

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: PT MITRA KEMBANG SELARAS

TOTAL HECTARES: 15,028.29

SCOPE OF REGISTRATION: Sustainable Forest Management of 15,028.29 hectares of Plantation Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: June 14, 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: June 17, 2021

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

Abdul Salam

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Mitra Kembang Selaras – Merbau Estate	Lirik District, Rengat Barat District, Indragiri Hulu Regency, Riau Province – Republic of Indonesia	June 14 to 17, 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	
NA		

Brief Description of the Concession

Business Permit for Utilization of Forest Products in Industrial Plantation Forests (IUPHHK-HTI) of PT. Mitra Kembang Selaras was issued based on the Decree of the Regent of Indragiri Hulu No. 352 of 2002 dated November 21, 2002 with an area of approximately 14,450 Ha in Indragiri Hulu Regency. This permit is valid for thirty-five years plus one cycle of Staple Plant. There was a Permit for renewal of Decree of the Minister of Forestry (Kepmenhut) No.: SK.71/Menhut-II/2007 dated February 23, 2007 concerning the Renewal of IUPHHK-HTI of PT. Mitra Kembang Selaras for Production Forest Area of approximately 14,800 Ha in Riau Province, for a period of 41 years started on November 21, 2002.

The work area boundary of PT Mitra Kembang Selaras has been compromised and is stated in the TBT Report No. LP.010/BPKH/PKH/-/7/2016 with a measurement result of 15,028.29 Ha which is being registered for IFCC Certification due to zero conversion above December 31, 2010. PT. Mitra Kembang Selaras has submitted a request for determination of the area of IUPPHK-HTI as a result of boundary compromised through the Letter of the Director of PT. Mitra Kembang Selaras No. 32/Dir-MKS/IX/2017 dated September 13, 2017, addressed to the Director General of Forestry Planning and Environmental Management, Ministry of Environment and Forestry.

The current RKUPHHK-HTI is the Revised RKUPHHK-HTI for the period of 2018 to 2027 and being approved by Decree No. SK.6083/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019. Based on the Revised RKUPHHK-HTI, the spatial layout of the work area is Local Protected Areas and Other Protected Areas of 3,282 Ha (21.84%), Staple Plant Area of 9,179 Ha (61.08%), and Livelihood Plant Area of 2,567 Ha (17.08%).

The concession is part of Merbau River, Sagolirik River and Sikayan River Forest Groups. Geographically, it is located at 0° 09' 5.77" to 0° 17' 16.08" South and 102° 17' 08.10" to 102° 25' 55.75" East. The boundaries of PT Mitra Kembang Selaras are as follows:

- North: PT Merbau Pelalawan Lestari
- East: Buffer Zone of Kerumutan Wildlife Reserve
- South: PT Teso Indah (palm plantation)
- West: PT Ganarea Hendana Plantation

The condition of the working area is lowland, with the type of soil are organosol and gleihumus. The geology is composed by swamp sediment formation (Qs), which is composed of clay, silt and peat, black to brown, soft and not hardened. The topography is entirely flat (slope 0% – 8%) with an altitude of 6 to 40 meters above sea level. The climate type based on the Schmidt Fergusson classification includes type A (Q=14.43 %) with the rainfall of 14.72 mm/day, the highest month is 201.29 mm/month, the lowest month is 85.6 mm/month. The staple plant being cultivated is *Acacia crassicarpa*.

The Peat Ecosystem Recovery Plan prepared by PT. Mitra Kembang Selaras has received approval from the Director General of Pollution and Environmental Damage Control, Ministry of Environment and Forestry with Decree No. SK.104/ PPKL/PKG/PKL.0/9/2018 dated September 21, 2018 regarding the Peat Ecosystem Recovery Plan, Determination of Groundwater Level Arrangement Points, and Rainfall Monitoring Station Points for PT. Mitra Kembang Selaras. The Management Unit has also complied with some regulations of Minister of Environment and Forestry Decree No. SK.58/menLHK/SETJEN/HPL.0/1/2018 dated January 26, 2018, Decree Number: P.14, P. 15 and P.16/MENLHK/SETJEN/KUM.1/2/2017, and Decree Number 129 and 130/MENLHK/SETJEN/PKL.0/2/2017. There is a

Peat Dome Peak of the total of Areal 2.150,37 ha, which spread in River Border of 41,86 Ha, Buffer Zone of 445,0 Ha, KPPN of 41,06 Ha, KPSL of 20,92 Ha, Other Protected Area of 559,45 Ha, and Peat Dome Peak in the former area of Livelihood Plant of 1.042,08 Ha.

