

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 BINA DAYA BINTARA

TOTAL HECTARES: 7,550

SCOPE OF REGISTRATION: Sustainable Forest Management of 7,550 hectares of Plantation Forest in Riau Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: November 09, 2020
AUDIT END DATE: November 11, 2020
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

AUDITOR LEAD: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Estate Libo	Minas District, Siak Regency, Riau Province, Republic of Indonesia	November 09 to 11, 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	
N / A		

Brief Description of the concession

The Management Unit has IUPHHK-HTI based on the Decree of the Minister of Forestry Number SK.64 / Menhut-II / 2007 dated February 23, 2007 concerning the Renewal of Business Permit for Utilization of Timber Forest Products in Industrial Plantation Forests in PT Bina Daya Bintara Plantation Forest over an area of Production Forest of about 7,550 ha in Riau Province.

The Management Unit has a Revised RKUPHHK-HTI document that was legalized based on SK 6050 // MenLHK-PHPL / UHP / HPL.1 / 6/2019 regarding RKUPHHK-HTI Approval for the 10-year period from 2017 to 2026 of PT Bina Daya Bintara.

In the working area of PT Bina Daya Bintara, there has been no conversion of natural forest to plantation forest after December 31, 2010, so area for IFCC certification is 7,550 ha.

The Management Unit has conducted spatial planning according to the RKUPHHK-HTI document, namely: Local Protected Areas and Other Protected Areas (KPSKLL) of 2,988 ha (39.58%), Staple Plants Area of 3,991 ha (52.86%), Livelihood Plants Area of 571 ha (7.56%) , for a total of 7,550 ha. To achieve the allocation for livelihood plants, 20% of the allocation is met from the KPSKLL area. Local Protected Areas and Other Protected Areas of 2,988 ha (39.58%) consisting of: 759 ha (10.05%) of Riparian Area, 140 ha of KPPN (1.85%), KPSL of 70 ha (0.93%), and Peat Dome Peak area of 2,019 ha (26.74%), percentage difference due to rounding.

The total area of Peat Dome Peak is 2,834 ha, which is spread over:

- a. Riparian Area of 732 ha
- b. KPPN of 18 ha
- c. KPSL of 65 ha
- d. Ex. Livelihood Plants Area of 2,019 ha

Geographically, the concession is located at 01° 01' 51.0" to 01° 13' 28.0" North and 100° 53' 51.0" to 100° 59' 33.0" East. The working area boundaries are: to the east is PT Rimba Rokan Perkasa, the west is PT Bina Daya Bentala, the south is PT Balai Kayang Mandiri, and to the north is state forest.

The concession falls under the governmental administration of the Minas District, Siak Regency, Riau Province. The topography of the working area is flat at an altitude 10-26 meters above sea level and, has a climate type A (Schmidt and Fergusson). It has a soil type of the hitosol order (Hemic organic, Sapik organic) and was geologically formed by Young Alluvium and Minas Formation. The Management Unit area is included in Group Forest of Sei Rangau, and Sei Rangau River. The species developed is *Acacia crassicarpa*.

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

Based on the revised RKUPHHK-HTI document of PT Bina Daya Bintara for the period 2017 to 2026, the majority of people living around the concession area are ethnic Malay. There is a Sakai tribal group who live around the riverbank but do not enter the Bonai Darussalam District area. The majority of their income comes from fishing, farming and looking for wood in the forest around their place of residence.

Administratively, the base camp of PT Bina Daya Bintara is located in Kasang Padang Village, Bonai Darussalam District, Rokan Hulu Regency. Relationships with other villages in the Siak and Bengkalis districts is less frequent because of their remote location and access far from the base camp, so that communication and coordination are more frequent with villages in the Bonai Darussalam District.

Based on the previous audit, PT Bina Daya Bintara entered into an agreement with the surrounding community to carry out forest management with the community in 2005. At the time of the remote audit there was no additional collaboration with the surrounding community. Providing economic access to the surrounding community lies in the

form of utilization of Non-Timber Forest Products (fish) from the canals in the PT Bina Daya Bintara concession.

