

CHAPTER I

INTRODUCTION

1.1 Background

PT Riau Andalan Pulp and Paper (PT RAPP) under the APRIL Group is the largest producer of pulp and paper raw material fiber in the world with a plantation forest operational center in Riau Province. PT RAPP was established based on Deed No. 76 of 1989 dated 15 May 1989 with the latest amendment deed No. 9 of 2020 dated 13 January 2020, while the plantation forest was built in 1993. PT RAPP manages a forest area of \pm 338,536 ha based on SK PBPH Forestry permits PT RAPP Factory Number SK.180/Menhut-II/2013 dated 21 March 2013. Through APRIL's mission the Forestry Division strives to become one of the best plant fiber producers in the world, providing customers with fiber choices by implementing high standards regarding quality, social, environmental, and health and safety. The company explains this in its operational activities referring to the commitments and policies issued. PT RAPP's operational activities are carried out based on the Sustainable Forest Management Policy (SFMP) / Sustainable Forest Management Policy 2.0.

The concession land management plan meets the land use requirements and delineation requirements in accordance with the provisions of forestry regulations in Indonesia. Sustainable forest management practices are part of production forest management activities that integrate economic and social development with environmental protection activities in line with the programs of the Government of the Republic of Indonesia and the UN Sustainable Development Goals (UN SDGs). Sustainable Forest Management Policy (SFMP) 2.0 is the main focus of company sustainability and is a guideline in approaching the delivery of maximum results for society, the environment and the economy.

APRIL's Vision 2030 is based on SFMP 2.0, where the company is committed to having a positive impact on the climate, nature and the people involved in it in line with efforts to develop its business sustainably. By 2030, APRIL seeks to implement science-based solutions to drastically reduce carbon

emissions (climate positive), prioritize conservation as part of its production-protection landscape model (emerging landscape), empower communities through transformative change (inclusive progress), and advance business. by prioritizing circularity and responsible production (sustainable growth). Apart from that, PT. RAPP applies a pattern of comparing production areas and protected areas which aims to conserve one hectare of forest for every hectare of plantation forest.

PT RAPP owns more than 480,000 hectares of Industrial Plantation Forest (IPF) in Riau Province, which is used as the main raw material source for pulp and paper production, one of which is located on Padang Island, Tasik Putriyuyu Regency, Meranti Islands Regency Industrial Plantation Forest (IPF) on Pulau Padang is a forest area planted with commercial crops such as acacia, sengon, and eucalyptus for the purpose of producing wood for industrial use. This area is located in the Riau Archipelago, Indonesia and is managed by PT. Riau Andalan Pulp and Paper (RAPP), a subsidiary of Asia Pacific Resources International Holdings Ltd (APRIL).

The background to the establishment of Pulau Padang IPF stems from the oil palm plantation expansion program in the 1980s. At that time, Pulau Padang was still a natural forest and peatland that had not been used optimally. PT. RAPP saw an opportunity to take advantage of this land by opening an IPF area in 1989. Since its establishment, Pulau Padang IPF has continued to experience growth and increase in timber production. In addition, this IPF also produces several wood-derived products such as pulp and paper.

To protect most of the forest area in Pulau Padang, it is RAPP's job. That is the mandate that the state has entrusted to them. In order to be more focused on protecting and enhancing natural forests, as well as to continue their business in Pulau Padang, PT.RAPP assigned them to *PT Gemilang Cipta Nusantara* (GCN). As many as 30 rangers are on standby for routine patrols. On Padang Island, there are two police alert post points. One in the Village of Bandul, Tasikputri Puyu District and another in the Village of Sungai kuat, Lukit Village, Merbau District.

In addition to carrying out strict supervision, such as forest patrols, GCN also carries out forest restoration on Padang Island or replaces trees that have been cut down as a result of illegal logging. This is done so that the usufructuary rights area is maintained and business continuity remains sustainable. The types of natural tree seedlings planted include Meranti, Bintangur, Kelat and Punak. This tree species is native to the forests of Pulau Padang with a forest density of 200-400 logs per hectare, carried out by replanting. Meanwhile, a tree density of 400-600 stems per hectare is carried out by enriching vegetation and wood species. Meanwhile, forest density above 600 stems per hectare is carried out by clearing around the saplings that are disturbed by weeds or shrubs. Thus accelerating the growth of the saplings. Where per hectare of saplings planted as many as 400 stems. This means that every year GCN plants as many as 2,400 to 4,000 trees. This is done by PT. GCN Aar. There are no longer the local people of Padang Island illegally taking natural wood in PT. RAPP's usufructuary area, and protecting the forest ecosystem as a business continuity. in the area of PT.RAPP Pulau Padang. In carrying out its duties to protect and care for the forest area on Padang Island, GCN also works closely with the local community. Apart from directly employing him as a forest ranger, he is also given a number of tasks and responsibilities for the welfare of the community.



