

# **Public Report**

# **Sustainable Forest**

# **Management System**

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**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



**CLIENT NAME:** PT SUMATERA RIANG LESTARI BLOCK IV RUPAT

**TOTAL HECTARES:** 26,930.92

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

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

**TYPE OF AUDIT:** Recertification

**AUDIT START DATE:** July 10, 2018

**AUDIT END DATE:** July 13, 2018

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 (Ecology)

**SIGNATURE:**

**AUDIT TEAM:** Andri Wibisono (Production)

**SIGNATURE:**

Warsito (Social)

**SIGNATURE:**


**MAJOR CARS:**

**MINOR CARS:** 2

<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY</b>	<b>DATE OF EACH SITE VISIT:</b>
PT SRL Block IV Rupat	Rupat and North Rupat Districts, Bengkalis Regency, Riau Province, Republic of Indonesia	July 10 to 13, 2018
<b>SITE NAME (Legal Name):</b>	<b>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</b>	
	N/A	

Document: Report Format Public - IFCC

Issue: D

Date: 15 September 2016

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#### **Brief Description of the concession**

PT Sumatera Riang Lestari Block IV Rupert was granted a forest management permit based on Ministry of Forestry Decree No. SK.208/Menhut-II/2007, dated May 25, 2007 covering an area of approximately 215,305 ha, which covers an area of approximately 67,230 ha located in North Sumatra Province and approximately 148,075 ha in Riau Province. The area of Block IV Rupert is 38,210 ha.

There was conversion of 11,279.08 ha (Staple Plant Area 10,723 ha and Livelihood Plant Area 557.08 ha) of natural forest to plantation forest after December 31, 2010. The scope of the IFCC certification, therefore, is for an area of 26,930.92 ha.

PT Sumatera Riang Lestari Block IV Rupert management plan documents in the form of Timber Forest Product Utilization Working Plan (RKUPHHK-HTI). RKUPHHK-HTI PT Sumatera Riang Lestari in 2017 - 2026 have been approved by Decree of the Minister of Forestry No SK 265/MenLHK-PHPL/UHP.1/2/208 concerning Approval of Work Plans for Timber Products Utilization in Industrial Plantation Forest (RKUPHHK-HTI) for 2017-2026 in order to improve peat governance in the name of PT Sumatera Riang Lestari in the provinces of North Sumatra and Riau. In the document, the Management Unit has recorded the spatial arrangement of its working area as follows: Staple Plant Area of 17,447 ha (45.7%), Livelihood Plant Area of 7,642 ha (20.0%), Local Protection Areas and Other Protected Areas of 13,121 ha (34.3%), for a total of 38,210 ha.

The working area of PT Sumatera Riang Lestari Block IV Rupert is administratively located in Rupert and North Rupert Districts of Bengkalis Regency of Riau Province. Geographically it lies between 01° 44' 43.0" to 01° 57' 53.0" North and 101° 26' 16.0" to 101° 40' 34.0" East. The northern boundary of the working area is HPT (Limited Production Forest), to the South: APL (Other Use Areas), and HPK (Convertible Production Forest), to the East: HPT (Limited Production Forest), and to the West: HP (Permanent Production Forest) and HPT (Limited Production Forest).

The working area of the Management Unit has peat soil and species developed for production is *Acacia crassicarpa*.

The Peat Ecosystem Protection Function Area (KFLEG) in the PT Sumatera Riang Lestari Block IV Rupert area covers 35,039 ha and will be arranged in stages until logging of the first cycle of staple plants has been completed. What has been done in respect to KFLEG to date is the arrangement in accordance with the previous RKUPHHK-HTI in the form of Local Protection Area of 13,121 ha.

#### **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 jobs and business opportunities for the villagers surrounding the work area. The Management Unit has identified, appreciates, recognizes and respects the rights of the local community to the use of forest resources. Rights to non-timber forest products, for example, are respected through the provision of community access to NTFP, which include such items as honey and fish, provided no damage is done to crops or the environment.

PT. Sumatera Riang Lestari Block IV Rupert does not discriminate between employing local or migrant workers. The Company has a Collective Employment Agreement (PKB) that regulates the rights and obligations of the employer and employees including: recruitment, remuneration, employee placement, transfer, promotion, skills upgrading program, restrictions, and other matters. In addition, the Management Unit complies with all laws and regulations in relation to occupational health and safety issues (OSH).

