

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



CLIENT NAME: PT Satria Perkasa Agung Unit Serapung

TOTAL HECTARES: 11,483.75

SCOPE OF REGISTRATION: Sustainable Forest Management in Plantation Forest covering 11,483.75 hectares in Riau Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: October 12, 2020

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: October 15, 2020

LEAD AUDITOR: Riyadi Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Priyo Handoko

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS:-

MINOR CARS: -

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Satria Perkasa Agung Unit Serapung	Kuala Kampar District, Pelalawan Regency, Riau Province, Republic of Indonesia	October 12 to 15, 2020
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	
	NA	

Brief Description of the concession

PT Satria Perkasa Agung Unit Serapung obtained IUPHHK-HTI (Business Permit for Utilization of Timber Forest Product in Industrial Plantation Forest) based on the Decree of the Minister of Forestry No. 102 / Menhut-II / 2006 dated April 11, 2006 for an area of approximately 11,830 ha. This is located in Kuala Kampar District, Pelalawan Regency, Riau Province. In January 23, 2013, the boundaries of the IUPHHK-HTI area of PT Satria Perkasa Agung Unit Serapung were set covering an area of 11,927.15 ha and this was validated by Minister of Forestry Decree No.SK.60 / Menhut-II / 2013.

There was conversion of 443.4 ha of natural forest to plantation forest after December 31, 2010, so the scope of the IFCC certification is 11,483.75 ha.

In carrying out forest management operations, a Revised RKUPHHK-HTI document (Revised Work Plan for Utilization of Timber Forest Product in Industrial Plantation Forest) was approved by Decree SK.6074 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 for the period 2017 to 2026 in the context of Improving Peat Management on behalf of PT Satria Perkasa Agung Unit Serapung in Riau Province on June 28, 2019.

The spatial layout of the work area based on the Revised RKUPHHK-HTI for the 2017 to 2026 period is as follows: Local Protected Areas and Other Protected Areas of 1,831.15 ha (15.35%), Staple Plants Area of 8,015 ha (67.20%), Livelihood Plant Area of 2,081 ha (17.45%). To achieve the allocation of a percentage of livelihood plants of at least 20%, this has been fulfilled by the utilization of NTFPs and/or Environmental Service.

The geographical location of the concession is 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, Pelalawan Regency. It is part of the Serapung and Sangar River Group of Forests. The boundaries of the work area of PT. Serapung SPA are as follows:

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

Climatic conditions include the type A climate (very wet) of the Schmidt/Ferguson classification system. The rainfall in the work area is 1,062 to 1,676 mm / year. The topography of the area is lowland and swampy lowlands. Slope conditions are 100% flat (0-8%). Soil types based on the Land System Map consisted of alluvials of 14.61 ha (0.12%), and Organosol Saprik of 11,912.54 ha (99.88%). The geological formation based on the Geological Map of the Siak Sri Indrapura Sheet (0916), the area of PT Satria Perkasa Agung Unit Serapung is in the old Aluvium Formation (Qp) and the Young Aluvium Formation (Qh). The river in the working area is the Kampar River and it is included in the Kampar watershed.

The species cultivated in the concession is *Acacia crassicarpa*.

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

The Management Unit of PT Satria Perkasa Agung Unit Serapung has an RKU document that describes, identifies and recognizes the legal rights of the local communities. Based on these documents, around the PT Satria Perkasa Agung area, there are two villages that are the company's target villages, namely Serapung Village, Kuala Kampar District, and Labuhan Bilik Village, Teluk Meranti District, Pelalawan Regency.

Based on the review of the AMDAL document and the social impact assessment (SIA) of PT Satria Perkasa Agung Unit Serapung and interviews with the community leaders in Labuhan Bilik Village, there are no indigenous people as defined in law number 41 of 1999 concerning forestry.

At the time of Surveillance 2 Remote Audit, since August 2019 there has been no additional collaboration in forest

management with surrounding communities. Based on the previous audit, there was collaboration with the community in the form of livelihood plants, Community of Fire Awareness (MPA) and the Utilization of Non-Timber Forest Products with the Fishermen;s Group.

