

# **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 hectares in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: 3 September 2018

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: 6 September 2018

LEAD AUDITOR: R Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Amin Kadani

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS:

MINOR CARS: 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Suntara Gajapati	Basilam Sub-District, Sei Sembilan District, Dumai, Riau, Indonesia	3 - 6 September 2018
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	

Document: Report Format Public - IFCC

Issue: D

Date: 15 September 2016

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#### Brief Description of the concession

PT Suntura Gajapati is engaged in the business of Industrial Plantation Forests, carrying out sustainable plantation forest management per RKUPHHK-HTI document for a 10-year period of 2017 – 2026, which has been approved 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.

concerning The 10-year plan discussed the approval of Work Plans for the Utilization of Timber Forest Products in Industrial Plantation Forest (RKUPHHK-HTI) for 2017 - 2026 in Order to Improve Peat Governance on behalf of PT Suntura Gajapati in Riau Province. For its implementation in the short-term, meanwhile, a RKTUPHHK-HTI document was made (Annual Work Plan for Timber Forest Product Utilization in Industrial Plantation Forests).

Based on decree of IUPHHK -HT No. 71 / Kpts-II / 2001, PT Suntura Gajapati IUPHHK-HTI has a total area of 34,792 ha. This includes an area of 6,985 ha of natural forest that was converted to plantation forest after December 31, 2010. Thus the scope for IFCC certification is for an area of  $34,792 - 6,985 = 27,807$  ha.

PT Suntura Gajapati is a plantation company that supplies wood raw materials to the pulp and paper industry and is committed to producing and providing wood raw materials sustainably based on the principles of Sustainable Forest Management (SFM). To achieve this commitment, PT Suntura Gajapati applies the following practices of forest management:

1. Compliance with all laws and other relevant requirements at the local and national level, including various international conventions that have been ratified by the Indonesian government.
2. Building regional stability and creating awareness of the zoning system that guarantees the sustainability of production, environmental and social functions.
3. Building industrial plantation using primary plant species that are not genetically modified.
4. Arrangement of results based on production cycle, estate area and volume.

PT Suntura Gajapati is located in aThe geographical location of the work area lies between  $01^{\circ} 49' 31''$  to  $02^{\circ} 05' 29''$  North and  $101^{\circ} 33' 46''$  to  $101^{\circ} 18' 04''$  East, while it falls under the governmental administration of Sungai Sembilan District, Dumai City.

The type of soil is Organosol, while the topography is in the form of peat swamps with slopes of 0 - 8% situated at an altitude of 2 to 8 meters above sea level. The climate is classified as type B, very wet, with  $Q = 33.3\%$ , while the air temperature ranges from  $26^{\circ}$  to  $27.4^{\circ}$  C. Given the foregoing conditions, the species cultivated is *Acacia crassicarpa*.

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

There are no indigenous people around the concession area of the company, the villages of Batu Teritip and Batu Basilam containing immigrant communities of Javanese, Batak and Minang origins.

In forest management, the Management Unit has involved the surrounding community in the form of livelihood plant cooperation with the villages, consisting of 1,600 ha of rubber trees, 1,000 hectares of Acacia trees, another 121.7 hectares of Acacia trees, and a partnership with a farmers group in a further 200 hectares of Acacia trees. This is in addition to the utilization of Non-Timber Forest Products (HHBK) in the form of fish from the company's canals, plus cooperation in the formation of the Fire Awareness Community that was formed in 2015.



The Management Unit of PT Suntura Gajapati also has documented program reports for the realization of its CD / CSR programs in 2017 and 2018, which cover the areas of education, health, productive business and social cultural assistance.

### **Description of the Ecological conditions of the concession**

As part of its commitment to the Forest Conservation Policy (FCP), PT Suntura Gajapati will develop areas that are not forested land, according to the results of identification in independent HCVF and HCS assessments.

PT. Suntura Gajapati has identified protected and threatened / endangered key species, as well as their habitat and migration patterns including landscape considerations; and implement appropriate management practices to minimize the negative impacts of Management Unit operational activities on the species.

Based on the AMDAL document, PT Suntura Gajapati has identified species of flora and fauna that are protected throughout its work area, the key flora species being ramin (*Gonystylus bancanus*), while the tiger (*Panthera tigris*) is the fauna species. Observation has shown that the tiger is to be found in both the protected and production areas and the Management Unit has protected the riparian areas that are its habitat and movement corridors. Other measures include the installation of warning signs, plus a ban on all hunting.

PT Suntura Gajapati implements a no-burn policy in land preparation activities, conducts a compartment system, maintains warning boards and fire hazard index boards. From field observations and interviews, the company has implemented forest protection measures against fire, plus involves the local community in such efforts.

The Management Unit has implemented participatory steps in relation to livestock grazing activities, whereby no livestock grazing by surrounding communities is permitted, thus avoiding negative impacts on forest regeneration, growth and biodiversity.

Forest protection programs are implemented that aim to prevent or limit damage due to forest disturbances, whether due to human actions such as encroachment, illegal logging, livestock grazing and forest fires, or natural causes such as disease or infestation. Moreover, the Management Unit socializes its Annual Work Plan and protected areas to the local community to keep them abreast of the situation.

### **Results of the Public Consultation**

Prior to conducting the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia carried out a public consultation commencing August 8, 2018, requesting 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](http://www.ajaindonesia.com)), sent to parties via e-mail or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders during the public consultation.

The audit team also collected 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 needed for this certification process, which consist of legal aspects that include compliance with rules and regulations and international conventions. The management system has been built to cover all activities in the field of certification, which is registered for an area covering 27,807 hectares.

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

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Results of the Surveillance 2 Audit of PT Suntara Gajapati identified two (2) Minor Non-Conformities as listed below.

NO	Non-conformity (NC)	Corrective Action to be Undertaken	Category
1	<p>Based on field inspection in respect to one area, the Management Unit has not regulated and maintained forest areas in accordance with their function in order to ensure long-term business certainty.</p> <p><b>Clause Indicator I.4.1</b></p>	<p>PT Suntara Gajapati has since provided the required data in respect to the Natural Regeneration plot covering 1,051.10 ha.</p>	Minor
2	<p>The Management Unit has carried out periodic general MCU tests on employees who have the potential for occupational diseases, but has not carried out Cholinesteration (CHE) tests on chemical warehouse officers and spraying officers to ensure that workers have not been exposed to hazardous chemicals (pesticides).</p> <p><b>Clause Indicator I.12.1.</b></p>	<p>The Management Unit of PT Suntara Gajapati has expanded its MCU testing on September 10, 2018, to include carrying out the Cholinesterase (CHE) test for those workers who may be exposed to hazardous chemicals.</p>	Minor

**Conditions under which the certificate is issued**

Certificate is valid until (30/06/2019) provided that PT Suntara 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 Recertification visit. If the non-conformities are not closed at the next Recertification, the certificate will be suspended until such time as AJA is able to perform a closeout visit.