

Public Report Sustainable Forest Management System

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CLIENT NAME: PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang

TOTAL HECTARES: 8,680.70

SCOPE OF REGISTRATION: Sustainable Forest Management of 8,680.70 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 24, 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

AUDIT END DATE: August 27, 2020

AUDITOR LEAD: Abdullah Mujahid

AUDIT TEAM: Andri Wibisono

Warsito

MAJOR CARS: -

MINOR CARS: 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Satria Perkasa Agung Kelompok Tani Hutan Sinar Merawang	Simpang Kanan District; Simpang Kateman Village, Pelangiran District, Indragiri Hilir Regency, Riau Province, Republic of Indonesia	August 24 to 27, 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

The Management Unit has IUPHHK-HTI based on Minister of Forestry Decree No. SK.56 / Menhut-III / 2013 dated January 23, 2013 concerning the Determination Of A Definitive Work Area of 10,070 ha in Pelalawan Regency and Indragiri Hilir Regency, Riau Province.

The Management Unit has revised RKUPHHK-HTI document for the 2017 to 2026 period based on the Decree of the MenLHK No. SK.6075 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 dated June 28, 2019 concerning the Approval of Revision of RKUPHHK-HTI for the 2017 to 2026 period of PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang in Riau Province. In this document, spatial planning has been carried out as follows: Local Protected Areas and Other Protected Areas of 3,724 ha (36.98%), Staple Plant Area of 5,065 ha (50.30%) and Livelihood Plant Area of 1,281 ha (12.72%), for a total of 10,070 ha.

There was a conversion of 1,389.3 ha of natural forest to plantation forest after December 31, 2010, thus the scope of the IFCC certification is for an area of 10,070 ha - 1,389.3 ha = 8,680.70 ha. The Management Unit has marked the boundaries in the field between IFCC areas and non-IFCC areas.

PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang is geographically located at 000° 07' 01.86" to 000° 33' 93.00" South and 102° 41' 44.26" to 102° 49' 00.60" East. The concession is surrounded by HTI companies, to the North side with PT Arara Abadi (Merawang District); East side with PT Satria Perkasa Agung Unit Simpang Kanan; West side with PT Satria Perkasa Agung Unit Simpang Kanan and South side with PT Satria Perkasa Agung Unit Simpang Kanan.

PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang is peatland, with a flat topography (0-8%). Soil types: Sapric and Hemic Organosol. Geology: young surface sediment formations. The climate type according to the Schimidt and Ferguson classification is classified as Type A with an average rainfall of 218.5 mm / year.

Compliance with regulations related to peatland management, PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang has revised the RKUPHHK based on Permen LHK no. P17. 2017, which was approved based on (Decree of the Minister of Environment and Forestry of the Republic of Indonesia No. SK MenLHK No. SK.6141 / MenLHK-PHPL / UHP / HPL.1 / 11/2017 dated 14/11/2017 concerning Approval of RKUPHHK-HTI 2017- 2026. In the context of Improving Peat Governance, the Management Unit has prepared a Peat Ecosystem Restoration Plan Document and Establishment of Manual Groundwater Level Compliance Points, Automatic Groundwater Level Measuring Equipment Installation Points, and PT Satria Perkasa Agung's Rainfall Monitoring Station Point (Sinar Merawang), which was legalized based on the Decree of the Director General of Pollution and Environmental Damage Control Number SK.9 / PPKL / PKG / PKL.0 / 1/2018 dated January 2, 2018. It has revised the RKUPHHK based on the Decree of the Minister of Environment and Forestry Number: SK MenLHK No. SK.4915 / MenLHK-PHPL / UHP / HPL.1 / 7/2018 dated 25/7/2018 concerning Approval for Adjustment of RKUPHHK-HTI for the 2017-2026 Period of 2018 to 2019 Activities. Also revised the RKUPHHK document by referring to the Recovery Document above and Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number P.10 / Menlhk / Setjen / Kum.1 / 3/2019 concerning the Determination and Management of Peat Dome Peak Based on the Peat Hydrological Unit, which is based on Decree of the Minister of Forestry Number: MenLHK Decree No. SK.6075 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 dated June 28, 2019. Layout of the peat dome peak of 3,715.17 (36.89%) is as a protected area, in the form of KPPN of 1,155.00 ha (11.47%), KPSL of 1,524.17 ha (15.13%) and peat protection area from ex-TP and TK of 1,036.00 ha (10.29%). The species of plant cultivated is *Acacia crassicarpa*.

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

The Management Unit has already made Report on the Results of Identification of the Rights of Indigenous / Local Communities, which was carried out in 2015. Based on this report, there is no evidence of the rights of indigenous peoples, only the local Malay people.

Administratively, the concession is included in two (2) districts, Pelalawan Regency and Indragiri Hilir Regency. Riau Province. There are six (6) villages that the company targets:

- a. Pulau Muda Village and Segamai Village in Teluk Meranti District, Pelalawan Regency, and
- b. Tanjung Simpang Village, Simpang Kateman Village, Teluk Bunian Village and Pelangiran Village in Pelangiran District, Indragiri Hilir Regency.

