

Public Report Sustainable Forest Management System

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CLIENT NAME: PT SUMATERA SYLVA LESTARI UNIT PASIR PENGARAIAN

TOTAL HECTARES: 9,140

SCOPE OF REGISTRATION: Sustainable Forest Management of 9,140 hectares of Plantation Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification (HYBRID AUDIT)

AUDIT START DATE: February 08, 2022

AUDIT END DATE: February 10, 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: Abdullah Mujahid

AUDIT TEAM: Amin Kadeni

Angung Utama Lubis

HYBRID AUDITOR: Andri Wibisono

OBSERVER: Qodly Zaka Syahtriawan

Inggita Nuri Prihantini

SIGNATURE:

SIGNATURE:

SIGNATURE:

SIGNATURE:

SIGNATURE:

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Pasir Pengaraian Estate	Rambah Hilir District, Tambusai District, Bangun Purba District, Rokan Hulu Regency, Riau Province - Indonesia	February 08 to 10, 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	

Brief Description of the Concession

PT Sumatera Sylva Lestari Unit Pasir Pangaraian obtained a concession permit through the Decree of the Minister of Forestry Number 82/Kpts-II/2001 dated March 15, 2001 concerning the Granting of Timber Plantation Concession Rights to PT Sumatera Sylva Lestari over a forest area of approximately 42,530 hectares North Sumatra and Riau for 43 years. The forest management is divided into two units, namely the Pasir Pangaraian Unit of 9,140 Ha in Rokan Hulu Regency, Riau Province, and another is Unit Padang Lawas in North Sumatra Province, which is a different forest management unit. There was no conversion of natural forest to plantation forest in the work area, thus, the entire area of 9,140 hectares is being certified by IFCC.

The long-term management plan namely the Revision of the Business Plan for the Utilization of Industrial Timber Forest Products (RKUPHHK-HTI) applies for the period of 2013 to 2022 which was ratified through the Decree of the Minister of Forestry SK Number: SK.14/VI-BUHT/ 2013 on April 1, 2013. The spatial of its working area were allocated as Protected Area of 1,250 ha (13.68%), Facilities and Infrastructure of 271 ha (2.96%), Staple Crops Area of 6,248 ha (68.36%), Indigenous Plants Area of 914 ha (10.00%) and Livelihood Plant Area of 457 ha (5.00%).

PT Sumatera Sylva Lestari Unit Pasir Pengaraian is geographically located at the coordinates of 00° 56' to 01° 02' North and 100° 08' to 100° 17' East. Administratively, the Management Unit is under the government of in the Tambusai District, Rambah Hilir District and Bangun Purba District, Rokan Hulu Regency, Riau Province. The concession is bounded by oil palm plantations and community plantations and villages, as follows:

- west side with the PT Damai Nusa Sekawan Plantation, PTPN V, Bangun Purba Barat Village,
- east side with the Batas and Rambah Village,
- north side with the Sei Kumango Village, and
- south side with Tangun Village, Pasir Intan Village, Rambah Jaya Village, Pasir Jaya Village.

PT Sumatera Sylva Lestari Unit Pasir Pengaraian is part of Sei Geringging Forest Group. The area is a dry or mineral land with flat (0-8%) topography, at an altitude of 70 to 90 meter above sea level. The soil type in the concession is Red-yellow Podsollic, with geology (rock type) being Telisa and Petani Formations. The climate in The Management Unit area is the type A (Schmidt/ Ferguson), with rainfall of 1,830 mm/year, highest month in November and the lowest in July. The hydrology here is part of Sosopan River, Sipatak River, and Barliampan River. According to its mineral soil, the plant species developed as the staple and livelihood plants is *Eucalyptus sp.*

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

The concession area of PT Sumatera Sylva Lestari is adjacent to the settlements. The residents around the concession are mostly living with farming, hunting, and fishing. They are local communities and not the indigenous ones, because no customary law people were identified around the concession area.

The Management Unit has compiled Potential Mapping Report and Conflict Resolution and Indicative Map of Encroachment and Claims as the first step to identify and prevent conflict with the community. The current conflict status is Critical due to some cases of land claims in the PT Sumatera Sylva Lestari concession. The Management Unit has established Conflict Resolution Organizational Structure as the company special team to carry out conflict resolution include deliberation efforts, negotiations, to legal efforts.

