

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



CLIENT NAME: PT SUMATERA RIANG LESTARI BLOK IV RUPAT

TOTAL HECTARES: 26,930.92

SCOPE OF REGISTRATION: Sustainable Forest Management of 26,930.92 hectares of Plantation Forest in Riau Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: September 21, 2020
 AUDIT END DATE: September 24, 2020
 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

AUDITOR LEAD: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Abdullah Mujahid

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:
Estate Rupert	Rupert District, North Rupert District, Bengkalis Regency, Riau Province, Republic of Indonesia	September 21 to 24, 2020
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

Business Permit for Utilization of Timber Forest Products based on the Decree of the Minister of Forestry No. SK.208 / Menhut-II / 2007, dated 25 May 2007 concerning Amendments to the Decree of the Minister of Forestry No. SK.262 / Menhut-II / 2004 jo No. SK.99 / Menhut-II / 2006 concerning the Granting of Business Permits for Utilization of Timber Forest Products (IUPHHK) in Plantation Forests to PT Sumatera Riang Lestari (PT SRL) for a forest area of about 65,000 ha in North Sumatra Province. The change in this decision concerns the working area of the IUPHHK-HTI PT Sumatera Riang Lestari (PT SRL) to be about 215,305 ha, consisting of about 67,230 ha located in North Sumatra Province and about 148,075 ha in Riau Province. The working area of PT Sumatera Riang Lestari Blok IV Rupert based on Decree No. 208 / Menhut-II / 2007 dated 25 May 2007 is 38,210 ha.

The Revised RKUPHHK-HTI 2019: Minister of Forestry Decree No. 6054 / men LHK-PHPL / UHP / HPL.1 / 6/2019 dated June 28, 2019 concerning Approval of Revision of Business Work Plan for Timber Forest Product Management in Industrial Plantation Forests (RKUPHHK HTI) for the 10-year period 2017-2026 on behalf of PT Sumatera Riang Lestari in North Sumatra and Riau Province.

The spatial layout of PT Sumatera Riang Lestari Blok IV Rupert consists of: Local Protected Areas and Other Protected Areas of 16,237 ha (41.63%), Staple Plants Area of 17,999 ha (46.15%), and Livelihood Plant Area of 4,767 ha (12.22%), for a total of 39,003 ha from the latest boundary measurement which has not yet been declared by decree. The Local Protected Areas and Other Protected Areas consist of: KPPN of 2,714 ha (6.96%), Riparian Areas of 414 ha (1.06%), and Other Protected Areas 13,109 ha (33.61%).

There was conversion of 11,279.08 hectares of natural forest to plantation forest after December 31, 2010, so with the working area of PT Sumatera Riang Lestari Blok IV Rupert based on Decree No. 208 / Menhut-II / 2007 dated 25 May 2007 being 38,210 ha, the scope of the IFCC certification is 38,210 ha - 11,279.08 ha = 26,930.92 hectares.

The area of PT Sumatera Riang Lestari Blok IV Rupert is located in the Mesim River Forest Group, and geographically is located between 01° 44' 43" to 01° 57' 53" North and 101° 26' 16" to 101° 40' 34" East.

The borders of the working area are:

North: HPT (Limited Production Forest),

South: APL (Areas for Other Use), and HPK (Convertible Production Forest),

East: HPT (Limited Production Forest),

West: HP (Permanent Production Forest), and HPT (Limited Production Forest).

The land type of the Management Unit is peat soil and the species developed for production crops is *Acacia crassicarpa*.

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

The residents living around the company's concession are local residents, there being no customary communities as has been discussed in the previous year's audit. The livelihoods of residents in these five villages are dominated by agricultural, plantation, fishing, processing and trade sectors.

PT Sumatera Riang Lestari Blok IV Rupert has undertaken conflict resolution efforts within the company's concession. Based on the report of the Results of Potential Mapping and Conflict Resolution Semester 2020, a farmers' group claim an area of 70 ha. The conflict potential assessment score was 41.39%, with the conclusion being that the claim is controllable. Based on interviews with the Head of Village, there is no conflict between the company and the

surrounding community.

PT Sumatera Riang Lestari has a Livelihood Plant Agreement based on Notary Deed Number: 23, dated July 10, 2020, between PT Sumatera Riang Lestari Blok IV Rupert and the community.

