

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

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

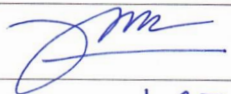
TYPE OF AUDIT: Surveillance 1

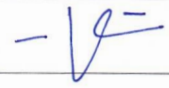
AUDIT START DATE: August 09, 2023


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: August 12, 2023

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE: 

SIGNATURE: 

SIGNATURE: 

AUDIT TEAM: Amin Kadani

Agung Utama Lubis

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	August 09, 2023
Site	Seraya - Jl Raya Siak - Sei Mandau, Kampung Tumang, Kecamatan Siak, Kabupaten Siak, Propinsi Riau, 28141, Indonesia	August 10 to 12, 2023
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 received the management permit based on the Decree of the Minister of Environment and Forestry of Republic of Indonesia Number: 276/MenLHK/Setjen/PLA.2/7/2020 dated July 7, 2020, concerning Determining the IUPHHK-HTI PT Seraya Sumber Lestari working area of 19,685.77 (nineteen thousand six hundred eighty-five and seventy-seven per hundred) in Siak Regency, Riau Province. The decree is then updated through a Decree of the Minister of Environment and Forestry of Republic of Indonesia Number: SK.716/MENLHK/SETJEN/HPL.0/9/2021 on 13 September 2021 in Forest Utilization License (PBPH). There is a conversion of natural forest into plantation forest covering an area of 243 Ha. Thus, the current certified area is 19,685.77 ha - 243 ha = 19,442.77 ha.

The Management Unit has a long-term plan in the form of RKUPH, namely the Revision of RKUPHHK-HTI (Decree of the Minister of Environment and Forestry Number: SK.5844/MenLHK-PHPL/UHP/HPL.1/7/2022 dated 4 July 2022). The spatial planning based on the RKU above consists of a Protected Area of 1,672.00 ha (8 %), a Cultivation Area of 18,013.77 ha (92 %). There is a Peat Dome Peak Area of 184 ha (0.93%).

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 Indah 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 trophemists, 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.

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

There are no customary communities around the concession, according to the company public relations and field verification. The livelihood of the residents is dominated in the agricultural sector as much as 99%. PT Seraya Sumber Lestari has made conflict resolution efforts with the surrounding community. Based on the Potential Mapping and Conflict Resolution Report for the second semester of 2022, the land conflicts are divided into two cases, the first case is an overlapping company land with villages. While case two is a concession area claim by a village farmers group. The efforts to resolve this conflict are in the process of reporting to the authorized police.

PT Seraya Sumber Lestari has collaborated with the surrounding community. There is cooperation in preventing and handling fires in Community with Fire Awareness (MPA) since 2018. This cooperation is active until present, evidenced by the Inauguration and Training Activity Report and MPA Socialization of 2023.

The implementation of corporate social responsibility program for the surrounding community for 2022 and 2023 is covered in such as assistance for cage nets, catfish seeds and feed, mosque renovation materials, and assistance for youth sports equipment. there are six programs still in the approval process namely mosque construction materials, honeybee farming, assistance with learning infrastructure, 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:

- Identify forest management activities that have important impacts, and carry out environmental impact assessments through ANDAL, RKL and RPL documents, Report on the Implementation of Environmental Permits for Semesters 1 and 2 of 2022, Revision of RKUPHHK-HTI (Decree of the Minister of Environment and Forestry Number: SK.5844/MenLHK-PHPL/UHP/HPL.1/7/2022 dated 4 July 2022.
- Implementation of Reduced Impact Logging activities before, during and after logging activities.
- Identification of areas that function to protect land and water and allocate them into Protected Areas of 1,672 ha (8.5%) consisting of River Borders of 15 ha (0.06%), KPPN of 506 ha (2.57%), KPSL of 202 ha (1.03%), Other Protected Areas of 765 ha (3.89%) and Peat Dome Peak of 184 ha (0.93%).
- Monitoring of negative impacts of forest management activities in concession in accordance with the RKL and RPL and guided by SOP for Monitoring Protected Areas, SOP for Monitoring Discharge and Water Quality and SOP for Monitoring Subsidence and TPMAT.
- Establishment and implementation of 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 Spills of Fuel, Lubricants and Chemicals.

The Management Unit has carried out biodiversity management through the following activities:

- Identification of protected, endemic, rare flora and fauna and threatened/endangered species and their habitats. There is a distribution map of flora and fauna.
- Protected Area Management in accordance with the RKL/RPL Implementation Report each semester as well as the SOP for Determining Protected Areas and SOP for Monitoring Protected Areas.
- Identify key protected and threatened/endangered species, as well as their habitats and migration patterns. Based on this identification, there are no key species in the area.
- Has carried out an environmental impact assessment of the potential impact on protected, endemic, rare flora and fauna and threatened/endangered species, through 2003 RKL and RPL, AMDAL document
- The species of staple crops cultivated are not genetically modified tree species but *Acacia crassicarpa*.

The Management Unit has carried out forest protection through the following activities:

- Identify and monitor disturbances in Sustainable Forest Management. The disturbances identified are forest fires and plant pests.
- Having documented procedures to prevent and handle pest attacks, namely SOPs for Integrated Pest and Disease Management.

- Regulate the management of chemical pesticides in the field with documented procedures.
- Implementation of forest protection measures against fire hazards.
- Prohibition of livestock grazing activities.

Results of the Public Consultation

Prior to conducting the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia held a Public Consultation commencing July 7, 2023, 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 results of the Surveillance 1 Audit is 1 (one) non-conformity in the .inor category. The Management Unit has made improvements, and the non-conformity can be closed:

Number	Non-Conformities	Corrective Action Performed	Categories
1	The company has carried out maintenance activities in the field but has not been able to show report documents and proof of submission of the 2022 report to the Head of BPKHTL and has not been shown maintenance planning documents for all boundary pals that have been installed in the concession area.	The Management Unit has submitted a report on the results of the maintenance and security of the Work Area boundaries every year 2023 to the Head of BPHTL for the Riau Region, in accordance with Minister of Environment and Forestry Regulation Number 7 of 2021 article 28 (1).	Minor

Conditions under which the certificate is issued

Certificate 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.