

Public Report Sustainable Forest Management System

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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: Recertification

AUDIT START DATE: July 12, 2022

AUDIT END DATE: July 15, 2022

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: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head Office	Jl. Dr. Sutomo No 62, Pekanbaru, 28141, Provinsi Riau, Indonesia	July 12, 2022
M.U.	Seraya - Jl Raya Siak - Sei Mandau, Kampung Tumang, Kecamatan Siak, Kabupaten Siak, Propinsi Riau, 28141, Indonesia	July 13 to 15, 2022
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

PT Seraya Sumber Lestari received the first management permit based on the Decree of the Regent of Siak Number 03/IUPHHK/I/2003 concerning the Granting of Business Permit for Utilization of Timber Forest Products (IUPHHK) for Plantation Forest of 16,875 (sixteen thousand eight hundred and seventy five) hectares in Siak Regency on January 27, 2003. The Management Unit has received the latest decree to determine the work area, namely SK No. 276/MenLHK/Setjen/PLA.2/7/2020 dated July 7, 2020 regarding the Determination of the IUPHHK-HTI Work Area of PT Seraya Sumber Lestari of 19,685.77 (nineteen thousand six hundred eight fifty-five and seventy-seven) hectares in Siak Regency, Riau Province. There was a conversion of natural forest into plantations of 243 Ha. Thus, the IFCC certified area currently is 19,685.77 ha - 243 ha = 19,442.77 ha.

In carrying out forest management operations, the Management Unit has a Revised RKUPHHK-HTI document which was ratified based on 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 June 28, 2019 concerning the Approval of Revised Work Plan of Industrial Timber Forest Products Utilization (RKUPHHK-HTI) for a Period of 10 (Ten) Years of 2017 to 2026 on behalf of PT Seraya Sumber Lestari in Riau Province.

The Management Unit carries out spatial planning consisting of Local Protected Areas and Other Protected Areas of 3,626 Ha (18.41%), Staple Plants area of 6,161 Ha (31.30%), Livelihood Plant Area of 9,898.77 ha (50.29%), with a total of 19,685.77 Ha (100.00%). The Local Protected Areas and Other Protected Areas consist of KPPN of 300 Ha (1.52%), KPSL of 180 Ha (0.91%), Other Protected Areas of 1,238 Ha (6.29%), and peat dome peak of 1,908 Ha (9.69%).

The 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 work area boundaries area as follows:

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

The working area of PT Seraya Sumber Lestari is included in the Kutub River and Metas River forest groups and sub-watersheds, with flat topography (0-8%) and an altitude of 15-16 meters above sea level. The soil types are tropohemists, tropofibrists, Troposaprits, Tropofibrists. It is formed by geological type of Peat (KLR-Klaru) and (MDW-Mendawai). The climate type is A (Schmidt and Ferguson 1955) with annual rainfall of 2,893.5 mm/year (highest month of December and lowest month of June). The type of species being cultivated is *Acacia crassicarpa*.

The Management Unit has complied with regulations related to peatland management. They had carried out:

- 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,
- Compilation of the report on the implementation of peatland ecosystem restoration and forest and land fire control based on the Decree of the Director General of Pollution and Environmental Damage Control Number SK.116/PPKL/PKG/PKL.O/10/2018 dated October 18, 2019
- Making adjustments for 2018 to 2019 activities 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.
- Revision of the RKUPHHK 2017 to 2026 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 in order of Fulfillment Regulation of the Minister of Environment and Forestry Number P. 10/MENLHK/SETJEN/KUM.1/3/2019.

There is an area of peat dome with a total of 2,693 Ha which is spread over KPPN of 155 Ha, KPSL of 180 Ha, Other Protected Areas of 450 ha, and the peat dome peak area in the former staple plant area of 1,908 ha.

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

The residents around the concessions are local communities without indigenous people. According to the Revised RKUPPHK-HTI of 2017 to 2026 the livelihood of the community is dominated in the agricultural sector. There are five fostered villages spread over two districts and one regency in Riau Province. The fostered villages are Tumang Village, Merempan Hulu Village, Buantan Besar Village, Siak District, and Rantau Panjang Village, Buatan II Village, Koto Gasib District, Siak Regency. As for this year, forest management activities are focused on Buantan Besar Village, however, community empowerment programs and other programs are also carried out in other assisted villages.

