

# **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 Block V Rangsang

**TOTAL HECTARES:** 13,354.40  
ha

**COPE OF REGISTRATION:** Sustainable Forest Management in Plantation Forest covering 13,354.40 hectares in Riau Province, Indonesia

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

**TYPE OF AUDIT:** Recertification

**AUDIT START DATE:** September 25, 2018

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 28, 2018

**LEAD AUDITOR:** Andri Wibisono

**SIGNATURE:**

**AUDIT TEAM:** Abdullah Mujahid

**SIGNATURE:**

Warsito

**SIGNATURE:**

**MAJOR CARs:** -

**MINOR CARs:** -

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT SRL Block V Rangsang	Rangsang District, Kepulauan Meranti Regency, Riau Province, Republic of Indonesia	September 25 to 28, 2018
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 Block V Rangsang is based on permit to utilize timber production forest (IUPHHK) of PT Sumatera Riang Lestari issued based on Ministerial Decree No. SK.208/Menhut-II/2007, dated May 25, 2007 on Amendment to 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 Permit (IUPHHK) in Plantation Forest to PT Sumatera Riang Lestari (PT SRL) covering the Forest Area of approximately 65,000 hectares in North Sumatra Province. The change of decision concerning the working area of IUPHHK-HTI of PT Sumatera Riang Lestari (PT SRL) to about 215,305 ha consists of 67,230 ha located in North Sumatra province and 148,075 hectares in Riau Province. The total area of PT Sumatera Riang Lestari - Block V Rangsang as determined by Decree No. 208/Menhut-II/2007 dated May 25, 2007 is approximately 18,890 ha.

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

The Management Unit has a management plan documented in the RKUPHHK-HTI (Business Plan for Timber Forest Product Utilization in Industrial Plantation Forests) The 2017-2026 period and its attachments have been approved through the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK. 265 / MenLHK-PHPL / UHP / HPL.1 / 2/2018, dated February 2, 2018. concerning Approval of the Business Work Plan for the Utilization of Timber Forest Products for Industrial Plantation Forests (RKUPHHK-HTI) for 2017-2026 within the Framework of Improving Peat Management on behalf of PT. Sumatera Riang Lestari in North Sumatra Province and Riau Province.

Based on the RKUPHHK-HTI document, the spatial planning area of 18,890 ha is as follows: Peat Ecosystem Protection Function Area (KFLEG) covering an area of 18,408 ha (97.4 6%) and Staple Plant Area covering an area of 482 ha (2.6%),

PT Sumatera Riang Lestari - Blok V Rangsang falls under the administration of Rangsang and Rangsang Pesisir Sub-districts of Kepulauan Meranti Regency, Riau Province, and is geographically located between 00° 52' 43" to 01° 05' 27" North and 102° 52' 54" to 103° 07' 17" East.

*Peat Ecosystem.* The type of soil in the area of PT Sumatera Riang Lestari - Blok V Rangsang is organosol saprik. This organosol soil is equivalent to histosol according to the FAO / UNESCO classification and belongs to the Tropohemist and Troposaprist associations according to the USDA Classification. Land conditions generally have rooting zone limiting factors (marshy), acid soil pH (4-6) and low-medium soil fertility. Land and land units in the working area are freshwater oligotrophic peat domes. Based on the Map of the 1: 250,000 Peat Ecosystem Functions issued by the Ministry of LHK (Attachment to Minutes No.BA.046 / UHP / RKUPHT / HPL.I / 3/2017 dated March 20, 2017 all working areas are peat soil.

The area of PT Sumatera Riang Lestari Block V Rangsang consists of Tropohemist, Tropofibrist and Troposaprist soils, while geologically it consists of young and old alluvium. The area is largely a Wetland Ecosystem Type (Tanah Gambut) with peat type areas located in both the basic crop and protected areas and where the management of peatlands is closely related to 'Water Management'. Given the foregoing, the species cultivated is *Acacia crassicarpa*.

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

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The concession area of PT Sumatera Riang Lestari Blok V Rangsang administratively falls under the village areas of Repan, Teluk Samak, Tanjung Medang, Tanjung Bakau, Penyagun, Tebun, Sei Gayung Kiri, Dwi Tunggal, Citra Damai, Wonosari, Tanjung Gemuk, Sokop, Telesung, Bungur, and Tanjung Kedabu, Rangsang District and Rangsang Pesisir District, Kepulauan Meranti Regency, Riau Province.

Based on the AMDAL document, there were no indigenous peoples as designated by law (Law No. 27 of 2007 and Presidential Decree No. 111 of 1999). Communities living around the location are mostly Malay and migrants from Java.

