>Further information about the Roadmap process can be found at <https://ic.fsc.org/en/what-is-fsc/what-we-do/dispute-resolution/current-cases/asia-pulp-and-paper-app>

<sup>2</sup>The issuance of FSC certificates will depend on the decision by the FSC Board to end the disassociation from APP and the subsequent demonstration of compliance by APP and its suppliers with the applicable FSC standards as part of a new, formal certification process.

## 2. AUDIT CONCLUSIONS

### 2.1. Auditor Recommendation

Controlled Wood Category	Conformance
1. Illegally harvested wood	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
2. Wood harvested in violation of traditional and civil rights	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
3. Wood harvested from forest areas where high conservation values are threatened by forest management activities	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non- forest uses	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
5. Wood harvested from genetically modified trees	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Based on Company's conformance with RA-Cert/FSC requirements, the auditor makes the following recommendation:	
<p><i>Level of Conformance to FSC Controlled Wood Requirements:</i></p> <p>Major NCRs issued</p>	
FME's management system, if implemented as described, is capable of ensuring conformance with all the requirements of the FSC Controlled Wood standard over the whole forest area covered by the scope of the evaluation	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments: FME has developed the 10-year Forest Management Plan (RKU); Annual Work Plan (RKT) of 2017; report of HCV and HCS identification and analysis, ISFMP (Integrated Sustainable Forest Management Plan) that has consolidated results of HCV/HCS study, Social Conflict mapping, growth and yield data,, and other various systems and procedures including Chain of Custody (CoC) and Controlled Wood Guideline that describe all controlled wood criteria specified in FSC CW standard and list of responsible department/staff assigned for each criteria. In addition to this guidance, FME has bundles of procedures for Ecology criteria, Production criteria, and Social criteria. Each of these criteria consist of detail procedures/work instructions for every specific operations. Auditors concluded that FME's management system as represented by all of those documents, if implemented as described, is capable of ensuring conformance with all the requirements of the FSC Controlled Wood standard over the whole forest area covered by the scope of the evaluation. And, moreover, the Major NCRs need to be fully addressed to adhere to all the requirements of the FSC Controlled Wood standard over the whole forest area covered by the scope of the evaluation.	
The FME has demonstrated, subject to correction of the identified non-conformances, that their management system is being consistently implemented over the whole forest area covered by the scope of the certificate.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments: Auditor team has conducted interviews with workers and local communities as well as visited HCV/HCS areas such as KPPN, buffer zone of protection area, orang utan corridors, riparian areas, the location of land dispute between FME and local community Based on review of documents and observation of management system implementation, the audit team concluded that the FME's management system is being consistently implemented over the entire	

forest area covered by the scope of the certificate. Moreover, the Major NCRs need to be fully addressed to demonstrate that the FME management system is being consistently implemented over the whole forest area covered by the scope of the evaluation.	
Issues have been identified during the evaluation as controversial or hard to evaluate.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments:	

