

Public Report

Sustainable Forest

Management System

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CLIENT NAME: PT SUMATERA SYLVA LESTARI UNIT PADANG LAWAS

TOTAL HECTARES: 33,390

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

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: June 6, 2023

AUDIT END DATE: June 9, 2023

In signing this document the Audit team confirmed that they 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 UNDER SUPERVISION: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Abdullah Mujahid

SIGNATURE:

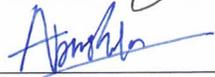
Abdul Salam

SIGNATURE:

SUPERVISOR: R Sigit Pamungkas

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 28143, Riau - Indonesia	June 6, 2023
Site	Padang Lawas, Kecamatan Barumun Tengah, Lubuk Barumun, Kabupaten Padang Lawas, Sumatera Utara, Indonesia	June 7 to 9, 2023
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 obtained a forest management permit based on a Decree of Minister of Forestry Number 82/Kpts-II/2001 concerning the Granting of Timber Plantation Forest Concession Rights to PT Sumatera Sylva Lestari over a forest area of approximately 42,530 Ha (forty two thousand five hundred thirty) hectares, in North Sumatra and Riau Provinces on March 15, 2001 for 43 years. The Management Unit received the Decree of PBPH (Permit for Forest Utilization), namely Decree of the Minister of Environment and Forestry Number: SK.1490/MenLHK/SETJEN/HPL.0/12/2021 dated December 31, 2021. There was a change in the nomenclature from IUPHHK-HTI to PBPH (Forest Utilization Business Permit). The working area of PT Sumatera Sylva Lestari Unit Padang Lawas is 33,390 Ha.

PT Sumatera Sylva Lestari Unit Padang Lawas has a Forest Utilization Business Work Plan (RKUPH) document which was ratified based on the Decree of the Minister of Environment and Forestry Number: SK.10087/MenLHK-PHL/PUPH/HPL.1/12/2022 dated December 23, 2022, concerning the Approval of Forest Utilization Business Work Plan (RKUPH) for the 2023 to 2032 period on behalf of PT Sumatera Sylva Lestari in North Sumatra and Riau Provinces.

The Management Unit organizes its work area consisting of Protected Area of 3,892 Ha (11.66%) and Cultivation Area of 29,498 Ha (88.34%) a total of 33,390 Ha (100%). Protected Areas consisting of River Rims 2,183 Ha (6.54%), KPPN/KPSL of 212 Ha (0.64%), Other Protected Areas of 1,497 Ha (4.48%), while the Cultivation Area of 29,498 Ha (88.34%) consisting of Utilization of Timber Forest Products of Plantation Forest of 8,241 Ha (24.68%), Other areas (gardens, shrubs) of 20,674 Ha (61.92%), and infrastructure and facilities area of 583 Ha (1.74%). The scope of IFCC certification is 33,390 Ha due to no conversion.

PT Sumatera Sylva Lestari Unit Padang Lawas is geographically located 01°03'38" to 01°31'06" South and 99°45'53" to 100°01'00" East. Based on government administration, it is in Sosa District, Lubuk Barumun District, Barumun Tengah, Huristak and Simangambat, Padang Lawas District and North Padang Lawas District, 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 Red Yellow Podzolic with the geological formations include peasant formations, minsa and Alluvium. The climate according to Schmidt Fergusson includes Type A, rainfall 2,259 mm/year with the highest rainy month in December, and the lowest is June. Hydrology includes the Ham Pasang River and Simarbuaya River watersheds. The species of plants developed are *Acacia crassicaarpa* and *Eucalyptus sp.*

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

The residents around PT Sumatera Sylva Lestari Unit Padang Lawas have livelihoods as oil palm farmers, rubber farmers, rice field farmers and other service traders. There are no indigenous peoples in and around the work area. The majority of the people are Javanese, Malay and Batak.

Based on the Indicative Map of Encroachment and Claims in PT Sumatera Sylva Lestari, there are claimants in PT Sumatera Sylva Lestari Unit Padang Lawas which mostly are in the form of palm oil farm. The total area of the claims up to May 2023 is 14,408.3 Ha which is in the North and South of PT Sumatera Sylva Lestari Unit Padang Lawas. Until this Surveillance 1 Audit, the progress of the claim settlements is still in the hands of the regional police. The claims itself had been reported to the police since last year and in the compilation of information from reporting entities and witnesses.