Although there are claims in the concession, the Management Unit always runs collaboration with the surrounding community. The collaboration is part of the conflict prevention and resolution. One of the collaborations is in the form of forest concession cooperation agreement. Others are the utilization of non-timber forest products such as honey,

fish, grass for animal feed where the company provides guidance to community groups seeking non-timber forest products, and cooperation in preventing and overcoming forest fires through the Community with Fire Awareness (MPA) program.

PT Sumatera Sylva Lestari annually implemented Corporate Social Responsibility activities to the surrounding community. The activities carried out for 2021 cover the fields of education, health, religion, economy, infrastructure, social and environmental fields. Meanwhile, for the Community Development activities performed include the scholarships, assistance for kindergartens; medical equipment assistance, formula milk assistance; prayer room assistance, mosque construction assistance, Ramadan food and beverage packages, assistance for sacrificial animals; development of farmer groups, assistance for cattle, catfish cultivation; village office facilities and infrastructure, lending of heavy equipment, construction of village dams; and sports equipment, corporate social services.

Description of the Ecological conditions of the concession

PT Sumatera Sylva Lestari has the obligatory environmental documents (AMDAL RKL and RPL) and carry out environmental management and monitoring as their obligations in accordance with the Environmental Documents. The implementation of the management and monitoring is reported every six months to the authorized government agency. Some of the environmental aspects that are managed and monitored include physical and chemical components (changes in macro climate, decreased soil fertility, water quality), biological components (natural vegetation or protected species, wildlife, plant pests and disturbances in the area).

The identified areas that function for soil and water protection were measured to protect these areas from damage (erosion, landslides, etc.) due to forest management operations. For water protection, the area being identified is the river borders of 1,030 Ha (11.27%) ha within the concession area, such as Sepatak River and Tambusai River. The management of protected areas aims to maintain the existence of forest resources, both plant and animal. One way to manage protected areas is to rehabilitate protected areas damaged by fire, illegal logging, encroachment and etc. To prevent the damage, the Management Unit installed signboards and conduct regular observation and monitoring.

The Management Unit waste management is referred to the SOP for Hazardous and Toxic Waste (B3) Management. The types of B3 waste from forest operational activities include pesticides, herbicides, fungicides, insecticides, bactericides, types of materials/fertilizers, and waste oil. The Management Unit has obtained a Temporary Storage Permit for B3 from the Regent of Rokan Hulu in 2014. This permit indicates that in handling B3 waste, the Management Unit has a material and waste storage warehouse that is functioning properly.

The result of inventory of local plant species are *Macaranga* sp., *Canangim odoratum*, *Ficus* sp., *Eugenia* sp., and *Shorea* sp.. These plants were utilized by animals as their habitat in the concession. The wildlife inventory was performed in conjunction with the vegetation observation route. The report on the results of the inventory is in the form of a wildlife table and documented in the RKL report for each semesters of 2021. To protect the purity of the forest, the Management Unit does not use genetically modified trees as the staple plants. Their *Eucalyptus* sp. are approved by the Indonesian Ministry of Forestry.

To protect forests against encroachment and illegal logging, the Management Unit has conducted outreach to the community about the dangers of forest damage, installing and maintaining warning boards to protect forests and prohibition of destroying forests, socialization of the Annual Work Plan (RKT) related to protected area management and prohibition of land burning activities, Monitoring Fire Danger Rating (FDR) to support information on potential fire hazards based on temperature and humidity measurements, installation of fire posts and monitoring towers in several fire-prone areas, monitoring hot spots for early detection of fires, regular patrols (land and water) and reporting fire incidents to the local police.

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Results of the Public Consultation

Prior to carrying out the Recertification Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing January 14, 2022, asking stakeholders to provide feedback and information about PT Sumatera Sylva Lestari Unit Pasir Pengaraian. 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 Sumatera Sylva Lestari Unit Pasir Pengaraian, the reported cases 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 established to cover all activities in the area of certification, which is registered for an area of 9,140 hectares.

Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.
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According to the results of the Recertification Audit of PT Sumatera Sylva Lestari Unit Pasir Pengaraian, no Non-Conformities of either a Minor or Major nature were identified by the audit team.

Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00003/IV/2015 is valid until April 14, 2025, provided that PT Sumatera Sylva Lestari Unit Pasir Pengaraian maintains its Surveillance schedule and does not have potential major non-conformities at the next Surveillance.