## 2.2. New nonconformity reports issued as a result of this audit

MAJOR NCR#:	01/17	NC Classification:	Major X	Minor
Standard & Requirement:	FSC Controlled Wood Standard for Forest Management Enterprises FSC-STD-30-010 (Version 2-0)			
Report Section:	Appendix II 5.1.11			
Description of Nonconformance and Related Evidence:				
<p>5.1.11 FME shall provide evidence that legally required occupational health and safety laws applicable to workers involved in forest operations are considered for the following (FSC-ADV-30-010-1: 3. Timber Harvesting Activities, 3.4 Health &amp; Safety):</p> <ul style="list-style-type: none"><li>a. proper personal protective equipment;</li><li>b. safe and proper felling and transport practice;</li><li>c. establishment of protections zones around harvest sites;</li><li>d. safety requirements for machinery used, and;</li><li>e. safety requirements in relation to chemical usage</li></ul>				
<p>During a field visit to active harvesting site in Santan District (117°4'28.96" E; 0°14'53.16" S Compartment L370079A00), temporary worker camp (Compartment 44 Zone 38, N 00°18'19.3" – E 117°02' 11.4"), and chemical storage in the three Districts of Santan, Sebulu and Muara Bengkal, the auditor verified that the FME has provided proper PPE for all the staff and worker including contractors. Movement of the tractor was designed as not to cause soil compaction and the FME also implemented reduced impact logging technique for safe and proper felling. The FME also established buffer around harvest sites and based on the interview all workers in the workshops was also aware of the safety requirements for using the machinery as prescribed under SOP.</p>				
<p>However, with regard to safety requirements in relation to chemical usage, the auditor observed of improper practice by the sprayer worker where used PPE and herbicide container were kept in the same place with food stuff such as rice. This can lead to contamination and harm to workers' health. There was also no proper place to wash the used PPE to avoid contamination to the environment. SOP for Health and Safety Inspection in the Worker Camp (SOP/SRH/HSE-30) requires the Health and Safety division to carry out systematic inspection to determine whether there is improper practices that may threaten the health and safety of the workers. For safety reason, there was also no prescription on how worker dealing with chemical in the worker camp including instruction for proper showers. Based on the interview with worker, they also washed the used PPE in the nearby creek/water pond. The audit team also found the presence of water tank for drink and rinse but no proper bucket/container is available for collecting chemical waste. In addition, the auditor observed that spraying worker observed in Compartment 44B, Zone 38, Santan were equipped with PPE such as rubber gloves, boots, hat, and goggles, mask and apron. This practices was inconsistent with what it is prescribed under SOP/SRH/HSE-33 and WI/SRH/MBK-11 where apron and mask were not in the list of PPE for sprayer.</p>				
<p>Based on document review, the FME has been carrying out socialization and regular inspection for health and safety to the staff, contractor and worker (Doc.Laporan Sosialisasi Bersama K3 dan Lingkungan Kepada Karyawan, Kontraktor dan Pkerjanya, Tahun 2016). The auditor reviewed the monthly report "Laporan</p>				

Bulanan Inspeksi K3 dan Lingkungan” for all three district of Santan, Sebulu and Muara Bengkal period of April and May 2017 and found that the monthy reporting document did nor refer to SOP/SRH/HSE-30 and consequently they have missed to inspect the temporary worker camp for herbicice sprayer. This indicated that there is some SOP missing in the reporting system and also lack of supervision from the FME.			
Based on the above evidences the FME is found to be <b>in non-conformance</b> to the criterion, hence Major NCR 01/17.			
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.		
Timeline for Conformance:	N/A		
Evidence Provided by Organization:	The organization has provided the following documents as evidences: <ul style="list-style-type: none"><li>• Action plan for improving plantation contractors/workers camp;</li><li>• Documentation of improving plantation contractors camp health and safety facilities in Santan district;</li><li>• Training records of workers in implementing action plan;</li><li>• Standard parameters (for health and safety in camp area; storage of PPE, working tools and waste management; cleaning and maintenance of PPE; toilet and bathroom)</li></ul>		
Findings for Evaluation of Evidence:	By reviewing the documents provided by the FME, it was found that the FME has made some progress in terms of defining the standards for plantation contractors/workers’ camps from sanitation, health and safety point of views, and also provided training for some contractors and workers in this regard. According to the documentation presented, the action plan was implemented in 3 camps (covering 16 workers), and was still in progress at the rest of the camps (25 camps).		
NCR Status:	OPEN		
Comments (optional):	The audit team will need to verify all the improvements made on-site across the FME and also interview contractors and workers at the time of NCR verification audit.		
NCR Evaluation:			
Evaluation Method:	On-site	Estimated Level of Effort:	1 to 2 days on-site verification by an auditor
Auditor Specialty:	Forestry/social		

MAJOR NCR#:	02/17	NC Classification:	Major X	Minor
Standard & Requirement:	FSC Controlled Wood Standard for Forest Management Enterprises FSC-STD-30-010 (Version 2-0)			
Report Section:	Appendix II 5.2.1			
Description of Nonconformance and Related Evidence:				
5.2.1. Evidence shall exist of no violation of the International Labor Organization (ILO) Fundamental Principles and Rights at Work in the FMU covering following four areas (4.1) & FSC-ADV-30-010-1: 3. Timber harvesting activities 3.5):				
<div><div>- Freedom of association and the right to collective bargaining;</div><div>- The elimination of forced and compulsory labor;</div></div>				

- *The abolition of child labor, and;*
- *The elimination of discrimination in the workplace.*

FME employed 455 persons, not including contractor workers. The youngest employee was 18 years old (born on March 17, 1999) working in CoC section, named Agung Noto Rezeki Purba, working at FME on June 5, 2017. Based on the Governor regulation, the regional minimum wage per month was IDR2,465,000. While the lowest wage paid by FME for its employees (not contractor workers) was IDR 2,7 million, so it was higher than regional minimum wage.

