

Public Report Sustainable Forest Management System

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CLIENT NAME: CV PUTRI LINDUNG BULAN

TOTAL HECTARES: 2,085.54

SCOPE OF REGISTRATION: Sustainable Forest Management of 2,085.54 hectares of Plantation Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification

AUDIT START DATE: August 30, 2022

AUDIT END DATE: September 1, 2022

LEAD AUDITOR: Andri Wibisono

AUDIT TEAM: Abdullah Mujahid

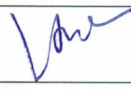

Agung Utama Lubis

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

SIGNATURE:

SIGNATURE:

SIGNATURE:


MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head Office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru 28143, Riau Province, Indonesia	August 30, 2022
Site	Kecamatan Ukui, Kabupaten Pelalawan, Provinsi Riau, Indonesia	August 31, to September 01, 2022
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

CV Putri Lindung Bulan initially received an IUPHHK-HTI based on the Decree of the Regent of Pelalawan Number 522.21/IUPHHKHT/I/2003/005 dated January 25, 2003 regarding the Granting of a Business Permit for the Utilization of Timber Plantation Forest Products to CV Putri Lindung Bulan of 2,500 hectares in Pelalawan Regency. CV Putri Lindung Bulan then received another Decree from the Minister of Environment and Forestry of the Republic of Indonesia No. SK.406/Menlhk/Setjen/PLA.2/10/2020 dated October 26, 2020, regarding the determination of the work area for the Utilization of Timber Forest Products in Industrial Plantation Forests (IUPHHK-HTI) of CV Putri Lindung Bulan of 2,085.54 Ha (two thousand eighty-five and fifty-four per hundred hectares) in Pelalawan Regency, Riau Province. There was no conversion of natural forest to plantation forest after December 31, 2010. Thus, the entire area of 2,085.54 Ha is certified by IFCC.

The latest decree of this company is the Decree of the Minister of Environment and Forestry of the Republic of Indonesia No. SK.1213/Menlhk/Setjen/HPL.0/12/2021 dated December 6, 2021, concerning Amendments to the Decree of the Regent of Pelalawan Number: 522.21/IUPHHKHT/I/2003 /005 dated January 25, 2003. This decree also changes the nomenclature from the IUPHHK-HTI to PBPH (Forest Utilization Permit).

The Management Unit has a long-term business plan namely RKUPHHK-HTI which is ratified by Decree of the Minister of Environment and Forestry Number SK. 10202/MenLHK-PHPL/UHP/HPL.1/12/2019 dated December 18, 2019 in the Approval of Business Plans for Utilization of Industrial Timber Forest Products (RKUPHHK-HTI) for a period of 10 (ten) of 2020 to 2029 on behalf of CV Putri Lindung Bulan in Riau Province.

The Management Unit has carried out spatial planning according to the RKUPHHK-HTI which consists of Protected Area of 965 Ha (38.60%) consisting of River Border area of 239 Ha (9.56%) and the Buffer Zone of Tesso Nilo National Park of 726 Ha (29.4%), and Cultivation Area of 1,535 Ha (61.40%) consisting of Self-managed Area of 1,464 Ha (58.56%) and Partnership-managed Area of 71 Ha (2.84%).

The geographical location of CV Putri Lindung Bulan is located between 0° 18' 6" to 0° 20' 29" South and 101° 58' 34" to 102° 00' 30" East. Its working area is located in Ukui District, Pelalawan Regency, Riau Province. The concession is surrounded by a national park and other companies, namely:

- North : Tesso Nillo National Park
- South and West: PT Rimba Lazuardi
- East: PT Rimba Peranap Indah

The work area of CV Putri Lindung Bulan is surrounded by other plantation concessions and the Tesso Nillo National Park. There are no cultural or religious sites in the concession area, this caused the access to the surrounding community is closed and no community activities are found in the concession.

The Management Unit area is included in the Air Hitam River Forest group with the topography of the working area is flat (0 - 8%) at an altitude of 10 to 30 m above sea level. According to the Soil Unit and Soil Map Sheet of Pekanbaru (0816) Sumatra Scale 1: 250 000 1988 (Puslitanah), the soil types are classified as alluvial and fine-grained tephra. The geological formation according to the Geological Map Sheet Pekanbaru based on a scale of 1: 250,000 (Bandung Geology Research Center, 1982) consists of the BKN and MBI formations. It has a climate type of A with 2,236 mm/year of rainfall, the highest decline in December and the lowest in February. The species of plants cultivated in the Management Unit area are *Acacia mangium* and *Eucalyptus* sp.

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

There are no customary law communities around the area of CV Putri Lindung Bulan. The communities belong to local communities. The livelihoods of the residents of are dominated by livelihoods as farmers, namely 61% of the entire population. CV Putri Lindung Bulan has made conflict resolution efforts with the surrounding community. There is a Social Security Liaison Report for CV Putri Lindung Bulan, dated August 12, 2022. Based on the report, there was an issue regarding the disturbance of Teso Nilo National Park buffer zone which is part of the concession area by the farmers. This issue is in the process of settlement and has been reported to the Center for Security and Law Enforcement, Environment and Forestry in the Sumatra Region. The perpetrator has been legally processed by the Center for Security and Law Enforcement and Teso Nilo National Park. The company as well has a Report on Identification and Settlement of Claim Areas for CV Putri Lindung Bulan which was compiled in July 2022. Meanwhile, according to the Report on Potential Mapping and Conflict Resolution for CV Putri Lindung Bulan for the last one year, the Potential Conflict Status of CV Putri Lindung Bulan is controlled.

