

# 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 BUKIT BATABUH SEI INDAH

TOTAL HECTARES: 13,420

SCOPE OF REGISTRATION: Sustainable Forest Management of of 13,420 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: March 28, 2022

AUDIT END DATE: March 31, 2022

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: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Ence Hedi Hasan

SIGNATURE:

Abdul Salam

SIGNATURE:

OBSERVER: Qodly Zaka Syahtriawan

SIGNATURE:

Inggita Nuri Prihantini

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Bukit Batabuh Sei Indah	Peranap District, Indragiri Hulu Regency, Riau Province, Indonesia	March 28 to 31, 2022
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

The working area of PT Bukit Batabuh Sei Indah is based on the Decree of the Minister of Forestry No. SK.67 / MENHUT-II / 2007 dated February 23, 2007 concerning the Renewal of IUPHHK-HTI of PT Bukit Batabuh Sei Indah in a Production Forest Area of 13,420 hectares in Indragiri Hulu Regency, Riau Province. There was no conversion of natural forest above December 31, 2010, thus, the scope of IFCC certification is 13,420 ha.

According to the ten-years management plan (RKUPHHK-HTI) of 2018 to 2027, the spatial of PT Bukit Batabuh Sei Indah is divided to Protected Area of 1,344 Ha (10.02%), Staple Plants area of 9,386 Ha (69.94%), and Livelihood Plant area of 2,690 Ha (20.04%) with a total of 13,240 Ha. The Protected Area consists of River Border area of 787 Ha (5.86%), KPPN area of 59 Ha (0.04%), KPSL area of 133 Ha (0.99%), and Other Protected Areas area of 365 Ha (2.72%)

The geographical location of PT Bukit Batabuh Sei Indah is between 00° 35' 43" to 00° 47' 52" South and 102° 00' 39" to 102° 08' 07" East. It is under the government administration of Peranap District, Indragiri Hulu Regency, Riau Province.

The concession area has boundaries, as follows:

- North side: PT Rigunas Agri Utama;
- South side: PT Rigunas Agri Utama;
- East side: former HPH of PT Patriadi and SKPH Anak Talang; and
- West side: KUD Serangge Permai, Tani Pura Usaha, Rahma.

The topography of the work area is mostly flat (0-8%) of 91.99%, the rest is classified as gentle (8-15%). It has an altitude of 30 to 535 meters above sea level. PT Bukit Batabuh Sei Indah is included in climate type A (Schmidt and Fergusson). The concession area is mineral soil with type of soil of yellow red podzolic (PMK). The geological formations consist of the Muaraenim Formation (Tmpm), the Middle Kasai Formation (Qtk), the Air Benakat Formation (Tma), the Gumai Formation Middle (Tmg). The species of plants being developed by the Management Unit are *Acacia mangium* and *Eucalyptus* sp.

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

The communities around the Management Unit concessions are classified as local communities. Based on the Social Impact Assessment Report, 2020, residents around the concession are mostly work in the agricultural sector. There are food crop agriculture, horticulture, fisheries, plantations, animal husbandry. There are no indigenous peoples around the concession.

The Management Unit has identified, respected and recognized the legal rights of the local community. The Management Unit gives priority to the surrounding community to work in the company. Based on the agreement between the Management Unit and the surrounding villages, the company provides opportunities for local communities to work for the company.

The Management Unit has made efforts to resolve conflicts with the surrounding community. There is a Potential Mapping and Conflict Resolution Report of 2021. According to the report, the conflict status is at a controlled level. The Management Unit and the surrounding community have agreements, including Livelihood Plant, maintaining the security of the concession area from encroachment, providing compensation from the company for production costs for village development and community empowerment, structuring company concession boundaries to avoid overlapping with

community land, process prioritized deliberation to address overlapping land (if any), and the establishment of Community with Fire Awareness (MPA).

The Management Unit has carried out Corporate Social Responsibility activities to the surrounding community. The CSR activities carried out include skills training, socialization of natural resources and forests, conservation, development of fostered villages, agricultural cultivation, livestock cultivation, road assistance for rehabilitation facilities and infrastructure, health services, aid for worship tools, assistance for building places of worship, youth activities, big day celebrations, religion, assistance for activity proposals.

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

The Management Unit has allocated the Local Protected Areas and Other Protected Areas in accordance with the RKUPHHK-HTI of 2018 to 2027. The Local Protected Areas and Other Protected Areas of 1,344 ha (10.02%) consisting of River Borders of 787 ha (5.86%), KPPN of 59 ha (0.44%), KPSL of 133 ha (0.99%) and Other Protected Areas of 365 ha (2.72%).

In carrying out ecosystem management and hydrological functions, the Management Unit has identified forest management activities that have significant impacts and carried out environmental impact assessments, implementing the principles of Reduce Impact Logging in harvesting activities, identifying Protected Areas for soil and water as well as its monitoring, which includes decreasing fertility and soil compaction, decreasing discharge and water quality, and implementing the management of hazardous and toxic waste (B3)

As for the implementation of biodiversity management, the Management Unit has identified protected species of flora and fauna which are by national and international law. The management includes the habitat management, identify the key species of Sumatran elephant (*Elephas maximus sumatrensis*), identification and mapping of natural forest ecosystems, as well as flora and fauna conservation carried out by allocating protected areas as part of structuring area in the concession.

The Management Unit has identified potential disturbances to forest vitality such as forest fires, land encroachment and plant pests and diseases as the initial stage of forest protection. The other activities are implementing integrated pest and disease control by prioritizing the application of environmentally friendly biological materials, non-chemical methods of pest control, and trying to minimize or avoid the use of chemical pesticides. The Management Unit has determined steps to protect the forest from fires by preparing fire prevention facilities and infrastructure and preparing human resources. The Management Unit as well collaborates with the surrounding community by forming a Community with Fire Awareness (MPA) as the community participation in forest and land fire protection. The Management Unit carries out forest protection activities against unauthorized activities, as well as restricts public access with the aim of protecting property rights, facilities and infrastructure.

#### Results of the Public Consultation

Prior to carrying out the Additional Surveillance Audit, PT AJA Sertifikasi Indonesia conducted a public consultation starting March 14, 2022, asking stakeholders to provide feedback and information about PT Bukit Batabuh Sei Indah. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to parties by email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive input from stakeholders during the public consultation.

The audit team also collected information from the mass media about PT Bukit Batabuh Sei Indah. 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. The management system has been built to cover all activities in the certification field, which are registered for certification of 13,420 hectares.

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

Based on the results of the Additional Surveillance Audit of PT Bukit Batabuh Sei Indah, there was no non-conformities in either Minor or Major categories identified.

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

Certificate number AJA/IFCC-PEFC/FMC-HT/00023/VII/2016 is valid until June 30, 2023, provided that PT Bukit Batabuh Sei Indah maintains its Recertification schedule and does not have potential major non-conformities at the next Recertification.