

# 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

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Additional Surveillance due to Covid-19 Pancemic (REMOTE)

AUDIT START DATE: August 25, 2021

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 27, 2021

LEAD AUDITOR: Agung Utama Lubis

SIGNATURE:

*[Handwritten Signature]*

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

*[Handwritten Signature]*

Andri Wibisono

SIGNATURE:

*[Handwritten 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	August 25 to 27, 2021
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 Buah Negeri obtained a Permit for Utilization of Timber Forest Products in Industrial Plantation Forests (IUPHHK HTI) based on the Decree of the Minister of Forestry No. : SK.215/MENHUT-II/2007 dated May 28, 2007 concerning Renewal of Business Permit for Utilization of Timber Forest Products in Industrial Plantation Forests in CV Buah Negeri Forest Area of approximately 1,480 (one thousand four hundred eighty) hectares in Riau Province. Then, it received the latest Decree of the Minister of Environment and Forestry Number SK.584/MenLHK/Setjen/PLA.2/8/2019 dated August 22, 2019, concerning the Determination of Work Areas for the Utilization of Timber Forest Products in Plantation Forests of CV Buah Negeri of 1,676.68 (one thousand six hundred seventy-six and sixty-eight per hundred) hectares in Pelalawan district, Riau Province. There was no conversion of natural forest to plantation forest after December 31, 2010, thus, the certified area is the whole concession of 1,676.68 Ha.

The Management Unit has a long term management plan (RKUPHHK-HTI) document which is ratified by the Decree of the Minister of Environment and Forestry No. SK.6088/MenLHK/Setjen/UHP/HPL.1/6/2019 on June 28, 2019 concerning the Approval for Revision of Business Plans for the Utilization of Timber Forest Products Industrial Plantation Forest (RKUPHHK-HTI) for a Period of 10 (Ten) Years of 2017 to 2026 in order to Improve Peat Management on behalf of CV Buah Negeri in Riau Province. The spatial arrangement of the work area based on the management plan is Local Protected Areas and Other Protected Areas of 251.68 ha (15.01%), Staple Plant area of 1,079.00 ha (64.35%), Livelihood Plant area of 346 ha (20.64%), with a total of 1,676.68 ha (100.00%).

CV Buah Negeri is administratively located in Pelalawan District, Pelalawan Regency, Riau Province. While the based on the forestry administration, the area is part of the Department of Environment and Forestry of the Riau Province. Geographical location of the work area is between 00° 29' 39" to 00° 33' 40" North and 101° 57' 35" to 102° 00' 06" East, and surrounded by:

- northside of PT Riau Andalan Pulp and Paper,
- southside of Other Use Area (APL),
- east side of PT Riau Andalan Pulp and Paper,
- westside of APL and HPK.

The work area has a topography of slope class A (0-8%/flat) and an altitude 8 to 150 meters above sea level. It is part of the Pelalawan River Forest group and Pelalawan watershed hydrology. The climate type is A (Schmidt & Ferguson 1955) with rainfall of 2,236 mm/year with 142 rainy days/year. The soil type is hemic organosol, fibric organosol, and geologically formed of peat. The species of plant developed is *Acacia crassicarpa*.

The Management Unit complies with regulations related to peatland management. CV Buah Negeri has carried out a Revised RKUPHHK to improve peat management based on Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK. 6088/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019, prepare a Report on the Implementation of Peat Ecosystem Restoration and Control of Forest and Land Fires 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, make adjustments for 2018 to 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 dated December 28, 2018. There is no Peat Dome Peak in the concession area.

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

The residents around the CV Buah Negeri concession are a local community without customary law communities. According to the 2020 CV Buah Negeri Social Impact Assessment Report, there are two villages around the concession,

namely Lalang Kabung Village and Delik Village, in Pelalawan District, Pelalawan Regency. The livelihoods of the residents of the villages are dominated by farmers and entrepreneurs.