PT Sumatera Riang Lestari Blok IV Rupert has implemented a corporate social responsibility (CSR) program for the surrounding community. There is a Plan and Realization of the 2020 Community Development Program, including an Education program: Student Learning Infrastructure; Health Sector: *Posyandu* health equipment infrastructure; Religious Affairs: religious activities, materials for building houses of worship, repair of places of worship; Economic Sector: small business development by handling sweet potato chips; Social and Environmental Sector: Youth sports coaching, assistance with mini-strike fire extinguishers and hoses, and food assistance from the impact of the Covid-19 pandemic.

Based on an interview with the Head of Village, the company has provided assistance in the form of a machine for making crackers and a coconut milk press for a group of women in the village. This assistance is considered to have a positive impact in increasing the household income of group members.

Description of the ecological conditions of the concession

The Management Unit has carried out the identification of forest management activities with significant impacts, and conducted environmental impact assessments through: AMDAL Documents RKL and RPL IUPHHK-HTI PT Sumatera Riang Lestari Blok IV Rupert (Approved and Ratified by the AMDAL Commission of the Ministry of Forestry No: Kpts 566 / XII / 2005. Date: December 28, 2005. Revision RKUPHHK 2017-2026. The implementation of environmental management and monitoring each semester is presented in the Environmental Permit Implementation report (RPL / RKL).

- The Reduced Impact Logging activity is carried out in stages: before harvesting activities (pre-harvesting), during harvesting operations, after logging activities (post-harvesting)
- Identification of areas that function for land protection are in areas designated as Local Protection Area and Other Protected Areas, namely Riparian Areas, KPPN / KPSL and Other Protected Areas.
- Identification of areas that function for water protection are in areas designated as Local Protection Areas and Other Protected Areas, namely Riparian Areas, KPPN and Other Protected Areas.
- The Management Unit has documented procedures that serve as guidelines for monitoring negative impacts due to forest management activities, in Monitoring Protected Areas, Monitoring of Discharge and Water Quality and Monitoring of Subsidence and TPMAT.

The Management Unit has carried out Biodiversity Management activities through the identification and inventory of protected, endemic, rare and threatened / endangered flora & fauna within concession. The results of the identification and inventory are to be found in: Documents AMDAL RKL and RPL of IUPHHK-HTI PT Sumatera Riang Lestari Blok IV Rupert in 2005, Revised RKUPHHK 2017-2026 Improving Peat Management, and RKL / RPL Semester Reports (Semester 2, 2019 and semester 1, 2020). While there is a map of fauna distribution, there is no flora distribution map as yet.

- Identification of protected and threatened / endangered species, includes their habitats and migration patterns. Based on the identification, there are no key species in the area.
- The staple plants cultivated are not genetically modified tree species, but *Acacia cracicarpa*.

The Management Unit has carried out Forest Protection activities, whether these result from human or natural causes.

- Identification and monitoring of disturbances are reported in the RKL / RPL reports each semester.
- There is a documented procedure to prevent and deal with pest attacks, utilizing mechanical, biological and chemical means as deemed applicable,
- Besides regulating the management of chemical pesticides in the field, there are also documented procedures for Weed Control, for Integrated Pest and Disease Management, as well as for handling spills of fuel, lubricants and

chemicals, and for the management of hazardous and toxic waste (B3).

- The Management Unit has implemented forest protection measures against fire hazards, which include noticeboards concerning the lighting of fires, and regular patrols. No livestock grazing activities by the community are permitted in the work area.
- Appropriate / measurable steps in forest protection activities have also been implemented, whereby PT Sumatera Riang Lestari Blok IV Rupert has documented procedures for forest protection activities.

Results of the Public Consultation

Prior to undertaking the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing August 10, 2020, asking stakeholders to provide feedback and information about PT Sumatera Riang Lestari Blok IV Rupert. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to the parties via email or postal letter, and published in local newspapers. PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation.

The audit team also collected information from the mass media about PT Sumatera Riang Lestari Blok IV Rupert, the reported cases being given material consideration as part of the audit process carried out by PT AJA Sertifikasi Indonesia.

The Management Unit has identified all necessary requirements for this certification process, consisting of legal aspects that include compliance with international rules and regulations and conventions. A management system has been built to cover all activities in the field of certification, which is registered for an area covering 26,930.92 hectares.

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

Based on the results of the Surveillance 2 Audit, no Non-Conformities of either a Minor or Major nature were identified by the audit team. The management system of PT Sumatera Riang Lestari Blok IV Rupert is operating effectively. No critical issues were identified.

Conditions under which the certificate is issued

Certificate is valid until November 12, 2021, provided that PT Sumatera Riang Lestari Blok IV Rupert does not have any 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 close out visit.