

Public Report Sustainable Forest Management System

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CLIENT NAME: CV MUTIARA LESTARI

TOTAL HECTARES: 4,000 Ha

SCOPE OF REGISTRATION: Sustainable Forest Management 4,000 hectares of Plantation Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Stage 2

AUDIT START DATE: August 03, 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: August 05, 2022

LEAD AUDITOR: Riyadi Sigit Pamungkas

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	Jl. Sei Duku No. 333 Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru 28142	August 03, 2022
M.U.	Kecamatan Pelalawan, Kabupaten Pelalawan, Provinsi Riau, Indonesia	August 04 to 05, 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	
NA		

Brief Description of the concession

CV Mutiara Lestari is holding a Business Permit for the Use of Industrial Timber Forest Plantations (IUPHHK-HTI) based on the Decree of the Regent of Pelalawan Regency Number 522.21/IUPHHKHT/1/2003/007 dated January 25, 2003, of approximately 4,000 ha located in Pelalawan District, Pelalawan Regency, Riau Province. There is no natural forest conversion area above December 31, 2010, thus, the scope of CV Mutiara Lestari certification is 4,000 ha.

CV Mutiara Lestari has a ten-year Management Plan Document, namely the Revised Business Plan for the Utilization of Industrial Timber Forest Products (RKUPHHK-HTI) ratified by SK.6092/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019, concerning the Approval of the Revised Work Plan for the Utilization of Industrial Timber Forest Products (RKUPHHK-HTI) of 2017 to 2026 on behalf of CV Mutiara Lestari in Riau Province. According to the revised RKUPHHK-HTI, the spatial planning are Local Protected Areas and Other Protected Areas of 1,785 ha (44.63%), Staple Plant area of 1,195 ha (29.87%) and Livelihood Plant area of 1,020 ha (25,50%).

Geographically, the area of CV Mutiara Lestari is located at the coordinates of 00°25'09" to 00°27'38" North and 101°25'47" to 102°07'54" East. The topography of the land is flat with peat soil consisting of Topohemists, Tropofibists Troposaprits and Tropofibrists. Administratively, the work area of CV Mutiara Lestari is in Pelalawan District, Pelalawan Regency, Riau Province. Based on the soil type, the species of staple plant being developed is *Acacia crassicarpa*. There is no Peat Dome Peak in CV Mutiara Lestari.

CV Mutiara Lestari has complied with regulations related to peatland management by carrying out:

- Revision of RKUPHHK-HTI to improve Peat Management based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.942/MenLHK/Setjen/UHP/HPL.1/3/ 2018 dated March 2, 2018, and Number SK. 6059/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019,
- Compilation of report on the implementation of peatland ecosystem restoration and forest and land fire control based on the Decree of the Director General of Pollution and Environmental Damage Control No. 102/PPKL/PKG/PKL.05/10/2018 dated September 21, 2018,
- Adjustment for one-year activities based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.8510/MenLHK-PHPL/UHP/HPL.1/ 12/2018 on December 10, 2018.

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

The residents around CV Mutiara Lestari area are generally the Malay, Batak, Nias, and Javanese. The main livelihoods of the community are farmers, shop businesses, workers in oil palm plantations and services. According to the Public Relation staff of CV Mutiara Lestari, there are no indigenous peoples in and around the concession area.

CV Mutiara Lestari has a conflict resolution mechanism in the form of SOP regarding conflict resolution protocol and handling security threat action activities. There is no claim area within the CV Mutiara Lestari. The Management Unit has an Agreement of Community with Fire Awareness (MPA) with a village since 2014.

CV Mutiara Lestari as well provided adequate support to local communities around the company. The type of activity consists of six fields, namely education, health, religion, economics, infrastructure, and social and environment. According to the Community Development Program Activity Report of 2021, the percentage of achievement of the realization of community development program reached 138%. The Management Unit has provided access to the surrounding community to utilize non-timber forest product. The non-timber forest product being utilized is fish in the canal.

Description of the Ecological conditions of the concession

CV Mutiara Lestari has implemented appropriate steps to protect the area from damage caused by forest management operations through protection and maintain of Protected Areas, monitoring land subsidence, patrols in protected

areas, make a report on the implementation of the RKL/RPL (Environmental Permit) per semester every year as monitoring and evaluation material.

The entire Management Unit area is peatland which needs water management. The Management Unit has records of peatland management in the form of construction of canals and water gates and dams to control the water level. CV Mutiara Lestari does not exploit the protected, endemic, rare, and endangered species of flora and fauna for commercial purposes. As for genetic resource areas and landscape areas, the Management Unit has carried out:

- Allocate the Germplasm Conservation Area (KPPN) in its spatial layout,
- Conducted public consultations regarding the existence of flora and fauna, ecosystems, and landscapes to the surrounding community,
- Marking the boundary of the river protected area (buffer zone) with red paint and the existence of a sign board for the protected area,
- Implement Reduced Impact Logging (RIL) in forest management stages from planning to harvesting and post-harvesting,
- Monitoring soil fertility to determine the soil management unit,
- Maintain and protect the existing biodiversity,
- Management of Non-Timber Forest Products.

CV Mutiara Lestari has identified threats to the health and vitality of forest resources, such as forest fires, illegal logging, illegal grazing, forest encroachment, hunting, pests and diseases and weeds. The forest protection activities are:

- Carry out regular patrols,
- Installing signs and prohibitions not to burn forests, carry out illegal logging and hunt for wildlife protected by law,
- Conducting socialization related to the prohibition of burning forest and land,
- Conduct socialization related to the existence of protected animals and the existence of protected areas.

CV Mutiara Lestari has implemented participatory steps related to livestock grazing activities, where there is no livestock grazing activity by the surrounding community, so that negative impacts due to grazing and livestock populations in areas of forest regeneration, growth and biodiversity can be avoided.

Results of the Public Consultation

Before carrying out the Stage 2 Audit, PT AJA Sertifikasi Indonesia conducted public consultations commencing July 18, 2022, asking stakeholders to provide feedback and information about CV Mutiara Lestari. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via e-mail or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders during the public consultations.

The audit team also collected information from the mass media about CV Mutiara 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, consisting of 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 4,000 hectares.

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

The result of Stage 2 Audit is no non-conformity. The Management Unit operates effectively.

Conditions under which the certificate is issued



Certificate is valid until (dd/mm/yyyy), provided that CV Mutiara Lestari maintains its Surveillance schedule and does not have potential major non-conformity at the next Surveillance.