

Public Report

Sustainable Forest

Management System

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CLIENT NAME: PT Bumi Andalas Permai

TOTAL HECTARES: 189,411.37
ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 189,411.37 hectares of Plantation Forest in South Sumatra Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification

AUDIT START DATE: July 03, 2019

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: July 09, 2019

LEAD AUDITOR: Agung Utama Lubis

SIGNATURE:

AUDIT TEAM: Ence Hedi Hasan Zubaedi

SIGNATURE:

Zaenal Arifin

SIGNATURE:

MAJOR CARS : 0

MINOR CARS : 3

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Bumi Andalas Permai	Head Office - Jln. R. Sukanto Komplek Ruko PTC Blok I No. 63Kelurahan 8 Ilir Kec. Ilir Timur II Palembang 30114	July 03, 2019
	District Sungai Jelutung – Kecamatan Tulung Selapan Sub-District, Ogan Komering Ilir , Provinsi Sumatera Selatan, Indonesia	July 04 – 05, 2019
	District Bagan Tengah – Kecamatan Tulung Selapan, Kabupaten Ogan Komering Ilir, Provinsi Sumatera Selatan, Indonesia	July 06 – 07, 2019
	District Tanjung Jati – Kecamatan Tulung Selapan, Kabupaten Ogan Komering Ilir, Provinsi Sumatera Selatan, Indonesia	July 08 – 09, 2019
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	
PT Bumi Andalas Permai	District Air Sugihan – Kecamatan Tulung Selapan, Kabupaten Ogan Komering Ilir, Provinsi Sumatera Selatan, Indonesia	
	District Simpang Heran – Kecamatan Tulung Selapan, Kabupaten Ogan Komering Ilir, Provinsi Sumatera Selatan, Indonesia	
	District Bagan Rame – Kecamatan Tulung Selapan, Kabupaten Ogan Komering Ilir, Provinsi Sumatera Selatan, Indonesia	
	District Tanjung Kait- Kecamatan Tulung Selapan, Kabupaten Ogan Komering Ilir, Provinsi Sumatera Selatan, Indonesia	

Brief Description of the concession

PT Bumi Andalas Permai had an operating permit by Decree of the Minister of Forestry Number; SK.339/Menhut-II/2004 dated September 7, 2004 concerning the granting of a business license for the utilization of timber forest products in plantation forests to PT Bumi Andalas Permai over around 192,700 ha of forest area in South Sumatra Province. In 2015, the company's concession area changed to 191,700 ha based on the Minister of Environment and Forestry Decree Number SK.315/MenLHK-Setjen/2015 dated August 12, 2015. The company then obtained its operating permit as last amended by Decree of the Minister of Environment and Forestry Number; SK.536 / MenLHK-Setjen / HPL.0 / 11/2018 dated November 26, 2018. Based on the decree, the work area is now defined as being 189,411.37 ha.

PT Bumi Andalas Permai HTI Spatial Planning based on the RKUPHHK-HTI Adjustment Document as approved based on the Decree of the Minister of Environment and Forestry Number: SK.2382 / MenLHK-PHPL / UHP / HPL.1 / 4/2018 is as follows: Local Protected Area and Other Protected Areas covering an area of 30,744 ha (16.04%), Staple Plant Area of 122,749 ha (64.03%) and 38,207 ha of Livelihood Plants (19.93%).

PT Bumi Andalas Permai has not converted natural forest to plantation forest as the the initial condition of the concession was as a non-forested area.

PT Bumi Andalas Permai is administratively located in the sub-districts of Air Sugihan and Tulung Selapan in Ogan Komering Ilir Regency, South Sumatra Province.

The Management Unit concession is included in the Simpang Heran River and Beyuku II River Forest Groups and geographically located at:

- Unit 1: 02° 33' to 02° 55' South and 105° 12' to 105° 46' East,
- Unit 2: 02° 99' to 03° 18' South and 105° 50' to 106° 02' East.

