

# **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 SATRIA PERKASA AGUNG KTH SINAR MERAWANG

**TOTAL HECTARES:** 8,680.70 ha

**SCOPE OF REGISTRATION:** Sustainable Forest Management in Plantation covering an area of 8,680.70 hectares in Riau Province

**STANDARD/CRITERIA:** IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

**TYPE OF AUDIT:** Surveillance 2

**AUDIT START DATE:** October 02, 2018

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:** October 05, 2018

**LEAD AUDITOR:** R Sigit Pamungkas

**SIGNATURE:**

**AUDIT TEAM:** Amin Kadani

**SIGNATURE:**

Warsito

**SIGNATURE:**

**MAJOR CARS:**

**MINOR CARS:** 1


SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT. SPA-KTH-Sinar Merawang	Simpang Kanan District, Simpang Kateman Village, Pelangiran District, Indragiri Hilir Regency, Riau Province, Indonesia.	October 02 to 05, 2018
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		

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#### Brief Description of the concession

PT Satria Perkasa Agung KTH Sinar Merawang is a Partnership Company between PT Satria Perkasa Agung and Sinar Merawang Forest Farmers Cooperative, in accordance with Forestry Minister Decree No. 19 / Menhut-II / 2007 is PT Satria Perkasa Agung - KTH Sinar Merawang (PT SPA-KTHSM).

There was conversion of 1,389.3 ha of natural forest to plantation forest after December 31, 2010, so the scope of the IFCC certification is for an area of 10,070 ha - 1,389.3 ha = 8,680.70 ha.

The Management Unit has amended the RKUPHHK-HTI Period 2017-2026 based on the Decree of the Minister of Environment and Forestry No. SK.6141 / MenLHK-PHPL / UHP / HPL.1 / 11/2017 dated 11/14/2017 concerning RKUPHHK-HTI Approval for 2017-2026 in order to improve Peat governance, on behalf of PT SPA KTH Sinar Merawang in Riau Province. Spatial Planning consists of a Peatland Protected Function Area (KFLEG) of 10,070 ha, Principal Plant Area 0 ha and Livelihood Plant Area 0 ha. To reach the Percentage TK allocation of at least 20% of this is fulfilled from FLEG through the use of NTFPs.

PT Satria Perkasa Agung KTH Sinar Merawang is geographically located between 00° 03' 44.26" to 00° 07' 01.86" North and 102° 41' 93" to 102° 49' 0.60" East, and is bounded by

To North : PT Arara Abadi (Merawang District).

To East : PT Satria Perkasa Agung.

To West : PT Satria Perkasa Agung.

To South : PT Satria Perkasa Agung.

PT Satria Perkasa Agung KTH Sinar Merawang is surrounded by HTI companies, based on its footprint of 100% peatland, with flat topography (0-8%). Soil types: Sapric Organosols, and Hemics. Geology: formation of young surface deposits. Climate type according to the Schimidt Ferguson classification is classified as Type A with an average rainfall of 218.5 mm / year. The type of plant that is cultivated is *Acacia crassicarpa*.

Peat Ecosystem. Based on a 1: 250,000 scale Peat Ecosystem Function Map published by the Ministry of LHK (Appendix Minutes No.BA.046 / UHP / RKUPHT / HPL.I / 3/2017 dated March 20, 2017 the entire work area is peat land and entered into the Function Area Protection of Peat Ecosystems (KFLEG) Plans for Restoring the Function of Peat Ecosystems Plantation forest operational activities on peatlands raise fears of causing damage to the peat ecosystem, characterized by the presence of artificial drainage, exposure to pyrite sediments and the reduction of land cover area. In the peat area identified as damaged, recovery activities will be carried out based on the Minister of Environment Regulation No. P.16 / Menlhk / Setjen / Kum.1 / 2/2017 concerning Technical Guidelines for Restoring the Function of Peat Ecosystems. Specific guidelines have been prepared for recovery of damaged peak ecosystems, which include no replanting of staple or livelihood plants, taking measures to maintain water levels, no further clearing but re-vegetation with right type, species and process for the specific area.

The detailed plans for restoring the functions of the peat ecosystem are explained in the Peat Ecosystem Ecosystem Recovery Plan Document that is being consulted with the Directorate General of Pollution Control and Environmental Damage of the Ministry of Environment and Forestry.



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

Administratively the location of the PT SPA KTH Sinar Merawang concession area is included in two (2) regency areas, Pelalawan Regency and Indragiri Hilir Regency, within which there are six target villages. There were no indigenous people or indigenous tribes found in the concession area, the people being mostly Malay. There are people who use non-timber forest products in the concession area in the form of fish from the company's canals.

