

# Public Report Sustainable Forest Management System

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CLIENT NAME: PT BUKIT RAYA MUDISA

TOTAL HECTARES: 23,140

SCOPE OF REGISTRATION: Sustainable Forest Management of 23.140 Hectares of Plantation Forest in West Sumatra Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: July 10, 2023

AUDIT END DATE: July 13, 2023

In signing this document the Audit team confirmed that they 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: Andri Wibisono



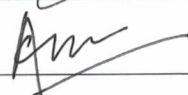
SIGNATURE:

AUDIT TEAM: Abdullah Mujahid

SIGNATURE:

Agung Utama Lubis

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 28143, Provinsi Riau, Indonesia	July 10, 2023
Site	Sijunjung - Basecamp PT BRM Main Road Km 13.7, Kenagarian Koto Nan IV Dibaiah, Kecamatan IX Koto, Kabupaten Dharmasraya, Propinsi Sumatera Barat, Indonesia	July 11 to 13, 2023
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

PT Bukit Raya Mudisa received its first forest management business permit based on the Decree of the Minister of Forestry and Plantations No. 257/Kpts-II/2000 dated 23 August 2000 concerning the granting of Plantation Concession Rights to PT Bukit Raya Mudisa over a Forest Area of approximately 28,617 Ha in the Province of West Sumatra. PT Bukit Raya Mudisa obtained its latest concession permit of Forest Utilization Permit (PBPH) based on the Decree of the Minister of Environment and Forestry No. SK.592/MenLHK/Setjen/HPL.3/9/2021 dated 8 September 2021 concerning the Amendments to the Decree of the Minister of Forestry and Plantations No. 257/Kpts-II/2000 dated 23 August 2000 concerning the granting of Plantation Concession Rights to PT Bukit Raya Mudisa over a Forest Area of approximately 28,617 Ha in the Province of West Sumatra. There was a change in the nomenclature of IUPHHK-HTI to PBPH. There is a conversion of natural forest into plantation forest after 31 December 2010 of 5,477 Ha. Thus, the IFCC certified area is 28,617 Ha - 5,477 Ha = 23,140 Ha.

PT Bukit Raya Mudisa has a Forest Utilization Business Work Plan which was ratified by Decree of the Minister of Environment and Forestry Number: 1243/MenLHK-PHPL/UHP/HPL.1/3/2018 dated 26 March 2018 concerning the Approval of Business Work Plans for Utilization of Timber Forest Products for Industrial Plantation Forests (RKUPHHK-HTI) For a Period of 10 (Ten) Years of 2018 to 2027. According to the RKUPHHK-HTI, the spatial layout of the concession is divided to Local Protected Areas and Other Protected Areas of 12,470 Ha (43.58%), Staple Plants area of 10,154 Ha (35.48%), Livelihood Plant area of 5,993 Ha, with a total of 28,617 Ha (100%).

Geographically, PT Bukit Raya Mudisa is located between 00°59'13" to 01°11'12" South and 101°17' 56" to 101°24'09" East. Based on the government administration, it is apt of Pulau Punjung District, Dharmasraya District, Kamangbaru District, Sijunjung District and Sangir Batang Hari District, South Solok Regency, West Sumatra Province. The forest is in the Momong River forest group, Batanghari River.

The topography of the PT Bukit Raya Mudisa area is mostly flat (0-8%) of 14,844 ha (51.9%); sloping (8-15%) of 5,844 ha (20.4 %), slightly steep (15-25%) of 2,935 ha (10.3%), steep (25-40%) of 4,783 ha (16.7%) and very steep (>40%) of 212 ha (0.7%). The soil types consisted of cambisol association, oxysol, podzolic, etc. the geological formations consist of surface deposits, Barisan formations, Pelapat formations and granic rocks. The hydrological conditions in PT Bukit Raya Mudisa are Batang Hari watersheds including Batang Sangir, Batang Momong, Sipotar and Batang Siat sub-watersheds. The species of plants cultivated in PT Bukit Raya Mudisa area are *Acacia mangium*, *Acacia crassicarpa* and *Eucalyptus* sp with a 6-year crop cycle.

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

There are 11 *nagari* (villages) around the concession covering 4 districts and 3 regencies in West Sumatra Province. Based on the Regional Regulation of West Sumatra Province Number 6 of 2008 concerning *Ulayat* Land and its Utilization, PT Bukit Raya Mudisa acknowledges the existence of community *ulayat* in the concession area. Even though there are regulations regarding customary land, the residents are classified as local people, not customary law communities. According to PT Bukit Raya Mudisa Semester II Year 2022 Potential Mapping and Conflict Resolution Report, the livelihoods of the people around the company are dominated by farmers of 77% of the population, then traders and/or labor of 10%, and others of 13%.

