

Public Report

Sustainable Forest

Management System

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CLIENT NAME: PT MITRA KEMBANG SELARAS

TOTAL HECTARES: 15,028.09

SCOPE OF REGISTRATION: Sustainable Forest Management of 15,028.09 Hectares of Plantation Forest in Riau Province, Indonesia

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPES OF AUDIT: Recertification

AUDIT START DATE: March 28, 2023

In signing this document the Audit team confirmed that they 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: March 31, 2023

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Agung Utama Lubis

SIGNATURE:

AUDITOR UNDER SUPERVISION: Ence Hedi Hasan Zubaedi

SIGNATURE:

SUPERVISOR: R Sigit Pamungkas

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head office	Jl. Soekarno Hatta Komplek Perkantoran Mal SKA Blok E-60, Pekanbaru, Provinsi Riau, Indonesia	March 28, 2023
M.U	Desa Seko Lubuk Tigo, Kecamatan Lirik; Desa Banjar Balam, Kecamatan Lirik, dan Desa Danau Baru, Kecamatan Rengat Barat, Kabupaten Indragiri Hulu, Provinsi Riau, Indonesia	March 29 to 31, 2023
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 Forest (IUPHHK-HTI) for PT Mitra Kembang Selaras was issued based on Decree of the Regent of Indragiri Hulu No. 352 of 2002 dated November 21, 2002. The decree was updated with Decree of the Minister of Forestry Number: SK.71/MENHUT-II/2007 dated February 23, 2007, concerning Renewal of Business Permits for Utilization of Forest Products in Industrial Plantation Forests in Plantation Forest of PT Mitra Kembang Selaras of approximately 14,800 Ha in Riau Province. The latest decree of the concession is the Forest Utilization Undertaking Licensing Decree, namely the Decree of the Minister of Environment and Forestry Number: SK.1010/Menlhk/setjen/PLA.2/9/2022 dated September 16, 2022, concerning the Determination of Work Areas for Business Permits for Utilization of Forests for Timber Forest Product for PT Mitra Kembang Selaras Forest Areas with an area of 15,028.09 ha In Indragiri Hulu Regency, Riau Province. There was no conversion of natural forest into plantation forest after 31 December 2010, thus, the area registered for IFCC certification was 15,028.09 Ha.

The Management Unit has a long-term plan in the form of a running RKUPHHK-HTI, namely the Revised RKUPHHK-HTI for the 2018 to 2027 period and has obtained approval based on KepmenLHK No.SK.6083/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019. According to the document, the spatial planning becomes Staple Plant area of 9,179 Ha (61.08%), Livelihood Plant area of 2,567 Ha (17.08%), and Local Protected Areas and Other Protected Areas of 3,282 Ha (21.84%) consisting of River Borders of 103 Ha (0.69%), Buffer Zone of 445 Ha (2.96%), KPPN of 81 Ha (0.54%), KPSL of 78 Ha (0.52%), and Other Protected Areas of 1,533 Ha (10.20%).

The concession area of PT Mitra Kembang Selaras is located in the Merbau River, Sagolirik River and Sikayan River Forest Groups, Indragiri Hulu Regency, Riau Province. Based on geographical location, the IUPKHHK-HTI area of PT Mitra Kembang Selaras 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 location of the work area of PT Mitra Kembang Selaras is as follows:

- North side: PT Merbau Pelalawan Lestari,
- East side: Kerumutan Wildlife Reserve Buffer Zone,
- South side: PT Teso Indah (Palm Plantation),
- West side: PT Ganarea Hendana plantation.

The working area site is a wetland (lowland), with the soil type being organosol gleihumus. Area geology of PT Mitra Kembang Selaras is a Swamp Sediment Formation (Qs), which is composed of clay, silt and peat, black to brown, soft and not hardened. The Management Unit has complied with regulations related to peatland management. There is the peat dome peak area of a total of 2,150.37 ha, which spread over; river border of 41.86 Ha, Buffer Zone of 445.0 Ha, KPPN of 41.06 Ha, KPSL of 20.92 Ha, other protected areas of 559.45 Ha, and in the former area of livelihood plants of 1,042.08 Ha. The topography of the area of PT Mitra Kembang Selaras is entirely flat, with slope class (0% – 8%), and elevation above sea level of 6 to 40 meters. The climate type based on Schmidt Fergusson classification includes type A (Q=14.43%), with daily rainfall is 14.72 mm/day, the highest month is 201.29 mm/month, the lowest month is 85.6 mm/month. The staple plant cultivated is *Acacia crassicarpa*.

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

The villages around The Management Unit are Seko Lubuk Tigo Village and Banjar Balam Village, Lirik District, Indragiri Hulu Regency. In terms of livelihoods, the surrounding community is dominated by the livelihoods of the agricultural sector in the form of oil palm and rubber farming. Based on ethnicity, it consists of Malay, Javanese and Batak ethnic groups. There are no indigenous peoples around the concession.

