

Public Report Sustainable Forest Management System

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ORGANIZATION NAME: PT MADUKORO LESTARI

TOTAL HECTARES: 14,900.70

SCOPE OF REGISTRATION: Sustainable Forest Management of 14,900.70 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Transition to IFCC ST 1001:2021 + Surveillance 2

AUDIT START DATE: 14 May 2024

AUDIT END DATE: 17 May 2024

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: Abdullah Mujahid

AUDIT TEAM: Andri Wibisono

Qodly Zaka Syahtriawan

SIGNATURE:

SIGNATURE:

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION 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 - Indonesia	14 May 2024
Site	Desa Sungai Ara dan Desa Pangkalan Terap, Kecamatan Pelalawan dan Teluk Meranti, Kabupaten Pelalawan, Provinsi Riau, Indonesia	15 to 17 May 2024
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 Madukoro Lestari had its initial concession decree through Decree of Pelalawan Regent No. 522.21.IUPHHKHT/I/2003 / 017 dated January 31, 2003 concerning the Granting of Business License for The Utilization of Timber Plantation Forest Products to PT. 15,000 ha in Pelalawan; with a validity period of 41 years, ie 35 years plus one cycle of staple crops for 6 years. PT Madukoro changed to PT Madukoro Lestari based on a letter from KemenLHK No S.826/PHPL/UHP/HPL.1/11/2016 dated November 24, 2016. PT Madukoro Lestari has compromised its boundary arrangements (TBT). There is a TBT Report No. LP.005 / BPKH.XIX/PKH/-/11/2017 in November 2017. PT Madukoro Lestari has received the decree of the Minister of Environment and Forestry No. 245/Menlhk/Setjen / PLA.2/6/2020 dated June 9, 2020 concerning the determination of the iuphkh-HT working area limit of PT Madukoro Lestari with an area of 14,900.70 Ha. PT Madukoro Lestari received the latest Forest Utilization Permit based on the Decree of the Minister of Environment and Forestry No SK.835/MenLHK/Setjen/HPL.0/9/2021 dated September 21, 2021, about PT Madukoro Lestari Forest Utilization Business License (PBPH). A change in nomenclature IUPHHK-HTI into PBPH. There was no conversion of natural forests into plantation forests above December 31, 2010, the IFCC certified area is 14,900.70 Ha.

According to the long-term plan document (RKUPHHK-HTI) the spatial arrangement is divided into Local Protected Areas and Other Protected Areas of 8,732 ha (58.22%), Staple Plant area of 5,018 ha (33.45%) and Livelihood Plant area of 1,250 ha (8.33%).

The geographical location of PT Madukoro Lestari is between 00°23' to 00°33' North and 102°17' to 102°23' East. It is part of Teluk Meranti District and Pelalawan District, Pelalawan Regency, Riau Province. It borders on the north with CV Bhakti Praja Mulia, on the south with CV Harapan Jaya, on the west with the CV Alam Lestari and on the east with PT Yos Raya. The Organization is surrounded by four villages, namely Kuala Panduk Village, Pangkalan Terap Village, Sungai Ara Village, and Rangang Village. Verification of village visits in this audit was Sungai Ara Village and Pangkalan Terap Village.

PT Madukoro Lestari has complied with regulations related to peatland management as well. There are 7,076.57 ha of Peat Dome Peak area spread over KPPN covering 451 ha, KPSL of 766 ha and Other Protected Areas of 5,859.57 ha.

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

PT Madukoro Lestari has performed Social Impact Assessment in 2021 and 2022. Based on the assessment report, there are two villages located around the company, namely Pangkalan Terap Village, in Teluk Meranti District and Sungai Ara Village, in Pelalawan District, both are in Pelalawan Regency. The livelihood of the villages around the company is dominated as farmers and followed by workers/services, traders, fishermen, and employees/civil servants.

There is no conflict between the organization and the local village community, because PT Madukoro Lestari does not have access to the community. The distance between the area and the settlement is 30 kms, so the area is difficult to reach the community. But it is necessary to monitor the population in the nearest village by conducting effective communication to continue to implement programs that have been implemented in accordance with the needs of the villages.

PT Madukoro Lestari has a work Agreement Addendum with the village community in livelihood plant. Cooperation of livelihood plant has been implemented since 2019. This was confirmed by the relevant village officials during the interview. This cooperation is implemented by providing value benefits to the community. The provision of benefits was last implemented in 2019 and will be implemented again in the next harvest cycle.

The Organization has undertaken social obligations to the community through CSR and CD programs. The CSR activities that have been carried out include assistance in cattle cultivation in the surrounding villages in economic aspects as well as in the social and environmental fields, namely the participation of the regional celebration in 2023. In addition, the realization of the first quarter CSR program is in the field of education and social and environmental fields in relation to helping flood victims in villages around concessions in the form of basic necessities.

Description of the Ecological conditions of the concession

The area of PT Madukoro Lestari is a peat forest ecosystem located in KPH Penyalai Forestry Service, Riau Province. It is part of the Production Forest Group Sei Kutub, which has a flat topography (slope 0-8 %) with a height of 12-15-15 m above sea level. The type of soil is organosol with the geological formation of old surface sediment areas of quarter age. Climate type according to Schmidt Fergusson classification includes type A (very wet), precipitation 1067 mm/year, the highest month is April (298,8 mm), and the lowest month is January (97,2 mm). It is located in the hydrological unity of Sei Kutub Peat.

