

# **Public Report Sustainable Forest Management System**

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**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



**JOB NUMBER:** AJA/IFCC-020

**CLIENT NAME:** PT. SUMATERA RIANG LESTARI

**TOTAL HECTARES:** 21.345,8  
Hectares

**SCOPE OF REGISTRATION:** Sustainable Forest Management of Plantation Forest covering 21.345,8 Hectares in Sumatera Utara Province

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

**TYPE OF AUDIT:** STAGE 2

**AUDIT START DATE:** 31 AUGUST 2015

*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:** 5 SEPTEMBER 2015

**LEAD AUDITOR:** ONIRANTO ADI FAJARI

**SIGNATURE:**

**AUDIT TEAM:** MUCHAMMAD NURUL ANWAR

**SIGNATURE:**

SAD HASTO AGUS SUPRAPTO

**SIGNATURE:**


**MAJOR CARs:** -

**MINOR CARs:** 19

**OBSERVATIONS:** 19

<b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):</b>	<input type="checkbox"/>
<b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):</b>	<input checked="" type="checkbox"/>
<b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):</b>	<input type="checkbox"/>
<b>NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence Of Major System Failure):</b>	<input type="checkbox"/>

**SELECT OPTION**

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<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):</b>	<b>DATE OF EACH SITE VISIT:</b>
BLOCK II - GARINGGING	Barumon Tengah, Lubuk Barumon, Huristak, and Hutaraja Tinggi Subdistrict, Padang Lawas Regency, North Sumatera Province - Indonesia	31 August - 5 September 2015
<b>SITE NAME (Legal Name):</b>	<b>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 (If more than 4 additional sites have been registered please add additional rows)</b>	
	N/A. Single site	
<b>REF No:</b>	<b>ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)</b>	
	N/A	

### **Brief Description of the concession and its natural and socio-economic conditions.**

PT. Sumatera Riang Lestari (SRL) Block II - Garingging is a purely private company (with status PMDN) which is engaged in the utilization of timber forest product in industrial plantation forest with the aim to produce wood fiber. The forest utilization activities is based on the Minister of Forestry Decree No. 262/Menhut-II/2004 dated 21 July 2004 jo Decree No. 99/Menhut-II/2006 dated 11 April 2006 jo Decree No. 208/Menhut-II/2007 dated 25 May 2007 with a working area covering 41.910 hectares. However, in the concession area there are overlaps area with other companies with large 12.893 hectares and claims by the communities in heavy category with large 4.744,3 hectares, so that the area is excluded from the management area. Therefore, the effective area of plantation forest management is 25.183,7 hectares. In accordance with IFCC ST 1001: 2014 the standard, MU also has excluded the plantation forest area were built from natural forest conversion after 31 December 2010 covering 3.836,9 hectares. Thus, the certified area through IFCC Sustainable Forest Management scheme is covering 21.345,8 hectares.

In administration, the working area of PT. SRL Block II - Garingging located in Padang Lawas Regency, North Sumatera Province. The condition of forest ecosystem in the working area of PT. SRL Block II - Garingging included in the dry land forest ecosystems with a height of 75-280 m asl. The soil type is dominated by Podsolic, and some other small is association of Podsol-Gleisol-Regosol and Association of Gleisol-Kambisol-Aluvial. The rivers that crosses the working area is Garingging and Mahato river. The accessibility to the concession area is quite good, which can be reached through the road in 8 hours from Pekanbaru.





The type of primary plants developed are *Acacia mangium*, *Eucalyptus pellita*, and *Melaleuca spp.* With a 6 year cycle. The livelihood plants developed are *Acacia mangium*, *Eucalyptus pellita*, and rubber. Currently the realization of planted area is 14.080,7 hectares which consist of primary plants 13.846,7 hectares and livelihood plants 234 hektar. Since 2013, MU has been conducted the plantation forest harvesting activities with the timber production as much of 680.433 m<sup>3</sup>.

