

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 ALAM LESTARI

TOTAL HECTARES: 4,868.65 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 4,868.65 hectares of Plantation Forest in Riau Province, Indonesia

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification

AUDIT START DATE: 10 September 2019
 AUDIT END DATE: 12 September 2019

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: Andri Wibisono

SIGNATURE:

[Handwritten Signature]

AUDIT TEAM: Ardi Prasetyo

SIGNATURE:

[Handwritten Signature]

Mashari

SIGNATURE:

[Handwritten Signature]

MAJOR CARS: 0

MINOR CARS: 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
Site CV Alam Lestari	Pelalawan District, Pelalawan Regency, Riau Province, Republic of Indonesia	September 10 to 12, 2019
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

The area of CV Alam Lestari based on the Decree of the Regent of Pelalawan Regency Number 522.21 / IUPHHKHT / 1/2003/015 dated January 30, 2003 covering an area of 3,300 ha is located in Pelalawan District, Pelalawan Regency, Riau Province. The area is based on the Report on the Results of the Self-Limit Arrangement and the Work Area Partnership of Business Permit for Timber Forest Product Utilization in Industrial Plantation Forests (IUPHHK-HTI) CV Alam Lestari with PT Riau Andalan Pulp and Paper, CV Bhakti Praja Mulia, PT Madukoro in Pelalawan Regency, Riau Province. Report number: LP.012 / BPKH.XIX / PKH / - / 8/2016 covering an area of 4,868.65 Ha. Based on SK 981 / Menlhk / setjen / PLA.2 / 11/2019 dated November 7, 2019 concerning the Determination of Working Areas of Timber Forest Product Utilization Permits in CV Alam Lestari Plantation Forests covering an area of 4,868.65 (four thousand eight hundred sixty eight and six five per one hundred) hectares in Pelalawan Regency, Riau Province. There is no natural forest conversion area above 31 December 2010, so the scope of certification is 4,868.65 ha.

Work Plan for Industrial Timber Forest Product Utilization (RKUPHHK-HTI) was approved with SK 942 / MenLHK-PHPL / UHP / HPL.1 / 3/2018 dated March 2, 2018 concerning Approval of Business Plan for Utilization of Timber Forest Timber Industrial Products (RKUPHHK-HTI) 2017-2026 In the Framework of Improving Peat Governance on behalf of CV Alam Lestari in Riau Province.

Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.8510 / MenLHK-PHPL / UHP / HPL.1 / 12/2018 dated December 10, 2018 Regarding the Approval of the Adjustment of Work Plan for Utilization of Forest Timber Forest Product Industrial Timber (RKUPHHK-HTI) Period of Year 2017-2026 Year Activity 2018-2019 On Behalf of CV Alam Lestari in Riau Province

In the document of the Business Plan for Utilization of Timber Forest Products of Industrial Timber Forests (RKUPHHK-HTI) adjustments have been made for spatial planning to: Function Areas for Peat Ecosystems Protection of 1,010.65 Ha (20.75%), Staple Plant of 3,097 Ha (63.61%), and Livelihood Plant area of 761 Ha (15.63%, with a total of 4,868.65 Ha (100%).

CV Alam Lestari is geographically located between coordinates 00°33'44 " to 00°25'30" North and 102° 15'59 " to 102° 20'24" East. CV Alam Lestari is surrounded by Industrial Plantation Forest companies, namely:

North side: IUPHHK-HT CV Bhakti Praja Mulia, South side IUPHHK-HT PT Riau Andalan Pulp and Paper, East side: IUPHHK-HA Yos Raya Timber (PT Gemilang Cipta Nusantara), and to the West: PT Riau Andalan Pulp and Paper's IUPHHK-HT. In terms of administration, the work area of CV Alam Lestari is located in Pelalawan District, Pelalawan Regency, Riau Province.

The condition of the site of the Management Unit's working area is peat soil, based on the site the type developed is *Acacia crassicarpa*.

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

Based on UKL / UPL documents and interviews with the public relations department of CV Alam Lestari and the Head of Village, it is known that the work area of CV Alam Lestari is in the administrative area of Ransang Village and Sungai Ara Village, Pelalawan District. In both villages there were no indigenous peoples found in accordance with the requirements of the law (Law No. 27 of 2007 and Presidential Decree No. 111 of 1999). The people who live around the concession are dominated by the Malay community, the majority of whom are Muslim. Customs and culture that develops also breathe Islam. The population in these two villages consists of 22 Riau ethnic groups, 20 people from the Batak ethnic group, 12 people from the remaining Javanese from several other tribes, with daily livelihood mostly as fishermen and farmers, other community livelihoods as teachers, company employees in surrounding areas, health

workers, security officers, etc.

