

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 SELARAS ABADI UTAMA

TOTAL HECTARES: 13,600

SCOPE OF REGISTRATION: Sustainable Forest Management of 13,600 hectares of Plantation Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Additional Surveillance due to Covid-19 Pandemic (REMOTE)

START DATE AUDIT: July 21, 2021

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

END DATE AUDIT: July 24, 2021

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

TEAM AUDIT: Ence Hedi Hasan Zubaedi

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Selaras Abadi Utama	Teluk Meranti District, Pelalawan District, Pelalawan Regency, Riau Province – Republic of Indonesia	July 21 to 24, 2021
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

The Management Unit of PT Selaras Abadi Utama is a company engaged in the concession of Industrial Plantation Forests and received an IUPHHK based on the Decree of the Regent of Pelalawan Number: 522.21/IUPHHKHT/XII/2002/005 concerning the Granting of Business Permits for the Utilization of Timber Plantation Forest Products to PT Selaras Abadi Utama of approximately 13,600 ha in Pelalawan Regency dated December 30, 2002.

The Minister of Forestry later issued a letter No. S.382/Menhut-VI/2004 dated December 30, 2002, regarding the Provision of Administrative Services to PT Selaras Abadi Utama. The letter verified the Decree of the Regent of Pelalawan Number: 522.2/IUPHHKHT/XII/2002/005 and stated the decree is legal and has fulfilled the requirements and is in accordance with the applicable laws and regulations.

The current RKUPHHK-HTI of the Management Unit applies for a period of 10 (ten) years of 2017 to 2026 on behalf of PT Selaras Abadi Utama approved based on Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.6082/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 19, 2019. Based on the current RKUPHHK-HTI, the spatial layout of the working area is consisting of Local Protection Area and Other Protected Areas of 1,922 ha (14.13%), Staple Plant area of 8,958 ha (65.87%) and Livelihood Plant area of 2,720 ha (20.00%).

Geographically, the concession area is located at 0° 28' – 0 09' North and 102 06' to 102 32' East. Administratively, the government is located in Pelalawan District and Teluk Meranti District, Pelalawan Regency, Riau Province. There are seven (7) villages around the concession, namely Pangkalan Terap Village, Petodaan Village, and Teluk Binjai Village (Teluk Meranti District), Pelalawan Village, Kuala Tolam Village, Ransang Village, and Sungai Ara Village (Pelalawan District).

The concession area of PT Selaras Abadi Utama is located at an altitude of 5 to 150 m above sea levels with a flat (slope 0-8%) topography. Based on the map of land units and soil sheets of Siak Sri Indrapura (0916), scale 1: 250,000, the soil type consists of 2 groups, namely the Alluvial group with Tropaquepts soil type, Dystropepts, Troposamments (Au. 1.2), and Peat Dome group with Troposapristis soil type, Tropohemists, Tropofibriss (D.2.1.2) and Troposapristis, Tropohemists, Tropofibrists (D.2.1.3).

The concession area has peatland and managed by making canals with water level settings (Water Treatment). The species selected as developed species is *Acacia crassicaarpa*. The application of the silvicultural system has taken into account the characteristics of forest resources, site conditions and species.

The Management Unit has complied with regulations related to peatland management. PT Selaras Abadi Utama has carried out a revision of RKUPHHK in order to improve peat governance based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia No SK.974/MenLHK-PHPL/UHP/HPL.1/3/2018 dated March 5, 2018. The Management Unit has a Compiled Report on the Implementation of Peat Ecosystem Restoration and Control of Forest and Land Fires based on the Decree of the Director General of Pollution and Environmental Damage Control SK.100/PPKL/PKG/PKL.0/9/2018 dated September 21, 2018. The adjustments for activities in 2018 to 2019 based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.8511/MenLHK-PHPL/UHP/HPL.1/12/2018 dated December 10, 2018, the Revised RKUPHHK 2017 - 2026 based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK 6082/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019. There is a Peat Dome Peak area of 244.51 ha located in the protected area (Buffer Zone SM Kerumutan).

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

According to the village monograph of 2020, most villagers around the concession have a livelihood as farmers. Other livelihoods include traders, laborers, drivers, civil servants, TNI/Polri. The community around the concession is a local community without customary law communities.

