

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 BETABUH SEI INDAH

TOTAL HECTARES: 13,420 ha

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

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification

AUDIT START DATE: April 23, 2019

AUDIT END DATE: April 26, 2019

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: Utomo	SIGNATURE:	
Abdul Salam	SIGNATURE:	

MAJOR CARS: 0

MINOR CARS: 1

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, Republic of Indonesia	April 23 to 26, 2019
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 based on the Decree of the Minister of Forestry No. SK.67/MENHUT-II/2007 on February 23, 2007 concerning Renewal of PT. Bukit Batabuh Sei Indah IUPHK-HTI in Production Forest Area is of around 13,420 hectares in Riau Province, located in Indragiri Hulu Regency,

There has been no conversion of natural forest to plantation forest since December 31, 2010, so that the scope of IFCC certification was 13,420 ha.

Based on RKUPHHK-HTI for the 10-year period 2018 – 2027, which was approved per Minister of LHK Decree, Number SK.122/MenLHK-PHPL/UHP/HPL.1/1/2018 on January 22, 2018, the spatial planning of PT Bukit Batabuh Sei Indah consists of: Protected Area of 1,344 ha (10.01%), Staple Plant Area of 9,386 ha (69.94%), and Livelihood Plant Area of 2,690 ha (20.04%); percentage total of 99.99% due to rounding .

The working area of PT Bukit Batabuh Sei Indah Management Unit is located between 00° 35' 43" to 00° 47' 52" South and 102° 00' 39" to 102° 08' 07" East. It falls under the administration 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: Serangge Permai Village Cooperative, Tani Pura Usaha, Rahma.

The Management Unit's working area has a mostly (91.99%) flat topography (0-8% Slope Class), with the remaining 8.01% having 8-15% slope class, and lies 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%. All of PT. Bukit Batabuh Sei Indah work area has mineral soil of yellow red podsollic type (PMK). Based on the foregoing, the Management Unit cultivates *Acacia mangium* and *Eucalyptus* Sp. as staple plant species.

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

PT Bukit Batabuh Sei Indah is located in two districts, namely Peranap District and Rakit Kulim District. Villages around the concession are Talang Tujuh Buah Tangga Village, Durian Cacar Village, and Semelinang Tebing Village.

Residents who occupy the area around the concession are classified as local people. Based on the Document of Work Plan for Timber Forest Product Utilization Business in Industrial Plantation Forest (RKUPHHK HTI), they gain their livelihoods from farming and gardening (42%), as traders (5.8%), as government employees (5%), and the remaining 37.2% from other sources.

The Talang Mamak ethnic group numbering 889 people live around the company's concession. Based on interviews with their Batin Adat (leader), the Talang Mamak originate from Mecca, Saudi Arabia, and originally migrated to West Sumatra, before later migrating to the Indragiri region. Initially there was one Talang Mamak region, which is in Sungai Limau, but has since developed into 10 kebatinan areas: Sungai Limau, Durian Cacar, Perigi, Sungai Panin, Gedabu, Talang Tujuh Tangga, Talang Pring Jaya, Selantai, Sungai Ekok (Sungai Tunu). Kebatinan Sungai Tunu has children who later occupied Anak Talang area. The Talang Mamak community has three types of maps, namely the Customary Area Map, Country Map, and Land Use Map.

The Talang Mamak Community is currently seeking recognition as indigenous peoples from the government and has prepared documents on Indigenous Peoples, Indigenous Territories, Customary Law, Customary Structures, and Customary Maps. The Talang Mamak Community Structure is led by a Patih who oversees 28 Kebatinan. Batin assisted by the tribe Chief. Batin leads the Mangku, Monti and Bubungan.

PT Bukit Batabuh Sei Indah has identified, respected and acknowledged the legal rights of the local community, giving priority to the surrounding community to work for the company based on an agreement between PT Bukit Batabuh Sei

Indah and the surrounding villages.

PT Bukit Batabuh Sei Indah has collaborated on forest management with the surrounding community, namely through the Livelihood Plant Cooperation Agreement. PT Bukit Batabuh Sei Indah also provides support for empowering the communities around the company's concession area through its Community Development programs.

Description of the ecological conditions of the concession

In carrying out its environmental management, PT Bukit Batabuh Sei Indah has identified forest management activities that have potential negative impacts and conducts environmental impact assessments. Impact parameters are managed and monitored, i.e. in the construction phase of the opening of forest area, the affected parameters include land degradation, fire hazard, hydrology and water quality, plus wildlife habitat. For land preparation activities, the affected parameters are the physical and chemical properties of the soil, soil degradation, land fire hazards, protected species and changes in wildlife habitat. Meanwhile, parameters that affect planting activities include soil fertility, plant pests and diseases.

The Management Unit carries out its environmental management responsibilities according to the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) to minimize negative impacts and improve environmental quality in the work area, reporting the results of its monitoring activities each semester to the requisite authorities.

The Management Unit conducts forest protection activities, be these from natural or human threats. Natural disturbances include infestation by pests or disease, for which the MU has standard procedures for the controlled use and disposal of hazardous and toxic materials (B3). Human threats meanwhile are countered by regular patrols and the erection of boundary and warning signs in regard to forbidden behavior. Moreover, the MU has set in place fire prevention and firefighting procedures, be the fire due to either natural or human origins.

Results of the Public Consultation

Prior to carrying out the Recertification Audit, PT AJA Sertifikasi Indonesia conducted public consultations commencing March 9, 2019, 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 via e-mail or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders during the public consultations.

The audit team also collected information from the mass media about PT Bukit Batabuh Sei Indah, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, consisting of legal aspects that include compliance with rules and regulations, and international conventions. The management system has been established to cover all activities in the certification field, which is registered for an area 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 Recertification Audit results of PT. Bukit Batabuh Sei Indah, one (1) Minor Non-Conformity was identified by the the audit team as follows:

No.	Nonconformities	Corrective Action performed	Category
1.	Based on data from the PSP Summary Report of PT Bukit Batabuh Sei Indah, the MAI of <i>Acacia mangium</i> has shown an increasing decline from Rotation I until now. This indicates potential problems in the sustainability of production. Clause Ref I.5.1	The Management Unit has reported this data on yield decline to the RnD Head Office, plus has planned research on soil fertility, which later will include soil fertilization in sufficient amounts to support the achievable MAI value.	Minor

Conditions under which the certificate is issued



Certificate is valid until (30/06/2022), 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 problem on the next Surveillance Audit visit. If non-conformities are not closed out at the next Surveillance Audit, the certificate will be suspended until such time that AJA is able to perform a closeout visit.