

Public Report Sustainable Forest Management System

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CLIENT NAME: PT SUMATERA RIANG LESTARI BLOK II GARINGGING

TOTAL HECTARES: 38,684.24

SCOPE OF REGISTRATION: Sustainable Forest Management in of 38,684.24 Hectares of Plantation Forest in North Sumatra Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: July 24, 2023

AUDIT END DATE: July 27, 2023

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

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

Agung Utama Lubis

SIGNATURE:





MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru 28143, Provinsi Riau, Indonesia	July 24, 2023
Site	Blok II Garingging - Kecamatan Barumun Tengah, Lubuk Barumun, Huristak dan Hutaraja Tinggi, Kabupaten Padang Lawas, Provinsi Sumatera Utara - Indonesia	July 25 to 27, 2023
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 Sumatera Riang Lestari Blok II Garingging obtained a Decree of the Minister of Environment and Forestry no. Minister of Environment and Forestry Decree No. SK.984/Menlhk /Setjen/PLA.2/2019 dated 11 November 2019 concerning the determination of the work area of 42,521.15 Ha. Then, it is updated through Forest Utilization Business Permit based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.645/MENLHK/SETJEN/HPL.2/6/2022 dated 22 June 2022 concerning the fourth amendment to the Decree of the Minister of Forestry No. SK.262/Menhut-II/2004 dated 21 July 2022 concerning the granting of a business permit for the utilization of timber forest products (IUPHHK) in plantation forests to PT Sumatera Sinar Plywood Industry for a forest area of 65,000 Ha (Sixty five thousand) hectares in the province of North Sumatra. The area of PT Sumatera Riang Lestari is 173,971 Ha. The working area of PT Sumatera Riang Lestari Blok II Garingging is 42,075 Ha. In this decree, the IUPHHK-HT nomenclature becomes PBPH (Forest Utilization Business Licensing).

There was a conversion of natural forest into plantation forest after 31 December 2010 in the concession area of an area of 3,836.91 ha. Thus, the IFCC certified area is approximately 42,521.15 Ha - 3,836.91 ha = 38,684.24 Ha.

PT Sumatera Riang Lestari Blok II Garingging carries out forest management operations based on the RKUPH document which was ratified based on the Decree of the Minister of Environment and Forestry Number: SK.6479/MenLHK-PHL/PUPH/HPL.1/8/2022 dated 12 August 2022 concerning The Approval of Work Plans of Forest Utilization Business (RKUPH) for the 2017 to 2026 period on behalf of PT Sumatera Riang Lestari in North Sumatra Province and Riau Province. The spatial layout is different from what was recorded during Surveillance 1 Audit last year. The spatial layout based on the new RKUPH is:

- 1) Protected Area of 8,552 Ha (20.33%) consisting of river borders of 5,690 Ha (13.52%), KPPN/KPSL of 504 Ha (1.20%), Other Protected Areas of 2,368 Ha (5.60%).
- 2) Cultivation Area 33,523 Ha (79.67%) consisting of Staple plant area of 13,013 Ha (30.93%), LOA area for NTFPs 70 Ha (0.17%), infrastructure of 427 Ha (1.01%), shrubs and others of 20,013 Ha (47.57%).

PT Sumatera Riang Lestari Blok II Garingging is located between 01°10'49" to 01°20'37" North and 99°47'31" to 100°06'28" East. It is included in Garingging River and Mahato River Forest Groups. Administratively, it is in Lubuk Barumon District, Barumon Tengah District, Huristak District, Hutaraja Tinggi District, Padang Lawas Regency.

The site conditions of the work area are dry/mineral soil. It has a flat topography (0-8%) and an altitude of 75-280 meters above sea level. The soil types are Podzolic, Podsol-Gleisol-Regosol Association, Gleisol-Cambisol-Alluvial Association. The geology is composed of Alluvium, Volcanic Rock, Sedimentary Rock, and Metasediment. The climate classification includes a Type A with an average rainfall of 2,259 mm/year. The watershed (DAS) is Barumon watershed with its rivers Garingging, Mahato, Hambatas, Putih, Nabara Manapi, Merbuayanamenek, and Tanamarjuarang. The species of production plants being developed is *Eucalyptus sp.*

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

There is no customary land within the concession area. The company still provide recognition of the efforts of the local community to respect the history of the origins of the local community. Based on field verification by observing the situation of the surrounding villages, the livelihood of the population and the economic level of the population, the residents around the company concession are local communities.

