

# **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 Unit Koperasi Tani Hutan Sinar Merawang

**TOTAL HECTARES:** 8,680.70 ha

**SCOPE OF REGISTRATION:** Sustainable Forest Management for Forest Plantation covering 8.680,70 Ha in Riau Province

**STANDARD/CRITERIA:** IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

**TYPE OF AUDIT:** Surveillance 1

**AUDIT START DATE:** March 22, 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

**AUDIT END DATE:** March 25, 2017

**LEAD AUDITOR:** Andri Wibisono

**SIGNATURE:**

**AUDIT TEAM:** R Sigit Pamungkas

**SIGNATURE:**

Warsito

**SIGNATURE:**

**MAJOR CARS:** 0

**MINOR CARS:** 6

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT. Satria Perkasa Agung Unit Koperasi Tani Hutan Sinar Merawang	Indragiri Hilir Regency and Pelalawan Regency, Riau Province, Republic of Indonesia	March 22 to 25, 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		

Document: Report Format Public – IFCC

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Date: 15 September 2016

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#### Brief Description of the concession

The Management Unit is a HTI pattern of partnership between PT Satria Perkasa Agung and Sinar Merawang Forest Farm Cooperative under the name of IUPHHK-HTI holder PT Satria Perkasa Agung – Koperasi Tani Hutan Sinar Merawang, as stated in Minister of Forestry Decree No. 19 / Menhut-II / 2007 for an area of 10,070 ha.

The operational implementation of sustainable forest management is based on the Revision of RKUPHHK-HTI Year 2016, which was legalized by SK. 3715/MenLHK-PHPL/UHP/HPL.1/8/2016 dated August 5, 2016 concerning Revised Plan of Timber Forest Product Utilization (RKUPHHK-HTI) for the 10-year period of 2008 to 2017 in the name of PT Satria Perkasa Agung – Koperasi Tani Hutan Sinar Merawang in Riau province.

Management Unit has carried out spatial planning of the whole 10,070 ha area, as follows: Protected Areas of 2,688 ha (26.69%), consisting of Germplasm Area of 1,155 ha (11.47%) and Wildlife Area of 1,533 ha (15.22%); Staple Crop Area of 5,028 ha (49.93%) with associated infrastructure of 295 ha (2.93%); Livelihood Plant Area of 1,977 ha (19.63%) with associated infrastructure of 82 ha (0.81%).

There has been conversion of 1,389.3 ha of natural forest to plantation forest since December 31, 2010, however, and thus the scope for IFCC certification is 10,070 ha - 1,389.3 ha = 8,680.70 ha. The Management Unit has already physically marked the boundary between the IFCC area and non-IFCC (converted) area.

Administratively, PT Satria Perkasa Agung – Koperasi Tani Hutan Sinar Merawang falls under both Pelalawan and Indragiri Hilir regencies.

The working area of the Management Unit is surrounded by HTI companies, and based on the properties of the peatland site, *Acacia crassicarpa* has been developed as the primary crop species.

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

Located in the regencies of Pelalawan and Indragiri Hilir, the PT Satria Perkasa Agung – Koperasi Tani Hutan Sinar Merawang working area has a number of surrounding villages. The majority of the people are Malay (90%), with the remainder being migrants from Java, Minang and Banjar. In Sinar Danau Village, however, the majority of the migrants are from Palembang, (60%), with Malay (20%), Banjar (10%) and those from Java and Minang making up the remainder. The vast majority earn their livelihood from either fishing or farming, depending on the village, with the remainder working as laborers or traders.

Although the communities hold no traditional rights in the concession area, PT Satria Perkasa Agung – Koperasi Tani Hutan Sinar Merawang has involved them in its forest management activities. Chief among such efforts is the cooperation in respect to sharing revenues from the harvesting of livelihood plant life. and in this regard it has signed a series of agreements with the surrounding communities. There are also cooperation agreements signed with various villages on the prevention and handling of land and forest fire in the form of the Community of Concerned Fire (MPA).

Although the Company has set in place a conflict resolution mechanism to settle disputes with the local community in an amicable manner based on discussion to reach consensus, it currently has no conflict with the local communities.

