

Public Report Sustainable Forest Management System

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AJA EUROPE
PUBLIC AUDIT REPORT - SFM
TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



CLIENT NAME: PT SUNTARA GAJAPATI

TOTAL HECTARES: 27,807 ha

SCOPE OF REGISTRATION: Sustainable Forest Management in Plantation Forest covering 27,807 ha in Riau Province, Republic of Indonesia

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: March 7, 2017

AUDIT END DATE: March 10, 2017

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: Utomo

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: -

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Suntara Gajapati	Basilam Baru District, Batu Teritip District, Sungai Sembilan Sub-District, Dumai City, Riau, Republic of Indonesia	March 07-10, 2017
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

PT Suntura Gajapati was granted its Forest Concession Permit per Decree of the Minister of Forestry No. 71/KPTS-II / 2001 dated March 15, 2001, concerning the granting of HPHT to PT Suntura Gajapati for 34,792 ha of Forest Area in Riau Province, which is valid for 45 years from March 15, 2001.

Based on the RKUPPHK HTI Revision - PT Suntura Gajapati (SK.24/VI-BUHT/2012 dated 11 April 2012) the spatial arrangement is as follows: Primary Plant Area of 24,136 ha (69.4%); Indigenous Plant Area of 3,480 ha (10.0%), Livelihood Plant Area of 1,740 ha (5.0%); Protected Area of 4,422 ha (12.7%) and Infrastructure Facilities Area of 1,014 ha (2.9%).

Of this 34,792 ha of plantation area, however, 6,985 ha was the result of conversion of natural forest to plantation forest after December 31, 2010 (Director of PT Suntura Gajapati No. 009/SG/I/2016). So that the area included in the scope of IFCC certification covers 27,807 ha

The working area of PT Suntura Gajapati Management Unit is located 0° 45' to 2° 07' North and 101° 02' to 101° 23' East, based on government administration located in Sungai Sembilan Sub-district, Basilam Baru District, Dumai City, Province of Riau.

Forest conditions in PT Suntura Gajapati area are peat swamp forest with a flat topography in a mainly lowland area. Based on observation data of rainfall as of year 2016. the average annual rainfall is 3,997.85 mm with 120 days of rainfall.

Geomorphology of peat soils in the concession area of PT. Suntura Gajapati at several locations indicated that the ground water depth (water-table) does not exceed the pyrite layer and pyrite oxidation certainly does not occurs. Peat subsidence occurring since the beginning of reclamation to date have not resulted in the formation of acidic sulfate soils.

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

The residents who live in Basilam Baru and Batu Teritip Sub-districts are classified as local people. This is because there is no formal approval from the local government regarding the status of indigenous peoples. Moreover, based on the demographic characteristics of the population, the communities in both sub-districts do indeed show the characteristics of local people, most significantly by the absence of customary law institutions that are still strictly run by society. Based on the demographics of Basilam Baru, meanwhile, over 80% earn their livelihood from agriculture/ plantation work

PT Suntura Gajapati has made efforts to resolve land conflicts between the company and local communities and has in place a Conflict Resolution Organizational Structure as part of its standard operating procedure, which is recognized by community leaders as well as the local authorities. As part of its conflict resolution work plan for 2017, conducted its latest conflict mapping in January 2017.

PT Suntura Gajapati has collaborated with local communities in regard to forest management, signing agreements with community groups to provide assistance in both horticultural and animal livestock cultivation. Realizing its responsibility to improve the economic and social welfare of the communities around its concession area, PT Suntura Gajapati has also conducted a community development/ corporate social responsibility (CSR) program based on interaction with community leaders to ascertain specific areas of need. Since 2016, this has included implementation of the Village Makmur Peduli Api (DMPA) program, a program implemented by Sinar Mas Forestry Group for forest fire prevention.

Description of the Ecological conditions of the concession

PT Suntura Gajapati has environmental documents that serve as guidance in environmental management, which include RKL (Environmental Management Plan) and RPL (Environmental Monitoring Plan). The results of its environmental monitoring and management are reported to the requisite authorities on a regular periodic basis.



Among the impacts monitored are micro-climate changes and air quality (carbon emissions), as well as various indicators relating to the health of the soil and the quality of the water. In addition to the regular inventory and mapping of the flora and fauna as required for biodiversity management within its concession area, PT Suntura Gajapati pays particular attention to its extensive protected areas that include its riparian zones on the Buluhala (529 ha), Teras (20 ha) and Santahulu (23 ha) rivers, as well as the 3,850 ha Senepis-Buluhala Tiger Conservation Area, which is home range to the endangered Sumatran tiger.

Protection of these areas includes marking and monitoring of their boundaries, socialization of the areas to the public, employees and their families, maintaining an inventory of their contents and implementing regular patrols. These include fire-watch patrols, as well as the monitoring of all plants in the area for outbreaks of disease or infestation by pests. Installation of information boards prohibiting the lighting of fires in the forest and regular patrols are also carried out to minimize negative impacts due to illegal incursions or forest/land fires.

Results of the Public Consultation

Prior to performing the Surveillance Audit 1 Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing February 9, 2017, asking stakeholders to provide feedback and information on PT Suntura Gajapati. The public consultation was uploaded to PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to the parties via email or postal mail, and published in a local newspaper. PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation.

The audit team also gathered information from the mass media about PT Suntura Gajapati. Such reported cases are considered to be part of the audit process by PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the necessary requirements for this certification process, comprising legal aspects that include compliance with regulations and international rules and conventions. The management system has been built to cover all activities in the field of certification, which is registered for certification of 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 results of Surveillance Audit 1 of PT Suntura Gajapati revealed just a single minor non-conformity, as follows:

NO	Non-conformities	Corrective Action performed	Category
1.	In the temporary storage area for B3 waste, there was no pallet, which was not in accordance with the SOP and raised questions about the transportation of the waste. Clause Ref I. 6.6.	Management unit has installed the pallet at the B3 Waste TPS documented in Minutes of Installation of B3 Waste Tile Pallet on Wednesday April 25, 2017	Minor

Conditions under which the certificate is issued

Certificate is valid until (01/07/2019), provided that PT Suntura Gajapati completes all corrective actions according to the time 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 such time as AJA is able to perform a closeout visit.