

# **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**



**JOB NUMBER:** AJA/IFCC-029

**CLIENT NAME:** PT Sumatera Sylva Lestari

**TOTAL HECTARES:** 33,390  
 hectares

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

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

**TYPE OF AUDIT:** Stage 2

**AUDIT START DATE:** April 12, 2016

**AUDIT END DATE:** April 15, 2016

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:** ABDULLAH MUJAHID

**AUDIT TEAM:** UTOMO

WARSITO

**SIGNATURE:**

**SIGNATURE:**

**SIGNATURE:**

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**MAJOR CARs:** -

**MINOR CARs:** 8

|   |                                     |
|---|-------------------------------------|
| <b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):</b>                    | <input type="checkbox"/>            |
| <b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):</b> | <input checked="" type="checkbox"/> |
| <b>RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):</b>  | <input type="checkbox"/>            |
| <b>NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence Of Major System Failure):</b>                         | <input type="checkbox"/>            |

**SELECT OPTION**

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| <b>SITE NAME<br/>(Legal Name):</b> | <b>ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY<br/>(If more than 4 sites have been visited please add additional rows):</b>   | <b>DATE OF EACH<br/>SITE VISIT:</b> |
|------------------------------------|--|-------------------------------------|
| PT.<br>Sumatera<br>Sylva Lestari   | Unit Padang Lawas - Barumun District, Padang Lawas Regency, North Sumatra<br>Province - Indonesia.   | April 12 to 15,<br>2016             |
|                                    |  |                                     |
|                                    |  |                                     |
|                                    |  |                                     |
| <b>SITE NAME<br/>(Legal Name):</b> | <b>ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION<br/>INCLUDING COUNTRY - TO BE COMPLETED IF CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN<br/>(If more than 4 additional sites have been registered please add additional rows)</b> |                                     |
| -                                  | N/A  |                                     |
|                                    |  |                                     |
|                                    |  |                                     |
|                                    |  |                                     |
| <b>REF No:</b>                     | <b>ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED<br/>DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY<br/>(If more than 2 installation sites have been visited please add additional rows)</b>                           |                                     |
| -                                  | -N/A   |                                     |
|                                    |  |                                     |

### **Brief Description of the concession and its natural and socio-economic conditions.**

PT Sumatera Sylva Lestari Unit Padang Lawas (PT SSL Padang Lawas) received an operating license for plantation forest management by Decree of the Minister of Forestry No. 82 / Kpts-II / 2001 dated 15 March 2001 on the Granting of Business License of Forest utilization for Wood Carpentry PT Sumatera Sylva Lestari on the forest area of circa 42,530 ha (forty-two thousand five hundred and thirty hectares), in North Sumatra and Riau Provinces, for 43 years.

Based on the Revised RKUPHHK-HTI (Long-Term Work Plan) for the period of 2013 – 2022 that has been approved based on Decree of Minister of Forestry Number SK. 14/VI-BUHT/2013 dated 01 April 2013, the total area of PT Sumatera Sylva Lestari Unit Padang Lawas is 33,390 ha. In managing the forest, PT. SSL Padang Lawas has prepared spatial planning of the working area covering 33,390 ha as follows: primary plants area covering 23,150 ha (69.34%), indigenous plants area covering 4,397 ha (13.17%), livelihood plants area covering 1,671 hectares (5.00 %), protected area covering 3,593 hectares (10.76%) and non-effective area for production covering 578 ha (1.73%).

Based on the geographical location, the working area of PT SSL Padang Lawas is located within the coordinates E 99° 45'53 " - 100° 01 '00" and S 01° 03'38 " - 01° 31'06". On an administrative level, it lies in the Sosa District, Lubuk Barumun District, Central Barumun District, Huriktak and Simangambat District, Padang Lawas and North Padang Lawas Regency,



North Sumatra Province.

The topography of PT SSL Padang Lawas working area is mostly flat (0-8%), lying 50-200 meter above sea level and having Red Yellow Podzolic soil type. Based on the Geological Map, PT SSL Padang Lawas is included in the geological formation of Petani, minsa and Old Alluvium. According to the Schmidt Fergusson climate classification, PT SSL Padang Lawas is included in climate type A, with rainfall of 2,259 mm / year with the wettest months being December and the driest June. The working area includes the watershed of the Hampasang and Marbuaya Menek rivers.

There are 32 villages located around the concession spread over 5 districts and 2 regencies. The concession area of PT SSL Padang Lawasan was originally marginal lands, which were delivered by custom /pago-pago (handing over land to forestry agencies) in 1981 from the Barumon Central District, Barumon Sosa District and Sub-district to the North Sumatra Provincial Forestry Agency of circa 30,000 ha for reforestation. Reforestation project managed by the Center for Rehabilitation and Soil Conservation (BRLKT), North Sumatra Provincial Forestry Agency. In 1990 the management of these forests by Minister of Forestry was submitted to Inhutani IV. HTI project, which was implemented from 1992/1993 until 1995/1996. Based on the Minister of Forestry Decree No. 230 / Menhut-IV / 1995 dated February 15, 1995, the management of HTI Padang Lawas was handed over to PT Raja Garuda Mas (PT SRL) as a joint HPHTI Inhutani IV.

Based on the report the identification of land, land under claim by the people of the surrounding villages, cooperatives, oil palm plantations privately owned research farm, and others are located in North and South Padang Padang Lawas Lawas. Land encroachment / occupation by communities around the concession due to:

- Some people do not recognize pago-pago (handing over land to forestry agencies) and considers the area as indigenous lands / ancestral lands.
- The area of concessions before the issuance of the Decree of the existing definitive overlap with other companies (oil palm plantations).
- The desire of the people to plant palm oil is very high because the results are more promising.
- There was selling forest land by local police officers village
- The lack of proper understanding by the district government of authority after the regional autonomy.
- Not senengi agency or entity related to the status, entitlements and land designation.

