

Public Report Sustainable Forest Management System

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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

AUDIT START DATE: August 14, 2023

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: August 16, 2023

LEAD AUDITOR: Agung Utama Lubis

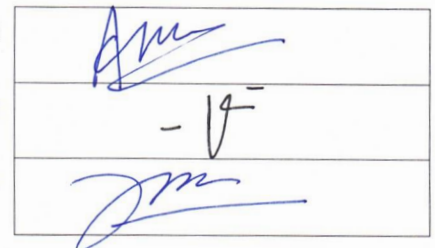
SIGNATURE:

AUDIT TEAM: Amin Kadeni

SIGNATURE:

Abdullah Mujahid

SIGNATURE:



MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head office	Jl. Dr. Sutomo No 62, Pekanbaru, 28141, Provinsi Riau, Indonesia	August 14, 2023
Site	Libo - Kecamatan Minas, Kabupaten Siak, Provinsi Riau, Indonesia	August 15 to 16, 2023
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

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 to the east, PT Bina Daya Bentala to the west, PT Balai Kayang Mandiri to the south, and State Forests to the north. Administratively, it is in Minas District, Siak Regency, Riau Province. The topography of the work area is flat with climate type of A. It is located at an altitude of 10 to 26 meters above sea level. The type of soil is Histosol (Hemic Organic, Organic Sapik) with geology formation of Young Alluvium and Minas. The forest group is Sei Rangau and crossed by Sei Rangau River. According to the site condition, the species being developed is *Acacia crassicarpa*.

The latest decree of PT Bina Daya Bintara is the Decree of the Minister of Forestry Number SK.64/Menhut-II/2007 dated February 23, 2007 with an area of 7,550 Ha. There is no plantation forest area developed from the conversion of natural forest after 31 December 2010, thus, the IFCC certified area is 7,550 Ha. PT Bina Daya Bintara has a ten-year planning document based on the Revised RKUPHHK-HTI for the period of 2017 to 2026 (SK MenLHK No. 6050/menLHK-PHPL/UHP/HPL.1/6/2019, approved on June 28, 2019). The spatial planning 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%).

Based on the list of villages around the concession area, there are three villages of one regency around the concession, namely villages of Bonai, Kasang Padang and Pauh, Bonai Darussalam District, Rokan Hulu Regency. All of these villages were visited during the Surveillance 1 Audit.

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

Based on a letter from the Rokan Hulu District government in 2014, there were no customary law communities around the concession, especially in Bonai Darussalam District, Rokan Hulu Regency.

PT Bina Daya Bintara has made conflict resolution efforts with the surrounding community. There is a letter of reporting the existence of illegal activities and letter of request for legal process for unlawful occupation of forest areas and plantation activities in the concession area of PT Bina Daya Bintara to the regent police in March 2023. In general, there are two cases of land conflict. First, land claims in the livelihood plant area. Second, there is a community group that opening land for oil palm plantations in collaboration with other parties.

PT Bina Daya Bintara has collaborated with the surrounding community. There is a Timber Fee Cooperation Agreement since 2005, which is still running until present. There is also honey farming cooperation agreement letter started January, 2023. PT Bina Daya Bintara received appreciation from the regency police chief as a company actively participating in the fight against forest and land fires.

PT Bina Daya Bintara has implemented a corporate social responsibility program. Based on the 2022 Semester IV PMDH Activity Implementation Report, the realization of CSR program implementation reached 187%, covering the fields of education, health, religion, economy, infrastructure, social and environment. For example, assistance for preschool/kindergarten play equipment, posyandu equipments, renovation of places of worship such as church and mosques, etc. As for the 2023 CSR program, the realization until the second quarter of 2023 is some programs in religious sectors.

Description of the Ecological conditions of the concession

The Management Unit has carried out forest ecosystem and hydrological function management activities, namely identifying forest management activities that have important impacts, and carrying out environmental impact assessments through implementation of AMDAL activities, RKL and RPL. PT Bina Daya Bintara also performs the implementation of environmental management and monitoring every semester and is presented in the Environmental Permit Implementation report (RPL/RKL).

Reduced Impact Logging activities are carried out in stages before logging activities (pre harvesting), during logging operations (harvesting), after logging activities (post harvesting). Identifying areas that function to protect land and water is by allocating them as Local Protected Areas and Other Protected Areas of 2,988 ha (39.58%), consisting of River Borders of 759 ha (10.05%), KPPN of 140 ha (1.86%), KPSL of 70 ha and Peat Dome Peak of 2,019 ha (26.74%).

Monitoring of the negative impacts of forest management activities in the concession areas is carried out in accordance with the ANDAL, RKL and RPL documents of PT Bina Daya Bintara, 2003. The Management Unit has documented procedures that serve as guidelines for carrying out activities to monitor negative impacts resulting from forest management activities, namely SOP for Monitoring Protected Areas, SOP for Monitoring Discharge and Water Quality and SOP for Monitoring Soil Density and Erosion. PT. Bina Daya Bintara has documented procedures for the controlled use of B3 (Hazardous and Toxic Materials), namely: SOP for Management of Hazardous and Toxic Waste (B3), SOP for Handling Spills of Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP for Integrated Pest and Disease Management. PT. Bina Daya Bintara has implemented forest protection measures against the dangers of fire by implementing appropriate steps, the Management Unit has documented procedures for forest protection activities.

The Management Unit has carried out biodiversity management activities through identification and inventory of protected, endemic, rare and threatened/endangered flora and fauna in the IUPHHK-HTI area. The results of the identification and inventory are reported in the Environmental Permit Implementation Report (Implementation of RKL/RPL semester 1 and 2 of 2022). The main species of plant cultivated at PT. Bina Daya Bintara is not a genetically modified tree type but *Acacia crassicarpa*.

Results of the Public Consultation

Prior to conducting the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia held a Public Consultation commencing July 7, 2023, 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 the parties via email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation.

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 audit process carried out by PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the requirements needed for this certification process, consisting 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.

The result of this audit is no non-conformity either in Minor or Major category. The Management Unit operates effectively.

Conditions under which the certificate is issued

AJA EUROPE

PUBLIC AUDIT REPORT – SFM

TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



Certificate is valid until December 26, 2025, provided that PT Bina Daya Bintara maintains its Surveillance schedule and does not have potential major non-conformity at the next Surveillance.