

# **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**



**JOB NUMBER:** AJA/IFCC-023

**CLIENT NAME:** CV. TUAH NEGERI

**TOTAL HECTARES:** 1.480 Ha

**SCOPE OF REGISTRATION:** Sustainable Forest Management for Forest Plantation covering 1.480 hectares in Riau Province

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

**TYPE OF AUDIT:** STAGE 2

**AUDIT START DATE:** 7 October 2015

**AUDIT END DATE:** 9 October 2015

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

**SIGNATURE:**

**AUDIT TEAM:** Roy Adam

**SIGNATURE:**

Warsito

**SIGNATURE:**


**MAJOR CARs:** 1

**MINOR CARs:** 9

**OBSERVATIONS:** 17

**RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):**

**RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):**

**RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):**

**NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence Of Major System Failure):**

**SELECT OPTION**

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SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):	DATE OF EACH SITE VISIT:
	Pelalawan Sub District, Pelalawan Regency, Riau Province, Indonesia.	7-9 October 2015
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 (If more than 4 additional sites have been registered please add additional rows)	
	N/A	
REF No:	ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)	
	N/A	

### Brief Description of the concession and its natural and socio-economic conditions.

CV Tuah Negeri (CV TN) is a company engaged in the business of Forest Industry Plants and got SK IUPHHK based on:

1. Bupati Pelalawan Decision Number : 522.2/IUPHHKHT/I/2603/006 about Granting business license Harvesting Forest Wood Plants to CV. Tuah Negeri covering an area of± 1.500 Ha di Kabupaten Pelalawan, established on 25 January 2003.
2. The decision of the Minister of Forestry No. : SK.215/MENHUT-II/2007 about the renewal of business license Harvesting Forest Wood On the Forest Industry Plants In the forest Plants CV. Tuah Negeri over the Acreage of Production Forest ± 1480 (one thousand four hundred eighty) Acres di Riau Province, May 28, 2007.

CV Tuah Negeri has received a certificate PHPL from certification institution PT Mutu Certification International, i.e. Certificate Number: LPPHPL-008/MUTU/FM-022, effective from 22 July 2015 to 22 July 2020.

In sustainable forest management CV Tuah Negeri applying the principle of sustainability of production, sustainability of ecological and social sustainability. Application of the silvikultur system are already considering the characteristics of the forest resource, the condition of the tread and species. Areal CV Tuah Negeri the condition tapaknya is peat. Forest management with the creation of the Canal with the high setting advance water (Water Treatment) and species chosen is *Accacia crasicarpa*.

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CV Tuah Negeri do the monitoring from both the aspect of production, environmental and social. Monitoring can be seen in the annual work plan document (CTR) and documents the plan of Environmental Governance and Environmental Monitoring Plan (RKL-RPL) with components that are monitored is:

- A. Physical-Chemical Components
  - a. Management and Land Monitoring
  - b. Management and monitoring of water
  - c. Management and monitoring of the air
- B. The Biological Component
  - a. To get the appropriate growth rate target and control of pests and diseases,
  - b. As part of conservation efforts to preserve and protect biological diversity (biodiversity) flora-fauna that exists.
- C. Socio-Cultural Components
  - a. The community empowerment Program, i.e. village Delik.
  - b. Management of social, economic and cultural components as a form of socialization of operational plan of the company, as well as a form of corporate participation in community economic development activities.

CV Tuah Negeri do the management of conservation areas by doing monitoring the value of the diversity of vegetation in the area of the protected area (KPPN), KPSL and the flagship Plant. In addition highly effective conservation area as the area of resapan water, protection of germplasm and as pockets of wildlife. Installation of the sign board, in the form of an Advisory Board and the prohibition is quite effective in helping maintain protected areas.

CV Tuah Negeri have done identification of disturbance of a threat to the health and vitality of forest resources, such as forest fires, illegal logging, Wild grazing, Forest encroachment, poaching, pests and diseases and weeds.

- Perform routine patrol across the region.
- Put up signs and prohibition to not burn forests, doing illegal logging and hunting satwaliar do protected by law.
- Do dissemination related ban on burning the forests and land.
- Establish community care Fire (MPA).
- Do wildlife-related sosialisasi the presence of diilindungi and the presence of wildlife protected areas.

CV Tuah Negeri have a policy that States that in order to realize the freedom of association that is fighting for, protect, and defend the interests and welfare of workers/labourers and their families, and realize the harmonious industrial relations, dynamic and equitable, then the workers/workers are entitled to form and develop the unions/labor-free, Open, and independent and responsible, as contained in the affidavit of No 001/TN/VLK/I/2014 signed by Nelson B. Sianturi as a Director, on January 2, 2014.

