

# **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**



**CLIENT NAME:** PT Sumatera Riang Lestari Block II Garingging

**TOTAL HECTARES:** 21,345.8

**SCOPE OF REGISTRATION:** Sustainable Forest Management in Plantation Forest covering an area of 21,345.8 hectares in Riau Province, Republic of Indonesia

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

**TYPE OF AUDIT:** Surveillance 1

**AUDIT START DATE:** October 11, 2016

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 14, 2016

**LEAD AUDITOR:** Abdullah Mujahid

**SIGNATURE:**

**AUDIT TEAM:** Amin Kadani

**SIGNATURE:**

Warsito

**SIGNATURE:**

**MAJOR CARS:** -

**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, Lubuk Barumun, Huristak, and Hutaraja Tinggi Districts, Padang Lawas Regency, North Sumatra Province - Indonesia	October 11-14, 2016
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	

Document: Report Format Public – IFCC

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Date: 15 September 2016

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## **Brief Description of the concession**

PT Sumatera Riang Lestari Forest Exploitation permit was granted per Ministry of Forestry Decree No. SK.208 / Menhut-II / 2007, dated May 25, 2007 on Amendments to the Decree of the Minister of Forestry No. SK.262 / Menhut-II / 2004 jo No. SK.99 / Menhut-II / 2006 on the Granting of Utilization License Timber Forest Products (IUPHHK) on Plantation Forest to PT. SRL over Forest Areas of approximately 65,000 hectares in the province of North Sumatra. Changes in the decision concerning the area of employment IUPHHK-HTI PT. Sumatera Riang Lestari became approximately 215,305 ha comprising approximately 67,230 ha located in the province of North Sumatra and approximately 148,075 hectares in Riau Province. PT. Sumatera Riang Lestari Blok II Garingging has a work area covering 41,910 hectares.

Based on RKUPHHK HTI- PT Sumatera Riang Lestari Rev 3, Block II Garingging, the spatial arrangement of the area is as follows: (1) Protected Areas of 7,236 ha (17.27%), consisting of KPPN area of 495 ha (1.18%) and 6,741 ha of river borders (16.08%). (2) Area Not Suitable For Production of 538 ha for infrastructure (3) Production Areas of 20,718 ha (49.43%) consisting of Livelihood Plant Area of 1,449 ha (3.46%), Seed Plant Area of 2,893 ha (6.90%) and Staple Plant Area of 16,376 ha (39.07%). and (4) Area Not Arranged for Spatial of 13,956 ha (33.30%) consisting of area overlapping with another company of 12,983 hectares and area claimed by public of 435 ha,

There are areas of overlap with another company covering an area of 12,983 hectares and land claim areas of 3743.3 hectares, which are excluded from the management plan. Therefore, the effective governance area is 25,183.7 hectares of forest plantation. Moreover, there were areas of natural forest converted to plantation forest after December 31, 2010 covering an area of 3,836.9 hectares. Thus, the area licensed to be certified under the IFCC Sustainable Forest Management scheme is 21,345.8 hectares.

The working area of PT. Sumatera Riang Lestari Blok II Garingging falls under the public administration of Padang Lawas Regency, North Sumatra Province. The working area of PT. SRL Block II - Garingging is in a dry land forest ecosystem with a height of between 75-280 meters above sea level. The soil type is predominantly podzolic in nature, with other small-gleysol associations and podzol-regosol, as well as gleysol-kambisol-alluvial associations. The Garingging and Mahato rivers both traverse the working area. The concession area is reasonably accessible being 8 hours by road from Pekanbaru.

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

There are a number of villages in the surrounding area of PT. Sumatera Riang Lestari Blok II Garingging. The inhabitants consist of ethnic Batak Mandailing together with Javanese, Sundanese and Malay immigrants. The majority of people earn their livelihood as farmers of palm oil and rubber. Most of the people are educated up to junior high school level, with elementary education facilities being available in every village, while the middle and / or high school (or equivalent) is generally located in the district capital. Similarly for health care with basic facilities such as village midwives, and community health posts being available locally, while hospital facilities are available in Sibuhuan, the district capital of Padang Lawas.

The Management Unit of PT. Sumatera Riang Lestari Blok II Garingging has signed development agreements with certain village cooperatives for the management of livelihood plants, making payment to the cooperatives following the harvesting and sale of products. This is part of the capacity development for residents of villages around the concession as revealed in the plans included in the RKUPHHK HTI and CTR documents.,

As part of its Community Development program in 2016, the Management Unit has assisted with the construction of a kindergarten and school buildings in two of the surrounding villages, plus on a more charitable basis has assisted with the provision of sacrificial animals and other religious requirements.



