

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
hectares

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

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: March 15, 2016

AUDIT END DATE: March 17, 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: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Zaenal Arifin

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARs: 0

MINOR CARs: 0

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):	<input checked="" type="checkbox"/>
RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):	<input type="checkbox"/>
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"/>

SELECT OPTION

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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:
PT Sumatera Sylva Lestari	Pasir Pengaraian – Kecamatan Rambah Hilir, Kecamatan Tambusai, Kecamatan Bangun Purba, Kabupaten Rokan Hulu, Propinsi Riau, Indonesia	March 15-17, 2016
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, Pasir Pengaraian Estate received a license per Minister of Forestry Decree No. 82/Kpts-II/2001 dated March 15, 2001 on the granting of forest utilization permit for plantation forest management to PT Sumatera Sylva Lestari for a forest area of approximately 42,530 ha in the provinces of North Sumatra and Riau for a period of 43 years. The forest management is divided into two, namely Padang Lawas Estate (33,390 ha) and Pasir Pengaraian Estate (9,140 ha). The scope of certification of sustainable forest management per IFCC is for only the Pasir Pengaraian Estate area of 9,140 hectares in Rokan Hulu Regency, Riau Province. Its geographical location is at 00°56' N to 01°02' N and 100°08' E to 100°17' E.

PT Sumatera Sylva Lestari, Pasir Pengaraian Estate carries out its management under the Revised Work Plan for Utilization of Forest Wood Industrial Plantation Forest (RKUPPHK-HTI) for the period 2013-2022, which was approved by the Decree of the Minister of Forestry Decree No. SK.14 /VI-BUHT / 2013 April 1, 2013. Document Revision RKUPPHK-HTI is the guideline for implementing forest management activities over a period of 10 years. Implementation is conducted according to the Annual Work Plan for Utilization of Forest Wood (RKTUPPHK). Based on the revised RKUPPHK-HTI, PT Sumatera Sylva Lestari, Pasir Pengaraian Estate has conducted arrangement of the space in the working area as follows: (1) production areas consisting of staple plants area 6,248 ha (68.36%), seed plant area 914 ha (10.00%), livelihood plant area 457 ha (5.00%); 2) not suitable for production 271 ha (2.96%); and 3) protected areas 1,250 ha (13.685).

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Per the revised RKUPHHK-HTI the Management Unit is tasked with providing sustainable continuous production through planting and harvesting activities. PT Sumatera Sylva Lestari, Pasir Pengaraian Estate has implemented the realization of production and planting according to the annual work plan (RKT) 2014 and 2015.

The Management Unit undertakes its environmental management responsibilities through the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) to minimize the negative impacts and enhance environmental quality in the work area. In so doing, the Management Unit carries out the following activities: monitoring of protected areas; monitoring of erosion and soil quality; monitoring of discharge and water quality; management of hazardous and toxic waste (B3); and management and monitoring of protected wildlife and flora.

The Management Unit of PT Sumatera Sylva Lestari, Pasir Pengaraian Estate also manages and monitors the social environment:

➤ Job opportunities and business opportunity. Highlights include:

- Provide information on employment opportunities to the local community as a partner in the company operations;
- Give priority to local residents to participate in the activities of HTI;
- Increase local employment

➤ Increase Community Income, which includes:

- Provide opportunities for the local communities as contractors for the activities of timber and building project implementation;
- Provide training on beekeeping to both company employees and the local community;
- Provide access for the public to search for grass as fodder in the work area;
- Provide assistance to communities around the company (Community Development), which includes in the areas of education, religion, facilities and infrastructure

PT Sumatera Sylva Lestari, Estate Pasir Pengaraian has been running a pilot beekeeping project for groups of farmers in the forestry extension in Rokan Hulu and even up to the level of Riau Province. PT Sumatera Sylva Lestari, Estate Pasir Pengaraian provides flexibility on the use forest resources that have economic value to local communities such as through beekeeping, use of grass for fodder, and cafeteria business opportunities in the area. The Management Unit maintains data on the farmer's beekeeping operation. In 2015, there were three groups of beekeepers with six members in each group, and their total production for the year was 600 kg of honey.

PT Sumatera Sylva Lestari, Pasir Pengaraian Estate in committing to sustainable forest management provides external reports to the following authorities:

1. Report of the Environmental Management Plan (RKL), Environmental Monitoring Report (RPL) each semester to the Regional Environmental Agency.
2. Monthly Development Implementation RKTUPHHK HTI (Annual Work Plan for Utilization of Forest Wood Plantation Industries) addressed to the Director of Sustainable Forest Management
3. Annual Report on the Development RKTUPHHK HTI (Annual Work Plan for Utilization of Wood Forest Plantation Industries) addressed to the Director of Sustainable Forest Management
4. Books RKTUPHHK HTI (Annual Work Plan for Utilization of Wood Forest Plantation Industries) each year.

Prior to performing its Stage 1 Surveillance Audit PT. AJA Sertifikasi Indonesia conducted public consultation commencing February 15, 2016, asking stakeholders to provide feedback on PT Sumatera Sylva Lestari Estate, Pasir Pengaraian. The public consultation was uploaded to the PT. AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to the parties via email or postal mail, and published in a local newspaper. No input was received from stakeholders during the consultation. The audit team also gathered information from the mass media about PT Sumatera Sylva Lestari Estate Pasir Pengaraian, which was considered during the audit process.

PT Sumatera Sylva Lestari, Pasir Pengaraian Estate has registered its concession to be certified in an area of 9,140 hectares. The Management Unit has identified all the necessary requirements for this certification process, comprising



legal aspects that include compliance with national regulations and international conventions.

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

The results of this Surveillance 1 Audit identified no items of non-compliance. The management system of PT Sumatera Sylva Lestari, Pasir Pengaraian Estate remains sound and operates effectively. No time-critical issues were found during the audit.

Conditions under which the certificate is issued

The certificate is valid until 15/04/2018, provided successful completion of their next surveillance.