Besides its current agreements on livelihood crops, etc. PT Satria Perkasa Agung – Koperasi Tani Hutan Sinar Merawang also operates its Corporate Social Responsibility (CSR) programs that provide benefit to the local community not only in economic terms but also from the aspect of advancement of health and education as well as social and religious welfare. These programs range widely from the provision of infrastructure where needed to assistance with agricultural pilot schemes and household industry, as well as the provision of facilities for healthcare, education, sport and recreation, and supporting the observance of religious commemorations.



#### Description of the ecological conditions of the concession

The Management Unit undertakes activities to minimize negative environmental impacts in accordance with RKL (Environmental Management Plan) and RPL (Environmental Monitoring Plan) documentation, the results of which are reported to the requisite authorities on a periodic basis. Among the impacts monitored are various indicators relating to the health of the soil and the quality of the water.

The Management Unit has allocated a protected area (KPPN and KPSL), in which it undertakes specific measures to ensure their wellbeing. These including mapping and marking the area boundaries, socialization of their importance to the local community, and monitoring of not only flora and fauna, but soil fertility, peat subsidence and water quality.

Fire is always a major hazard in forest areas and the Management Unit has cooperation agreements with the local community on fire prevention and monitoring potential hotspots. Further actions include regular patrols of the whole plantation area to minimize forest disturbances that can threaten its health such as illegal entry, disease or infestation, and the lighting of fires.

The Management Unit implements standard methods for the handling of hazardous waste materials (B3), which include an inventory of waste, source, and estimated amount. All such waste is regularly collected and retained in temporary storage until its collection by a licensed disposal company.

#### Results of the Public Consultation

Prior to performing the Surveillance Audit 1, PT AJA Sertifikasi Indonesia conducted public consultation commencing March 13, 2017, asking stakeholders to provide feedback and information on PT Satria Perkasa Agung – Koperasi Tani Hutan Sinar Merawang. The public consultation was uploaded to PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://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 Satria Perkasa Agung – Koperasi Tani Hutan Sinar Merawang. 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 8,680.70 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 Satria Perkasa Agung – Koperasi Tani Hutan Sinar Merawang revealed 6 minor non-conformities, as follows:

NO	Non-conformities	Corrective Action performed	Category
1.	Micro-planning map had no TPn coordinates input on the online SI-PUHH system. The coordinates input on the SI-PUHH could not be verified in the field. No map of micro-planning evaluation has been made  <b>Clause Ref : I.4.4</b>	Periodic monitoring of the availability of micro-planning maps that contain coordinate information on the TPn	Minor

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2	The Management Unit has failed to properly manage the nursery.  <b>Clause Ref: I.7.2</b>	Conducting routine environmental checks on natural seedling nursery, to ensure it is well managed and regulate seed availability for rehabilitation targets	Minor
3	The RKL / RPL implementation report has not reported social impact monitoring as required.  <b>Clause Ref: I.10.2</b>	Evaluate RKL / RPL report always includes social impact	Minor
4	The Management Unit failed to provide the medical check results of MCU spray and chemical warehouse workers.  Some contractors unable able to provide proof of BPJS payments on of behalf of their workers  <b>Clause Ref : I.11.2</b>	<ul style="list-style-type: none"> <li>• Conduct periodic medical checks on spray workers and chemical warehouse workers</li> <li>• Evaluate the fulfillment of contractor's labor administration</li> </ul>	Minor
5	Management Unit of PT Satria Perkasa Agung – Koperasi Tani Hutan Sinar Merawang does not yet have: <ul style="list-style-type: none"> <li>• Committee for the Development of Occupational Safety and Health (P2K3) as approved by the Head of Department of Manpower, Transmigration and Population of Riau Province.</li> <li>• General Occupational Safety Expert as required by the Ministry of Manpower of the Republic of Indonesia Director General of Guidance on Labor Inspection and Occupational Safety and Health</li> </ul> <b>Clause Ref: I.12.1</b>	Monitor the formation of P2K3 and the appointment of a general K3 expert.	Minor
6	Management Unit has not yet conducted laboratory tests on water used by employees for toilets  <b>Clause Ref: I.12.5</b>	Management Unit will monitor regular testing of MCK water.	Minor

**Conditions under which the certificate is issued**

Certificate is valid until (01/07/2019), provided that PT Satria Perkasa Agung – Koperasi 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 may be suspended until such time as AJA is able to perform a closeout visit.