

# **Public Report Sustainable Forest Management System**

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



**CLIENT NAME:** PT Bina Daya Bentala

**TOTAL HECTARES:** 19,377

**SCOPE OF REGISTRATION:** Sustainable Forest Management for Plantation Forest covering 19,377 hectares in Riau Province

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

**TYPE OF AUDIT:** Surveillance 1

**AUDIT START DATE:** November, 28 2016

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, 01 2016

**LEAD AUDITOR:** R SIGIT PAMUNGKAS

**SIGNATURE:**

**AUDIT TEAM:** AMIN KADENI

**SIGNATURE:**

AGUNG UTAMA LUBIS

**SIGNATURE:**


**MAJOR CARS:**

**MINOR CARS:** 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Bina Daya Bentala	Sub-District of Bonai Darussalam, District of Rokan Hulu, Riau Province	November 28, to December 01, 2016
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	
	Not Applicable	

### Brief Description of the concession

PT Bina Daya Bentala is a forestry industry company that produces wood fiber as the raw material for pulp and paper. In running its operational activities, PT Bina Daya Bentala has met all the requirements of Sustainable Forest Management.

PT Bina Daya Bentala is a legalized Indonesian company with the requisite business license and was granted its Forest Concession Permit per Decree of the Minister of Forestry No. 555/menhut-II/2006, dated December 22, 2006 concerning the Granting of Business License for Wood Forest Product Utilization in Industrial Plantation Forest to PT. Bina Daya Bentala covering an area of approximately 19,870 hectares in Riau Province.

PT Bina Daya Bentala, has conducted spatial arrangement based on RKU PHHK HTI Document, period 2009-2018, through Decree: 70 / VI-BPHT / 2009, dated March 5, 2009. as follows:

No	Spatial Arrangement	Large (ha)	%
1	Protected areas	2,364	11.90
2	Area unsuitable for production	871	4.38
3	Production area, consist :		
3a	Staple plant area	14,392	72,43
3b	Seed plant area	1,237	6.23
3c	Livelihood plants	1,006	5.06
	Total	19.870	100

There are also areas of 493 hectares (year 2011 = 344.06 ha plus year 2012 = 148.94 ha) that do not fall under the scope of IFCC certification, being subject to cut off date requirement prior to December 31, 2010. Thus the scope of the IFCC certifications for an area of 19,377 hectares.

The three villages of Bonai, Kasang Padang, and Sontang are situated around the plantation area, being located in Bonai Darussalam Sub-district, Rokan Hulu District.

The topography of the plantation ranges from 5 to 15 meters above sea level with a slope of 0 % to 8 % and the soil being lowland peat. According to the Schmidt-Ferguson classification the area has a Type A climate with an annual rainfall of 1,511 mm.

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

PT Bina Daya Bentala respects the rights of local communities located around the Company's concession area. Based on the explanation of the Management Unit and the existing data, the company-built villages are Bonai, Kasang Padang, and Sontang located in Bonai Darussalam Sub-district, Rokan Hulu District.

In the PT Bina Daya Bentala plantation area, there is no customary community law. A Letter from the Head of Forestry Service of Kabupaten Rokan Hulu Number: 522 / Dishutbun - BUPPH / 0619, dated June 12, 2014 affirms there are no community-recognized Ulayat Rights in the area of PT Bina Daya Bentala.

PT Bina Daya Bentala prioritizes the hiring of local residents to work for the company according to their abilities matching the required competencies.

PT. Bina Daya Bentala has the objectives of socio-economic and cultural management, namely in providing jobs and business opportunities for rural communities around the working area.

Operating on the principle of partnership and with the expectation of benefitting the local community, the Management Unit provides the following beneficial opportunities:

1. Allocation of an area of livelihood plants within the layout of the plantation forest, the benefits from which are



distributed to the community.

2. Provides opportunities for the community as contractors for harvesting, planting, and maintenance activities, as well as implementing development.
3. Provides opportunity for the community to carry out trade activities in order to improve the local economy.
4. Implementation of clearing of forest area, especially for road construction for road between the villages.
5. Provides assistance with irrigation to boost the productivity of rain-fed rice fields, so that the people can harvest rice twice a year.
6. Facilitates improvement in educational and health and religious facilities in the surrounding villages.
7. Provides assistance to the communities around the Company area, adapted to the specific needs of the community.

