

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



JOB NUMBER: AJA/IFCC-022

CLIENT NAME: PT. SELARAS ABADI UTAMA

TOTAL HECTARES: 13.600
Hectares

SCOPE OF REGISTRATION: Sustainable Forest Management of Plantation Forest covering 13.600 Hectares in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: STAGE 2

AUDIT START DATE: 10 OCTOBER 2015

AUDIT END DATE: 13 OCTOBER 2015

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: R. SIGIT PAMUNGKAS

SIGNATURE:

AUDIT TEAM: ROY ADAM

SIGNATURE:

WARSITO

SIGNATURE:

MAJOR CARS: -

MINOR CARS: 11

OBSERVATIONS: 15

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):	<input type="checkbox"/>
RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):	<input checked="" type="checkbox"/>
RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):	<input type="checkbox"/>
NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence Of Major System Failure):	<input type="checkbox"/>

SELECT OPTION

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SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):	DATE OF EACH SITE VISIT:
	Teluk Binjai Sub District, Pelalawan Regency, Riau Province - Indonesia.	10 – 13 October 2015
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 (If more than 4 additional sites have been registered please add additional rows)	
	Not Applicable	
REF No:	ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)	
	Not Applicable	

Brief Description of the concession and its natural and socio-economic conditions.

PT. Selaras Abadi Utama (PT SAU) is a company engaged in the business of Forest Industry Plants.

PT Selaras Abadi Utama based on the legal decision of the Regents Pelalawan numbers: 522.21/IUPHHKHT/XII/2002/005 dated 30 December 2002 giving forest concession licenced To PT. Selaras Abadi Utama have Extensive ± 13.600 Ha (Gross), ± 11690 Ha (Net) in Pelalawan District.. PT Selaras Abadi Utama located in Teluk Binjai, Pelalawan district, Province Riau.

PT SAU has gotten Forest Certification standard PHPL from Certification Body PT Mutu Certification International, i.e. Certificate number: LPPHPL-008/QUALITY/FM-022, effective as of July 22, 2015 until July 22, 2020.

For the sustainable forest management principles are implemented continuity, Management Unit use the principal sustainability for production, ecological and social. Application of the silvikultur system are already considering the characteristics of the forest resource, the condition of the tread and species. The condition of Management Unit is peat land. forest management with the creation of the Canal with using water level management (Water Treatment) and species chosen is an *Accacia crasicarpa*.

PT SAU do the monitoring the aspects of production, environmental and social. The Monitoring can be seen in the annual work plan document (RKT) and documents of Environmental Management and Monitoring Plan (RKL-RPL). As for some

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of the components are monitored are:

- A. Physical-Chemical Components
 - a. Management and Monitoring of soil.
 - b. Management and Monitoring of Water
 - c. Management and monitoring of the air
- B. The Biological Component
 - a. To get the appropriate growth rate target and control of pests and diseases,
 - b. As part of conservation efforts to preserve and protect biological diversity (biodiversity) flora-fauna that exists.
- C. Socio-Cultural Components
 - a. The community empowerment Program, i.e. villages: Pelalawan, Kuala Panduk, Kuala Tolam, Pangkalan Terap, Petodaan, Rangsang, Sering, Sungai Ara and Teluk Binjau.
 - b. Management of social, economic and cultural components as a form of socialization of operational plan of the company, as well as a form of corporate participation in community economic development activities.

PT SAU do the management of conservation areas by doing monitoring the value of the diversity of vegetation in the area of the protected area (KPPN), and wildlife conservation (KPSL) and endemic species area. In addition conservation area as the area of water protection, protection of germplasm and as corridor of wildlife. The using of the sign board, is very effective to help management unit for managing the protected area.

PT SAU have done identification of disturbance of a threat to the health and vitality of forest resources, such as forest fires, illegal logging, grazing, forest encroachment, poaching, pest and disease and weeds.

- Perform routine patrol across the region.
- Put up signs and prohibition to not burn forests, doing illegal logging and do hunting wildlife is protected by law.
- Do dissemination related ban on burning the forests and land.
- Establish community Fire Care (MPA).
- Socialization for the protected flora and fauna also protected area.

PT SAU have a policy that States that in order to realize the freedom of association that is fighting for, protect, and defend the interests and welfare of workers/laborers and their families, as well as realizing the harmonious industrial relations, dynamic and equitable, then the workers/workers are entitled to form and develop the unions/labor free, open, and independent and responsible, as contained in the Letter No. 002/SAU/III/2015 signed by Albert Syamsul Effendi as a Director, on 03 March 2015.

PT SAU have done efforts to establish good relations with the local community. PT SAU has conducted studies of the impact of corporations on the environment including the impact of the presence of the company for the local community, where the purpose of the company is to improve the welfare of the communities surrounding the forest include: income level, the improvement of social welfare, the improvement of public education.

