

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 PERSADA PERMAI II

TOTAL HECTARES: 20,816.32

SCOPE OF REGISTRATION: Sustainable Forest Management in Plantation Forests covering an area of 20,816.32 hectares in South Sumatra Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: November 16, 2020

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: November 19, 2020

AUDITOR LEAD: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Priyo Handoko

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Bumi Persada Permai II Unit Bintialo	Lubuk Bintialo Village, Batanghari Leko District, Musi Banyuasin Regency, South Sumatra Province, Republic of Indonesia	November 16 to 19, 2020
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

The concession is based on the Decree of the Minister of Forestry Number SK.79 / Menhut / 2009 concerning the Granting of IUPHHK HTI PT Bumi Persada Permai over a Production Forest area of about 24,050 ha in Musi Banyuasin Regency, South Sumatra Province. By the latest decree in 2018 number LAP.15 / BPKH.II / PKH / PLA.2 / 2/2018, the total area became 23,570.82 ha.

There was a conversion of 2,754.50 ha (Block I of 261 ha, Block II of 2,493.50 ha) of natural forest to plantation forest that was carried out after December 31, 2010. Thus, the scope of the IFCC certification is for an area of 23,570.82 - 2,754.50 = 20,816.32 ha.

The Management Unit has a ten-year planning document, namely a Business Plan for Utilization of Plantation Forest Timber Forest Products (RKUPHHK-HTI) for the period of 2019 to 2028 PT Bumi Persada Permai, approved based on KepmenLHK no. SK. 8717 / MenLHK-PHPL / UHP / HPL.1 / 12/2018 dated December 19, 2018. The spatial planning based on the RKUPHHK-HTI is divided into Local Protected Areas and Other Protected Areas of 8,208.93 ha (34.83%), Staple Plant Areas of 10,437.08 ha (44.28%) and Livelihood Plant Areas of 4,924.81 ha (20.89%).

Geographically, the area of the IUPHHK-HT PT. Bumi Persada Permai is located at:

- Block at 2° 19' to 2° 28' South and 103° 00' to 103° 13' East
- Block II at 2° 24' to 2° 30' South and 103° 00' to 103° 26' East

Territorial boundaries are as follows:

- Block I; North side: Jambi Province and the IUPHHK-RE Area of PT. Restorasi Ekosistem Indonesia, East Side: HPT Meranti - Sakosuban, South Side: IUPHHK-HTI PT. MHP, HPT Meranti - Sakosuban and HPH Meranti - Batang River, West Side: HP Meranti - Batang River and IUPHHK - HTI PT. Buana Sriwijaya Sejahtera.
- Block II; North side: Meranti HPT - Sakosuban, East side: Meranti HPT - Sakosuban and Kademba River Protected Forest, South side: Meranti HPT - Merah River, West side: Meranti HPT - Sakosuban

In government administration, the concession area of PT. Bumi Persada Permai is located in Batanghari Leko District, Musi Banyuasin Regency, South Sumatra Province. Likewise, in the forestry administration, including the Sungai Batang - Sungai Jernih and Sungai Sako Suban forest groups, the Forestry Service area of the Musi Banyuasin Regency. From a hydrology point of view it is located in the Batanghari Leko sub-watershed.

The site condition of PT Bumi Persada Permai II is mineral land with a mostly sloping topography. Areas with very steep slopes are allocated as protected areas. Geological conditions of the work area is composed of three formations, the Swamp Sediment formation (Qs), Air Benakat (Tma) and Muara Enim (Tmpm). The soil types are Tropaquept, Dystropepts, Hapludox, and Kandiudults. Climate Type A with an average CH of 2,577 mm / year, average monthly temperatures ranging from 26.5 - 28.0°C, and an average relative humidity of 85%.

Management Unit of PT Bumi Persada Permai has opted for *Acacia mangium* and *Eucalyptus pellita* as staple crops.

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

PT Bumi Persada Permai has a report on the results of identification of the rights of indigenous / local communities around the work area of PT Bumi Persada Permai in 2017. Based on this report, information is obtained that there are still areas / areas that are used by local communities to meet basic needs, namely as many as 4 villages: Lubuk Bintialo Village, Pangkalan Bulian, Sako Suban, Tebing Tinggi and Bumi Makmur Village. There are members of the Suku Anak Dalam (SAD) community around the concession area with a hunting and farming livelihood pattern. The majority of the population living around the concession are members of the Batanghari Leko Malay.

There is forest management cooperation with the local community in the form of the formation of the Community of Fire Awareness (MPA), the formation of the Desa Makmur Peduli Api (DMPA), and utilization of Non-Timber Forest Products (HHBK) by the communities.

The Management Unit has a document on the procedure for mapping potential conflicts and conflict resolution in 2019. A report on mapping of potential conflicts and conflict resolution in 2020 is available and a report was submitted to the Head of the Environment and Forestry Service of South Sumatra Province.

