

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 SUMATERA SYLVA LESTARI UNIT PADANG LAWAS

TOTAL HECTARES: 33,390 Ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 33,390 Hectares of Plantation Forests in North Sumatra Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification (HYBRID)

AUDIT START DATE: April 26, 2022

AUDIT END DATE: April 29, 2022

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: Riyadi Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Amin Kadani

SIGNATURE:

Tata Sumitra

SIGNATURE:

HYBRID AUDITOR: Andri Wibisono

SIGNATURE:

AUDITOR IN TRAINING: Qodly Zaka Syahtriawan

SIGNATURE:

Inggita Nuri Prihantini

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head Office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru, 28142, Riau Province, Indonesia	April 26, 2022 and
M.U	Padang Lawas – Kecamatan Barumun Tengah, Lubuk Barumun, Kabupaten Padang Lawas, Provinsi Sumatera Utara, Indonesia	April 27 to 29, 2022
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	
NA		

Brief Description of the concession

PT Sumatera Sylva Lestari concession area was established based on the Decree of the Minister of Forestry No. 82/Kpts-II/2001 dated March 15, 2001 concerning the Granting of Concession Rights for Timber Plantation Business to PT Sumatera Sylva Lestari for a forest area of approximately 42,530 hectares in North Sumatra and Riau Province. The Padang Lawas unit is located in North Sumatra Province covering an area of 33,390 ha. No natural forest were converted after December 31, 2010. Thus, the area certified under the IFCC Sustainable Forest Management scheme is 33,390 hectares.

PT Sumatera Sylva Lestari Unit Padang Lawas has revised the long-term management plan RKUPHHK-HTI of 2013 to 2022 (Ministry of Forestry Decree Number SK.14/VI-BUHT/2013 dated April 1, 2013). According to the RKUPHHK, the spatial planning is consisting of Protected Area of 3,593 ha (10.76%), Ineffective Area for Production of 579 ha (1.73%), Staple Plants area of 23,150 ha (69.34%), Indigenous Plants area of 4,397 ha (13.17%) and Livelihood Plant area of 1,671 ha (5%).

PT Sumatera Sylva Lestari Unit Padang Lawas is geographically located between 01°03'38" to 01°31'06" South and 99°45'53" to 100°1'00" East. Based on government administration, it is located in District of Sosa District, Lubuk Barumun, Barumun Tengah, Huristak and Simangambat, Padang Lawas Regency and North Padang Lawas Regency, North Sumatra Province.

The topography of PT Sumatera Sylva Lestari Unit Padang Lawas is mostly flat (0-8%) with an altitude of 50 to 200 m above sea level. The soil type is Podsolik Red Yellow. The geological formations include peasant, minsa and alluvium formations. The climate according to Schmidt and Fergusson includes Type A, with the value of rainfall of 2,259 mm/yr with the highest rainy month in December and the lowest in June. The hydrology includes the Hampair River and Simarbuaya River watersheds. The species of plants developed are *Acacia mangium* and *Eucalyptus* sp.

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

The communities around the concession are local communities. There are no customary law communities. According to Padang Lawas Regency in Figures in 2022, the population of Padang Lawas Regency in 2021 is 263,719 people. The assisted villages by the company are Siali-Ali Village, Sipagabu Village, Sigoring-goring Village, and Pasar Latong Village.

There is a Potential Mapping Report and Conflict resolution in Semester I and Semester II of 2021. Based on the report, the status of the conflict is at the alert level. The preparation of Conflict Mapping Report in accordance with the Regulation of the Director General of Sustainable Production Forest Management Number P.5 / PHPL / UHP / PHPL.1 / 2 / 2016 concerning Guidelines for Mapping Potential and Conflict Resolution for Holders of Business Permits for Utilizing Timber Forest Products (IUPHHK) in Production Forests. The two reports have been included in the report and conflict map (Map Indications of Encroachment and Claims of PT Sumatera Sylva Lestari on a scale of 1:200,000).

According to the Conflict Resolution Report and Map of Encroachment and Claims, there are more than sixty running claims from the surrounding parties. As for resolving conflicts, The Management Unit has a conflict resolution organizational structure with adequate human resource which was determined by the Director on January 5, 2021 as well as the Conflict Resolution Protocol Procedure. This team of conflict resolution is supported by related external parties, such as village government, district government, regency, related agencies and TNI/Polri. According to the staffs, the Management Unit carries out routine patrols in the concession area.

