

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

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: March 29, 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

AUDIT END DATE: April 01, 2021

LEAD AUDITOR: Riyadi Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Priyo Handoko

SIGNATURE:

Taryanto Wijaya

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 2

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	March 29 to April 01, 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	
NA		

Brief Description of the concession

PT Suntura Gajapati obtained an IUPHHK-HTI area of 34,792 ha based on the Decree Number SK. IUPHHK-HT No.71/Kpts-II/2001. There was a plantation forest area obtained from the conversion of primary forest or secondary forest above December 31, 2010 of 6,985 hectares. Due to this conversion, the PT Suntura Gajapati area which is included in the scope of IFCC certification is 27,807 ha.

PT Suntura Gajapati has a long-term management plan in carrying out sustainable plantation forest management, namely the Revised RKUPHHK-HTI of the period 2017 to 2026. This document is issued 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 for Revision of Business Plan for Utilization of Industrial Timber Forest Products (RKUPHHK-HTI) of 2017 to 2026 Name of PT Suntura Gajapati in Riau Province. According to the Revised RKUPHHK-HTI of 2017 to 2026, the spatial planning of the concession area 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%).

The geographical location of the work area of the PT Suntura Gajapati is between 0° 45' to 2° 07' North and 101° 02' to 101° 23' East, while based on government administration, it is in Sungai Sembilan District, Basilam Baru Village, Dumai City, Province Riau.

The condition of the forest in the PT Suntura Gajapati area is a peat swamp forest with a flat topography. Most of the area is lowland. Based on rainfall observation data in 2016, obtained an average annual rainfall of 3,997.85 mm with 120 rainy days. The lowest is in March of 1113.50 mm and the highest in November of 556.00 mm. PT Suntura Gajapati is engaged in the Industrial Plantation Forest business with *Acacia crassicarpa* species as its staple plant.

The geomorphology of the peat soil at several locations in PT Suntura Gajapati shows the water-table depth does not exceed the pyrite layer. Thus, it is certain that pyrite oxidation does not occur. The peat subsidence that has occurred since the beginning of the reclamation until now has not caused the formation of acid sulfate soils as referred on RKUPHHK-HTI for the 2017 to 2026 period, based on the Decree of the Minister of Environment and Forestry Number: SK. 5313 / MENLHK-PHPL / UHP / HPL.1 / 10/2017, dated October 13, 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 September 18, 2018. The revised RKUPHHK-HTI for the period 2017 - 2026 is 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 June 28, 2019. There is no peat dome peak in PT Suntura Gajapati.

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

The original residents around PT Suntura Gajapati area, called as Basilam, are Batin Senepis people. They came from West Sumatra and lived within the riparian area, and then spreading into the surrounding forest for hunting and food gathering traditions. As time goes by, Batin Senepis people are welcoming the newcomers from many tribes such as Batak, Minang, Aceh, Java, etc. Then the Basilam area has been developing and divided into two villages, Basilam Baru and Batu Teritip. According to the District Government, there are eight new sub-communities in Basilam Baru Village. They are then organized and inaugurated as Sungai Geniot Village. The increasing number of villages will implicate the coverage of social program management of PT Suntura Gajapati in the future.

The community livelihoods are mostly based on their tribe. Residents from West Sumatra focused on the rubber plantation, Batak people are doing service in the transportation and managing the palm oil plantation. The Celebes people are trading, and the Javan people do agriculture and palm oil plantation.

PT Suntura Gajapati has made efforts to resolve conflicts with the surrounding community in a persuasive manner. Efforts to resolve conflicts related to land claims are resolved with the mechanism of cooperation with the livelihood plant. Apart from land claims, there are no other conflicts between the company and the community. During this Surveillance 2 Audit, PT Suntura Gajapati has agreements with the community as the implementation of conflict resolution. The agreements are in the concern of livelihood plant and the staple plant with partnership pattern.

PT Suntura Gajapati is providing access for the community to catch the fish in the river and channel in the concession. The Management Unit also aids the development of livestock and fisheries. The construction of roads and bridges in the concession open the remote area of these villages and create new jobs such as some service business, transportation, communication shops, trading, etc. The local community utilizes the forest to seek honey, rattan, and some vegetables for their daily need.