PT Mitra Kembang Selaras has conducted conflict resolution with the surrounding community. There are no claim areas in the concession. There is a Potential Mapping and Conflict Resolution Report for Semester I of 2022 of PT Mitra Kembang Selaras. According to the report, PT Mitra Kembang Selaras' Final Potential Conflict Values for this year and

last year are 34.55% with Safe Conflict Potential status.

PT Mitra Kembang Selaras has collaborated with the surrounding community. The collaboration is in the form of Collaboration on Plantation Forest Concession with two Village Unit Cooperative. This is concerning about the collaboration in the management of acacia plants. The term of the agreement is 42 years or if the concession permit is valid. The cooperation between PT Mitra Kembang Selaras and the two villages is a cooperation in the management of livelihood plants within the concession which has been granted permission to the cooperative by the Regent of Inderagiri Hulu. The land management is carried out by community management.

PT Mitra Kembang Selaras has implemented a corporate social responsibility program to the surrounding community, in the form of Corporate Social Responsibility (CSR). The realization of the CSR program of 2022 is 225% of what was planned. The CSR programs are in the form of contract teacher's salary, livelihood plant, funding for soccer and volleyball tournaments for the community, food assistance for flood victims, bridge repairs and others.

Description of the Ecological conditions of the concession

PT Mitra Kembang Selaras has the environmental documents of AMDAL, RKL and RPL. The Management Unit had done the environmental management and monitoring in accordance with the Environmental Documents. Some aspects that are managed and monitored include physical chemical components (macro climate change, decreased soil fertility, water quality), biological components (natural vegetation or protected species, wildlife, plant pests and disturbances to the area) and socio-economic cultural components (health performance, work safety or safety performance, job opportunities, business opportunities, education and the community economy). PT Mitra Kembang Selaras has reported the environmental management and monitoring once every six months to the authorized government agency in the form of a Report on the Implementation of Environmental Permits for Semesters 1 and 2 of 2022.

The Management Unit of PT Mitra Kembang Selaras already has management of B3 (Hazardous and Toxic Materials) waste, as a reference is the SOP for Hazardous and Toxic Waste Management. In managing B3 waste, the Management Unit has obtained a Temporary Storage Permit for LB3, in accordance with the Decree of the Head of Investment and One-Stop Services Office of Inderagiri Hulu Regency No.7/DPMPSTSP/BP-LB3/III/2021 dated March 21, 2021. Types of B3 waste used include pesticides, herbicides, fungicides, insecticides, bactericides, types of materials/fertilizers, waste oil. In handling B3 waste, the Management Unit already has a well-functioning material and waste storage warehouse.

PT Mitra Kembang Selaras has done an inventory of plant species in the KPPN and River Rim areas that can function as wildlife habitat. The Management Unit has also carry out plant enrichment. PT Mitra Kembang Selaras uses genetically modified trees as the type they plant, both those planted in production areas and in other protected areas. The use of introduced species (introducing species from outside) in this case the type of *Acacia crassicaarpa* has gone through a study and the determination of its type has been approved by the Ministry Republic of Indonesia Forestry.

PT Mitra Kembang Selaras has sufficient infrastructure for handling forest disturbance including its documentation system. Documents related to forest protection issues along with Environmental Damage thally sheets are stored in the K3L Section. Meanwhile, other documents to support forest protection reports and those related to claims are stored in the Public Relations Department.

The efforts to protect forests against encroachment and illegal logging, including conduct socialization to the public about the dangers of forest destruction, install and maintain warning boards to protect forests and prohibit forest destruction, socialization of the Annual Work Plan (RKT) related to management of protected areas and prohibition of burning land, monitoring of Fire Danger Rating (FDR) to support information on potential fire hazards based on measurements of temperature and humidity, installation of fire posts and monitoring towers in several fire-prone places, monitoring hot spots for early detection of fires, and routine patrols and reporting fire incidents to the local police.

Results of the Public Consultation

Prior to conducting a Recertification Audit on PT Mitra Kembang Selaras, PT AJA Sertifikasi Indonesia has made a public announcement and public consultation. Invitation to public consultation to stakeholders to obtain input as materials/considerations in conducting reertification audits through the website www.ajaindonesia.com on January 26, 2023. The stakeholders can provide input for audit considerations to PT AJA Sertifikasi Indonesia email. There is no input from stakeholders.

The audit team also collected information from the mass media about PT Mitra Kembang Selaras. The reported cases are considered as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the area of certification, which are registered for the certification area of 15,028.09 hectares.

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

The results of this Recertification Audit of PT Mitra Kembang Selaras is no major or minor Non-Conformities.

Conditions under which the certificate is issued

The certificate is valid until June 22, 2026, provided that PT Mitra Kembang Selaras maintains its Surveillance schedule and does not have potential major non-conformity at the next Surveillance.