There was no new cooperation agreement with the community this year. The existing cooperation agreements are in livelihood pants and Community with Fire Awareness. PT Sumatera Sylva Lestari Unit Padang Lawas has provided adequate support to local communities around the company. In 2022, the realization of Community Development

Program Activities reach 284%. The types of assistance activities consist of six fields, namely the education sector, the health sector, the religious sector, the economic sector, the infrastructure sector, and the social and environmental sector. As for the implementation of the Community Development Program in 2023, including aids of building materials for village church and mosque, and a tractor machine for the village farmer group. Submission of assistance or proposals from the village is usually carried out during the RKT socialization and some are directly conveyed by the community through the village government or with the knowledge of the village heads.

Description of the ecological conditions of the concession

The Management Unit has conducted forest ecosystem and hydrological function management through the following activities:

- Identify forest management activities that have significant impacts, and conduct environmental impact assessments through:
 - AMDAL, RKL, RPL documents of 1998.
 - Report on the Environmental Management and Monitoring Plan (Environmental Permit) Semester 1 and 2 of 2022.
 - Business Work Plan Documents for the Utilization of Timber Forest Products for Industrial Plantation Forests (RKUPHHK-HTI) for a period of 10 (ten) years for the period 2023 to 2032 (SK MenLHK no. SK.10087/MenLHK-PHL/PUPH/HPL.1/12/ 2022, December 23, 2022.
 - Annual Work Plan (RKT) for 2023
- Implementation of Reduced Impact Logging before, during and after harvesting.
- Identification of areas functioning for soil and protection which are being designated as a protected area, namely the KPPN and River Border.
- Monitoring of negative impacts of forest management activities in accordance with AMDAL, RKL, RPL documents, and documented procedures that serve as guidelines, such as SOPs for Monitoring Protected Areas, SOPs for Monitoring Discharge and Water Quality and SOPs for Monitoring Erosion.
- Controlled the use of B3 (Hazardous and Toxic Materials) in accordance with the documented procedures, namely SOP for Management of Hazardous and Toxic (B3) Waste, SOP for Handling Spills of Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP for Pest Management and Integrated Disease.

The Management Unit has carried out biodiversity management through the following activities:

- Identification and inventory of protected, endemic, rare and threatened/endangered flora and fauna and their habitats in the area according to regulations. There is a distribution map of flora and fauna.
- Management of Protected Areas in accordance with the RKL/RPL Implementation Report each semester as well as SOPs for Determination of Protected Areas and SOPs for Monitoring Protected Areas.
- Carried out an environmental impact assessment of potential impacts on protected, endemic, rare, and threatened/endangered species flora and fauna.
- Not cultivated genetically modified species but *Eucalyptus* spp and *Acacia crassicarpa*.

The Management Unit has carried out forest protection through the following activities:

- Identification and monitoring of disturbances in Sustainable Forest Management.
- Have documented procedures to prevent and deal with pest attacks, namely Integrated Pest and Disease Control SOPs.
- Regulate the management of chemical pesticides in the field with the following documented procedures.
- Implemented forest protection measures against fire hazard.
- Prohibition of livestock grazing in the work area.

Results of the Public Consultation

Before carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing May 12, 2023, 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.

This Surveillance 1 Audit results are 1 (one) non-conformity in Minor category. The Management Unit has made improvements and the non-conformity is closed.

Number	Non-Conformities	Corrective Action Performed	Categories
1	<p>There were non-compliances found in the activity of timber harvesting from plantation forest, include:</p> <ul style="list-style-type: none"> - The skid trails are not depicted on the Harvesting Map, - Heavy equipment moves without a route, there were two tracks in proximity, - The bark used by the peeling activity is not evenly distributed, - The length measuring tool was not in accordance with the standards. <p>Indicator I.4.4</p>	<ul style="list-style-type: none"> - Ensuring the consistent use of microplanning maps to delineate skid trails, trash paths, track equipment routes, - Ensuring the use of ribbon stakes in the field for waste lanes and routes according to the instructions depicted on the micro map, - Supervise and ensure the chainsaw operators use measuring sticks that comply with the standard length, - Ensuring the operator performs bark routing after the debarking process, - Carry out routing according to standards, thus, there is no piled up garbage and bark. 	Minor

Conditions under which the certificate is issued

Certificate is valid until August 4, 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 close-out visit.