

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: 1,676.68

SCOPE OF REGISTRATION: Sustainable Forest Management of 1,676.68 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 07, 2020
AUDIT END DATE: September 09, 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:
CV Tuah Negeri	Pelalawan District, Pelalawan Regency, Riau Province, Republic of Indonesia	September 07 to 09, 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

CV Tuah Negeri has a Decree of IUPHHK- HTI based on the Decree of the Minister of Forestry No. : SK.215 / MENHUT-II / 2007 dated 28/05/2007 concerning Renewal of Business Permits for Utilization of Timber Forest Products in Industrial Plantation Forests in CV Tuah Negeri plantation forests covering an area of about 1,480 hectares in Riau Province.

CV Tuah Negeri has obtained a Decree on the determination of a work area, namely the Decree of the Minister of Environment and Forestry Number SK.584 / MenLHK / Setjen / PLA.2 / 8/2019 dated August 22, 2019 concerning the Establishment of a Work Area for Permit to Use Timber Forest Products in Plantation Forests for CV Tuah Negeri covering an area of 1,676.68 hectares in Pelalawan district, Riau Province.

The Management Unit has a RKUPHHK-HTI document that was legalized based on: Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.6088 / MenLHK / Setjen / UHP / HPL.1 / 6/2019 dated June 28, 2019 concerning Approval of Revision of Business Plan for Utilizing Timber Forest Products Industrial Plantation Forest (RKUPHHK-HTI) for 10 periods 2017 to 2026 in the context of improving peat governance on behalf of CV Tuah Negeri in Riau Province.

The Management Unit has carried out the spatial arrangement of its working areas, namely: Local Protected Areas and Other Protected Areas of 251.68 ha (15.01%), Staple Plants of 1,079.00 ha (64.35%), Livelihood Plants area of 346 ha (20.64%). Local Protected Areas and Other Protected Areas with an area of 251.68 ha (15.01%) consist of: KPPN / KPSL with an area of 99 ha (5.90%), Riparian Area of 135.82 ha (8.10%), and Other Protected Areas with an area of 16.86 ha (1.01%).

In the work area of CV Tuah Negeri, there has been no conversion of natural forest to plantation forest since December 31, 2010, thus the area for IFCC certification was 1,676.68 hectares. CV Tuah Negeri is based on its forest site in the form of peat so that the species being developed is *Acacia crassicarpa* with a 4-year cycle.

Based on the administrative area, CV Tuah Negeri is located in Pelalawan District, Pelalawan Regency, Riau Province. The Forestry Administration Area is located at the Environment and Forestry Service of Riau Province.

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

General conditions of the work area are Slope class A topography (0-8% / flat), at an altitude of 8 to 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 rainfall of 2,236 mm / year with 142 rainy days / year. Soil type: hemic organosols, fibric organosols. Geology: peat.

The Management Unit complies with regulations related to peatland management. CV Tuah Negeri has carried out: Revised RKUPHHK in order to improve Peat Management based on Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.1113 / MenLHK / Setjen / UHP / HPL.1 / 3/2018 dated March 13, 2018. Preparing Reports on the Implementation of Peatland Ecosystem Restoration and Forest and Land Fire Control based on the Decree of the Director General of Pollution Control and Environmental Damage No. 117 / PPKL / PKG / PKL.05 / 10/2018 dated 18 October 2018. Adjustments were made to 2018-2019 activities based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.8906 / MenLHK-PHPL / UHP / HPL.1 / 12/2018 December 28, 2018, and the 2017-2026 RKUPHHK was revised based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK. 6088 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 date 28 June 2019, with no peat dome peak.

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

The residents around the company's concession are local communities, there being no indigenous people as stated in the previous audit. The livelihoods of the people are dominated by farming (agricultural) and entrepreneurs.

