

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 Forests in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: October 25, 2021

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

AUDIT END DATE: October 27, 2021

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Abdullah Mujahid

SIGNATURE:

Abdul Salam

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	October 25 to 27, 2021
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 Bina Daya Bintara obtained the latest decree of Forest Plantation Utilization Permit based on the Decree of the Minister of Forestry Number SK.64/Menhut-II/2007 dated February 23, 2007 with an area of 7,550 Ha. The entire area is registered for IFCC Certification because there is no conversion of natural forest to plantation forest after December 31, 2010.

PT Bina Daya Bintara has a ten-year planning document namely the Revised RKUPHHK-HTI for the period of 2017 to 2026. It is approved by SK MenLHK No. 6050/menLHK-PHPL/UHP/HPL.1/6/2019 on June 28, 2019. The work area spatial layout based on the document consists of Local Protected Areas and Other Protected Areas of 2,988 ha (39.58%), Staple Plant Area of 3,991 ha (52.86%) and Livelihood Plant Area of 571 ha (7.56%).

The location of the work area is between coordinate of 01° 01' 51.0" to 01° 13' 28.0" North and 100° 53' 51.0" to 100° 59' 33.0" East. The boundaries of the working area are PT Rimba Rokan Perkasa (east), PT Bina Daya Bentala (west), PT Balai Kayang Mandiri (south), and State Forests (north). Administratively, it falls under Minas District, Siak Regency, Riau Province. The topography of the working area is flat with climate type A (Schmidt and Fergusson). It is at an altitude of 10 to 26 meters above sea level. The type of soil is Histosol Order (Hemic Organic, Organic Sapik) with geology formation of Young Alluvium and Minas. It is part of Sei Rangau Forest Group and closed by Sei Rangau River. According to the soil type, the species developed is *Acacia crassicaarpa*.

The Management Unit has implemented the regulations to improve peat governance, namely PP 57 of 2016 and Permen LHK no. P.17/Menlhk/Setjen/Kum.1/2/2017 by compiling Business Work Plan for Utilization of Industrial Timber Forest Products (RKUPHHK-HTI) was ratified by SK 1010/MenLHK –PHPL/UHP/HPL.1/3/2018 dated March 5, 2018 concerning Approval of Plans for Business Plans for Utilization of Timber Forest Products for Industrial Timber Plantations (RKUPHHK-HTI) of 2017 to 2026 on behalf of PT Bina Daya Bintara in Riau Province. The implementation of the Minister of Environment and Forestry Regulation No.P.16/Menlhk/Setjen/Kum.1/2/2017 by drawing up a Peat Ecosystem Recovery Plan, Determination of Groundwater Level Monitoring Points and Rainfall Monitoring Station Points approved by the Decree of the Director General of Pollution and Environmental Damage Control Number 126/PPKL/PKG/PKL.0/11/2018. The preparation of adjustments of RKUPHHK-HTI 2017 to 2026 to the Revised RKUPHHK-HTI of 2017 to 2026 Approved by SK MenLHK No. SK. 6050/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019. There is a Peat Dome Peak area of 2,834 Ha which spread over River Border of 732 Ha, KPPN of 18 Ha, KPSL of 65 Ha and former area of Livelihood Plant of 2,019 Ha

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

The residents around the work area are generally the Malays who make living as farmers. According to the Village Community Leaders, there are indigenous peoples around the concession namely the Bonai Tribe. This is evidenced by the Decree of the Bonai Village Head of 2019 concerning the Ratification of the Appointment of the Bonai Tribe Head and the Management of the *Ninik Mamak* Traditional Density Institute for the Bonai Tribes.

PT Bina Daya Bintara has conducted a social impact assessment of the planned forest management activities on indigenous peoples and/or local communities. The conflict resolution mechanism related to the rights of indigenous peoples are based on customary law and/or local community property rights. There are Potential Mapping and Conflict Resolution Reports for Semester II of 2020 and Semester I of 2021 which had been submitted to the Environment and Forestry Office of Riau Province and the Director General of PHPL in Jakarta and BPHP Region III.

During the Surveillance 2 Audit, there is no new agreement or cooperation agreement with the community. The existing agreements or cooperation are the provision of livelihood plant fee. The realization of PT Bina Daya Bintara

CSR program in 2020 are in the sectors of education, health, religious, economy, social and environmental. Meanwhile the CSR realization in these sectors are repeated in 2021 with the infrastructure sector as an addition. PT Bina Daya Bintara has provided adequate support to local communities and indigenous peoples around the company.

Description of the Ecological conditions of the concession

The Management Unit has carried out forest ecosystem and hydrological function management activities by identifying forest management activities that have an important impact, and carried out environmental impact assessments through implementation of AMDAL activities, RKL, RPL in 2003. The implementation of environmental management and monitoring every semester is presented in the report on the Implementation of Environmental Permits (RPL/RKL).

Reduced Impact Logging activities are carried out in stages before, during and after logging activities. The identification of areas that function for soil and water protection is allocated as Local Protected Areas and Other Protected Areas consists of 759 ha (10.05%) of River Borders, KPPN of 140 ha (1.86%), KPSL of 70 ha (0.93%), and Peat Dome Peak of 2,019 ha (26.74%), percentage difference due to rounding.

The monitoring the negative impacts of forest management activities is carried out in accordance with the RKL and RPL ANDAL Documents. The Management Unit has documented procedures that serve as guidelines for monitoring the negative impacts of forest management activities, namely SOPs for Monitoring Protected Areas, SOPs for Monitoring Discharge and Water Quality and SOPs for Monitoring Soil Density and Erosion. PT. Bina Daya Bintara has a documented procedure for the controlled use of B3 (Hazardous and Toxic Materials), namely SOP for Management of Hazardous and Toxic Waste (B3), SOP for Handling Spilled Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP for Integrated Pest and Disease Management.

The Management Unit has carried out biodiversity management activities through identification and inventory of protected, endemic, rare and threatened/near-extinct flora and fauna in the concession area. The results of the identification and inventory are reported in the Environmental Permit Implementation Report. The protection of the indigenous flora is also implemented by not cultivating genetically modified tree species. The species of plants being cultivated is *Acacia crasscarpa*.

The Management Unit has carried out forest protection activities by identifying and monitoring disturbances in Sustainable Forest Management. One of forest protection procedure is to prevent and handle pest attacks by following the documented SOP for Integrated Pest and Disease Management. The management of chemical pesticides in the field are in accordance with documented procedures, namely SOPs for Weed Control, SOPs for Integrated Pest, and Disease Management. The forest protection related to fire hazards are implemented through appropriate steps, where the Management Unit has documented procedures for forest protection activities.

Results of the Public Consultation

Prior to carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing September 06, 2021, 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 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 Bina Daya Bintara, 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 7,550 hectares.

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

The results of Surveillance 2 Audit are No non-conformities.

Conditions under which the certificate is issued

Certificate is valid until December 26, 2022, provided that PT Bina Daya Bintara maintains its Recertification schedule and does not have potential major non-conformities at the next Recertification.