A Project Plan for Community Development (CD) document is available from 2019 and 2020, which describes the plan and realization for each year. The CD program realized in 2019 was in the form of assistance for musholla (small mosque) facilities, agroforestry gardens, educational props assistance, ceramic and cement assistance for a school, generator assistance, qurban animals, construction of mosques and prayer rooms, computer assistance, etc. Meanwhile, the realization of the CD program in 2020 to the period in October is in the form of the provision of clean water by drilling wells, procurement of health equipment to anticipate Covid-19, educational facilities for early childhood education, and assistance for Qurban animals in the form of goats.

Description of the ecological conditions of the concession

The Management Unit has carried out Management of Forest Ecosystem and Hydrological Functions through the following activities:

- Identification of forest management activities with significant impacts, and conducting environmental impact assessments, which are presented each semester in the Environmental Permit Implementation Report (RPL / RKL).
- Reduced Impact Logging is carried out in stages: before logging activities (pre-harvesting), during harvesting operations (harvesting), after logging activities (post-harvesting)
- Identification of areas that function for land protection are designated as a protected area, namely Local Protected Area and Other Protected Areas of 8,208.93 ha (34.83%), consisting of Riparian Zones of 1,938.71 (8.23%), KPSL of 4,309.09 ha (18.28%), KPPN of 1,603.01 (6.80%), Buffer Zone Kadamba Forest of 105.71 ha (0.45%), area with Slopes $E > 40\%$ of 252.39 ha (1.07%).
- Identification of areas that function for water protection are allocated and designated as local protected areas and other protected areas.
- Monitoring of negative impacts of forest management activities in concession areas is carried out in accordance with documented procedures for Monitoring Protected Areas, Monitoring of Discharge and Water Quality and Monitoring of Erosion.

The Management Unit has carried out Biodiversity Management activities through the following activities:

- Identification and inventory of protected, endemic, rare and threatened / endangered flora and fauna within the concession area. There is a map of the distribution of flora and fauna.
- Identification of key protected and threatened / endangered species, their habitats and their migration patterns. Based on the identification, there is no key species.
- Based on the Sentinel-2 Band 432 T48MTC Image Mosaics Liputan dated May 6, 2019 with T48MUC dated May 6, 2019, on a scale of 1: 50,000, it was identified that part of the area is the Batang Hari Leko river watershed.
- The staple plants cultivated are not genetically modified tree species, being *Acacia mangium* and *Eucalyptus pellita*.

The Management Unit has carried out Forest Protection activities whether the disturbances are due to natural or human causes:

- Identify and monitor disturbances in Sustainable Forest Management, reports of which are submitted to the relevant authorities each semester.

- Has a documented procedure to prevent and deal with pest attacks, utilizing manual, biological and pesticide solutions as deemed most appropriate.
- Besides Integrated Pest and Disease Management, there are documented procedures for Weed Control, the Handling of Spills of Fuel, Lubricants and Chemicals, and for the Management of Hazardous and Toxic Waste (B3).
- Has implemented forest protection measures against fire hazards and involved the local community in MPA activities.
- Livestock grazing activities by the community are not permitted in the Management Unit area.

Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing October 15, 2020, asking stakeholders to provide feedback and information about PT. Bumi Persada Permai II. Public consultations were uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to relevant parties via email and / or postal mail, and announced in local newspapers.

PT AJA Sertifikasi Indonesia did not receive any input from stakeholders during the public consultation. The audit team also collected information from the mass media about PT. Bumi Persada Permai II, the reported cases being given material consideration as part of the audit process conducted by PT. AJA Sertifikasi Indonesia.

PT. Bumi Persada Permai II has identified all the requirements needed for this certification process, which consist of legal aspects that include compliance with international rules, regulations and conventions. The established management system covers all field activities for certification, which is registered for an area of 20,816.32 ha.

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 Surveillance 1 Audit of PT. Bumi Persada Permai II, there is one (1) Minor Non-Conformity. The management system of PT. Bumi Persada Permai II operates effectively. No critical problems were identified.

NO	Non-Conformities	Corrective Action performed	Category
1.	Medical personnel in the clinic have not been able to show ownership of the Company's Hygienic Certificate (Hiperkes) as required by law and regulation. There was no washing house facility as a place for workers to cleanse themselves to ensure that they are not carrying toxins when returning from work. Clause Ref. I.12.2.	The Management Unit planned company hygiene training plans for paramedics on site or virtual training (according to conditions) and carry out monitoring of the construction of rinse houses in accordance with predetermined plans.	Minor

Conditions under which the certificate is issued



Certificate is valid until April 01, 2023 provided that PT Bumi Persada Permai II 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.