

# 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



CLIENT NAME: PT SERAYA SUMBER LESTARI

TOTAL HECTARES: 19,442.77

SCOPE OF REGISTRATION: Sustainable Forest Management of 19,442.77 hectares of Plantation Forest in Riau Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: October 06, 2020

AUDIT END DATE: October 09, 2020

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: Abdullah Mujahid

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Seraya Estate	Tumang Village, Siak District, Siak Regency, Riau Province - Republic of Indonesia	October 06 to 09, 2020
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		

#### Brief Description of the concession

The Management Unit has IUPHHK-HTI based on the Decree of the Minister of Forestry Number: SK 22 / Menhut-II / 2007 dated January 05, 2007 concerning Renewal of Business Permit for Utilization of Timber Forest Products in PT. Seraya Sumber Lestari, over a production forest area of about 19,450 hectares in Riau Province.

The Management Unit obtained a decree to determine the work area based on Decree No. 276 / MenLHK / Setjen / PLA.2/7/2020 dated July 07, 2020 concerning the Determination of the Work Area for PT Seraya Sumber Lestari IUPHHK-HTI covering an area of 19,685.77 in Siak Regency, Riau Province.

There was a conversion of 243 hectares of natural forest to plantation forest after December 31, 2010, thus, the scope for the IFCC certification is for an area of 19,685.77 ha - 243 ha = 19,442.77 ha.

The Management Unit has a Revised RKUPHHK-HTI document that was ratified by the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.6084 / MenLHK / Setjen / UHP / HPL.1 / 6/2019 dated 28 June 2019 concerning Approval of Revision of Business Plan for Utilizing Timber Forest Products Industrial Plantation Forest (RKUPHHK-HTI) for 10-year period 2017 to 2026 on behalf of PT Seraya Sumber Lestari in Riau Province

The layout of PT Seraya Sumber Lestari is: Local Protected Areas and Other Protected Areas of 3,626 ha (18.42%), Staple Plant Area of 6,161 ha (31.30%), Livelihood Plant Area of 9,898,77 ha (50.28%). Local Protected Areas and Other Protected Areas consist of: KPPN with an area of 300 ha (1.52 %), KPSL of 180 ha (0.91%), Other Protected Areas of 1,238 ha (6.29%), the peat dome peak 1,908 ha (9.69%).

Work area boundaries:

- North: IUPHHK-HTI PT Balai Kayang Mandiri
- South: Plantation PT Wana Subur Sawit Indah, PT Gelora Sawit Indah, APL (Other Use Area)
- West: IUPHHK PT RAPP
- East: IUPHHK-HTI PT Rimba Mandau Lestari, APL (Area for Other Use)

General conditions of the work area of PT Seraya Sumber Lestari:

- Geographical location 00° 48' 30" to 00° 58' 36" South and 101° 48' 40 " to 101° 58' 08" East
- Forest Group: Siak River, Lanjung River.
- Administrative area: Siak District, Mandau District.
- Government: Siak Regency.
- Forestry administration area: Environment and Forestry Service of Riau Province
- Topography: slope class A (0 – 8%)
- Altitude: 15 - 16 meters above sea level
- Soil: organosol, and podsolic.
- Geology: Young alluvium (Qh) and old alluvium (Qp).
- Climate: type: A (Schmidt & Ferguson 1955).
- Rainfall: 1,890.60 mm / year, average rainfall per month 157.55 mm.
- Highest month: December
- Lowest months: June and July.
- Hydrology: Lanjung Sub-watershed and Siak Kecil Sub-watershed, both of which are included in the Siak Besar Watershed.

The Management Unit complies with regulations related to peatland management). PT Seraya Sumber Lestari has carried out: Revised RKUPHHK in order to improve Peat Management based on Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.1012 / MenLHK-PHPL / UHP / HPL.1 / 3/2018 dated March 5, 2018. Prepared Reports on the Implementation of Peatland Ecosystem Restoration and Control of Forest and Land

Fires based on the Decree of the Director General of Pollution and Environmental Damage Control on 18 October 2018. Made adjustments for activities in 2018-2019 based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.8908 / MenLHK-PHPL / UHP / HPL.1 / 12/2018 dated December 28, 2018. Revised RKUPHHK for the 2017-2026 period based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.6084 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 dated 28 June 2019. There is a peat dome with a total area of about 2,693 hectares, spread over: KPPN covering about 155 ha, KPSL covering about 180 ha, Other Protected Areas covering about 450 ha. The top area of the peat dome of the former staple plant area is about 1,908 ha (consisting of *Acacia* sp area of 1,838 ha and facilities covering an area of 70 ha). Another peat dome top area located within the work area of PT. Seraya Sumber Lestari is a local protected area and other protected areas so that no recovery / rehabilitation activities are planned. In the top area of the peat dome where plants are found, vegetation rehabilitation activities are carried out after harvesting, which are mainly carried out by natural succession. Meanwhile, the rest are revegetated with local plant species.

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

Based on the PT Seraya Sumber Lestari HTI HTI RKUPHHK document for the 2017-2026 period, there are 4 villages around PT Seraya Sumber Lestari, which are local communities, there being no customary communities around the company concession. Based on the RKUPHHK HTI document, 99% of 8,254 people around the concession make a living in the agricultural sector.

