

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 SUNTARA GAJAPATI

TOTAL HECTARES: 27,807

SCOPE OF REGISTRATION: Sustainable Forest Management of 27,807 hectares of Plantation Forest in Riau Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: August 31, 2020

AUDIT END DATE: September 03, 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

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Amin Kadeni

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: -

MINOR CARS: -

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Suntara Gajapati	Basilam District, Sei Sembilan District, Dumai City, Riau Province, Republic of Indonesia	August 31 to September 03, 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

Based on SK. IUPHHK -HT No. 71 / Kpts-II / 2001 the IUPHHK-HTI area of PT Suntara Gajapati is 34,792 hectares. However, an area of 6,985 hectares of plantation forest area was due to the conversion of primary or secondary forest after December 31, 2010. Thus the scope of IFCC certification is 27,807 hectares.

In implementing sustainable plantation forest management, PT Suntara Gajapati has revised document of RKUPHHK-HTI for the 2017 to 2026 period, based on the Decree of the Minister of Environment and Forestry Number: SK. 6077 / MenLHK-PHPL / UHP / HPL.1 / 6/2019, dated June 28, 2019 concerning the Approval of Revision of Business Plan for Utilization of Timber Forest Products in Industrial Plantation Forest (RKUPHHK-HTI) 2017 to 2026 on behalf of PT Suntara Gajapati in Riau Province.

Based on this document, the spatial planning is: Local Protected Areas and Other Protected Areas of 5,183 ha (14.90%), Staple Plant Areas of 20,809 ha (59.81%) and Livelihood Plant Area of 8,800 ha (25.29%).

Based on the geographical location, the work area of the PT Suntara Gajapati Management Unit is located at 0° 45' to 2° 07' North and 101° 02' to 101° 23' East. Based on government administration, it is located in Sungai Sembilan District, Basilam Baru Village, Dumai City, Riau Province.

The condition of the forest in the PT Suntara Gajapati area is peat swamp forest, the topography is flat, most of the area being lowland. Based on rainfall observation data in 2016, the average annual rainfall is 3,997.85 mm from 120 rainy days, the highest being in March at 1,113.50 mm, and the lowest in November at 556.00 mm. The Management Unit, which is engaged in the Industrial Plantation Forestry, develops *Acacia crassicarpa* species.

The Management Unit always complies with all laws and regulations relating to peatland governance, namely: revised RKUPHHK-HTI in order to improve peat governance, namely RKUPHHK-HTI for the 2017-2026 period, based on the Decree of the Minister of Environment and Forestry Number: SK. 5313 / MENLHK-PHPL / UHP / HPL.1 / 10/2017, dated 13 October 2017 on Arranging The Peatland Ecosystem Restoration Plan document. which was approved by the Decree of the Director General of Pollution and Environmental Damage Control Number SK.19 / PPKL / PKG / PKL.0 / 1/2018 concerning Peat Ecosystem Restoration Plans and Determination of Manual Groundwater Level Compliance Points, Points of Installation of Automatic Advance Height Measuring Devices on Water and Rainfall Monitoring Station Point January 2, 2018. The Revised RKUPHHK-HTI for the 2017-2026 Period for Activities in 2018 and 2019, is based on the Decree of the Minister of Environment and Forestry Number: SK. 5949 / MenLHK-PHPL / UHP / HPL.1 / 9/2018, dated 18 September 2018. The revised RKUPHHK-HTI for the period 2017 - 2026 based on the Minister of Environment and Forestry Regulation no. P.10 / MENLHK / SETJEN / KUM.1 / 3/2019, was based on the Decree of the Minister of Environment and Forestry Number: SK. 6077 / MenLHK-PHPL / UHP / HPL.1 / 6/2019, dated 28 June 2019. There is no peat dome peak in PT Suntara Gajapati.

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

The people living in the vicinity of the PT Suntara Gajapati concession are local communities, there being no indigenous peoples around the company's concession. Based on the RKUPHHK HTI of PT Suntara Gajapati for the 2017 to 2026 period, the company location is in Sungai Sembilan District with an area of 975.38 km². Sungai Sembilan District consists of five villages, namely Bangsal Aceh Village, Lubuk Gaung Village, Tanjung Penyambat Village, Basilam Baru Village, and Batu Teritip Village. PT Suntara Gajapati is located in two villages, Basilam Baru Village and Batu Teritip Village. Based on the HTI RKUPHHK document, the livelihoods of residents in Sungai Sembilan District are dominated by agriculture and plantations.

