

Public Report Sustainable Forest Management System

Ownership of this report and the information contained within remain the property of
AJA Europe



AJA EUROPE

PUBLIC AUDIT REPORT – SFM

TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



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 Forests in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification (Hybrid)

AUDIT START DATE: June 8, 2022
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: June 11, 2022

LEAD AUDITOR: Agung Utama Lubis

SIGNATURE:

AUDIT TEAM: Abdullah Mujahid

SIGNATURE:

Amin Kadeni

SIGNATURE:

HYBRID AUDITOR: Andri Wibisono

SIGNATURE:

AUDITOR IN TRAINING: Qodly Zaka Syahtriawan

SIGNATURE:

Inggita Nuri Prihantini

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head Office	Jl, Sei Duku No. 333 Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru, 28142,	June 08, 2022
M.U	Blok Vi Bayas - Kabupaten Indragiri Hilir, Propinsi Riau, Indonesia	June 09-11, 2022
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		

Documents: Report Format Public – IFCC
Issues: E

Dates: 01st Mar 2019
Pages: Page 2 of 5

Brief Description of the concession

The area of PT Sumatera Riang Lestari Blok VI Bayas was obtained based on the Letter of Confirmation of Area Boundaries based on the Decree of the Minister of Forestry Number SK.803/Menhut-II/2014 dated September 24, 2014 of 49,539.46 hectares located in Indragiri Hilir Regency, Riau Province. There was conversion of natural forest to plantation forest after December 31, 2010 of 14,008 hectares, thus, the area of 35,531.46 hectares is certified by IFCC.

The Management Unit has a Revised Document of Work Plan for Timber Forest Product Utilization Business in Industrial Plantation Forest of 2017 to 2026 based on Decree of the Minister of Environment and Forestry No. SK. 6054/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019. According to the document, the spatial plan consists of Local Protected Areas and Other Protected Areas of 11,134 ha (22.48%), staple plants area of 28,804 ha (58.14%) and livelihood plants 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. The geographical location of the concession area is at 00° 12' 48" to 00° 25' 17" South and 102° 41' 19" to 102° 57' 51" East.

The climate condition in the concession area is type A (very wet) by Schmith and Ferguson with an annual rainfall of 1,919 mm/year. The soil types consist of Tropohemite and Tropofibrist. Based on its geology, it consists of floodplains that are inundated by new rivers (KLR) of 2% and Shallow Peat (MDW) of 98%. The entire Management Unit area is Wetland Ecosystem Type (Peatland). There are staple plants, livelihood plants and protected areas in the peat-type areas. 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, which are: Revising the RKUPHHK in order to improve peat management based on Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK. 265/MenLHK-PHPL/UHP/HPL.1/2/2018, dated February 2, 2018. Compiling a report on the implementation of peatland ecosystem restoration and control of forest and land fires based on the Decree of the Director General of Pollution and Environmental Damage Control Number SK.135/PPKL/PKG/PKL.0/11/2018 dated November 29, 2018. Making adjustments for 2018 to 2019 activities 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. Revising the RKUPHHK 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, dated June 28, 2019.

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

PT Sumatera Riang Lestari Blok VI Bayas has identified and respected the legal rights of the local community. There are 18 villages around the concession area, with livelihoods dominated as farmers. There are no customary law communities.

The Management Unit has made efforts to resolve conflicts with the surrounding community, namely collaborate with livelihood plants with the surrounding community. According to the Report on Potential Mapping and Conflict Resolution of PT Sumatera Riang Lestari Blok VI Bayas in 2021, the conflict status is controlled. According to the village heads, there is no open conflict between the company and the community.

The Management Unit has collaborated with the surrounding community. There are cooperation agreement with the community regarding the livelihood plant cooperation, as well as compensation fee for livelihood plant.

The Management Unit has implemented a corporate social responsibility (CSR) program for the surrounding community. There is a Community Development Program Report of 2021. According to the report, the programs

carried out the sectors of education, health, religious, economy, social and environment, as well as infrastructure. 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 worship place, Ramadhan hampers, and *qurban*/sacrificial animals. The economic sector includes assistance for cattle, catfish, broilers, and areca. The social and environment sector include assistance for sport facilities. The infrastructure sector includes assistance for school construction.

