

Public Report Sustainable Forest Management System

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



JOB NUMBER: AJA/IFCC-002

CLIENT NAME: PT. Sumatera Riang Lestari

TOTAL HECTARES: 25.320 Ha

SCOPE OF REGISTRATION: Sustainable Forest Management for Forest Plantation covering 25.320,00 hectares in North Sumatera Province

STANDARD/CRITERIA: IFCC ST 1001:2014 & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Stage 2

AUDIT START DATE: September 18, 2014

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: September 21, 2014

CERTIFICATE DECISION DATE: April 20, 2015

LEAD AUDITOR: Zaenal Arifin

SIGNATURE:

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AUDIT TEAM: Andri Wibisono

SIGNATURE:

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Agung Utama Lubis

SIGNATURE:

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MAJOR CARs: 1

MINOR CARs: 6

OBSERVATIONS: 0

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):	<input type="checkbox"/>	SELECT OPTION
RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):	X	
RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):	<input type="checkbox"/>	
NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence Of Major System Failure):	<input type="checkbox"/>	

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SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):	DATE OF EACH SITE VISIT:
Blok I Sei. Kebaro	South Labuhan Batu District, Torgamba Subdistrict and North Padang Lawas District, Simangambat Subdistrict, North Sumatera - Indonesia	September 18-21, 2014
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 (If more than 4 additional sites have been registered please add additional rows)	
	N/A	
REF No:	ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)	
	N/A	

Brief Description of the concession and its natural and socio-economic conditions.

PT. Sumatera Riang Lestari (PT. SRL) procured permit of industrial forest plantation by the Decree of Minister of Forestry No. 208 / Menhut-II / 2007 on May 25, 2007 about the Amendment of Decree of Minister of Forestry No. 262 / Menhut-II / 2004 on July 21, 2004 about the Granting of Business permit on utilization of timber forest product (IUPHHK) at industrial forest plantation to PT. Sumatra Riang Lestari on the forest area of 65,000 ha. Total area of PT. Sumatera Riang Lestari by Decree No. 208 / Menhut-II / 2007 on May 25, 2007 is 25,320 ha.

The geographical location of the concession area of PT. Sumatera Riang Lestari Block I Sei Kebaro is 01°26'08,0 "N - 01°37'08,0" N and 100°11'26,0 "E - 100°23'57,0" E. Administratively are inside subdistrict of Torgamba (South Labuan Batu District) and subdistrict of Simangambat (North Padang Lawas District) with A type climate and average rainfall of 2,259 mm / year.

PT SRL is located on Sei Kebaro forest group fall under Daun watershed (DAS). Soil of PT SRL is come under dry land with podzolic soil types (with associations of podsol-Gleisol-regosol, podzolic-Gleisol, and kambisol-Gleisol-alluvial), and geologically belong to alluvium and volcanic rocks. Their Topographic and slope class are come into a flat slope (0-8%) to ramps (8-15%) with height of 75-280 m above sea level. Moreover, working area of PT SRL can be reach ±8 hours by land

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transportation from Pekanbaru.

Based on spatial of HTI, Block I of Sei Kebaro of PT SRL consist of protected areas covering 4,867 ha (Border Rivers: 4,513 ha and KPP: 354 ha); The productive ineffective area (infrastructure) consist of covering 657 hectares; Production Area (Primary plants 15,455 Ha, Endemic plants 532 Ha, and Livelihood plants 1,269 Ha).

The nearby villages of working area of PT. SRL Block I Sei. Kebaro are Torganda village and Sei. Meranti village (inside Torgamba Sub District, South Labuhan Batu District, North Sumatra Province); and Kosik Putih Village (Simangambat Sub District, North Padang Lawas District, North Sumatra Province); and also Bagan Makmur Village (Sinembah Sub district and Tanjung Sari Village, Pujud Sub District, Rokan Hilir District, Riau Province)

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

The results of audit stage 2 of PT. Sumatera Riang Lestari Block I Sei. Kebaro found 7 nonconformities findings (6 minor and 1 major nonconformities).

The nonconformities findings are describe below:

CAR No: 1 of 7	Standard: IFCC ST 1001:2014	Clause Ref: I.4.1	Classification: Minor
<p>Non Conformity Identified: PT SRL (MU) does not have a model of endemic plants in area management.</p> <p>Corrective Actions: MU have developed a documented management model.</p> <p>Objective evidences viewed to support the certification recommendation: Documented management plan of endemic plantation in Block I Estate Sei Kebaro.</p>			
CAR No: 2 of 7	Standard: IFCC ST 1001:2014	Clause Ref: I.5.2	Classification: Minor
<p>Non Conformity Identified: The measurement of Permanent Sample Plot (PSP) was not carried out in 2013.</p> <p>Corrective Actions: MU have measured PSP in accordance with SOP-PLG-007 Permanent Sample Plots that is done annually in the same month.</p> <p>Objective evidences viewed to support the certification recommendation: The data achievement has been done by MU in the table plot of PSP with the plant age of 5 years.</p>			
CAR No: 3 of 7	Standard: IFCC ST 1001:2014	Clause Ref: I.5.4	Classification: Minor
<p>Non Conformity Identified: There is no data of rattan and other non-timber forest products (NTFS) in the forest.</p> <p>Corrective Actions: MU have provided data of rattan (<i>Callamus sp</i>) and sap of jelutung (<i>Dyera costulata</i>)</p> <p>Objective evidences viewed to support the certification recommendation: Rattan data and other non-timber forest product (sap of <i>Dyera costulata</i>) are appropriate. Preparation of data is in the form of table of Measurement Data of Rattan Dimension.</p>			
CAR No: 4 of 7	Standard: IFCC ST 1001:2014	Clause Ref: I.6.3	Classification: Minor
<p>Non Conformity Identified: The tool used to measure soil density (bulk density) and soil erosion was in need of repair so measurements taken using the tool could be invalid.</p> <p>Corrective Actions: MU have replaced the measurement tools for soil density (bulk density) and soil erosion and placed a clear sign in the measurement location, numbering and put the clear scale number to the pole.</p> <p>Objective evidences viewed to support the certification recommendation: Establishment of measurement tools of soil density and soil erosion principally are accordance with the standard. MU has replaced and repaired measuring tools in the field and it is well documented.</p>			
CAR No: 5 of 7	Standard: IFCC ST 1001:2014	Clause Ref: I.6.4	Classification: Minor
<p>Non Conformity Identified: The tool used to monitor and measure the flow of water was in need of repair, causing measurements to be potentially incorrect.</p> <p>Corrective Actions:</p>			

