

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 SUMATERA RIANG LESTARI BLOK II GARINGGING

TOTAL HECTARES: 21,345.80
ha

SCOPE OF REGISTRATION: Sustainable Forest Management of Plantation Forest covering 21,345.80 hectares in North Sumatra Province, Indonesia

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: September 12, 2017

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: September 15, 2017

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: R Sigit Pamungkas

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS: 1

MINOR CARS: 5

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Sumatera Riang Lestari	Blok II Garingging - Barumun Tengah District, Lubuk Barumun District, Huristak District, and Hutaraja Tinggi District, Padang Lawas Regency, North Sumatra Province - Indonesia	September 12-15, 2017
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	
NA		

Document: Report Format Public - IFCC

Issue: D

Date: 15 September 2016

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Brief Description of the concession

PT Sumatera Riang Lestari Blok II Garingging was granted IUPHHK-HTI permit based on Forestry Minister's Decree No. SK.208/Menhut-II/2007, dated May 25, 2007 with an area of approximately 215,305 ha consisting of approximately 67,230 ha located in North Sumatra Province and approximately 148,075 ha in Riau Province. The work area of Block II Garingging is 41,918 ha.

The operation of sustainable forest management is based on Revised RKUPHHK-HTI (Work Plan of Timber Forest Product Utilization in plantation forest) for the period of 2008 to 2017 which has been approved per Minister of Forestry No. SK.18/VI-BUHT/2014, dated April 16, 2014.

The Management Unit has conducted spatial planning of an area of 41,910 hectares, as follows: Protected Areas of 7,236 ha (17.27%), Infrastructure Facilities of 538 ha (1.28%), Indigenous Plant Area of 2,893 ha (6.90%), Livelihood Plant Area of 1,449 ha (3.46 %), Primary Plant Area of 16,376 ha (39.07%), and Area Not In Spatial Planning of 13,418 ha (32.02%). The Protected Areas comprise 6,741 ha (16.08%) of Riparian Area and 495 ha (1.18%) of KPPN.

At PT Sumatera Riang Lestari Blok II Garingging there was conversion of 20,563.2 ha of natural forest to plantation forest after December 31, 2010. With the permit area being 41,918 ha, the scope of the IFCC certification is thus reduced to 21,345.8 ha.

The working area has mineral type soil and the species developed are *Acacia crassicarpa*, *Acacia mangium*, and *Eucalyptus sp*

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

The Management Unit has identified, and acknowledges and respects, the presence of local people living in villages around the permit area. The existing villages, which are scattered in 4 districts are the development of the parent village (Luhat). These were initially formed when the Head of the Luhat granted permission for residents of the parent village to develop and open new areas, which then grew into a new settlement, and eventually into an administrative village.

Based on AMDAL documents, there are no indigenous peoples as defined in accordance with the law (Law No. 27 of 2007 and Presidential Decree No. 111 of 1999). The people living in settlements around the concession area outside the transmigration community are of Batak Mandailing, Javanese, Sundanese and Malay origins, the majority earning their livelihood from oil palm and rubber, while the remainder are self-employed.

The Management Unit has conflict resolution procedures in place with designated staff having undergone specific training on social management and conflict resolution. The surrounding community has been advised of the conflict resolution mechanisms via a questionnaire delivered on September 10-11, 2016. The Management Unit has identified land claims in 2016 and 2017, recording and mapping all pertinent details.

The Management Unit has plans in place for the management of livelihood plants for the surrounding groups of villages:

1. Aek Nabara District Barumun: 8 villages
2. Huta Raja Tinggi 9 District: 7 villages
3. Lubuk Barumun Siali-ali District: 1 village
4. Aek Nabara Barumun District: 1 village
5. Barumun Tengah 2 District: 2 villages.



The Management unit has also entered into agreements in September 2016 for livelihood plant development with the communities of Binanga Village (for 103.5 ha) and Unter Udang Village (for 121 ha), which have been recorded by a Notary.

In addition, the formation of the Concerned Community for Fire (MPA) in Ujung Batu Village IV Hutaraja Tinggi District, on 19 August 2014 has been documented, of which the local village head, Camat Hutaraja Tinggi, Kapolsek, Danramil, Forestry and Environment Agency Padang Lawas Regency are aware.

PT Sumatera Riang Lestari Blok II Garingging has a Community Empowerment and Partnership Plan to increase income and economic growth of rural communities with environmental insight, the provision of economic facilities and infrastructure, and the creation of awareness and positive behavior in the conservation of natural resources.

