

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-005

CLIENT NAME: PT SUMATERA SYLVA LESTARI

TOTAL HECTARES: 9.140 Ha

SCOPE OF REGISTRATION: Sustainable Forest Management of Forest Plantation covering 9.140,00 hectares in Riau Province

STANDARD/CRITERIA: IFCC ST 1001:2014 & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Stage 2

AUDIT START DATE: January 21, 2015

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: January 23, 2015

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

[Handwritten signature]

AUDIT TEAM: Zaenal Arifin

SIGNATURE:

[Handwritten signature]

Agung Utama Lubis

SIGNATURE:

[Handwritten signature]

MAJOR CARS: 0

MINOR CARS: 8

OBSERVATIONS: 1

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

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SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):	DATE OF EACH SITE VISIT:
Pasir Pengaraian Estate	Rambah Hilir Subdistrict, Tambusai Subdistrict, Bangun Purba Subdistrict, Rokan Hulu District, Riau Province - Indonesia.	January 21 - 23, 2015
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 (If more than 4 additional sites have been registered please add additional rows)	
	NA	
REF No:	ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)	
	NA	

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

PT Sumatera Sylva Lestari (PT SSL) procured permit of industrial forest plantation by the Decree of Minister of Forestry No. 82 / Kpts-II / 2001 on March 15, 2001 about the granting of Business permit on utilization of timber forest product (IUPHHK-HTI) at industrial forest plantation to PT. Sumatra Sylva Lestari on the forest area of $f \pm 42,530$ ha (Fourty Two Thousand Five Hundred Thirty) hectare, in North Sumatera Province and Riau Province for 43 years. PT Sumatera Sylva Lestari in its forest management are divided into two management units, namely Padang Lawas Estate and Pasir Pengaraian Estate. The scope on this IFCC sustainable forest management certification is only in Pasir Pengaraian Estate, Rokan Hulu District, Riau Province.

The geographical location of the concession area of PT. Sumatera Sylva Lestari Estate Pasir Pengaraian is $01^{\circ}26'08,0''$ N - $01^{\circ}37'08,0''$ N and $100^{\circ}11'26,0''$ E - $100^{\circ}23'57,0''$ E., inside forest group of Sei. Geringging with dry soil type (Red Yellow Podzolic), with flat of slope class (0-8%), altitude: 70 -90 m above sea level and the climate are included in Type A.

Working Area of PT SSL based on government administration located in Rambah Hilir Subdistrict, Tambusai Subdistrict, Bangun Purba Subdistrict. Rokan Hulu District, Riau Province. While based on the Forest Management Areas included in the Region of Forestry and Plantation Agency of Rokan Hulu District and Forestry Agency of Riau Province.

The villages around the working area of PT Sumatera Sylva Lestari, Pasir Pengaraian Estate are :

- Pasir Jaya Village, Rambah Hilir Subdistrict.

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- Batas Village, Tambusai Subdistrict.
- Sei. Kumango Village, Tambusai Subdistrict.
- Rambah Village, Rambah Hilir Subdistrict.
- Tambah Jaya Village (expansion of Rambah Village).
- Tambusai Barat Village, Tambusai Subdistrict.
- Rambah Jaya Village, Bangun Purba Subdistrict.
- Pasir Intan Village, Bangun Purba Subdistrict.
- Tangun Village, Bangun Purba Subdistrict.
- Bangun Purba Barat Village, Bangun Purba Subdistrict.

PT SSL has identified the rights of indigenous and local people over the ownership, control and use of land and forest resources. The identification results of villages potential around the working area, the potential for land use is palm oil and rubber plantations. Problems faced by the surrounding villages is the lack of clean water and damage to transportation facilities, such as roads and bridges.

In carrying out forest management activities, PT SSL refers to the Business Work Plan on Utilization of Timber Forest Products in Industrial Plantation Forest (RKUPHHK-HTI) for the entire period of management legitimated by the Decree of Minister of Forestry Number: SK.14 / VI-BUHT / 2013 on April 1, 2013 about the approval of Revised Business Work Plan on Utilization of Timber Forest Products in Industrial Plantation Forest (RKUPHHK-HTI) for a period of ten (10) years period from 2013 to 2022 on behalf PT Sumatera Sylva Lestari in North Sumatera Province and Riau Province. Annual implementation is based on Book of Annual Work Plan (RKT).

