

# **Public Report Sustainable Forest Management System**

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**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



**CLIENT NAME:** PT SUMATERA SYLVA LESTARI

**TOTAL HECTARES:** 9,140

**SCOPE OF REGISTRATION:** Sustainable Forest Management in Plantation Forest covering an area of 9,140 hectares in Riau Province, Republic of Indonesia

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

**TYPE OF AUDIT:** Surveillance 2

**AUDIT START DATE:** January 30, 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:** February 1, 2017

**LEAD AUDITOR:** Andri Wibisono

**SIGNATURE:**

*AW*

**AUDIT TEAM:** Abdullah Mujahid

**SIGNATURE:**

Warsito

**SIGNATURE:**

**MAJOR CARS:**

**MINOR CARS:**

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Sumatera Sylva Lestari	Rambah Hilir Sub-District, Tambusai Sub-District, Bangun Purba Sub-District, Rokan Hulu District, Riau Province - Indonesia.	January 30 to February 01, 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		

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Date: 15 September 2016

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#### Brief Description of the concession

PT Sumatera Sylva Lestari, Unit Pasir Pengaraian received its concession per Minister of Forestry Decree No. 82 / Kpts-II / 2001 dated March 15, 2001 on the granting of forest utilization permit Wood Carpentry PT Sumatera Sylva Lestari on forest area of approximately 42,530 ha, in the provinces of North Sumatra and Riau for a period of 43 years. Forest management is divided into two units, Unit Padang Lawas (33,390 ha) and Unit Pasir Pengaraian (9,140 ha). The scope of IFCC certification of sustainable forest management is only for the Pasir Pengaraian area of 9,140 hectares in Rokan Hulu, Riau Province.

The Unit Pasir Pengaraian Management Plan of PT Sumatera Sylva Lestari is the revised Work Plan for Utilization of Forest Wood Industrial Plantation Forest (HTI-RKUPHHK) for the period 2013-2022 that was approved by Minister of Forestry Decree No. SK.14 / VI-BUHT / 2013 April 1, 2013. The revised RKUPHHK-HTI document is a guideline for implementing forest management activities over a period of 10 years. Implementation in the short term is according to management plan laid out in the Annual Work Plan for Utilization of Forest Wood (RKTUPHHK). The following RKT documents were verified:

1. RKT 2016: Decree No. 522.2 / Pemhut / 01 dated January 4, 2015 regarding the approval of the Annual Work Plan for Utilization of Wood Industrial Plantation Forest (HTI-UPHHK RKT) 2016 An. PT Sumatera Sylva Lestari in Rokan Hulu
2. RKT 2017: Decision of the Director of PT Sumatera Sylva Lestari No. 01 / SK / SSL / I / 2017 on the Ratification of the Annual Work Plan for Utilization of Wood Industrial Plantation Forest (HTI-UPHHK RKT) Year 2017 An. PT Sumatera Sylva Lestari in Rokan Hulu

Based on the revised RKUPHHK-HTI PT Sumatera Sylva Lestari, Unit Pasir Pengaraian has recorded the spatial arrangement of the working area as follows: (1) Protected Areas of 1,250 hectares (13.68%), (2) Area Not Suitable For Production of 271 ha (2.96%), (3) Area For Production: Principal Crops of 6,248 ha (68.36%), Seed Plants of 914 ha (10.00%), Livelihood Plants of 457 ha (5.00%).

There has been no conversion of natural forest to plantation forest in the work area of PT Sumatera Sylva Lestari, Unit Pasir Pengaraian Unit.

PT Sumatera Sylva Lestari is geographically located between 00° 56' to 01° 02' North and 100° 08' to 100° 17' East. PT Sumatera Sylva Lestari, Unit Pasir Pengaraian falls under the administration of the District of Tambusai, and District and Sub-District Rambah Hilir Bangun Purba, Rokan Hulu, Riau Province. The concession is bordered by oil palm plantations and community gardens as follows: to the west by Perkebunan PT Damai Nusa Sekawan, PTP V, and Desa Bangun Purba West, to the east by the village limits of Rambah village, to the north by Sei Kumango, and to the south by the villages of Tangun, Pasir Intan, Rambah Jaya and Pasir Jaya.

PT Sumatera Sylva Lestari, Unit Pasir Pengaraian is included in the Sei Geringging Forest Group, with dry land / mineral and a generally flat (0-8%) topography, at an altitude of 70 to 90 meters above sea level. The soil type is Red-Yellow Podzolic, while geologically the rock type is the Telisa Formation. According to the Schmidt Fergusson climate classification the area is designated as having Climate Type A with rainfall of 1,830 mm / year, the highest falling in November and the least in July. Hydrology of the area includes the Sosopan, Sipatak and Barliampan rivers, with a reservoir / dam of 26.5 ha. The species cultivated on the concession are *Eucalyptus* and *Acacia mangium*.