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

The Management Unit has conducted a socio-economic impact study of the village communities around the concession in 2019. According to the study, the people who inhabit the two districts are Malay, Javanese, Sundanese, and immigrant tribes from other areas. There are no indigenous peoples in the work area of PT Mitra Kembang Selaras.

Therefore, PT Mitra Kembang Selaras identifies, respects, and recognizes community tenure systems and legal rights to own, control and use forest land and resources. PT Mitra Kembang Selaras has made an agreement with the community such as village cooperative in Plantation Forest Concession Cooperation Agreement since 2002. In addition, PT Mitra Kembang Selaras has also made a Collective Agreement of Community with Fire Awareness (MPA) with three villages.

PT Mitra Kembang Selaras has provided access to the community to utilize forest resources which have an economically important function. The utilized non-timber forest products are fish, honey and fodder grass. Fish and honey are usually sold by the community, meanwhile the grass is for animal feed.

PT Mitra Kembang Selaras has conflict resolution mechanisms. Settlement of social conflicts is carried out with the principle of consent without coercion on the basis of initial information. It is hoped that conflicts or problems can be prevented and handled properly and completely. PT Mitra Kembang Selaras has a Community Development program in the form of honors for Qur'an teachers, maintenance of community gardens, community empowerment, religion, health, social and environment.

Description of the Ecological conditions of the concession

Based on the results of document and field verification during the remote audit, related to ecological aspects, PT Mitra Kembang Selaras has performed:

- Management of conservation area by monitoring the value of vegetation diversity in the protected area,
- Installation of warning and prohibition sign boards in protected areas,
- Identified forest management activities that have significant impacts and carried out an environmental impact assessment through Environmental Impact Analysis (AMDAL 2002), and Environmental Permit Implementation Report per semester with Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL),
- Carried out the rules of Reduced Impact Logging (RIL) before, during and after harvesting

Based on vegetation inventory, there are protected tree species such as *Payena* spp, *Durio zibethinus*, *Koompasia malaccensis* and *Gonystylus bancanus*, *Shorea* sp. and *Nephentes* spp. Meanwhile the wildlife species found, for example *Hylobates agilis* and *Macaca nemestrina*. Main efforts to protect the flora and fauna is by allocating the Local Protected Area and Other Protected Area which consist of River Border of 103 Ha (0.69%), Buffer Zone of 445 Ha (2.96%), KPPN of 81 Ha (0.54%), KPSL of 78 Ha (0.52%), Peat Dome Peak of 1,042 ha (6.93%) and Other Protected Area of 1,533 Ha (10.20%).

As for the handling of B3 (hazardous and toxic material) waste from operational activities, PT. Mitra Kembang Selaras refers to the Law of the Republic of Indonesia Number 32 of 2009 concerning Environmental Protection and Management, PP. 101 of 2014 concerning Hazardous Waste Management, and PP RI Number 18 of 1999 concerning Waste Management. The Management Unit has the Approval of Fulfilment of B3 Waste Management Permit Commitment for B3 Waste Storage Producer from the related regency service.

Efforts to control (prevent and extinguish) forest and land fires are carried out by implementing a fire management program consisting of several activities, such as:

- Fire Risk Assessment (FRA),
- Hotspot Analysis Hotspot,
- Monitoring Fire Danger Rating (FDR),
- Construction of firebreaks,
- Procurement of facilities and infrastructure for forest security and protection,
- Formation of the Dalkarhutla Team and community participation through MPA cooperation.

Results of the Public Consultation

Prior to undertaking the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing May 15, 2021, which asked stakeholders to provide feedback and information on PT Mitra Kembang Selaras. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email or postal mail, and announced 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 PT Mitra Kembang Selaras, such reported cases being given material consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

PT Mitra Kembang Selaras has identified all necessary requirements for this certification process, comprising legal aspects that include compliance with international laws and regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 15,028.29 ha.

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

The results of Surveillance 2 Audit are no findings. The Management Unit operates effectively.

Conditions under which the certificate is issued

Certificate is valid until June 22, 2022, provided that PT Mitra Kembang Selaras maintains its Surveillance schedule and does not have potential major non-conformities at the next Surveillance.