During audit, however, auditors discovered evidence that in some cases FME has not paid for overtime work for 6 months and annual bonus, and the decrease in THR payment as well (higher basic salary must get higher THR (incentive/allowance)). Auditor team asked staff to show whether FME has provided BPJS Ketenagakerjaan and BPJS Kesehatan. From the documents review it was evident that not all contractor workers provided with both BPJS Ketenagakerjaan and BPJS Kesehatan (Data Tenaga Kerja Kontraktor Distrik Sebulu, 24 Juli 2017). Per 24 Juli 2017, of 141 contractor workers, 39 persons provided by BPJS Ketenagakerjaan and 29 persons provided by BPJS Kesehatan, so the rest of 102 were workers uncovered with BPJS Ketenagakerjaan and 112 were workers uncovered with BPJS Kesehatan.

Moreover, interview with harvesting contractor workers it was found that there were underpaid workers. In 2017, the wage based on Governor regulation was IDR 2,465,000, but interview with them found that some were only paid IDR 1,55 million and others only IDR 1,750,000 per month, so lower than Governor regulation wage. It was argued that they are low because they do not include the meal incentive, which is reported by contractor supervisor of about IDR 15,000/1time meal/day. If they have been added by meal incentive, they will be greater than regulation wage. However, since there was no documented evidence in the contract agreement showing that the provided meal valued at IDR 15,000/1time meal/day approved by local government, it will be bias justification to conclude that their wage are above regulation wage as they will tend to be determined higher to reach at least as high as minimum wage (higher food incentive it will make lower wage but totally above minimum wage). In fact, FME incentive for their employees was IDR 600,000/month, while workers interviewed stated that they spent DR 500,000/man/day for their meal as they cooked together with the other 2 workers.

Hence, based on above findings and analysis, the FME is found to be in non-conformance with the criterion, particularly in relation to the discrimination in the workplace.

Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.		
Timeline for Conformance:	N/A		
Evidence Provided by Organization:	The FME has not provided any additional evidences with regards to this NCR.		
Findings for Evaluation of Evidence:	PENDING		
NCR Status:	OPEN		
Comments (optional):			
NCR Evaluation:			
Evaluation Method:	On-site interviews and documents review	Estimated Level of Effort:	1 day on-site verification, and can be combined with the above NCRs verification audit
Auditor Specialty:	Social/forestry		



## 2.3. Observations

*Note: Observations are issued for areas that the auditor sees the potential for improvement in implementing standard requirements or in the quality system; observations may lead to direct non-conformances if not addressed.*

OBS 01/17	Reference Standard & Requirement: FSC Controlled Wood Standard for Forest Management Enterprises FSC-STD-30-010 (Version 2-0), Appendix II 3.8
<p><b>Findings:</b></p> <p>FME has procedures in place to ensure that on-product, point of sale materials or any other promotional material shall not include claims or trademark use in regard to FSC in SOP/SRH/ERD-04 point 7.5 point b. Auditor also interviewed with forestry staff, CoC staff and finance and accounting staff and concluded that they have sufficient knowledge to not include claims or trademark use in promotional material. However, auditor found a company profile booklet which contains FME commitment to implement FSC CW FM standard and other explanation regarding FSC in general. Interviews with staff explained that the booklet is used only for FME staff for socialization regarding FSC CW FM assessment preparation. And yet auditor concluded that the title of the booklet as “company profile” can lead to misunderstanding that the booklet is used for promotion material.</p> <p>According to staff knowledge regarding FSC or Rainforest Alliance trademark use, auditor did not find any evidences that the booklet is publicly available; and auditor concluded that an observation is issued against this requirement.</p>	
<p><b>Observation:</b></p> <p>FME should ensure to not use FSC or Rainforest Alliance trademarks in any other promotional material.</p>	