CV Tuah Negeri has made efforts to resolve the conflict with the surrounding community. There is a Report on Mapping Potential and Conflict Resolution Semester I of 2020, dated June 30, 2020. There is an overlapping map of the claim area with the CV Tuah Negeri IUPHHK layout with a scale of 1: 50,000. There is a CV Tuah Negeri Conflict Resolution Mapping Monitoring and Evaluation Report dated June 30, 2020. Based on monitoring, there is no conflict between CV Tuah Negeri and the community (village) around the company's operational area. This is due to: 1. the establishment of good relations and communication between CV Tuah Negeri and the community and community leaders around the company. 2. There is a concern for the company to run CSR / CD programs to the community around the company's operational area. 3. CV Tuah Negeri has collaborated with the surrounding community. There is Livelihood Plant Cooperation Agreement between CV Tuah Negeri and the surrounding community.

CV Tuah Negeri has carried out corporate social responsibility programs for the surrounding community. Based on the 2020 RKT Document, CSR activities carried out in 2019 include infrastructure development, education, health in the economic sector, and cooperation with local cooperatives. The Report on the Implementation of the CD Program for the Second Quarter of 2020 for the April - June Period, based on this report, the activities carried out are in the form of Food Assistance to help alleviate the impact of the Covid-19 pandemic in the surrounding village community through the Riau Province Environmental Service and Food Aid.

Description of the ecological conditions of the concession

The Management Unit has carried out identification of forest management activities with significant impacts, and conducting environmental impact assessments through: UKL / UPL document IUPHHK-HT CV Tuah Negeri (Approved and Ratified by the Head of Bapedalda Pelalawan Regency No. 10 / Tahun / 2002, December 23, 2002, revised 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, which include Local Protection Area and Other Protected Areas, namely Riparian Areas, KPPN and Other Protected Areas.
- Identification of areas that function for water protection, which include Local Protection Areas and Other Protected Areas, namely Riparian Areas, KPPN and Other Protected Areas.
- CV Tuah Negeri, 2002, has documented procedures that serve as guidelines for monitoring negative impacts due to forest management activities, namely: SOP for Monitoring Protected Areas, SOP for Monitoring of Discharge and Water Quality and SOP for Monitoring of Subsidence and TPMAT.

The Management Unit has carried out Biodiversity Management activities, namely through the following:

- Identification and inventory of protected, endemic, rare and threatened / endangered flora & fauna, the results of which can be found in: CV Tuah Negeri UKL & UPL document in 2002, revised 2017-2026 RKUPHHK Improvement of Peat Management, and RKL / RPL Semester Reports (Semester 2, 2019 and semester 1, 2020). There is a map of fauna distribution, but as yet there is no flora distribution map.
- Management of Protected Areas is carried out in accordance with the RKL / RPL Implementation Reports each semester (Semester 2, 2019 and semester 1, 2020) as well as SOPs for Determining Protected Areas and SOPs for Monitoring Protected Areas. No key species were found in the area.
- The staple plants cultivated are not genetically modified tree species, being *Acacia cracicarpa*.

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

- CV Tuah Negeri has documented procedures for controlled use of B3 (Hazardous and Toxic Materials), for Handling Spills of Fuel, Lubricants and Chemicals, for Weed Control, and for Integrated Pest and Disease

Management,

- Has implemented forest protection measures against fire hazards, which are found in the RKL / RPL Implementation Report Document, and include no grazing of livestock By the community in the working area. CV Buah Negeri has implemented appropriate / measurable steps in forest protection activities, whereby the company has a documented procedure for forest protection activities.

Results of the Public Consultation

Prior to conducting the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia held a Public Consultation commencing July 02, 2020, asking stakeholders to provide feedback and information about CV Buah Negeri. 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 CV Buah Negeri, 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 the requirements needed 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 1,676.68 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, there were no Non-Conformity of either a Major or Minor category. The Management Unit of CV Buah Negeri is operating effectively.

Conditions under which the certificate is issued

The certificate is valid until January 06, 2022, providing CV Buah Negeri does not have any problem at the next recertification visit. If a non-conformity is not closed at the next Recertification audit, the certificate will be postponed until PT AJA visits to close the non-conformity.