

# Public Report Sustainable Forest Management System

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CLIENT NAME: PT Satria Perkasa Agung Unit Serapung

TOTAL HECTARES: 11,483.75  
hectares

SCOPE OF REGISTRATION: Sustainable Forest Management of Plantation Forest of approximately 11,483.75 hectares in Riau Province, Republic of Indonesia

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: April 09, 2019

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: April 12, 2019

LEAD AUDITOR: R Sigit Pamungkas

SIGNATURE:


AUDIT TEAM: Ence Hedi Hasan

SIGNATURE:

Taryanto Wijaya

SIGNATURE:

MAJOR CARS :-

MINOR CARS : 5

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Satria Perkasa Agung Unit Serapung	Muara Kampar District, Pelalawan Regency, Riau Province, Republic of Indonesia	April 09 to 12 2019
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 Satria Perkasa Agung Unit Serapung is located in Riau Province based on Minister of Forestry Decree covering an area of 11,927.15 ha. There has been conversion of 443.4 ha. of natural forest to plantation forest since December 31, 2010, thus scope registered for IFCC certification is an area of 11,483.75 ha.

Based on the 2017-2026 RKUPHHK (Decree of the Minister of Environment and Forestry of the Republic of Indonesia No. SK.6133 of 2017 concerning Approval of the Work Plan for the Utilization of Industrial Plantation Forest Products (RKUPHHK-HTI) for 2017 to 2026 in the Framework of Improving Peat Governance on behalf of PT Satria Perkasa Agung Unit Serapung in Riau Province on November 14, 2017, Spatial Planning was as follows: Peat Ecosystem Protection Area covering an area of 11,590.15 (97.17%) and Staple Plant Area of 337 ha (2.83%). The Management Unit is carrying out implementation of the spatial planning gradually over six (6) years.

The geographic location of the work area lies between: 0° 26' 03" to 0° 37' 13" North and 102° 57' 53" to 103° 06' 14" East. Based on government administration it is included in Kuala Kampar District of Pelalawan Regency. It is part of the Serapung River Group of Forests with the working area boundaries of PT. Satria Perkasa Agung Unit Serapung being as follows:

- North side: Ex-concession area of PT. Alam Wana Sakti
- South side: Kampar River border
- East side: Borders of the Long Strait Beach
- West: Ex-HPH PT. Alam Wana Sakti, Area of PT. MHJ

According to the Schmidt-Ferguson method, the climate is classified as Type A (very wet). Based on 2012 to 2014 data, rainfall in the work area is 1,062 to 1,676 mm/year. The topography of the area is lowland and marshy lowlands. Slope conditions are 100% flat (0-8%). The type of soil based on the Land System Map consists of alluvial area of 14.61 ha (0.12%), and Organosol Sapric covering an area of 11,912.54 ha (99.88%). Geological Formation based on Geological Map of Siak Sri Indrapura Sheet (0916), the area of PT Satria Perkasa Agung Unit Serapung is in the formation of old Alluvium (Qp) and Formation of Young Alluvium (Qh). The river in the working area is the Kampar River and is included in the Kampar River Border. The flow of the Kampar River is from north to south, with its width within the concession varying from 7 to 15 meters, and its depth from 0.7 to 2.5 meters. Species cultivated in the staple plant area is *Accacia crassicarpa*.

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

Around its work area, PT Satria Perkasa Agung Unit Serapung has identified and acknowledged the legal rights of local communities in two villages: Serapung Village, Kuala Kampar District, and Labuhan Bilik Village, Teluk Meranti District, both in Pelalawan Regency, and which it has marked on its village distribution map.

Moreover, the Management Unit has a social preservation policy signed by the President Director on January 1, 2017, that recognizes and respects the rights of local communities and indigenous peoples in and around the concession area.

The community living around the concession are native Malay, the majority of whom are Muslim whose daily lives are marked more by the culture of Islam than by local customs. As of the first surveillance in 2019, the following collaboration agreements with the local community in regard to forest management were still valid.