The efforts from the Management Unit to resolve conflicts with the surrounding community are by making a report on the mapping the potential and resolution of Conflicts in 2020 and Semester I of 2021 and perform collaboration and cooperation with the community. The collaboration with the community is in the livelihood plant which represented by the village cooperative. There are seven (7) cooperative units that have collaborated since 2003 with an agreement period of 42 years. PT Selaras Abadi Utama has implemented a corporate social responsibility program to the surrounding community. There is a 2020 CD Program Implementation Report and 2021 CD Program Report (Quarter I).

Based on the report, the CD programs implemented include education (assistance for SD and MDTA school supplies), health (assistance for village health equipment), religion (assistance for religious activities, assistance for places of worship), economics (assistance for goats, assistance for cattle), infrastructure (repair of village roads, village office equipment, improvement of village water management), social and environmental (assistance for youth sports activities, assistance for groceries due to covid 19, assistance for art activities).

Description of the Ecological conditions of the concession

The Management Unit has carried out Forest Ecosystem and Hydrological Function Management activities, namely through the following activities:

- Identification of forest management activities that have significant impacts and carry out environmental impact assessments through: ANDAL, RKL and RPL documents, approved by the Regent of Pelalawan Regency No. 02/Amdal/2002 dated November 21, 2002.
- The implementation of environmental management and monitoring every semester which presented in the Environmental Permit Implementation Report (RPL/RKL).
- Reduced Impact Logging activities which carried out before, during and post logging activities.
- Identification of areas that function for soil and water protection and designed as protection area, such as Local Protected Areas and Other Protected Areas of 1,922 ha (14.1%) consisting of River Borders of 741 ha (5.45%), KPPN of 300 ha (2.205%), KPSL of 300 ha (2.205%), Buffer Zone SM Kerumutan of 305 ha (2.24%) and Other Protected Areas of 276 ha (2.03%), with a peat dome peak area of 244.51 ha located in the Buffer Zone of SM Kerumutan.
- Monitoring the negative impacts of forest management activities in the concession area in accordance with the RKL and RPL documents. PT. Selaras Abadi Utama. The monitoring is referred to the documented procedures that serve as guidelines, namely SOP for Monitoring Protected Areas, SOP for Monitoring Discharge and Water Quality and SOP for Monitoring Subsidence and TPMAT.
- PT. Selaras Abadi Utama has a documented procedure for the controlled use of B3 (Hazardous and Toxic Materials), namely SOP for Management of Hazardous and Toxic Waste (B3), SOP for Handling Spilled Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP Integrated Pest and Disease Management.

The Management Unit has carried out biodiversity management activities through the following activities:

- Identification of protected, endemic, rare flora, and fauna and threatened/near-extinct species and their habitats in the area in accordance with applicable regulations/stipulations through the inventory activities. There is a map of the distribution of flora and fauna.
- Management of Protected Areas is carried out in accordance with the RKL/RPL Implementation Report every semester as well as SOPs for Determining Protected Areas and SOPs for Monitoring Protected Areas.
- Identification of key protected and threatened/endangered species, as well as their habitats and migration patterns. Based on the identification, there are no key species in the area.
- Carried out an environmental impact assessment on the potential impacts on protected, endemic, rare and threatened/near-extinct flora and fauna, through 2002 RKL & RPL Documents
- The staple plant species cultivated are not genetically modified tree species which is *Acacia crassicarpa*.

The Management Unit has carried out Forest Protection activities through the following activities:

- Identify and monitor disturbances in Sustainable Forest Management such as forest fires and plant diseases,
- Documentation of procedures to prevent and handle pest attacks, namely SOPs for Integrated Pest and Disease Management,

- Regulate the management of chemical pesticides in the field with a documented procedure,
- Implementation of forest protection measures against fire hazards,
- There are no livestock grazing activities in the work area,
- Implementation of appropriate steps in forest protection activities.

Results of the Public Consultation

Prior to undertaking the Additional Surveillance Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing June 21, 2021, which asked stakeholders to provide feedback and information on PT. Selaras Abadi Utama. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email or postal mail, and announced 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 Selaras Abadi Utama, such reported cases being given material consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

PT Selaras Abadi Utama has identified all necessary requirements for this certification process, comprising legal aspect that include compliance with international regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 13,600 hectares.

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

The results of the Additional Surveillance Audit of PT Selaras Abadi Utama identified no Non-Conformities of either a minor or major nature. No critical issues were identified by the audit team.

Conditions under which the certificate is issued

Certificate is valid until December 13, 2022, if PT Selaras Abadi Utama maintains its Recertification schedule and does not have any major non-conformities at the time of the next Recertification visit.