

Public Report Sustainable Forest Management System

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





CLIENT NAME: PT Gemilang Cipta Nusantara

TOTAL HECTARES: 40,721.86 ha

SCOPE OF REGISTRATION: Sustainable Forest Management in Natural Forest covering 40,721.86 hectares in Riau Province

STANDARDS/ CRITERIA: IFCC SFM & CLIENT'S DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Stage 2 (Hybrid Audit)

START DATE AUDIT: May 31, 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 7, 2021

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

[Signature]

TEAM AUDIT: Ardi Prasetyo

SIGNATURE:

[Signature]

Agung Utama Lubis

SIGNATURE:

[Signature]

HYBRID AUDITOR: Riyadi Sigit Pamungkas

SIGNATURE:

[Signature]

MAJOR CARS: -

MINOR CARS: -

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head Office	Pangkalan Kerinci Timur Village, Pangkalan Kerinci District, Pelalawan Regency, Riau Province, Republic of Indonesia	May 31, 2021
Site PT GCN (RPP)	Merbau District, Tasik Putri Puyu District, Kepulauan Meranti Regency, Riau Province, Republic of Indonesia	June 2 to 3, 2021
Site PT GCN (RKP)	Teluk Meranti District, Kuala Kampar District, Pelalawan Regency, Riau Province, Republic of Indonesia	June 5 and 7, 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

PT Gemilang Cipta Nusantara submitted a certification for sustainable forest management to the IFCC standard under group certification. The group consists of 2 (two) management units namely PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency and PT Gemilang Cipta Nusantara in Pelalawan Regency.

PT Gemilang Cipta Nusantara in Pelalawan Regency received an IUPHHK-RE based on the Decree of the Minister of Forestry No. 395/Menhut-II/2012 dated July 24, 2012 concerning the Granting of Business Permit for the Utilization of Timber Forest Products for Ecosystem Restoration in Natural Forest to PT Gemilang Cipta Nusantara for a Production Forest Area of ± 20,265 (twenty thousand two hundred and sixty five) hectares in Pelalawan Regency. The work determination is referenced to Decree No. SK930/MenLHK/Setjen/PLA.2/10/2019 dated October 18, 2019 of PT Gemilang Cipta Nusantara in Pelalawan Regency of 20,123.33 ha.

PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency received an IUPHHK-RE based on the Decree of the Minister of Forestry No. 825/Menhut-II/2013 dated July 24, 2013 concerning the Granting of a Business Permit for the Utilization of Timber Forest Products for Ecosystem Restoration in Natural Forest to PT Gemilang Cipta Nusantara for Production Forest Areas of ± 20,450 (twenty thousand four hundred and fifty) hectares in Kepulauan Meranti Regency. The work determination is referenced to Decree No. SK 874/MenLHK/Setjen/PLA.2/10/2019 dated October 18, 2019 of PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency of 20,598.53 ha.

PT Gemilang Cipta Nusantara has a long term plan (RKUPHHK-RE) document which is legalized based on:

- Decree No. 44/VI-BRPUK/2013 dated May 6, 2013 in the Ratification of RKUPHHK-RE in Natural Forest of Production Forest period of 2013 to 2022 on behalf of PT Gemilang Cipta Nusantara in Pelalawan Regency, Riau Province.
- Decree No. 67/VI-BRPUK/2014 dated December 22, 2014 Ratification of RKUPHHK-RE in Natural Forests of Production Forest period of 2014 to 2023 on behalf of PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency, Riau Province.

Based on the RKUPHHK-RE, the Spatial Planning of PT Gemilang Cipta Nusantara in Pelalawan Regency (RKP) are Protected Zone of 6,000 Ha, Production Zone of 13,414 Ha, Non-Production Zone of 851 Ha, with a total of 20,265 Ha. The Spatial Planning of PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency (RPP) are Protected Zone of 6,700 Ha, Production Zone of 12,638 Ha, Non-Production Zone of 1,112 Ha with a total of 20,450 Ha.

There is no conversion of natural forest to plantations after December 31, 2010, thus the IFCC certified area is the total of the two Management Units, 20,123.33 Ha + 20,598.53 Ha = 40,721.86 Ha.

PT Gemilang Cipta Nusantara in Pelalawan Regency is geographically located between 0° 21' 23.83" to 0° 32' 8.19" North and 102° 43' 25.72" to 103° 0' 29.05" East. The working area boundaries are:

- North: Permanent Production Forest Area of Tasik Besar Serkap
- East: Permanent Production Forest Area of Tasik Besar Serkap
- South: PT RAPP and PT Mitra Hutani Jaya
- West : Production Forest Area

PT Gemilang Cipta Nusantara in Pelalawan Regency is part of the forest group of Tasik Besar Serkap/Tasik Sarang Burung, and also part of the Kampar and Serkap sub-watersheds, Kampar and Apung watersheds. The climate is type A (Schmidt & Fergusson) with rainfall of 1,949 to 2,951 mm/year, average monthly temperature is 26.1 to 27.5° C, and humidity of 81-84%. Based on forestry administration, it is included in KPHP Tasik Besar Serkap, Riau Province Forestry Service.

PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency is geographically located between 01° 04' 53.95" to 0° 16' 15.14" North and 102° 15' 42.49" to 102° 24' 33.47" East. Working area boundaries are:

- North: IUPHHK-HTI PT RAPP Estate Pulau Padang, SM Tasik Tanjung Padang,

- East: IUPHHK-HTI PT RAPP Estate Pulau Padang,
- South: IUPHHK-HTI PT RAPP Estate Pulau Padang,
- West: IUPHHK-HTI PT RAPP Estate Pulau Padang.

PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency is part of Pulau Padang Forest Group and Mengkopot and Tebis Panjang sub-watersheds, Dedap and Melibur watersheds. Based on forestry administration, it is part of KPHP Unit XXIII Tebing Tinggi, Riau Province Forestry Service.

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

Based on the study of socio-cultural and institutional communities around the company, the livelihoods of the residents around the concession are mostly in the agricultural sector by working as farmer of rubber, oil palm, coconut, areca nut and sago, also river fishermen.

PT Gemilang Cipta Nusantara has made conflict resolution efforts with the surrounding village communities. There is a report on potential mapping and conflict resolution and land problem settlement agreement. The Management Unit made a cooperation of Forestry Partnership Pattern with the villages; this activity is also part of the company's conflict resolution efforts with the community.

The Management Unit also works together with local contractor partners; three out of the five local partners provide speed boat rentals while the rest are companions to empower the economy of the surrounding community by socialization of horticulture planting and land management without burning.

There is an agreement between PT Gemilang Cipta Nusantara and a village cooperative covering forest protection activities consisting of fire prevention patrols, nursery construction and maintenance natural tillers, fire fighting activities, manufacture and installation of signboards, planting.

According to the Conflict Report of January to May 2021, there are no conflicts between the company and the community. Also, no claims occupy the concession area.

Based on interviews with community leaders and non-governmental organizations, PT Gemilang Cipta Nusantara has collaborated with local communities in forest management and implemented corporate social responsibility activities to the surrounding community. The activities carried out include educational assistance (scholarships, stationery assistance), religious assistance (Ramadan safaris, animal sacrifices), youth assistance (sports activities), environmental social assistance (fuel assistance for village electricity), carpentry tools assistance for mosque renovations).

Based on the Summary of Annual Work Plans for the 2016 to 2020 period, the social management activities that have been carried out include religious activities, animal sacrifices, Ramadhan safaris; agricultural activities, including organic farming training, freshwater fishery demonstration plots, agroforestry, goat farming, non-burning agriculture, eco-education, composting, social activities including: employee volunteering, youth sports, socialization of clean and healthy lifestyles.

Description of the Ecological conditions of the concession

PT. Gemilang Cipta Nusantara in Pelalawan and Kepulauan Meranti have performed the following steps to minimize the environmental impact due to forest management:

- Establish and maintain protected areas where the existing protected areas have represented the plant species of natural ecosystems. The company has signboards for protected areas and concession boundaries.
- Build security posts and portals to restrict outsiders from entering the Management Unit's work area.

- Allows the community to utilize non-timber forest products such as river fish and honey to be managed traditionally.
- The Management Unit has carried out plant insertion on low-growing land carried out in the 2020 RKT Block and Sangar River I and III areas.
- The Management Unit disposes LB3 (hazardous and toxic material waste) in the LB3 landfill owned by partner companies. The Management Unit is establishing the permit for building its own LB3 landfill due to the increasing demand of operational activities.
- The Management Unit has identified and regularly monitors the species of flora and fauna in the working area. Existing flora and fauna species are being protected by securing their habitat as a protected area.
- The Management Unit installs signboards in the form of prohibitions or notices in many locations. The signboards include prohibitions on burning forests and land, cutting down trees, and hunting of animals.

As for prevention and fighting forest and land fires, the Management Unit has established the organization Brigade for Forest and Land Fire Control (Brigdalkarhutla). Besides, the Command Post and Warehouse for the Fire Service facilities were also built to carry out activities to control forest and land fires. In addition, there are other facilities such as fire towers and water reservoirs. The Management Unit has also established Community with Fire Awareness (MPA) with the villages for them to participate in preventing and controlling forest and land fires in the work area of the Management Unit and its surroundings.

The Management Unit routinely conducts forest security patrols against existing forest disturbances, especially illegal logging, encroachment and illegal hunting fishing (catching fish with poison and electrocution). Cars and motorbikes are available for patrolling. If there any violations, the Management Unit is to make report to the authorities.

The Management Unit has also monitored the impact of forest management on soil (physical-chemical, erosion and fertility) and water (river water quality and discharge), results of such are reported to the Environmental Permit Implementation Report every semester.

Results of the Public Consultation

Prior to carrying out the Stage 2 Audit (Hybrid Audit), PT AJA Sertifikasi Indonesia conducted a public consultation since May 19, 2021, asking stakeholders to provide feedback and information about PT Gemilang Cipta Nusantara. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to the parties via email or postal mail, and published in a local newspaper. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders during the public consultation.

The audit team also collected information from the mass media about PT Gemilang Cipta Nusantara, 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 required for this certification process, which consists of legal aspects that include compliance with international rules and regulations and conventions. A management system has been established to cover all activities in the area of certification, which is registered for an area of 40,721.86 hectares

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

Based on the results of the Stage 2 Audit (Hybrid Audit) of PT Gemilang Cipta Nusantara, there are no Non-Conformity either in Minor or Major category identified by the audit team.



Conditions under which the certificate is issued
Certificate is valid until (dd/mm/yyyy)