

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

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

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: September 10, 2020

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: September 12, 2020

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Andri Wibisono

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: -

MINOR CARS: -

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
CV Alam Lestari	Pelalawan District, Pelalawan Regency, Riau Province, Republic of Indonesia	September 10 to 12, 2020
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	

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 based on the Report number LP.012 / BPKH.XIX / PKH / - / 8/2016 on the Results of Owned Boundary Arrangement and IUPHHK-HTI of CV Alam Lestari with PT Riau Andalan Pulp and Paper, CV Bhakti Praja Mulia, PT Madukoro in Pelalawan Regency, Riau Province covering an area of 4,868.65 ha. Based on the Decree number SK981 / Menlhk / setjen / PLA.2 / 11/2019 dated November 07, 2019 on the Establishment of a Work Area for the Permit for Utilization of Timber Forest Products in CV Alam Lestari Plantation Forest, the area covers 4,868.65 ha in Pelalawan Regency, Riau Province. There was no conversion of natural forest to plantation forest after December 31, 2010, so the scope of IFCC certification is 4,868.65 ha.

The Management Unit has a ten-year Management plan, namely the Revision of Business Work for the Utilization of Timber Forest Products in Industrial Plantation Forest (RKUPHHK-HTI), which was ratified by SK 6059 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 dated June 28, 2020 concerning Approval of Revision of the Business Plan for Utilization of Industrial Forest Timber Forest Products (RKUPHHK-HTI) of 2017 to 2026 on behalf of CV Alam Lestari in Riau Province. Based on the Revised RKUPHHK HTI, there were spatial changes: Local Protected Areas and Other Protected Areas of 1,010.65 ha (20.76%), Staple Plant Areas of 3,097.00 ha (63.61%) and Livelihood Plant Areas of 761.00 ha (15.63%). The 20% allocation of Livelihood Plants is fulfilled from the KPSL area in the form of Non-Timber Forest Product utilization.

CV Alam Lestari is geographically located between the 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, to the north side with IUPHHK-HT CV Bhakti Praja Mulia, south and west side with IUPHHK-HT PT Riau Andalan Pulp and Paper, and to the east side with IUPHHK-HA Yos Raya Timber (PT Gemilang Cipta Nusantara). In government administration, the work area of CV Alam Lestari is located in Pelalawan District, Pelalawan Regency, Riau Province.

The site condition of the Management Unit's working area is peat soil, on which basis the species being cultivated is *Acacia crassicarpa*.

The Management Unit has complied with the regulations related to peatland management. CV Alam Lestari has carried out: Revised RKUPHHK in order to improve Peat Management based on Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.942 / MenLHK / Setjen / UHP / HPL.1 / 3/2018 dated March 2, 2018 Prepared Reports on the Implementation of Peatland Ecosystem Restoration and Forest and Land Fire Control based on the Decree of the Director General of Pollution Control and Environmental Damage No. 102 / PPKL / PKG / PKL.05 / 10/2018 dated 21 September 2018. Made adjustments for 2018-2019 activities based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.8510 / MenLHK-PHPL / UHP / HPL.1 / 12/2018 December 10, 2018. Revised the 2017-2026 RKUPHHK based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK. 6059 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 Date 28 June 2019. There is no peat dome peak.

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

The residents around the CV Alam Lestari concession are local communities, there being no indigenous peoples as was conveyed in the previous year's audit. Based on the RKUPHHK-HTI document, the livelihoods of the population are dominated in the agricultural sector, up to 55%, followed by the trade sector at 12%.

CV Alam Lestari has made conflict resolution efforts with the surrounding community. Based on the results of the 2019 audit, CV Alam Lestari has prepared a Report on Potential Mapping and Conflict Resolution for Semester I of 2019. Based on a study of the calculation of various indicators (according to the provisions in Perdirjen PHPL No. P.5 / PHPL / UHP / PHPL.1 / 2/2016) CV Alam Lestari is in the SAFE status with a value of 5.53%. This is because the company's concession is far from community settlements and the concession area is not directly adjacent to the settlement. There are other company concession areas located between the company and the settlement. The absence of conflict is also caused by the company's efforts through social management and community empowerment activities.

