

# **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: Recertification

AUDIT START DATE: 5 March 2025

AUDIT END DATE: 8 March 2025

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: Agung Utama Lubis

SIGNATURE:

AUDIT TEAM: Ardi Prasetyo

SIGNATURE:

Abdullah Mujahid (Under Supervision)

SIGNATURE:

WITNESSING

EVALUATOR

Andri Wibisono

SIGNATURE:

/TRANSLATOR (if any):

MAJOR CARs: 0

MINOR CARs: 0

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED including countries	DATE OF EACH SITE VISIT:
Head Office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru 28143, Riau - Indonesia	5 March 2025
Site	Kecamatan Teluk Meranti dan Pelalawan, Kabupaten Pelalawan, Provinsi Riau, Indonesia	6 – 8 March 2025
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

Forest Utilization Business Permit (PBPH), previously was the Timber Forest Product Utilization Business Permit (IUPHHK) of PT Madukoro Lestari based on the Decree of the Regent of Pelalawan No. 522.21.IUPHHKHT/I/2003/017 dated January 31, 2003 concerning the Granting of Timber Forest Product Utilization Business Permit Rights for Plantation Forests to PT. Madukoro covering an area of  $\pm 15,000$  ha in Pelalawan Regency; with a validity period of 41 years, namely 35 years plus one main crop cycle for 6 years.

PT Madukoro changed to PT Madukoro Lestari based on the Letter from the Ministry of Environment and Forestry No. S.826/PHPL/UHP/HPL.1/ 11/2016 dated November 24, 2016 concerning the Change of Name of IUPHHK-HTI PT Madukoro in Pelalawan Regency to PT Madukoro Lestari, the settlement of which was returned to the Regent of Pelalawan as the issuer of the permit.

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 concerning the Forest Utilization Business Permit (PBPH) of PT Madukoro Lestari. There was a change in the nomenclature of IUPHHK-HTI to PBPH.

PT Madukoro Lestari has conducted boundary delimitation, there is a TBT Report No. LP.005/BPKH.XIX/PKH/-/11/2017 dated November 2017. PT Madukoro Lestari has received 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 Boundary of the IUPHHK-HT Work Area of PT Madukoro Lestari with an area of 14,900.70 Ha.

In the work area of PT Madukoro Lestari, there has been no conversion of natural forest into plantation forest since December 31, 2010, ensuring that the entire certified area remains intact at 14,900.70 hectares. This certified area aligns with both the officially designated land size and the actual forest area within the concession. Located at geographic coordinates 00°23'–00°33'N and 102°17'–102°23'E, the area consists entirely of plantation forest established on peat soil. As a result, the total area according to the decree (SK), forest area, and certified area are all the same—14,900.70 hectares.

PT Madukoro Lestari has a long-term planning document titled the Revised Work Plan for Industrial Timber Forest Product Utilization (RKUPHHK-HTI), ratified by Decree No. 6026/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019. According to this plan, the spatial layout of the management unit is divided into three zones: Local Protection Areas and Other Protected Areas covering 8,732 hectares (58.22%), Staple Plant areas covering 5,018 hectares (33.45%), and Livelihood Plant areas covering 1,250 hectares (8.33%). It is bordered by HTI CV Bhakti Praja Mulia to the north, HTI CV Harapan Jaya to the south, HTI CV Alam Lestari to the west, and PT Yos Raya to the east. Administratively, the area is located in Teluk Meranti District and Pelalawan District, within Pelalawan Regency, Riau Province. Based on the 2017–2026 RKUPH document, the two villages situated near the concession area are Sungai Ara Village in Pelalawan District and Pangkalan Terap Village in Teluk Meranti District. Hydrologically, the area lies within the Kutub River Sub-watershed (Sub-DAS).

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

There are no customary law communities within or around the concession area of PT Madukoro Lestari. However, the surrounding area is inhabited by local communities whose primary sources of livelihood are farming and river fishing. In Ara River Village, 78% of residents work as farmers or fishermen, while in Pangkalan Terap Village, this figure is even higher at 92%. Other sources of income include working as traders (3.5% in Ara River and 1.0% in Pangkalan Terap), civil

servants or members of the military/police (1.5% and 0.5% respectively), and laborers or drivers (8.0% and 2.0%). A small percentage of residents (8.0% in Ara River and 4.5% in Pangkalan Terap) are engaged in various other occupations.

