

# 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: CV TUAH NEGERI

TOTAL HECTARES: 1,480 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 1,480 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: August 20, 2019

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: August 22, 2019

LEAD AUDITOR: Riyadi Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Andri Wibisono

SIGNATURE:

Warsito

SIGNATURE:


MAJOR CARS : 0

MINOR CARS : 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
CV Tuah Negeri	Pelalawan District, Pelalawan Regency, Riau Province, Indonesia	August 20 to 22, 2019
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

CV Tuah Negeri IUPHHK HTI decree is based on Minister of Forestry Decree No. : SK.215/MENHUT-II/2007 on May 28, 2007 concerning the Renewal of Permit for Timber Forest Product Utilization Business in Industrial Plantation Forests in CV Tuah Negeri for Production Forest Areas covering about 1,480 hectares in Riau Province.

The Management Unit has RKUPHHK-HTI documents, which are validated based on:

1. Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.1113/MenLHK/Setjen/UHP/HPL.1/3/2018 on March 13, 2018 Regarding the Approval of Work Plan for Timber Forest Product Utilization Business in Industrial Plantation Forest (RKUPHHK-HTI) in 2017 -2026 in order to Improve Peat Governance on Behalf of CV Tuah Negeri in Riau Province
2. Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.8906/MenLHK-PHPL/UHP/HPL.1/12/2018 on December 28, 2018 Regarding the Approval of the Adjustment of Work Plan for Timber Forest Product Utilization Business in Industrial Plantation Forest (RKUPHHK-HTI) Period 2017 to 2026 Year Activities 2018 to 2019 on behalf of CV Tuah Negeri In Riau Province.

Based on the Report on the Results of Work Areas Own Boundary and Shared Boundary Arrangement of Permit for Timber Forest Product Utilization Business in Industrial Plantation Forest (IUPHHK-HTI) CV Tuah Negeri with PT Riau Andalan Pulp And Paper in Pelalawan Regency, Riau Province. Number: LP.008/BPKH.XIX/PKH/-/7/2016, the length of the boundary is 20,317.55 meters, with an area of 1,676.68 ha.

The Management Unit has made spatial planning (RKU Adjustment) as follows: Local Protection Areas and Other Protected Areas of 245.68 ha (14.65%), Staple Plant Areas of 1,081 ha (64.47%), Livelihood Plant Areas of 350 ha (20.87%). The Local Protected Area and Other Protected Areas consist of: KPPN/KPSL of 99 ha (5.90%), and Other Protected Areas of 146.68 ha (8.75%).

In the CV Tuah Negeri work area there has been no conversion of natural forest into plantation forest after December 31, 2010. The total area to be certified is 1,480 ha, which is based on the area of the permit. Although the boundaries have been set up, they have not yet received a Boundary Decree from the Minister of Environment and Forestry.

Based on the administrative area of CV Tuah Negeri, it is located in Pelalawan District, Pelalawan Regency, Riau Province, and the forestry administration area is located in the Riau Province's Environmental and Forestry Service.

Geographical location of the work area is 00° 33' 40" to 00° 29' 39" North and 101° 57' 35" to 102° 00' 06" East, with the boundary of the working area: north and east of PT Riau Andalan Pulp and Paper, south of APL, and west of APL and HPK.

The topography is slope class A (0-8%) at an altitude of 8 -150 meters above sea level. It is part of the Pelalawan River Forest Group, with the Pelalawan River watershed hydrology. Climate Type A (Schmidt & Ferguson 1955) with 2,236 mm of rainfall/year with 142 rainy days/year. Soil type: hemic organosol, fibric organosol. Geology: peat.

The working area of CV Tuah Negeri's forest footprint is peat, so the species developed is *Acacia crassicarpa* with a 4-year cycle.

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

The CV Tuah Negeri has two villages that enter the concession area, Delik Village and Lalang Kabung Villge. However, there are no indigenous or tribal people in accordance with the requirements of the legislation, the majority being of Malay ethnic origin.

The Management Unit already has a conflict resolution mechanism that has included personnel in the training of potential mapping and conflict resolution.

The Management Unit of CV Tuah Negeri already has a social sustainability plan that includes the community empowerment plan through partnerships and institutional planning. The empowerment plan includes partnerships in the management of livelihood plants and partnerships in the industrial plantation forest activity segments, including land preparation, planting, maintenance and harvesting.

In forest management, CV Tuah Negeri has made an agreement with the surrounding community of Delik Village and

Langang Kabung Village in the form of livelihood plants cooperation, while a Fire Care Community (MPA) has been formed with the Delik Village. CV Buah Negeri has provided access to the community to utilize forest resources for economic interests, namely utilizing the canals to collect fish.