PT Sumatera Riang Lestari has made conflict resolution efforts with the surrounding community. There is a Potential Mapping and Conflict Resolution Report for PT Sumatera Riang Lestari Block II in 2022. The conflict status in the PBPH is Alert (64.87%). The resolution mechanism is alternative dispute resolution (ADR). Based on the results of field verification and interviews with the Management Unit, the most prominent problem of forest disturbance is

encroachment and land claims. Since 2008, the concession area has begun to be encroached on and claimed. In general, land is cleared and planted with oil palm. Some of them were also planted with rubber and houses/huts were built. The perpetrators come from various elements, including individuals, community groups and oil palm plantation companies. However, various efforts have been made by the Management Unit, starting from an amicable approach, outreach, reporting to the authorities and even going to court to resolve the problem. Efforts to resolve the problem with the claimants/encroachers are currently continuing.

PT Sumatera Riang Lestari has collaborated with the surrounding community in livelihood plants. The Management Unit has implemented a corporate social responsibility program for the surrounding community as well. There is a Community Development Program Implementation Report for the 2022 Period. Based on the report, the program implemented are assistance for students, food assistance, ramadan safari assistance, assistance with a coconut milk pressing machine, heavy equipment assistance, etc. As for the Community Development program in 2023 are building materials for a village mosque, assistance in cultivation of fish and chicken, assistance with building materials for the renovation of the village office, etc.

Description of the Ecological conditions of the concession

PT Sumatera Riang Lestari Blok II Garingging has identified areas that function for land and water protection. From the results of this identification, it was then allocated as a Protected Area. Appropriate and measurable steps taken by the Management Unit to protect land protection areas from damage (erosion, landslides, etc.) due to operational forest management activities are:

- a. Establishing Protected Areas for land protection, namely in the form of KPPN and river borders.
- b. Install signboards in Protected Areas.
- c. Carry out land rehabilitation.
- d. Routine daily patrols to secure protected areas.
- e. Make Environmental Management and Monitoring Implementation and Evaluation Report per semester as monitoring and evaluation material.

There are several species of wild animals such as trenggiling (*Manis javanica*), beruk (*Macaca nemestrina*), etc. PT Sumatera Riang Lestari Blok II Garingging has maintained the habitat of protected, endemic, rare flora and fauna and threatened/almost extinct species.

From the results of field observations and interviews, PT Sumatera Riang Lestari Blok II Garingging has identified and monitored disturbances, as well as taking into account natural disturbance events which pose a threat to the health and vitality of forest resources in its work area. The main forest disturbance is forest encroachment accompanied by land claims. There are not many pests, diseases and weeds. The main pests of staple crops are leafroller caterpillars and *Helopeltis* sp. Meanwhile, forest disturbances in the form of forest fires, illegal logging, illegal grazing and illegal hunting have not been encountered in the past year. The Management Unit has carried out activities to identify, manage, secure and monitor forest disturbances well.

The Management Unit has also provided infrastructure and human resources for measurable pre-emptive, preventive and handling steps, namely:

- a. Activities to prevent and handle illegal logging, forest encroachment, illegal grazing and illegal hunting.
- b. Forest fire prevention and control activities
- c. Activities to prevent and control pests, diseases and weeds of staple plants.

Results of the Public Consultation

Prior to conducting the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation starting on June 7, 2023, asking stakeholders to provide feedback and information regarding PT Sumatera Riang Lestari Blok II Garingging. Public consultations are uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to the parties via email or postal mail, and published in local newspapers. There was no input from stakeholders during the public consultation.

The audit team also collected information from the mass media about PT Sumatera Riang Lestari Blok II Garingging. The reported case is considered a material part of the audit process carried out by PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects that include compliance with international rules and regulations and conventions. The management system has been built to cover all activities in the field of certification, registered for certification covering an area of 38,684.24 hectares.

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

The result of Surveillance 1 Audit is 1 (one) non-conformity in Minor category. The Management Unit has made improvement. The non-conformity is closed.

Number	Non-Conformities	Corrective Action Performed	Categories
1	<p>There are some non-compliances in plantation forest timber harvesting activities, such as:</p> <ul style="list-style-type: none"> • Skid trails and extraction directions are not depicted on the map. • Microplanning harvesting markings such as skid trails were not found. • There was an inappropriate wood length in the verification results for non-standard wood length. 	<ul style="list-style-type: none"> • Preparing skid trail and TPn plans in the micro-planning harvesting map to make effective markings in the field. • Marking skid trails in the field. • The supervisor must ensure that the position of the wood is level at the base to matches the specified length of wood while being measured by the measuring stick at the bunching period. • Calibrate the measuring stick every day and mark the part of the wood to be cut with chalk. 	Minor

Conditions under which the certificate is issued

Certificate is valid until November 12, 2025, provided that PT Sumatera Riang Lestari Blok II Garingging 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 Surveillance visit. If the non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time as AJA is able to perform a closeout visit.