

Public Report Sustainable Forest Management System

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ORGANIZATION 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 & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: 9 December 2024

AUDIT END DATE: 11 December 2024

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: R Sigit Pamungkas

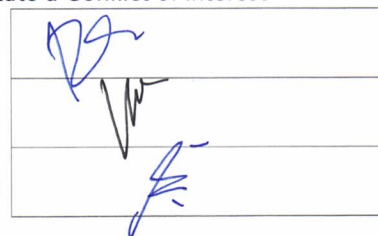
SIGNATURE:

AUDIT TEAM: Andri Wibisono

SIGNATURE:

Tata Sumitra

SIGNATURE:



MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED including countries	DATE OF EACH SITE VISIT:
Head office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru 28143, Riau Province, Indonesia	9 December 2024
Site	Kecamatan Pelalawan, Kecamatan Teluk Meranti, Kabupaten Pelalawan, Provinsi Riau, Indonesia	10-11 December 2024
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

CV Bhakti Praja Mulia received its initial forestry business permit based on the Decree of the Regent of Pelalawan Regency Number 522.21/IUPHHKHT/1/2003/011 dated January 28, 2003 covering an area of 5,800 ha located in Pelalawan District, Pelalawan Regency, Riau Province. The Organization has obtained a work area determination based on the 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 the Work Area for the Business Permit for the Utilization of Timber Forest Products in the Industrial Plantation Forest of CV Bhakti Praja Mulia covering an area of 5,868.99 ha. The latest developments to date have been obtaining a PBPH (Forest Utilization Business Permit) Decree with the Decree of the Minister of Environment and Forestry No. SK.806/Menlhk/Setjen/HPL.0/9/2021 dated September 21, 2021 covering an area of 5,868.99 Ha, in this Decree there was a change in nomenclature from IUPHHK-HT to PBPH (Forest Utilization Business Permit). There were no natural forest conversion areas after 31 December 2010. The work area according to the permit is 5,868.99 ha. The Forest Area is 5,868.99 ha, as well as the certified area is 5,868.99 Ha.

The organization has a ten-year management plan, namely the Revised Work Plan for the Utilization of Industrial Timber Forest Products (RKUPHHK-HTI) ratified by Decree of 6052/MenLHK-PHPL/UHP/HPL.1/6/2019 dated 28 June 2020. According to the current RKUPHHK-HTI, the spatial layout consists of Local Protected Areas and Other Protected Areas of 3,659.99 ha (62.36%), Staple Plant Area of 1,771.00 ha (30.17%) and Livelihood Plant area of 438.00 ha (7.47%). The allocation of livelihood plants of 20% is fulfilled from the Local Protected Areas and Other Protected Areas in the form of non-timber forest product.

CV Bhakti Praja Mulia is geographically located between 00° 33' 39" to 00° 36' 16" North and 102° 17' 46" to 102° 28' 27" East. CV Bhakti Praja Mulia is surrounded by Industrial Plantation Forest companies, Work area boundaries:

- to the west with PBPH PT Riau Andalan Pulp and Paper,
- to the south with PBPH CV Alam Lestari and IUPHHK-HA PT Yos Raya Timber,
- to the north with PBPH PT National Timber and Forest Product and PBPH PT Putra Riau Perkasa, and
- to the east with PBPH PT Putra Riau Perkasa.

There are 5 villages located around the CV Bhakti Praja Mulia concession, namely Ransang Village, Sungai Ara Village, Pangkalan Terap Village, Kuala Panduk Village, and Petodaan Village. The five villages are in Pelalawan District (Ransang Village and Sungai Ara Village) and Teluk Meranti District (Kuala Panduk Village and Petodaan Village), all of which are in Pelalawan Regency, Riau Province.

The concession forestry administration is located in KPH Tasik Besar Serkap. It is a part of Kutub River sub-watershed and Kutub River - Metas River Forest Group. It has an altitude of 16 meters above sea level with the climate type A. The geological formation is peat (KLR-Klatu and MDW-Mendawai) with soil type of Tropohemists, Tropofibrists, Troposaprits. The peat forest is included in hydrological unit of Siak River - Kampar River. According to the site the type, the plant species that developed is *Acacia crassicarpa* with a 4-years harvesting cycle.

