

# Public Report Sustainable Forest Management System

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# AJA EUROPE SRL

PUBLIC AUDIT REPORT – SFM

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



ORGANIZATION 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 & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Transition to IFCC ST 1001:2021 + Surveillance 2

AUDIT START DATE: 12 August 2024  
 AUDIT END DATE: 14 August 2024

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: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Inggita Nuri Prihantini

SIGNATURE:

Qodly Zaka Syahtriawan

SIGNATURE:


MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED including countries	DATE OF EACH SITE VISIT:
Head Office	Jl. Dr. Sutomo No 62, Pekanbaru, 28141, Provinsi Riau, Indonesia	12 August 2024
Site	Libo - Kecamatan Minas, Kabupaten Siak, Provinsi Riau, Indonesia	13-14 August 2024
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 received a forest concession/management permit, initially in 2003, and most recently the SK PBPH (Forest Utilization Business Permit) in 2021:

1. Initial Forest Concession Permit (2003): Decree of the Regent of Siak Number SK.02/IUPHHK/I/2003 concerning: "Issuance of Business Permit for Utilization of Timber Forest Products from Plantation Forests covering an area of 8,000 Ha in Siak Regency."
2. Renewal of Business Permit (2007): Decree of the Minister of Forestry Number SK.64/Menhut-II/2007 dated 23 February 2007 concerning "Renewal of Business Permit for Utilization of Timber Forest Products in Industrial Plantation Forests in Plantation Forests of PT Bina Daya Bintara for a Production Forest area of 7,550 ha in Riau Province.
3. Amendment to the Business Permit (2021): Decree of the Minister of Environment and Forestry Number: SK.810/MENLHK/SETJEN/HPL.0/9/2021 dated September 21, 2021 concerning Amendments to the Decree of the Minister of Forestry Number SK.64/MENHUT-II/2007 dated February 23, 2007 concerning Renewal of the Business Permit for Utilization of Timber Forest Products in PT Bina Daya Bintara Plantation Forests for a Production Forest Area of ± 7,550 (seven thousand five hundred fifty) Hectares in Riau Province.

Geographically, the PT Bina Daya Bintara work area is located between 01°01'51.0" - 01°13'28.0" North and 100°53'51.0" - 100°59'33.0" East, with boundaries defined to the east by PT Rimba Rokan Perkasa, to the west by PT Bina Daya Bentala, to the south by PT Balai Kayang Mandiri, and to the north by State Forest. The work area is characterized by flat topography, Type A climate, an altitude ranging from 10 to 26 meters above sea level, Hitosol soil types, and young alluvium and Minas Formation geology. The forest group is Sei Rangau, and the river flowing through the area is the Sei Rangau River. The primary species developed in the area is *Acacia crassicarpa*. There are three villages located around the concession area, which contribute to local community engagement and management efforts.

Since December 31, 2010, there has been no conversion of natural forest into plantation forests, with the certified plantation area remaining at 7,550 hectares. Thus, the area according to the permit is 7,550 ha, as well as the forest area and the certified area is 7,550 ha. The spatial planning for the period 2017-2026, based on the Revised RKU Document, includes Local Protection Areas and Other Protected Areas of 2,988 ha (39.58%), Staple Plant Areas of 3,991 ha (52.86%), and Livelihood Plant Areas of 571 ha (7.56%). The protected areas consist of River Boundaries of 759 ha (10.05%), KPPN of 140 ha (1.86%), KPSL of 70 ha (0.93), and the Peat Dome Peak of 2,019 ha (26.74%).

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

PT Bina Daya Bintara is surrounded by local communities. There are no customary law communities and customary land of customary law communities around the forest concession. The tribes around the organization are dominated by the Malay Tribe. In addition, based on interviews conducted with Village Officials, the livelihoods of the residents around the company are dominated as farmers and fishermen.

The Organization has made efforts to resolve conflicts with the surrounding community. Based on the 2023 Claim Area Identification and Settlement Report, there are several claim areas that decrease each year. However, cases of control and conversion of effective areas of plants and conservation by buying and selling land to be used as plantation land and overlapping land of the organization with surrounding villages and surrounding companies are still being investigated by the Organization and related parties by resolving conflict resolution based on the SOP for the Conflict Resolution Protocol and Handling of Security Threat Action Activities. This year, the Organization has carried out socialization and funding activities for Corporate Social Responsibility to the surrounding village community in order to build harmony and implement sustainable partnership programs.