Management Unit of PT. Sumatera Riang Lestari Blok II Garingging has a series of procedures / mechanisms set in place relating to conflict resolution mechanisms in different areas, Where necessary, it has also undertaken legal efforts through reporting to the police (Police Padang Law as and North Sumatra Police) and the Ministry of Environment and Forestry of the Republic of Indonesia. The company has also pursued matters in the courts with one case that reached the Supreme Court in 2006 resulting in the subsequent release of a Ministry of Forestry Guidelines Regulation. Cases have also been brought against farmer groups that have illegally tilled plantation land leading to their subsequent conviction by the court.

### **Description of the Ecological conditions of the concession**

Besides monitoring production and social aspects, Management Unit PT. Sumatera Riang Lestari Blok II Garingging monitors the impact of its operations on environmental matters. Details of the aspects of environmental monitoring are to be found in the Report of the Environmental Permit, plus implementation of the Environmental Management Plan and Environmental Monitoring Plan (RKL-RPL). The main components monitored include: Physical-Chemical, namely management and monitoring of land, water and air. Biological components, meanwhile, include growth rate in respect to that targeted and the control of pests and diseases as part of conservation efforts to preserve and protect the biodiversity of the endemic flora and fauna found in the area.

As part of these conservation efforts, the Management Unit of PT. Sumatera Riang Lestari Blok II Garingging monitors the diversity of vegetation in the protected areas (KPPN), KPSL and Seed Plant area. Conservation also involves monitoring the water catchment areas, as well as protection of germplasm and the wildlife enclave. Installation of sign boards designating the protected areas and prohibiting certain activities therein are effective in helping to maintain the integrity of these areas.

The Management Unit has also identified the various threats to the health and vitality of forest resources, such as forest fires, illegal logging, illegal grazing, encroachment, forest pests and diseases, and weeds. The entire region is patrolled on a regular basis, while signs are installed prohibiting the lighting of fires in the forest, illegal logging and poaching of wildlife protected by law. To back up these physical measures, socialization is conducted about the prohibition of setting fires in the forest to clear land, as well as on the protected flora and fauna and the presence of the protected areas. As part of the efforts to minimize the threat from fire, a Community Fire Care Group(MPA) has also been formed in the village of Ujung Batu sub-district Hutaraja Tinggi IV.

### **Results of the Public Consultation**

Prior to carrying out the Surveillance I Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing September 30, 2016, 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](http://www.ajaindonesia.com)), sent to the parties via email or postal mail, and published in a local newspaper. There is 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 are considered to be part of the audit process carried out by PT AJA Sertifikasi Indonesia.

PT. Sumatera Riang Lestari Blok II Garingging 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 21,345.8 hectares.



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

The results of the Surveillance I Audit of PT Sumatera Riang Lestari Block II Garingging identified five Minor Non-conformities categories Minor, as follows:

NO	Non-conformities	Corrective Action performed	Category
1.	A trickle of oil and fuel directly onto the ground was detected in the generator room, compressor while storage of oil and fuel in the PT. SBP Base Camp is not in accordance with the SOP on the management of hazardous and toxic waste (B3)  <b>Clause Ref I.6.6</b>	Management Unit has carried out the following repairs: - A tarpaulin-covered base has been installed to prevent any oil/fuel leaks from the generator compressor falling directly to the ground - A specific area has now been designated for the storage of fuel oil.	Minor
2.	A Bipartite Cooperation Institution (LKS-bipartite) has yet to be formed in accordance with the legal requirements.  <b>Clause Ref I.11.4</b>	The Management Unit has made progress in the context of the formation stages of LKS-bipartite. An agreement between the company and the workers' representatives on the formation of LKS-bipartite is in the process of being formulated.	Minor
3.	Management was unable to provide results of special health check (MCU) for workers in high-risk areas (workers spraying herbicides / insecticides, presenters chemicals and heavy equipment operators) for 2016 period.  <b>Clause Ref I.12.1</b>	The Management Unit shows: - Progress stage MCU Type Labor Contractors Plantation. - Perform MCU for contractor workers. - Stages specific MCU checks as required by the SOP for occupational health services.	Minor
4.	Garbage was found to be scattered around the Base Camp, plus organic and non-organic garbage was mixed.  <b>Clause Ref I.12.6</b>	Management Unit has carried out: - Socialization of relevant SOP on waste management to employees, contractors, and village farmers. - Improvement of waste management and environmental hygiene for camp, camp employees and contractors. Separate trash containers are now provided for organic and non-organic garbage.	Minor
5.	1. Compartments are not all clearly marked to identify between those falling under the scope of IFCC certification and those that do	Management Unit has already prepared: - Documented map showing the separation of IFCC and non-IFCC areas to mark the compartments that fall under	Minor



	not. 2. Certification mark IFCC was not included in the Certificate of Legal Timber Forest Products (SKSHH)  <b>Clause Ref III.2.1</b>	the scope of IFCC certification and those that do not. -Documented certification marks for IFCC in the Certificate of Legal Timber Forest Products (SKSHH)	
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#### 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 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.