There are several village that located around the working area of PT. SRL Blok II – Garingging, among others Ujung Batu, Binanga, Unterudang, Sungai Korang, Panyabungan, Aek Nabara Jae, Aek Nabara Julu, etc. The majority of peoples livelihood are farmers (oil plam and rubber). Ethnicities that inhabit villages around the concession area is Batak Mandailing ethnic. The newcomers ethnic generally come from Java, Sundanese, and Malay. Most people have an education level up to Junior High School, where the education facilities of elementary school is scattered in every village, while the Junior High School and/or Senior High School (or equivalent) is generally located in the capital of sub district. Health facilities that exist in the village is village midwife, posyandu, and supporting communities health center. Hospital facilities is available in the capital of Padang Lawas Regency, namely Sibuhuan.

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

Based on the field verification and the analysis of all document stated that PT. SRL Block II Garingging has implement a good plantation forest management from the phase of planning, implementation, monitoring and evaluation, to the process of feedback mechanism for next process and preventive action against the fault of activities in the next time. The audit team found 19 Minor Nonconformities as well as 19 Observation for improvement. All Nonconformities findings has been conducted the corrective actions by the company in order to continual improvement of sustainable forest management.

The Nonconformities findings found are marking of boundaries markers in the spatial planning activities is not complied with SOP-PLG-001 on Spatial planning and status of plantation forest; there is RKL/RPL report in social aspect is not according to field implementation; time schedule of plantation forest inventories is not complied with SOP-PLG-010; procedure for numbering the measured trees of plantation forest inventories activities is not complied with SOP-PLG-010; MU has conduct PSP measurement but not conduct the analysis of increment; MU has not been identify degraded area in all protected area; rehabilitation plan document doesn't available and the rehabilitation in KPPN A and KPPN B has not been maintained intensively; MU has not been perform rehabilitation of degraded protected areas; MU has not been install the security/boundary fence at erosion stakes of soil erosion observation plots which not complied with SOP-HSE-019 monitoring of erosion and soil fertilities; MU has not been refer to the appendix of PP 7/1999 on conservation of flora and fauna species in SOP-HSE-013; MU has not been create a distribution map of all wildlife that rare/protected/endangered which identified in the concession area; management of elephant wildlife not complied with WI – FCHSE – 001 on management of Sumateran Elephants (*Elephas maximus sumatranus*); there is no discussion in depth on the condition and indigenious culture (Luhat) of local communities in SIA document; SOP Conflict resolution has not been made in a participatory manner and has not been approved by local communities; the study of SIA document has not been discuss in depth on the type and impact caused by the operational activities of Management Unit; there is no Collective Labour Agreement between worker union with management unit governing industrial relations between workers with management unit; condition of container housing is not feasible for employee health and safety; there are some employees did not use PPE as required; rehabilitation activities of protected area some still use the type of outside plants (*introduced species*).

The company has conduct corrective actions against all nonconformities by boundaries marking will be aligned with the SOP; establish a policies for storing documents and records related to the implementation of IFCC at least 5 (five) years; Shows SOP-PLG-010 revision 4 parts G.1.a Timetable and Population; disseminating the procedure SOP-PLG-010 to the employees; present MAI and CAI data as measurement results of PSP; ensure the last condition of monitoring results of protected areas; make rehabilitation plan of degraded areas; plan and realize the rehabilitation of degraded protected areas; reattach Section G on SOP-HSE-019 is still valid, dated 30 November 2010; revise SOP-HSE-013 by including PP 7 of 1999 on a reference point; provides a distribution map of RTE species in the working area of SRL; provide a plan of Elephant Wildlife Management; complete the discussion of conditions and indigenious culture (luhat) of community in SIA document; identify the parties and set up a plan for participatory processes and socialization of SOP conflict resolution mechanisms; present SIA document that has been revised; provide evidence of meeting process in the framework of the extension of Collective Labor Agreement and joint statement to use prior Collective Labor Agreement a while; set up a plan of repair and / or

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replacement of housing; conduct a dissemination (morning briefing) and monitoring and tougher action according to SOP that apply to violators of PPE; set up a plan to rehabilitate all protected areas gradually.

#### **Conditions under which the certificate is issued**

Certificate is valid until 05/09/2018, provided that PT. Sumatera Riang Lestari Blok II Garingging completes all of corrective action according to the time schedule proposed in their corrective action responses and hopefully can be success in the surveillance audit.