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MU has repaired measuring and monitoring instrument and have clearly marked the measurements.
Objective evidences viewed to support the certification recommendation:
 MU has developed monitoring tools of water debit monitoring plot accordance with the standard. MU has replaced and or repaired tools in the field and it is well documented.

CAR No: 6 of 7	Standard: IFCC ST 1001:2014	Clause Ref: I.6.6	Classification: Major
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Non Conformity Identified:
 MU did not have IPAL (Waste Water Treatment Plant) on the nursery area, whereas liquid waste disposal has thrown to the river directly.
Corrective Actions:
 MU has inspected to IPAL design and started developing IPAL on the 3rd week of October 2014.
Objective evidences viewed to support the certification recommendation:
 MU has established IPAL design namely Sedimentation Pond. It has been built in accordance with IPAL development planning schedule.

CAR No: 7 of 7	Standard: IFCC ST 1001:2014	Clause Ref: I.7.1	Classification: Minor
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Non Conformity Identified:
 SOP-HSE-025 : identification of flora and fauna were not well implemented. Tree mapping was not informative, there was no spreading-map of wildlife.
Corrective Actions:
 - MU has created tree map by showing the coordinates and tree species in the middle of the tree in the each vegetation observation plot.
 - MU has updated map of the spread of protected, endemic, and rare fauna.
Objective evidences viewed to support the certification recommendation:
 MU has revised the tree map and created a maps of spread of wildlife (fauna) in accordance with the mapping criteria. The new documentation is adequate and informative.

PT. SRL Block I Sei. Kebaro have taken a corrective action on the all major and minor nonconformities. The auditor has reviewed the corrective action by identify the objective evidences that has been delivered. So all the nonconformities (findings) have been fulfilled. Minor CARs have released to be reviewed on the next audit (surveillance), while Major CARs were downgraded into minor CARs that will be reviewed on the next audit (surveillance). Therefore PT. Sumatera Riang Lestari Block I Sei. Kebaro is recommended for certification of IFCC Sustainable Forest Management.

In the working area of PT. SRL Block I Sei. Kebaro, there is currently are no conversion of natural forests into plantation forests. In the working area of PT. SRL Block I Sei. Kebaro that has been no natural forest conversion after 31 December 2010. MU PT. SRL Block I Sei. Kebaro has conflict resolution management to resolve conflicts with the communities. MU PT. SRL Block I Sei Kebaro always maintains a harmonious relationship to the communities.

PT. SRL Block I Sei Kebaro has SOP (Standard Operating Procedure) and WI (Work Instruction) already to carry-out forest management activities that is started from land preparation and planting-to-harvesting. MU PT. SRL Block I Sei Kebaro has implemented RIL (Reduced Impact Logging), WI (Work Instruction) and Technical Guidance of Manual Harvesting Work to their timber harvesting activity. MU PT. SRL Block I Sei Kebaro has optimized resources with high exploitation factor and also reduced waste. To reduce compaction of the soil, MU PT SRL trim and leave the wood branches and bark in the logged area. It will decrease soil erosion and compaction and its' biomass will be returned to the forest.

HTI harvesting activities are divided into three sections, namely: (1) Pre Harvest Process, (2) harvesting Process, and (3) Post Harvest process. Pre Harvest Process is done 3 months prior to logging, which consists of: (a) clearing the area, (b) Demarcation of plots / compartment, buffer zones, protected zone, and (c) micro planning. Harvesting process includes the following activities: (a) stripping the bark of standing trees, (b) logging (manual / mechanical), (c) cutting (bucking), (d) full debarking, (e) stacking into the plots, and (f) timber extraction to the collection point (TPn). The post harvest process consists of Harvesting Quality Assessment (HQA) that is includes an assessment of micro planning implementation, logging waste, high stumps, etc.

MU PT. SRL Block I. Sei Kebaro has rehabilitated degraded land with Eucalyptus sp. due to invasion of macaques (*Macaca nemestrina*) which led to the death of 987 ha of their previous plants (*Acacia mangium*). Rehabilitation has also been carried out on the protected areas that were damaged by forest fire.

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In the operational implementation, MU PT. SRL Block I Sei. Kebaro has assessed the HTI management activity impact on aspect of environment/ecology and social. It was recorded on the document of monitoring and management of environment and social impact inside the document of revision of RKUPHHK plantation forest, Annual Working Plan (RKT), ANDAL (Environment Impact Analysis), Environmental Management Plan (RKL), Environmental Monitoring Plan (RPL) and RKL Report per-semester.