There are 2018 CD-CSR program plans for assistance in the religious sector (Ramadan travel and mosque material assistance) the education sector (school infrastructure), and in the health sector (integrated service post infrastructure). In addition there is a plan for the 2019 CD program and based on the CSR program realization report for 2019 through July, assistance was realized for the aid of the fish cultivation equipment, paint material assistance for the village office, and schools. In addition there is an official report on the realization of the payment of livelihood plants fees to the village communities.

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

CV Buah Negeri has identified an area that functions to protect the soil, namely by allocating a Local Protection Area and Other Protected Areas. Soil conditions in the form of peat swamps with organosol soil types and all of them are on the slope class A (flat).

The Management Unit has implemented measures to protect the area from damage due to forest management operational activities. These include:

- a. Maintaining protected areas through installing sign boards prohibiting the lighting of fires and the cutting down of trees;
- b. Monitoring land subsidence through monitoring soil erosion in the production areas and comparing it to that in the protected areas.

Peat subsidence is an important impact in the management of peatlands. Monitoring is carried out at a predetermined location. Average peat subsidence = 3.78 cm/year, which is still within safe limits.

CV Buah Negeri has identified an area that functions to protect water. Based on the identification results it is then allocated and designated as a water protection area.

With the entire area being designated as peatland, the Management Unit has a system of canal construction with water gates and dams to control water levels. Monitoring is carried out at a water level monitoring point, for groundwater monitoring with a piezometer (water table) and monitoring of subsidence. Water management is carried out every day, the area of CV Buah Negeri being divided into four water management zones.

Field verification confirms that CV Buah Negeri has conducted an environmental impact assessment of the potential impacts on protected flora, fauna, endemic, rare and threatened / endangered species, according to the scale and intensity of forest management, and integrates measures appropriate measures to reduce the impact and disruption.

CV Buah Negeri does not exploit flora and fauna. In terms of inventory and mapping related to forest ecosystems, the area of genetic resources and landscape areas of the Management Unit has carried out:

- Allocating Germplasm Conservation Area (KPPN) in its spatial layout.
- Allocating areas that are local seed plants. In it there are many species of endemic flora.
- Has conducted public consultations, related to the existence of flora and fauna, ecosystems and landscapes to surrounding communities.
- Marking the buffer zone with red paint and a sign board.
- Implementing Reduced Impact Logging (RIL) in three stages of forest management from planning to harvesting and post-harvesting.
- Monitoring soil fertility with a soil survey to determine the soil management unit (SMU).
- Management of biological components, which is part of conservation efforts to maintain and protect existing biodiversity.
- Non-Timber Forest Product (NTFP) management is generally in the form of honey, The level of dependency of the community around the area is relatively low for the collection of non-timber forest products

CV Buah Negeri has identified threats to the health and vitality of forest resources, such as forest fires, illegal logging, grazing, forest encroachment, hunting, pests and diseases, and weeds.

- Conducting routine patrols throughout the region.
- Installing signs prohibiting lighting of fires, illegal logging and hunting wildlife protected by law.

- Conducting socialization related to the prohibition of burning forests and land.
- Establishing a Fire Care Community (MPA).
- Conducting socialization related to the presence of protected animals and the presence of protected areas.

#### Results of the Public Consultation

Prior to undertaking the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing August 1, 2019, requesting stakeholders to provide input and information on CV Buah Negeri. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to related parties via email or postal mail, and announced in local newspaper.

PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation. The audit team also collected information from the mass media about CV Buah Negeri, such reported cases being given material consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

CV Buah Negeri has identified all necessary requirements for this certification process, comprising legal aspects that include compliance with international regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 1,480 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 Surveillance 1 audit identified 2 Non-Conformities (NC) Minor categories. The Management Unit has made improvements and all NC Minor have since been closed. No critical issues occurred.

No	Non-Conformities	Corrective Action Performed	Category
1	The Management Unit was unable to show evidence that it has taken steps to anticipate illegal logging in the area of Germplasm Conservation, which is not accordance with the requisite SOP.  Indicator I.8.1	CV Buah Negeri has submitted a proposal to construct a guardhouse and portal, in which there are details of a sketch of the guardhouse, material requirements and a budget plan. In addition, there is a portal on the access road.	Minor
2	Testing of the quality of the clean water has not been conducted at the CV Buah Negeri camp and the water needs to undergo treatment (WTP) before the water is used by employees.  Indicator I.12.5.	CV Buah Negeri has made plan and progress material for making PAP complete with a budget plan.	Minor

#### Conditions under which the certificate is issued

Certificate is valid until January 6, 2022 provided that CV Buah Negeri completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same 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 closeout visit.