

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 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: Surveillance 1 (REMOTE)

AUDIT START DATE: September 14, 2020

AUDIT END DATE: September 17, 2020

AUDITOR LEAD: Riyadi Sigit Pamungkas

AUDIT TEAM: Priyo Handoko

Agung Utama Lubis

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

SIGNATURE:

SIGNATURE:

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, Republic of Indonesia	September 14 to 17, 2020
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

PT Bukit Batabuh Sei Indah obtained a permit for forest utilization on February 23, 2007 based on the Decree of the Minister of Forestry No. SK.67/MENHUT-II/2007 concerning the Renewal of PT. Bukit Batabuh Sei Indah IUPHK-HTI in Production Forest Area of around 13,420 hectares in Riau Province, located in Indragiri Hulu Regency,

The scope of IFCC certification was 13,420 ha as there had been no conversion of natural forest to plantation forest since December 31, 2010.

According to the latest RKUPHHK-HTI for the 10-year period 2018 – 2027, 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.

Geographically, the concession 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:

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

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 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. All of PT. Bukit Batabuh Sei Indah work area has mineral soil of yellow red podsollic type (PMK). 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

There are no customary communities around the company concession, as was discussed in the previous year's audit. The communities around the company's concession are classified as local communities. Based on the Report on Potential Mapping and Conflict Resolution Semester I of 2020, the livelihoods of the residents around the concession are in agriculture, especially oil palm plantations, trading in kiosks and shops around village markets, and mining of sand, gravel, and soil.

PT Bukit Batabuh Sei Indah has made conflict resolution efforts with the surrounding community. Communication and consultation activities are carried out, among others, in conflict resolution efforts with the surrounding community as stated in the Potential Mapping and Conflict Resolution Report for Semester II 2019 and Semester I Year 2020. Based on interviews with stakeholders, PT Bukit Batabuh Sei Indah has made communication efforts with the surrounding community, including related to plant life agreements and settlement of claim areas.

PT Bukit Batabuh Sei Indah has collaborated with the surrounding villages, including livelihood plant cooperation. The cooperation was formed several years ago and still performs well to date. Each village receives a livelihood plant fee for every harvest.

PT Bukit Batabuh Sei Indah has implemented a Corporate Social Responsibility (CSR) program. The CSR program of PT Bukit Batabuh Sei Indah includes four aspects of the procurement of mechanisms and implementation, namely:

- Effective distribution of incentives and fair distribution of costs and benefits between the parties,
- Local community participation in forest-based economic activities,
- Economic improvement of local communities,
- Social conflict resolutions.

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 in:

- **Environmental Management in protected areas:**

- Riparian area,
- Germplasm Conservation Area,
- Wildlife protection areas,

- **Erosion and sedimentation management:**

- Arranging crop blocks based on plots based on paths according to contours,
- Avoid damage to soil structure, do not dismantle wooden posts,
- Creating erosion barriers on cliff roads,

- **Soil degradation management**

- Minimum soil management,
- Fertilize plants,
- Weeding plants,
- Semi-mechanical land preparation without burning,

- **Water discharge management:**

- Planting on the left and right of the river border,
- Creating cliff guards, planting on steep slopes with fast growing plants,
- Make drainage channels on the left and right of the haulage road with a width of 10% of the road body,
- Carry out rehabilitation and soil conservation.

According to the Revised Document of RKUPHHK-HTI of 2018 to 2027, PT Bukit Batabuh Sei Indah has identified areas that function for the protection of soil and water systems and designed as Local Protected Areas and Other Protected Areas of 1,344 ha (10.01%) consisting of 787 ha of Riparian Area, KPPN of 59 ha, KPSL of 133 ha and Other Protected Areas of 365 ha.

The Management Unit implement activities to protect the hydrological function and water quality, such as:

- Designating and maintaining areas on the right and left of river flows as river boundaries and water catchment areas,
- Establishing and maintaining protected areas in the area as water catchment areas and as wildlife enclaves,
- Installation of signboards notifying protected areas,
- Area patrols,
- Protected area management reports that are part of the RKL / RPL Implementation Report each semester,
- Performing critical land rehabilitation with local species,
- Creating a natural nursery for local species seedlings.

PT Bukit Batabuh Sei Indah has carried out an environmental impact assessment of the potential impacts on protected, endemic, rare and endangered flora and fauna. Based on the results of interviews with environmental staff, the key species is the Sumatran elephant (*Elephas maximus sumatrensis*). The ecosystem types in the PT Bukit Batabuh Sei Indah work area are Lowland Tropical Rainforest and Riparian Zone. The area of genetic resources (ASDG) is the genetic resources of local native species in addition to river boundaries and other protected areas.

PT Bukit Batabuh Sei Indah has established and implement a documented procedure for the use of chemical pesticides. The document contains procedures for storage, handling, transportation, use and disposal. It also describes the proper technique, equipment and facilities for their use, and obligation for technical personnel who supervise chemical spraying to have a certificate of chemical usage and handling from the Agriculture Office.

Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing July 29, 2020, 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.

The results of the Surveillance 1 Audit of PT Bukit Batabuh Sei Indah resulted in no Minor or Major Non-Conformities being found by the audit team.

Conditions under which the certificate is issued

Certificate is valid until June 30, 2022, provided that PT Bukit Batabuh Sei Indah does not have any 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.