PT Bina Daya Bintara already has a conflict resolution organizational structure and a land conflict resolution institution that has been established by the directors and has made efforts to resolve conflicts that occur in the company's work area. There is a Report on Mapping Potential and Conflict Resolution of PT Bina Daya Bintara Semester I of 2020, which has been reported to the Head of the Riau Province Forestry Service.

There is documented realization of the 2019 CD-CSR program in the form of assistance for egg-laying duck cultivation, assistance for basic food packages and assistance with the supply of animals for religious occasions, and Ramadan packages, etc. Meanwhile, through October 2020, assistance with the purchase of cement and ceramic materials was realized, as was assistance for the commemoration of the Prophet Muhammad SAW's birthday, traditional clothing for the community, and food packages in Bonai, Kasang Padang and Pauh Villages, as well as land clearing assistance and assistance in the supply of honey pineapple seeds.

Description of the ecological conditions of the concession

PT Bina Daya Bintara has identified forest management activities with significant impacts, and conducted an environmental impact assessment, through:

1. The impact analysis of the Management Unit forest management activities on the physical and biological environment including the condition of biodiversity, protected flora and fauna, and physical and chemical conditions of soil and river water.
2. Environmental monitoring documents in the form of RKL and RPL every 6 months, in which the document discusses the physical, chemical and biological environmental impacts of plantation forest management.
3. Based on the results of field verification with videos and photos, the Management Unit has carried out several environmental aspects, namely:
 - Soil Monitoring (measurement of erosion, fertility and soil density) located in production and protected areas.
 - Water Monitoring (measurement of river water quality and water discharge) located in the Rangau River.
 - Monitoring of plantation forests (fertilizing, spraying pesticides, attack by pests and plant diseases) which are located in the production area.
 - Protected Area Monitoring (vegetation analysis route, animal inventory, vegetation monitoring) located in the Riparian Zone and KPPN.

PT Bina Daya Bintara has identified several areas have been designated as protected areas, namely the Riparian Zone and the Buffer Zone. These protected areas function as land protection areas, and water protection areas, as well as providing protection for wildlife, vegetation and their ecosystems.

Activities of land preparation, prevention and control of timber theft and prevention of forest fires are the results of the Natural Resources and Biodiversity Conservation program. Environmental management activities to mitigate these impacts include enriching forest vegetation types, eradicating *acacia*, making and maintaining conservation area boundary palms (KPPN, KPSL and Rangau Riparian Border), maintaining signboards and conducting routine patrols. The benchmarks in this management are the diversity index and the important value index (IVI).

PT Bina Daya Bintara already has a fire hazard control program with intensive supervision from the fire-fighting team, supported by adequate fire-fighting equipment with routine patrols throughout the concession area to anticipate fires. The installation and maintenance of fire hazard warning boards is also essential to raise awareness of the dangers of forest and land fires. Fires that occur are handled by deploying a core team of fire fighters with adequate money, plus the deployment of most of the employees who have attended training in fire-fighting in the forest.

PT Bina Daya Bintara has built Security Posts at every strategic entry point of the Management Unit. Security officers are very strict with those wishing to enter the concession area. Before the opening the entrance portal, guests will be checked for identity, destination, parties to meet and time. Guests are also required to fill in a guest list, sign when

entering and leaving the Management Unit area.

Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing October 15, 2020, asking stakeholders to provide feedback and information about PT Bina Daya Bintara. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from the Public Consultation.

The audit team also collected information from the mass media about PT Bina Daya Bintara, 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, which consists of legal aspects that include compliance with international rules and regulations and conventions. A management system has been built to cover all activities in the field of certification, which is registered for an area of 7,550 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 this Surveillance 1 Audit of PT Bina Daya Bintara, there was no Non-Conformities of either a Major or Minor nature identified by the audit team.

Conditions under which the certificate is issued

Certificate is valid until December 26, 2022, provided that PT Bina Daya Bintara does not have any problems at the next Surveillance visit. If the non-conformities are not closed at the next Surveillance visit, the certificate will be suspended until such time as AJA is able to perform a closeout visit.