PT Suntara Gajapati has made conflict resolution efforts with the surrounding community. There is a PT Suntara

Gajapati Conflict Resolution Monitoring and Evaluation Report that contains Minutes of Claims Evaluation. Completed on July 28, 2020, conflict resolution is carried out by collaborating with livelihood plants partnerships in acacia plantation. There are no problems in conflict resolution and claim settlement has been carried out using the Acacia Partnership Scheme since 2018. Based on an interview with the Head of Village, PT Suntura Gajapati has made efforts to resolve conflicts with the surrounding community in a persuasive manner. Apart from land claims, there are no other conflicts between the company and the community.

PT Suntura Gajapati has collaborated with the surrounding community. There were nine livelihood plant cooperation partnerships between PT Suntura Gajapati and the surrounding community, with a total area of cooperation of 3,411 ha during the 2019 - 2020 period.

PT Suntura Gajapati has implemented a Corporate Social Responsibility program for the surrounding community. Based on the Semester I of 2020 CSR Realization monthly report, as stated in the Semester I 2020 Environmental Permit Implementation Report, the CSR activities carried out include: distributing incentives to parties, in the form of educational subsidies in two villages, improving the health of the surrounding community; social conflict resolution mechanisms, in the form of assistance for residents affected by Covid 19, and aid for religious facilities and infrastructure.

Description of the ecological conditions of the concession

PT. Suntura Gajapati has identified forest management activities that have significant impact on the physical and biological environment including the condition of biodiversity, protected flora and fauna, and physical and chemical conditions of soil and river water. Environmental monitoring documents in the form of RKL and RPL, in which the physical, chemical and biological environmental impacts of plantation forest management are discussed are reported to the relevant authorities every six months.

PT. Suntura Gajapati has a commitment to the Forest Conservation Policy (FCP). As for ecology, APP's commitment policy and all of its suppliers will develop areas that are not forest land, according to the results identified in the independent HCVF and HCS assessments.

PT Suntura Gajapati has carried out an environmental impact assessment of potential impacts on protected, endemic, rare and endangered species of flora and fauna, appropriate to the scale and intensity of forest management, and incorporates appropriate / measurable measures to reduce impacts and disturbances is based on the Implementation Report of the RKL / RPL (Environmental Permit).

Based on the AMDAL document, PT Suntura Gajapati has identified protected species - flora and fauna in its entire working area. This entails mapping their habitats and migration patterns including landscape considerations; and implementing appropriate measures to minimize the negative impacts of the Management Unit's operations on these species.

In the PT Suntura Gajapati working area, the key species of flora that have been identified are Ramin (*Gonystylus bancanus*), while among the fauna, the Sumatran tiger (*Panthera tigris*), is identified by its trails and traces found in protected areas. Management carried out is to mark the trajectory of the tiger, both in protected areas and in production area, and installation of protected area warning boards and hunting prohibitions.

PT Suntura Gajapati has realized the status of protected flora and fauna and does not exploit it for both commercial and non-commercial purposes (for food or pets). From the observations, there were no protected animals that were kept at the base camp.

PT Suntura Gajapati implementing a zero-burning policy in land preparation activities, conducting compartment

systems, maintaining warning boards and fire hazard index boards. From the results of observations and interviews in the field, PT Suntura Gajapati has implemented forest fire protection measures. The Management Unit has implemented participatory steps related to livestock grazing activities, where there are no livestock grazing activities by the surrounding community, so that the negative impacts due to grazing and livestock populations in the area of forest regeneration, growth and biodiversity can be avoided. Related to The Management Unit's annual activities to local communities are: socialization of the Annual Work Plan (RKT) and protected areas.

Forest protection program, aims to prevent and limit forest and forest product damage caused by human actions, such as encroachment, illegal logging, livestock grazing and forest fires.

Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing August 15, 2020, asking stakeholders to provide feedback and information about PT Suntura Gajapati. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties by email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from the Public Consultation.

The audit team also gathered information from the mass media about PT Suntura Gajapati, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the necessary requirements for this certification process, which consist of legal aspects that include compliance with international rules and regulations and conventions. The management system has been built to cover all activities in the area of certification, which is registered for an area of 27,807 hectares.

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 Surveillance 1 Audit, there were no Non-Conformities of either a Major or Minor category identified by the audit team.

Conditions under which the certificate is issued

The certificate is valid until June 30, 2022, indicating that PT Suntura Gajapati has completed all corrective actions according to the predetermined schedule in response to corrective actions and if PT Suntura Gajapati does not have any problem on the next Surveillance 2 visit. If any non-conformity is not closed at the next 2 surveillance audit, the certificate will be postponed until PT AJA can make a closeout visit.