The entire work area of PT Bumi Andalas Permai is on a flat plain with a slope of 0 - 8%. The soil type of the work area based on Land System Map scale 1: 250,000 Lumur River Sheet consists of peat (organosol), podsollic and alluvial. Based on the Map of Peat Ecosystem Functions of Scale 1: 250,000 established by the Ministry of Environment and Forestry (Attachment of Minutes No. BA.012 / UHP / RKUPHT / HPL.I / 3/2017 March 20, 2017), the entire area of PT Bumi Andalas Permai is peatland, consisting of protected peat (FLEG) and cultivated peat (FEBG). The main plant species cultivated are *Acacia crassicarpa* and *Acacia mangium*.

PT Bumi Andalas Permai is in the process of revising the RKUPHHK document based on the Recovery Document above and the Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number P.10 / Menlhk / Setjen / Kum.1 / 3/2019 Regarding Determination and Management of Peat Dome Peaks Based on Peat Hydrological Unity.

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

There are seven villages in the two sub-districts of the PT Bumi Andalas Permai concession, the residents being local rather than indigenous people. In Air Sugihan District most are transmigrants originally from Java and who work as farmers, while in Tulung Selapan District the population is dominated by Ogan Komering Ilir people who work as fishermen.

PT Bumi Andalas Permai has undertaken efforts to resolve conflict with the surrounding residents, of which the village

and district heads have been kept informed. Interviews with staff of PT Bumi Andalas Permai, the leader of the surrounding village community and the village apparatus revealed that PT Bumi Andalas Permai seeks to approach matters by converting that land of the company's concession being cultivated by the community to a livelihood plant area. While such an approach can provide economic benefits for the community, those whose backgrounds are as transmigrants tend to use the land to plant rice to meet their daily needs.

There is an agreement between PT Bumi Andalas Permai and local farmer groups in regard to management of the Livelihood Plant Areas within the context of conflict resolution. This agreement has been followed by a livelihood plant management agreement signed between seven (7) chairpersons of farmer groups and the authorized director of PT Bumi Andalas Permai, of which the village heads, sub-district head and head of forestry service of Ogan Komering Ilir have been made aware.

PT Bumi Andalas Permai also provides support for community empowerment of the villages surrounding the concession area. There is a report on the implementation of its forest village community development (CSR) programs in 2018, covering the activities in the fields of education, , social aspects, health and infrastructure, as well as the Desa Makmur Peduli Api (DMPA) program, plus other economic aspects. There are Monthly Report Details on the implementation of the forest village community development in 2019 available in a series of monthly reports covering January through June.

Description of the ecological conditions of the concession

The Management Unit monitors the negative impacts of forest management activities, on the physical-chemical soil and water, flora and fauna. Impact parameters that are managed and monitored include physical and chemical soil quality, soil compaction due to heavy equipment use, land subsidence, sedimentation, flooding and water quality degradation, endemic vegetation and wildlife, rare, protected and key species of Sumatran Elephant (*Elephas maximus Sumatranus*).

These environmental / ecological impacts have been identified through the Addendum Report of the Environmental Management Plan / Environmental Monitoring Plan (RKL / RPL) of PT Bumi Andalas Permai in semester 2 of 2018 as a renewal of the impacts relevant to the 2004 Environmental Impact Assessment (AMDAL) document, Environmental Management Plan / Environmental Monitoring Plan (RKL / RPL). This addendum document has identified through inventory and mapping the distribution of protected, endemic, rare and endangered flora and fauna and threatened / endangered species and their habitats.