Based on the document of Revised RKUPHHK-HTI, PT SSL Pasir Pengaraian Unit has conducted the spatial planning in the working area, namely : (1) Protected Area (13,68% : 1.250 Ha), (2) Ineffective Production Area (2,96% : 271 Ha), (3) Production Area (Primary plants 68,36% : 6.268 Ha; Endemic plants 10,00% : 914 Ha, and Livelihood plants 5,00 % : 457 Ha).

Forest management activities of PT SSL consists of organization and manpower, boundaries, spatial planning, structuring work area, inventory, clearing forest area, inclusion and use of equipment, facilities and infrastructure development, procurement of seeds, land preparation, planting, maintenance, harvesting, marketing, protection and forest security, pest and disease control, fire control, community development and empowerment, community institution development, periodic monitoring of operational activities, and periodic evaluation of the success.

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 audit stage 2 of PT. Sumatera Silva Lestari Pasir Pengaraian Unit found 8 nonconformities with the minor categories and 1 observation. The nonconformities findings are described below :

CAR No: 1 of 8	Standard: IFCC ST 1001:2014	Clause Ref: I.4.1	Classification: Minor
<p>Non Conformity Identified: There are no compartment boundary markers in compartment N 036, M 006 and M 008, not in accordance with the SOP - PLG - 001 (Spatial Planning and Status of Forest Plant).</p> <p>Corrective Actions: PT. SSL Pasir Pengaraian have put the compartment boundary markers in accordance with SOP-PLG-001 (Spatial Planning and Status of Forest Plant).</p> <p>Objective evidences viewed to support the certification recommendation: Compartment boundary markers have been installed along retrieval using GPS coordinates according to SOP-PLG-001 (Spatial Planning and Status of Forest Plant). Compartment boundary markers are at compartment N 036 , M 008 , N 042.</p>			
CAR No: 2 of 8	Standard: IFCC ST 1001:2014	Clause Ref: I.4.1	Classification: Minor
<p>Non Conformity Identified: There are no boundary markers between primary plants area and endemic plants area (verified in compartment M008).</p> <p>Corrective Actions:</p>			

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<p>PT. SSL Pasir Pengaraian Unit have put the boundaries markers between primary plants and endemic plants area. Primary plants area its livelihood plants area in accordance with SOP-PLG-001(Spatial Planning and status of Forest plant).</p> <p>Objective evidences viewed to support the certification recommendation: Boundary markers of primary plants area have been installed with endemic plants area accompanied by retrieval using GPS coordinates according to SOP-PLG-001 (Spatial Planning and status of Forest plant), verified on compartment M 112, M181, M008, M006.</p>			
CAR No: 3 of 8	Standard: IFCC ST 1001:2014	Clause Ref: I.4.1	Classification: Minor
<p>Non Conformity Identified: The information written on the boundary markers between primary plants area with endemic plants area and primary plants area with livelihood plants area are inconsistent with SOP-PLG-001 (Spatial Planning and status of Forest plant).</p> <p>Corrective Actions: PT. SSL Pasir Pengaraian Unit has improved and put the boundaries markers between primary plants with endemic plants area, and primary plants area with livelihood plants area in accordance with SOP-PLG-001 (Spatial Planning and Status of Forest Plant).</p> <p>Objective evidences viewed to support the certification recommendation: PT SSL has improved the information of boundary markers between primary plants area with endemic plants area and primary plants area with livelihood plants area in the compartment N 036 and compartment M 008 in accordance with SOP-PLG-001.</p>			
CAR No: 4 of 8	Standard: IFCC ST 1001:2014	Clause Ref: I.6.4	Classification: Minor
<p>Non Conformity Identified: River water discharge measurements have not been taken using standardized equipment.</p> <p>Corrective Actions: PT. SSL provided the equipment, so the standard of work in consistent with the SOP, so that the work can be measured accurately.</p> <p>Objective evidences viewed to support the certification recommendation: There is a standardized measurement equipment for measuring the water flow, among other things : Roll meter, pole measure and stopwatch.</p>			
CAR No: 5 of 8	Standard: IFCC ST 1001:2014	Clause Ref: I.7.1	Classification: Minor
<p>Non Conformity Identified: MU did not have a map of the spread of animal / endemic , rare and threatened species at KPPN locations, Border Rivers and Effective Area.</p> <p>Corrective Actions: Identification of endemic, rare and protected animals at the site of PT. SSL Pasir Pengaraian Unit has been continuously carried out according to the procedure specified in the procedure time and comparing with Enviromental documents.</p> <p>Objective evidences viewed to support the certification recommendation: There is a Map of Animal Identification Spread the working area of PT Sumatera Sylva Lestari scale 1: 75,000 including endemic, rare and protected fauna.</p>			
CAR No: 6 of 8	Standard: IFCC ST 1001:2014	Clause Ref: III.3.1	Classification: Minor
<p>Non Conformity Identified: Rehabilitation planting in KPPN areas did not use local species.</p> <p>Corrective Actions: Make a plans and maintain for KPPN rehabilitation by local species.</p> <p>Objective evidences viewed to support the certification recommendation: The nursery planning information for January 2015 shows seed stock of local species for planting. KPPNs maintenance plan in 2015 is appropriate with the requirement.</p>			
CAR No: 7 of 8	Standard: IFCC ST 1001:2014	Clause Ref: I.7.3	Classification: Minor
<p>Non Conformity Identified: MU did not has management plans for key of species namely Sun Bear Species (<i>Helarctus malayanus</i>) in the concession area.</p> <p>Corrective Actions: PT. SSL Pasir Pengaraian Unit has carried out management plan for key of species, sun bear species (<i>Helarctus</i></p>			

