

Public Report Sustainable Forest Management System

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CLIENT NAME: PT SUMATERA RIANG LESTARI BLOK VI BAYAS

TOTAL HECTARES: 35,531.46

SCOPE OF REGISTRATION: Sustainable Forest Management of 35,531.46 hectares of Plantation Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Additional Surveillance due to Covid-19 Pandemic (REMOTE)

START DATE AUDIT: July 26, 2021

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

END DATE AUDIT: July 29, 2021

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

TEAM AUDIT: Ence Hedi Hasan Zubaedi

SIGNATURE:

Taryanto Wijaya

SIGNATURE:

MAJOR CARS : 0

MINOR CARS: 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Sumatera Riang Lestari Blok VI Bayas	Indragiri Hilir Regency, Riau Province – Republic of Indonesia	July 26 to 29, 2021
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

The area of PT Sumatera Riang Lestari Block VI Bayas was obtained based on Letter of Confirmation of Area Boundaries based on the Decree of the Minister of Forestry No. SK.803/Menhut-II/2014 dated September 24, 2014 of 49,539.46 ha located in Indragiri Hilir Regency, Riau Province. There was conversion of natural forest to plantation forest above December 31, 2010 of 14,008 hectares, thus, the IFCC certified area is 35,531.46 hectares.

The Management Unit has a Revised Document of RKUPHHK-HTI for a period of 10 years of 2017 to 2026 (Decree of Minister of Environment and Forestry No. SK. 6054/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019). According to this document, the spatial planning of the concession are Local Protected Areas and Other Protected Areas 11,134 ha (22.48%), Staple Plant area of 28,804 ha (58.14%) and Livelihood Plant area of 9,601 ha (19.38%).

PT Sumatera Riang Lestari Blok VI Bayas is administratively located in the Districts of Tempuling, Kempas, Batang Tuaka and Gaung Anak Serka, Indragiri Hilir Regency, Riau Province. Geographically located between 00° 19' 10" to 00° 25' 08" South and 102° 41' 38" to 102° 51' 08" East.

The concession area has the climate type of A (Schmidt & ferguson) with an Annual Rainfall of 1,919 mm/year. The soil types consist of Tropohemite and Tropofibrist types. Based on its geology, it consists of geological types of floodplains that are inundated by new rivers (KLR) covering an area of 2% and Shallow Peat (MDW) covering an area of 98%. The entire Management Unit area is Wetland Ecosystem Type (Peatland). The peat area management is closely related to 'Water Management'. The plant species cultivated is *Acacia crassicarpa*.

The Management Unit complies with regulations related to peatland management. PT Sumatera Riang Lestari Blok VI Bayas has carried out Revised RKUPHHK-HTI in order to improve peat management based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia No SK. 265/MenLHK-PHPL/UHP/HPL.1/2/2018, February 02, 2018. Compile a report on the implementation of peatland ecosystem restoration and forest and land fire control based on the Decree of the Director General of Pollution and Environmental Damage Control SK.135/PPKL/PKG/PKL.0/11/2018 dated November 29, 2018. Making adjustments for activities in 2018 to 2019 based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.8910/MenLHK-PHPL/UHP/HPL.1/12/2018 dated December 28, 2018. Revise the RKUPHHK-HTI of 2017 to 2026 based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK. 6054/MenLHK-PHPL/UHP/HPL.1/6/2019, June 28, 2019.

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

Based on the report on Potential Mapping and Conflict Resolution of PT Sumatera Riang Lestari Blok VI Bayas in Semester II of 2020, 80% of the population around the concessions work in the agricultural sector, especially rubber and oil palm cultivation. The residents around the company concession are local people, there are no customary law communities.

PT Sumatera Riang Lestari has made efforts to resolve conflicts with the surrounding community. There is a Report on Potential Mapping and Conflict Resolution for Semester 1 and 2 of 2020. Based on the report, there are claim area in the concession of 4 (four) villages. Efforts are being made to use a social forestry and livelihood plant cooperation approach mechanism.

According to the village heads, there is no open conflict between the company and the community. The two of village heads said that the existence of the company contributed mainly to creating jobs for the people in the villages. The company also has collaborated with the surrounding community. The collaboration includes the Agreement of Livelihood Plant.

PT Sumatera Riang Lestari has implemented a corporate social responsibility (CSR) program for the surrounding community. There is an Annual Report on the Implementation of the Community Development Program of 2020. Based

on the report, the activities carried out cover the fields of education, health, religion, economy, social and environment. The education sector includes the assistance of religious education facilities. The health sector includes *posyandu* assistance. The religious sector includes assistance for the renovation of places of worship. The economic sector includes assistance for catfish and cattle. The social and environmental fields include sports facilities and infrastructure.

There is a PT Sumatera Riang Lestari Community Development Program Report for the first and second quarter of 2021. Activities that have been carried out still including the same sectors as the previous year. Based on an interview with a Village Head, the company routinely implements a Community Development program, for this year it is in the form of food assistance in the context of overcoming the impact of COVID-19 pandemic.