PT Seraya Sumber Lestari has established a conflict resolution mechanism with the surrounding community. According to the Potential Mapping Report and Conflict Resolution in Semester II of 2022, the potential conflict status is critical. Since the first concession issued in 2003, the concession area has included the village settlements, old tombs, ancestral lands planted with rubber trees, cultivation, and the public road along 9 km. The existence of this public road facilitates access for the people. This might lead to rampant illegal logging, encroachment, and expansion of residential areas. The company made efforts to resolve conflicts with the village community by allocated oil palm plantation agreement started when the company began to operate.

The Management Unit has collaborated with the surrounding villages in forest fire prevention and management cooperation by the establishment of Community with Fire Awareness (MPA). This cooperation is still running. The latest activities are firefighting training for MPA members and provision of personnel equipment in the form of firefighter shirts, boots, and hats. The company as well cooperates with local contractor partner in leasing trucks and the driver.

PT Seraya Sumber Lestari has implemented corporate social responsibility program for the surrounding village communities. The aids are facilities for schools and village office, electricity generator for the village health facilities, building materials for village bosques, fish cultivation program (cage nets), food processing machines, tofu business, honey-bee cultivation, sports equipment, etc.

Description of the Ecological conditions of the concession

The Management Unit has carried out forest ecosystem and hydrological function management through the following activities:

- Identification of forest management activities that have significant impacts, and conduct environmental impact assessments through ANDAL, RKL and RPL document of PT Seraya Sumber Lestari (approved by the Regent of Siak Number 660/Bpdl-S/217 dated January 23, 2003), Report on Implementation of Environmental Permits for Semesters 1 and 2 of 2021,
- Perform the Reduced Impact Logging activities before, during and after logging activities,
- Identification of areas that function for land and water protection to be allocated as Local Protected Areas and Other Protected Areas,
- Monitoring the negative impacts of forest management activities in the concession area in accordance with the RKL and RPL documents and SOP for Monitoring Protected Areas, SOP for Monitoring Discharge and Water Quality and SOP for Monitoring Subsidence and TPMAT,
- Established and implemented documented procedures for the controlled use of B3 (Hazardous and Toxic Materials), namely SOP for Management of Hazardous and Toxic Waste (B3) and SOP for Handling Spillage of Fuel, Lubricants and Chemicals.

The Management Unit has performed biodiversity management through the following activities:

- Identification of protected, endemic, rare, and threatened/near-extinct species and their habitats. There is a map of the distribution of flora and fauna,
- Management of Protected Areas in accordance with the RKL/RPL Implementation Report every semester as well as SOP for Determining Protected Areas and SOP for Monitoring Protected Areas,

- Carried out an environmental impact assessment on the potential impacts on protected, endemic, rare, and threatened/near-extinct flora and fauna, through ANDAL 2003, RKL and RPL documents,
- Not cultivated genetically modified tree species but *Acacia crassicarpa*.

The Management Unit has implemented forest protection through the following activities:

- Identification and monitoring of disturbances in Sustainable Forest Management such as forest fires and plant diseases,
- Have documented procedures to prevent and handle pest attacks as well as management of chemical pesticides, namely SOP for Integrated Pest and Disease Management,
- Implemented forest protection measures against fire hazards,
- Prohibition of livestock grazing activities in the work area,
- Implemented appropriate steps in forest protection activities.

Results of the Public Consultation

Prior to conducting the Recertification Audit, PT AJA Sertifikasi Indonesia held a Public Consultation commencing May 11, 2022, 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.

The result of the Recertification Audit is one non-conformity in Minor category. The Management Unit has made improvement and the non-conformity is closed. No critical issues occur.

Number	Non-Conformities	Corrective Action Performed	Category
1	The Permanent Sample Plot marking in the field were not in accordance with the company SOP. There was no circular black paint mark, information about the rotation of the plot boundary made of wooden stakes, and there is no marking of two lines on the stake. Indicator I.5.2	The Management Unit has made improvements by making proper markings on the center plot and on the plot boundaries according to the SOP.	Minor

Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00033/XII/2016 is valid until December 26, 2025, provided that PT Seraya Sumber Lestari completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same 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.