Related to conflict resolution, it is known that CV Alam Lestari has a conflict resolution mechanism in the form of Conflict Resolution SOP Number: SOP-HUM-AL-008 dated January 6, 2014 and revised on September 1, 2015. This procedure is used as a reference if there is a conflict so that the settlement or Social conflict resolution is resolved by the principle of free, prior and informed consent (FPIC).

In order to establish good communication with the parties, CV Alam Lestari has established a conflict resolution agency with 9 parties consisting of Head of Villages, Sub-District Head, District Police Chief, Danramil, Head of Manpower Office Kabupaten Pelalawan, and Head of the Riau Provincial Environment Office.

CV Alam Lestari had compiled a Conflict Potential and Resolution Mapping Report in July 2019. Based on the study of the calculation of various indicators (according to the provisions in Perdirjen PHPL No. P.5 / PHPL / UHP / PHPL.1 / 2/2016) in the report is known that CV Alam Lestari is SAFE with a value of 5.53%. That is because the distance of community settlements and not directly adjacent to the company. In addition, it is also due to conflict prevention conducted by CV Alam Lestari through social management activities and community empowerment.

CV Alam Lestari has made a cooperation agreement with the community and with its partners in accordance with an agreement in a participatory and fair manner by considering the rights and obligations of the parties. Some of the agreements that have been made are Livelihood Plant Management Cooperation Agreements. The management/utilization of livelihood plants has been planned for the communities in the two villages. The Management Unit also made agreement on the establishment of the Fire Concern Community Forum (MPA). The establishment of the MPA Forum to work together to overcome the danger of fires that occur in the company environment and community settlements where both parties. The agreement includes: forest fire prevention agreements, the company will provide training.

At this time also had a meeting with the Village Ransang related to the plan for the management of life plants. At this time there is still progress in the formation of a negotiating team from Ransang Village to form a form of cooperation agreement with CV Alam Lestari.

In carrying out the company's operations in partnership with the contractor as outlined in the cooperation document (contract). The operational cooperation agreements of the work partners (contractors) in harvesting, plantation, planning survey activity, and water transportation lease.

In order to minimize the negative impacts and optimize the positive impacts of the management of industrial plantations, CV Alam Lestari has compiled / integrated the results of social impact assessments in the HTI management plan contained in the RKUPHHK-HTI documents for the period 2010-2019, RKUPHHK-HTI for the 2017-2026 period , RKTUPHHK-HTI CV Alam Lestari in 2018/2019 and 2019.

In the RKUPHHK-HTI and RKTUPHHK-HTI document, CV Alam Lestari contains a plan for the preservation of social functions which includes Community Empowerment Plan through partnerships, Institutional Plan, Social Management Plan, Community Development and Empowerment, Human Resources Development.

CD Program Realization from 2018 to August 2019 are:

- a) In the religious sector in the form of safaris Ramadhan, there is assistance in the form of carpet, fan, etc.
- b) Education Sector in the form of school infrastructure in the forms of tables, chairs and filing cabinets,
- c) Economic Enhancement in the form of assistance to the fishermen group in the form of eye nets, buoys, weights and ropes,
- d) Infrastructure assistance in the Village Office in the form of a printer

Description of the Ecological conditions of the concession

The Management Unit identifies forest management activities with significant impacts, and conducts an environmental impact assessment which analyzes these potential impacts on the environment. The efforts of the Management Unit in protecting against soil and water damage are:

- Implement Reduce Impact Logging (RIL)
- Immediate planting of the harvesting area after hand over the area
- Maintenance of protected areas as water catchments.
- Use of pesticides and fertilizers that are not prohibited
- Preventing pollution of pesticides and oil to the soil and waters
- Maintain a water level of 40 cm to avoid pyrite oxidation.
- Do not dig the canal until it reaches the mineral soil layer
- Keeping the land inundated with flood gates.
- Development of canal networks by following the principles of eco-hydro
- Prevents forest and land fires that cause soil damage.

The Functioning Area for the Protection of Peat Ecosystems is 1,010.65 ha (20.75%) consisting of: River Border Area 212 ha (4.35%), Wildlife Protection Area / Germplasm Conservation Area of 163 ha (3.35%), Other Protected Areas are 635.65 ha (13.10%).

In carrying out the disposal of B3 waste from LB3 TPS, the Management Unit collaborates with a transporter company for cleaning, transporting, destroying and transporting B3 waste, through cooperation No: 102 / SRL-PKU / MoU / XI / 2017 and no: 001 / AL / LGL / XI / 2017 on November 3, 2017.

