

Public Report Sustainable Forest Management System

Ownership of this report and the information contained within remain the property of
AJA Europe



AJA EUROPE

PUBLIC AUDIT REPORT – SFM

TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



CLIENT NAME: PT NUSA PRIMA MANUNGGAL

TOTAL HECTARES: 4,289 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 4,289 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: January 22, 2020

AUDIT END DATE: January 24, 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

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Abdullah Mujahid

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS: 0

MINOR CARS : 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Nusa Prima Manunggal	Pangkalan Gondai Village, Langgam District, Pelalawan Regency, Riau Province, Indonesia	January 22 to 24, 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

PT Nusa Prima Manunggal obtained a Business Permit for Industrial Plantation Forest Utilization on Timber Forest Products (IUPHHK-HTI) based on the Decree of the Pelalawan Regent Number 522.1 / Dishut / XI / 2002/002 dated 12 November 2002 concerning the Granting of Business Permit for Utilization of Plantation Forest Products to PT Nusa Prima Manunggal Gross Area of about 4,412 hectares, Net Area of about 3,600 hectares in Pelalawan Regency.

PT Nusa Prima Manunggal received the Decree of the Minister of Environment and Forestry No. SK.463 / MenLHK / Setjen / PLA.2 / 11/2018 dated 5 November 2018 concerning the Determination of the Work Area for PT Nusa Prima Manunggal IUPHHK-HTI covering an area of 4,289 hectares in Pelalawan Regency, Riau Province. There has been no conversion of natural forest to plantation forest after December 31, 2010, so the scope of the IFCC Certification is 4,289 ha.

PT Nusa Prima Manunggal has a RKUPHHK-HTI document that was legalized based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia No SK.3515 / MenLHK-PHPL / UHP / HPL.1 / 5/2018 concerning Approval of Business Plan for Utilization of Timber Forest Products for Industrial Plantation Forest (RKUPHHK-HTI) 2017 to 2028. The Management Unit has spatial layout as follows: Protected Function Area of Peatland Ecosystem 17 ha (0.4%), Local Protected Area and Other Protected Areas (Riparian Areas) of 554 ha (12.9%), Staple Plants area of 2,338 ha (54.5%), Livelihood Plants of 1,380 ha (32.2%).

General Conditions of Work Area of PT Nusa Prima Manunggal:

1. Geographical Location: 00° 02' 04.795" to 00° 06' 50.651" North and 101° 46' 18.285" to 101° 53' 37.000" East.
2. Location of Government Administration: Pangkalan Gondai Village, Langgam District, Pelalawan Regency, Riau Province
3. Location of Forestry Administration: Environment and Forestry Service of Riau Province
4. Territorial Boundary:
 - North: Mamahan River, Pangkalan Gondai Village and PT Mitra Unggul Perkasa Oil Palm Plantation.
 - South: IUPHHK-HTI PT Siak Timber, IUPHHK-HTI PT Bina Daya Langgam, IUPHHK-HTI PT Arara Abadi (Nilo District).
 - West: IUPHHK-HTI PT Nusa Wana Raya.
 - East: HGU for PT Langgam Inti Hibrido's Plantation
5. Topography: Flat (0-8% Slope)
6. Soil: Red Yellow Podsollic
7. Geology: Geological formations include elements of Minas, Petani (Tup), young alluvial and shallow peat.
8. Altitude: 20-160 meters above sea level
9. DAS (Watershed): Tesso Watershed
10. Forest Group: Tesso Forest Group
11. Climate: type A with rainfall 2,442 mm / year

The types of plants being cultivated are *Acacia crassicarpa*, and *Acacia mangium*.

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

Administratively, the PT Nusa Prima Manunggal concession area is part of Pangkalan Gondai Village, Langgam District, Pelalawan Regency, Riau Province. Based on information from the Head of Village and information from the local community in the area of Ulayat Batin Mudo and Batin Pelabi, there is cooperation with PT Nusa Prima Manunggal by providing compensation to the community in the village in the form of harvested tree crops.

In forest management, PT Nusa Prima Manunggal has entered into agreements with the surrounding community in the form of cooperative management of livelihood plants, the formation of the Fire Care Community (MPA), and an agreement on the utilization of Non-Timber Forest Products (HHBK) in the form of utilization of honey from the beehives and fish. Livestock grazing is prohibited in the working area.

