

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 SATRIA PERKASA AGUNG UNIT SERAPUNG

TOTAL HECTARES: 11,483.75

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

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: May 16, 2017

AUDIT END DATE: May 19, 2017

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: Abdullah Mujahid

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Satria Perkasa Agung	Unit Serapung - Kuala Kampar Subdistrict, Pelalawan Regency, Riau Province - Republic of Indonesia.	May 16 to 19, 2017
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 Management Unit was granted an industrial timber plantation license per Ministry of Forestry Decree No. 102/Menhut-II/2006 dated 11 April 2006 for an area of approximately 11,830 ha. This was amended per Jo SK. 60/Menhut-II/2013 dated 23 January 2013 to cover an area of approximately 11,927.15 ha in Kuala Kampar Sub-district, Pelalawan Regency, Riau Province. Included in this Management Unit area is an area of 443.4 ha of natural forest that was converted to plantation forest after December 31, 2010. As such this is not registered for certification and the scope of certification thus becomes 11,483.75 ha.

The Management Unit has a RKUPHHK-HTI document approved by the Decree of the Minister of Forestry Number: SK.52 / VI-BUHT / 2011 concerning Approval of the revision of the Timber Forest Timber Forest Product Utilization Business Plan (RKUPHHK-HTI) for the 10-year period 2009 to 2018 on behalf of PT Satria Perkasa Agung (Serapung) in Riau Province on April 19, 2011.

The Management Unit has conducted spatial planning of the total area of 11,927.15 ha as follows: Protected Areas of 1,538 ha (12.90%), consisting of river borders of 200 ha (1.68%), KPPN of 500 ha (4.19%), DPSL of 625 ha (5.24%), and wildlife corridor of 213 ha (1.79%); Production Areas of 9,916.15 (83.14%), consisting of Staple Plant Area of 7,926 ha (66.45%), Indigenous Plant Area of 1,205.15 ha (10.10 %), and Livelihood Plant Area of 785 ha (6.58%); and Non-Productive Infrastructure Area of 473 ha (3.97%).

The geographic location of the working area of PT Satria Perkasa Agung Unit Serapung Management Unit lies between 102° 57' 53" and 103° 06' 14" East and 00° 26' 03" and 00° 37' 13" North, and is included in the Kampar River Basin (DAS) and Sei Kampar Forest Group. The condition of the land is peat swamp, with the species cultivated being *Acacia crassicarpa*. The work area is bordered by: to the north, PTH concession area, Alam Wana Sakti; to the east, Strait Long Beach Section, to the south. Kampar River Sempadan; and to the west, PT MHJ and Serapung Village Forest.

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

There are no indigenous people in the communities located around the work area of PT Satria Perkasa Agung Unit Serapung. In general, members of the surrounding community earn their livelihood as farmers and fishermen. The Management Unit has set in place cooperation on plant life with the local community. The Management Unit has also set in place a conflict resolution process to resolve any existing conflicts.

PT Satria Perkasa Agung Unit Serapung has conducted Corporate Social Responsibility Unit (CSR) activities in the villages surrounding its operating area in Teluk Meranti Sub-district, Pelalawan Regency. The Management Unit has also implemented community empowerment programs that include farmer groups for cattle, goat breeder groups, fishermen groups, and rice farming groups

Description of the ecological conditions of the concession

From the viewpoint of environmental management, the Management Unit has created an Environmental Management Plan (RKL) and an Environmental Monitoring Plan (RPL) to minimize negative impacts and improve environmental quality in the Management Unit's working area.

Implementation of environmental management activities in RKL documents (Environmental Management Plan) and RPL documents (Environmental Monitoring Plan) are reported to the Regional Environmental Agency (BLHD) each Semester. Monitoring activities carried out routinely include: wildlife monitoring, vegetation monitoring, water quality monitoring, water discharge monitoring, subsidence monitoring, water level monitoring, and fire hot spot monitoring.

The management unit conducts forest protection by monitoring forest fires, monitoring pests and diseases, conducting routine patrols, together with monitoring forest disturbances such as encroachment.



Results of the Public Consultation

Prior to carrying out Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing May 5, 2017, asking 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 relevant 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 gathered information from the mass media about PT Satria Perkasa Agung, such material being considered material in the audit process implemented by PT. AJA Sertifikasi Indonesia.

Management Unit has identified all the requirements required for this certification process, comprising legal aspects that include compliance with international rules and conventions. The management system has been built to include all activities in the field of 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 with the conformity.

The results of the Surveillance 2 Audit of PT Satria Perkasa Agung Unit Serapung revealed two (2) Minor Non-Conformities as listed below. The management system of PT Satria Perkasa Agung Unit Serapung operates effectively and no critical issues were identified.

No	Non-Conformities	Corrective Action Performed	Category
1	No procedures have been established for the tracking of timber with IFCC claims. Field marking (with label) was not able to identify between IFCC and Non-IFCC timber claims. Clause Ref: I.1.11	Ensure timber tracking is carried out according to procedures that distinguish between IFCC and non-IFCC sources	Minor
2	The determination of TPK Transit is not exactly as it should be in accordance with the definition of TPK Forest. Clause Ref: III.2.1	Ensure that the specified CoC node is both known and understood by the timber administration/(TUK) implementer	Minor

Conditions under which the certificate is issued

Certificate is valid until (04/06/2018)