

Public Report Sustainable Forest Management System

Ownership of this report and the information contained within remain the property of
AJA Europe



AJA EUROPE

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

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

START DATE AUDIT: July 12, 2021

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

END DATE AUDIT: July 15, 2021

LEAD AUDITOR: Agung Utama Lubis

SIGNATURE:

TEAM AUDIT: Ardi Prasetyo

SIGNATURE:

Amén Kadeni

SIGNATURE:

MAJOR CARs: 0

MINOR CARs: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Seraya Sumber Lestari	Tumang Village, Siak District, Siak Regency, Riau Province – Republic of Indonesia	July 12 to 15, 2021
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	
	NA	

Brief Description of the concession

The Management Unit received a work area determination after Decree of Minister of Environment and Forestry No. 276/MenLHK/Setjen/PLA.2/7/2020 dated July 7, 2020 concerning the Determination of the PT Seraya Sumber Lestari IUPHHK-HTI Work Area of 19,685.77 (nineteen thousand six hundred eighty five and seventy-seven) hectares in Siak Regency, Riau Province. There is a conversion of natural forest into plantations of 243 ha. Thus, the certified area currently is 19,685.77 ha - 243 ha = 19,442.77 hectares.

There are four (4) villages assisted by the company, namely: Tumang Village, Merempan Hulu Village (Siak District), Buatan Village, and Rantau Panjang Village (Koto Gasib District), Siak Regency, Riau Province. Geographical location of the concession is between 00°48'30" to 00°58'36" South and 101°48'40" to 101°58'08" East. The boundaries of the work area:

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

PT Seraya Sumber Lestari arranged its working area with spatial layout as referred to SK No 6084/MenLHK-PHPL/UHP/HPL.1/6/2019 of June 28, 2019, as Local Protected Area and Other Protected Area of 3,626 ha (18,41%), Staple Plant area of 6,161 ha (33,83%), and Livelihood Plant area of 9,898.77 ha, with a total of 19,685.77 ha (100,00%).

The Management Unit complies with regulations related to peatland management, by carrying out a Revision of RKUPHHK in order to improve peat management based on Decree of the Minister of Environment and Forestry of the Republic of Indonesia No SK.1012/MenLHK-PHPL/UHP/HPL.1/3/2018 dated March 5, 2018. Compiling Reports on the Implementation of Peat Ecosystem Restoration and Biodiversity Control in Forest and Land based on the Decree of the Director General of Pollution and Environmental Damage Control SK.116/PPKL/PKG/PKL.O/10/2018 dated 18 October 2018. Making adjustments for activities in 2018 to 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. Revise the 2017 to 2026 RKUPHHK 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 June 28, 2019. There is a peat dome peak area of approx. 2.693 ha which spread over KPPN of approx. 155 ha, KPSL of approx. 180 ha, Other Protected Areas of approx. 450 ha, in the ex-area of staple plant is ± 1,908 ha (consisting of 1,838 ha of *Acacia* sp and 70 ha of facilities).

The working area of PT Seraya Sumber Lestari has a flat topography (0-8%) with a height of 0-8 meter above sea level. According to the document of the ANDAL study on PT. Seraya Sumber Lestari, the Management Unit area consists of Tropohemic, Tropofibris and Troposaprist soil types. (Organosol and Podsollic). The geological formed of of young Alluvium rock types (Qh) and old alluvium (Qp). According to the Schmidt-Fergusson climate classification, the climate in the working area of PT Seraya Sumber Lestari included in climate type A, with rainfall: 107-199 mm/month. The work area PT Seraya Sumber Lestari hydrologically part of Mandau and Siak sub-watershed (Jelayang sub-watershed) and Siak Kecil sub-watershed (Tasik Air Hitam). The species developed as staple plant is *Acacia crassicarpa*.

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

The livelihoods of residents in the four villages around the concession are in the agricultural sector. There are no customary law communities. Based on the Report on Potential Mapping and Conflict Resolution in Semester II of 2020, PT Seraya Sumber Lestari has made efforts to resolve conflicts with the surrounding community. The conflict resolution is by agreements, deliberation, forming a team to collect data on forest encroachers, coordinating with technical agencies regarding land grabbing cases, and establishing good relationship with the surrounding community.

The effort to cooperate with the communities are by collaborating in the utilization of non-timber forest products of fish. The fish finder mostly are the residents around the concession. The cooperation agreement includes the permission to fish in the concession river but by environmentally friendly fishing activities such as not using poison and not making fires.

The company has also made a cooperation agreement for the prevention and control of forest fires with the Community with Fire Awareness. The cooperation includes that the fire care community is obliged to assist the company in preventing and overcoming forest fires. The company is obliged to provide guidance to community groups who care about fire and provide fire fighting equipment.