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

CV Bhakti Praja Mulia operates in Pelalawan Regency, which includes Pelalawan and Teluk Meranti Districts. The majority of the population are farmers, with the most populated village being Lalang Kabung and the least populated being Ransang Village.

A 2023 Social Impact Assessment showed that the majority of the local community (65.1%) welcomed the presence of Industrial Plantation Forests, although 14% opposed it. The main challenges identified in the interviews included limited

job opportunities and a lack of education, leading many people to work in agriculture. CV Bhakti Praja Mulia is seen as an important source of potential employment, especially in non-agricultural sectors.

The company has established cooperative agreements with five fostered villages in Pelalawan and Teluk Meranti Districts. These agreements focus on Livelihood Plant Management and profit-sharing, benefiting villages like Ransang, Sungai Ara, Kuala Panduk, Pangkalan Terap, and Petodaan. The company's community impact is notable in agriculture, with most villagers engaged in farming, and it also supports rice farming, fishing, and livestock activities. CV Bhakti Praja Mulia aims to improve local livelihoods through these partnerships.

CV Bhakti Praja Mulia has a conflict resolution protocol that includes identifying, analyzing, and addressing conflicts through a structured process. Efforts to prevent conflicts include boundary markings, communication with villagers, coaching and cooperation with the community in the form of Livelihood Plant Management and CSR/CD partnership programs and regular patrols to prevent forest fires. The company has also created a safe environment through its Social Management program, focusing on maintaining peaceful relations with surrounding communities.

According to the company's Public Relations, village representatives, and the community of the visited village, there was no conflict between the company and the surrounding community. To maintain area security and good relations, the company has implemented a social management program in the form of forestry partnership cooperation and has implemented a CSR/CD program for the fostered village and its surroundings.

Regarding cooperation in fire prevention with the fostered village, the company has made a cooperation agreement in Community with Fire Awareness. According to the NTFP Utilization Report in the CV Bhakti Praja Mulia area that has been made routinely, there are four groups of fish users. The cooperation on livelihood plants is still valid until now and the profit-sharing fee for the first period of cooperation for each village has been handed over.

The company's Corporate Social Responsibility (CSR) programs support the surrounding villages with initiatives in agriculture, education, infrastructure, and disaster relief. For 2023-2024, CV Bhakti Praja Mulia has invested in empowering farmer groups, providing flood relief, and implementing other community development programs. The company's CSR efforts aim to foster long-term well-being in the region while continuing its cooperation in Livelihood Plant Management and fire prevention.

Description of the Ecological conditions of the concession

CV Bhakti Praja Mulia holds several key permits and regulatory decrees that govern its operations. These include the Decree from the Head of the Investment and One-Stop Integrated Service Office of Pelalawan Regency, which extends the company's operational permit for B3 Waste Management, valid until December 28, 2026. Additionally, the company has been designated a Peat Ecosystem Protection Function Area, covering 3,659.99 hectares, as per the Director's Decree in 2019. The total area under the company's management is 5,869 hectares, with significant portions allocated to protected areas and Livelihood Plant management.

The company has defined spatial areas within its operational zone, with 29% of the land dedicated to staple plants, 7% to livelihood plants, 62% to protected areas, and 2% to infrastructure. The management of these protected areas includes a range of activities aimed at maintaining ecological balance and sustainability. These activities include marking boundaries, vegetation analysis every six months, soil fertility and pyrite analysis, and the installation of signboards to protect the ecosystem.

CV Bhakti Praja Mulia also prioritizes the conservation of wildlife within its concession areas. The protected zones function as wildlife corridors, and efforts to prevent disturbances from wildlife include the installation of signs prohibiting

hunting and the Organization of patrols to prevent poaching. These measures help create safe habitats for wildlife while minimizing potential conflicts with community and company operations.

