

Public Report Sustainable Forest Management System

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CLIENT NAME: PT HARAPANJAYA MAKMUR LESTARI

TOTAL HECTARES: 5,086.44

SCOPE OF REGISTRATION: Sustainable Forest Management of 5,086.44 Hectares of Plantation Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification (Hybrid)

AUDIT START DATE: May 23, 2022

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

AUDIT END DATE: May 25, 2022

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Andri Wibisono

SIGNATURE:

Tata Sumitra

SIGNATURE:

HYBRID AUDITOR: Agung Utama Lubis

SIGNATURE:

AUDITOR IN TRAINING: Qodly Zaka Syahtriawan

SIGNATURE:

Inggita Nuri Prihantini

SIGNATURE:

MAJOR CARS : 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head Office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Limapuluh, Pekanbaru, 28143, Provinsi Riau, Indonesia	May 23, 2022
M.U	Kecamatan Pelalawan dan Kecamatan Teluk Meranti, Kabupaten Pelalawan, Provinsi Riau	May 24-25, 2022
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

PT Harapanjaya Makmur Lestari forest concession permit was obtained based on the Decree of the Regent of Pelalawan Number 522.21/IUPHHKHTI/I/2003/016 dated January 31, 2003, then it was updated with the Decree of the Head of the Investment and One Stop Service Office of Pelalawan Regency Number 504/DPMPSTP-P3NP/V/2017/02, dated May 24, 2017 concerning the Granting of Business Permit for the Utilization of Timber Plantation Forest Products to CV Harapanjaya of 4,800 ha in Pelalawan Regency.

There is no conversion of natural forest to plantation forest after December 31, 2010. Thus, the IFCC certified area is 4,800 ha. On May 5, 2021, there is an issuance of the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK 205/Menlhk/Setjen/HPL.0/5/2021 concerning the Determination of the Working Area for Business Permit of Utilization of Timber Plantation Forest Products of PT Harapanjaya Makmur Lestari Production Forest of 5,086.44 ha in Pelalawan Regency, Riau Province. The latest decree changes the certified area from 4,800 ha to 5,086.44 ha.

The Management Unit has a long-term plan, namely the Revised Work Plan for Timber Forest Product Utilization Business in Industrial Plantation Forest of 2017 to 2026 on behalf of PT Harapanjaya Makmur Lestari in Riau Province (Decree of the Minister of Environment and Forestry Number SK.6027/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019). According to the document, the spatial layout consists of Local Protected Area and Other Protected Areas of 2,706 ha (56.38%), staple plants areas of 1,677 ha (34.94%) and livelihood plant areas of 417 ha (8.68%). To achieve the percentage allocation of livelihood plants of at least 20%, it is fulfilled from the area of Protected Area in the form of NTFP utilization.

The geographical location of the concession is at 0°20'32" to 0°25'24" North and 102°20'28" to 102°25'44" East. It falls under the government of Teluk Meranti District, Pelalawan Regency. 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 : HPHTI Area of PT RAPP Pelalawan Estate.

The climate condition in the concession area is type A (very wet) by Schmith and Fergusson classification system. The average annual rainfall is 2,572 mm/year with the highest rainfall of 277 mm in December and the lowest of 122 mm in June. The topography of the area is swampy lowlands with the slope are 100% flat (0-8%). The soil types based on the map of land system consists of alluvial or regosol. Meanwhile, based on USDA, the soil types in the area are Fluvaquents (alluvial or regosol), Tropaquents (Alluvial, Andosol, Regosol) and Tropohemists (peat). The geological formation based on the Geological Map Sheet of Siak Sri Indrapura (0916) is located in the Young River Alluvium formation, peat (Qh). The river crossed in the work area is Kutub River and included in the Kampar watershed. The staple plant species cultivated is *Acacia crassipara*.

The Management Unit complies with all regulations related to improving peat governance, which are: 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 Number P.16 of 2016 by compiling Peat Ecosystem Recovery Plan Document, Determination of Groundwater Level Compliance Point and Rainfall Monitoring Station Point (Decree of the Director General of Pollution and Environmental Damage Control Number SK.8509/menLHK-PHPL/UHP/HPL.1/12/2018 10 December 2018), Adjusting the RKUPHHK–HTI of 2017 to 2026 in 2018 to 2019 Activity Year (Decree of the Minister of Environment and Forestry No. SK.8509/menLHK-PHPL/UHP/HPL.1/12/2018 dated 10 December 2018), Fulfillment of PermenLHK Number P.10/Menlhk/Setjen/Kum.1/3/2019 by revising RKUPHHK–HTI of 2017 to 2026 (Decree of

the Minister of Environment and Forestry No. SK.6027/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019). There is an area of Peat Dome Peak in the concession area of 1,260.20 ha which spread over in KPPN/KPSL of 180 ha and in Other Protected Areas of 1,080.20 ha.