Income-generating and economic growth activities include: education and skills, marketing of outcomes and establishment / co-operation of village unit cooperatives and capital assistance. Meanwhile, activities for providing social economic facilities and infrastructure include: village physical assistance, physical building, physical building of educational facilities, utilization of facilities and infrastructure of the company. Positive awareness and behavior creation programs in the conservation of natural resources include: counseling and development of community forests, forestry and community forestry efforts.

The Management Unit also has in place corporate social responsibility (CSR) programs that in 2016 and 2017 included the provision for the construction of educational facilities, as well as social payments for the observance of religious celebrations.

Description of the ecological conditions of the concession

Per its AMDAL Document, the Management Unit has identified forest management activities that have significant impacts on physical, chemical (erosion, sedimentation, water quality, soil fertility, microclimate) and biological (standing potential, species diversity, pests, habitat changes). The Management Unit has made efforts to minimize the negative impacts of the RKL (Environmental Management Plan) / RPL (Environmental Monitoring Plan) report, the results of which are reported to the requisite authorities on a periodic basis.

Components that are managed and monitored across the plantation working areas comprise physical, chemical and biological components. Physical and chemical components include; microclimate, air quality, soil fertility, soil erosion, river discharge, sedimentation, water quality and fire hazards. Biological components, meanwhile, include not only protected plant and animal species, but also enrichment planting.

Besides activities to socialize the importance of the forest areas and the need to maintain security, routine patrols are also carried out to prevent events that could cause disruption of the forest such as incursions, illegal land clearance, lighting of fires, etc. The patrols also take care to identify any indication of disease or infestation by pests.

To counter the threat of fire there is an agreement in the form of the Concerned Community for Fire (MPA) with Ujung Batu Village IV Hutaraja Tinggi District. For its part, the Management Unit provides firefighting equipment and training, secures the area with regular patrols, monitors potential hotspots, as well as socializes the dangers of fire hazards.

The Management Unit implements standard methods for the handling of hazardous waste materials (B3), which include an inventory of waste, source, and estimated amount. All such waste is regularly collected and retained in temporary storage until its collection by a licensed disposal company.



Results of the Public Consultation

Prior to carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing January 17, 2017, asking stakeholders to provide feedback and information on PT. Sumatera Riang Lestari Blok II Garingging. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to the parties via email or postal mail, and published in a local newspaper. PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation.

The audit team also gathered information from the mass media about PT. Sumatera Riang Lestari Blok II Garingging, such reported cases being considered part of the audit process conducted by PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the necessary requirements for this certification process, comprising legal aspects that include compliance with regulations and international rules and conventions. The management system has been built to cover all activities in the field of certification, which is registered for certification of an area of 21,345.80 hectares.

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

The results of the Surveillance 2 Audit of PT. Sumatera Riang Lestari Blok II Garingging revealed one (1) one Major Non-Conformity and five (5) Minor Non-Conformities as listed below:

No	Non-Conformities	Corrective Action Performed	Category
1	Tree label tagging on inventory activity has not been performed according to the relevant SOP. Indicator: I.4.2	Section Planning has applied tree labeling activities in accordance with the relevant SOP.	Minor
2	Based on field visit not all heavy equipment operators have SIO (Operating Permit) Indicator I.1.13	The MU is helping the contractor provide training in regard to heavy equipment operation and obtaining SIO for harvesting operations	Minor
3	The Management Unit could not provide proof of payment of BPJS for all employees of the contractor companies. Indicator I.11.1.	The MU has provided proof of participation and proof of payment of BPJS by contractors	Minor
4	In conducting a special MCU check on 7 spray workers, the cholinesterase test was not included. Indicator I.12.1	MU has performed the MCU examination including the cholinesterase test for contractor's spray workers.	Major
5	Suitable facilities are not yet available for the spraying equipment to be adequately cleansed prior to storage and to ensure that the workers can safely leave the premises in a clean and safe condition. Indicator I.12.2.	Facilities have already been installed so that equipment can be cleansed and Contractor's spray officers can go home clean after work	Minor

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6	Based on field visits, operators of chain saws , excavators, and spraying operators were not using the applicable APD/PPE according to SOP Indicator I.12.4	The Forest Protection Division distributes Personal Protective Equipment (APD) to the Harvesting Contractors and Plantation Contractors and socializes the necessity of their proper use.	Minor
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Conditions under which the certificate is issued

SFM Certificate IFCC PT. Sumatera Riang Lestari Blok II Garingging certificate number: AJA/IFCC-PEFC/FMC-HT/00011/XI/ 2015 remains valid until 12/11/2018