

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



JOB NUMBER: AJA/IFCC-018

CLIENT NAME: PT. SUMATERA RIANG LESTARI

TOTAL HECTARES: 35.531,46
Hectare

SCOPE OF REGISTRATION: Sustainable Forest Management of Plantation Forest covering 35.531,46 Hectares in Riau Province

STANDARD/CRITERIA: IFCC SFM ST 1001:2014 & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: STAGE 2

AUDIT START DATE: 25 August 2015

AUDIT END DATE: 28 August 2015

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: R. Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Amin Kadani

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: 2

MINOR CARS: 3

OBSERVATIONS: 5

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):	<input type="checkbox"/>	SELECT OPTION
RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):	<input checked="" type="checkbox"/>	
RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):	<input type="checkbox"/>	
NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence of Major System Failure):	<input type="checkbox"/>	

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SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):	DATE OF EACH SITE VISIT:
Block VI Bayas	Indragiri Hilir Regency, Riau Province - Indonesia	25 August 2015 s/d 28 August 2015
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 (If more than 4 additional sites have been registered please add additional rows)	
-	Not Applicable	
REF No:	ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)	
-	Not Applicable	

Brief Description of the concession and its natural and socio-economic conditions.

PT Sumatera Riang Lestari Block VI Bayas (PT SRL) is a company that has business for forest plantation.

PT Sumatera Riang Lestari Block VI Bayas (PT SRL) is located in Indragiri Hilir district, Riau province-Indonesia. PT SRL has legal permission from last Ministry of Forestry number : No. SK.208/Menhut-II/2007, tanggal 25 Mei 2007 about amendment Ministry of Forestry decree number : SK.262/Menhut-II/2004 jo No. SK.99/Menhut-II/2006 about giving forest concession licenced PT Sumatera Riang Lestari for large ± 65.000 Hectares in North Sumatra Province. The change of decree for PT SRL large into ± 215.305 Ha, that contains large ± 67.230 Ha in North Sumatra and ± 148.075 Hectare in Riau province.

PT Sumatera Riang Lestari Block VI Bayas (PT SRL) has layout (landscape) are : Protected area is 10.218 hectares (20,1 %),infrastructures is 639 hectares (1,3 %), primary plants is 29.296 hectares (60,2 %), indigenous plants is 5.436 hectares (11,2 %) and livelihood plants is 3.046 hectares (6,3 %).

All of area PT SRL Block VI Bayas is peat land and the kind of production forest plant ia Acacia crassicarpa. For the environment monitoring PT SRL Block VI Bayas has monitored ecosystem and hydrology, biodiversity and forest protection.

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PT SRL Block VI Bayas has respected local communities rights around the concession. It proof with document ten years planning periode 2008-2017, Ministry of forestry decree number SK.10/VI-BUHT/2013 about revised ten years planning periode 2008-2017 in North Sumatra and Riau province dated 11 Maret 2013.

Based on the interview, PT SRL Blok VI Bayas respected local communities rights by made agreement for livelihood plants between local communities with PT SRL. The villages that have agreement are : Pekan Tua, sub district Kempas, Bayas Jaya, sub district Kempas, Mumpa, sub district Tempuling, Teluk Kiambang sub district Tempuling.

PT SRL Block VI Bayas has made relationship with local communities. PT SRL has made assessment about social and environment impact for increasing local communities welfare, income and education.

PT SRL Block VI Bayas also has made system about workers rights in order to get conducive situation of work. PT SRL Block VI Bayas has made analysis HIRADC for dangerous identification, including harvesting. PT SRL has policies about social, environment, healthy and safety declared in di Pekanbaru dated November 1st 2011, sign by Ir. Jajang Suherlan (Director).

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

Based on the results of stage 2 audit in PT. Sumatera Riang Lestari Block VI Bayas found a number of nonconformities are 2 Major and 3 Minor as well as found 5 Observation for improvement. The all nonconformities has done corrective action by the company at the field so all certification process can be continue and the company has been show serious and commitment in sustainable forest management by perform the corrective action continuously to improve the performance.

The nonconformities findings are Concession boundaries marker are located in the planting site of *Acacia crassicarpa*; There is a forest disturbances in the form of illegal logging in protected areas / conservation Sei Ikan; In the cooperation agreement of livelihood plants there is no details of the area size and maps of their cooperation; Collective Labor Agreement between PT SRL and Labor Union Perjuangan Rimba Lestari (SP2RL) PT SRL has expired; There is a fire extinguisher in unfeasible conditions in the employee mess.

The corrective actions that have been undertaken by the company are clarify the stubs line on the definitive boundaries in the field so it will be clear which areas inside and outside the working area; increasing the frequency of patrols and to make security posts in the area are considered prone to illegal logging, including protected areas; to plan and carry out a meeting with village representatives to ensure the broad and map of boundaries of the village is in the working area of PT SRL; Encourages all parties involved in the preparation and negotiation of Collective Labor Agreement (PKB); replace and checks the feasibility of fire extinguisher (APAR).

All corrective actions done seriously by the companies supported by some evidence or action plan in order to meet all the requirements of the IFCC standard.

PT SRL Block VI Bayas in performing sustainable forest management IFCC standard has strived to be able to meet all the requirements in the standard IFCC ST 1001: 2014. Some of the main issues that arise are related to environmental management by the land forest fire disasters and social issues related to the management of livelihood plants.

Related to this things, PT SRL Block VI Bayas has undertaken several action by monitoring of forest fire danger by cooperate with local governments and local communities.

To social issues, the companies has taken the right step is to do a cooperation agreement in the management of livelihood plants with the four villages around the concession area, provides an opportunity for local communities to exploit NTFPs, especially in the form of fish that were in the canal company and perform resolution of land conflict or land claims with the surrounding community



Conditions under which the certificate is issued

Certificate is valid until 28/08/2018, provided that PT SRL Bayas completes the corrective actions in the time schedule proposed in their corrective action responses and has successful surveillance audit.