There is a Community Development Program Report for the first quarter of 2022 (January to March). The programs that have been carried out still including the same sectors as the previous year. In terms of handling Covid-19, the company also providing support facilities in the form of infrared thermometer assistance to the community.

Description of the Ecological conditions of the concession

The Management Unit 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 RKL and RPL ANDAL documents of PT Sumatera Riang Lestari Blok VI Bayas. The implementation of environmental management and monitoring every semester is presented in the Environmental Permit Implementation Report (RPL/RKL),
- Reduced Impact Logging activities are carried out in stages before, during, and after logging activities,
- Identification of areas that function for soil and water protection which are 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%), and Other Protected Areas of 8,534 ha (17.23%),
- Monitoring the negative impacts of forest management activities in the concession area in accordance with the RKL and RPL documents of PT Sumatera Riang Lestari Blok VI Bayas, and documented procedures that serve as guidelines, namely SOP for Monitoring Protected Areas, SOP for Monitoring Discharge and Water Quality and SOP for Monitoring Subsidence and TPMAT. As well as for the controlled use of B3 (Hazardous and Toxic Materials), namely SOP for Management of Hazardous and Toxic Material (B3) Waste and SOP for Handling Spills of Fuel, Lubricants and Chemicals.

The Management Unit implemented biodiversity management through the following activities:

- Identification of protected, endemic, rare and threatened/near-extinct species and their habitats as well as migration patterns in the area in accordance with applicable regulations through the inventory activities. The result of identification is map of the distribution of flora and fauna,
- Management of Protected Areas in accordance with the RKL/RPL Implementation Report every semester as well as SOP for Determining Protected Areas and SOP for Monitoring Protected Areas,
- 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,
- Not cultivating genetically modified tree species for staple plants but *Acacia crassicarpa*.

The Management Unit performed forest protection through the following activities:

- Identification and monitoring disturbances in Sustainable Forest Management. The identified disturbances are forest fires and plant diseases,
- Prevention and handling of pest attacks, as well as regulations of chemical pesticides management, referred to documented procedure such as SOP for Integrated Pest and Disease Management,
- Implementation of forest protection measures against fire hazards,
- Prohibition of 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 Recertification Audit, PT AJA Sertifikasi Indonesia has conducted public consultations commencing May 18, 2022, asking stakeholders to provide feedback and information about PT Sumatera Riang Lestari Blok VI Bayas. 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 are three inputs from the three villages. The first input was including the suggestions to follow up the cooperation proposals from the community, although the community has good relations with the company and has received various assistance and has been cooperated to prevent forest and land fires. The second input including the suggestions to improve assistance for the community regarding the company canal operation that causes drought in dry season and flood in the rainy season, as well as broken bridge due to torrent. The last input was regarding the flood impact that has not been normalized at the village border and suggestions to improve corporate social responsibility programs.

The input has been verified by the audit team and submitted to the Management Unit. According to the company, normalization of the trench/canal has been carried out every year, namely *kumpai* cleaning. The flood was not caused by the activities of PT Sumatera Riang Lestari, however, the village head submitted a proposal for assistance for bridge repair/construction.

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 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 Recertification Audit is one Minor non-conformity and has been closed. No critical issues being identified.

No	Non-Conformity	Corrective Action Performed	Category
1	Based on data from the 2021 Production Activity Report Recapitulation, the realization of production RKT 2021 only reaches the percentage of the production target of 48%. (Related to 2021 observations). The production of forest products should at least 50% (fifty percent) of the planned target, according to the law. Indicator I.1.2.	PT Sumatera Riang Lestari Blok VI Bayas has revised the 2021 HTI Development Implementation Report. This was caused by miscounting. Based on the plan and realized production data, the RKT 2021 production realization is 57% from the planned. Meanwhile the production volume reaches 50%.	Minor

Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00008/XI/2015 is valid until November 3, 2025, 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 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.