

Public Report Sustainable Forest Management System

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AJA EUROPE SRL

PUBLIC AUDIT REPORT – SFM

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



ORGANIZATION NAME: PT SUMATERA RIANG LESTARI BLOK II GARINGGING

TOTAL HECTARES: 38,684.24

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

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Transition to IFCC ST 1001:2021 + Surveillance 2

AUDIT START DATE: 9 July 2024

AUDIT END DATE: 12 July 2024

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

AUDIT TEAM: Inggita Nuri Prihantini

Abdul Salam

SUPERVISOR: Riyadi Sigit Pamungkas

SIGNATURE:

SIGNATURE:

SIGNATURE:

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION 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	9 July 2024
Site	Blok II Garingging - Kecamatan Barumun Tengah, Lubuk Barumun, Huristak dan Hutaraja Tinggi, Kabupaten Padang Lawas, Provinsi Sumatera Utara - Indonesia	10-12 July 2024
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	

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, PT Sumatera Riang Lestari Blok II Garingging obtained a business license for forest utilization based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia SK.645/MENLHK/SETJEN/HPL.2/6/2022 dated June 22, 2022 regarding the Fourth Amendment to the decree of the Minister of Forestry No. SK.262/Menhut-II / 2004. The total 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, IUPHHK-HT nomenclature becomes PBPH (Business License for Forest Utilization). There was a conversion of natural forests into plantation forests above December 31, of 3,836.91 ha. Due to the conversion, the IFCC certified area becomes 38,684.24 Ha (42,521.15 Ha – 3,836.91 Ha).

PT Sumatera Riang Lestari Blok II Garingging runs forest management operations based on RKUPH documents of 2017 to 2026 approved by the decree of the Minister of Environment and Forestry SK.6479/MenLHK-PHL/PUPH/HPL.1/8/2022 dated August 12, 2022. The Layout based on the document is Protected area of 8,552 Ha (20.33%) and Cultivation area of 33,523 Ha (79.67%), with a total of 42,075 Ha (100%). The protected area consists of river borders of 5,690 Ha (13.52%), KPPN/KPSL of 504 Ha (1.20%), and Other Protected Areas 2,368 Ha (5.60%). As for the Cultivation area, it consists of plantation area of 13,013 Ha (30.93%), LOA area for non-timber forest product of 70 Ha (0.17%), infrastructure of 427 Ha (1.01%), thicket and others of 20,013 Ha (47.57%).

The geographical area of PT Sumatera Riang Lestari Blok II Garingging is between 01°10'49" - 01°20'37" North and 99°47'31" - 100°06'28" East. It is part of Garingging River and Mahato River Forest Group. Based on government administration, it is in Lubuk Barumon District, Barumon Tengah District, Huristak District, Hutaraja Tinggi District, Padang Lawas Regency, North Sumatra Province.

The land conditions are dry/mineral soil with flat topography (0-8%) at an altitude of 75-280 masl. The soil type is podsolik, asosiasi podsol-gleisol-regosol, asosiasi gleisol-kambisol-aluvial. The climate classification includes a Type A climate with an average rainfall of 2,259 mm/year. The species of production plant developed is *Eucalyptus sp.*

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

In general, the residents around the PT Sumatera Riang Lestari Blok II Garingging are local people (Mandailing Tribe) and immigrant communities (Javanese and Sundanese). There are no indigenous communities in and around the company. Most of the people make a living as oil palm farmers and rice farmers.

The Organization has made agreements on livelihood plant with three villages. There is no new cooperation agreement between the community and the company. There is utilization of non-timber forest product by the community. The types of identified non-timber forest product are fish, rattan and honey. The fish utilization is carried out by fishing and there is no use of poison.

The Corporate Social Responsibility Program of PT Sumatera Riang Lestari Blok II Garingging consists of education, health, religious, economic, infrastructure, and social and environmental sectors. The implemented assistance such as assistance for school facilities, baby complementary food, material assistance for building a village mosque, fish cultivation, village public facilities, and village youth equipment. Community Development Assistance Programs, in



general, are submitted by the community by making a proposal to the company. The Organization provide assistance in repairing village roads with the help of heavy equipment from the company.