PT Bina Daya Bentala has conducted identification of non-timber forest products in the concession area and provides access to forest resources for the local community's economy. These include fish from the Company's water courses, as well as resin from certain trees.

The Management Unit recognizes the provisions of binding international agreements and conventions that have already been ratified by Indonesia such as CITES, ILO, ITTA and CBD as evidenced by:

1. ILO Convention Document 81 Labor Inspection in Industry and Commerce, 23 July 2003
2. Indonesian Trade Union Act (UU No. 21/2000), Law No. 1/2000 on ILO's Implementation 182 Prohibition and Immediate Action on the Elimination of the Worst Forms of Child Labor.
3. Social and Environmental Policy

PT Bina Daya Bentala has made efforts to resolve conflicts with the local communities and has a documented SOP for conflict resolution mechanism relating to the rights of indigenous peoples.

PT Bina Daya Bentala has an Operational Plan for Forest Village Community Empowerment Activities for 2016, the activities of which included: educational, economic, socio-cultural, religious, and village infrastructure activities.

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

PT. Bina Daya Bentala has conducted monitoring and evaluation related to aspects of production, environment (physical, chemical and biological) and socio-economic culture of the community in its forest management in accordance with its plans and procedures. Monitoring or monitoring and evaluation activities are ongoing programs based on RKL-RPL documents (Environmental Management Plan and Environmental Monitoring Plan).

Measures to protect protected areas are conducted by:

#### **A. Management of Protected Areas**

- Identify High Conservation Value areas
- Installation of boundary markers (pal and warning boards)
- Enrichment of vegetation with forest trees and animal feed
- Routine patrols of the area
- Socialization to the surrounding community about the existence of the area and the importance of maintaining its security and sustainability

#### **B. Monitoring Protected Areas:**

- Patrol activities to monitor the intensity of disturbances, and inventory flora and fauna
- Monitor the enrichment realization and the plant life enrichment percentage
- Field observations to monitor physical changes in river courses and water quality

The Management Unit has developed and implemented SOPs in the management of Hazardous Toxic Materials (B3), such as:

- Identify the type of waste, source / location, estimated amount and period over which waste is generated.
- Regularly collect all B3 waste from all production operations.



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- Register the waste collected with the TPS

The Management Unit has implemented measures to protect the forest against fire. Activities undertaken related to forest fire management include:

- Undertaking initial Fire Risk Assessment (FRA) and creating maps of fire-prone areas.
- Provision of facilities and equipment including fire trucks according to required function and number.
- Enhancing the capability of fire fighting teams through both internal and external training.
- Early detection with ground check hotspots with NOAA, TERRA, AQUA and FDR methods.
- Counseling the community on the hazards of fires through the Fire Concerned Society.
- Creation of a compartmentalized system with channel and perimeter boundaries as firebreak barriers.
- Creation of an organizational structure for fire prevention and control.

**Results of the Public Consultation**

Prior to carrying out the Surveillance I Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing November 14, 2016, asking stakeholders to provide feedback 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 the parties via email or postal mail, and published in a local newspaper. PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation.

The audit team also gathered information from the mass media about PT. Bina Daya Bentala. Such reported cases are considered to be part of the audit process of PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the necessary requirements for this certification process, comprising 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 is registered for certification of an area of 19,377 hectares

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

The results of the Surveillance 1 Audit of PT. Bina Daya Bentala identified one (1) Minor Non-Conformities (NC). The management system PT. Bina Daya Bentala is still running effectively. There were no time-critical issues identified.

No	Non-Conformities	Corrective Action Performed	Category
1	The Management Unit has not fully carried out the management of the Sumatran tiger species in accordance with the HCV 1.2 recommendation.  Clause Ref. III.7.3	The Management Unit is performing management and monitoring in the form of periodic monitoring of key species in the region.	Minor

**Conditions under which the certificate is issued**

The Certificate is valid until 28/11/2018 provided that PT. Bina Daya Bentala 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.