

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: PT HARAPANJAYA MAKMUR LESTARI

TOTAL HECTARES: 4,800

SCOPE OF REGISTRATION: Sustainable Forest Management of 4,800 hectares of Plantation Forests in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Additional Surveillance due to Covid-19 Pandemic (REMOTE)

START DATE AUDIT: June 28, 2021

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

END DATE AUDIT: June 30, 2021

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

TEAM AUDIT: Amin Kadeni

SIGNATURE:

Abdul Salam

SIGNATURE:

MAJOR CARs: 0

MINOR CARs: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Harapan Jaya Makmur Lestari	Teluk Meranti District, Pelalawan Regency, Riau Province – Republic of Indonesia	June 28 to 30, 2021
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	
N/A		

Brief Description of the concession

The concession area of PT Harapanjaya Makmur Lestari is based on Decree of the Regent of Pelalawan Number 522.21/IUPHHKHTI/I/2003/016 dated January 31, 2003, which was then updated with the Decree of the Head of the Investment and One Stop Service Office of Pelalawan Regency Number 504/DPMPTSP-P3NP/V/2017/02, dated May 24, 2017 concerning Amendments to the Decree of the Regent of Pelalawan Number 522.21/IUPHHKHTI/I/2003/016 dated January 31, 2003 concerning the Granting of Business Permits for Utilization of Timber Plantation Forest Products to CV Harapan Jaya of 4,800 ha in Pelalawan Regency.

There is no conversion of natural forest to plantation forest above December 31, 2010 thus the scope of IFCC Certification is 4,800 ha.

The Management Unit latest long-term plan, is the Revision of RKUPHHK-HTI for Period 2017 to 2026 on behalf of PT Harapanjaya Makmur Lestari in Riau Province (Minister of Environment and Forestry Decree No. SK.6027/MenLHK-PHPL/UH/HPL.1/6/2019 dated June 28, 2019. Based on the RKUPHHK document, the spatial layout consists of Local Protected Areas and Other Protected Areas of 2,706 ha (56.38%), Staple Plants Area of 1,677 ha (34.94%) and Livelihood Plant Area of 417 ha (8, 68%). To achieve an allocation of a percentage of livelihood plants of at least 20%, this is fulfilled from the Protected Area area in the form of utilization of non-timber forest products.

Location of the area based on geographical coordinate is at 0°20'32" to 0°25'24" North and 102°20'28" to 102°25'44" East. Based on government administration, it is included in Teluk Meranti District, Pelalawan Regency, Riau Province. The area is part of Kutub River – Simpang Kanan River Forest Group. The boundaries of the working area are as follows:

- North: HPHTI area of PT. Madukoro Lestari,
- South: PT Gemilang Cipta Nusantara Ecosystem Restoration HPH Area,
- East: PT Gemilang Cipta Nusantara Ecosystem Restoration HPH Area,
- West : PT RAPP Estate Area Pelalawan HPHTI.

Climatic conditions in the area PT Harapanjaya Makmur Lestari included in the climate type A (very wet) Schmith & Fergusson classification system. Based on data, the average annual rainfall is 2,572 mm/year with the highest rainfall of 277 mm in December and the lowest 122 mm in June. The topography of the area is swampy lowlands. Slope conditions are 100% flat (0-8%). The type of soil based on the Land Map system consists of alluvial or regosol. Meanwhile, based on USDA, the type of soil in the area PT Harapanjaya Makmur Lestari are Fluvaquents (alluvial or regosol), Tropaquents (Alluvial, Andosol, Regosol) and Tropohemissts (peat). Geological formation based on the Geological Map Sheet of Siak Sri Indrapura (0916) is formed of young river Alluvium, peat (Qh). The river in the working area is Kutub River, and is part of the Kampar watershed. Species of plants as of staple crops is *Acacia crassicarpa*.

The Management Unit complies with all regulations related to improving peat governance, the fulfillment of PP. 57 of 2016 by revising RKUPHHK 2017 to 2026 (Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.973/menLHK-PHPL/UHP/HPL.1/3/2018 dated March 5, 2018. Fulfillment of PermenLHK No. P.16 of 2016 by compiling Peat Ecosystem Recovery Plan Document, Determination of Groundwater Levels and Rainfall Monitoring Station Points (Decree of the Director General of Pollution and Environmental Damage Control N0. No. SK.8509/men LHK-PHPL/UHP/HPL.1/12/2018 10 December 2018). Adjusting the RKUPHHK–HTI Period of 2017 to 2026 Activity Year 2018 to 2019 (Decree of the Minister of LHK No. SK.8509/Men LHK-PHPL/UHP/HPL.1/12/2018 Dated 10 December 2018). FulfillmentLHK Ministerial Regulation Number P.10/Menlhk/Setjen/Kum.1/3/2019 by revising RKUPHHK–HTI Period of 2017 to 2026 (Decree of the Minister of LHK No. SK.6027/MenLHK-PHPL/UHP/HPL.1/6/2019 Dated 28 June 2019). There is a Peat Dome Peak area of 1,260.20 ha spread over 180.0 ha of KPPN/KPSL and 1,080.20 ha of Other Protected Areas.