  

OBS 02/17	Reference Standard & Requirement: FSC Controlled Wood Standard for Forest Management Enterprises FSC-STD-30-010 (Version 2-0), Appendix II 4.3
<p><b>Findings:</b></p> <p>FME has SOP for grievance handling (<i>Prosedur Penanganan Keluhan/Ketidakpuasan/Grievance SOP/SRH/SSD-011; 10 Maret 2017; Revisi 1; Terbitan 2</i>). Scope of its SOP includes started from recording, handling, reporting and MONEV of the grievance. To verify FME response in the field, auditor team interviewed with local peoples far from FME camp (CampKm38): Menamang Kiri and Menamang Kanan villages, and nearby FMEcamp: Sabintulung village. Local peoples of Miamang Kiri interviewed stated that FME response to any concerns of local peoples, but slow response. Local peoples of Menamang Kanan interviewed also stated that FME response is slow and they are now waiting for second meeting to discuss the results of first field survey conducted. The staff interviewed stated that FME response to Menamang Kanan would be started again in August 2017. Moreover, although the location of Sabintulung village is nearby the FME camp, the local people of Sabintulung interviewed also stated that FME response was slow. Although FME always respond to stakeholders concerns but its response was slow, and hence, OBS is issued for this requirement.</p>	
<p><b>Observation:</b></p> <p>FME should respond to local communities timely in relation to their concerns or questions.</p>	

## 2.4. Actions Taken by Company after the audit and prior to report finalization

The FME has provided some additional documents as follows prior to the finalization of the report:

- Action plan for improving plantation contractors/workers camp;
- Documentation of improving plantation contractors camp health and safety facilities in Santan district;
- Training records of workers in implementing action plan; and
- Standard parameters (for health and safety in camp area; storage of PPE, working tools and waste management; cleaning and maintenance of PPE; toilet and bathroom)

## 3. AUDIT PROCESS

### 3.1. Audit schedule/Itinerary

Location	Date(s)	Activities
Samarinda	21 July 2017	Stakeholders consultations (Samarinda)
Samarinda	22 July 2017	Team preparation
SRH Office	23 July 2017	Travel to SRH camp (around 3 hours and team preparation continue)
SRH Office	24 July 2017	Opening meeting, documents review and interview with FME staff
Field & community	25 July 2017	Field visit, staff/workers interview, consultations with communities/stakeholders
Field & community	26 July 2017	Field visit, staff/workers interview, consultations with communities/stakeholders
Field & community	27 July 2017	Documents review and staff interview
SRH Office	28 July 2017	Documents review, staff interview, closing meeting

Total number of person days used for the audit:28, of this  
4 days for pre-evaluation and preparation  
20 days for onsite document review and field inspection  
4 stakeholder consultation

### 3.2. Audit team and qualifications

Name	Qualifications	Role / Audit Focus
Indu Bikal Sapkota	Indu Bikal Sapkota has been working as Certification Manager, Asia Pacific, Rainforest Alliance, and he is responsible for the management of the region including coordinating certification client portfolios and for servicing present and prospective clients in all matters related to FSC certification, SAN certification and other verification programs and services such as carbon. He is a climate and forestry focal person of the Asia Pacific region. Indu holds an international master's degree (MSc in Tropical Forestry) from Wageningen University, the	Audit Team Leader