PT Seraya Sumber Lestari has made conflict resolution efforts with the surrounding community. There is a Conflict Resolution Organization Structure within PT Seraya Sumber Lestari based on the President Director's Decree Number: 005 / SK / SSL / PKU-I / 2019, dated January 3, 2019, together with a Conflict Map of the area Scale 1: 100,000.

There is a Report on Potential Mapping and Conflict Resolution, Semester II of 2019, dated January 2020, and PT Seraya Sumber Lestari has conducted land use mapping in the claimed area. Of this area, most of it consists of oil palm trees and shrubs. In addition, there is also a small part consisting of the main acacia plants, roads, canals, and former nurseries.

PT Seraya Sumber Lestari has made collaborative efforts with the surrounding community. There is a Certificate from the President Director of PT Seraya Sumber Lestari Number: 037 / SK / SSL / PKU-II / 2019, dated 11 February 2019, PT Seraya Sumber Lestari has allocated land for livelihood plant cooperation. However, the land is in the claimed area and the claimants are unwilling to cooperate with livelihood plants according to the scheme desired by the company.

There are 9 contractor partner companies, the types of work carried out include labor supply, car pool rental, speedboat rental, material transport, tugboat, excavator rental, full package plantation, colt diesel rental.

PT Seraya Sumber Lestari has implemented corporate social responsibility programs for the surrounding community. There are CD / CSR Program Reports for the First Quarter and the Second Quarter of 2020.

Based on the 2020 CD Quarter II Program Report, the activities carried out include: Education, Health: Posyandu equipment, Thermogun Equipment Assistance, Religious Affairs: Repair of the mosque, Economy, Infrastructure, Social and the environment: village youth activities, Covid - 19 assistance in the form of food packages. In terms of total costs, the realization of the CD / CSR program was 95.18% of that budgeted through September 2020.

Based on the 2019 CD / CSR program activity report, realization was 84.55% of that budgeted.

#### **Description of the ecological conditions of the concession**

The Management Unit has identified forest management activities with significant impacts, and conducted environmental impact assessments through: implementation of AMDAL activities, RKL RPL PT. Seraya Sumber Lestari in 2003. The implementation of environmental management and monitoring is presented each semester in the Environmental Permit Implementation report (RPL / RKL).

Reduced Impact Logging activities are carried out in stages, before logging activities (pre-harvesting), during harvesting operations (harvesting), and after logging activities (post-harvesting).

Identification of areas that function for the protection of land and water is by allocating Local Protected Areas and Other Protected Areas. These cover an area of 3,626.00 ha (18.41%), consisting of KPPN covering an area of 300 ha (1.52%), KPSL covering an area of 180 ha (0.91%), Other Protected Areas of 1,238.00 ha (6.29%) and the peat dome peak area of 1,908 ha. (9.69%).

Monitoring of negative impacts of forest management activities in concession areas is carried out in accordance with the ANDAL RKL and RPL documents. PT. Seraya Sumber Lestari, 2003. The Management Unit has a documented procedure that guides the monitoring of negative impacts due to forest management activities, namely: SOP for Monitoring Protected Areas, SOP for Monitoring of Discharge and Water Quality and SOP for Monitoring of Soil Density and Fertility. PT. Seraya Sumber Lestari has also has documented procedures for controlled use of B3 (Hazardous and Toxic Materials), for Handling Spills of Fuel, Lubricants and Chemicals, for Weed Control, and for Integrated Pest and Disease Management.

The Management Unit has carried out Biodiversity Management activities through the identification, and inventory of protected, endemic, rare and threatened / endangered flora & fauna within the IUPHHK-HTI area. The results of the identification and inventory are reported in the Environmental Permit Implementation Report (Implementation of RKL / RPL for semester 2 of 2019 and semester 1 of 2020). There are no keynote species. The types of staple plants cultivated at PT. Seraya Sumber Lestari are not genetically modified tree species, but *Acacia cracicarpa*.

PT. Seraya Sumber Lestari has carried out Forest Protection measures, whether these are due to human or natural causes. Among these are measures implemented against fire hazards. By implementing appropriate / measurable steps in forest protection activities, the Management Unit has documented procedures,

### Results of the Public Consultation

Prior to conducting the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia held a Public Consultation commencing September 18, 2020, asking stakeholders to provide feedback and information about PT Seraya Sumber Lestari. 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 local newspapers. PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation.

The audit team also collected information from the mass media about PT Seraya Sumber Lestari, the reported cases being given material consideration as part of the audit process carried out by PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the requirements needed for this certification process, consisting of legal aspects that include compliance with international rules and regulations and conventions. A management system has been built to cover all activities in the field of certification, which is registered for an area of 19,442.77 hectares.

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



Based on the results of the Surveillance 1 Audit at PT Seraya Sumber Lestari, no Non-Conformities of either a Major or Minor Category were identified by the audit team. The Management Unit is operating effectively.

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

Certificate is valid until December 26, 2022, provided that PT Seraya Sumber Lestari does not have any problems at the next Surveillance visit. If the 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.