There are cooperation agreements of livelihood plants mentioned since the previous audit with two village cooperatives. These are still running proven by the proof of payment of the livelihood plant fee to the related village

cooperatives. Another cooperation agreement is the establishment of Community of Fire Awareness (MPA), formed with two villages in 2014 and 2016. During 2021 until March 2022, there were no residents seeking or utilizing non-timber forest products. Thus, there is no running agreement or cooperation agreement with the community regarding the use of non-timber forest products in the concession area. According to the description above, the Management Unit has made agreements with indigenous peoples and/or local communities (if any) to manage forest areas in accordance with customary rights legally as identified in accordance with Indicators 9.1 and 9.2.

The realization of the CD/CSR program assistance is generally channeled through educational, health, religious, economic, infrastructure assistance programs as well as social and environmental assistance, including construction of trenches with heavy equipment, rice field cultivation, assistance of Covid-19, material assistance for the repair of the mosques, road repairs, sport equipment for school, and cattle for livestock.

Description of the Ecological conditions of the concession

PT Sumatera Sylva Lestari Unit Padang Lawas has identified forest management activities that have significant impacts, and carried out an environmental impact assessment. As for the protection of the land, the Management Unit conduct monitoring of soil fertility, soil density, and soil erosion. The Management Unit as well allocated Protected Area of 3,593 Ha (10.76%), consisting of River Borders of 3,363 Ha (10.07%) and Germplasm Conservation Area (KPPN) of 230 Ha (0.69%). The company has implemented management in protected areas include:

- Arrangement of protected areas by carrying out boundary marking in the form of installing stakes and painting trees along the path. The marking of boundaries is not only to reduce encroachment, but also to mark areas that are not allowed to be logged,
- The realization of the marking of protected area boundaries that has been completed is 33% of the total, which has not been realized is the claim area.

The Management Unit has identified key species in their area. In the concession area, the key species is the Sun bear (*Helarctus malayanus*). PT Sumatera Sylva Lestari Unit Padang Lawas as well carried out an environmental impact assessment on the potential impacts on protected, endemic, rare and threatened/near-extinct flora and fauna.

Monitoring of pest and disease attacks is carried out regularly. The attack occurrence rate is recorded in the applicable form and identified to handle attacks that occur so that they do not spread. The plant pests encountered were *Helopeltis*. The way to overcome this is by spraying pesticide and releasing bio-predators. The breeding of bio-predator (*Sycanus* sp.) is one of the efforts made by PT Sumatera Sylva Lestari in reducing the use of chemicals for plant pests.

Forest protection activities include monitoring of fires, encroachment, and illegal logging in the company work area. These monitoring activities include conducting patrols in both protected areas and production areas. The efforts of the company to protect forests in fire prevention that have been carried out to date are as follows:

- Implementation of a zero-burning policy in land preparation activities,
- Conduct patrols against the potential for encroachment and forest and land fires,
- Prepare adequate fire-fighting personnel and equipment and maintain of technological developments,
- Monitoring the area from fires through monitoring towers and CCTV,
- Conduct internal training for the fire and forest fire team,
- Establishment of Community of Fire Awareness (MPA) with the community.

Results of the Public Consultation

Before carrying out the Recertification Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing March 14, 2022, asking stakeholders to provide feedback and information about PT Sumatera Sylva Lestari Unit Padang Lawas. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via email or postal mail, and published in local newspapers.



PT AJA Sertifikasi Indonesia received no input from the stakeholders. The reported cases are being given 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, register for an area of 33,390 hectares.

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

The result of Recertification Audit of PT Sumatera Sylva Lestari Unit Padang Lawas is one Minor Non-conformity. No critical issues occurred.

No	Non-Conformities	Corrective Action Performed	Category
1	There is a change in the company spatial layout, but the Management Unit cannot show documents related to the spatial planning change process that has been adapted to field conditions and is in accordance with the latest regulations. Indicator I.2.2	The current RKUPHHK-HTI is still valid until 2023. PT Sumatera Sylva Lestari will send a draft related to the new RKUPHHK-HTI of 2023 to 2032 which has been adapted to field conditions and applicable laws and regulations.	Minor

Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00027/VIII/2016 is valid until August 04, 2025, provided that PT Sumatera Sylva Lestari Unit Padang Lawas 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.