The Management Unit has cooperation agreements with the communities around the concession in the form of livelihood plants, Fire Care Community (MPA) and collaboration for Management of Partnership-Patterned Plantation Forest (HTPK).

The Management Unit has carried out mapping and conflict resolution in 2020, which was reported to the Head of the Riau Province Environment and Forestry Service and the Director General of Sustainable Production Forest Management in January 2020. Based on this report, it was explained that it was safe from forest encroachment, there being none by the surrounding communities.

The realization of the CD program in 2020 is in the form of teacher honorarium assistance, infrastructure, solar cell assistance, tourism funds, donations for orphans. In addition, there was a handover of the distribution of Partnership-Patterned Plantation Forest fees paid in 2019 to four (4) villages around the concession.

Description of the ecological conditions of the concession

The Management Unit has identified forest management activities that have significant impacts, and conducted environmental impact assessments through: AMDAL documents (KA-Andal, Andal, RKL and RPL). These have been ratified in accordance with the Decree of the Indragiri Hilir AMDAL Assessment Commission Number 30 / IH-XI / AMDAL / 2004 dated November 03, 2004.

- The Reduced Impact Logging activity is carried out in stages: before logging activities (pre-harvesting), during harvesting operations, after logging activities (post-harvesting)
- Identification of areas that function to protect land and water, which are designated as Local Protected Areas and Other Protected Areas of 3,724 ha (36.98%), these areas comprising KPPN, KPSL and Peat Dome Peak.
- Monitoring of negative impacts of forest management activities in the concession area is carried out in accordance with the RKL and RPL document. PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang has documented procedures for Monitoring Protected Areas, Monitoring of Discharge and Water Quality and for Monitoring of Subsidence and Level of Groundwater Level.

The Management Unit has carried out Biodiversity Management activities through the identification and inventory of protected, endemic, rare and threatened / endangered flora and fauna within the concession area. The results of the identification and inventory can be found in: AMDAL RKL and RPL documents 2004 and Revised RKUPHHK 2017-2026.

The Management Unit has identified protected, endemic, rare and threatened / endangered species and their habitats in the area in accordance with the prevailing regulations and mapped their distribution.

- Management of Protected Areas is carried out in accordance with the Implementation Report of the RKL / RPL each semester, as well as documented procedures for the Determination and Monitoring of Protected Areas.
- Identification of key protected and threatened / endangered species, their habitats and migration patterns. Based on the identification, there are no key species in the area.
- The staple plants cultivated are not a genetically modified tree species, being *Acacia crassicarpa*.

The Management Unit has carried out Forest Protection activities, be the disturbances due to human or natural causes. These measures are intended to prevent and control all forms of activities that have the potential to disrupt the existence and integrity of forest areas and their ecosystems and are included in the RKL / RPL reports each semester.

- Has documented procedures to prevent and handle pest or disease attacks, the Integrated Pest and Disease Management SOP, which utilizes manual, biological or chemical means as deemed necessary.

- Regulates the use of chemical pesticides in the field using documented procedures for Weed Control, or for Integrated Pest and Disease Management. It also has documented procedures for handling spills of fuel, lubricants and chemicals, as well as the management of hazardous and toxic waste (B3).
- Implements forest protection measures against fire hazards, including the local community through the MPA.
- Livestock grazing activities by the community are prohibited in the Management Unit area.
- It has implemented appropriate steps in forest protection activities, for which the Management Unit has documented procedures.

Results of the Public Consultation

Prior to undertaking the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing August 06, 2020, asking stakeholders to provide feedback and information about PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang. 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 stakeholders during the public consultation.

The audit team also collected information from the mass media about PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang, the reported cases being material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements required for this certification process, which consists of legal aspects that include compliance with international rules and regulations and conventions. A management system has been built to cover all activities in the area of certification, which is registered for an area of 8,680.70 hectares.

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

Based on the results of Surveillance 1 Audit of PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang, two (2) Minor Non-Conformities were identified by the audit team:

NO	Non-conformity (NC)	Corrective Action to be Undertaken	Category
1	In measuring tree diameter, PHI and PSP activities do not use measuring sticks to ensure the measurement was at a height of 1.3 meters. This is not appropriate, measurement must use the correct measuring instrument. Clause Ref. I.4.2	The Management Unit has used a measuring stick to ensure the measurement is at a height of 1.3 meters in measuring the tree diameter in the PHI and PSP activities	Minor
2	Chainsaw operators used rubber shoes, which is not in accordance with the safety shoes stipulated in the PPE regulations. Based on reports of work accidents in 2020 there were two (2) work accidents by chainsaw operators that caused injuries to the feet, caused by the operator not using the correct foot guard (saw chap). Clause Ref I.12.4	The Management Unit ensures all chainsaw operators use safety shoes and the correct foot protection (saw chap). The Management Unit disseminates information to chainsaw operators regarding the correct use of PPE.	Minor



Conditions under which the certificate is issued

Certificate is valid until June 30, 2022, provided that PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang 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.