

# **Public Report Sustainable Forest Management System**

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**AJA EUROPE**  
**PUBLIC AUDIT REPORT - SFM**  
**TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE**



**CLIENT NAME:** CV ALAM LESTARI

**TOTAL HECTARES:** 3,300 ha

**SCOPE OF REGISTRATION:** Sustainable Forest Management In Plantation Forests area of 3,300 Hectares in Riau Province

**STANDARD/CRITERIA:** IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

**TYPE OF AUDIT:** Surveillance 1

**AUDIT START DATE:** November 09, 2017

**AUDIT END DATE:** November 12, 2017

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:** Amin Kadani

**AUDIT TEAM:** Wayan Sudi Antara

Tata Sumitra

**SIGNATURE:**

**SIGNATURE:**

**SIGNATURE:**

Handwritten signatures in blue ink within a rectangular box.

**MAJOR CARS:** 0

**MINOR CARS:** 2

<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY</b>	<b>DATE OF EACH SITE VISIT:</b>
CV Alam Lestari	Pelalawan District, Pelalawan Regency, Riau Province, Indonesia	November 9 to 12, 2017
<b>SITE NAME (Legal Name):</b>	<b>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</b>	
	N/A	



#### Brief Description of the concession

CV Alam Lestari obtained its concession of 3,300 hectares per Regent Decree No. Pelalawan 522.21/IUPHHKHT/1/2003/015 dated January 30, 2003 and Appendix Map Scale 1: 80,000. The CV Alam Lestari work area lies under the administration of Pelalawan District, Pelalawan Regency, Riau Province.

The Work Plan for Utilization of Forest Wood Industrial Plantation Forest (RKUPHHK-HTI) was approved by Decree 138/VI-BPHT/2010 dated October 14, 2010 on Approval of Plan of Work Plan for Utilization of Forest Wood Industrial Plantation Forest (RKUPHHK-HTI) for the 10-year period from 2010 to 2019 on behalf of CV Alam Lestari in Riau Province. Short-term plans are made in the Annual Work Plan (RKT) UPHHK-HTI. The work plan has been created to cover all production, environmental and social aspects.

Included in the Work Plan for Utilization of Forest Wood Industrial Plantation Forest (RKUPHHK-HTI) is the following spatial arrangement of the work area: Protected Areas 648 ha (19.64%), Area Unsuitable for Production 72 ha (2.18%), Principal Plant area 2,075 ha (62.88%), Seed Plant Area 340 ha (10.30%) and Livelihood Plant Area 165 ha (5.00%).

The work area of CV Alam Lestari is surrounded by industrial timber estates: to the North: IUPHHK-HT CV Bhakti Praja Mulia; to the South: IUPHHK-HT PT Riau Andalan Pulp and Paper; to the East: IUPHHK-HA Yos Raya Timber (PT Gemilang Cipta Nusantara); and to the West: IUPHHK-HT PT Riau Andalan Pulp and Paper.

The soil of the Management Unit's working area is peat, and based on this the major crop grown is *Acacia crassicarpa*

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

Based on the EIA documents and RKUPHHK-HTI, there are no indigenous peoples in accordance with the requisite legislation (Act No. 27 of 2007 and Presidential Decree No. 111 of 1999). People living around the concession are dominated by the majority Malay community who embrace Islam. Customs and culture that flourish are also Islamic. Most of the people are subsistence crop farmers. The layout of the Management Unit's concession is not directly adjacent to the surrounding villages, but is limited by other companies that are located around the concession, thus interaction with the population is almost non-existent.

CV Alam Lestari has a conflict resolution mechanism in the form of Conflict Resolution Protocols initially dated January 6, 2014 and revised on September 1, 2015. The procedure is used as a reference when a conflict arises so that the settlement or resolution of social conflicts can be performed through the principle of prior informed consent on the basis of initial information (Free Prior Informed Consent-FPIC). Expectations are that this process will swiftly ameliorate any problems that may arise without the creation of fresh problems and preclude the hampering of operations.

Based on field visits and interviews with the Management Unit, no people were found who carry out activities within the concession. Thus there was no evidence of areas being claimed by the community, and hence reports on the identification and documentation of land claims settlement were also absent.

A community fire watch (MPA) was formed per the agreement between CV Alam Lestari and Ransang village, District of Pelalawan on June 2, 2014. The agreement stipulated: forest fire management, plus the Company will provide training and empowerment of the MPA, which was acknowledged by the Environment Agency (BLH) of Pelalawan Regency, Forestry Office Pelalawan Regency, the Police of Ukui sector and the District Military Commander (Koramil) of the Ukui sub-district. Records of the MPA training together with attendance lists and documentation of activities are available.

