

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: Surveillance 1 (REMOTE)

AUDIT START DATE: October 12, 2020

AUDIT END DATE: October 14, 2020

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

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Andri Wibisono

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: -

MINOR CARS: -

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	October 12 to 14, 2020
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

The area of CV Bhakti Praja Mulia based on the Decree of the Regent of Pelalawan Regency Number 522.21 / IUPHHKHT / 1/2003/011 dated January 28, 2003 of 5,800 ha is located in Pelalawan District, Pelalawan Regency, Riau Province. The area based on Decree of the Minister of Environment and Forestry Number SK.470 / Menlhk / Setjen / PLA.2 / 11/2018 dated November 6, 2018 concerning the Establishment of a Work Area for Business Permit for Utilization of Timber Forest Products in CV Bhakti Praja Mulia Industrial Plantation Forest covers an area of 5,868.99 ha. There has been no conversion of natural forest to plantation forest since December 31, 2010, so the scope of the IFCC certification is 5,868.99 ha.

The Management Unit has a ten-year Management plan, namely the Revised Work Plan for the Utilization of Timber Forest Products in Industrial Plantation Forest (RKUPHHK-HTI), which was ratified by SK 6052 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 dated June 28, 2020 concerning Approval of Revision of Work Plan for the Utilization of Industrial Forest Timber Forest Products (RKUPHHK-HTI) of 2017 to 2026 on behalf of CV Bhakti Praja Mulia in Riau Province. The spatial planning based on the RKUPHHK-HTI was as follows: Local Protection Areas and Other Protected Areas of 3,659.99 ha (62.36%), Staple Plant Areas of 1,771.00 ha (30.18%) and Livelihood Plant Areas of 438.00 ha (7.46%).

CV Bhakti Praja Mulia is geographically located between the coordinates 00° 33' 39" to 00° 36' 16" North and 102° 17' 46" to 102° 28' 27" East. CV Bhakti Praja Mulia has work area boundaries to the west with IUPHHK-HT PT Riau Andalan Pulp and Paper, south with IUPHHK-HT CV Alam Lestari and IUPHHK-HA PT Yos Raya Timber, north with IUPHHK -HT PT National Timber and Forest Products and IUPHHK-HT PT Putra Riau Perkasa, and to the east with IUPHHK-HT PT Putra Riau Perkasa.

The site condition of the Management Unit's working area is peat soil, based on which, the species under cultivation is *Acacia crassicarpa*.

The Management Unit has complied with the regulations related to peatland management. CV Bhakti Praja Mulia has carried out Revised RKUPHHK in order to improve Peat Management based on Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK 1052 / MenLHK-PHPL / UHP / HPL.1 / 3/2018 dated March 13, 2018. Prepared Reports on the Implementation of Peatland Ecosystem Restoration and Control of Forest and Land Fires based on the Decree of the Director General of Pollution and Environmental Damage Control No. 115 / PPKL / PKG / PKL.05 / 10/2018 dated 18 October 2018. Made adjustments for 2018-2019 activities based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.8905 / MenLHK-PHPL / UHP / HPL.1 / 12/2018 December 28, 2018. The Revised 2017-2026 RKUPHHK based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK. 6052 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 Dated June 28, 2019. There is a peat dome peak of 3,280.69 ha spread over KPPN / KPSL of 181 ha and Other Protected Areas of 3,099.69 ha.

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

CV Bhakti Praja Mulia is located in two sub-districts with five villages, Pelalawan District with the villages of Sungai Ara and Ransang, and Teluk Meranti District with the villages of Pangkalan Terap, Kuala Panduk and Petodaan. All villages are located in Pelalawan Regency. They are all local communities, as based on interviews with the local village heads, Management Unit interviews, and previous year's audit reports, there were no customary communities around the company's concession. Based on data from RKUPHHK-HTI, the majority of residents around the company's concession work in the agricultural sector. Based on data from Pelalawan Regency, the percentage of people working in the agricultural sector is 55.32%, followed by 12.64% in trade and entrepreneurship. Other livelihoods around the concession are manufacturing, electricity, water and gas, building and construction, transportation and communication, and finance and insurance.

Based on the 2020 Social Impact Assessment Report, interviews with village and community heads, management unit interviews, there is no conflict between the company and the community. Based on the July 2020 Potential Mapping and Conflict Resolution Report, the final score of the conflict mapping result is just 3.83%, so the condition of CV Bhakti Praja Mulia is safe.

