

Public Report Sustainable Forest Management System

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AJA EUROPE
PUBLIC AUDIT REPORT - SFM
TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



CLIENT NAME: PT SUMATERA RIANG LESTARI

TOTAL HECTARES: 25,320 ha

SCOPE OF REGISTRATION: Sustainable Forest Management in Plantation Forest Area of 25,320 hectares in North Sumatera Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Reaudit

AUDIT START DATE: March 6, 2018

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: March 9, 2018

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Amin Kadani

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS:-

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Sumatera Riang Lestari	Blok I Sei Kebaro Kabupaten Labuhan Batu Selatan, Kecamatan Torgamba dan Kabupatn Padang Lawas Utara, Kecamatan Simangambat, Propinsi Sumatera Utara, Indonesia	March 6 to 9, 2018
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	

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Date: 15 September 2016

Page: Page 2 of 5



Brief Description of the concession

Permit for utilization of timber forest products of Industrial Plantation Forest (IUPHHK-HTI) from PT Sumatera Riang Lestari Block I Sei Kebaro is in accordance with Ministerial Decree No. SK.208/Menhut-II/2007, dated May 25, 2007 concerning Amendment to Decree of the Minister of Forestry No. SK.262/Menhut-II/2004 jo no. SK.99 / Menhut-II / 2006 concerning the Granting of Timber Forest Product Utilization Permit (IUPHHK) for Plantation Forest to PT. Sumatera Riang Lestari (PT SRL) regarding the forest area of approximately 65,000 hectares in the province of North Sumatra. The change to the decision is in regard to the work area of IUPHHK-HTI of PT Sumatera Riang Lestari (PT SRL), which is approximately 215,305 ha, consisting of approximately 67,230 ha located in North Sumatra province and approximately 148,075 hectares in Riau Province. The total area of PT Sumatera Riang Lestari Block I - Sei Kebaro under Decree No. 208 /Menhut-II/ 2007 dated 25 May 2007 is for an area of 25,320 ha

The management plan of PT Sumatera Riang Lestari in North Sumatra and Riau Province is documented in RKUPHHK-HTI (Timber Forest Product Utilization Work Plan on Industrial Plantation Forest) The period of 2017-2026 and its annexes has been legalized through the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK. 265/MenLHK-PHPL /UHP/ HPL.1/ 2/2018, dated 02 February 2018. concerning Approval of Work Plan of Industrial Timber Forest Product Utilization (RKUPHHK-HTI) Year 2017 - 2026 In order to Improve the Governance of Peatlands An. PT. Sumatera Riang Lestari in North Sumatra Province and Riau Province.

The spatial layout of PT Sumatera Riang Lestari Blok I Sei Kebaro is as follows: Local Protected Area & Other Protected Areas of 4,867 ha (19.2%), Staple Crop Area of 15,210 ha (60,14%), Livelihood Plant Area of 5,243 ha (20.7%). There has been no conversion of natural forest to plantation forest in the working area of PT Sumatera Riang Lestari, Block I Sei Kebaro since December 31, 2010 and thus the scope of the IFCC certification is registered for a total area of 25,320 ha.

PT Sumatera Riang Lestari Block I - Sei Kebaro is located between 01° 26' 08" to 01° 10' 37" North and 100° 11' 26" to 100° 23' 57" East.

Administratively, the working area falls under the sub-district of Torgamba, Labuhan Batu Selatan Regency and the sub-district of Simangambat, Padang Lawas Utara Regency, North Sumatra Province.

Located in the Sungai Kebaro forest group, the working area is bounded by:

- North: PTPN III Bukit Tujuh, PTPN III Sei Meranti, PT Torganda
- East: PT Sinar Belantara Indah
- South: PT Torganda and Community Land
- West: PT Torganda

Geologically, this area consists of alluvium and volcanic rock types, whereas most of the dry soil conditions consist of podzolic soil types, plus associations such as podzolic-gleisolic-regosolic, podzolic-gleisolic and kambisoligleisolic-alluvial. According to Schmidt Fergusson climate classification, the area has Type A Climate with 2,259 mm / year rainfall.