Regarding forest and land fire management, the company has implemented a comprehensive fire prevention strategy. This includes early detection through satellite hotspot monitoring, the establishment of firebreaks with canals and perimeter boundaries, and the creation of a dedicated fire control Organizational structure. Furthermore, the company provides regular training for fire-fighting personnel, installs fire hazard signs, and empowers local communities to prevent and manage fire risks, especially during extreme fire danger conditions.

Results of the Public Consultation

Prior to carrying out the Surveillance 2 Audit, PT ACube TIC International conducted a public consultation starting 7 November 2024, asking stakeholders to provide feedback and information about CV Bhakti Praja Mulia. The public consultation was uploaded to the PT ACube TIC International website (www.ajaindonesia.com), sent to parties by email or postal mail, and published in local newspapers. There was no input from the stakeholders.

The audit team also collected information from the mass media about CV Bhakti Praja Mulia. The reported cases are considered part of the PT ACube TIC International audit process.

The Organization has identified all the requirements necessary for this certification process, which consists of legal aspects that include compliance with regulations and international rules and conventions. The management system has been built to cover all activities in the field of certification, which are registered for certification covering an area of 5,868.99 hectares

Organization progress record related to corrective action on findings of nonconformities in previous audit

The result of this Transition to IFCC ST 1001:2021 + Surveillance 1 Audit is 3 (three) non-conformities in Minor categories. The Organization has made improvements and no repetition of these non-conformities. The non-conformities are closed.

Number	Non-Conformities	Corrective Action Performed	Closed Out surveillance 2 years 2024
1	The Organization has not yet revised SOP-NEN-007 Harvesting Timber from Planted Forests in Peat Areas. There are several inconsistencies in implementation in the field with the SOP. Indicator 7.3.4	The Organization has made a draft revision of the SOP by adding work procedures for full mechanical and semi-mechanical system harvesting as well as mechanisms for dividing wood lengths (bucking) and procedures for loading wood in barging. The Organization will also conduct outreach to harvest workers to increase the understanding and awareness of the work mechanisms set by the company.	The Organization has revised SOP-NEN-007 Harvesting of Plantation Forest Timber on Peat Land, Revision 4 dated 1-2-2024.

		The consistency of the improvements made will be reviewed in the next audit (Audit Surveillance 2)	
2	The Organization has carried out internal audit activities that include the standards ISO 14001:2015, ISO 45000:2018, Decree of the Director General of PHPL No. P.62/PHPL/SET.5/KUM.1/12.2020 (Appendix 1 & 2), SMK3, SFMP 2.0 Policy, IFCC Standard ST 1001:2014 but does not include IFCC Standard ST 1001:2021. Indicator 8.2.1	The Organization has made improvements through the implementation of the 2023 internal audit which was carried out on February 27 to March 3, 2024, included the IFCC ST 1001:2021 standard.	The Organization has conducted an internal audit of the Tasik Estate in 2023 which was carried out on February 27-March 3, 2024, which includes the IFCC ST 1001:2021 standard. The non-conformities has been corrected and is closed.
3	The Organization has implemented a Management Review in 2022, but its scope is still limited to K3 policies and objectives. It did not include Organizational performance information, including audit results of mandatory standards (PHPL), IFCC ST 1001:2021 standards, SFMP 2.0 Policy, etc. Indicator 8.3.1	The Organization has carried out the 2023 Management Review on February 10, 2024 with the topic of Organizational performance information, audit results of mandatory standards (PHPL), IFCC ST 1001:2021 standards, SFMP 2.0 Policy, etc.	The Organization has conducted the 2023 CV Bhakti Praja Mulia K3L (Occupational Health, Safety, and Environment (HSE)) Management Review on February 15, 2024 and has met the requirements of the IFCC ST 1001:2021 Standard. Discussion topics: <ul style="list-style-type: none"> - The status of outstanding previous Management Review. - Changes in external and internal problems. - Fulfillment of K3 policies and objectives. - Information on K3L performance - Adequate human resources. - Results of LK3 participation and communication with related parties. - Opportunities for improvement.

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

The results of the Surveillance 2 Audit were no findings.

Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00035/II/2017 is valid until February 27, 2026, provided that CV Bhakti Praja Mulia maintains its Recertification schedule and does not have potential major non-conformity at the next Recertification.