PT Bukit Raya Mudisa has made conflict resolution efforts with the surrounding community. According to the Report on Potential Mapping and Conflict Resolution of PT Bukit Raya Mudisa Semester II of 2022, the potential conflict value is 53%, with the conclusion potential conflict status is Alert. Efforts taken in accordance with the conclusions of potential conflicts are Alternative Dispute Resolution (ADR). There conflict resolution efforts are in the Joint Agreement of Forestry Partnership Scheme with some specific requirements, with the term of forestry partnership of 35 years.

PT Bukit Raya Mudisa has collaborated with the surrounding community. Based on the PT Bukit Raya Mudisa Cooperation Agreement List, collaboration has been carried out with eleven villages including the village cooperative units. The Management Unit has carried out a corporate social responsibility program for the surrounding villages as well. Based on the Community Development Program Report of 2022, the realization of the program reached 199% of the plan that had been made previously. The realization includes *qurban* animal aid for three regencies, assistance for female cows, village road repair, basic food aid for earthquake victims, and donation of sports equipment for the youth. As for the Community Development Program Realization up to Quarter II of 2023, the activities were prayer equipment and greenhouse building material for schools, *qurban* animal aids, and donation of traditional costumes and musical instruments for the village.

#### Description of the ecological conditions of the concession

The Management Unit has conducted forest ecosystem and hydrological function management through the following activities:

- Identification of forest management activities that have significant impacts, and conduct environmental impact assessments through Documents of AMDAL, RKL and RPL (2003) and RKUPHHK-HTI of 2018 to 2027.
- Implementation of Reduced Impact Logging activities before, during, and after logging activities.
- Identification of areas functioning for soil and water protection and allocation of the area to be Local Protected Areas and Other Protected Areas consists of River Borders of 5,240 Ha, Buffer Zone Pangean Nature Reserve of 1,750 Ha, KPSL/KPPN of 1,652 Ha and Other Protected Areas of 3,828 Ha.
- Monitoring of negative impacts of forest management activities in the concession area in accordance with the AMDAL, RKL and RPL (2003) and documented procedures that serve as guidelines.
- Control the use B3 (Hazardous and Toxic Materials) in accordance with the SOP for Management of Hazardous and Toxic (B3) Waste, SOP for Handling Spills of Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP for Handling Integrated Pests and Diseases.

The Management Unit has conducted biodiversity management through the following activities:

- Identification and inventory of protected, endemic, rare and threatened/endangered flora and fauna in accordance with applicable regulations. The updated results of the identification and inventory can be found in the Reports on the Implementation of Environmental Permits for Semester I and II 2022, and a distribution map of flora and fauna.
- Management of Protected Areas is in accordance with the RKL/RPL Implementation Report each semester (Semesters I and II 2022) as well as SOPs for Determination of Protected Areas and SOPs for Monitoring Protected Areas.
- Not cultivated a genetically modified tree species but *Acacia mangium* and *Eucalyptus* sp.

The Management Unit has carried out forest protection through the following activities:

- Identification and monitoring of disturbances in Sustainable Forest Management.
- Prevention and dealing with pest attacks in accordance with the Integrated Pest and Disease Control SOP.
- Regulation of the management of chemical pesticides in the field with the SOP of for Weed Control, SOP for Integrated Pest and Disease Control, SOP for Handling Spills of Fuel, Lubricants and Chemicals and SOP for Hazardous and Toxic Waste Management.
- Implementation of forest protection measures against fire hazard.
- Prohibition of livestock grazing activities by the community in the concession area.

#### Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing June 3, 2023, asking stakeholders to provide feedback and information about PT Bukit Raya Mudisa. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.acubetic.com/indonesia](http://www.acubetic.com/indonesia)), sent to parties by email or postal mail, and published in local newspapers. During the public consultation, PT AJA Sertifikasi Indonesia received an input from a village representative.

There are three points of input that being summarized to the request to exclude some areas from the concession to facilitate the community to manage the lands. The audit team has communicated to the Management Unit regarding these inputs and the conclusions are:

1. The release of forest areas and changes in the forest function is the authority of the Minister of Environment and Forestry of the Republic of Indonesia.
2. PT Bukit Raya Mudisa already has conflict resolution and is well implemented. As for the land claims stated by the village representative, attempts have been made to resolve this issue. In the conflict resolution efforts, the Management Unit has a Joint Agreement of Forestry Partnership Scheme between PT Bukit Raya Mudisa the village, signed by the President Director of PT Bukit Raya Mudisa and the village representative and is known to the Director of Conflict Management of Tenure and Customary Forests of the Ministry of Environment and Forestry, and Head of the West Sumatra Provincial Forestry Service.

The audit team also collected information from the mass media about PT Bukit Raya Mudisa. The reported cases are considered as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects which include compliance with international regulations and rules and conventions. A management system has been established to cover all activities in the area of certification, registered for certification covering an area of 23,140 hectares.

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

In this Surveillance 1 Audit, there is no non-conformity either in minor or major category. The Management Unit operates effectively.

#### **Conditions under which the certificate is issued**

Certificate is valid until November 3, 2025, provided that PT Bukit Raya Mudisa maintains its Surveillance schedule and does not have potential major non-conformity at the next Surveillance.