

# Public Report Sustainable Forest Management System

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CLIENT NAME: PT GEMILANG CIPTA NUSANTARA

TOTAL HECTARES: 150,693.37

SCOPE OF REGISTRATION: Sustainable Forest Management of 150,693.37 hectares of Natural Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

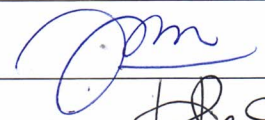
AUDIT START DATE: June 13, 2023

in signing this document the audit team confirmed that they 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: June 20, 2023

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:



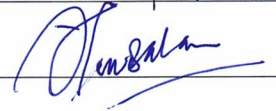
AUDIT TEAM: Ence Hedi Hasan Zubaedi

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:
Head Office PT Gemilang Cipta Nusantara	Komplek Rukan Akasia Blok 3, No. 1, RT 001, RW 009, Pangkalan Kerinci Timur, Pangkalan Kerinci, Kab. Pelalawan, Riau Province, Indonesia	June 13, 2023
Site PT Gemilang Cipta Nusantara (RPP)	Kepulauan Meranti - Kecamatan Merbau dan Tasik Putri Puyu, Kabupaten Kepulauan Meranti, Provinsi Riau, Indonesia	June 14 to 15, 2023
Site PT Global Alam Nusantara	Kecamatan Teluk Meranti, Kabupaten Pelalawan, Riau Province, Indonesia	June 16 to 17, 2023
Site PT Sinar Mutiara Nusantara	Kecamatan Teluk Meranti, Kabupaten Pelalawan, Riau Province, Indonesia	June 19 to 20, 2023
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	
PT Gemilang Cipta Nusantara (RKP)	Kecamatan Teluk Meranti, Kabupaten Pelalawan, Riau Province, Indonesia	
PT The Best One Unitimber	Kecamatan Teluk Meranti, Kabupaten Pelalawan, Riau Province, Indonesia	

#### Brief Description of the concession

PT Gemilang Cipta Nusantara Certification Group was formed based on the Minutes of Formation of a Group in the context of certification of sustainable forest management at the IUPHHK-RE which is part of the Riau Ecosystem Restoration program on January 9, 2020. Considering the implementation of an effective and efficient management system, the Certification process is implemented as a group (Group Certification) refers to IFCC PD 1005:2017 procedures, and establishes PT Gemilang Cipta Nusantara (PT GCN) as the entity of this group organization.

PT Gemilang Cipta Nusantara Certification Group has five members with their own business permit in Ecosystem Restoration, as follows:

- 1) Decree of the Minister of Forestry No.395/Menhut-II/2012 dated 24 July 2012 concerning the Granting of Business Permits for the Utilization of Timber Forest Products for Ecosystem Restoration in Natural Forests to PT Gemilang Cipta Nusantara for a Production Forest Area of approximately 20,265 (twenty thousand two hundred and sixty five) Hectares in Pelalawan Regency (PT GCN (RKP)). Followed by SK 930/MenLHK/Setjen/PLA.2/10/2019 dated 18 October 2019 PT Gemilang Cipta Nusantara in Pelalawan Regency Area 20,123.33 Ha.
- 2) Decree of the Minister of Forestry No.825/Menhut-II/2013 dated 24 July 2013 concerning the Granting of Business Permits for the Utilization of Timber Forest Products for Ecosystem Restoration in Natural Forests to PT Gemilang Cipta Nusantara for a Production Forest Area of approximately 20,450 (twenty thousand four hundred and fifty) Hectare in Kepulauan Meranti Regency (PT GCN (RPP)). Updated by the SK 874/MenLHK/Setjen/PLA.2/10/2019 dated 18 October 2019 for PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency of 20,598.53 Ha
- 3) Decree of the Minister of Forestry No.747/Menhut-II/2014 dated 15 September 2014 concerning the Granting of Business Permits for the Utilization of Timber Forest Products for Ecosystem Restoration in Natural Forests to PT The Best One Unitimber for a Production Forest Area of approximately 39,412 (thirty nine thousand four hundred and twelve ) Hectares in Pelalawan Regency. Followed by SK 515/MenLHK/Setjen/PLA.2/8/2019 dated 18 October 2019 PT The Best One Unitimber in Pelalawan Regency Area 40,665.67 Ha.
- 4) Decree of the Minister of Forestry No.230/Menhut-II/2014 dated 14 March 2014 concerning the Granting of Business Permits for the Utilization of Timber Forest Products for Ecosystem Restoration in Natural Forests to PT Global Alam Nusantara for a Production Forest Area of approximately 36,830 (thirty six thousand eight hundred thirty) Hectares in Pelalawan Regency. Updated by SK 836/MenLHK/Setjen/PLA.2/10/2019 dated 18 October 2019 PT Global Alam Nusantara in Pelalawan Regency Area 36,524.78 Ha.
- 5) Decree of the Minister of Forestry No.162/Menhut-II/2014 dated 18 February 2014 concerning the Granting of Business Permits for the Utilization of Timber Forest Products for Ecosystem Restoration in Natural Forests to PT Sinar Mutiara Nusantara for a Production Forest Area of approximately 32,830 (twenty thousand two hundred and sixty five) Hectares In Pelalawan Regency. Followed by SK 567/MenLHK/Setjen/PLA.2/8/2019 dated 20 August 2019 PT Sinar Mutiara Nusantara in Pelalawan Regency Area 32,781.06 Ha.