	<p>Netherlands; and has also earned an BSc Forestry degree with a distinction from Tribhuvan University. Prior to joining Rainforest Alliance, Indu spent over 10 years working in forestry and conservation in Asia and Europe. He has received the RA Carbon and Forest Management Assessor Training and Lead Auditor Training. He is an ISO 9001 approved lead auditor, as well as FSC FM lead trainer. Moreover, he took part at the lead auditor courses for Sustainable Agriculture Network (SAN) standards (both Farm and CoC), and he has passed both the exams with the very high scores. Recently, he completed the NEPCo's LegalSource expert course with the best result in the exam. He has been involved intensively in FSC FM assessment/audit; CoC assessment/audit, and in Carbon projects as an auditor as well as projects manager. Until now, he has taken part over 60 audits/pre-assessments/assessments in Asia Pacific countries; and led the majority of them as a lead auditor. He is an approved witness auditor. He is also an authorized reviewer/decision maker of all types of FSC FM reports and certifications.</p>	
Titiek Setyawati	<p>Titiek is a senior researcher at Forest Research and Development Agency, Ministry of Environment and Forestry, Indonesia. She has experiences working with PT. Sarana Wana Nusa Consult; Alas Kusuma Group; PT. Diamond Raya Timber for SFM certification assistance program; LEI (Lembaga Ekolabel Indonesia); CIFOR (Center for International Forestry Research); SGS for SFM certification and socialization, CITES Working Group for Endangered Plant Species; ITTO-CIFOR Project (since 1996 to now); member team for HCVF ToolKit 2003 Revision, FAO for a drought study, GIZ for Asian Heritage Parks in ASEAN country assessment, FSC for Centralized Risk Assessment for HCV 1-3 (biodiversity), UNDP-MoF-GEF project on SCBFWM (Strengthening Community Based Forest and Watershed Management, ITTO-Cendana and Ramin Project, FAO Project for Drought and Community in 2015, GTZ-ACB Project for Asian Heritage Park Assessment in 2014, member of Standard Development Group (SDG) for FSC Sustainable Forest Management National Standard Development, Lead for FSC CNRA (Centralized National Risk Assessment) with Remark Asia, and a number of HCVF studies in Indonesia. She also did some audit work for British Petroleum's standard for sustainable biofuel and IFC's (International Finance Corporation, the World Bank Group) Performance Standard in Environmental and Social Sustainability. She holds PhD from The University of Melbourne, Australia; MSc from Faculty of Forestry, Mississippi State University, USA, and Bachelor degree from Forestry Faculty, Bogor Agriculture Institute. She has been seconded to CABI-UNEP to lead Invasive Alien Species Management Project in Southeast Asia based in Forest Research and Development Center, Ministry of Forestry, Indonesia for 5 years (from September 2011 up to September 2016). Currently appointed as National Consultant for FAO TCP/FLR Project for Forestry Landscape Restoration for 2017 period. She holds ISO 9001-2008 certificate under IRCA-BSI and has participated in more than 30 audits, (re)assessments, and pre-assessment for SmartWood (currently Rainforest Alliance's/RA) since June 2008.</p>	Auditor, Forestry/Ecology
Satria Astana	<p>Satria Astana has been working as forester and researcher at Center for Socioeconomic Research and Forestry Policy (CESERF) since 2009. Prior to joining CESERF, Astana spent over 15 years in socioeconomic research in forestry. He has worked for Directorate</p>	Social Expert

	General of Forestry Utilization and Management as Deputy Director for Forest Products Industry and Marketing. In forest and forest products certification area, he experienced with CIFOR for testing criteria and indicators of sustainable management of plantation forest, and with Indonesian Ecolabel Institute (LEI) for developing criteria and indicators of Sustainable Community-Based Forest Management. He experienced to assess the CoC of PT. Diamond Raya Timber. With INDUFOR, he experienced to conduct a study on Costs and Benefits of Certifications. Astana holds Diploma in Forest Survey, International Institute for Aerospace Survey and Earth Sciences, the Netherland, Master of Science in International Agricultural Marketing, University of Newcastle Upon Tyne, United Kingdom, and Master of Science in Agriculture Economics, Bogor Agricultural University. He has received environment audit training from Univ. of Indonesia, and Expert Panel of Chain of Custody Certification from Gadjah Mada University. He involved in more than 20 audits and assessments across Indonesia.	
Medita Hermawan	Medita graduated from faculty of forestry, Universitas Gadjah Mada. He has been working as Forest Management and Verification Assistant in Rainforest Alliance – Asia Pacific Regional Office that managing clients in Asia Pacific . Previously he worked with PT. Wirakarya Sakti as Operational Planning & License Staff. His expertise in GIS and using surveying tools since he involved as trainer and surveyor in the GIS and mapping project. He has completed FSC Trademark Training for certification bodies and FSC Chain of Custody lead auditor training which fulfill ISO training requirement FSC-STD-20-001, Annex 2, 1.2.	Support Auditor/ Translator