1. Agreement on Timber Plantation fees. The community has the right to receive a per ton yield from timber harvesting.
2. Establishment of the Community Fire Awareness and Socialization of the Control of Forest and Land Fires by PT Satria Perkasa Agung Unit Serapung.
3. Cooperation Agreement on Utilization of Non-Timber Forest Products with Fishermen Group.
4. Cooperation Agreement on the Prevention and Control of Forest Land Fires.

PT Satria Perkasa Agung Unit Serapung has made a report on the results of identification of Non-Timber Forest Products (HHBK), which was conducted on January 20 to 23, 2018. Based on the report, the types of NTFPs still used by the community are cork, twill, tomang and resin gum.

The Management Unit has made reports on conflict data and resolutions of forestry conflicts to the Head of the Riau Province Environment and Forestry Service, Director General of Sustainable Production Forest Management, and Head of the Pekanbaru Region III Production Forest Utilization Monitoring Office each semester, proof of handover of which exist.

The Management Unit has a 2017 CD-CSR program plan in the fields of: education, community fire awareness, religious, social infrastructure and youth.

PT Satria Perkasa Agung Unit Serapung has made efforts to establish communication with the village community by, among others, visiting the villages, conducting CD / CSR program socialization activities, socializing protected areas, socializing the company's vision and mission, socializing boundaries and concession spatial planning, which are carried out on an ongoing basis. The company has appointed a public relations official to ensure effective communication and consultation with the community.

Based on basic principles of workers signed by the President Director on January 1, 2016, PT Satria Perkasa Agung Unit Serapung ensures fair and equal treatment and non-discrimination between male and female workers including in the recruitment process, payment of wages, occupations and positions in accordance with the relevant ILO conventions.

The Management Unit has a Work Safety and Health Supervisory Committee (P2K3) approved by the Head of the Riau Province Manpower, Transmigration and Population Service, while a change in the organizational structure has been made to accommodate the new and advanced management system.

### Description of the ecological conditions of the concession

RKUPHHK period 2017-2026 (Decree of the Minister of Environment and Forestry of the Republic of Indonesia No. SK.6133 of 2017 concerning Approval of Work Plan for Utilization of Industrial Plantation Forest Products (RKUPHHK-HTI) for 2017-2026 In Order to Improve Peat Governance on behalf of PT Satria Perkasa Agung Unit Serapung in Riau Province on November 14, 2017, the following changes were made to the layout:

- Staple plants decreased from approx. 7,926 ha to approx. 337 Ha
- Livelihood plant decreased from approx. 1,893 ha to 0 ha
- Protected areas increased from approx.. 1,538 ha to approx. 11,590.15 ha
- Ineffective area of approx. 347 ha in accordance with the provisions in P.12 / MenLHK-II / 2015 classified according to area designation (staple plants and livelihood plants)

The Management Unit has optimized the use of forest resources where the initial activity was made micro or microplanning as outlined in a 1: 6,000 scale map, when Harvesting In Progress was monitored and evaluated on the implementation of microplanning.

The Management Unit has identified those areas that function to protect the land and implements appropriate measures to protect the area from damage, namely by allocating a protected area function for peat ecosystems to 11,590.15 ha (97.18%). To reach this spatial planning, the Management Unit is implementing in stages over six years. (Based on RKUPHHK 2017-2026).

The FLEG is 11,927.15 ha to become:

1. Non-Peat Dome in the Staple Plants Area covering 8,015 ha
2. Non-Peat Dome in the Livelihood Plants Area covering 2,081 ha
3. Protected Area covering 1,831.15 ha.

The Management Unit manages the peat land through the use of a canal system to control the water level in the closed system. For monitoring purposes, the Management Unit undertakes water level monitoring, groundwater monitoring with a piezometer (water table), and monitoring of land subsidence.