In carrying out its operations all group members have RKUPH documents, as below:

- 1) SK No 44/VI-BRPUK/2013 dated 6 May 2013 Ratification of RKUPHHK RE in Natural Forest in Production Forest for the period 2013-2022 An PT Gemilang Cipta Nusantara in Pelalawan District, Riau Province.
- 2) SK No 7623/MenLHK-PHPL/JASLING/HPL.2/11/2021 dated 26 November 2021 Ratification of the RKUPH Revision in Natural Forest in Production Forest for the 2014-2023 period An PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency, Riau Province.
- 3) SK No 2042/MenLHK-PHPL/JASLING/HPL.2/4/2021 dated 14 April 2021 Ratification of the Revised RKUPHHK RE in Natural Forest in Production Forest for the 2016-2025 period An PT Global Alam Nusantara in Pelalawan District, Riau Province.

- 4) SK No 8166/Menlhk-PHPL/JASLING/HPL.2/12/2020 dated 30 December 2020 Ratification of the Revised RKUPPHK RE in Natural Forest in Production Forest for the 2016-2025 period An PT Sinar Mutiara Nusantara in Pelalawan District, Riau Province
- 5) SK No 6103/Menlhk-PHPL/JASLING/HPL.2/2/2020 dated 16 November 2020 Ratification of the Revised RKUPPHK RE in Natural Forest in Production Forest for the 2016-2025 period An PT The Best One Unitimber in Pelalawan Regency, Riau Province.

The detail condition of each member are as follows:

1) PT Gemilang Cipta Nusantara in Pelalawan Regency

According to the RKUPPHK-RE, the spatial layout is 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. It 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 Permanent Production Forest Area of Tasik Besar Serkap to the north, Permanent Production Forest Area of Tasik Besar Serkap to the east, PT RAPP and PT Mitra Hutani Jaya to the south, and Production Forest Area to the west.

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.

2) PT The Best One Unitimber is geographically located between 0°19'33.55" to 0°28'53.34" North and 102°23'18.45" to 102°40'52.55" East. The work area boundaries are PT Harapanjaya Makmur Lestari, PT Sinar Mutiara Nusantara, PT Global Alam Nusantara to the north, Wildlife Sanctuary, PT Sinar Mutiara Nusantara to the east, PT RAPP to the south, and Kutub River to the south. It falls under the administrative government of Teluk Meranti Regency, including Teluk Meranti Village, Kuala Panduk Village, Petodaan Village and Teluk Binjai Village.

The spatial layout of PT The Best One Unitimber is Non-Production Zone of 398,78 ha, and Protected Area of 40,266.89 ha which is divided into Buffer Zone of Tasik Besar Serkap Wildlife Sanctuary of 652.74 ha, KPPN of 307.89 ha, KPSL of 37,190.79 ha, River Border of 446.74 ha, water bodies of 1,133.21 ha, Research Zone of 535.53 ha, with a total of 40,665.67 ha.