The Management Unit has prepared a report on conflict data and forest conflict resolution addressed to the Head of the Riau Province Environment and Forestry Service, the Director General of Sustainable Production Forest Management, and the Head of the Pekanbaru Region III Production Forest Utilization Monitoring Center each semester.

Based on the CD program realization report in 2020, the programs realized up to the time the audit was carried out included: teacher honorarium assistance, social services, health assistance, village infrastructure/facilities, and partnership in tree plantation cooperation. The realization of the partnership program has been performed in July 2020. In addition, there has been assistance in installing one stake at the Labuhan Bilik jetty to moor a vessel and avoid beach abrasion.

Description of the ecological conditions of the concession

The Management Unit has identified areas that function to protect the soil and implemented appropriate measures to protect these areas from damage, namely by allocating most of the concession as a protected function area for the peat ecosystem (FLEG). To achieve this spatial planning, the Management Unit implemented it in stages over six years (Based on 2017-2026 RKUPHHK). The FLEG covering an area of 11,927.15 hectares becomes:

1. Non-dome peat on staple plant area of 8,015 ha
2. Non-peat dome in the area of Livelihood Plants of 2,081 hectares
3. Protected areas covering an area of 1,831.15 hectares, which consists of Wildlife Conservation Area of 1,075.15 ha (9.01%), Environmental Services for Non-Timber Forest Product of 441 ha (3.70%), Riparian Area of 34 ha (0.29%), Germplasm Conservation Area (KPPN)) of 281 ha (2.36%). Total of percentages due to rounding.

The Management Unit has records of peatland management in the form of canal construction and of water gates and dams to control water levels. The water management system in the concession area is a closed system (no inlet), only maintaining the available water level. For monitoring, the Management Unit has a water level monitoring point, monitoring the ground water level with a piezometer (water table) and monitoring subsidence.

Biodiversity monitoring activities are divided into two, flora and fauna monitoring activities. Flora monitoring takes the form of monitoring the tree levels from the seedlings, stakes, poles and trees, while the presence of animals reflects fauna monitoring. Biodiversity Monitoring Activities were carried out in October 2019.

On vegetation monitoring at PT. Satria Perkasa Agung Unit Serapung, noted protected species such as ramin (*Gonistylus bancanus*), suntai (*Palaquium burkii*), bintangur (*Callophyllum pulcherimum*), and pitcher plants (*Nepenthes* sp.). Protected wildlife species in the concession is the Sumatran tiger (*Panthera tigris sumatrensis*), which is also the key species.

Human-tiger conflict mitigation efforts that have been carried out at PT. Satria Perkasa Agung Unit Serapung have run very effectively, as indicated by the rare reports of disturbances from Sumatran tigers by employees, contractors and the surrounding community.

The Management Unit has guard post and portal facilities at the entrance to the concession area where each guest has to provide personal data and information. Another guard post is used to assist in monitoring during extreme weather (prone to fire). In addition, routine patrols are carried out and warning signs are posted against unauthorized activities and forest encroachment, the lighting of fires, or for conservation purposes.

Results of the Public Consultation



Prior to undertaking the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing September 18, 2020, which asked stakeholders to provide feedback and information on PT. Satria Perkasa Agung Unit Serapung. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (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 stakeholders during the public consultation.

The audit team also collected information from the mass media about 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 necessary requirements 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 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 Surveillance 2 Audit of PT Satria Perkasa Agung Unit Serapung no Non-Conformities (NC) of either a Major or Minor nature were identified by the audit team. No critical issues were identified.

Conditions under which the certificate is issued

Sustainable Forest Management Indonesian Forestry Certification Cooperation certificate of PT Satria Perkasa Agung Unit Serapung, certificate number: AJA/IFCC-PEFC/FMC-HT/00005/VI/2015 remains valid until June 03, 2021