### 3.3. Audit detail

Overview of Inspection and sampling method used:	The approach of the audit team consisted of a combination of documents review, field visits and interviews (triangulation techniques). The document review took place prior to the field work as well as on-site at the base camp office, and the consultation with stakeholders and local community representatives/members took place in the similar fashion throughout the assessment process. The audit team selected a number of sites to cover different aspects of forest management relevant to the CW Standard, such as current and previous harvesting operations/blocks, field camp of contract workers, planting sites, HCV areas including peat, PSP, nursery, chemical stores, fire tower, concession boundary and buffer zones, conflict sites/communities, log yards, etc., and the audit team conducted a direct interview with FME staffs, contractors/workers during the audit.
FMUs selected for evaluation and rationale for selection.	FME is a single FMU.
Approach to evaluation of management system:	The audit team searched for evidences of compliance by examining procedures, reports and other documentations of the FME; interviewing staff, contractor/workers, and local people; and carried out field visits in various parts of the forest management unit. In addition to that, a number of external stakeholders were contacted/consulted for feedback.
Additional techniques used for evaluation (e.g. flyover):	The audit team used maps and collector/GPS device when conducting field visits.

## 4. STAKEHOLDER CONSULTATION

### 4.1. Stakeholder consultation process

The purpose of the stakeholder consultation for this evaluation was to ensure that the public is aware of and informed about the assessment process and its objectives and to assist the RA-Cert audit team in identifying potential issues in relation to the operations conformance with the Controlled Wood standard.

The table below summarizes the extent of the stakeholder consultation for this Controlled Wood assessment process.

Stakeholder Type Contacted	Stakeholders consulted directly or provided input (#)
NGOs	9
Local Community members	10
Govt agency	4
other	25

### Description of the stakeholder consultation activities and methods

Stakeholder consultations were conducted through interviews with local communities in and around the FME, village offices staffs (Kantor Desa), and also with FME staffs and FME's contract workers to identify any issues regarding the operation and performance of the FME related to CW categories. Moreover, the audit team conducted provincial level stakeholders' consultations prior to the start of the field work.

### 4.2. Stakeholder comments received

The stakeholder consultation was organized to give stakeholders opportunity to comment the activities of the FME in relation to the five controlled wood categories. The table below summarizes the issues presented by the stakeholders and the response of the assessment team to each comment.

CW Category	Stakeholder comment	RA-Cert response
1. Illegally harvested wood	FME is operating legally.	This statement is consistent with RA's finding.
2. Wood harvested in violation of traditional and civil rights	There are conflicts between Menamang Kiri village and SRH.	This statement is in line with RA's finding. The FME is progressing towards conflicts resolution and agreement process; MoU already established with Menamang Kiri community.
3. Wood harvested from forest areas where high conservation values are threatened by forest management activities	Generic comment to all APP plantations:  A significant part of APPs plantations occupies peatlands	The audit evaluated SRH's compliance with national peat regulations and found that SRH has reconfigured their long-term

	<p>which are drained for the production of Acacia wood pulp. Drainage of peatlands leads to high GHG emissions, increases fire risk, and drainage leads to peatland subsidence resulting in serious environmental, social and economic consequences. Drainage based plantations on peatlands should be rewetted and used in an environmental and economic sensible way involving communities</p>	<p>forest management plan (RKU) to respond to MOF mapped peat area definitions.</p> <p>Clearly the catastrophic fires of 2015 damaged HCV as well as production forest. The audit found that both APP and SRH have made corporate commitments to controlling fire and on the ground have made new investments in fire control equipment, training and staffing to be better prepared for controlling major fires.</p>
4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non- forest uses	No active conversion exists after 2012 (FCP implementation).	This statement is in line with RA's finding.
5. Wood harvested from genetically modified trees	No GMO is used.	This statement is in line with RA's finding.
6. FME's stakeholder consultation process	Stakeholder consultations are increasingly recognized in recent years by the FME/APP, such as HCV assessment and conflicts identification/mapping.	This statement is in line with RA's finding.