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malayanus).

Objective evidences viewed to support the certification recommendation:

PT SSL Pasir Pengaraian Unit establish Bears species (*Helarctus malayanus*) as a key species in the concession area. There is available encounter data of the bear in the area of PT Sumatera Sylva Lestari in 2010 to 2014, map the spread of bears and photographs of bears scratches and nest. Also there is available Sun Bear Species Management Plan (*Helarctus malayanus*).

CAR No: 8 of 8

Standard: IFCC ST 1001:2014

Clause Ref: I.10.4

Classification: Minor

Non Conformity Identified:

MU has not provided a new alternative food source for the honey bees that are managed by a honey farming group of communities around the MU

Corrective Actions:

PT. SSL Pasir Pengaraian Unit has provided support to farmers honey group

Objective evidences viewed to support the certification recommendation:

PT SSL has created alternative solutions to the problems faced by cultivar group honey suit agreements meeting on January 28, 2015 which involves the group beekeeping Master Jaya, Dishutbun Rokan Hulu and the PT SSL.

Concerning the eight minor nonconformities, PT SSL has taken corrective actions for all nonconformities. Based on the auditor review concerning the objective evidence provided, it has been determined that to the eight nonconformities findings have been fulfilled and the Minor CARs released to be reviewed at the next audit (surveillance). Therefore PT. Sumatera Riang Lestari Pasir Pengaraian Unit is recommended for certification of IFCC Sustainable Forest Management.

One observation finding for PT SSL improvement is the summary of management plan and the annual report of PT SSL that available to the public should be on the website so that the public can be easily access it.

In the working area of PT SSL Pasir Pengaraian Unit there is no conversion of natural forests to plantations forests after December 31, 2010. The background of industrial plantation forest of PT Sumatera Sylva Lestari Pasir Pengaraian unit is constructed of land that has been damaged or rehabilitated.

In the working area of PT SSL Pasir Pengaraian Unit, the existing land conflicts have attempted the resolution by the agreement on profit sharing of livelihood plants with the communities. PT SSL has conflict resolution management to resolve the problems. MU PT Sumatera Sylva Lestari has sought to maintain a harmonious relationship with the communities around the working area.

PT Sumatera Sylva Lestari has a strong commitment to sustainable forest management, implemented in a vision, mission, and objectives of forest management. PT SSL Pasir Pengaraian Unit has a history of forest management; conduct a forest arrangement (protected area, primary plants area, endemic plants area, livelihood plants area, infrastructure and facilities); implement a silvicultural systems that ensure the production sustainability, carry out inventory on a regular basis (IHMB = periodic comprehensive forest inventory, PMA 6 = plantation monitoring assessment per-six months, PMA 18 plantation monitoring assessment per-eighteen months = , MRI = mid rotation inventory, PHI = pre-harvest inventory); carry out research of increment by Permanent Sample Plots (PSP); implement Reduced Impact Logging (RIL) which can minimize the environmental damage; have a traceability systems that ensure the timber legality; Implement Plantation Information Management System (PIMS); implement the environmental management plan and environmental monitoring plan where PT Sumatera Sylva Lestari had environmental documents consisting of the Terms of Reference (KA), environmental impact assessment (ANDAL), Environmental Management Plan (RKL), Environmental Monitoring Plan (RPL) and the results of the implementation of RKL and RPL which are reported in every semester (6 months); to control fertilizers, pesticides and B3; carry out research and development to improve the productivity of production; carry out the protection and safeguarding of forests; carry out a community based forest management (PHBM) with a profit sharing system with the communities; implement Community Development (CD), and has an agreement with the communities in managing non-timber forest products (NTFP).