Type of climate is included in type A (Schmidt and Fergusson) with annual rainfall of 2,214.83 mm/year. The average monthly air temperature ranges from 28 to 33.7° C and relative humidity ranges from 60.2 to 74.0%. Based on the GIS measurement of the Indonesian Earth Map with a scale of 1:50,000, the whole state of the land in the concession is peat soil with a topography of 100% flat (slope 0-8%). According to the National Peat Ecosystem Function Map (Permen LHK No. SK.130/MenLHK/Setjen/PKL.0/2/2017), the working area of the Management Unit includes a peat area with a Protected Function Ecosystem of 19,160.07 ha and a Cultivation Function of 21,505.60 ha. Based on the results of the High Conservation Value (HCV) study in 2017, the presence of HCV 1, 2, 3, 4, 5, and 6 as a whole is in the IUPHHK-RE area of the Management Unit, thus, the entire area is a protected zone.

3) PT Global Alam Nusantara is geographically located between 0°28'15.95" to 0°29'38.54" North and 102°23'50.97" to 102°38'25.41" East. The work area boundaries are CV BPM, PT Mutiara Riau Perkasa to the north, PT Sinar Mutiara Nusantara to the east, PT The Best One Unitimber to the south, and PT Harapanjaya Makmur Lestari and PT Madukoro to the west.

PT Global Alam Nusantara is administratively includes the villages of Teluk Meranti, Teluk Binjai and Petodaan, Teluk Meranti District. The spatial layout of its 36,524.78 hectares concession is Non-Production Zone of 301.5 ha, Protected

Zone of 36,223.29 ha, which consists of peat dome of 7,991.19 ha, protected area of flora and fauna habitat of 27,471 ha, River Border of 182.06 ha, and research area of 578.30 ha.

The concession has an altitude of 0-25 m above sea level, with a climate type of A (Schmidt and Fergusson). The annual rainfall is 2,214.83 mm/year with relative humidity ranges from 60.2 to 74.0%, with an average of 68.76%. The geological physical condition is divided into two formations, namely alluvium and coastal formations (91.94%) and quartz porphyry formations (8.06%). The distribution of species is dominated by soil type associations of Tropohemists; Tropofibrists/MDW located in the peatland land system, namely Tropohemists; Tropofibrists/GBT (51.38%), Troposapristis; Tropohemists/MDW (47.98%) and Fluvaquents; Tropaquepts; Tropohemists/KLR (0.65%). The main rivers flowing in the area are Serkap River and Simpang Sianyar River.

4) PT Sinar Mutiara Nusantara is geographically located between 0°31'41.90" to 0° 29'47.11" North and 102° 35'33.73" to 102° 55' 10.84" East. The concession boundaries are SM Tasik Metas, PT Peranap Timber to the north, PT Gemilang Cipta Nusantara Pelalawan Regency to the east and south, PT The Best One Unitimber and SM Tasik Metas to the west. Administratively, PT Sinar Mutiara Nusantara is included in two villages namely Teluk Meranti Village and Pulau Muda Village, Teluk Meranti District, Pelalawan Regency, Riau Province.

The land condition is peat soil with a topography of flat (slope 0-8%). The distribution of soil types consisting of two species dominated by the association Tropohemists, Tropofibrists 88, 95% and the association of Troposapristis, Tropohemists (8.48%). The rock type is a surface sediment formation (alluvium). The whole area of the Management Unit is a protected zone due to the presence of HCV 1 to 6. The spatial layout of PT Sinar Mutiara Nusantara is Non-Production Zone of 701.69 ha and Protected Zone of 32,079.37 ha, which consists of Buffer Zone SM Tasik Besar Serkap and KPPN Tasik Metas of 1,601.11 ha, SDG Conservation of 325,26 ha, Research Forest Plot of 384.43 ha, river borders and lakes of 326.01 ha, Protected zone (KPPN/KPSL/Peat Dome) of 28,943.64 ha, and Canals of 498.92 ha, with a total of 32,781.06 ha.

