

# Public Report Sustainable Forest Management System

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ORGANIZATION 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 & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Transition to IFCC ST 1001:2021 + Surveillance 2

AUDIT START DATE: August 7, 2024

AUDIT END DATE: August 10, 2024

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: Inggita Nuri Prihantini

SIGNATURE:

Qodly Zaka Syahtriawan

SIGNATURE:


MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATIONS SITES VISITED including countries	DATE OF EACH SITE VISIT:
Head office	Jl. Dr. Sutomo No 62, Pekanbaru, 28141, Provinsi Riau, Indonesia	August 7, 2024
Site	Seraya - Jl Raya Siak - Sei Mandau, Kampung Tumang, Kecamatan Siak, Kabupaten Siak, Propinsi Riau, 28141, Indonesia	August 8 to 10, 2024
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	

#### Brief Description of the concession

PT Seraya Sumber Lestari initially received an IUPHHK (Timber Forest Product Utilization Business Permit) based on the Decree of the Regent of Siak Number 03/IUPHHK/I/2003 dated January 27, 2003, covering an area of 16,875 (sixteen thousand eight hundred seventy-five) hectares in Siak Regency, Riau Province. In 2007, the permit was renewed based on the Decree of the Minister of Forestry Number SK 22/Menhut-II/2007, dated January 5, 2007, concerning the Renewal of the Business Permit for the Utilization of Timber Forest Products in Plantation Forests of PT Seraya Sumber Lestari for a Production Forest Area of ± 19,450 (nineteen thousand four hundred fifty) hectares in Riau Province. The permit period was set to be effective from January 5, 2007, for a period of 41 (forty-one) years from January 27, 2003, unless returned by the permit holder or revoked by the Minister of Forestry. PT Seraya Sumber Lestari received a work area determination decree based on Decree No. 276/MenLHK/Setjen/PLA.2/7/2020 dated July 7, 2020, concerning the Determination of the IUPHHK-HTI Work Area of PT Seraya Sumber Lestari, covering an area of 19,685.77 (nineteen thousand six hundred eighty-five and seventy-seven hundredths) hectares in Siak Regency, Riau Province. In 2021, it received a PBPH (Forest Utilization Business Permit) Decree based on the Decree of the Minister of Environment and Forestry Number SK.716/MENLHK/SETJEN/HPL.0/9/2021, dated September 13, 2021. There has been a conversion of natural forest into plantation forest covering an area of 243 hectares. Thus, the currently certified area is 19,685.77 ha - 243 ha = 19,442.77 ha.

Based on the Statement Letter of the Head of Field of PT Seraya Sumber Lestari regarding the determination of the scope of certification on August 14, 2024, it is as follows:

1. Area based on permit: 19,685.77 ha
2. Forest area: 19,685.77 ha
3. Certified area: 19,442.77 ha

The management plan/long-term plan is in the form of a change to the RKUPH (Forest Product Utilization Work Plan) document, which has been approved by the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.5844/MenLHK/Setjen/PUHP/HPL.1/7/2022, dated July 4, 2022, concerning Approval of Changes to the Forest Utilization Business Work Plan for Forest Utilization Business Permits for the 2017-2026 Period in the Framework of Peat Management on Behalf of PT Seraya Sumber Lestari in Riau Province.

Spatial planning of the work area:

1. Protected area with an area of 1,672 ha (8.50%)
2. Cultivation area with an area of 18,013.77 ha (91.50%) Total: 19,685.77 ha (100%)

The protected area of 1,672 ha (8.50%) consists of:

- River boundary: 15 ha (0.08%)
- KPPN (Germplasm Protection Areas) area: 506 ha (2.57%)
- KPSL (Wildlife Protection Areas): 202 ha (1.03%)
- Other protected areas: 765 ha (3.89%)
- Peat dome peak: 184 ha (0.93%)

The cultivation area of 18,013.77 ha (91.50%) consists of:

- Utilization of cultivation forest (plantation forest) area: 8,361 ha (42.38%)
- Infrastructure area: 349 ha (1.77%)
- Settlements, public facilities, social facilities area: 97 ha (0.49%)
- Gardens and shrubs: 9,206.77 ha (46.77%)

Geographical location: 101°48'40"–101°58'08" East Longitude and 00°48'30"–00°58'36" South Latitude. Work area boundaries:

1. North: IUPHHK-HTI PT Balai Kayang Mandiri



2. South: Plantation of PT Wana Subur Sawit Indah, PT Gelora Sawit Indah, APL (Other Use Areas)
3. West: IUPHHK PT RAPP
4. East: IUPHHK-HTI PT Rimba Mandau Lestari, APL (Other Use Area)

