

# **Public Report Sustainable Forest Management System**

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ORGANIZATION NAME: PT BUKIT BATABUH SEI INDAH

TOTAL HECTARES: 13,420

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

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Transition to IFCC ST 1001:2021 + Surveillance 1

AUDIT START DATE: March 13, 2024

AUDIT END DATE: March 16, 2024

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: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Abdullah Mujahid

SIGNATURE:

Qodly Zaka Syahtriawan

SIGNATURE:

Three signature boxes with handwritten signatures in blue ink.

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION 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 13, 2024
Site	Kecamatan Peranap, Kabupaten Indragiri Hulu, Provinsi Riau, Indonesia	March 13 to 16, 2024
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 Batabuh Sei Indah has the latest Decree of the Minister of Environment and Forestry number SK. 811/MENLHK/SETJEN/HPL.0/9/2021 dated September 21, 202, regarding amendments to the decree of the Minister of Forestry number SK. 67/MENHUT-II / 2007 dated February 23, 2007, on the renewal of IUPHHK-HTI PT Bukit Batabuh Sei Indah on production forest area of 13,420 hectares in Riau province. The decree was issued as the nomenclature changes from IUPHHK-HTI to PBPH (Forest Utilization Business License).

PT Bukit Batabuh Sei Indah has a RKUPHHK-HTI for a period of 10 (ten) years from 2018 to 2027 which was approved by the Decree Number: SK.122/MenLHK-PHPL/UHP/HPL.1 /1/ 2018 January 22, 2018. The spatial plan of PT Bukit Batabuh Sei Indah is 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%). There was no conversion of natural forests above December 31, 2010, the entire work area is certified by IFCC.

The company is surrounded by six villages and two districts. 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 government of Peranap District, 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.

The 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 in mineral soil with red-yellow podzolic soil type (PMK). *Acacia mangium* and *Eucalyptus* sp are being cultivated by the Organization.

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

According to the village heads, the type of economic livelihood namely as farmers/farmers, workers/Services, traders, employees/civil servants, and others. There are no customary law communities around the concession but local community.

The Organization has made conflict resolution efforts with surrounding communities. Based on the 2023 Claim Area Identification and Settlement Report, there is a decrease in claims every year with the conflict resolution process. This decrease resulted from effective communication and submission of complaints such as socialization, village consultation, and fulfilled social obligations of the company to the surrounding village community.

PT Bukit Batabuh Sei Indah has an Addendum to the cooperation agreement between the company and the village community in livelihood plant. This cooperation has been implemented since 2014 together with the surrounding village communities. This was confirmed by the relevant village officials during the interview. The livelihood plant cooperation is implemented by providing value benefits to the community. The last benefit provision was carried out in 2023 and will be carried out again in the next harvest cycle.

The Organization has undertaken social obligations to the community through CSR and CD programs. Based on the realization of CSR/CD, the company has not reached the target of the CSR/CD plan in 2023. But they will add the

insufficiency in 2024 according to the needs of the assisted villages. The CSR activities that have been carried out include infrastructure programs in surrounding villages, social programs such as qurban animal assistance and health programs.

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

The Organization has carried out ecosystem and hydrological forest function management through the following activities:

- Identification of important forest management activities, and environmental impact assessments through: EIA, RKL, and RPL documents. Reports on the implementation of Environmental Management and monitoring each semester are presented in the Environmental Permit implementation report.
- Implementation of Reduced Impact Logging before, during, and after harvesting.
- Allocation of the area which functioned as land and water protection.
- The Organization has established and implemented documented procedures that guide impact monitoring activities, as well as the controlled use of B3 (hazardous and toxic materials).

The Organization has carried out biodiversity management through the following activities:

- Identification, inventory and carried out an environmental impact assessment of the potential impact of protected, endemic, rare and threatened/endangered flora and fauna as well as their habitat in the concession area.
- The species being cultivated is not a genetically modified type of tree.

The Organization has implemented appropriate and measurable measures in forest protection activities by conducting forest protection activities, namely:

- Monitoring disturbances in sustainable forest management. Based on the study of documents and field verification in general, forest disturbances in the form of forest fire hazards, illegal land encroachment and illegal logging.
- Have documented procedures to prevent and deal with pests and diseases, namely Integrated Pest and Disease Control SOP.
- Regulate the management of chemical pesticides in the field with documented procedures and MSDS.
- Have implemented forest protection measures against fire hazards.
- Prohibition of livestock grazing activities by the community.

#### Results of the Public Consultation the

Prior to carrying out the Transition to IFCC ST 1001:2021 + Surveillance 1 Audit, PT Acube TIC International conducted a public consultation starting February 9, 2024, asking stakeholders to provide feedback and information about the PT Bukit Batabuh Sei Indah. The public consultation was uploaded to the PT Acube TIC International website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to parties by e-mail or postal mail, and published in local newspapers.

PT Acube TIC International does not receive any input from stakeholders during public consultations. There was an online news about the Organization: <https://riau.harianhaluan.com/daerah/118240452/pemkab-dan-dprd-inhu-bersama-warga-hadang-pt-bbsi>. Our social auditor has confirmed to the company officer that PT Bukit Batabuh Sei Indah has performed a mediation with the related parties at 29 March 2023. This was mediated by many of regency government officials, the police chief, head of villages, community leaders, and others. The results of the meeting show that conflict resolution has been carried out between the company and the community through the local government and is in the process of mediation. The reported cases are considered as part of the PT Acube TIC International audit process.

The Organization has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the area of certification, registered for a total of 13,420 hectares.

#### Organisation progress record related to corrective action on findings of nonconformities in previous audit

The Recertification Audit result was 1 (one) non-conformity in Minor category. The Organization has made improvements and the non-conformity can be closed.

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.  <b>Clause I.3.4 (IFCC ST 1001:2014)</b>	The Organization has made improvements by coordinating with the Measurement and Mapping Technical Staff in analysing satellite imagery and validating the data prior to signing.	Minor

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

The Transition to IFCC ST 1001:2021 + Surveillance 1 Audit result is 1 (one) non-conformity in Minor category. The Organization has made improvements and the non-conformity can be closed.

Nomor	Non-Conformities	Corrective Action Performed	Category
1	Organization has Risk Management but it has not covered comprehensively for the achievement of Organizational goals, for example the achievement of production targets.  <b>Clause 5.1.1</b>	PT Bukit Batabuh Sei Indah will identify and compile a Risk Management file from each aspect of its scope for the achievement of production targets or Organizational goals.	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 EUROPE is able to perform a closeout visit.