

# 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:** PT BINA DAYA BENTALA

**TOTAL HECTARES:** 19,649.10

**SCOPE OF REGISTRATION:** Sustainable Forest Management of 19,649.10 hectares of Plantation Forest in Riau Province

**STANDARDS/CRITERIA:** IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

**TYPE OF AUDIT:** Additional Surveillance due to Covid-19 Pandemic (REMOTE)

**AUDIT START DATE:** December 13, 2021

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:** December 16, 2021

**LEAD AUDITOR:** Andri Wibisono

**SIGNATURE:**

**AUDIT TEAM:** Riyadi Sigit Pamungkas

**SIGNATURE:**

Agung Utama Lubis

**SIGNATURE:**

**MAJOR CARS:** 0

**MINOR CARS:** 1

<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF COMPANY SITES VISITED including country</b>	<b>DATE OF EACH SITE VISIT:</b>
PT Bina Daya Bentala	Jurong District, Bonai Darussalam District, Rokan Hulu Regency, Riau Province, Indonesia	December 13 to 16, 2021
<b>SITE NAME (Legal Name):</b>	<b>ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION INCLUDING COUNTRY– TO BE COMPLETED IF THE CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN</b>	
N/A		

#### Brief Description of the Concession

The first obtained concession permit of PT Bina Daya Bentala was the Decree of Business Permit for Management of Timber Forest Products in Industrial Plantation Forests from the Minister of Forestry based on: SK Menhut No. 555/Menhut-II/2006 dated December 22, 2006, of 19,870 Ha. Then, the company received its latest permit of the Decree of the Minister of Environment and Forestry Number: SK.560/Menlhk/Setjen/PLA.2/10/2017, dated October 17, 2017, concerning the Designation of Work Areas for Business Permits for the Utilization of Timber Forest Products in PT Bina Daya Bentala Plantation Forest of 20,142.10 Ha in Rokan Hulu Regency, Riau Province. There was a conversion of natural forest into plantation forest of 493 hectares after December 31, 2010. The scope of IFCC certification becomes 19,649.10 hectares after the reduction of the converted area from the total area.

In its operations, PT Bina Daya Bentala has a Management Plan document, namely the Revised RKUPHHK-HTI document of 2017 to 2026. This long-term period business plan has been approved by the Decree of the Minister of Environment and Environment and Forestry cq. Director-General of PHPL Number: SK.6073/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019.

The spatial planning according to the Revised RKUPHHK-HTI is Local Protected Areas and Other Protected Areas of 2,745 ha (13.63%), Staple plant area of 13,273.20 ha (65.90%), and Livelihood plant area of 4,123.90 Ha (20.47%), with a total area of 20,142.10 Ha (100%). The Local Protected Areas and Other Protected Areas is consisting of a River border area of 2,172 Ha (10.78%), Germplasm Conservation Area of 292 Ha (1.45%), and Wildlife Conservation Area of 281 Ha (1.40%).

The geographical location of PT Bina Daya Bentala is at 01 01' 45" to 01 23' 15" North and 100 51'15" to 100 59' 50' East. Administratively, it is part of Bonai Darusalam District, Rokan Hulu Regency. The concession is surrounded by three villages of Bonai, Kasang Padang, and Sontang.

The topography of the area ranges from 5 to 15 meters above sea level with a slope of 0% to 8% with lowland peat soil types. According to the Schmidt-Ferguson classification, the area has a Type A climate with an annual rainfall of 1,511 mm. The species of plant cultivated in the PT Bina Daya Bentala area is *Acacia crassicarpa*. Based on the Peat Ecosystem Function Map with a scale of 1: 250,000 published by the Ministry of Environment and Forestry dated March 20, 2017, the entire working area is peat soil. PT Bina Daya Bentala had performed the revision of the RKUPHHK document based on the documents of Recovery and Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number P.10/Menlhk/Setjen/Kum.1/3/2019 concerning Determination and Management of Peat Dome Peak based on the Peat Hydrological Unit.

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

There are no customary law communities in the PT Bina Daya Bentala concession that are recognized by the state. This has also been conveyed in previous audit activities. According to the Monograph Data of PT Bina Daya Bentala Assisted Villages in 2021, the livelihoods of residents around the company are dominated in the agricultural sector. The people are mostly working as farmers and fishermen.

PT Bina Daya Bentala has made efforts to resolve conflicts with the surrounding community. The efforts are by establishing cooperation with the people. There is a Partnership Pattern Plantation Forest Cooperation as a form of conflict resolution efforts over land claims. Several claims were being resolved through litigation. Though, according to the Community Leaders, for at least the last five years there has been no conflict between PT Bina Daya Bentala and the surrounding community.

The collaboration with the surrounding community includes the Partnership Pattern Plantation Forest (HTPK)

agreements which last for ten years. PT Bina Daya Bentala also collaborates with the surrounding community in efforts to prevent forest and land fires by establishing the Community with Fire Awareness groups. Other cooperation is in terms of wood utilization in the concession. The community gets a fee for harvesting wood of acacia.