Description of the Ecological conditions of the concession

The Organization conducts land cover identification and periodically conducts monitoring through the air, using fire towers, CCTV, drones and satellite image analysis. Allocating protected areas in areas that have ecologically important functions with the arrangement of working areas in accordance with the RKUPH for the period 2017 – 2026 by establishing protected areas of 8,522 Ha.

PT Sumatera Riang Lestari Blok II Garingging has been maintaining the health vitality of forest ecosystems by establishing operational standards that support the maintenance of the health and vitality of forests against adverse environmental factors and strengthening natural regulatory mechanisms, develop and implement documented waste management procedures including B3 waste, and regulate the use of chemical pesticides in the field with documented procedures.

The Organization has carried out appropriate maintenance, conservation and improvement for biodiversity in forest ecosystems, such as allocating and monitoring of protected areas as well as installing signboards, marking the boundaries and rehabilitation and enrichment of protected areas. The Organization also performed monitoring and maintaining of the endemic species.

PT Sumatera Riang Lestari Blok II Garingging has carried out protection function management activities with appropriate maintenance or improvement of protection functions, especially soil and water through:

- Reduced Impact Logging activities have been implemented to minimize the risk of degradation and damage to forest ecosystems.
- The operational work plan has been socialized every year and in particular there is a collective agreement for the protection of forests from forest fires and land together with communities around the concession. The mutual agreement between the community and the Organization is formed in the forum of Community with Fire Awareness (MPA).

Results of the Public Consultation

Prior to conducting Transition to IFCC ST 1001:2021 + Surveillance 2 Audit on PT Sumatera Riang Lestari Blok II Garingging, PT Acube TIC International has made a public announcement and public consultation. Invitation to public consultation to stakeholders to obtain input as materials/consideration through the website www.ajaindonesia.com on May 27, 2024. The stakeholders can provide input for audit considerations to PT Acube TIC International email. There is no input from stakeholders.

The audit team also collected information from the mass media about PT Sumatera Riang Lestari Blok II Garingging. The reported cases are considered as part of the PT Acube TIC International audit process.

The Organisation has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the area of certification, which are registered for the certification area of 38,684.24 hectares.



Organisation progress record related to corrective action on findings of nonconformities in previous audit

The result of Surveillance 1 Audit was one non-conformity. The Organization has made improvements and the non-conformity is closed.

Nomor	Non-Conformities	Corrective Action Performed at Surveillance 1 Audit	Closed Out at Surveillance 2 2024
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. <p>Indicator I.4.4</p>	<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. 	<p>The results of field visit on the timber harvesting activities on are as follows:</p> <ul style="list-style-type: none"> - The skid trails, the direction of extraction and marking using wooden stakes and satin plastic of red color has been described on the harvesting plan map. - The stump height (< 5 Cm) and wood length (4.5 m) are in accordance to the standard. - On the harvesting check sheet, improvements have been made to non-standard parameters. <p>Based on the results of the field verification, the non-conformity is closed.</p>

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

The result of Transition to IFCC ST 1001:2021 + Surveillance 2 Audit is one non-conformity. The Organization has made improvements and the non-conformity is closed.

Number	Non-Conformities	Corrective Action Performed	Category
1	<p>There was a Security Post which was not in accordance with the standard of healthy work environment. There was no water in the restroom, malfunctioned electricity, and damaged pipes (leaking when it rains).</p> <p>Indicator 5.3.4.2</p>	<p>The Organization has submitted a proposal for the Security Post for renovation. Infrastructure feasibility monitoring will be carried out by officers periodically so that infrastructure feasibility is maintained.</p>	Minor



Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00011/XI/2015 is valid until 12/11/2025, 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 Recertification visit. If the non-conformities are not closed at the next Recertification, the certificate will be suspended until such time as AJA EUROPE is able to perform a closeout visit.