In forest management, the Management Unit has collaborated with communities around the concession in the form of collaborative plantations, the establishment of the Community of Fire Care (MPA) and cooperation in Partnership Pattern Plantation Forestry Management (HTPK). Cooperation documents with the surrounding community include the following:

- a. Letter of Agreement on Livelihood Crops Cooperation with the community with a total area of 112.8 ha.
- b. Letters of Livelihood Plants Cooperation Agreement with Farmers Group with a total area of 403 ha.
- c. Joint agreement letter between PT Satria Perkasa Agung and Sinar Merawang Forest Farmers Cooperative regarding the cooperation of Partnership Pattern Plantation Forest Management (HTPK) with the distribution of fees for each tree felled from the main plant area.
- d. The agreement on land and forest fire prevention and control in the form of the Community of Fire Care (MPA) with the village.

The Community Development program (CD) assistance report and the realization of the 2017 and 2018 Desa Makmur Peduli Api (DMPA) program in the form of sharing partnership fees and assistance programs reveal the following: Economy in the form of partnership fees for four villages; Social Culture and Health in the form of public facilities and medicine; Arts and Social Culture: youth education in the form of teachers' salaries, school facilities, religious and mental guidance and infrastructure. There was a monitoring of fish utilization in 2017 and 2018.

#### Description of the ecological conditions of the concession

As from February 1, 2013, PT. Satria Perkasa Agung KTH Sinar Merawang is committed to implementing the Forest Conservation Policy (FCP) of Asia Pulp and Paper Forest Conservation Policy: As for ecology related to its commitment policy 1: APP and all its suppliers will develop areas that are not forested land, according to the results of identification in independent HCVF and HCS assessments.

Based on the Amdal Document, PT Satria Perkasa Agung KTH Sinar Merawang has identified the species of flora and fauna that are protected throughout its work area, the key flora species being Ramin, and the tiger being the fauna species. The Management Unit has implemented appropriate measures to minimize the negative effects of its operational activities on their habitat and movement patterns.

PT. Satria Perkasa Agung KTH Sinar Merawang has identified areas that serve to protect the land and implement appropriate measures to protect the area from damage due to operational activities of forest management. These activities include: management of water systems on peatlands to cope with land subsidence; land clearance is carried out in stages in small plots during the dry season; and increasing the optimization of openness by clearing forest areas and preparing land.; Peat subsidence that has occurred to date is relatively low, and does not affect the hydrotopography of the land, so that the function of the peat ecosystem can be maintained. Oxygen supply in the root zone is estimated to be quite good, so that the growth of the root system is not inhibited. Likewise the possibility of the formation of toxic compounds, especially H<sub>2</sub>S and phenolic compounds has been minimized.

PT SPA KTH Sinar Merawang implements a no-burn policy in land preparation activities, conducts a compartment system, maintains appeal boards and fire hazard index boards. From the results of observations and field interviews, PT SPA KTH

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Sinar Merawang has implemented forest protection measures against fires.

The Management Unit has implemented participatory steps related to livestock grazing activities, whereby there no livestock grazing activity by surrounding communities is permitted, thus avoiding negative impacts on forest regeneration, growth and biodiversity.

The Management Unit also socializes its Annual Work Plan (RKT) and the protected areas to the local communities.

Forest protection programs are implemented that aim to prevent and limit forest disturbances, whether caused by human actions such as encroachment, illegal logging, livestock grazing and forest fires, or natural causes such as disease or infestation.

**Results of the Public Consultation**

Prior to carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing September 17, 2018, asking stakeholders to provide feedback and information about PT SPA KTH Sinar Merawang. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to parties via e-mail or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders during public consultations.

The audit team also collected information from the mass media about PT SPA KTH Sinar Merawang, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects which include compliance with rules and regulations and international conventions. The management system has been built to cover all activities in the certification field, which is registered for an area of 8,680.70 hectares.

**Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.**

Results of the Surveillance 2 Audit of PT SPA KTH Sinar Merawang identified one (1) Minor Non-Conformity as listed below.

NO	Non-conformity (NC)	Corrective Action to be Undertaken	Category
1	The Management Unit had not yet made a report on mapping and conflict resolution to the local authorities as required every six months. <b>Clause Ref. I.9.5 :</b>	The Management Unit has completed the mapping and conflict resolution report to the local authorities in accordance with the regulations.	Minor

**Conditions under which the certificate is issued**

Certificate is valid until 30/06/2019 provided that PT SPA KTH Sinar Merawang 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 Recertification audit visit. If the non-conformities are not closed at the next Recertification audit the certificate will be suspended until such time as AJA is able to perform a closeout visit.