5) 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. The work area boundaries are PT RAPP Estate Pulau Padang, SM Tasik Tanjung Padang to the north, and PT RAPP Estate Pulau Padang to the east, south, and west. The spatial layout of PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency (RPP) are Protected Area of 6,857.50 Ha and Production Zone of 13,741.03 Ha with a total of 20,598.53 Ha.

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.

This Surveillance 2 Audit samples company are PT Gemilang Cipta Nusantara (RPP), PT Global Alam Nusantara, and PT Sinar Mutiara Nusantara.

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

Generally, the residents in Pulau Padang and Kampar Peninsula Restoration Estate are Malay, Batak, Minang, Javanese and Mandailing. Their main livelihoods are farmers, fishermen, workers in oil palm plantations, and workers in plantation forest companies. According to some village representatives in the three sample sites, there are no indigenous peoples. There is a Report on Potential Mapping and Conflict Resolution in the Riau Ecosystem Restoration Area.

The social activity in the three sample sites are as follows:

#### **1. PT Gemilang Cipta Nusantara (RPP)**



There are Cooperation Agreement in social management in the form of community service, Memorandum of Understanding (MOU) in Joint Agreement for Community with Fire Awareness with the village. The Corporate Social Responsibility to the village is in the sector of sport and compensations for orphans.

#### 2. PT Global Alam Nusantara

There are Cooperation Agreement with a fishermen group that they are being allowed to catch fish and will be fostered, socialized by the prohibition of fish with prohibited tools and protected animals hunt. The Management Unit has a Joint Agreement for Community with Fire Awareness with the village as well as its routine training. The Corporate Social Responsibility to the village is First Aid equipment and fuel.

#### 3. PT Sinar Mutiara Nusantara

There are a Joint Agreement for Community with Fire Awareness including its training with the village. As for the Corporate Social Responsibility, the company aids are in the form of fuel and fish cages for the community.

### Description of the Ecological conditions of the concession

The management unit has conducted forest ecosystem and hydrological function management through the following activities:

- Identify forest management activities that have significant impacts, and conduct environmental impact assessments through:

#### 1. PT Gemilang Cipta Nusantara (RPP):

- UKL and UPL Approval of the Kepulauan Meranti Regency Environmental Agency, No: 660.1/BLH/V/2013/05. Dated 03 May 2013.
- Document UKL and UPL IUPHHK-Ecosystem Restoration of PT Gemilang Cipta Nusantara, by the Minister of Forestry of the Republic of Indonesia, Number: S.193/Menhut-VI/2013, dated March 7, 2013, in Kepulauan Meranti Regency of 20,450 ha.
- Report on the Implementation of Environmental Management and Monitoring Efforts for Ecosystem Restoration Activities of PT Gemilang Cipta Nusantara, Period I and II semesters of 2022.
- Map of Forest Areas for Business Permits for the Utilization of Timber Forest Products for Ecosystem Restoration in Natural Forests in the production forest of PT Gemilang Cipta Nusantara, Kepulauan Meranti Regency, scale 1:250,000.
- Map of the Business Work Plan for the Utilization of Timber Forest Products Ecosystem Restoration of a period of 10 years of 2014 to 2023 on behalf of PT Gemilang Cipta Nusantara in Kepulauan Meranti Regency, Riau Province.

#### 2. PT Global Alam Nusantara:

- UKL and UPL Approval of the Kepulauan Meranti Regency Environmental Agency, No: 660.1/BLH-AM/2013/025 Dated 01 October 2013.
- Report on the Implementation of Environmental Management and Monitoring Efforts for Ecosystem Restoration Activities of PTGlobal Alam Nusantara, Semesters I and II period of 2022.
- HCV Report of PT Riau Andalan Pulp and Paper in the Kampar Peninsula, Pelalawan Regency, 2018.
- Report on Carbon Stock Estimation in Restoration of the Riau Ecosystem, Collaboration between Flora and Fauna International and APRIL March 2017.
- Map of Forest Areas for Business Permits for Utilization of Ecosystem Restoration Timber Forest Products in Natural Forests in the production forest of PTGlobal Alam Nusantara, Pelalawan Regency scale of 1:250,000.
- Map of the Ecosystem Restoration Timber Forest Product Utilization Business Work Plan For a period of 10 years of 2016 to 2025.