Not possible discrimination in terms of recruitment of workers both expatriate or local labor. The company has a company regulations (PP) regulating the rights and obligations of the company and the employees. In PP includes: receipt of employees, employee placement, removal, mutation, promotion, skills improvement program, prohibitions, etc.

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

Based on the results of the audit stage 2 in PT. Selaras Abadi Utama (SAU) found a number of non conformities are. 11 minors and 15 Observations for improvement. The all nonconformities has done corrective action by the company at the field so all certification process can be continue and the company has been show serious and commitment in sustainable forest management by perform the corrective action continuously to improve the performance.



The nonconformities :

1. The Financial report and Budget Plan has not fulfill Regulation for Ministry of Forestry No. P.69/Menhut-II/2009 jo. P.32/Menhut-II/2014 about guidelines financial report using production forest and Forest management (Dolapkeu PHP2H).
2. There is no rehabilitation activities on open area or non productive area. No inventory for endemic standing stock.
3. There is no effectiveness for protected the area , because of no realization of boundary marker,it is occurs encroachment illegal and forest fire..
4. Plot Center / Permanent Sampling Plot (PSP) no informative,The tree in Center PSP length 11, 28 meter only number of tree (no information of high and diameter).The distributions of PSP Plot and Sampling intensity not comply with TN-SOP-CAN-007 rev 3 ,dated 01 April 2014.
5. There is no monitoring flora dan fauna and inventory in endemic area like in protected area.
6. There is no fire extinguisher at waste hazard Building, because of high risk area. Waste hazard management should be completely by SOP and emergency response.
7. There is forest encroachment in protected area, the activity is burning the forest by local people from Pelalawan village,.
8. There is potential accident for used oil on container. Also there is used oil that scattered.
9. There is no identification and inventory for Non Timber Forest Product PT SAU.
10. There is no identification and inventory occupation land large 2.302 hectares by local people in 7 villages.
11. There is unsafe condition for speed boat . No use safety tools for employers of contractors harvesting. and operator excavator with Saw Cap and safety glasses.

The Corrective action required are :

1. Management Unit has made financial report based on clausul 3 , paragraph (1) Ministry of forestry regulation P.69/Menhut-II/2009 Jo. P.32/Menhut-II/2014, among others insert plantation and harvest charged as asset irregular .
2. Management unit make schedule for rehabilitation and nursery for rehabilton plan at area former fire based on inventory at Environment document 9AMDAL)l (Table IV-32 pages IV-34.
3. Management Unit has make Corrective Action Required (CAR) with enclosure :
 - Reporting Patroll Illegal Logging date 15 October 2015
 - Patroll schedule
 - Rehabilitation plan
 - Make Sign Board no burning and protected wildlife.
4. Management Unit has make Corrective Action Required (CAR) with enclosure : :
 - ✓ Repairing Plot Center PSP with additional information
 - ✓ Information number tree, high and diameter has added on trees in Plot Center length 11,28 meter.
 - ✓ Repairing TN-SOP-CAN-007 rev 3 dated 01 April 2014,
5. Management Unit has inventory of wild life in endemic area and has recapitulation of fauna from January-September 2015.
6. Management Unit has sent data flora and fauna inventory..
7. Management Unit has provided Fire extinguisher, Material Safety data Sheet (MSDS) and SOP handling spills of waste hazard.
Management Unit has done CARs :
 - Socialization forest fire at 5 October 2015, attendance report and document statement.
 - Letter of command from local police Sector (Kapolsek) number : Spingas/21/X/2015, dated 29 October 2015 about ,instructions for monitoring and management Illegal Logging that done by local people at , 2 November 2015.
8. Management Unit has implemented the following corrective actions:
 - Make containment and socialization at warehouse fuels and camp contractor PT CIS. And documentation
9. Management Unit has inventory non Timber Forest Product dated : 4, 12,17,26 October 2015. Totally there are 77 clump of rattan.



10. Management Unit has identified conflict area, the data are; 13 claims is rubber and palm oil large 800 ha and 1 claim as palm oil age 5 years large 1.554 ha.
11. Management Unit has implemented the following corrective actions
 - Socialization use safety tools with statement document and list date 19 October 2015.
 - Socialization waste management and camp of contractor.
 - Socialization no burning and making sign board.
 - Making containment fuels in the office and ND camp Contractor.

Conditions under which the certificate is issued

The certificate is valid until 13/10/2018, provided that PT SAU fully implements all corrective actions in accordance with the timetable proposed in response to the nonconformities raised and successfully complete a surveillance audit, no later than 12 months after Stage 2 Audit.