Based on an interview with a Head of Village, CV Alam Lestari has collaborated with the surrounding community. There is a Collaborative Agreement on Livelihood Plant Management. In addition, CV Alam Lestari has submitted the value of the benefits of livelihood plants to representatives of the community. Based on interviews with another Head of Village, CV Alam Lestari are currently negotiating an initial livelihood plants agreement. Negotiation activities are planned to take place on September 14, 2020.

CV Alam Lestari has carried out corporate social responsibility activities to the surrounding community. There is evidence of Community Development Implementation Reports for Quarter I - IV 2019 and Quarter I 2020. Based on this report, the activities carried out include: Education, consisting of assistance for school facilities and infrastructure; health, including assistance for posyandu development; religious sector, which includes development of material assistance for places of worship; the economic sector, which includes assistance to foster fishing groups; the infrastructure sector, which includes infrastructure assistance for village office; and the social and environmental sector, which includes sports infrastructure assistance. Among the 2020 activities there has been assistance with the provision of food packages for Covid-19 victims in nearby villages.

Description of the ecological conditions of the concession

The Management Unit has carried out Management of Forest Ecosystem and Hydrological Functions through the identification of forest management activities with significant impacts, and conducting environmental impact assessments through: UKL / UPL documents for IUPHHK-HT CV Alam Lestari (Approved and Ratified by the Head of Bapedalda Pelalawan Regency No. 660 / Bapedalda / IV / 2002 / 02.A, October 11, 2002. RKUPHHK 2017-2026 Improvement of Peat Governance. The implementation of environmental management and monitoring is presented each semester in the Environmental Permit Implementation report (RPL / RKL).

- The Reduced Impact Logging activity is carried out in stages before harvesting activities (pre-harvesting), during harvesting operations, after logging activities (post-harvesting)
- Identification of areas that function for land protection such as Borders, KPPN / KPSL and Other Protected Areas
- Identification of areas that function for water protection. such as Borders, KPPN / KPSL and Other Protected Areas
- Monitoring of negative impacts of forest management activities in concession areas is carried out in accordance with UKL and UPL documents. CV Tuah Negeri, 2002, has documented procedures that serve as guidelines for monitoring negative impacts due to forest management activities, such as for Monitoring Protected Areas, Monitoring of Discharge and Water Quality and for Monitoring of Subsidence and PPWT.

The Management Unit has carried out Biodiversity Management through the identification and inventory of protected, endemic, rare and threatened / endangered flora & fauna within the concession area. The results of the identification and inventory can be found in: UKL & UPL documents CV Alam Lestari in 2002, Revised RKUPHHK 2017-2026, and RKL / RPL Semester Reports.

- Protected Area Management is carried out in accordance with the RKL / RPL Implementation Report each semester
- Identification of key protected and threatened / endangered species includes their habitats and their migration

patterns and there is a map of fauna distribution, but no flora distribution map at present. Based on the identification, there are no key species in the area.

- The staple plants cultivated are not a genetically modified tree species, but *Acacia crassicarpa*.

The Management Unit has carried out Forest Protection activities, be these due to human or natural causes.

- Identify and monitor disturbances in Sustainable Forest Management based on UKL, UPL 2002 documents, 2017-2016 RKUPHHK Revisions and RKL / RPL reports each semester.
- Have a documented procedure to prevent and deal with disease and pest attacks, utilizing mechanical, biological or chemical procedures as deemed most suitable,
- Regulate the management of chemical pesticides in the field, plus also has documented procedures for controlled use of Management of Hazardous and Toxic Waste (B3), Handling Spills of Fuel, Lubricants and Chemicals, Weed Control, and for Integrated Pest and Disease Management.
- Has implemented forest protection measures against fire hazards. In the work area livestock grazing activities by the community are prohibited.
- Has implemented appropriate / measurable steps in forest protection activities.

Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation starting August 31, 2020, asking stakeholders to provide feedback and information about CV Alam Lestari. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from the Public Consultation.

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

The Management Unit has identified all necessary requirements for this certification process, consisting of legal aspects that include compliance with international rules and regulations and conventions. A management system has been built to cover all activities in the field of certification, which is registered for an area of 4,868.65 hectares.

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 Surveillance 1 Audit, there were no Non-Conformities of either a Major or Minor nature identified by the audit team..

Conditions under which the certificate is issued



Certificate is valid until February 27, 2023, provided that CV Alam Lestari does not have the any 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.