Efforts to resolve the land conflict resolution by the Management Unit are as follows:

- Develop Map Identification / claims of encroachment in the concession area of PT SSL Padang Lawas
- Remedies such as: letter of reprimand, a report to the relevant agencies (local Forestry Service, Police, Director General of Nature Conservation Natural Resource Conservation Center, etc.)
- Secure the area that frequently encroached upon by the community and land encroachment cases reported to the police forces Resort Barumon, the Directorate General of Nature Conservation and Follow-up of the Padang District Court Sidempua
- Implement SOP on conflict resolution protocol.
- Offers a program crop acreage in life for occupation.
- Conducting Coomunity Development to villagers around.

Based on the EIA document prepared in 1999, there are no indigenous people living in the area. The people who live around the concession are the Mandailing Batak the majority of whom are Muslim, so that they have many customs and practices based on the values of the Islamic religion.

The Environmental Management Plan (RKL) document provides the following social component parameters: employment opportunities and business opportunity; public health services; education and community participation in forest management, forest resources and the environment.

Meanwhile, the Environmental Monitoring Plan (RPL) deals with the impact of socio-economic and cultural components that are monitored including: development of local labor force participation rate inside and around the concession; development of patterns and income levels of peoples around the activities area; development of quality health care and

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education for the people; development of dynamics and participation of people in the PMDH (Community Development of Forest Villages) activities; development of perception, attitudes and appreciation of the people around the concession.

PT SSL Padang Lawas has allocated a protected area that serves for the protection of ecosystem services and hydrological functions covering an area of 3,593 ha (10.76%) of the total area of 33,390 ha, consisting of: riparian buffer zone for the rivers covering an area of 3,363 ha (10.07%); and germplasm conservation area (KPPN) covering an area of 230 ha (0.69%). The management unit has also undertaken biodiversity management with management activities and monitoring of flora and fauna, flora and natural ecosystems, surveys, monitoring and identification of vegetation and wildlife each semester, as well as enrichment planting of local species. The Management Unit also has a documented environmental management plan and environmental monitoring plan implementation the reports of which are prepared each semester.

Prior to carrying out the Stage 2 audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing March 2, 2016, asking stakeholders to provide feedback and information on PT SSL Padang Lawas. The Public Consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to the parties via email and / or mail, and published in the local newspaper (Batak Post). PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation and thus also gathered information from the mass media about PT SSL Padang Lawas. Such reported cases are considered to be part of the audit process carried out 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 international rules and regulations, and conventions. The management system has been built to cover all activities in the field of certification, which is registered for an area of 33,390 ha.

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

The results of the Stage 2 Audit of PT Sumatera Sylva Lestari Unit Padang Lawas revealed eight (8) minor non-conformities. PT Sumatera Sylva Lestari Unit Padang Lawas has taken remedial action on the identified non-conformities and thus shown a serious commitment to sustainable forest management.

| NO | Non-conformity (NC)   | Corrective Action to be undertaken   | Category |
|----|---|--|----------|
| 1  | The company could not demonstrate ownership of an Operator Permit (SIO) for the heavy equipment operating within the concession area of PT SSL Padang Lawas.<br>Clause Ref I.1.13   | The company has engaged operators who have received technical training in occupational health and safety, particularly in lift and transport heavy equipment.  | Minor    |
| 2  | The management plan currently in use could not guarantee the preservation of production, ecological and social functions because of numerous cases of land occupation occurring in the primary plants, indigenous plants and livelihood plants areas.<br>Clause Ref I.2.2 | Planning division has ensured that the draft of redesign of the arrangement of the working area will be available, including, among other things, the planning of effective security for the production and other areas. | Minor    |
| 3  | Document of identification and basis for determination of key species had not been updated with current data at the end of 2015.<br>Clause Ref I.7.3  | The Management Unit has identified key species and determined them based on the current reference data at the end of 2015.   | Minor    |
| 4  | The efforts to address land claims made had not fully referred to the SOP of protocol resolution  | Management Unit has revised the SOP on conflict resolution protocol by considering the current characteristics of  | Minor    |

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|   | conflict.<br><br>Clause Ref I.9.5   | society.  |       |
| 5 | Management Unit of PT SSL Padang Lawas could not show proof of membership and payment of BPJS for some of the contractor's workers in planting.<br><br>Clause Ref I.11.1                                | - The Estate Management has issued a warning to the contractor to register its employees in the BPJS program.<br>- The Management Unit has consulted with BPJS to reach resolution for those employees who lack ID cards. | Minor |
| 6 | Management Unit could not show the results of the periodic medical checkup (MCU) for all employees and especially for those working in high-risk areas for the period of 2015.<br><br>Clause Ref I.12.1 | Estate Manager will prepare a plan and ensure that the medical checkup (MCU) activity can be implemented for all employees.   | Minor |
| 7 | In the housing estate area of the contractor, there were no clean water facilities for bathing, washing or latrine (MCK) for the workers.<br><br>Clause Ref I.12.5                                      | Estate Manager has reviewed the MCK facilities construction plan for the contractor.  | Minor |
| 8 | Reports on the monitoring and evaluating of implementation and effectiveness of K3 management system were not available.<br><br>Clause Ref I.12.7   | Estate Manager has ensured that all documents related to P2K3 monitoring and evaluation results are available on the estate.  | Minor |

**Conditions under which the certificate is issued**

The certificate is valid until 05/08/2019 provided that PT. Sumatera Sylva Lestari Unit Padang Lawas has completed all corrective actions according to the proposed time schedule and does not have the same problem on the next surveillance visit. If 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.