Figure 1. 1 Land Cover Map of Padang Island (2016)
 Source: *Riau Ecosystem Restoration (2017)*

However, the management of IPF in Padang Island, PT.RAPP, still faces various challenges, such as sustainability issues, conflicts with local communities, and forest fires that often occur during the dry season. On this side, ongoing conflicts with the community because the concession area is adjacent to

community-owned land. Continuing from that, the forest on Pulau Padang is a stretch of peat and some of the people depend heavily on forest products. This can be proven that raw materials Padang Island community housing comes from forest wood. What do the people think if PT. RAPP in pulau Padang, most likely will hamper the need for forest products that have been used for decades by the people who inhabit the island. Therefore, the management of IPF in pulau Padang needs to be carried out with various preventive and sustainable management efforts to preserve the environment, and support sustainable timber production, as well as public trust in the company, there must be a sense of reciprocity to the community, such as CSR. According to Totok Mardikanto (2018: 92), Corporate Social Responsibility (CSR) is a concept in which companies integrate social and environmental concerns in business operations and in voluntary interactions with stakeholders that lead to sustainable business success.

CSR as an effort to establish communication with the community. All companies without exception are required to carry out CSR, must develop the surrounding community. Because the existence of the company itself can not be separated from the community. Since the establishment of PT.RAPP on pulau Padang, many conflicts have occurred with the community, this is because the company's land concession area is still close to community-owned land. therefore the CSR carried out by PT.RAPP, so that public trust in the company and the business being carried out is sustainable on Pulau Padang.

Based on the background above, the author is interested in taking the title **“Analysis Of PT.RAPP Strategy in Forest Restorastion to Realize CSR and Business Sustainability”**

1.2 Formulation Of The Problem

Based on this background, the writing of the problem formulation in this study is as follows: "What is PT.RAPP's Strategy in Forest Restoration to Realize CSR and Business Sustainability" on pulau padang.

1.3 Purpose Of The Study

The purpose of this writing is to find out the PT.RAPP Strategy in Forest Restoration to Realize CSR and Business Sustainability”.

1.4 Benefits Of Research

The benefits in this research and what is expected from this research are as follows:

1. For companies, with this research, it is hoped that they will be able to provide information to the company, especially to PT. RAPP Pulau Padang regarding natural wood located in the company's land use rights area.
2. For writers, to apply the knowledge that has been obtained during education and put it in the form of scientific writing.

For other parties, it is hoped that it can be used as a useful source of information, namely as a contribution of thoughts and references in conducting the same research in a different place with research for the future

1.5 Space Scope and Limitation Problem

This research only focuses on PT.RAPP pulau padang's mandatory business sector, namely industrial plantation forest in the PT.RAPP pulau padang area.

1.6 Systematics Writing

Systematics of writing this report is compiled 5 chapter, where each chapter will be subdivided into sub-chapter that will be discussed in detail. here is the sytematics of each chapter and its brief description:

CHAPTER I: INTRODUCTION

This chapter is an introductory chapter which contains the background, problem formulation, research cobjectives, research benefits, scope and problem definition, and writing systematics.

CHAPTER 2: LITERATURE REVIEW

This section discusses previous research in the form of problems, methods and results from previous research, then discusses the theoretical basis.

CHAPTER 3: METHOD WRITING AND SETTLEMENT PROCESS

This section discusses the location, time and object of research, types and sources of data, population and sample, sampling techniques, data analysis methods, research hypotheses, type of research, research schedule and budget.

CHAPTER 4: RESULT AND DISCUSSION

Chapter 4 describes the test results, discussion and limitations of the research results. The discussion of the results obtained is made in the form of a theoretical explanation, based on data obtained through interviews and observation.

CHAPTER 5: CONCLUSION

In the chapter 5 explains the conclusions and suggestions from the research that has been carried out.