Administratively, the work area of PT Seraya Sumber Lestari is located in Siak and Koto Gasib Districts, Siak Regency, Riau Province, with forest management by UPT Mandau included in the Siak/Siak Kecil forest group. The topography is flat (0-8%) with an altitude of 0 - 8 meters above sea level. Soil types include Tropohemists, Trophobrists, Troposaprits, and Tropofibrists. Geology: Peat (KLR-Klaru), Peat (MDW-Mendawai). The area has a tropical wet climate with climate type A (Schmidt & Ferguson 1955), receiving 2,893.5 mm of rainfall per year (with the highest rainfall in December and the lowest in June). This area is part of the Siak Watershed ecological system. Based on the peat hydrological unit, PT Seraya Sumber Lestari is part of the Sungai Siak Kecil – Sungai Siak KHG. The type of plant cultivated is *Acacia crassicarpa*.

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

PT Seraya Sumber Lestari is surrounded by local communities. There are no customary law communities or customary land belonging to such communities around the forest concession. The tribes around the Organization are predominantly Malay. Additionally, based on interviews conducted with village officials, the livelihoods of the villagers around the company are primarily based on farming and fishing.

The Organization has made efforts to resolve conflicts with the surrounding community. According to the 2023 Claim Area Identification and Settlement Report, several claim areas have decreased each year. However, cases involving the control and conversion of effective plantation and conservation areas, through land sales for use as plantation land, and the overlap of company land with surrounding villages, are still being investigated by the Organization and relevant parties. Conflict resolution is being carried out in accordance with the Standard Operating Procedures (SOP) for the Conflict Resolution Protocol and Security Threat Management Activities. This year, the Organization has conducted socialization and funding activities for its Corporate Social Responsibility (CSR) programs to the surrounding village community in order to foster harmony and implement sustainable partnership programs.

PT Seraya Sumber Lestari has an addendum to the cooperation agreement with the village community, which focuses on Livelihood Plants and Community with Fire Awareness (MPA). The cooperation on livelihood plants with surrounding villages has been implemented using *Acacia* species. This was confirmed by the relevant village officials during interviews. The livelihood plant cooperation provides benefits to the community. Additionally, there is an agreement between the company and the community regarding the Community with Fire Awareness initiative. This agreement emphasizes the joint responsibility of both parties to ensure the security of the plants, maintain and reduce the risk of land fires, and address existing social issues.

The Organization has fulfilled its social obligations to the community through CSR and Community Development (CD) programs. Based on the CSR/CD plan submitted, the CSR/CD activities have been carried out and have exceeded the targets set for 2023 and the first quarter of 2024. The CSR/CD initiatives have been implemented in areas such as education, health, religion, economy, and other community activities. Some of the assistance provided includes the donation of school desks, chairs, and blackboards to surrounding villages, the provision of integrated health post equipment such as complementary foods for breastfeeding mothers, milk, and additional food for toddlers, the provision of facilities and equipment for worship in surrounding villages, as well as assistance in beekeeping, freshwater fish farming, and support for youth sports activities and village office infrastructure.

#### **Description of the Ecological conditions of the concession**

The Organization has complied with regulations related to peatland management. PT Seraya Sumber Lestari has conducted an inventory of peat ecosystems through water balance analysis and the identification of peat dome peaks. The Organization has adjusted its management plan through the Revision of the RKUPHHK to enhance Peat Governance in compliance with the 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. The water balance calculation was submitted and used as a follow-up to the RKUPH revisions. A further revision of the RKUPH PBPH HTI was approved through the Decree of the Minister of Environment and Forestry Number SK.5844/MenLHK-PHPL/UHP/HPL.1/7/2022 dated July 4, 2022.

The Organization conducts land cover identification and regularly monitors the area using fire towers, CCTV, drones, and satellite image analysis. Protected areas are allocated in regions with critical ecological functions, and the work area arrangement is adjusted in line with changes to the 2017-2026 RKUPH, which designates 1,672.00 ha for protected areas.