To resolve conflicts in its concession area, CV Tuah Negeri develop a conflict resolution organization. There are SOPs for conflict resolution between companies and communities as the organization guidelines. CV Tuah Negeri potential conflict status is alert. According to the interviews with the Village Heads, there was no open conflict between the company and the community.

CV Tuah Negeri has collaborated with the surrounding community such as with local contractor partner for the rental of water transportation equipment. There are also livelihood plant cooperation agreements between CV Tuah Negeri and the surrounding community by providing funds from the production of livelihood plants as village income.

The corporate social responsibility activities to the surrounding community are implemented in the form of economic empowerment of micro-small business of chicken eggs, and assistance to overcome the impact of Covid-19. Based on the Report on the Implementation of the Community Development Program in 2021, there was aid of food assistance for the month of Ramadan, and grass chopping machines for animal feed.

### Description of the Ecological conditions of the concession

The Management Unit has implemented appropriate measures to protect the area from damage caused by forest management operations. The steps taken include installing sign boards, prohibiting forest and land burning and cutting down trees. The water management is needed as the entire Management Unit area is peatland. The Management Unit has records of peatland management in the form of construction of canal, water gates and dams to control the water level. The Management Unit has a water level monitoring point, monitoring ground water level with a piezometer (water table) and monitoring land subsidence (subsidence).

The management of conservation areas is still quite effective, namely by monitoring the value of vegetation diversity in the protected function area of the peat ecosystem. CV Tuah Negeri has allocated Local Protected Areas and Other Protected Areas of 245.68 ha (14.65 %), which consists of KPPN of 99 ha (5.9 %) Other Protected Areas of 146.68 ha (8.75%). The company is committed to implementing the environmental policies such as land preparation without burning for planting and support initiatives to prevent and combat forest and land fires and manage protected areas to maximize conservation value and protect them from damage due to unlawful activities and cooperate with interested parties to protect these conservation areas.

CV Tuah Negeri has identified threats to the health and vitality of forest resources, such as forest fires, illegal logging, illegal grazing, forest encroachment, hunting, pests and diseases and weeds. The forest protection is performed by following activities:

- Carry out regular patrols throughout the area,
- Establishing a Community with Fire Awareness (MPA) with the community,
- Restrict public access to forests for the purpose of protecting property rights, facilities, and infrastructure, protecting health and safety, protecting against unauthorized activities and forest encroachment, protecting against fire, or for conservation purposes,
- Conduct socialization to the community related to the existence of protected animals and the existence of protected areas.

### Results of the Public Consultation

Prior to conducting Additional Surveillance Audit, PT AJA Sertifikasi Indonesia held a Public Consultation commencing August 16, 2021, asking stakeholders to provide feedback and information about CV Tuah Negeri. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to the parties via email or postal letter, and published in local newspapers.

There were inputs and suggestions from the regency environmental service. It was further stated that the company routinely publishes the Environmental Permit Implementation Report. There are several suggestions to CV Tuah Negeri to carry out environmental management by referring to the environmental permit and regulations, improve the program for preventing and handling forest and land fires, implement the livelihood plant and Corporate Social Responsibility (CSR) program to the community, and to coordinate with the government about the problems that may occur to be resolved properly in accordance with applicable regulations without harming the environment.

As to verify the stakeholder feedback, the auditors have verified documents and performed interview to the village heads. According to these, the company has implemented the livelihood plant as well as the CSR programs to surrounding villages. The company also collaborated with surrounding villages to handle forest and land fires by establishing a Community with Fire Awareness (MPA). 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 Additional Surveillance Audit, there were no Non-Conformity of either a Major or Minor category. The Management Unit of CV Tuah Negeri is operating effectively.

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

The certificate is valid until January 06, 2023, provided that CV Tuah Negeri maintains its Recertification schedule and does not have any Major non-Conformities at the next Recertification visit.