CV Tuah Negeri have done efforts to establish good relations with the local community. CV Tuah Negeri the company has conducted studies of the impact on the environment including the impact of the presence of the company for the local community, where the purpose of the company is to improve the welfare of the communities surrounding the forest cover: Income level, the improvement of social welfare, the improvement of public education

Not possible discrimination in terms of recruitment of workers both expatriate or local labor. The company has a company regulations (PP) governing the rights and obligations of the company and the employees. In PP cover: reception employees, employee placement, removal, mutation, promotion, skills improvement program, prohibitions, etc

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

Based on the results of the audit stage 2 in CV Tuah Negeri (CV TN) found a number of discrepancies, i.e. 1 Major, 9 Minor, and 17 Observations for improvement. The whole of these discrepancies have been performed by the company's corrective actions on the ground so that all of the certification process can be continued and the company has demonstrated the seriousness and commitment in sustainable forest management by means of continuous improvement actions to improve its performance.

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The findings of these discrepancies, i.e. in the form of:

1. Financial statements and RKAP has not been guided by Permenhut No. P.69/Menhut-II/2009 *jo.* P.32/Menhut-II/2014 Financial Reporting Guidelines on the utilization of Forest production and forest management (Dolapkeu PHP2H).
2. Plot PMA data not available (number of trees, height and diameter) are not in accordance with the TN-SOP-CAN-010 rev 3 date April 01, 2014.
3. Plot Center/ Permanent Sampling Plots (PSP) not informative (no recording date), on the tree is included in the Plot Center PSP radius the radius of the circle 11, There were only 28 meters information number (there are no high information and diameter). The pattern of spread of PSP plots and Intesitas Plot Sampling does not comply with TN-SOP-CAN-007 rev 3 date April 01, 2014.
4. River protected area compass and flagship plant has not been made the management of the area by way of monitoring the flora and fauna and inventarisasinya
5. 5. Storage of LB3 is still less than perfect, This can be seen on the pedestal place LB 3, There's still a used drum of diesel or fuel oil that still hasn't been given a wooden plinth.
6. CV TN has been doing the environmental management and monitoring in the area of work, but still found some drops/drops olie in genset room.
7. There are activities of forest encroachment across the region's flagship plant, i.e. Palm plant grown by villagers who incorporated into the cooperative.
8. The company has not been able to show the progress in the form of housing development signs and evidence of contract employee housing development plan which features a picture of the floor plan of the House. Not yet available places of worship as well as a sports facility.
9. The company has not put up signs on the road that traversed by vehicles (land and water) to prevent the occurrence of accidents.
10. The company has yet to realize the construction of the plant life covering an area of 10 ha in accordance with the planned in the document RKU Table III-21 page III-41 that should have been built in 2009.

As for corrective actions that have been carried out by the company that is:

1. The components of the balance sheet on the financial statements were in accordance with P.32/Menhut-II/2014 about the PHP2H Dolapkeu records HTI Ready to harvest and HTI in the development as an asset; For the next years refers to adjustments in Permenhut Nomor P.69/Menhut-II/2009 by presenting information physical and postal costs activities HTI in the explanation.
2. 2. UM have submitted corrective actions on the plot PSP will be equipped with the necessary information such as: the date of recording of information on the plot center, number of trees, height and diameter and plot dispersion pattern PSP and the intensity of sampling will be revised in accordance SOP.
3. Complete plot Information center and tree label) on the Plot the PMA 6 Compartments L-016 -(Photographed)and SOP TN-SOP-CAN-007 rev 3 date 01 October 2015 revised in accordance with the findings of the. (The attached SOP Revisi 3).
4. Management Unit has already done the identification of flora and fauna of the area seeded crops.
5. Management Unit has made management plan LB3 in particular there was no garage so oil, among others, the creation "oil trap" the cement floor and at the time of the making of a temporary Waste Storage B3.
6. The Unit management plan is already creating an oil trap in house genset, for a while his containment in genset engine so that oil is not scattered on the ground
7. Management Unit has already done some act of antisipasi i.e.: perform patrol related socialization and controlling forest fires and encroachment and land.
8. Management Unit has made a report of the actual project housing and housing support
9. Management Unit is already melakukan perbaikan or installation of road signs, particularly on the main road had a cross land and water.
10. The Unit's management has made programme of plant life before RKUPHHK-HT ends



#### Conditions under which the certificate is issued

The certificate is valid until 09/10/2018, provided that CV Tuah Negeri complete all corrective actions in accordance with the timetable proposed in response to the nonconformities that were identified during the initial assessment. Implementation of corrective actions will be checked during the first Surveillance audit.