PT Madukoro Lestari has established a dispute resolution mechanism to address community land control issues. According to the Potential Mapping and Conflict Resolution Report for the second semester of 2024, there are no land claims within the company's concession area. As a result, the status of conflict potential is categorized as "Safe." This reflects the company's proactive approach in preventing and managing potential land disputes.

The Organization also maintains cooperative relationships with surrounding villages. For example, a collaboration began in 2019 between PT Madukoro Lestari and the village regarding livelihood plants. Although the next scheduled harvest was in 2024, the village government requested a delay in payment. This was due to ongoing discussions with the community about using the livelihood plant funds to construct a bridge connecting the residential area with the cemetery and communal gardens. The community has now agreed to the proposal, and the village government is in the process of requesting the disbursement of the livelihood plant funds to begin construction.

In addition to these collaborations, PT Madukoro Lestari has made active efforts to support the local economy through a Community Development (CD) program. According to the 2024 CD Program Report, the company exceeded its planned targets, achieving 161% realization. These CD activities focus on important areas such as education, social welfare, and environmental improvement, showing the Organization's commitment to sustainable and inclusive development for communities around its operational area.

### Description of the Ecological conditions of the concession

Based on several documents—including the AMDAL, RKL, and RPL studies for PT. Madukoro Lestari, the 10-year revised Forest Timber Utilization Business Work Plan (RKUPHHK-HTI) approved in 2019, and the 2024 Environmental Permit Implementation Report—it is known that the ecological conditions within PT. Madukoro Lestari's concession area are quite specific. The climate is classified as Type A (very wet) based on Schmidt and Fergusson's system, with annual rainfall reaching 2,283.5 mm. The area has flat topography with slopes ranging from 0–8% and lies at an elevation of 12–15 meters above sea level. The geological formation is primarily peat, composed of KLR-Klatu and MDW-Mendawai types, with Organosol soils like Tropohemists, Tropofibrists, and Troposaprits.

The natural ecosystems include peat swamp forests and riparian zones, with significant portions designated as protected. Out of the total concession, 8,732 hectares (58.22%) are maintained as protected areas, including the Kutub River Border (240 ha), KPPN (451 ha), KPSL (766 ha), and other protected areas (7,275 ha). The Peat Dome Peak, a particularly sensitive area prone to damage, spans 7,076.57 hectares and is distributed across these protected areas. Artificial ecosystems have also been established, with 5,018 hectares used for tree plantations and 1,250 hectares designated as Livelihood Plant areas.

The aquatic ecosystem is composed of both natural and artificial elements. Natural water bodies include Kutub River and Kutub Lake, while artificial features are primarily channels. The primary crop grown is *Acacia crassicarpa*, developed from high-performing clones, but not genetically modified. The main plant pests and diseases affecting this species are *Helopeltis* insects and *Ganoderma* fungi. There is no significant presence of grazing animals that could interfere with plantation activities. Natural hazards in the area include extreme heat, which may lead to forest fires, and strong winds that pose a risk to tree stability.

Vegetation in the region includes a variety of tree species such as Meranti (*Shorea sp.*), Medang (*Litsea longifolia*), Punak (*Tetramerista glabra*), Dara-Dara (*Nephelium vemanosa*), and others like guava, mango, and banana species. Opening tree species include Rasau (*Pandanus helicopus*), marsh pitcher plants (*Nepenthes mirabilis*), and various orchids. Wildlife includes notable species like the endangered Sumatran tiger (*Panthera tigris sumatraensis*), clouded leopard, wild boar, jungle cat, and a variety of birds and fish. Encouragingly, the area has experienced no recent cases of illegal logging, encroachment, poaching, or forest fires, and the protected areas remain free from degradation.

#### Results of the Public Consultation

Prior to carrying out Recertification Audit, PT Acube TIC International conducted a public consultation starting 9 February 2025, 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](http://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.

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

The results of Transition to IFCC ST 1001:2021 + Surveillance 2 Audit were no non-conformities. The management system operates effectively.

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

The results of Recertification 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 2028, provided that PT Madukoro Lestari maintains its Surveillance schedule and does not have potential major non-conformities at the next Surveillance.