

# 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 BUMI ANDALAS PERMAI

TOTAL HECTARES: 190,415

SCOPE OF REGISTRATION: Sustainable Forest Management of 190,415 Ha of Plantation Forest in South Sumatra Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: August 09, 2021

AUDIT END DATE: August 16, 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

LEAD AUDITOR: Riyadi Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Andri Wibisono

SIGNATURE:

Agung Utama Lubis

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	Ogan Komering Ilir Regency, South Sumatra Province – Republic of Indonesia	August 9, 2021
Simpang Heran District	Ogan Komering Ilir Regency, South Sumatra Province - Republic of Indonesia	August 10, 2021
Began Tengah District	Ogan Komering Ilir Regency, South Sumatra Province - Republic of Indonesia	August 12 to 13, 2021
Tanjung Jati District	Ogan Komering Ilir Regency, South Sumatra Province - Republic of Indonesia	August 14, 16, 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	
Sungai Jelutung District	Ogan Komering Ilir Regency, South Sumatra Province - Republic of Indonesia	

Documents: Report Format Public – IFCC  
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Air Sugihan District	Ogan Komering Ilir Regency, South Sumatra Province - Republic of Indonesia
Tanjung Kait District	Ogan Komering Ilir Regency, South Sumatra Province - Republic of Indonesia
Bagan Rame District	Ogan Komering Ilir Regency, South Sumatra Province - Republic of Indonesia

#### Brief Description of the Concession

PT Bumi Andalas Permai obtained a Permit for the Utilization of Industrial Timber Forest Products (IUPHHK-HTI) since 2004:

1. Decree of the Minister of Forestry No. SK.339/Menhut-II/2004 September 7, 2004, concerning the Granting of a Business Permit for the Utilization of Timber Forest Products in a plantation forest to PT Bumi Andalas Permai over a forest area of ± 192,700 Ha in South Sumatra Province,
2. Decree of the Minister of Environment and Forestry Number ; SK.315/MenLHK-Setjen/2015 dated August 12, 2015 concerning Amendments to the Decree of the Minister of Forestry Number: SK.339/Menhut-II/2004 concerning the granting of a business permit for the use of timber forest products in plantation forests to PT Bumi Andalas Permai for a forest area of ± 192,700 Ha in South Sumatra Province,
3. Decree of the Minister of Environment and Forestry Number: SK.564/Menlhk/Setjen/PLA.2/10/2017 dated 19 October 2017 concerning the Stipulation of a Work Area for a Timber Forest Product Utilization Business Permit in PT Bumi Andalas Permai Industrial Plantation Forest covering an area of ± 192,224.03 Ha (Unit I=141.104 Ha, Unit II=51,119.46 Ha) in South Sumatra Province,
4. Decree of the Minister of Environment and Forestry Number SK.262/Menlhk/Setjen//PLA/PLA .2/5/2018 dated 31 May 2018 concerning the release of the Permanent Production Forest forest area of the Simpang Heran Bekayu forest group in the context of exchanging forest areas with PT Oki Pulp & Paper Mills. The area released was 1,005.66 Ha,
5. Decree of the Minister of Environment and Forestry Number ; SK.536/MenLHK-Setjen/HPL.0/11/2018 dated 26 November 2018 concerning Amendments to the Decree of the Minister of Forestry Number: SK.339/Menhut-II/2004 concerning the granting of a business permit for the use of timber forest products in plantation forests to PT Bumi Andalas Permai on a forest area of ± 192,700 Ha in South Sumatra Province. The area released for the TORA program is 1,807 Ha. The working area is 190,415 ha with no conversion of natural forest above December 31, 2010.

The latest RKUPHHK-HTI document was ratified by the Decree of the Minister of Environment and Forestry Number: SK.6036/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2020. The spatial planning of PT Bumi Andalas Permai based on the RKUPHHK-HTI document Local Protected Areas and Other Protected Areas of 30,164 ha (15.84%), Staple Plant Area of 123,039 ha (64.62%), Livelihood Plant Area of 37,212 ha (19.54%), for a total of 190,415 ha (100%).