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



Based on the EIA document drafted in 1999, there are no indigenous peoples as defined under the law (Law No. 27 of 2007 and Presidential Decree No. 111 of 1999) to be found around the working area of PT Sumatera Sylva Lestari. The dominant society is ethnic Malay, together with Batak Mandailing, ethnic Minang, Javanese, and Sundanese who have converted to Islam. With the surrounding communities being almost exclusively Muslim, any customs that may conflict with the teachings of Islam have been abandoned. Data from the district reveals that around 80% of the surrounding villagers make their living from the cultivation of oil palm or rubber plantations.

PT Sumatera Sylva Lestari has in place a protocol for conflict resolution based on the principle of prior informed consent (FPIC), together with resolution through discussion so that conflicts can be prevented and handled in such a manner as not to create further problems.

Besides oil palms and rubber trees, the villagers also grow rice and pulses, and thus the concession is surrounded by a farming community, To prevent the spread of forest encroachment, therefore, the Management Unit:

1. Conducts meetings with people who claim land within the concession.
2. Conducts meetings with people who claim land within the concession mediated by the Government and the Parliament of Rokan Hulu.
3. Reports incursions to the police of Rokan Hulu, BKSDA, and the Ministry of Forestry.
4. Suggest partnership cooperation between the Company and the local community.
5. Conducts regular daily patrols by security, together with the military and Community Fire Care group.

PT Sumatera Sylva Lestari, Unit Pasir Pangaraian, has a number of cooperation agreements with various groups in the different villages. These include agreements for the cultivation of bees, collection of grass for use as animal fodder, and those for the formation of Concerned Citizen Fire Care (MPA) groups. While forest access is afforded in such cases, this is on the provision of weekly reports, prohibition of felling trees, or lighting fires that could endanger the forest, and willingness to be directed by the company in conservation efforts and to be a partner in security.

Besides this flexibility to local communities to use forest resources that have economic value, the Management Unit also provides the opportunity for local people to open a canteen or other business, In addition, PT Sumatera Sylva Lestari, Unit Pasir Pangaraian, has a Community Social Responsibility (CSR) Program with the following targets:

1. Poverty alleviation
2. Economic development of the communities to increase revenue
3. Capacity building towards local partnerships and cooperatives
4. Improving the quality of education
5. Improving the quality of people's religious live
6. Improved infrastructure

Although realization of the 2016 CSR program included the provision of educational scholarships and infrastructure improvement in the form of village office renovation, assistance in the social and religious activities fields could largely be classified as charitable in nature.

## Description of the ecological conditions of the concession

PT Sumatera Sylva Lestari, Unit Pasir Pangaraian, has identified the areas liable to significant impact arising from its Industrial Plantation Forest management activities. These include: land subsidence, increased erosion, sedimentation, runoff, water quality, flora and fauna diversity. The Management Unit documents its management of the environment: EIA (environmental impact assessment), RKL (environmental management plan), RPL (environmental monitoring).

The Management Unit has allocated an area of 1,250 ha (13.68%) as Protected Areas, which consist of river borders of 1,030 ha (11.27%) and KPPN area of 220 ha (2.41%). Environmental management and monitoring efforts are as follows:

1. Monitoring marking protected area boundaries
2. Socialization of protected areas to the public, employees and their families
3. Inventory of Protected Areas
4. Installation of information boards, appeals and restrictions in protected areas



5. Patrol of protected areas prone to fire / encroachment
6. Care rehabilitation areas Germplasm Conservation Area (KPPN)
7. Monitoring vegetation Germplasm Conservation Area (KPPN)
8. Maintenance vegetation plots path Germplasm Conservation Area (KPPN)
9. Monitoring of vegetation in riparian areas
10. Monitoring of erosion
11. Monitoring the quality of the soil
12. Monitoring of soil density
13. Monitoring of water discharge
14. Monitoring of water quality
15. Nurseries natural regeneration and treatment
16. Rehabilitation of protected areas damaged by natural regeneration

### **Results of the Public Consultation**

Prior to carrying out the Stage 2 Surveillance Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing January 17, 2017, asking stakeholders to provide feedback and information on PT. Sumatera Sylva Lestari – Unit Pasir Pengaraian. 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 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. Sumatera Sylva Lestari – Unit Pasir Pengaraian. Such reported cases are considered to be part of the audit process 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 9.140 hectares.

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

The results of the Stage 2 Surveillance Audit of PT Sumatera Sylva Lestari, Unit Pasir Pengaraian did not identify any Non-Conformity (NC). The management system of PT Sumatera Sylva Lestari, Unit Pasir Pengaraian is still operating effectively. There were no time-critical issues identified.

### **Conditions under which the certificate is issued**

SFM Certificate IFCC PT Sumatera Sylva Lestari, Unit Pasir Pangaraian, certificate number: AJA / IFCC-PEFC / FMC-HT / 00003 / IV / 2015 remains valid until 15/04/2018