PT Seraya Sumber Lestari maintains the health and vitality of the forest ecosystem through several measures, including:

- Establishing operational standards that support genetic, species, and structural diversity to improve forest health and resilience against environmental threats. This includes SOPs for Protected Area Determination, Forest Protection, Protected Areas Management, and Forest and Land Fire Control. The Organization has created Work Instructions to support the technical implementation of forest ecosystem management.
- Arranging the work area in accordance with the 2017-2026 RKUPH and revising it in 2022 (SK.5844/MenLHK-PHPL/UHP/HPL.1/7/2022) to adjust peat management. Peat forest management uses a water management system, and infrastructure compliance points are determined based on topographic surveys and peat depth.
- Conducting peat ecosystem restoration and rehabilitation activities, including vegetation monitoring, in the peat dome peak area. The Organization has established a Natural Nursery for developing seedlings from local species. Seedlings are used for peat ecosystem rehabilitation and for enriching forage plants in protected areas.
- Monitoring pests and diseases through an integrated pest and disease management system. Chemical use is limited and follows established procedures. The Organization does not use genetically modified or non-native species in protected areas.
- The Organization does not use fire for forest management and adheres to documented SOPs for fire prevention and control, including the establishment of a Fire Brigade and fire breaks.
- Implementing waste management programs, including the management of hazardous waste, and collaborating with third parties for proper disposal. Waste management reports are submitted quarterly to relevant agencies.

The Organization has carried out biodiversity conservation and protection in the forest ecosystem, focusing on maintaining or enhancing the protection function of land and water. Specific activities include:

- Mapping and identifying areas with peat protection functions, including the Peat Dome Peak area. A detailed land cover mapping and peat ecosystem restoration plan have been developed.
- Implementing Reduced Impact Logging (RIL) to minimize forest degradation. The Organization also controls the water system in peat areas, including managing canals and water gates.
- Carrying out vegetation enrichment activities through the planting of local species in protected areas to enhance biodiversity.

PT Seraya Sumber Lestari has successfully managed forest and land protection activities to ensure the health of the ecosystem and mitigate risks to biodiversity. Ongoing monitoring and conservation efforts continue to focus on peat dome peak protection, forest health, and biodiversity enhancement.

### Results of the Public Consultation

Prior to conducting Transition to IFCC ST 1001:2021 + Surveillance 2 Audit on PT Seraya Sumber Lestari, PT Acube TIC International has made a public announcement and public consultation. Invitation to public consultation to stakeholders to obtain input as materials/consideration through the website [www.ajaindonesia.com](http://www.ajaindonesia.com) on July 1, 2024. The stakeholders can provide input for audit considerations to PT Acube TIC International email. There is no input from stakeholders.

The audit team also collected information from the mass media about PT Seraya Sumber Lestari. The reported cases are considered as part of the PT Acube TIC International audit process.



The Organisation has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the area of certification, which are registered for the certification area of 19,442.77 hectares.

#### Organization progress record related to corrective action on findings of nonconformities in previous audit

The result of Surveillance 1 Audit was 1 (one) non-conformity in minor category. The Organization has made improvements and the non-conformity is closed.

Number	Non-Conformities	Corrective Action Performed In Surveillance 1 at 2023	Closed Out Surveillance 2 in 2024
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.  <b>Indicator I.4.1</b>	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).	The Organization has submitted a report on the results of the implementation of maintenance of part of the boundaries of the PT Seraya Sumber Lestari work area, with letter Number 170/SSL/PKU/XI/2023 dated November 30, 2023 to the Head of the Forestry and Environmental Management Center for Region XIX in Pekanbaru, in accordance with the Regulation of the Minister of Environment and Forestry Number 7 of 2021, Article 28 (1)

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

The result of Transition to IFCC ST 1001:2021 + Surveillance 2 is 1 (one) non-conformity in minor category. The Organization has performed corrective action and the non-conformity is closed.

Number	Non-Conformities	Corrective Action Performed	Category
1	Based on a field visit, there were bark peeling workers who do not use standard PPE (not wearing safety shoes and helmets). This is not in accordance with SOP of Procurement and Distribution of Personal Protective Equipment.  <b>Indicator 5.3.4.3</b>	The Organization will take proactive measures to ensure better coordination and monitoring of the contractor's obligations regarding the provision of PPE to workers. This will involve a more active role in ensuring that the contractor adheres to the required standards for PPE procurement and distribution. Additionally, the Organization will conduct routine socialization sessions for workers, emphasizing the critical importance of using PPE to protect their health and safety during work. Regular reminders will be	Minor



		implemented to reinforce the significance of PPE compliance, fostering a safer working environment for all involved.	
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<b>Conditions under which the certificate is issued</b>
Certificate number AJA/IFCC-PEFC/FMC-HT/00033/XII/2016 is valid until 26/12/2025, 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 Recertification visit. If the non-conformities are not closed at the next Recertification, the certificate will be suspended until such time as AJA EUROPE is able to perform a closeout visit.