CV Putri Lindung Bulan has collaborated with the surrounding community. CV Putri Lindung Bulan is still collaborating in livelihood plants with two villages around the concession. The latest realization of the livelihood plant fee payment was in 2018. The Management Unit implemented a corporate social responsibility program to the surrounding community. There is a recapitulation of the CV Putri Lindung Bulan Community Development Activity Report in 2021. The realization of Community Development activities in 2021 exceeded 100% of the planned. The Community Development activities carried out in 2021 include in several sectors namely, education sector, health sector, religious sector, economic sector, infrastructure sector, social and environmental sector.

As for the community development in the Second Quarter of 2022, the Management Unit opened a cooking oil market to help the community with a lower price cooking oil when the price in the market is high. According to the village government officials, CV Putri Lindung Bulan has implemented a corporate social responsibility program to the surrounding community, such as assistance for cattle, assistance for schools, additional food for toddlers, and cooking oil.

Description of the Ecological conditions of the concession

The Management Unit has carried out forest ecosystem and hydrological function management through the following activities:

- Identification of forest management activities that have significant impacts and conduct environmental impact assessments through Environmental Management Efforts (UKL) and Environmental Monitoring Efforts (UPL) for Forestry and Plantation Development of CV Putri Lindung Bulan and has obtained AMDAL approval Number: 07/TAHUN/2002 dated December 19, 2002.
- Compiling the Report of Implementation of Environmental Permits for Semester 2 of 2021 and Semester 1 of 2022.
- Arrange a long-term plan of 10 years (RKUPHHK-HTI) for the period of 2020 to 2029 which has received approval based on the Decree of the Minister of Environment and Forestry No. SK. 10202/MenLHK-PHPL/UHP/HPL.1/12/2019 dated December 18, 2019.
- Implementation of Reduced Impact Logging activities before, during, and after harvesting activities.
- Identification of areas that function for soil and water protection and designated the areas as a protected area, namely the River Border and Buffer Zone of the Teso Nilo National Park.
- Monitoring the negative impacts of forest management activities as well as controlled use of B3 (Hazardous and Toxic Materials) in the concession area in accordance with the UKL and UPL Document of 2002, as well as documented procedures that serve as guidelines for monitoring the negative impacts of forest management activities, namely SOPs for Monitoring Protected Areas, SOPs for Monitoring Discharge and Water Quality and SOPs for Erosion Monitoring, SOP for Management of Hazardous and Toxic Waste (B3), SOP for Handling Spills of Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP for Pest Management and Integrated Diseases.

Implementation of biodiversity management through the following activities:

- Identification and inventory of protected, endemic, rare and threatened/near-extinct flora and fauna and their habitat, as well as the migration pattern in the IUPHHK-HTI area. The results of the identification and inventory are UKL and UPL of 2002, RKUPHHK-HTI of 2020 to 2029, RKL/RPL Reports (Semester 2 of 2021 and Semester 1 of 2022), fauna distribution map and a flora distribution map.
- Management of protected areas in accordance with the RKL/RPL Reports (Semester 2 of 2021 and Semester 1 of 2022) as well as SOPs for Determining Protected Areas and SOPs for Monitoring Protected Areas.
- Environmental impact assessment on the potential impacts on protected, endemic, rare, and threatened/near-extinct flora and fauna, through UKL and UPL document 2002
- Not cultivating genetically modified tree species but *Acacia mangium* and *Eucalyptus* sp.

The Management Unit has performed forest protection through the following activities:

- Identification and monitoring of disturbances in Sustainable Forest Management, which initially being documented in UKL and UPL documents in 2002, and updated in the RKUPHHK-HTI of 2020 to 2029 and RKL/RPL reports per semester (Semester 2 of 2021 and Semester 1 of 2022),
- Prevention and handling of pest attacks and management of chemical pesticides according to the documented procedures namely SOPs for Integrated Pest and Disease Management, SOP for Weed Control, SOP for Integrated Pest and Disease Management, SOP for Handling Spills of Fuel, Lubricants and Chemicals and SOP for Management of Hazardous and Toxic Waste.
- Forest protection measures against fire hazards. There were no occurrences of land and forest fire in the second semester of 2021 and first semester of 2022 in the work area.

Results of the Public Consultation

Before carrying out the Recertification Audit, PT AJA Sertifikasi Indonesia conducted public consultations commencing August 01, 2022, asking stakeholders to provide feedback and information about CV Putri Lindung Bulan. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via e-mail or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders during the public consultations.

The audit team also collected information from the mass media about CV Putri Lindung Bulan, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, consisting of legal aspects that include compliance with rules and regulations, and international conventions. The management system has been established to cover all activities in the certification field, which is registered for an area of 2,085.54 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 is one non-conformity in Minor category. The Management Unit has made improvements and the non-conformity has been closed. No critical issues occur.

Number	Non-Conformities	Corrective Action Performed	Category
1	CV Putri Lindung Bulan has not made a revision of the RKUPHHK-HTI after the issuance of the latest Decree of the Minister of Environment and Forestry of the Republic of Indonesia No. SK.406/Menlhk/Setjen/PLA.2/10/2020 dated October 26, 2020 regarding the determination of the work area of CV	<ul style="list-style-type: none"> - The Director of CV Putri Lindung Bulan has issued a Statement Letter to revise the RKUPHHK-HTI in accordance with the applicable laws and regulations. - The Management Unit has created a timeline for the revision of the RKUPHHK-HTI. By this timeline, the 	Minor

	Putri Lindung Bulan of 2,085.54 Ha. Indicator I.1.1	Revised RKUPPHK-HTI document is planned to be approved by the authority approximately in October to December 2022.		
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Conditions under which the certificate is issued

Certificate is valid until February 06, 2026, provided that CV Putri Lindung Bulan completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same problems at the next Surveillance visit. If the non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time as AJA is able to perform a close out visit.