Based on the foregoing, the species cultivated are *Acacia mangium* and *Eucalyptus Sp.*

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

PT Sumatera Riang Lestari Block I Sei Kebaro has identified the villages surrounding the concession area. The villages existing around the concession area in North Sumatra are:

- Sei Meranti and Torganda villages of Torgamba Sub-District, Labuhan Batu Selatan Regency
- Kosik Putih Village, Simangambat District, North Padang Lawas District

Based on AMDAL documents, there are no indigenous peoples in the area as defined in accordance with the law (Law No. 27 of 2007 and Presidential Decree No. 111 of 1999). Communities living in the vicinity of the concession are dominated



by migrants such as Batak, Javanese Melayu, Banjar, Minang and Mandailing who in the main earn their livelihoods by cultivating oil palm and rubber plantations, although some do work for palm oil and forestry companies.

There is cooperation between PT Sumatera Riang Lestari Blok I Sei Kebaro and the surrounding community in a number of areas, on livelihood plants cooperation with the villages of Torganda, Sei Meranti and Kosik Putih in 2013, agreement on rattan management with the collection of community rattan in 2009 and 2011, and the establishment of the Concerned Community for Fire (MPA) in Dusun Cindur, Torganda Village.

Meanwhile, realization of Community Development program in 2017 included infrastructure projects such as opening of the Tanjung Sari Village road and drilling of water well and provision of storage tank in Sei Meranti Village, plus material support for religious observance and other activities in the villages.

Description of the ecological conditions of the concession

PT. Sumatra Riang Lestari Block I Sei Kebaro has allocated 4,867 ha (19.22%) as Protected Area, consisting of KPPN of 354 ha (1.40%) and Riparian Zone of 4,513 ha (17.82%). The Management Unit has analyzed the impacts of forest management activities on the environment, and monitors the physical and biological conditions of biodiversity, protected flora and fauna, and soil physical and chemical conditions of river water. Identification of the impacts made are documented in (Environmental Impact Assessment (EIA), Environmental Management Plan (RKL), and Environmental Monitoring (RPL) with periodic reports being forwarded to the relevant authorities.

Environmental management and monitoring plans include the following: 1. Monitoring / marking of boundaries of protected areas 2; Socialization of protected areas to the public, employees and their families ; 3. Inventory of protected areas 4. Installation of information boards, plus warnings and restrictions in protected areas; 5. Regular patrols for fire protection/encroachment of areas; 6. Monitoring of vegetation in germplasm conservation area (KPPN) and river boundaries; 7. Monitoring of erosion; 8. Monitoring of soil quality; 9. Monitoring of soil density; 10. Monitoring of water flow; 11 Water quality monitoring; 12. Nurseries regeneration and natural remedies; and 13. Rehabilitation of damaged protected areas by natural regeneration

The Management Unit also undertakes infrastructure development and human resources preparation for forest disturbance management, which consists of: 1. Formation of security posts at the entrance to the work area; 2. Development of fire control towers; 3. Provision of water source for the filling of tankers for firefighters; 4. Establishment and training of firefighting teams; 5. Provision of equipment and supplies for firefighters, etc.; 6. Undertake routine forest patrols; 7. Identification of areas susceptible to fire; 8. Socialization of protected areas and concession boundaries to surrounding communities and workers; and 9. Control and management of forest pests and plant diseases.

Results of the Public Consultation

Prior to carrying out the Recertification Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing February 23, 2018, requesting stakeholders to provide feedback and information about PT. Sumatera Riang Lestari - Block I Sei Kebaro. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia (www.ajaindonesia.com), sent to the parties via email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders in response to the public consultation.

The audit team also gathered information from the mass media about PT. Sumatera Riang Lestari Blok I Sei Kebaro, the reported cases being considered a material part of the audit process of PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the requirements required for this certification process, comprising legal aspects that include compliance with international rules and rules and conventions. The management system has been built to cover all activities in the field of certification, which is registered for certification covering an area of 25,320 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 Recertification Audit of PT. Sumatera Riang Lestari Blok I Sei Kebaro, one (1) Minor category of Non-conformity was identified, as follows:

NO	Non-conformity	Corrective Action performed	Category
1.	The Management of "Serikat Pekerja Perjuangan Rimba Lestari"(SP2RL) worker union, Sei Kebaro branch expired in 2017. Clause Ref. I.11.4	The Management Unit has forwarded the Decree of the Central Union for Serikat Pekerja Perjuangan Rimba Lestari (SP2RL) with the SP2RL Chairman's Decree for the period 2017-2020 dated March 08, 2018.	Minor

Conditions under which the certificate is issued

Certificate is valid until 19/04/2021, provided that PT Sumatera Riang Lestari Blok I Sei Kebaro 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.