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 there are four villages, namely Sungai Ara Village in Pelalawan District, and Petodaan Village, Pangkalan Terap Village, and Kuala Panduk Village in Teluk Meranti District. The assisted villages by the company are Villages of Kuala Panduk and Pangkalan Terap, Teluk Meranti District. The concession area of PT Harapanjaya Makmur Lestari is far from the target village due to limited access. This cause the interaction with the community is quite rare.

In this recertification audit, no additional collaboration with the surrounding community, either livelihood plants or the formation of Community with Fire Awareness (MPA). According to the Village Head, there is a running cooperation agreement (MoU) with the company regarding the livelihood plant cooperation.

The Management Unit has the procedure documents for land conflict resolution and identification reports. According to the report, there are no communities or other parties who claim or cultivate land in the concession area. Thus, the concession area is free from community claims.

There is a CD-CSR program plan document for 2022 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. Meanwhile, for the implementation of the 2021 CD program, the realized programs were aid for *puskemas* equipment, assistance for buffalo livestock, sports equipment, assistance for COVID-19 such as necessities.

Description of the Ecological conditions of the concession

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

- Identification of forest management activities that have significant impacts and conduct environmental impact assessments through UKL and UPL documents of CV Harapan Jaya, 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, during, and after logging activities,
- Identification of areas that function for soil and water protection, which being designated as a protected area, namely the Peat Ecosystem Protected Function Area and KPPN/KPSL Area,
- Monitoring the negative impacts of forest management activities in the concession area in accordance with the UKL and UPL documents of CV Harapan Jaya, 2002, and documented procedures that serve as guidelines, namely: SOPs for Monitoring Protected Areas, SOPs for Monitoring Discharge and Water Quality and SOPs for Monitoring Subsidence and TPMAT. As well as 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 implemented Biodiversity Management through the following activities:

- Identification of protected, endemic, rare flora and fauna and threatened/near-extinct species and their habitats as well as migration patterns in the area in accordance with applicable regulations through the inventory activities. The result of identification is map of the distribution of flora and fauna,
- Management of Protected Areas in accordance with the RKL/RPL Implementation Report every semester as well as SOPs for Determining Protected Areas and SOPs for Monitoring Protected Areas,

- Environmental impact assessment on the potential impacts on protected, endemic, rare and threatened/near-extinct flora and fauna, through UKL and UPL document, 2002,
- Not cultivating genetically modified tree species for staple plants but *Acacia crassicarpa*.

The Management Unit performed Forest Protection through the following activities:

- Identification and monitoring disturbances in Sustainable Forest Management. The identified disturbances are forest fires and plant diseases,
- Prevention and handling of pest attacks, as well as regulations of chemical pesticides management, referred to documented procedure such as SOPs for Integrated Pest and Disease Management,
- Implementation of forest protection measures against fire hazards,
- Prohibition of livestock grazing activities in the work area,
- Implementation of appropriate steps in forest protection activities.

Results of the Public Consultation

Prior to carrying out the Recertification Audit, PT AJA Sertifikasi Indonesia conducted a public consultation starting April 11, 2022, 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 are considered as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects which include compliance with international regulations and rules and conventions. The management system has been built to cover all activities in the field of certification, registered for certification covering an area of 5,086.44 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 Recertification Audit is one Minor non-conformity and has been closed. No critical issues being identified.

Number	Non-Conformities	Corrective Action Performed	Category
1	PT Harapanjaya Makmur Lestari has not made a revision of the RKUPHHK-HTI after the issuance of the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK 205/Menlhk/Setjen/HPL.0/5/2021 dated May 5, 2021 concerning the Determination of the Working Area for Business Permit for the Utilization of Timber Plantation Forest Products of PT Harapanjaya Makmur Lestari Production Forests of 5,086.44 Ha. Indicator I.1.1	The Management Unit has compiled the results of the identification of all aspects that will be used as the basis for the revision of PT Harapanjaya Makmur Lestari RKUPHHK-HTI Document and then progressing its ratification.	Minor

Conditions under which the certificate is issued



Certificate number AJA/IFCC-PEFC/FMC-HT/00044/IX/2018 is valid until September 10, 2025, 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 Surveillance visit. If the non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time as AJA is able to perform a closeout visit.