

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 V Rangsang

TOTAL HECTARES: 13,354.40

SCOPE OF REGISTRATION: Sustainable Forest Management of 13,354.40 hectares of Plantation Forest in Riau Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: October 19, 2020

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 22, 2020

LEAD AUDITOR: Riyadi Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Andri Wibisono

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:
PT Sumatera Riang Lestari Blok V Rangsang	Rangsang and Rangsang Pesisir District, Kepulauan Meranti Regency, Riau Province – Republic of Indonesia	October 19 to 22, 2020
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 V Rangsang concession was based on the Timber Forest Product Utilization Business Permit (IUPHHK) of PT Sumatera Riang Lestari that was issued based on Ministerial Decree No. SK.208/Menhut-II/2007, dated May 25, 2007 concerning Amendments to the Decree of the Minister of Forestry No. SK.262/Menhut-II/2004 jo No. SK.99/Menhut-II/2006 concerning the Granting of Timber Forest Product Utilization Business Permit (IUPHHK) in Plantation Forests to PT Sumatera Riang Lestari (PT SRL) over a forest area of approximately 65,000 hectares in North Sumatra Province. Changes to the decision regarding the working area of PT Sumatera Riang Lestari (PT SRL) IUPHHK-HTI were made to around 215,305 ha, consisting of 67,230 ha in North Sumatra province and 148,075 ha in Riau Province. The area of PT Sumatera Riang Lestari Blok V Rangsang as determined by Decree No. 208/Menhut-II/2007 dated May 25, 2007 is 18,890 ha.

There was a conversion of an area of 5,535.60 ha of natural forest to plantation forest after December 31, 2010. Thus, the scope of IFCC certification becomes 13,354.40 hectares. The Management Unit has a 1: 90,000 scale Non-IFCC and IFCC Area Map and lists the compartments, plus delineates the boundaries in the field.

The Management Unit has a management plan documented in the Adjustment of Business Plan for Utilization of Timber Forest Products in Industrial Plantation Forests (RKUPHHK-HTI) for the 2017 to 2026 Period of Activity approved based on the Decree of the Minister of Environment and Forestry No. 6054/menLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019. The spatial layout of the concession consists of a Staple Plant Area of 8,763 ha (46.39%), Livelihood Plants Area of 3,782 (20.02%) and Local Protected Areas and Other Protected Areas of 6,345 ha (33.59%).

PT Sumatera Riang Lestari Blok V Rangsang is administratively located in the Rangsang and Rangsang Pesisir District, Kepulauan Meranti Regency, Riau Province. Geographically, it is located between 00° 52' 43.0" to 01° 05' 27.0" North and 102° 52' 54.0" to 103° 07' 17.0" East.

The area of PT Sumatera Riang Lestari Blok V Rangsang consists of Tropohemite, Tropofibrist and Troposaprist soil types. Based on the geology, it consists of the geological types of young and old alluvium. Most of the Management Unit areas are peat land. Some of the peat areas are part of Staple Plant and protected areas. The species cultivated is *Acacia crassicaarpa*.

Based on the Peat Ecosystem Function Map at a scale of 1: 250,000 issued by the Ministry Environmental and Forestry (Attachment to Minutes No.BA.046/UHP/RKUPHT/HPL.I/3/2017 dated March 20, 2017, the entire working area is peat land. Detailed plans for restoring the function of the peat ecosystem are described in the Peat Ecosystem Recovery Plan Document, Determination of Groundwater Level Compliance Points and Rainfall Monitoring Station Points for PT Sumatera Riang Lestari (including Blok V Rangsang) based on the Decree of the Director General of Pollution and Environmental Damage Control No.SK.135/PPKL/PKG/PKL.0/11/2018 dated November 29, 2019.

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

The residents around the concession are local communities, there being no customary communities Even though there are members of the Akit ethnic group, they are not registered as customary law communities based on official government decisions. Most of the community work as fishermen or farmers. Other livelihoods are laborers/drivers, traders, craftsmen, TNI/Polri, etc.

PT Sumatera Riang Lestari Blok V Pulau Rangsang has made conflict resolution efforts with the surrounding community. The company has claim area data and a map for 2020, plus also has Potential Mapping and Conflict Resolution Report of 2020, dated September 11, 2020. Based on this report, the potential conflict value of PT Sumatera Riang Lestari Blok

V Pulau Rangsang is 55% or 'alert'.

