

Public Report

Sustainable Forest

Management System

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AJA Europe



CLIENT NAME: PT Bukit Batabuh Sei Indah

TOTAL HECTARES: 13,420 Ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 13,420 Hectares of Plantation Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification

AUDIT START DATE: March 08, 2023

AUDIT END DATE: March 11, 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 UNDER SUPERVISION: R Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Amin Kadani


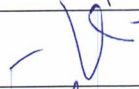

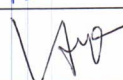
SIGNATURE:

Agung Utama Lubis

SIGNATURE:

SUPERVISOR: Andri Wibisono

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head office	Jl. Soekarno Hatta Komplek Perkantoran Mal SKA Blok E-60, Pekanbaru, Provinsi Riau, Indonesia	March 08, 2023
M.U	Kecamatan Penarap, Kabupaten Indragiri Hulu, Provinsi Riau, Indonesia	March 09 to 11, 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	
	NA	

Brief Description of the concession

The working area of PT Bukit Batabuh Sei Indah is obtained based on the Decree of the Minister of Forestry No. SK.67 / MENHUT-II / 2007 dated February 23, 2007, concerning the Renewal of PT Bukit Batabuh Sei Indah IUPHHK-HTI in a Production Forest Area of approximately 13,420 hectares in Riau Province, located in Indragiri Hulu Regency. The latest decree is the SK PBPH Number SK. 811/MENLHK/SETJEN/HPL.0/9/2021 dated September 21, 2021. This decree changes the nomenclature from IUPHHK-HTI to PBPH. There was no conversion of natural forest after December 31, 2010. The scope of certification of 13,420 ha is for IFCC certification.

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 working area of PT Bukit Batabuh Sei Indah is located between 00°35' 43" to 00°47' 52" South and 102°00' 39" to 102°08' 07" East. It is under the administration of the Peranap District government, Indragiri Hulu Regency, Riau Province, with boundaries as follows:

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

The Management Unit work area has a mostly flat topography (Slope Class 0-8%) of 91.99%, with the remaining 8.01% gently sloping (Slope class 8-15%) at an altitude of 30 to 535 meters above sea level. According to the Schmidt-Ferguson climate classification, PT Bukit Batabuh Sei Indah is included in climate type A with a value of Q = 14.3%. The entire work area of PT Bukit Batabuh Sei Indah is located on mineral soil with yellow red podzolic soil type (PMK) with geological formations consisting of the Muaraenim Formation (Tmpm), the Middle Member of the Kasai Formation (Qtk), the Middle Member of the Air Benakat Formation (Tma), the Middle Member of the Gumai Formation (Tmg).

The Management Unit cultivates *Acacia mangium* and *Eucalyptus* sp..

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

There are four villages around PT Bukit Batabuh Sei Indah. They are Semelinang Tebing Village of Peranap District, and villages of Talang Pring Jaya, Talang Tujuh Buah Tangga, Sungai Ekok of Rakit Kulim District, Indragiri Hulu Regency.

There were no indigenous peoples in the working area of PT Bukit Batabuh Sei Indah. Most of the villagers are immigrants from North Sumatra and from Java Island. The residents around the concession are local communities, namely based on the dominant livelihood, namely oil palm farmers, rubber farmers. Other livelihoods are trade, civil servants, etc.

PT Bukit Batabuh Sei Indah has made conflict resolution efforts with the surrounding community. There is a Land Claim Problem Explanation Table Report, in the form of a Letter of Application to the Director General of PHKA and BUK and the Progress Report on efforts to settle land claims until 2022.

Related to land tenure or land claims by the community, this is partly due to the issuance of SKT or SKGR to community members. For this matter, the Regent of Indragiri Hulu ordered the Camat (District Head), and then forwarded it to the Village Heads in Indragiri Hulu Regency not to issue SKT in the forest area. There is a Progress

Report on the Implementation of the IUPHHK-HTI Working Area Boundaries up to 2022. This is also part of the conflict resolution efforts with the surrounding community (submitted in the 2022 audit).

PT Bukit Batabuh Sei Indah has collaborated with the local community. There is a Cooperation Agreement between PT Bukit Batabuh Sei Indah and the village within the concession. Based on the agreement, the company will use workers from the village according to the capabilities of the community members and the types of jobs available. The company also holds an agreement in livelihood plant.

PT Bukit Batabuh Sei Indah has implemented a corporate social responsibility (CSR) program for the surrounding community. In 2022, The Management Unit has realized 84% of the planned program. The CSR activities carried out include: development of assisted villages, and facilities and infrastructure assistance (road repair).

Description of the Ecological conditions of the concession

PT. Bukit Batabuh Sei Indah has identified forest management activities with significant impacts and conducted an environmental impact assessment include Environmental Management in protected area areas, erosion and sedimentation management, management of water discharge, and soil degradation management.

In the RKUPHHK-HTI Revised Document of 2018 to 2027, the Management Unit has identified areas that function to protect the water system, namely Local Protected Areas and Other Protected Areas of 1,344 ha (10.01%) consisting of 787 ha River Rims, 59 ha KPPN, 133 ha KPSL and Other Protected Areas 365 ha. The types of ecosystems found in the work area of PT Bukit Batabuh Sei Indah are Lowland Tropical Rainforest and Riparian Zone. Genetic Resource Area (ASDG) is a genetic resource for local native species beside riverbanks and other protected areas. PT Bukit Batabuh Sei Indah has identified flora and fauna protected by national and international laws. There are several protected floras, which refer to the Decree of the Minister of Agriculture No: 54 of 1972 and Decree of the Minister of Forestry No: 261 of 1990, namely Balam (*Palaquium ovovatum*), forest durian (*Durio zibethinus*) and Kempas (*Koompassia* sp.). PT Bukit Batabuh Sei Indah has work references to maintain and improve flora and fauna habitats that are protected, endemic, rare and threatened/ endangered species, as well as with unique characteristics (features).

PT Bukit Batabuh Sei Indah has established and implemented a Documented Procedure for the use of chemical pesticides, and based on interviews, users will usually follow the procedures and dosages for using pesticides according to the rules stated on the packaging label. The document contains procedures for storage, handling, transportation, use and disposal. The document has described the proper techniques, equipment, and facilities for its use. In the document, there is also an obligation for technical personnel who supervise spraying with chemicals to have a certificate for the use of chemicals and their handling from the Department of Agriculture.

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), 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.

The Recertification Audit result are 1 (one) non-conformity in Minor category.

Number	Non-conformities	Corrective Action Request	Category
1	The interpretation results of the satellite imagery that have been published are not in accordance with the results of a field inspection and RKUPH document. There are claim areas in the form of oil palm plantations and rubber plantations that have not been identified. Indicator I.3.4	The Management Unit has made improvements by coordinating with the Measurement and Mapping Technical Staff in analysing satellite imagery and validating the data prior to signing.	Minor

Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00023/VII/2016 is valid until June 30, 2026, provided that PT Bukit Batabuh Sei Indah 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 close-out visit.