The Management Unit has carried out the identification and inventory of flora and fauna. Based on the results of field verification in the vegetation analysis transect line at KPPN/KPSL, the species found were: bintangur (*Calophyllum* sp.), Pelawan (*Tristaniopsis merguensis*), Meranti (*Shorea* sp.), Kandis (*Garcinia parvifolia*), Medang (*Litsea* sp.), Ramin (*Gonystylus* sp.), pitcher plants (*Nepenthes ampularia*), etc. The border of Kutub River is dominated by large pandanus trees (*Pandanus* sp.). *Cyperus* sp., Harendong (*Melastoma malabathricum*), kelakai (*Stenochlaena* sp.), Permot (*Passiflora foetida*).

From direct observations in several locations in the field, several types of fauna have been found, namely: owa (*Hylobates* sp.), Long-tailed monkeys (*Macaca fascicularis*), sparrows (*Passer montanus*), finches (*Pycnonotus aurigaster*), turtledove (*Geopelia striata*), raven (*Corvus* sp.), etc.

Based on the results of the inventory of species of animals contained in the Report on the Implementation of Environmental Permits, no key species are found. Similarly, the results of interviews with field officers and the results of field verification did not find any of these key species.

The Management Unit area has not been disturbed in forest security in the last one year period. The potential for illegal activities can be minimized by the distance of the area with community settlements (more than 100 km). Besides that there is only one access road to the area and security at the KM 16 Security Post is very strict. However, forest security patrol activities continue to be carried out regularly. Especially if during the peak of the dry season, it will potentially be prone to fire. Officers who patrol have brought portable generators and other equipment for forest and land fire prevention in the field. In the forest and land fire patrols, monitoring of the possibility of illegal logging, encroachment, poaching and other forest disturbance was monitored

The Management Unit has developed Documented Procedures and Work Instructions for biological or non-chemical pest management. The type of pesticide used by the Management Unit in dealing with pests and plant diseases is Dursban with Agristick adhesive. Where all these materials are chemicals that are not prohibited in IFCC Standards.

From the interview results, it is known that biological pest management efforts have just carried out by conducting a sporadic planting of *Turnera subulata*. This is a plant that is preferred / breeding place by one type of pest predator insect, namely *Sycanus* sp.

The efforts of the Management Unit in monitoring, preventing and controlling forest fires are guided by LHK Ministerial Regulation: P.32 / menlh / setjen / kum.1 / 3/2016 concerning control of forest and land fires. In the document RKU PHHK-HTI Adjustment and Report on the Implementation of Environmental Permit CV Alam Lestari (semester II 2018 to semester I 2019), these efforts are:

1. Preparation of Documented Procedure (SOP) and Work Instructions (WI)
2. Establishment of Forest and Land Fire Control Brigades (Brigdalkarhutla)
3. Procurement of Fire Prevention and Control Facilities and Infrastructure
4. Socialization to the Community and the Establishment of the MPA
6. Make a policy on forest clearing without burning (No Burn Policy).
7. Creating a system of compartmentalizing production areas with canal and perimeter boundaries as firebreaks.

Results of the Public Consultation

PT AJA Sertifikasi Indonesia held a public consultation before carrying out the Recertification Audit, commencing August 27, 2019, where stakeholders were asked to provide feedback to CV Alam Lestari. Public Consultations are uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via e-mail or letter, and published in local newspapers. There was no input received from stakeholders as a result of public consultation.

The audit team also collected information from the mass media about CV Alam Lestari, which was given material consideration in the audit process.

The Management Unit has identified all the requirements needed for this certification process, including legal aspects and compliance with regulations or international conventions. The management system has been established to cover all activities in the certification field, which are registered for the 4,868.65 hectares certification area

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 Recertification Audit of CV Alam Lestari, there were two (2) categories of minor non-conformity, as follows:

No	Non-Conformities	Corrective Action Performed	Category
1	The Management Unit cannot show a guideline for planting method of <i>Acacia crassiparva</i> by arrangement of seed material and fertilizer per section, map of production plans and achievement of plantations because it was not written in the SOP or Microplanning Guideline. Indicator I.4.3	The Management Unit has guidelines on Micro Planning Plantation (MPP) which is used as reference by the Planting Section for <i>Acacia crassiparva</i> planting method.	Minor
2	Labeling on wood piles/staking in TPn and in Forest TPK has not been regulated in SOP Number AL-SOP-TUK-00 on Timber Administration Indicator III.2.1	Discussion on labeling on wood piles / stacking has been included in AL-SOP-TUK-001, Revision 04.	Minor



Conditions under which the certificate is issued

Certificate is valid until February 27, 2023, provided that CV Alam Lestari 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 closeout visit