PT Sumatera Riang Lestari has collaborated with the surrounding community. There is a work agreement between the company and four local contractor partners who come from villages around the company, namely in speedboat and car rental, and in job vacancies.

There was a Community Fire Awareness cooperation agreement signed between the company and the villages in 2020, including a handover of fire-fighting equipment. PT Sumatera Riang Lestari Blok V Pulau Rangsang has implemented a corporate social responsibility program for the surrounding community. Based on the Community Development Program Implementation Report, the company has carried out activities to provide assistance to people affected by Covid-19, and cows assistance for *qurban*. In addition, there are also social responsibility activities in the form of monetary funds for the community through the district government.

Description of the ecological conditions of the concession

The Management Unit has allocated protected area consisting of KPPN/KPSL of 360 ha (1.91%), Riparian Zone of 1,241 ha (6.57%), and Buffer Zone of 522 ha (2.76%). The Management Unit has also identified and monitored disturbances in Sustainable Forest Management through the activities of the ANDAL RKL, RPL 2004 and RKUPHHK-HTI documents. Based on these documents, the following can be identified as disturbances of sustainable forest management: forest fires, land encroachment, and pests and plant diseases.

Reduced Impact Logging is carried out in three phases: pre-harvesting, during harvesting and post-harvesting. During land preparation and planting, minimum tillage is carried out by using wooden sticks and spreading the remaining felled leaves and fine twigs above ground level so that the soil surface remains moist and the temperature not too high. Harvesting activities aim to prevent physical damage to the peat soil by leaving the stump at 5 cm above the ground and skidding by land canoe to reduce the intensity of heavy equipment movement.

The control of peat water management is carried out in each water system, which is limited by peat dam for removing excess water when it rains and retaining water when the water supply decreases. Water management in peat areas maintains a water level (in canals) between 90 - 120 cm, or equivalent to a water table of 40 - 80 cm.

The waste management activities are carried out to include the minimization of the impact of soil pollution. This is achieved through preventive activities by organizing B3 waste management training and the handling of spills of fuel, chemicals and pesticides. B3 waste management implemented at PT Sumatera Riang Lestari V uses the 3R principle (Reduce, Reuse, Recycle). The resulting hazardous waste is in the form of remains of pesticide packaging, used fertilizer and oil packaging, etc. To store this prior to shipment, the TPS building has been built and has obtained a permit with the Decree of the Head of BLH in Kepulauan Meranti Regency.

Although there are no key species in the Management Unit area, PT. Sumatera Riang Lestari has undertaken efforts to maintain and improve the habitats of protected, endemic, rare and endangered species and endangered species with distinctive characteristics (features). These include: protected area signboard installation; marking of protected area boundaries; management of local species seedlings; protected area inspection; and illegal logging patrols.

Results of the Public Consultation

Prior to conducting the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia held a public consultation commencing September 18, 2020, asking stakeholders to provide feedback and information about PT Sumatera Riang Lestari Blok V Rangsang. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to the parties via email or postal letter, and published in local newspapers. PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation.

The audit team also collected information from the mass media about PT Sumatera Riang Lestari Blok V Rangsang, the reported cases being given material consideration as 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, consisting of legal aspects that include compliance with international rules and regulations and conventions. A management system has been built to cover all activities in the field of certification, which is registered for an area covering 13,354.40 hectares.

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

Based on the results of Surveillance 2 Audit, there was only one (1) Non-Conformity of a Minor category identified by the audit team.

No	Non-conformity (NC)	Corrective Action to be Undertaken	Category
1	The forest inventory activities were not in accordance with the SOP, in that the tree labels in the field/plot have not included the information on the type of inventory. Neither has there been any outreach activities to implementers. Clause Ref. I. 4.2.	The Management Unit has given socialization of the latest planning SOPs to the planning teams in the Rangsang Estate.	Minor

Conditions under which the certificate is issued

Certificate is valid until December 13, 2021, provided that PT. Sumatra Riang Lestari block V Rangsang 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 is able to perform a closeout visit.