

Public Report Sustainable Forest Management System

**Ownership of this report and the information
contained herein remain the property of AJA Europe**



AJA EUROPE
PUBLIC AUDIT REPORT - SFM
TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



CLIENT NAME: CV Bhakti Praja Mulia

TOTAL HECTARES: 5,800 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 5,800 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: October 11, 2018

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 13, 2018

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Ardi Prasetyo

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 3

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 11 to 13, 2018
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		

Document: Report Format Public - IFCC

Issue: D

Date: 15 September 2016

Page: Page 2 of 6



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.

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 5,304.99 ha (90.4%), 2) Local Protected Area and Other Protected Areas 0 ha, 3) Staple Plant Area 564 ha (9.6%), 4) Livelihood Plant Area of 0 ha. Total of 5,868.99 ha (100%). Protected Areas consist of: 1) Riparian Area of 330 ha (5.6%), 2) KPPN / KPSL of 215 Ha (3.7%), 3) Other Protected Areas of 3,114.99 Ha (53.1%), 4) Ecosystem Function Peat of 1,645 ha (28.0%). Total 5,304.99 ha (90.4%),

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

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

Based on a 1: 250,000 scale Peat Ecosystem Function Map published by the Ministry of LHK (Appendix Minutes No.BA.046 / UHP / RKUPHT / HPL.I / 3/2017 dated March 20, 2017 the entire work area is peat soil. The total area of 5,868.99 ha overlaps with the designation of peat ecosystem protection function area (KFLEG) covering an area of 5,304.99 ha. (90.4%). Spatial planning of the protected area functions of the peat ecosystem in the field is carried out in stages until the



cutting of the previous cycle of crops is completed. Arrangement of KFLEG area boundaries have been made in the field.

Plans for Restoring the Function of Peat Ecosystems.

The operational activities of IUPHHK-HTI on peat land are feared to cause damage to the peat ecosystem. Damage to the function of the peat ecosystem is characterized by the presence of artificial drainage, exposure of pyrite sediments and the reduction of land cover area.

In the peat areas identified as being damaged, recovery activities are carried out based on LHK Regulation No. P.16 / Menlhk / Setjen / Kum1 / 2/2017 concerning Technical Guidelines for Function Recovery of Peat Ecosystems. Specific guidelines have been prepared for recovery of damaged peak ecosystems, which include no replanting of staple or livelihood plants, taking measures to maintain water levels, no further clearing but re-vegetation with right type, species and process for the specific area.

The detailed plan for restoring the functions of the peat ecosystem is described in the Plan for Functioning of Peat Ecosystem Restoration, which is consulted with the Directorate General of Pollution Control

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.

Based on the conflict resolution mapping report, there are no cases of people carrying out activities within the concession area, thus there are no areas claimed by the local community that have the potential to result in conflict

The Management Unit has entered into cooperation agreements on the management of livelihood plants, as well as on Fire Awareness (MPA), which was formed in 2014. Under the: forest fire prevention agreement, the company will be responsible for conducting training and empowerment of MPA.

The Management Unit has conducted a Community Development Program (CD) in 2018, with reports on its realization being available up to September. Realization was in the form of religious, educational, social and health assistance to the surrounding community. In addition, there is a record of receipts for compensation for livelihood plants to the villages in 2018.

Description of the ecological conditions of the concession

The Management Unit has identified forest management activities that have important impacts and conducting environmental impact assessments as contained in the ANDAL document (Environmental Impact Analysis), RKL (Environmental Management Plan) and RPL (Environmental Monitoring Plan) of CV Bhakti Praja Mulia in 2002. Implementation of environmental management and monitoring each semester is presented in the CV Bhakti Praja Mulia Environmental Permit Implementation Report, a copy of which is submitted to the relevant authorities on a periodic basis.

AJA EUROPE
PUBLIC AUDIT REPORT - SFM
TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



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.

The Management Unit has taken precautionary measures against soil and water damage through implementation of RIL (Reduced Impact Logging) in harvesting; transportation and infrastructure development activities; immediate planting of production area after its handover; maintenance of protected areas as water catchment areas; and recommended use of pesticides, herbicides and chemical fertilizers, etc. Other measures include maintaining the water table level to avoid oxidation of pyrites, as well as standard procedures for handling hazardous and toxic materials and their waster (B3).

The Management Unit has carried out an inventory, mapping the distribution and identification of protected, endemic, rare flora and fauna and threatened / endangered species and their habitats. Among the important genetic resources that are threatened or protected in the work area of the Management Unit are: Elang (members of the Acciptridae family), *Halcyon smyrnensis*, *Alcedo* sp., while protected plants include *Shorea* spp. and *Nepentes* spp., as well as *Cyrtostachys lakka*, which is a threatened plant species.

CV. Bhakti Praja Mulia has carried out maintenance of protected, endemic, rare flora and fauna habitats and endangered / endangered species namely by allocating and establishing protected areas, installing signboards in protected areas, marking protected area boundaries, socializing protected areas, patrolling daily and monitoring of flora and fauna.

The main plant species cultivated by the Management Unit is *Acacia crassicarpa*, which is not a genetically modified plant species. While this species is not endemic but invasive. with the type of planting area being localized, it can be controlled. Moreover, in the work area there is no grazing of livestock.

There are no forest disturbances in the work area resulting from community encroachment, illegal logging, poaching or land claims. The only disturbances that do occur are on a small scale and result from pest and diseases of staple plants, for which the Management Unit utilizes manual and chemical/herbicide approaches.

Results of the Public Consultation

Prior to conducting the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing September 28, 2018, 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 5,800 hectares.

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 of CV Bhakti Praja Mulia revealed three (3) Minor Non-Conformities (NC) as noted below. The Management Unit has since addressed these issues. No critical issues were identified during the audit.

No	Non-Conformities	Corrective Action Performed	Category
1	Only 1 of the 27 units of equipment operating in the concession had a valid Eligible Permit (SILO), the other permits having expired.	The Management Unit has extended the SILO for all units on which it had expired.	Minor

AJA EUROPE

PUBLIC AUDIT REPORT - SFM

TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



	Clause Ref I.1.13		
2	The Management Unit has not submitted its Potential and Conflict Resolution Mapping Report to the requisite authorities as required, Clause Ref. I.9.5.	The Management Unit has mapped potential and conflict resolution and will update the potential map and conflict resolution. The company will submit the progress conflict resolution report to the Riau Province Environment and Forestry Agency.	Minor
3	The Management Unit has conducted noise testing on the generator but has not yet tested the chain saw and heavy equipment noise and vibration, nor room air temperature and lighting levels that should be carried out each semester. Clause Ref . I.12.2	The Management Unit will carry out threshold value measurements for heavy equipment, chain saw, room temperature and lighting level.	Minor

Conditions under which the certificate is issued

Certificate is valid until February 27, 2020, 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.