

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

TOTAL HECTARES: 13,354.40

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

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: October 11, 2016

AUDIT END DATE: October 14, 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

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Ade Nursyaf Putra

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Sumatera Riang Lestari - Block V Rangsang	Rangsang District, Kepulauan Meranti Regency, Riau Province	October 11 to 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



Brief Description of the concession

PT Sumatera Riang Lestari - Blok V Rangsang forest product utilization permit timber (IUPHHK) PT Sumatera Riang Lestari was issued per Ministerial 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 Sumatera Riang Lestari (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 (PT SRL) to become of approximately 215,305 ha comprising approximately 67,230 ha located in the province of North Sumatra and approximately 148,075 hectares in Riau Province. The total area of PT Sumatera Riang Lestari - Blok V Rangsang stipulated by Decree No. 208 / Menhut-II / 2007 dated May 25, 2007 is approximately 18,890 Ha

The Management Unit has a management plan documented in the Revised Work Plan for Management of Timber Forest Products in Industrial Plantation Forest (RKUPHHK HTI) for the 10-year period from 2008 to 2017 for PT Sumatera Riang Lestari in the province of North Sumatra and Riau Province, approved by the Ministry of Forestry Decree No. SK. 10 / VI-BUHT / 2013 dated March 11, 2013. In 2014, further revisions were approved by the Ministry of Forestry Decree No. SK.18 / VI-BUHT / 2014 dated 16 April 2014 regarding the approval of Revised Work Plan for Utilization of Forest Timber Plantation Industry (RKUPHHK-HTI) for the 10-year period 2008-2017 on behalf of PT Sumatera Riang Lestari in the provinces of North Sumatra and Riau.

Based on documents RKUPHHK-HTI, spatial planning of the area of 18,890 ha is as follows: Protected Areas (river borders) of 4,412 ha (23.36%), Area Not Suitable For Production / Infrastructure of 488 ha (2.58%), Staple Plant Area 11,024 ha (58.36%), Seed Plant Area of 2,007 ha (10.62%), Livelihood Plant Area of 959 ha (5.08%).

There was conversion of natural forest to plantation forest on December 31, 2010 covering an area of 5,535.60 ha. Based on the spatial area of 11,024 hectares of staple crops, that within the scope of certification (IFCC) thus becomes 5.488.40 ha, while the scope of the overall certification becomes 13,354.40 hectares. Management has made a Map of Unit Area and Non-IFCC and IFCC of scale 1: 90,000 and listed the compartments, plus made a designation in the field. The Management Unit has since made a commitment not to convert further natural forest to plantation forest.

PT Sumatera Riang Lestari - Blok V Rangsang falls under the governmental administration of the District of Rangsang, Kepulauan Meranti Regency, Riau Province, the work area being bordered by areas of local society. The villages around the working area are as follows: District of Rangsang : Repan Village, Penyagun Village, Gemalasari Village, Teluk Samak Village, Tanjung Bakau Village, Tanjung Medang Village, Gayung Kiri Village, Tebun Village, Bokor Village, Dwi Tunggal Village, Citradamai Village, Teluk Lesung Village. Rangsang Pesisir District: Tanjung Kedabu Village, Bungur Village, Sokop Village, Telesung Village. Site conditions of work area are peat soil, and crops being grown are *Acacia crassicarpa*.

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

No customary law for society is recognized by the district government of Kepulauan Meranti or the Riau provincial government.

PT Sumatera Riang Lestari - Blok V Rangsang has already identified land claims and created a map of the claimed areas in 2016. The Management Unit is currently making efforts to resolve claims by a group of farmers in one area through the process of deliberation.

PT Sumatera Riang Lestari has entered into agreements with local communities in respect to management of forest areas in regard to livelihood plants in nine (9) villages around the concession. These consist of agreements for assistance with the growing and marketing of sago. The Management Unit also has cooperation with two villages for Community Fire Watch (MPA). Implementation of its Corporate Social Responsibility program has also seen the release of funds to meet social needs of the surrounding villages, although such actions have largely been charitable in nature.



Description of the ecological conditions of the concession

PT Sumatera Riang Lestari - Blok V Rangsang monitors the impacts of forest management activities, which include among others physical and chemical components of soil quality, soil compaction due to the use of heavy equipment, land subsidence, sedimentation, flooding and degradation of water quality. Monitoring of the impact of forest management activities is carried out in accordance with the EIA documents and reported to the relevant authorities in the periodic Report of the Environmental Permit (RKL / RPL).

1. Monitoring of physical-chemical components, includes:

- 1) Micro-climate changes: policy of "zero burning", avoidance of land lying open for any extended period with maximum limits for time between handover and planting, for example, and between other phases of the production cycle.
- 2) Pyrite oxidation: maintaining the water level to avoid suitable conditions for oxidation, and avoidance of digging channels that reach down to the mineral soil layer.
- 3) High Level (TMA): maintaining the water level through a system of zoning, according to the contours of the development channel, and keeping the water level controller in the control dam high.
- 4) Peat subsidence: development channel network under the principles of an eco-hydro buffer, maintaining the water table at 40-90 cm, installation of gates and the water control dam at every 40-50 cm height difference of water.
- 5) Water quality: maintaining riparian areas and installation of signboards, B3 waste management.
- 6) Fire: early detection fire patrols, counseling, system of compartmentalization, organization of personnel for, fire prevention, detection and fire-fighting, improved post-fire recovery.

2. Monitoring of biological components includes:

- 1) Natural vegetation and protected species, include: KPPN / river borders, PSP, seed plants and livelihood plants, marking of boundaries and placing of signboards.
- 2) Prevention of disturbance of wildlife includes: installation of signboards and regular patrols

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 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 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 V Rangsang. Such reported cases are considered to be part of the audit process 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 13.354,40 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 1 Audit of PT. Sumatera Riang Lestari – Blok V Rangsang identified two (2) Minor Non-Conformities (NC). The management system PT. Sumatera Riang Lestari – Blok V Rangsang is still running effectively. There were no time-critical issues identified.

No	Non-Conformities	Corrective Action Performed	Category
1	The Management Unit had not identified species and made an inventory in one area.	The Management Unit has now identified and prepared an inventory of flora and fauna in	Minor



	Clause Ref. I.4.1	the relevant area.	
2	The Management Unit did not yet have SOP concerning the Traceability System of timber production and provide claim and certificate number in the documentation. Clause Ref. III.2.1	The Management Unit now has SOP concerning Traceability System of timber production based on IFCC Claim. The Management Unit has also marked boundaries between IFCC and Non-IFCC areas, plus provides the stamp of the claim and certificate number in the documentation.	Minor

Conditions under which the certificate is issued

The Certificate is valid until 04/10/2018 provided that PT. Sumatera Riang Lestari – Blok 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 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