PT Bina Daya Bentala has implemented a Corporate Social Responsibility program for the surrounding community. Activities carried out include the sectors of education, social, youth, religion, infrastructure, road repairs, village facilities improvements. The total activities that have been realized are 73% of the planned. PT Bina Daya Bentala also provided an opportunity for the local Community Cooperative to develop industrial forest plantations, such as to work in the nursery sector.

#### Description of the Ecological conditions of the concession

PT Bina Daya Bentala has monitored the negative impacts of forest management activities, including physical and chemical soil quality, soil compaction due to the use of heavy equipment, land subsidence, sedimentation, flooding, and water quality degradation. Monitoring the level of soil fertility was carried out on composite soil samples in the top layer (0-40) cm with a frequency of once a year.

PT Bina Daya Bentala has developed and implemented a Documented Procedure for the controlled use of B3 (Hazardous and Toxic Substances) Implementation related to the Controlled Use of B3. In general, field conditions indicate that B3 has been managed in accordance with established standards and procedures. B3 is separated according to the type (liquid or solid). The condition of the building environment is clean from spills. There is a catchment area for B3 and Liquid Waste.

The Management Unit had conducted identification and inventory of fauna. Based on the results of field observations, there were signs of the presence of these key species. The signs were in the form of tracks and traces found in protected areas. According to the identification, the key species is Sumatran tiger (*Panthera tigris sumatrae*). Maintaining the protected area especially river borders is the important way to protect the tiger. The Management Unit had installed camera traps, warning signs, and hunting prohibition signs in protected areas. Other species of wildlife identified in the concession include *Hylobates agilis*, *Sus scrofa*, *Neofelis diardi*, many families of birds, and reptiles.

The forest type in the concession is a secondary peat swamp forest. The vegetation diversity in peat swamp forests is usually not as much as in dryland forests, but there are valuable wood species, such as Ramin (*Gonystylus bancanus*) and Meranti (*Shorea* spp). The dominant plants are *Dyospyros oblongus*, Bengku (*Nauclea* sp). and *Dacriodes* sp. with high density.

The Management Unit monitors the disturbances in sustainable forest management on a regular basis to identify any disturbances. The Management Unit conducts patrol activities and makes reports. The report serves as the basis for conducting evaluation and monitoring as well as taking appropriate actions to deal with various types of disturbances in sustainable forest management. The monthly patrol report is also recapitulated into the Environmental Permit Implementation Report (Environmental Management and Monitoring) every semester. Several types of disturbances are pests and diseases attack to plants, B3 waste spills, illegal logging and hunting, land encroachment and settlement, and land and forest fires.

#### Results of the Public Consultation

Prior to undertaking the Additional Surveillance Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing November 16, 2021, requesting stakeholders to provide input and information on PT Bina Daya Bentala. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to related parties via email or postal mail, and announced in the local newspaper.

There are inputs from two stakeholders. The inputs include a suggestion for the company to clarify the area boundaries and suggestions to increase the community opportunity to get cooperation and benefit from the concession presence. The audit team has confirmed this to the Management Unit and the village authority. The clarifications are as follows:

- The concession area is granted by the Decree of Minister of Environment and Forestry of Indonesia, with the boundary markings in the field are installed in the form of concrete pallets. The markings were already conveyed during the FPIC socialization and being recognized by the village government authorities,
- The company is always open to prioritizing the community needs if it is in accordance with the law and regulations; example of which is the partnership pattern forest cooperation which is implemented as a palm oil conflict resolution, job opportunities, and the CD-CSR program in the form of Desa Makmur Peduli Api (DMPA) program in cultivation of cattle, goat, duck farming, catfish farming, sugarcane, and chili cultivation.

The reported cases are being given material consideration in the audit process in PT Bina Daya Bentala conducted by PT AJA Sertifikasi Indonesia.

PT Bina Daya Bentala has identified all requirements for this certification process, comprising legal aspects that include compliance with international regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 19,649.10 hectares.

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

The result of Additional Surveillance Audit is one Minor non-conformity. The Management Unit has made improvements and the non-conformity is closed.

Number	Non-Conformities	Corrective Action Performed	Category
1	The identification of the status of protected flora and fauna in the report of Monitoring and Identification of Vegetation and Wildlife Survey was still using the old regulation of SK. Mentan 54/1972. Some species of vegetation and animal protection status were also not being written.  Indicator I.7.1.	<ul style="list-style-type: none"> <li>- Revise the status of protected flora and fauna in the report by referring to the latest regulation (PermenLHK No.106/2018),</li> <li>- Revise the SOP and WI on Identification and Management of Protected Animals, which will be effectively implemented on December 27, 2022.</li> </ul>	Minor

### Conditions under which the certificate is issued

The certificate is valid until March 15, 2023, provided that PT Bina Daya Bentala completes all corrective actions according to the schedule proposed in its corrective action responses and does not have the same problems at the next Recertification visit. If the non-conformities are not closed at the next Recertification, the certificate will be suspended until AJA can perform a closeout visit.