The Management Unit designed the Corporate Social Responsibility (CSR) plans based on the social-economic footprint document, need assessment, and consultation with the local community. There are four CSR Programs as follows:

- Infrastructure development to break the isolated area and improve the transportation pre-facilities,
- Economic development to increase the community livelihood,
- Social and cultural supporting, by donating the cultural and religious sacred day celebration, village electricity, improving the praying places for some religion.
- Environment and Conservation Management Program, to increase the community's consciousness and capacity to engage with issues of mining impact, water pollution caused by forest plantation activity, and managing the conservation area, forest and fire management team.

Description of the Ecological conditions of the concession

PT Suntura Gajapati has identified forest management activities that have an important impact and carried out an environmental impact assessment by referring to AMDAL Document, Environmental Management Plan (RKL), and Environmental Monitoring Plan (RPL), and RKUPHHK-HTI Revised Document.

PT Suntura Gajapati has established and implemented a Reduced Impact Logging (RIL) Documented Procedure to minimize the negative impacts of harvesting. PT Suntura Gajapati already has a documented procedure (SOP) related to RIL by referring to national guidelines and considering the type of ecosystem.

PT Suntura Gajapati has identified areas that function for land protection, namely by allocating Local Protected Areas and Other Protected Areas of 5,183 ha (14.90%) consisting of 529 ha (1.52%) of river border, 531 ha (1.52%) of KPPN, 341 ha (0.98%) of KPSL, and tiger conservation area of 3,782 ha (10.87%). The Management Unit also implements appropriate steps to protect the area from damage by making Zone of the Forest Management Peat System. There are fourteen water zones in the PT Suntura Gajapati area. PT Suntura Gajapati has identified and mapped flora and fauna in the IUPHHK-HTI area as well as maintained and improved its habitat. There are Flora and Fauna Distribution Maps.

PT. Suntura Gajapati has identified and monitored disturbances to sustainable forest management activities. These activities are listed in the AMDAL documents, RKUPHHK, HCV Assessment Report, peat recovery report, wildlife-human conflict mitigation report, and Conflict Mapping Report. The potential forest disturbances are forest fires, illegal logging, illegal grazing, forest encroachment, hunting, pests and diseases, and weeds.

As for forest fire prevention, the Management Unit performs microclimate management, management of groundwater levels, peat subsidence, water balance, and making a fire hazard index, monitoring fire hazard towers, posts, fire hazard

maps, installing warning boards, establishing a Fire Control Team (RPK Team), forming and fostering a Community with Fire Awareness (KMPA) and Desa Makmur Peduli Api (DMPA), hotspot monitoring, routine patrols and procurement of fire-fighting facilities.

PT Suntura Gajapati performs pest and disease prevention through the following activities:

- Planting clones that are resistant to pests and root rot,
- Maintain environmental sanitation to avoid helopeltis and caterpillars in the staple plant area,
- Implement balanced fertilization to prevent lack of nutrients in plants,
- Mechanical control to anticipate pathogens,
- Biological pest control by biological pests such as *Turneera subulata* and *Cerena sp.*,
- Use of environmentally friendly pesticides.

Results of the Public Consultation

Before carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing March 03, 2021, 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.

There was input from a stakeholder who stated that PT Suntura Gajapati has a concern about the surrounding community because the company has implemented many CSR programs that are intended for the community. The company is also very concerned about forest conservation, by participating directly when forest and land fires occur, conducting joint patrols, and socializing forest and land fires to the community. This input had been verified and submitted to the Management Unit as positive feedback from the stakeholders.

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 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 conformity with the certification requirements and description of critical issues in relation to the conformity.

The result of Surveillance 2 Audit in PT Suntura Gajapati is 2 (two) non-conformities in the Minor category. No critical issue was identified.

No	Non-Conformities	Corrective Action Performed	Category
1	PT Suntura Gajapati has not updated the important social impact assessment and the previous Social Impact Assessment (SIA) document related to the formation of a new district around the concession. Indicator I.10.1	PT Suntura Gajapati has carried out regular updates on the social impact assessment in the community and described the results in a report.	Minor
2	PT Suntura Gajapati has not monitored the distribution of Personal Protective Equipment	PT Suntura Gajapati has monitored the completeness of Personal Protective Equipment to contractors. The types of PPE	Minor



	(PPE) documents provided by the contractors. Indicator I.12.4	are hats, gloves, and boots. The Management Unit ensures the implementation of monitoring of the handover of PPE will run regularly.	
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Conditions under which the certificate is issued

The certificate is valid until June 30, 2022, provided that PT Suntara Gajapati completes all corrective actions according to the 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 AJA can perform a close-out visit.