

# **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

**TOTAL HECTARES:** 26,930.92 ha

**SCOPE OF REGISTRATION:** Sustainable Forest Management for Plantation Forest covering 26,930.92 hectares in Riau Province

**STANDARD/CRITERIA:** IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

**TYPE OF AUDIT:** Surveillance 1

**AUDIT START DATE:** October 04,2016

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:** October 07,2016

**LEAD AUDITOR:** R. Sigit Pamungkas

**SIGNATURE:**

**AUDIT TEAM:** Utomo

**SIGNATURE:**

Agung Utama Lubis

**SIGNATURE:**

**MAJOR CARS:** 0

**MINOR CARS:** 1


SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Sumatera Riang Lestari Blok IV Rupert	Rupert and North Rupert Sub-district, Bengkalis District, Riau Province, Indonesia	October 4-7, 2016
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	
	Not Applicable,	

### Brief Description of the concession

PT. Sumatera Riang Lestari (SRL) Block IV Rupert is an Investment Company of the Interior (DCI) that is engaged in the operations of Forest Plantation Industries producing wood fiber (pulp).

PT. Sumatera Riang Lestari (SRL) Block IV Rupert is located between the following coordinates: 01°44'43" to 01°57'52" North and 101°26'16" to 101°40'34" East. The plantation falls under the administration of District Rupert and North Rupert, Bengkalis, Riau Province.

According to the Management Unit, the topography of the area ranges from 5 to 15 meters above sea level, while the land slopes from 0% to 8%. The soil is mineral and peat, while climate is type A (Schmidt & Ferguson), and annual rainfall is 1,611 mm.

The layout of the plantation was made based on the results and the identification of micro delineation HCVF, which has been implemented in the field. Layout of the plantation areas is as follows:

No.	Grouping	Area (ha)	%
1	Protected Areas	13,121	34,34
2	Area Unsuitable for Production	1,224	3.20
3	Effective Area for Production		
4	- Livelihood Plants	2,292	6.00
	- Seed Plants	3,853	10.08
	- Staple Crops	17,720	46.38
	Total Effective Area for Production	23,865	62.46
	Total plantation area	38,210	100.00

\*\* PT Sumatera Riang Lestari (SRL) Block IV Rupert Estate implements sustainable forest management based on the Decree of the Minister of Forestry No. SK.18 / VI-BUHT / 2014 dated 04.16.2014 HTI is RKUPHHK-Term 10 Year Period 2008-2017 revised, dated 16 April 2016, with an area of 38,210 ha. Of this total area, however, 11,279.08 hectares are ineligible for certification, leaving an area of 26,930.92 hectares registered for IFCC certification.

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

In the field of socio-economic and cultural management, PT. Sumatera Riang Lestari Rupert Block IV seeks to provide employment and business opportunities for the people of the villages that surround the work area.

The Management Unit recognizes the provisions of the consent / agreement / binding international conventions, such as CITES, ILO, ITTA and CBD that have been ratified by Indonesia, as evidenced by:

1. Document ILO Convention 81 Labor Inspection in Industry and Commerce, July 23, 2003
2. The Indonesian Trade Unions Act (Law No. 21/2000), Law No. 1/2000 on ILO 182 Prohibition and Immediate Action on the Elimination of the Worst Forms of Child Labor.
3. Social and Environmental Policy

Statement of Corporate Commitment to the ILO Conventions.

The Management Unit has identified, appreciates, recognizes and respects the rights of indigenous peoples and local communities in terms of ownership, control and use of land and forest resources.

The public's right to non-timber forest products (NTFP) is respected through the provision of community access to NTFP,



which include honey and fish, providing there is no damage to the plants and the environment, and care is taken of the main crop that has been planted.

PT. Sumatera Riang Lestari Block IV Rupert displays no discrimination in the hiring of labor either local or immigrant. The Company has a Collective Labor Agreement (CLA) that regulates the rights and obligations of employers and employees and includes: recruitment, remuneration, employee placement, removal, transfer, promotion, skills enhancement program, prohibitions, and other matters.

PT. Sumatera Riang Lestari Block IV Rupert's conflict resolution mechanisms relating to indigenous peoples' rights are based on customary law and the property rights of local communities, or by formal law and conflict resolution mechanisms related to the impact of forest management activities. Procedures are as follows:

- SOP exist for handling the problem of conflict resolution, as well as similarly for the mapping of stakeholders and civil society.
- Documentation of the process of conflict resolution is available, including the chronology of events, map of areas of conflict and the minutes of the meeting results.
- Thus participatory conflict resolution mechanisms have been created and agreed upon by PT. Sumatera Riang Lestari Block IV Rupert and the local communities.

The Management Unit has complied with all regulations and legislation related to forest management practices, environmental protection, protected and endangered species, the rights of indigenous peoples and local communities relating to land ownership and use, and the issue of occupational health and safety (K3).