PT Bina Daya Bintara has an Addendum to the Cooperation Agreement with the village community in the form of livelihood plants. The cooperation of livelihood plants with the surrounding village has been carried out with the Acacia plan. This was confirmed by the relevant village apparatus during the interview. The cooperation of livelihood plants is carried out by providing benefits to the community which are obtained every month according to the agreement. The Organization is also committed to improving the economy of the surrounding community by providing opportunities for the surrounding village community to manage Non-Timber Forest Products (NTFPs) in the form of forest honey. Several communities have become part of the Organization's partners to obtain economic value from the utilization of Non-Timber Forest Products located in the Organization's concession area.

The Organization has carried out social obligations to the community through CSR and CD programs. Based on the CSR/CD plan submitted, the CSR/CD Realization has been achieved and exceeded the nominal plan for 2023 and the second quarter of 2024. The CSR/CD Realization that has been carried out in education, health, religion, economy, and other activities. Some of the assistance includes material assistance for high schools in surrounding villages, village health equipment such as sugar test kits, blood tests, cholesterol tests, scales, etc., assistance for renovating mosques in surrounding villages, fish farming to improve the economy of the surrounding community, road repairs, and basic food assistance for flood victims in surrounding villages. This program continues to be implemented by the organization until it achieves an increase in the economic welfare of the surrounding community and improves positive and sustainable relationships with the village community both economically, socially, and environmentally.

#### **Description of the Ecological conditions of the concession**

PT Bina Daya Bintara has undertaken various activities related to ecosystem and hydrological forest management. These include identifying significant forest management activities and conducting environmental impact assessments through the AMDAL, RKL, and RPL activities conducted in 2003. The Environmental Permit for PT Bina Daya Bintara was issued by the Siak Regent on January 7, 2002, and the environmental monitoring is reported every semester in the Environmental Permit Execution Report (RPL/RKL).

Based on the peat ecosystem function map (1:250,000 scale) and the Peat Dome Peak map (SK.5348/MENLHK-PPKL/PKG/PKL.0/5/2019), ecosystem restoration activities have been identified. These include rehabilitation of vegetation on the peat dome peak if there is a decrease in land cover, and hydrological restoration activities, such as canal blocking and groundwater level monitoring, in cultivation areas outside the peat dome peak. The peak dome area is designated as a protected area, and no vegetation rehabilitation is planned there.

PT Bina Daya Bintara adheres to Sustainable Forest Management practices, as reflected in its Sustainable Forest Management Policy 2.0 (SFMP), which integrates the High Carbon Stock Approach (HCSA). The company is committed to conservation and forest management, including integrating HCSA findings, social assessments, and stakeholder engagement. The company also monitors climate impacts, such as temperature, humidity, and greenhouse gas emissions, and uses tools like fire towers, CCTV, drones, and satellite images to monitor land cover. It has designated protected areas covering 2,988 ha (39.58%) and applies fire management systems to control the risk of forest and land fires.

To maintain the ecosystem's health and biodiversity, PT Bina Daya Bintara implements various SOPs for monitoring and protecting forest areas, including controlling pests, fire prevention, and waste management. The company has set up a nursery for local species for peatland restoration and enrichment. No genetically modified species are used, and no fires are allowed in forest management practices. The company has also mapped out protected areas to prevent further damage to the ecosystem, particularly in areas that have high ecological significance. The restoration efforts include creating water zones and monitoring water levels to ensure the proper functioning of the peat ecosystem.

#### **Results of the Public Consultation**



Prior to conducting Transition to IFCC ST 1001:2021 + Surveillance 2 Audit on PT Bina Daya Bintara, PT Acube TIC International has made a public announcement and public consultation. Invitation to public consultation to stakeholders to obtain input as materials/consideration through the website [www.ajaindonesia.com](http://www.ajaindonesia.com) starting 1 July 2024. The stakeholders can provide input for audit considerations to PT Acube TIC International email. There is no input from stakeholders.

The audit team also collected information from the mass media about PT Bina Daya Bintara. The reported cases are considered as part of the PT Acube TIC International audit process.

The Organization has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the area of certification, which are registered for the certification area of 7,550 hectares.

#### **Organization progress record related to corrective action on findings of nonconformities in previous audit**

The result of Surveillance 1 Audit is no non-conformity.

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

The result of Transition to IFCC ST 1001:2021 + Surveillance 2 Audit is no non-conformity.

#### **Conditions under which the certificate is issued**

Certificate number AJA/IFCC-PEFC/FMC-HT/00032/XII/2016 is valid until 26 December 2025, provided that PT Bina Daya Bintara maintains its Recertification schedule and does not have potential major non-conformities at the next Recertification.