

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 SATRIA PERKASA AGUNG KELOMPOK TANI HUTAN SINAR MERAWANG

TOTAL HECTARES: 8,680.70 ha

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 2 (REMOTE)

AUDIT START DATE: March 23, 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: March 26, 2021

AUDITOR LEAD: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Ence Hedi Hasan Zubaidi

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 Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang	Simpang Kanan District - Simpang Kateman Village, Pelangiran District, Indragiri Hilir Regency, Riau Province, Republic of Indonesia	March 23 to 26, 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	
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 definitive work areas of 10,070 ha in Pelalawan Regency and Indragiri Hilir Regency, Riau Province.

The Management Unit has documents Revised RKUPHHK-HTI 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 2017 to 2026 on behalf of PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang in Riau Province. According to 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 Areas of 5,065 ha (50.30%) and Livelihood Plant Areas of 1,281 ha (12.72%).

There was conversion of natural forest to plantation forest after December 31, 2010. Thus, the area for IFCC certification is 8,680.70 ha. The Management Unit has marked the boundaries in the field between IFCC certified areas and non-IFCC areas.

PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang is geographically located between 00° 03' 44.26" to 00° 07' 01.86" North and 102° 41' 93" to 102° 49' 0.60" East. The boundaries of the concession are,

- North side: PT Arara Abadi (Merawang District);
- East side: PT Satria Perkasa Agung Unit Simpang Kanan;
- West side: PT Satria Perkasa Agung Unit Simpang Kanan;
- South side: 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%) and soil types of Sapric and Hemic Organosol. The geology is formed of young surface sediment formations. The climate type according to the Schimdt/ Ferguson classification is Type A with an average rainfall of 218.5 mm / year.

In 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 November 14, 2017 concerning Approval of RKUPHHK-HTI Year 2017 to 2026. According to this document, the Management Unit has prepared a Peatland Ecosystem Restoration Plan Document and a Manual Groundwater Level Compliance Point, an Automatic Ground Water Level Meter Installation Point and a PT Satria Perkasa Agung Rainfall Monitoring Station Point (Sinar Merawang). These are 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, in compliance with the RKUPHHK based on the Decree of the Minister of Environment and Forestry Number SK.4915/MenLHK-PHPL/UHP/HPL.1/7/2018 dated July 25, 2018 concerning Approval for Adjustment of RKUPHHK-HTI for the 2017 to 2026 Period of 2018 to 2019 Activities. The RKUPHHK document was revised by referring to the Recovery Plan Document 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. The peat dome peak of 3,715.17 (36.89%) is designated 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 area in the former Staple Plants and Livelihood Plants Area of 1,036.00 ha (10.29%).

The species cultivated is *Acacia crassicarpa*.

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

According to the Report of 2014 Assisted Village Identification Result, there are four rings of villages around the concession:

1. Ring I: Pulau Muda Village (14 km from the concession boundary), Tanjung Simpang Village (18 km from the concession boundary), Teluk Kelurahan Meranti (12 km from the concession boundary).
2. Ring II: Segamai Village (22 km from the concession boundary), Simpang Kateman Village (38 km from the concession boundary).
3. Ring III: Teluk Bunian Village (54 km from the concession boundary).
4. Ring IV: Pelangiran Village (59 km from the concession boundary).

There are no customary communities around the company concession, as was stated in the previous audit report. Based on the 2020 Potential Conflict Mapping Report, the majority of the population around the company work in the agricultural sector, namely agricultural laborers 57.9%, traders 19.9%, private workers 13.9%, and 8.3% in other professions.

PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang has implemented conflict resolution efforts with the surrounding community. According to the Report on the Company's Potential Mapping and Conflict Resolution in 2020, there is no conflict between the company and the surrounding community. Conflict Status at the IUPHHK level is Safe. Results on interviews with the stakeholders, there were no land claims by the surrounding community.

There is collaboration between PT Satria Perkasa Agung and the Sinar Merawang Forest Farmers Cooperative, based on Joint Agreement Letters signed between the pair on December 27, 2012 concerning cooperation in the Management of Partnership-Patterned Plantation Forests (HTPK) with the distribution of fees for timber cut. This agreement is an addendum to that made on February 20, 1999. This cooperation continues to operate in accordance with the agreed terms, the community receiving profit sharing from the company. In addition to this collaboration, PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang also collaborates with other surrounding communities in the form of livelihood plant cooperation.

PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang has implemented a corporate social responsibility program for the surrounding community. There is a CD / CSR Program Recalitation Report for January - December 2020 covering socio-culture activities: planting mangrove trees, donations for orphans and the poor, development of bono tourism; Youth: celebration of Independence Day of the Republic of Indonesia; Education: teachers' honorium assistance; Infrastructure: lighting for residents' homes, assistance with KUA office equipment, and construction of mosques.

Description of the ecological conditions of the concession

The Management Unit of PT. Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang has carried out activities for managing forest ecosystem and hydrological functions, as follows:

- Identification of forest management activities that have significant impacts and conduct environmental impact assessments through: AMDAL and all its documents.
- The Reduced Impact Logging activity carried out in stages: before harvesting activities (pre-harvesting), during harvesting operations, and after logging activities (post-harvesting)
- Identification of areas that function to protect land and water that are designated as Local Protected Areas and Other Protected Areas of 3,724 ha (36.98%). These areas contain KPPN, KPSL and the Peat Dome Peak.
- Monitoring of negative impacts of forest management activities in concession areas is carried out in accordance with the RKL and RPL documents. PT. Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang 2020, has documented procedures for such as Monitoring Protected Areas, Monitoring Discharge and Water Quality

and for Monitoring Subsidence and Level of Groundwater Level.

The Management Unit has carried out Biodiversity Management activities through the following activities:

- Identification and inventory of protected, endemic, rare and threatened / endangered flora & fauna in IUPHHK-HTI areas. There is a map of the distribution of flora and fauna.
- Management of Protected Areas, which is carried out in accordance with the Implementation Report of the RKL / RPL each semester as well as standard procedures for determination and monitoring of Protected Areas
- Identification of key protected and threatened / endangered species, their habitats and their migration patterns. Based on the identification, there are no key species in the area.
- The staple plant species cultivated are not genetically modified tree species, being *Acacia crassicarpa*.

The Management Unit has carried out Forest Protection activities:

- Identify and monitor disturbances in Sustainable Forest Management, whether these have human or natural causes.
- Has a documented procedure to prevent and manage pest attacks, utilizing manual, natural or pesticide remedies as most suitable,,
- Besides having documented procedures for Integrated Pest and Disease Management, it also has such measures for Weed Control, Handling Spills of Fuel, Lubricants and Chemicals, and for the Management of Hazardous and Toxic Waste (B3).
- Implements forest protection measures against fire hazards.
- There are no livestock grazing activities in the work area.
- Implement appropriate steps in forest protection activities.

Results of the Public Consultation

Prior to undertaking the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing March 01, 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 given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the needed requirements for this certification process, which consist 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.

According to the results of the Surveillance 2 Audit of PT Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang, no Non-Conformities of either a Major or Minor nature were identified by the audit team.

Conditions under which the certificate is issued



Sustainable Forest Management Indonesian Forestry Certification Cooperation certificate of PT. Satria Perkasa Agung Unit Kelompok Tani Hutan Sinar Merawang, certificate number: AJA/IFCC-PEFC/FMC-HT/00022/VII/2016 remains valid until June 30, 2022.