

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: Surveillance 1

AUDIT START DATE: July 5, 2023

In signing this document the Audit team confirmed that they 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: July 8, 2023

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:



AUDIT TEAM: Andri Wibisono

SIGNATURE:



Agung Utama Lubis

SIGNATURE:



MAJOR CARS: 0

MINOR CARS: 0

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 28143, Provinsi Riau, Indonesia	July 5, 2023
Site	Blok VI Bayas - Kabupaten Indragiri Hilir, Propinsi Riau, Indonesia	July 6 to 8, 2023
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 Sumatera Riang Lestari Blok VI Bayas obtained a Forest Utilization Permit based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.645/MENLHK/SETJEN/HPL.2/6/2022 dated 22 June 2022 concerning the fourth amendment to the Decree of the Minister of Forestry No.SK.262/Menhut-II/2004 dated 21 July 2022 concerning the granting of business permits for the utilization of timber forest products (IUPHHK) for plantation forests to PT Sumatera Sinar Plywood Industry for a forest area of 65,000 Ha (sixty five thousand) hectares in the province of North Sumatra. The total area of PT Sumatera Riang Lestari is 173,971 Ha. The working area of PT Sumatera Riang Lestari Blok VI Bayas is 49,539.46 Ha. Because of this decree, the nomenclature of IUPHHK-HT becomes PBPH (Forest Utilization Business Permit). There was a conversion of natural forest into plantation forest after 31 December 2010 ha of 14,008 ha. Thus, the area certified by IFCC is 49,539.46 Ha - 14,008 Ha = 35,531.46 ha.

PT Sumatera Riang Lestari Blok VI Bayas carries out forest management operations based on the RKUPH document which was ratified based on the Decree of the Minister of Environment and Forestry Number: SK.6479/MenLHK-PHL/PUPH/HPL.1/8/2022 dated 12 August 2022 concerning the Approval of Forest Utilization Business Work Plan (RKUPH) for the 2017 to 2026 period on behalf of PT Sumatera Riang Lestari in North Sumatra and Riau Provinces.

During this Surveillance 1 Audit, there is a change in the spatial planning of the concession. Based on the decree number SK.6479/MenLHK-PHL/PUPH/HPL.1/8/2022 dated 12 August 2022 is divided into Protected Areas of 12,439 Ha (25.11%), and Cultivation Areas of 37,100.46 Ha (74.89%) with a total of 49,539.46 Ha (100%). The Protected Area of 12,439 Ha (25.11%) itself consists of 1,543 Ha (3.11%) River Rims, KPPN/KPSL of 535 Ha (1.08%), and Other Protected Areas 10,361 Ha (20.91%). Meanwhile, the Cultivation Area of 37,100.46 Ha (74.89%) consists of Plantation Area of 32,154 Ha (64.91%), LOA area for NTFPs of 3,603.46 Ha (7.27%), infrastructure of 1,300 Ha (2.62%), gardens, shrubs, and others of 43 Ha (0.09%).

PT Sumatera Riang Lestari Blok VI Bayas is administratively located in Tempuling, Kempas, Batang Tuaka and Gaung Anak Serka Districts of Indragiri Hilir Regency, Riau Province. Geographically it is located between S00° 19' 10" to S 00° 25' 08" and E 102° 41' 38" to E 102° 51' 08". The area of PT Sumatera Riang Lestari Blok VI Bayas has climate type A (Schmidt & ferguson) with an annual rainfall of 1,919 mm/year. The soil types consist of Tropohemite and Tropofibrist types. Based on the geology, it consists of a 2% area of floodplain geology with new river flooding (KLR) and 98% area of Shallow Peat (MDW). The entire Management Unit area is a Wetland (Peatland) Ecosystem Type. Peat-type areas are found in areas of plantation areas and protected areas. Where, the management of peat areas is closely related to 'Water Management'. The cultivated plant is *Acacia crassicarpa*.