The Organization has managed the ecosystem and hydrological functions through activities of:

- Identification of EIA, RKL and RPL of PT Madukoro Lestari, 2002, and the Revision of RKUPHHK-HTI of 2017 to 2026.
- Implementation of Reduce Impact Logging before, during and after harvesting.
- Allocation of areas functioned as soil and water protection to be Protected Areas of 8,732 ha (58.22%) consisting of river boundaries of 240 ha (1.60%), KPPN of 451 ha (3.01%), KPSL of 766 ha (5.11%) and Other Protected Areas of 7,275 ha (48.50%).
- The Organization has established and implemented documented procedures that serve as guidelines in conducting impact monitoring activities, namely SOP monitoring of protected areas, SOP monitoring of discharge and water quality and SOP monitoring of peat subsidence and groundwater level height.
- The Organization has documented procedures for the Controlled Use of B3 (hazardous and toxic materials).

The Organization has conducted biodiversity management activities through the following activities:

- Identification and inventory of protected, endemic, rare and threatened/endangered flora and fauna in the as well as their habitat and environmental impact assessment of the potential impact in the concession area. The identification and inventory results are stated in EIA document RKL and RPL IUPHHK-HTI PT Madukoro Lestari 2002, and implementation report of RKL and RPL Semester 2 of 2023.
- The species being cultivated is *Acacia crassicaarpa*, which is not a Genetically Modified Species.

PT Madukoro Lestari has implemented appropriate forest protection activities, namely:

- Prevent and deal with pests and diseases as well as regulate the management of chemical pesticides in the field with documented procedures.
- Monitoring disturbances in sustainable forest management, such as forest fire hazards, illegal land encroachment and illegal logging.
- Implemented forest protection measures against fire hazards. Fortunately, there was no fire in 2023.
- Prohibition of livestock grazing activities by the community.

Results of the Public Consultation

Prior to carrying out the Transition to IFCC ST 1001:2021 + Surveillance 2 Audit, PT Acube TIC International conducted a public consultation starting April 1, 2024, asking stakeholders to provide feedback and information about the PT Madukoro Lestari. The public consultation was uploaded to the PT Acube TIC International website (www.ajaindonesia.com), sent to parties by e-mail or postal mail, and published in local newspapers. PT Acube TIC International does not receive any input from stakeholders during public consultations.

The audit team also collected information from the mass media about PT Madukoro Lestari. The reported cases are considered as part of the PT Acube TIC International audit process.

The Organization has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the area of certification, registered for a total of 14,900.70 hectares.

Organisation progress record related to corrective action on findings of nonconformities in previous audit

The results of the Surveillance 1 Audit of PT Madukoro Lestari are 3 (three) Minor non-coformities. The Organization has made improvements and the non-coformities have been closed.

No	Category	Non-Conformities	Corrective Action Performed	Closed Out at Current Audit
1	Minor	The results of a review of the Harvesting Assessment Sheet (LPH) documents for harvesting activities in two plots showed that there were parameters that were not appropriate. For example, the operators do not use complete PPEs, non-functioned tools in a heavy equipments, and harvesting operations that were not in accordance with the SOP. Indicator I.3.1	The Organization has taken corrective actions, namely: <ul style="list-style-type: none"> - Providing PPE for workers (chain saw operators and heavy equipment), - Conduct socialization of SOP, conduct OHS induction, and wood harvesting training, - Made improvements on the parameters in the second assessment on May 9, 2023. 	The results of field verification on harvesting progress activities in logging plots and the parameters of harvesting operations on LPH (Harvesting check sheet) are appropriate.
2	Minor	The generator storage area at the harvesting contractor employee camp does not have a complete oil spill reservoir. This will cause spills fall to the ground and damaging the soil. Indicator I.6.6	The Organization has taken corrective actions, namely: <ul style="list-style-type: none"> - Placing plastic tarpaulin contaminants under the generator so that spilled oil/used oil does not fall directly to the ground or to the side of the generator. - Prepare sawdust to absorb spilled LB3 liquid. Furthermore, the sawdust is collected in an airtight container which is then stored in TPS LB3. - Conduct socialization of SOPs and demonstrations related to LB3 management, to contractors and their employees. 	There is a container of plastic tarpaulin under the generator at the contractor's camp to prevent the spilled oil/used oil immediately fall to the ground.
3	Minor	Based on field verification at the contractor camp, the toilet facilities need to get repairs.	PT Madukoro Lestari has repaired toilet facilities for contractor workers as evidenced in the pictures sent by the Organization.	The repairment of toilet facilities for contractor workers of has been carried out.



	Indicator I.12.6.		
Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.			
The results of Transition to IFCC ST 1001:2021 + Surveillance 2 Audit were no non-conformities. The management system operates effectively.			
Conditions under which the certificate is issued			
Certificate number AJA/IFCC-PEFC/FMC-HT/00043/VII/2018 is valid until 17 July 2025, provided that PT Madukoro Lestari maintains its Recertification schedule and does not have potential major non-conformities at the next Recertification.			