The majority of the Company's CSR programs are charitable in nature, such as the provision of sarongs and sacrificial animals. However, it has pioneered irrigation facilities for the farmers' group, as well as offering scholarships to deserving students from the surrounding villages.

### **Description of the ecological conditions of the concession**

PT. Sumatera Riang Lestari Block IV Rupert has conducted monitoring and evaluation related to aspects of production, the environment (physical, chemical, biological) and socio-economic culture of communities in accordance with the plans and procedures that have been prepared. Activity monitoring or monitoring and evaluation is an ongoing program based on the documented Environmental Management Plan and Environmental Monitoring Plan (RKL-RPL).

Program monitoring / environmental monitoring related to the implementation of HTI development activities are grouped as follows:

- a. Components of Physical-Chemistry, which includes monitoring of soil (mineral and peat), water and air.
- b. Biological components monitored include growth of crops, pest and disease control, and biodiversity.
- c. Socio-economic and cultural components monitored include Community Development (CD)

The Management Unit has identified key protected and threatened/endangered species, as well as habitat and migratory patterns including consideration of the landscape in order to implement appropriate management measures/scalable to minimize the negative impact of operational activities on these endangered species. Within the PT. Sumatera Riang Lestari Block IV Rupert region, the CITES (App 1) species are Leopard cats (*Prionailurus bengalensis*) and the hornbill (*Aceros spp*).

In regard to activities related to forest fire management, the following activities are carried out:

- a. Undertake Fire Risk Assessment (FRA) and map areas prone to fire.
- b. identification and provision of equipment necessary for the department to function effectively.
- c. Improve the ability of fire-fighting teams through both internal and external training.
- d. Early detection through ground check of hotspots with NOAA, TERRA, AQUA and methods of FDR



- e. Outreach to the local community through the community fire care program.
- f. Compartmentalize the area with canals and perimeter boundaries acting as fire breaks.
- g. Create an organizational structure for fire prevention and effective countermeasures
- h. Marking of definitive boundaries according to the Forestry Department
- i. Boundary Maintenance, at least once per years.
- j. Socialization of the location and reasons for the protected area to the surrounding villagers.
- k. Collaborative community fire care programs (MPA) in villages surrounding the concession.
- l. Forest security team perform routine patrols against illegal logging.
- m. Socialization of Annual Work Plan.
- n. Installation of sign boards (prohibition of hunting and burning for land clearance). Routine patrols (land and water)
- o. Community development (CSR and the development of plant life).

At the time of the field verification, there were no Genetically Modified Species (GMO) in the work area in accordance with Company policy, as follows:

1. No commercialization of genetically modified trees.
2. Prevent companies in the work area from conducting trial planting of trees that are genetically modified.
3. Prevent the introduction of biotechnological organisms that are potentially dangerous.

### Results of the Public Consultation

Prior to conducting the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia carried out public consultation, commencing September 26, 2016. in which stakeholders were invited to provide feedback on PT Sumatera Riang Lestari Block IV Rupert. Announcement of the public consultation was published on the website of PT AJA Sertifikasi Indonesia ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to the parties by email or letter and published in the local newspaper. No input was received from stakeholders during the public consultation.

The audit team also gathered information from the mass media about PT Sumatera Riang Lestari Blok IV Rupert, which was given material consideration in the audit process.

PT Sumatera Riang Lestari Blok IV Rupert has identified all the necessary requirements for this certification process, from legal aspects and compliance with regulations or international conventions. The management system has been built to cover all activities in the field of certification, which is registered for certification of an area of 26,930.92 ha.

### 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 1 Audit of PT. Sumatera Riang Lestari Block IV Rupert, one minor discrepancy was identified.

The Management Unit has already addressed this issue and the finding has now been closed. This demonstrates a seriousness and strong commitment to sustainable forest management and continuous improvement. No critical issues were identified.

NO	Non-conformities	Corrective Action undertaken	Category
1	Under RKT UPHHK-HTI 2016/2017 that came into force on September 16, 2016, PT. Sumatera Riang Lestari planned to harvest both an area undergoing IFCC certification and an adjacent	The Management Unit has amended the requisite SOP to ensure no segregation fears for future harvesting. Confirmation of the implementation of the amended	Minor

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	<p>area that was not qualified for certification. However, demarcation between the two areas was not marked strictly in accordance with the requisite SOP. Moreover, following harvesting the timber transport stage was still common raising fears on the segregation of the two sources depending on execution.</p> <p><b>Ref Clause III.2.1:</b></p>	<p>SOP may be obtained during Surveillance Audit 2.</p>	
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**Conditions under which the certificate is issued**

Certificate will be valid until August 30, 2018. PT. Sumatera Riang Lestari Block IV Rupert has completed all corrective actions based on the time frame proposed in its corrective actions response and will ensure that the same problem does not exist at the time the next surveillance audit is carried out. Should any discrepancies not be closed out at the time the next surveillance audit is carried out, the IFCC certificate will be suspended until such time as AJA is able to perform a close out visit.