Collaboration in forest management with the surrounding communities consists of 904 hectares of livelihood plants cooperation for sago, but these failed and to be replaced with acacia plants, the establishment of the Community Care API (MPA) in 12 villages, and empowerment of local contractors in HTI activities.

The Community Development / Corporate Social Responsibility (CD / CSR) program in 2018 is in the form of financial assistance to communities around the concession (16 villages) and sub-district governments, besides that there is a record of fuel (diesel) assistance for generators at the mosques for 3 villages.

**Description of the ecological conditions of the concession**

The Management Unit has undertaken Forest Ecosystem and Hydrological Function management activities, which have identified important forest management activities, plus conducted environmental impact assessment through the implementation of AMDAL activities, RKL RPL of PT Sumatera Riang Lestari Blok V Rangsang in 2004. Implementation of the environmental management and monitoring are included each semester in the Environmental Permit (RPL / RKL) report delivered to the requisite authorities.

Reduced Impact Logging activities are carried out with stages: before logging, during logging operations, and after logging activities. Identification of areas that require soil and water protection have resulted in the allocation of the peat ecosystem protection function area (KFLEG) covering an area of 18,408 ha (97.4%) consisting of KPPN / KPSL 308 ha, River Reservoir 720 ha Other protected areas 5,245 ha and Functions Peat Ecosystem 12,135 ha. Spatial planning of the Peat Ecosystem Protected Area Function in the field is carried out in stages until the harvest of the previous cycle plants has been completed. KFLEG area boundary arrangement is that which has been made in the field.

Plantation forest operational activities in peatlands raise fears of causing damage to the peat ecosystem, characterized by the presence of artificial drainage, exposure to pyrite sediments and the reduction of land cover area. Specific guidelines have been prepared for recovery of damaged peat ecosystems, which include no replanting of staple or livelihood plants, taking measures to maintain water levels, no further clearing but re-vegetation with right type, species and process for the area.

Monitoring the negative impacts of forest management activities in the concession area in accordance with the RKL and RPL ANDAL Documents. PT Sumatera Riang Lestari Blok V Rangsang, 2004, the Management Unit has documented procedures for Monitoring of Protected Areas, Water Debit and Quality Monitoring and Monitoring of Soil Density and Erosion. PT Sumatera Riang Lestari Blok V Rangsang also has documented procedures for the controlled use of B3 (Hazardous and Toxic Materials), as well as for combating pests and integrated diseases.

The Management Unit has undertaken Biodiversity Management activities through identification activities, and inventory of protected, endemic, rare and threatened and endangered flora and fauna within the IUPHHK-HTI area. The results of identification and inventory have been reported in the Environmental Permit Implementation Report (RKL / RPL) implementation second semester 2016 and first semester of 2017

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PT Sumatera Riang Lestari Block V Rangsang has implemented forest protection measures against fire hazards by implementing appropriate measures, whereby the Management Unit already has documented procedures for forest protection activities that also includes regular patrols to identify and help counter any disruption of the forest area.

**Results of the Public Consultation**

Prior to conducting Recertification Audit, PT AJA Sertifikasi Indonesia carried out public consultation commencing August 28, 2018, requesting stakeholders to provide feedback and information on PT Sumatera Riang Lestari Block V Rangsang. The public consultation was uploaded to PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to the parties via email or postal mail, and published in local newspapers . PT AJA Sertifikasi Indonesia received input from stakeholders during public consultations, namely from the Rangsang district government, namely regarding compensation for plant life; Agreement with the community; CSR; local labor and land fires. The results of the public consultation were validated in the field with visits to the sub-district office and meeting with the Camat's secretary. Based on the field clarification, the following information was obtained:

- a. The concession boundary is still in the process of being submitted to the BPKH of Riau Province
- b. Livelihood plants in the form of acacia cannot be carried out because the area allocated is part of the Peat Ecosystem Protection Function Area (KFLEG) and thus planting cannot be carried out.
- c. The company has not made a new channel, while the existing channel has been blocked to maintain the water level. Forest fires were triggered by land burning activities carried out by the community.
- d. Communications are not running smoothly due to changes in the public relations officer (PR). The old PR has retired and the new PR needs an introduction to each village
- e. The distribution of CD / CSR assistance to the 17 villages and 2 sub-districts cannot be carried out if the answers to the previous year's budget have not been submitted to the company

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

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

Based on the results of the Recertification Audit of PT Sumatra Riang Lestari Blok V Rangsang, no Non-Conformities of either a Major or Minor nature were identified by the audit team.

**Conditions under which the certificate is issued**

Certificate is valid until 13/12/2021