The Management Unit has identified and allocated areas that function for the protection of land and carries out management and monitoring to protect the area from damage (erosion, landslides, etc.). In accordance with the functions due to forest management operational activities, area allocated for Local Protection and Other Protected Areas covering 30,744 ha as follows:

- Protected Functions Area of Peat Ecosystem covering an area of 15,803 ha, consisting of River Borders 40 ha, Functions of Peat ecosystem covering an area of 11,874 ha, KPPN covering an area of 353 ha, KPSL covering 3,523 ha and Buffer Zone covering an area of 13 ha
- Local Protected Areas and Other Protected Areas covering an area of 14,941 ha, consist of River Border covering an area of 3,251 ha, KPPN covering an area of 9 ha, KPSL covering an area of 7,828 ha and Bufferzone covering an area of 3,853 ha.

The Management Unit has carried out:

- Identification of areas of high conservation value (HCV) related to protected, rare, endangered, sensitive forest ecosystems or ecosystem representations, such as riparian areas, outlined in the document Recapitulation Reports and Minutes of Protected Area Management Activities (HCV-HCS) Quarterly 1 Period 1 Period January - March 2019
- Identification of HCVs which contains the results of identification of protected flora and fauna, and has records of animal inventories and outlined in maps of the distribution of animals, key animals, Sumatran Elephant (*Elephas maximus Sumatranus*).
- Has conducted public consultations with surrounding communities, relating to the existence of flora and fauna, ecosystems and landscapes.

- Non-Timber Forest Product Management: NTFPs in the form of shrimp, fish, with a high level of community dependency around the area. This is because the potential of shrimp and fish is quite large by relying on tides.

Efforts to prevent forest fires from the PT Bumi Andalas Permai Management Unit include preparation of the RPK Team, fulfillment of fire facilities and infrastructure, early detection efforts, the formation of fire-aware communities, the creation of dispatch center posts and outreach to villages and the installation of warning signs in regard to the prohibition of lighting fires.

Results of the Public Consultation

Prior to undertaking the Recertification Audit, PT AJA Sertifikasi Indonesia conducted public consultations commencing June 21, 2019, which asked stakeholders to provide feedback and information on PT Bumi Andalas Permai. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email or postal mail, and announced in local newspapers.

A letter was received from a stakeholder suggesting that PT Bumi Andalas Permai could collaborate in livelihood plants with communities around the company. Follow-up verification by conducting interviews with the Management Unit and village apparatus around the company's concession and examination of documents revealed that PT Bumi Andalas Permai has collaborated in livelihood plants with communities around the company.

A suggestion from another stakeholder requested that PT Bumi Andalas Permai provide periodic reports relating to elephants around the concession. Based on interviews with Management Unit staff and document verification, PT Bumi Andalas Permai does monitor the movement of elephants, which is included in its periodic reports to relevant agencies.

PT Bumi Andalas Permai has identified all necessary requirements for this certification process, comprising legal aspect that include compliance with international regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 189,411.37 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 the Recertification Audit of PT Bumi Andalas Permai three (3) Minor Non-Conformities (NC) were identified by the audit team.

No	Non-conformities	Corrective Action performed	Category
1.	Signboards and plot signs of soil samples, water samples (deep well, water level, water reservoirs, water points) samples of vegetation and animals in protected areas (KPPN, KPSL, river border), degraded areas, rehabilitation areas were largely missing and lacked coordinates. Indicator I.6.5.	PT Bumi Andalas Permai has installed guide signs and plot signs for soil samples, water samples (deep well, water level, water reservoirs, water points) of vegetation and animal samples in protected areas.	Minor
2.	Vegetation plot sampling techniques and field implementation in conservation areas and degraded areas are not in accordance with the relevant SOP. Indicator I.7.1	PT Bumi Andalas Permai has revised the method of vegetation plot sampling and field implementation in conservation areas and degraded areas.	Minor



3.	One of the three conservation areas and degraded areas was not successfully rehabilitated. Indicator I.7.2.	PT Bumi Andalas Permai has re-designed suitable plant species for the rehabilitation area.	Minor
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Conditions under which the certificate is issued

Certificate is valid until (November 08, 2022), provided that PT Bumi Andalas Permai completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same problems at the next Surveillance visit. If the non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time as AJA is able to perform a closeout visit.