The Management Unit has a Biodiversity Monitoring Report (Biodiversity) in December 2018, which shows through use of such indices as the Shannon-Wiener diversity and the Margalef richness that the diversity of plant species remains satisfactory.

Animal monitoring, meanwhile, found several species of animals that are protected in the biodiversity observation area of PT Satria Perkasa Agung Unit Serapung, which included Sumatran tiger and sun bear among the eight protected mammal and one reptile species. The company also has a Sumatran Tiger habitat management report and human-tiger conflict mitigation efforts in the area (2014-2015).

### Results of the Public Consultation

Prior to performing the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing April 10, 2019, which asked stakeholders to provide feedback on PT. Satria Perkasa Agung Unit Serapung. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to related parties via email and / or postal mail, and announced in local newspapers. PT AJA Sertifikasi Indonesia received no input from the stakeholders during the public consultation. The audit team also collected information from the mass media about PT PT. Satria Perkasa Agung Unit Serapung, such reported cases being given material consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

PT. Satria Perkasa Agung Unit Serapung has identified all the requirements required for this certification process, comprising legal aspects that include compliance with international regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 11.483,75 ha.

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

Results of the Surveillance 1 Audit of PT Satria Perkasa Agung Unit Serapung identified five (5) Minor Non-Conformities (NC). No critical issues were identified.

No	Non-Conformities (N/C)	Corrective Action Performed	Category
1	PT Satria Perkasa Agung Unit Serapung has documented rehabilitation activities for protected areas in 2017 with seedlings that include non-endemic species.  Indicator I.7.2	PT Satria Perkasa Agung Unit Serapung has conducted a monitoring report on rehabilitation activities in the protected area (June 23, 2019) that assures the plants used for rehabilitation activities are properly and correctly identified	Minor
2	Interviews with representatives of one community indicate what the community considers to be a lessening in communication and cooperation between the Management Unit and village communities, citing the following areas as examples:	PT Satria Perkasa Agung Unit Serapung has monitored the DMPA or CSR assistance provided to the community, plus has improved communications with the community.	Minor

	<p>1) Receipt of the remaining funds from the DMPA program as agreed with the company;</p> <p>2) Absence of continued monitoring and accompaniment of hybrid cattle and, goats livestock and coconut cultivation programs;</p> <p>3) Handling of MU pontoon boats that pass behind the island of Serapung and have damaged community fishing gear.</p> <p>Indicator I.10.6</p>		
3	<p>Interviews with village representatives disquiet over:</p> <ol style="list-style-type: none"> <li>1. Damage to Utut Island resources due to utilization of company pontoon boats and tugboats.;</li> <li>2. Utilization of wharves made by the government for the community but used by the Company for tying up its pontoon boats;</li> <li>3. Absence of monitoring and follow-up of the goat and cattle business following a Sumatran tiger attack on some 17 goats.</li> </ol> <p>Indicator I.10.4</p>	<p>PT Satria Perkasa Agung Unit Serapung has conducted a recapitulation of periodic records of community complaints to the CSR section and is monitoring DMPA or CSR assistance</p>	Minor
4	<p>Based on the direct observation, speedboat drivers, fire marshal, and security staff did not wear PPE life vests on trips along Kampar River to/from Serapung and Labuhan Bilik Villages.</p> <p>Indicator I.12.7</p>	<p>PT Satria Perkasa Agung Unit Serapung conducts regularly monitoring and stresses the importance of using PPE equipment in the work environment.</p>	Minor
5	<p>The Management Unit has identified the disputed land in the concession area of PT Satria Perkasa Agung Unit Serapung, There has been no follow-up of the Joint mapping activities, however.</p> <p>Indicator I.9.5</p>	<p>PT Satria Perkasa Agung Serapung Unit continues to monitor the implementation of joint mapping activities on the disputed land periodically.</p>	Minor



#### Conditions under which the certificate is issued

Certificate is valid until (June 03, 2021), provided that PT Satria Perkasa Agung Unit Serapung 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.