PT Nusa Prima Manunggal already has a Conflict Resolution Protocol Procedure that uses as a reference for resolution of social conflicts the principle of free prior informed consent (Free Prior Informed Consent-FPIC) in respect to

company operations. The Management Unit has two personnel in training and has made a mapping and conflict resolution report that was carried out in 2019.

There is a plan and realization report for the CD program in 2019. Based on the 2019 CD realization report, this was in the form of programs in the fields of health, infrastructure, integrated agriculture, economy, etc. In addition, requests for assistance through proposals from the community in the form of religious, social, etc., were also met.

There is an Official Report of the realization of the payment of acacia production fees submitted to the chairman of the village cooperation in 2019, besides which PT Nusa Prima Manunggal has also helped the community in the fields of health, infrastructure, integrated agriculture, economy, etc.

Description of the ecological conditions of the concession

The Management Unit of PT Nusa Prima Manunggal has conducted environmental studies in the form of Environmental Management Efforts (UKL) and Environmental Management Efforts (UPL), which were implemented in 2008. The document describes the impact of the existence of Industrial Plantation Forests (HTI) on the surrounding environment and community.

To minimize these impacts, the Management Unit has carried out Management of Forest Ecosystem and Hydrological Functions through implementing the following activities:

- Reduced Impact Logging activities, which are carried out in stages: before logging activities (pre-harvesting), during harvesting operations and after logging activities (post-harvesting)
- Identification of areas that function for land protection. These are designated as protected areas, namely the Peat Ecosystem Protected Function Area and Riparian Areas.
- Identification of areas that function for water protection. Based on the results of the identification, they are then allocated and designated as local protected areas and other protected areas.

The Management Unit has carried out Biodiversity Management activities, namely through the following activities:

- Identification and inventory of protected, endemic, rare and threatened / endangered flora & fauna in the concession area. The results of the identification and inventory can be found in: UKL & UPL documents PT PT. Nusa Prima Manunggal in 2008 and UKL / UPL Semester Reports, which include a distribution map of protected flora and fauna.
- Identification of key protected and threatened / endangered species, their habitats and migration patterns. Based on the identification, there are no key species in the area.
- The staple plant species cultivated are not genetically modified tree species, but are *Acacia crassicarpa*, and *Acacia mangium*.

The Management Unit has carried out the following Forest Protection activities:

- Identify and monitor disturbances in Sustainable Forest Management, be they from human or natural sources.
- Has a documented procedure to prevent and deal with pest attacks, utilizing manual, biological, and chemical means as appropriate.
- Regulate the use of chemical pesticides in the field with documented procedures, and for the Management of Hazardous and Toxic Waste (B3).
- Implementation of forest protection measures against fire hazards. These include no livestock grazing in the working area, and community involvement in the Fire Care Community.

Results of the Public Consultation

Prior to undertaking the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing February 08, 2020, which asked stakeholders to provide feedback and information on PT Nusa Prima Manunggal. The Public Consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email or postal mail, and announced in local newspapers.

PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation. The audit team also collected information from the mass media about PT Nusa Prima Manunggal, such reported cases being given material

consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

PT Nusa Prima Manunggal has identified all necessary requirements for this certification process, comprising legal aspects that include compliance with international regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 4,289 ha.

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

Surveillance 2 Audit results for PT Nusa Prima Manunggal identified two (2) Minor Non-Conformities.

No	Non-Conformities	Corrective Action Performed	Category
1	Monitoring and evaluation activities have not been implemented properly, such as SOP for Timber Administration (TUK) and SOP for Transportation. These have not been evaluated properly and are not in accordance with activities in the field, especially regarding the wood transportation documents used. In the SOP, the transportation document used is FAKB (Invoice for Log Transport) Indicator I.3.1	Perform an upgraded system once a month to ensure the procedures are updated	Minor
2	PT Nusa Prima Manunggal already has a spraying equipment warehouse, but does not yet have a rinse house to ensure workers return home in a clean condition. Indicator I.12.2	Make a safety OHS facility plan for every operator that has K3 impact	Minor

Conditions under which the certificate is issued

Certificate is valid until (March 11, 2021), provided that PT Nusa Prima Manunggal 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 recertification visit. If the non-conformities are not closed at the next recertification, the certificate will be suspended until such time as AJA is able to perform a closeout visit.