

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: CV BHAKTI PRAJA MULIA

TOTAL HECTARES: 5,868.99

SCOPE OF REGISTRATION: Sustainable Forest Management of 5,868.99 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification

AUDIT START DATE: October 10, 2019

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: October 12, 2019

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

VM

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

RS

Warsito

SIGNATURE:

W

MAJOR CARS : 0

MINOR CARS : 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
CV Bhakti Praja Mulia	Pelalawan District, Pelalawan Regency, Riau Province, Republic of Indonesia Indonesia	October 10 to 12, 2019
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	

Brief Description of the concession

CV Bhakti Praja Mulia's UPHHK-HTI was based on the Decree of the Regent of Pelalawan District Number 522.21 / IUPHHKHT / 1/2003/011 dated January 28, 2003 for an area of 5,800 ha in order to carry out operations based on the RKUPHHK-HTI document. Later issued Decree of the Minister of Environment and Forestry Number SK.470 / Menlhk / Setjen / PLA.2 / 11/2018 dated November 6, 2018 concerning the Determination of Work Areas for Business Permits for the Utilization of Timber Forest Products in Industrial Plantations of CV Bhakti Praja Mulia with an area of 5,868.99 (Five thousand eight hundred sixty eight and ninety nine per hundred).

In the Management Unit's work area there has been no conversion of natural forest to plantation forest since December 31, 2010. In the production areas of staple plants and livelihood plants there were no natural forest stands and thus there are no areas with the potential for conversion.

The Management Unit has the RKP HHK-HTI Document for the period 2017-2026, which was ratified by SK 1052 / MenLHK-PHPL / UHP / HPL.1 / 3/2018 dated March 13, 2018 concerning Approval of the Plan for the Work Plan for the Utilization of Industrial Timber Forest Products (RKUPHHK- HTI) for the 10-year period of 2017 to 2026 on behalf of CV Bhakti Praja Mulia in Riau Province.

Spatial planning based on the RKUPHHK-HTI document is as follows: 1) Peat Ecosystem Protection Area of 3,659.99 Ha (62,36%), 2) Staple Plant Area 1.771,00 Ha (30,18%), 3) Livelihood Plant Area of 438,00 Ha (7,46%). Total of 5,868.99 ha (100%). Protected Areas consist of : 1) River Border area of 330 ha (5.62%), 2) KPPN / KPSL of 215 Ha (3.66%), 3) Other Protected Areas of 3,114.99 Ha (30.18%)

General working area of the Management Unit of CV Bhakti Praja Mulia:

- Area of work: 5,868.99 Ha
- Geographical location of 00° 33' 39" to 00° 36' 16" North; 102° 17' 46" to 102° 28' 27" East:
- Forest Group: Kutub River, Metas River
- Administrative area: Pelalawan District, Teluk Meranti District
- Government: Pelalawan Regency
- Forestry administration area: Riau Provincial Forest and Environment Agency
- Topography: slope class A (Flat)
- Place height: 15 to 16 meters above sea level
- Soil: Tropohemists, Tropofibrists, Troposaprits,
- Geology: Peat (KLR-Klaru), Peat (MDW-Mendawai)
- Climate: type: A (Schimidt & Ferguson 1955)
- Rainfall: 2,893.5 mm / year – highest in December and lowest in June
- Hydrology: Branch of the Kutub River and Metas River

Work area boundary: West with PT Riau Andalan Pulp and Paper IUPHHK-HT, south with CV Alam Lestari IUPHHK-HT and PT Yos Raya Timber IUPHHK-HA, north with PT National Timber and Forest Product IUPHHK-HT and IUPHHK- PT Putra Riau Perkasa HT, and to the east with PT Putra Riau Perkasa's IUPHHK-HT

Based on the foregoing data the species developed is *Acacia crassicarpa*.

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

The concession area falls under the administrative area of two sub-districts, Pelalawan District and Teluk Meranti District, Pelalawan Regency, Riau Province. The villages that surround the work area are Sungai Ara Village and Ransang Village in Pelalawan District, and Pangkalan Terap Village, Kuala Panduk Village and Petodaan Village in Sungai Meranti District.

Based on environmental documents compiled in 2002, there are no indigenous peoples found as defined by law (Law No. 27 of 2007 and Presidential Decree No. 111 of 1999). The people living around the concession are dominated by Malays who are predominantly Muslim, so the customs and culture in the area is strongly Islamic in nature.

The management unit has identified and respected the system of tenure and legal rights of the community as outlined in the RKUPHHK-HTI document. CV Bhakti Praja Mulia has made an agreement with the surrounding community in the form of cooperation in livelihood plants with a total area of 275.5 and formed the Fire Concern Community (MPA).