PT Bumi Andalas Permai is located in two districts, Air Sugihan District and Tulung Selapan District in Ogan Komering Ilir Regency. From the seven districts of PT Bumi Andalas Permai, five districts are in Air Sugihan District and two districts are in Tulung Selapan District. This Surveillance 2 Audit samples are Simpang Heran District, Bagan Tengah District, and Tanjung Jati District.

The boundaries of PT Bumi Andalas Permai based on the districts are:

- Air Sugihan : North to APL; South to PT DSJ; East to PT DSH; West to APL
- Bagan Rame : North to Protected Forest; South to PT SBAWI; East to Protected Forest; West to PT DBT
- Bagan Tengah : North to PT DSH; South to PT BMH; East to PT DBR; West to PT DSJ
- Simpang Heran : North to PT KEN; South to PT DBT; East to plantation forest; West to Watershed
- Sungai Jelutung : North to Watershed; South to PT BMH; East to PT DBT; West to PT APL
- Tanjung Jati : North to Protected Forest; South to PT DTK; East to Protected Forest; West to PT SBAWI

Geographical location of districts of PT Bumi Andalas Permai:

- Air Sugihan (Air Sugihan District) : 02° 37.831' to 03° 44.217' South and 105° 16.838' to 105° 27.687' E
- Bagan Rame (Air Sugihan District) : 02° 40.474' to 02° 40.473' South and 105° 34.984' to 105° 44.103' E
- Bagan Tengah (Air Sugihan District) : 02° 44.160' to 02° 54.253' South and 105° 16.838' to 105° 27.687' E

- Simpang Heran (Air Sugihan District) : 02° 33.413' to 02° 44.140' South and 105° 27.687' to 105° 35.056' E
- Sungai Jelutung (Tulung Selapan District) : 02° 44.217' to 02° 51.786' South and 105° 17.472' to 105° 27.167' E
- Tanjung Jati (Tulung Selapan District) : 03° 00.184' to 03° 08.616' South and 105° 54.494' to 106° 02.014' E

Based on the Peat Ecosystem Function Map Scale 1: 250,000 determined by the Ministry of Environment and Forestry (Attachment to Minutes No. BA.012/UHP/RKUPHT/HPL.I/3/2017 dated March 20, 2017), the total area of PT Bumi Andalas Permai is peat soil, consisting of Peak peat and ordinary peat. The main plant species cultivated are *Acacia mangium*, *Acacia crassicaarpa*, *Eucalyptus* sp. PT Bumi Andalas Permai always implements regulations related to peatland management, namely revising the RKUPHHK based on Permen LHK no. P17. 2017 in the context of improving peat management, making a Peat Ecosystem Recovery Plan Document, adjusting the RKUPHHK for the 2018 to 2019 Activity Year and revise the RKUPHHK Document by referring to Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number P.10/Menlhk/Setjen/Kum.1/3/2019 concerning Determination, Determination and Management of Peat Dome Peaks Based on Peat Hydrological Units, and Designating the Dome Peak of 11,874 ha (6.24%) as a Protected Area.

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

Communities around the concession are local communities. Based on Ogan Komering Ilir Regency in Figures for 2021, the livelihood of the community is dominated by the agricultural sector. The next is the in the manufacturing industry and service sector. There are eight villages located around the company, namely Bukit Batu Village, Simpang Heran Village, Banyu Biru Village, Srijaya Baru Village, Jadi Mulya Village, Sungai Batang Village in Air Sugihan District, and Simpang Tiga Jaya Village, Kuala Duabel Village in Tulung Selapan District.

The conflicts resolution with the surrounding community are implemented through Potential Mapping and Conflict Resolution Report prepared based on the Regulation of the Director General of Sustainable Production Forest Management Number: P.5. / PHPL / UHP / PHPL/2.2016 concerning Guidelines for Mapping Potential and Conflict Resolution of IUPHHK in Production Forests. There were some conflicts in the three sample districts and have been resolved through the livelihood plant agreement and the Desa Makmur Peduli Api program agreement. Based on conflict resolution data, PT Bumi Andalas Permai has succeeded in resolving 73% of the claim area in the concession by the two main programs. Where the remaining claim areas are still in the process of being resolved through legal means and cooperation with the community.