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

Based on field verification, there are no indigenous peoples around the concession. Based on interviews with the Head of Village, there are no customary law communities and *ulayat* lands around the concession. According to the Social Data of 2023, the livelihoods of the people around the company are dominated by livelihoods in the agricultural sector, namely as much as 68%.

PT Sumatera Riang Lestari Blok VI Bayas has made efforts to resolve conflicts with the surrounding community. There is a Report on Potential Mapping and Conflict Resolution of PT Sumatera Riang Lestari Blok VI Bayas of 2022. Based on the report, the potential conflict status of PT Sumatera Riang Lestari Blok VI Bayas is under control (37%). According to the report on the identification and settlement of claims for 2023, the total area of claims that have been settled is 49% of the original claim area. Currently, the company still make efforts to settle claims on the area claimed by a palm oil company.

The Management Unit has collaborated with the surrounding community. There is a Cooperation Agreement regarding

the Fire Free Village Program (FFVP) and Assistance for Zero Burning Land Preparation between PT Sumatera Riang Lestari and three villages. According to the village heads, the Management Unit hold a collaboration on livelihood plants between the company and the surrounding village community. In the period of 2020 to 2022, there is evidence of the realization of the delivery of livelihood plant fees. This is also confirmed by the village heads of the four sample villages.

PT Sumatera Riang Lestari has carried out a corporate social responsibility program for the surrounding community. Based on the 2022 Community Development (CD) Program Report, the company has realized 324% of the planned program. In detail, the CD program covers the education sector, religious sector, infrastructure sector, social and environmental sector. The realization of CD Program in 2023 based on its Quarterly Report of 2023 has reached 132% of the planned.

Description of the Ecological conditions of the concession

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

- Identification of forest management activities that have significant impacts, and conduct environmental impact assessments AMDAL RKL and RPL documents, 2005, and Environmental Permit for PHHK Activities, 2021. The implementation of environmental management and monitoring every semester is presented in the Report on the Implementation of Environmental Permits (RPL/RKL).
- Implementation of Reduced Impact Logging before, during, and after logging activities.
- Identification of areas that function for soil and water protection is and allocate the area as Protected Areas of 12,439 (25.11%).
- Monitoring of negative impacts of forest management activities in the concession area in accordance with the RKL and RPL Documents, guided by SOP for Monitoring Protected Areas, SOP for Monitoring Debit and Water Quality and SOP for Monitoring Subsidence and TPMAT.
- Establishment and implementation of the documented procedures for the controlled use of B3 (Hazardous and Toxic Materials), namely SOP for Management of Hazardous and Toxic Waste (B3) and SOP for Handling Spills of Fuel, Lubricants and Chemicals.

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

- Identification of flora and fauna that are protected, endemic, rare and threatened/endangered species and their habitats. There is a distribution map of flora and fauna.
- Management of Protected Areas in accordance with the RKL/RPL Implementation Report each semester as well as SOPs for Determination of Protected Areas and SOPs for Monitoring Protected Areas.
- Environmental impact assessment of potential impacts on protected, endemic, rare, and threatened/endangered species flora and fauna, through RKL and RPL AMDAL documents of 2005.
- Not cultivating genetically modified tree species but *Acacia crassicarpa*.

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

- Identification and monitoring of disturbances in Sustainable Forest Management. The disturbances identified were forest fires and plant pests.
- Prevention and dealing with pest attacks in accordance with Integrated Pest and Disease Control SOP.
- Regulation of the management of chemical pesticides in the field with documented procedures.
- Implementation of forest protection measures against fire hazard.
- 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 Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing June 9, 2023, 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. PT AJA Sertifikasi Indonesia does not receive input from the stakeholders.

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 Surveillance 1 Audit are no Non-conformity. The management system of PT Sumatera Riang Lestari Blok VI Bayas is operating effectively.

Conditions under which the certificate is issued

Certificate is valid until November 3, 2025, provided that PT Sumatera Riang Lestari Blok VI Bayas does not have potential major non-conformities at the next Surveillance.