The Management Unit has prepared a conflict mapping and resolution report which was conducted in 2018. Based on the conflict resolution mapping report, no community was found to carry out activities within the concession so that no area claimed by the community was found, thus entering the potential conflict status of SAFE.

One of the Community Development program has conducted in the form of infrastructure assistance for teacher office in an elementary school. Assistance in the form of fertilizer, pesticide and durian seedlings provided to a village around the concession. Within two years, the company has performed payments of livelihood plant fees to the community.

Description of the Ecological conditions of the concession

CV Bhakti Praja Mulia has implemented an environmental management and monitoring plan in its operations in the field, in accordance with the RKL and RPL documents, namely monitoring: Soil Fertility, Peat Subsidence, Pyrites Oxidation (FeS₂), Water Level (TMA), Water Quality, and Monitoring of Flora and Fauna.

CV Bhakti Praja Mulia has identified areas that serve to protect land and implemented appropriate steps to protect the area from damage (erosion, landslides, etc.) due to forest management operational activities.

CV Bhakti Praja Mulia conducts critical land rehabilitation in accordance with the plan in the RKT 2019 document. The objective is to maintain and improve the habitat of flora and fauna that are protected, endemic, rare and endangered species, as well as features characteristic for biological interests such as parent trees/seedlings, dead hollow old trees, nesting sites and eating animals. CV Bhakti Praja Mulia has been doing environmental monitoring every 6 months.

From the results of field verification, it is known that the condition of the forests in the protected area of the Management Unit is secondary forest. The condition of the forest is still possible as a habitat for Sumatran elephants (*Elephas maximus sumatrensis*) that are easily adapted to secondary forest areas. Based on literature studies, it is known that Sumatran elephants can be found in peat swamp forests.

In the Environmental Permit Implementation Report of CV Bhakti Praja Mulia (Semesters 1 and 2 of 2019), the Management Unit has conducted an assessment of the impact of concessions on protected, endemic, rare and endangered flora and fauna and threatened / endangered species. Therefore, the Management Unit provides part of the natural forest as its habitat (animal pockets) and animal corridors. From the results of field verification, the Protected Area provided by the Management Unit is the Germplasm Conservation Area (KPPN) and the Wildlife Protection Area (DPSL).

The Management Unit has mapped, allocated a portion of the area that represents the types of ecosystems contained in its work area and protected it. From the results of verification and or field interviews, CV Bhakti Praja Mulia has a Prohibition Policy on the Use of Genetically Modified Species.

Other types of forest disturbance in the form of illegal settlements and poaching are not found in the CV Bhakti Praja

Mulia concession area. The Management Unit prepares a Minutes for each violation of the forest protection activity, the Management Unit steps to resolve the encroachment and land claim issues, namely: identify the area that was claimed and encroached by outsiders and report to the authorities against illegal actors in the area it works.

To prevent and deal with forest disturbances, the Management Unit has built infrastructure, which is a network of canals that functions for transportation, patrolling and as a firebreak. There were also Fire Station Posts, fire towers and water reservoirs for monitoring and handling forest and land fires.

Results of the Public Consultation

Prior to conducting the Recertification Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing September 26, 2019, asking stakeholders to provide feedback and information about CV Bhakti Praja Mulia. 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 any input from stakeholders as a result of the public consultation.

The audit team also gathered information from the mass media about CV Bhakti Praja Mulia, the reported cases being given material consideration as part of the audit process of PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the requirements required for this certification process, comprising legal aspects that include compliance with international rules and rules and conventions. The management system has been built to cover all activities in the field of certification, which is registered for an area of 5,868.99 hectares.

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

Based on the result of Recertification Audit, there are two (2) of Minor Non-Conformities, as follows :

No	Non-Conformities	Corrective Action Performed	Category
1	There are some forest management activities in the field that are not in accordance with the SOP. Such as the livelihood plant signboards, PSP (Permanent Sample Plots) Center Plots are not in accordance with SOP. As well as the rules of labeling information on wood piles on SOP that are not in accordance with the actual conditions on the field. Indicator I.1.11	<ul style="list-style-type: none"> - The Management Unit has revised 3 Spatial Planning SOPs - The Management Unit plans to repair PSP Center Plots according to the SOP - The Management Unit has revised the Timber Administration SOP, including a discussion on label information on wood piles 	Minor
2	Harvesting contractors have not carried out B3 waste management properly and correctly. There were oil spills on the generator containment and in Q.021 plots while repairing excavator heavy equipment. Generators need to be repaired immediately. Indicator I.6.6	K3L Section has issued a Notification Letter and conducts socialization regarding B3 use and B3 waste handling to the contractors	Minor



Conditions under which the certificate is issued

Certificate is valid until February 27, 2023 provided that CV Bhakti Praja Mulia 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.