PT Bumi Andalas Permai has carried out corporate social responsibility activities to the surrounding community. The activities cover the fields of education, social culture (including religious activities), economy, infrastructure, and health. The Community Development program activities are carried out in all districts in proportionate amounts based on the area and RKT activities for the current year.

Based on interviews with village communities, community leaders, and non-timber forest product seekers; the company has provided various kinds of assistance to the community, including assistance for agricultural production facilities, fertilizer assistance, assistance with weed killer poison to prevent people from burning their land, assistance in cleaning canals which become the boundary between the concession and community land.

### Description of the Ecological conditions of the concession

PT Bumi Andalas Permai has identified areas that function for water and soil protection, and have implemented appropriate measures to protect the area, by allocating Local Protected Areas and Other Protected Areas of 30,164 ha (15.84%) consists of 3,209 ha (1.69%) Riparian Areas, KPPN of 362 ha (0.19%), KPSL of 11,351 ha (5.96%), Buffer Zone of 3,368 ha (1.76%) and Peat Dome Peak of 11,874 ha (6.24%).

The Management Unit of PT Bumi Andalas Permai carries out water and peat management by implementing Water

Management in water control and management, control subsidence rate, existence pyrite layer, maintain a water table (always flooded) to keep it reductive.

The Management Unit has identified the distribution of protected flora and fauna through an inventory and mapping activities. There are three types of forest in the concession namely the mangrove, swamp peat and riparian which impact to the species diversity of wild flora. PT Bumi Andalas Permai also has carried out Human-Elephant Conflict Mitigation and Protection Efforts as sumatran elephant (*Elephas maximus Sumatranus*) is the key species of fauna in the concession area.

PT Bumi Andalas Permai implements appropriate measures to protect the forest from unauthorized activities, such as illegal logging activities, namely outreach to the community and put up a no-cutting tree sign, either in a protected area as well as in production areas. As the prevention of illegal hunting activities in their area, The Management Unit conducted socialization and installed signs of hunting prohibition as well as installing pamphlets containing pictures of protected species.

The Management Unit has implemented procedures for receiving guests to enter its concession area. The activity of securing the concession area is an effort to prevent illegal logging, forest encroachment, forest fires, hunting and other activities without permits. Patrol activities by security officers in the field are carried out on a tentative basis. However, patrols will be intensified in the work area during the fire-prone months. The threat of forest fires is the most threatening disturbance to the existence of forests on this transect and its surroundings.

#### Results of the Public Consultation

Prior to carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted public consultations commencing July 15, 2021, asking stakeholders to provide feedback and information about PT Bumi Andalas Permai. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to parties via e-mail or postal mail, and published in local newspapers. The audit team also collected information from the mass media about PT Bumi Andalas Permai, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

There was an input from a Forest Management Unit Service to hasten the formation and development of Community with Fire Awareness and the implementation of social forestry, formation of wildlife conflicts handling team by involving relevant agencies, and the cooperation of canal usage in forest areas. PT AJA Sertifikasi Indonesia has clarified to the company and received the following responses:

- PT Bumi Andalas Permai has established a Community with Fire Awareness in several villages with the cooperation of relevant agency as well as the collaboration in livelihood plants,
- The Management Unit and APP-Sinarmas are working on participatory collaboration with NGO from Riau to implement patrol education training, and in the planning of installation of elephant GPS Collar and construction of animal barriers,
- The cooperation agreement regarding the use of existing canals in forest areas is currently in the stage of preparation of the Plan Document which needs to be approved by the Head of the Forestry Service.

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 190,415 ha.

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

The result of Surveillance 2 Audit is no non-conformity.



#### Conditions under which the certificate is issued

Certificate is valid until November 08, 2022, provided that PT Bumi Andalas Permai maintains its Recertification schedule and does not have potential major non-conformities at the next Recertification.