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

The Management Unit of PT Harapanjaya Makmur Lestari has identified and recognized the legal rights of the local community. Around the PT Harapanjaya Makmur Lestari area, there are 4 (four) villages, namely Sungai Ara Village (Pelalawan District), Petodaan Village, Pangkalan Terap Village, and Kuala Panduk Village (Teluk Meranti District). The villages that became the company's fostered villages are Kuala Panduk Village and Pangkalan Terap Village, Teluk Meranti District, Pelalawan Regency, Riau Province. The position of the concession area of PT Harapanjaya Makmur Lestari is far from the target village because the access has to go around to the city of Pelalawan (about 120 KM), thus that interaction with the community is quite rare.

During the remote audit, there was no additional collaboration with the surrounding community, either livelihood plants or the formation of a Community with Fire Awareness (MPA). According to one of the Head of Village, there is an agreement (MoU) with the company that is still running in livelihood plant cooperation.

There is a land conflict resolution procedure document and an identification report. Based on the report, there are no communities or other parties who claim or cultivate land in the concession area. Thus the concession area of PT Harapanjaya Makmur Lestari is free from community claims.

There is a CD-CSR program plan document for 2021 which includes assistance in the fields of religion (facilities of worship and assistance for sacrificial animals), youth and sports, as well as assistance for village facilities and infrastructure. Based on the annual report on the implementation of the CD program in 2020, the realized programs are: assistance for puskesmas equipment, assistance for buffalo livestock, sports equipment, COVID-19 staple food assistance.

Description of the Ecological conditions of the concession

The Management Unit has carried out Forest Ecosystem and Hydrological Function Management activities, namely through the following activities:

- Identification of forest management activities that have significant impacts, and conduct environmental impact assessments through: UKL & UPL documents of CV. Harapan Jaya (Approval of the Regent of Pelalawan Number 06/Year 2001 dated December 2, 2002). The implementation of environmental management and monitoring every semester is presented in the Environmental Permit Implementation Report (RPL/RKL),
- Reduced Impact Logging activities are carried out in stages before logging activities (pre harvesting), during harvesting operations (harvesting), after logging activities (post harvesting),
- Identification of areas that function for land protection. Is the area designated as a protected area, namely the Peat Ecosystem Protected Function Area, KPPN / KPSL,
- Identify areas that function for water protection. Based on the results of the identification, it is then allocated and designated as a water protected area. Areas designated as protected function areas for peat ecosystems, KPPN/KPSL,
- Monitoring the negative impacts of forest management activities in the concession area is carried out in accordance with the UKL and UPL Documents of CV Harapan Jaya, 2002, has documented procedures that serve as guidelines for monitoring the negative impacts of forest management activities, namely: SOPs for Monitoring Protected Areas, SOPs for Monitoring Discharge and Water Quality and SOPs for Monitoring Subsidence and TPMAT,
- PT. Harapanjaya Makmur Lestari has documented procedures for the controlled use of B3 (Hazardous and Toxic Materials), namely: SOP for Management of Hazardous and Toxic Waste (B3), SOP for Handling Spilled Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP Integrated Pest and Disease Management.

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

- Identification of protected, endemic, rare flora and fauna and threatened/near-extinct species and their habitats in the area in accordance with applicable regulations/stipulations through the inventory activities that have been carried out. There is a map of the distribution of flora and fauna,

- Management of Protected Areas is carried out in accordance with the RKL/RPL Implementation Report every semester as well as SOPs for Determining Protected Areas and SOPs for Monitoring Protected Areas,
- Identification of key protected and threatened/endangered species, as well as their habitats and migration patterns. Based on the identification, there are no key species in the area,
- Environmental impact assessment on the potential impacts on protected, endemic, rare and threatened/near-extinct flora and fauna, through UKL & UPL document 2002,
- Cultivation of non genetically modified tree species. The species cultivated is *Acacia crassicarpa*.

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

- Identify and monitor disturbances in Sustainable Forest Management. The identified disturbances are forest fires and plant diseases,
- Made procedures documentation to prevent and handle pest attacks, namely SOPs for Integrated Pest and Disease Management,
- Regulate the management of chemical pesticides in the field with a documented procedure,
- Have implemented forest protection measures against fire hazards,
- There are no livestock grazing activities in the work area,
- Has implemented appropriate/measured steps in forest protection activities.

Results of the Public Consultation

Prior to carrying out the Additional Surveillance Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing April 28, 2021, asking stakeholders to provide feedback and information about PT Harapanjaya Makmur 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 input from stakeholders during the public consultation.

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

The Management Unit has identified all the requirements needed for this certification process, comprising legal aspects that include compliance with rules and regulations and international conventions. The management system has been established to cover all activities in the certification field, which is registered for an area of 4,800 hectares.

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

The results of the Additional Surveillance Audit of PT Harapanjaya Makmur Lestari identified no Non-Conformity either of a minor or major nature. PT Harapanjaya Makmur Lestari's management system operates effectively. No critical problems were identified.

Conditions under which the certificate is issued

Certificate is valid until September 10, 2022, provided that PT Harapanjaya Makmur 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 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.

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