Description of the Ecological conditions of the concession

The Management Unit has carried out forest ecosystem and hydrological function management through the following activities:

- Identification of forest management activities that have significant impacts, and conduct environmental impact assessments through AMDAL Document, RKL and RPL of IUPHHK-HTI PT Sumatera Riang Lestari Blok VI Bayas, approved by the Riau Province AMDAL Commission No. KPTS 566/XII/2005 dated December 28, 2005 on the Environmental Permit for PHHK Activities at PT Sumatera Riang Lestari Blok VI Bayas Industrial Plantation Forest covering an area of 49,539.46 ha. Decree of the Head of the Riau Province One Stop Investment and Integrated Services Agency No: Kpts.38/DPMPTSP/2021 dated May 18, 2021,
- The implementation of environmental management and monitoring every semester is presented in the Environmental Permit Implementation Report (RPL/RKL).
- Carry out the Reduced Impact Logging activities in stages before, during and post logging activities,
- Identification of areas that function for soil and water protection are and designated as Local Protected Areas and Other Protected Areas of 11,134 (22.48%) consisting of River Borders of 2,399 ha (4.84%), KPPN/KPSL of 201 ha (0.41%) Other Protected Areas of 8,534 ha (17.23%).
- Monitoring the negative impacts of forest management activities in the concession area is carried out in accordance with the RKL and RPL documents of PT. Sumatera Riang Lestari Blok VI Bayas, by making documented procedures that serve as guidelines for monitoring negative impacts due to forest management activities, namely SOPs for Monitoring Protected Areas, SOPs for Monitoring Discharge and Water Quality and SOPs for Monitoring Subsidence and TPMAT.
- Implementation of activities in reference to documented procedure for the controlled use of B3 (Hazardous and Toxic Materials), namely SOP for Management of Hazardous and Toxic Waste (B3), SOP for Handling Spillage of Fuel, Lubricants and Chemicals, SOP for Control Weeds, and SOPs for Integrated Pest and Disease Management.

The Management Unit has carried out biodiversity management through the following activities:

- Identification and inventory of protected, endemic, rare and threatened/near-extinct flora and fauna and their habitats and migration patterns in the IUPHHK-HTI area. There is a map of the distribution of flora and fauna but there are no key species in the area,
- Carried the management of protected area in accordance with the RKL/RPL Implementation Report every semester as well as SOPs for Determining Protected Areas and SOPs for Monitoring Protected Areas,
- Carried out an environmental impact assessment on the potential impacts on protected, endemic, rare and threatened/near-extinct flora and fauna, through 2005 RKL and RPL AMDAL Documents
- The staple plant species cultivated are not genetically modified tree species. The plant cultivated is *Acacia crassicarpa*.

The Management Unit has carried out forest protection through the following activities:

- Identify and monitor disturbances in Sustainable Forest Management. The result are forest fires and plant diseases,
- Documented procedures to prevent and handle pest attacks, namely SOPs for Integrated Pest and Disease Management,
- Regulate the management of chemical pesticides in the field with a documented procedure,
- Implementation of forest protection measures against fire hazards,
- There are no livestock grazing activities in the work area.

- Implementation of appropriate steps in forest protection activities.

Results of the Public Consultation

Prior to carrying out the Additional Surveillance Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing June 21, 2021, asking stakeholders to provide feedback and information about PT Sumatera Riang Lestari Blok VI Bayas. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via email or postal mail, and published in local newspapers.

There was an input from a village head about livelihood plant agreement during the public consultation. The input was validated during the audit and the auditor has given response as explanation about the issue to the related stakeholder. As the company has performed improvement to settle the livelihood plant issue.

The audit team also collected information from the mass media about Sumatera Riang Lestari Blok VI Bayas. The reported cases are considered as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects which include compliance with international regulations and rules and conventions. The management system has been built to cover all activities in the field of certification, registered for certification covering an area of 35,531.46 hectares.

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

The results of the Sumatera Riang Lestari Blok VI Bayas Additional Surveillance Audit are 2 (two) Non-conformities in Minor category. The management system of PT Sumatera Riang Lestari Blok VI Bayas is operating effectively. No critical issues identified.

No.	Non-Conformities	Corrective Action Performed	Category
1.	<p>Inspection of heavy equipment operators in the harvesting section shows that from 45 units of heavy equipment, only 14 unit have SILO, and from 90 operators only 20 operators who have SIO.</p> <p>Clause Ref. I.1.13</p>	The Management Unit has made schedule to complete SIO and SILO for operators and heavy equipment used.	Minor
2	<p>The Management Unit is considered slow in realizing the contents of the agreement, while harvesting of livelihood plants has been carried out two times (in 2015 and 2021). A proposal for a payment plan has been made from the Estate Office to the Board of Directors, but there has been no official response.</p> <p>Clause Ref I.9.3.</p>	The Management Unit has realized the payment fee of Livelihood Plant to half of the villages which cooperate with the company. The Livelihood Plant fee for the rest of the villages will be realized in 2022.	Minor

Conditions under which the certificate is issued

Certificate is valid until November 03, 2022, provided that PT Sumatera Riang Lestari Blok VI Bayas 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 Recertification visit. If the non-conformities are not closed at the next Recertification, the certificate will be suspended until such time as AJA is able to perform a closeout visit.