The Company has allocated an area of 165 ha for the provision of livelihood plant life. Initially, however, there were no clear boundaries in regard to the relationship with the village's administrative boundaries. Thus on September 10, 2016, the Company sent a letter to districts of Pelalawan and Teluk Meranti requesting clarification on the new boundary of the village. A response was received on October 26, 2016 per No: 100/PEM/2016/291 that included a map of the village boundary. With the village's definitive boundaries now clarified the Company immediately communicated with the village government and community to swiftly reach agreement on the right of the people to



receive the allocation of livelihood plant life that the Company has allocated.

The Management Unit of CV Alam Lestari manages and monitors the social environment in regard to employment and business opportunities. Social components that are monitored include:

- Employment and business opportunities: the emergence of local contractors who partner with the Company, opening food stalls and stores to meet the need for everyday items.
- Health: provision of clinics to provide access to medical care,
- Economic community: utilization of non-timber forest products, and business equipment to support the PKK in the form of relief supplies for chips production

In running its community development (CD) program, the Company reports to the Riau Provincial Forestry Service on a quarterly basis. Since 2013, realization of the CD program has included assistance with chips production equipment, formation of a community fire watch system (MPA), as well as support for religious activities and development of the Al- Mutaqin mosque in Ransang village

### Description of the ecological conditions of the concession

In regard to environmental aspects, the Management Unit has EIA documents UKL and UPL CV Alam Lestari (EIA Approval Letter- activity UPHHK-HT CV Alam Lestari No. 660/BAPEDALDA/IV/2002/02.A dated October 11, 2002, on the approval of EIA, UKL, UPL. Based on the foregoing documents, the Management Unit has conducted management of the physical chemistry: management of water level or water table by setting the water level with the zoning, building canals corresponding to the contours and providing dam for the control of the water level; control of subsidence rate, avoiding the oxidation of pyrites, maintaining the river banks, preventing land and forest fires. Biological management: attempts to record the level of plant growth and pest and disease control; conservation efforts to preserve and protect the biological diversity (biodiversity) of flora and fauna.

Forest fire prevention activities conducted include:

- Early detection with Ground Check Hotspot NOAA, AQUA, TERRA and monitoring FDRS (Fire Danger Rating System)
- Patrols using ground vehicles (cars, motorcycles) and the construction of a fire tower as support for patrols/monitoring of fires
- Provision of counseling to local community about preventive activities, including ban on burning. Installed system of compartmentalization with canals and perimeter boundary as fire breaks
- Creation of an organizational structure for fire prevention and control of large and small outbreaks
- Provision of appropriate infrastructure for fire prevention and control standard (UKP4)
- Data from 2012 through August 2016 indicates there were no fires, except in 2015 covering 0.16 ha in one area

Management Unit has allocated a protected area covering 648 ha (19.6%), one of the functions of which is to maintain the habitat of protected and rare endemic flora and fauna. The protected area is allocated as Genetic Resource Conservation Area (KPPN).

### Results of the Public Consultation

Prior to implementing the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia carried out public consultation commencing October 25, 2017, in which stakeholders were invited to provide feedback on CV Alam Lestari. Public Consultation was uploaded to the website of PT AJA Sertifikasi Indonesia ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to the parties via email or letter, and published in a local newspaper. No input was received from stakeholders as a result of the public consultation.

The audit team also gathered 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 necessary requirements for this certification process, including legal aspects and compliance with regulations or international conventions. The management system has been built

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to cover all activities in the field of certification, which is registered for a certification area of 3,300 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 of CV Alam Lestari, there were two categories of minor non-conformities, as follows :

No.	Non-Conformities	Corrective Action Undertaken	Category
1	Based on the verification of a copy of the contract agreement with the contractor, among others PT CIS (Harvesting using heavy equipment), B3 waste management obligations has not been stipulated have not been stipulated. The FMU does not have a B3 waste management record by the contractor. (Clause Ref. I.1.13)	The Company has entered a B3 waste management clause in the Contract of Work in cooperation with the Contractor, set forth in Article 6 of the Working Conditions and the Company has made a letter concerning the Management of Hazardous and Toxic Waste (LB3), in which the Company requires all contractors to manage LB3 generated by:  <ol style="list-style-type: none"> <li>1. All LB3 produced in the field are collected and are regularly transported every week to Kampar.</li> <li>2. Company once a week will transport LB3 for temporary storage place (TPS-LB3)</li> </ol>	Minor
2	Based on field verification, SOP review and B3 waste balance report review, there are: <ul style="list-style-type: none"> <li>▪ B3 waste identification (SOP) does not yet contain waste from harvesting activities, planting iof crops</li> <li>▪ Data between balance sheets per 3 months and data in TPS is inconsistent (indicated there is B3 waste that has been out)</li> <li>▪ There is no record of Bravoxone container management</li> <li>▪ There is no SPK with licensed transporter (Clause Ref. I.6.6)</li> </ul>	The Company has attached the Summary of Hazardous Waste Registers for the July-December 2017 and Hazardous Waste Regions for the period of October, November and December 2017.	Minor

**Conditions under which the certificate is issued**

Certificate is valid until (27/02/2020), 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 wil be suspended until such time as AJA is able to perform a closeout visit.