Based on the previous year audit, there were nine (9) contractor partner companies of PT Seraya Sumber Lestari. The company are from the nearest regencies. The collaborations are in labor supply, pool car rental, speedboat rental, material transport, tugboat, excavator rental, full package plantation, and colt diesel rental.

PT Seraya Sumber Lestari has implemented its corporate social responsibility to the surrounding community. There is a 2020 PMDH Activity Implementation Report (January - December). There is a 2021 PMDH Activity Implementation Report (January - June). According to the PMDH implementation report, the activities that have been carried out include activities in the fields of education, health, religion, economy, infrastructure, social and environment, assistance to overcome COVID-19. The implementation has been reported to the forestry agency. There is evidence of the handover of the reports.

Description of the Ecological conditions of the concession

The working area of PT Seraya Sumber Lestari is a peat swamp forest ecosystem. Part of the original ecosystem was converted into plantation forest with the tree species planted were *Acacia crassicarpa*. The Management Unit has provided part of its area for protected areas, namely:

- The Germplasm Protection Area (KPPN) of 300 ha, in which there is a 155 ha of peat dome,
- The Wildlife Conservation Area (KPSL) of 180 ha, the entire area of which is a peat dome,
- Other Protected Area (KLL) of 1,238 ha,
- Peat Dome Peak Area (PKG), of 1,908 ha.

A fairly high diversity of flora and fauna species can be found in the Protected Area, especially in the KPPN and KPSL areas. There are quite a lot of flora species, and among the protected or threatened species, namely: *Gonystylus bancanus*, *Palaquium sericeum*, *Nepenthes ampullaria*, etc. The species of fauna are *Cervus unicolor*, *Symphalangus syndactylus*, *Buceros rhinoceros*, etc. The key species of the concession is Sumatran elephant (*Elephas maximus sumatranus*). Sumatran elephant cannot be seen every year in the work area because of their very wide home range. The Management Unit conduct periodic identification and monitoring of the types of flora and fauna in the working area. Existing native flora and fauna species are protected and protected by providing their habitat in the form of a protected area.

To minimize the environmental impact due to forest management, PT Seraya Sumber Lestari has taken the following steps:

- Compiling Documented Procedures (SOP) and Work Instructions (WI) related to environmental management in its working area,
- Establish, maintain and maintain protected area,
- Applies Reduce Impact Logging (RIL) in harvesting process,
- Not clearing land for production activities on cultivated peat areas that have not been cleared,
- Not replanting production areas and livelihood plants located in peat protected areas with *Acacia crassicarpa*,
- Carry out rehabilitation of peat protected function areas with appropriate species and technical silvicultural systems, Carry out rehabilitation in degraded land,
- Using types of pesticides that are not prohibited by law and regulations,

- Build a generator house and fuel oil (BBM) with oil trap facilities to minimize oil spills to the ground and waters,
- Build a Temporary Storage Place for Hazardous and Toxic Waste (TPS LB3) which has a permit from the relevant agency.

As the prevention and control of forest and land fires, PT Seraya Sumber Lestari implements the “No Burning Land Clearing Policy”. The Management Unit has provided infrastructure, facilities and infrastructure as well as human resources for forest and land fire prevention and control activities, namely Forest and Land Fire Control Brigade (Brigdalkarhutla). The Management Unit has also established a Community with Fire Awareness to participate in preventing and controlling forest and land fires in the management unit's work area and its surroundings.

The species of staple plant is being controlled and monitored very closely and permitted to be planted by the relevant agencies. Do not plant crops that are the result of genetic engineering or Genetically Modified Organisms (GMOs). The Management Using a fertilizer regime which type, dosage and time of use are based on recommendations from the R & D section of PT. RAPP.

As for the forest protection and security, the Management Unit implements:

- Build Security Posts and portals to restrict outsiders from entering the work area,
- Conduct forest security patrols against existing forest disturbances, especially: land claims and encroachment. Regarding the existing violations, the Management Unit has reported it to the authorities and has made efforts to resolve the problem together with outside parties who have encroached/claimed the land.
- Installing signboards in the form of prohibitions or notices in several strategic locations. The signboard contains a prohibition on burning forests and land, cutting down trees, and hunting for animals,
- Monitoring the impact of forest management on the soil (fertility, peat subsidence and water table as well as pyrite oxidation) and water (water level, river water quality and discharge),
- Perform canal blocking to maintain ground water level in accordance with field conditions,
- Prepare and report environmental management activities in the Environmental Permit Implementation Report per semester to the relevant agencies. The latest report that has been made is the Environmental Permit Implementation Report for semesters 1 and 2 of 2020.

Results of the Public Consultation

Prior to conducting the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia held a Public Consultation commencing June 21, 2021, 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), 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 2 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.