#### 3. PT Sinar Mutiara Nusantara:

- Approval of UKL and UPL Meranti Islands District Environmental Agency, No: 660.1/BLH-AM/2013/26. 01 October 2013.

- Report on the Implementation of Environmental Management and Monitoring Efforts for PT Sinar Mutiara Nusantara Ecosystem Restoration Activities, Semesters I and II period of 2022.
  - HCV Report of PT Riau Andalan Pulp and Paper in the Kampar Peninsula, Pelalawan Regency, 2018.
  - Report on Carbon Stock Estimation in Restoration of the Riau Ecosystem, Collaboration between Flora and Fauna International and APRIL, March 2017.
  - Map of Forest Areas for Business Permits for the Utilization of Ecosystem Restoration Timber Forest Products in Natural Forests in PT Sinar Mutiara Nusantara in Pelalawan Regency scale 1:250,000.
  - Map of the Ecosystem Restoration Timber Forest Product Utilization Business Work Plan For a period of 10 years of 2016 of 2025 on behalf of PT Sinar Mutiara Nusantara in Pelalawan Regency, Riau Province.
- Identification of areas functioning for soil and water protection and designated as protected areas, as follows:
    1. PT Gemilang Cipta Nusantara (RPP):

Spatial division or zoning of The Management Unit is divided into a Protection Zone of 16,357.58 ha, a Production Zone of 3,544.31 ha and 693.63 ha of non-productive zone. The non-production zones are for infrastructure facilities in the form of base camps, permanent measuring plots, seed stands (TB) and research areas.
    2. PT Global Alam Nusantara:

In the first RKUPHHK-RE document, the Management Unit in does not carry out logging activities in its first 10 years (until 2025).
    3. PT Sinar Mutiara Nusantara:

Like PT Global Alam Nusantara, the Management Unit does not carry out logging activities for the first 10 years (until 2025).
  - Monitoring of negative impacts of forest management activities in concession areas in accordance with UKL and UPL documents and documented procedures.
  - Controlled the use of B3 (Hazardous and Toxic Materials).
  - Carried out forest protection through identification and monitoring of disturbances in Sustainable Forest Management and implementation of forest protection measures against fire hazard.
  - Carried out biodiversity management through the following activities:
    - Identification and inventory of protected, endemic, rare and threatened/endangered flora and fauna in the concession area as well as their habitats and migration patterns.
    - Performed the Management of Protected Areas in accordance with the RKL/RPL Implementation Report each semester (2022) as well as SOPs for Determination of Protected Areas and SOPs for Monitoring Protected Areas.
    - Identification of key protected and threatened/endangered species. Based on this identification, there is Sumatran tiger (*Panthera tigris Sumatrae*) as the key species withing the concession of PT Global Alam Nusantara and PT Sinar Mutiara Nusantara.

### Results of the Public Consultation

Prior to undertaking the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing May 12, 2023, which asked stakeholders to provide feedback and information on PT Gemilang Cipta Nusantara. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to relevant parties via email or postal mail, and announced in local newspapers.

PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation. The audit team also collected information from the mass media about PT Gemilang Cipta Nusantara. Such information was given consideration in the audit process by PT AJA Sertifikasi Indonesia.

PT Gemilang Cipta Nusantara has identified all necessary certification requirements such as legal aspects that include compliance with international regulations and conventions. The established management system for certification includes all field activities for a registered area of 150,693.37 ha.

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



The results of Surveillance 2 Audit did not generate any non-conformity. The Management Units operates effectively.

#### **Conditions under which the certificate is issued**

Certificate is valid until August 30, 2024, provided that PT Gemilang Cipta Nusantara maintains its Recertification schedule and does not have potential major non-conformity at the next Recertification.