There is a livelihood plant cooperation between CV Bhakti Praja Mulia and the villages based on the 2019 Notary Deed, plants included in the cooperation being acacia and/or eucalyptus or other types of staple plants. There is another cooperation agreement between CV Bhakti Praja Mulia and a village that is still in the negotiation process between the company team and the representative team from village community leaders.

For the prevention of forest fires, CV Bhakti Praja Mulia has been working with the Fire Care Community since 2014 and this cooperation is still ongoing in the form of fire prevention training, assistance in fire prevention and control equipment. There is documentation of fire prevention training and minutes of handing over aid. Based on the social impact assessment, CV Bhakti Praja Mulia has realized the livelihood fee to the surrounding community in 2018 and 2019.

There is a 2019 Community Development Implementation Report, based on this report, activities carried out include assistance for educational facilities and infrastructure, and economic assistance. There are also Quarter I and Quarter II Reports of 2020 and based on these reports, the 2020 activities in the form of assistance to deal with the impact of Covid-19 were submitted directly to the surrounding community or submitted through the Ministry of Environment and Forestry and the local Manpower Office.

Description of the ecological conditions of the concession

The Management Unit has carried out the Management of Forest Ecosystem and Hydrological Functions through the following activities:

- Identification of forest management activities with significant impacts, and conducting environmental impact assessments through: UKL / UPL documents for IUPHHK-HT CVBhakti Praja Mulia (Approved and Ratified by the Head of Bapedalda Pelalawan Regency No.660 / Bapedalda / XII / 2002/06. Date: December 17, 2002 in the Revision of RKUPHHK 2017 to 2026 concerning Improvement of Peat Governance. The implementation of environmental management and monitoring is presented in the Environmental Permit Implementation report (RPL / RKL) each semester.
- The Reduced Impact Logging activity is carried out in stages: before harvesting activities (pre-harvesting), during harvesting operations, after logging activities (post-harvesting)
- Identification of areas that function for land protection such as the Riparian Areas, KPPN / KPSL and Other Protected Areas
- Identification of areas that function for water protection. such as Border Areas, KPPN / KPSL and Other Protected Areas
- Monitoring of negative impacts of forest management activities in concession areas is carried out in accordance with UKL and UPL documents. CV Tuah Negeri, 2002, has documented procedures that serve as guidelines for monitoring negative impacts due to forest management activities, namely: SOP for Monitoring Protected Areas, SOP for Monitoring of Discharge and Water Quality and SOP for Monitoring of Subsidence and PPWT.

The Management Unit has carried out Biodiversity Management activities through the identification and inventory of protected, endemic, rare and threatened / endangered flora & fauna within the concession area. The results of the identification and inventory can be found in: UKL & UPL documents of CV Bhakti Praja Mulia 2002, Revised RKUPHHK 2017-2026, and RKL / RPL Semester Reports.

- Protected Area Management is carried out in accordance with the RKL / RPL Implementation Report each semester.
- Identification of key protected and threatened / endangered species includes their habitats and their migration

patterns and there is a map of fauna distribution, but no flora distribution as yet. Based on the identification, there are no key species in the area.

- The staple plants cultivated are not genetically modified tree species, but *Acacia cracisscarpa*.

The Management Unit has carried out Forest Protection activities, be these due to human or natural causes

- Identify and monitor disturbances in Sustainable Forest Management based on UKL, UPL 2002 documents, 2017-2016 RKUPHHK Revisions and RKL / RPL reports each semester.
- Has a documented procedure to prevent and deal with disease and pest attacks, utilizing mechanical, biological or chemical procedures as deemed most suitable,
- Regulate the management of chemical pesticides in the field, plus also has documented procedures for controlled use of Management of Hazardous and Toxic Waste (B3), Handling Spills of Fuel, Lubricants and Chemicals, Weed Control, and for Integrated Pest and Disease Management.
- Has implemented forest protection measures against fire hazards working in cooperation with the village Fire Care Community. In the work area, livestock grazing activities by the community are prohibited.
- CV Bhakti Praja Mulia has implemented appropriate / measurable steps in forest protection activities.

Results of the Public Consultation

Prior to undertaking the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing October 2, 2020, 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 by email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from the public consultation.

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

The Management Unit has identified all the necessary requirements for this certification process, consisting 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 covering 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 results of the Surveillance 1 Audit, no Non-Conformities of either a Major or Minor nature were identified by the audit team.

Conditions under which the certificate is issued

Certificate is valid until February 27, 2023 provided that CV Bhakti Praja Mulia does not have any 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.