The Management Unit has also set in place conflict resolution standards that fully document and map all conflict situations from their initial reporting through to final resolution. This participatory conflict resolution mechanism has been established and agreed upon by PT. Sumatera Riang Lestari Block IV Rupert and the surrounding local community.



The majority of the Corporate CSR programs are charitable in nature, such as the donation of sarongs and sacrificial animals. However, irrigation facilities for farmer groups have also been pioneered, as have the offer of educational scholarships to students from surrounding villages.

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

PT. Sumatera Riang Lestari Block IV Rupert carries out monitoring and evaluation of the related aspects of production, environment (physical, chemical and biological) and socio-economic culture of society in accordance with prepared plans and procedures. The monitoring and evaluation is a sustainable program based on the documented Environmental Management Plan and RKL-RP, reports of which being submitted to the requisite authorities on a periodic basis.

Environmental monitoring activities cover physical and chemical components, which include soil monitoring (minerals and peat), water and air, as well as biological components that include growth of staple and livelihood crops, disease and pest control, and biodiversity.

With the Peat Ecosystem Protection Function Area (KFLEG) in the PT Sumatra Riang Lestari Block IV Rupert area covering 35,039 ha, there are additional ecological responsibilities. Plantation forest operational activities in peatlands raise fears of causing damage to the peat ecosystem, characterized by the presence of artificial drainage, exposure to pyrite sediments and the reduction of land cover area. Specific guidelines have been prepared for recovery of damaged peat ecosystems, which include no replanting of staple or livelihood plants, taking measures to maintain water levels, no further clearing but re-vegetation with right type, species and process for the specific area.

In regard to biodiversity, the Management Unit has identified protected and threatened/endangered key species, as well as habitat and migration patterns including landscape considerations to implement appropriate management / scalable measures to minimize the negative impact of operational activities on endangered species. Within PT. Sumatera Riang Lestari Block IV of Rupert region, the CITES species (App 1) is the hornbill (*Aceros spp*).

The Management Unit has carried out Forest Protection activities, which have identified and monitored disturbances in Sustainable Forest Management. It has documented procedures for preventing and handling disease and pest infestation, plus for the handling of hazardous and toxic materials (B3) To minimize disruption caused by human elements., the Management Unit carries out socialization with the local community, erects and maintains notice boards warning against lighting fires, illegal incursion, etc., plus conducts regular security patrols.

In relation to activities related to the management of forest fires, fire risk assessment maps areas potentially vulnerable to fires, while identification and provision of necessary equipment is ongoing, as is improvement of firefighting skills through internal and external training.

### **Results of the Public Consultation**

Prior to performing Recertification Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing July 2, 2018, asking stakeholders to provide feedback and information on PT Sumatera Riang Lestari Block IV Rupert. The public consultation was uploaded to PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to the parties via email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders during the public consultations.



The audit team also gathered information from the mass media about PT Sumatera Riang Lestari Block IV Rupert, the reported cases being given material consideration in the audit process carried out by PT AJA Sertifikasi Indonesia.

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

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

Results of the Recertification Audit of PT Sumatera Riang Lestari Block IV Rupert identified two (2) Minor Non-Conformities. The management system of PT Sumatera Riang Lestari Block IV Rupert is operating effectively. No critical issues of time were identified.

NO	Non-conformity (NC)	Corrective Action to be Undertaken	Category
1	Based on the field visit, workers in several areas of operations were not utilizing safety equipment as required by the SOP.  <b>Clause Ref. I.12.4</b>	PT Sumatera Riang Lestari Block IV Rupert has distributed the Personal Protective Equipment (PPE) received by the Team Chief.	Minor
2	Based on test results, the quality of water from the drilled wells for use by employees were substandard with organic contaminants.  <b>Clause Ref. I.12.5</b>	PT Sumatera Riang Lestari Blok IV Rupert, has had the quality of the water from the drilled wells tested to ensure it is safe for use by employees.	Minor

#### **Conditions under which the certificate is issued**

Certificate is valid until 12/11/2021 provided that PT Sumatera Riang Lestari Block IV Rupert completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same problem in the next surveillance audit visit. If non-conformities are not closed at the next surveillance audit, the certificate will be suspended until such time as PT AJA Sertifikasi Indonesia is able to perform a closeout visit.