

Public Report Sustainable Forest Management System

Ownership of this report and the information contained within remain the property of
AJA Europe



AJA EUROPE

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 of 20,816.32 hectares of Plantation Forest in South Sumatra Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: November 15, 2021
AUDIT END DATE: November 18, 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: Rahmat Safe'i

SIGNATURES

Agung Utama Lubis

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 - Indonesia	November 15 to 18, 2021
SITE NAME (Legal Name):	ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION INCLUDING COUNTRY- TO BE COMPLETED IF THE CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN	
N/A		

Brief Description of the concession

The first permit of the concession area was obtained based on the Decree of the Minister of Forestry Number SK.79/Menhut/2009 concerning the granting of IUPHHK HTI to PT Bumi Persada Permai for a Production Forest area of approximately 24,050 ha in Musi Banyu Asin Regency, South Sumatra Province. Then in 2018, the company area become 23,570.82 Ha. It was obtained after the Boundary Report No. LAP.15/BPKH.II/PKH/PLA.2/2/2018. There was a conversion of the natural forest after December 31, 2010, of 2,754.50 Ha (in Block I of 261 Ha, and Block II of 2,493.50 Ha). The scope of IFCC certified area becomes 20,816.32 Ha after the reduction of the converted forest.

The current Business Plan for the Utilization of Timber Forest Products from Plantation Forests (RKUPHHK-HTI) of the company is running for a period of 10 years from 2019 to 2028, which is approved based on SK. 8717/MenLHK-PHPL/UHP/HPL.1/12/2018. The spatial planning based on the document is the Local Protected Area and Other Protected Areas of 8,208.93 ha (34.83%), Staple Plant Area of 10,437.08 ha (44.28%), and Livelihood Plant area 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 Kandiuults. 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%.

The Management Unit of PT Bumi Persada Permai has opted for *Acacia mangium* and *Eucalyptus pellita* as staple crops due to its land condition.

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

According to the Report on the Identification of the Rights of Indigenous/Local Peoples around the PT Bumi Persada Permai Work Area in 2017, there is an indigenous community around the concessions called the Anak Dalam Tribe. The tribe occupies Sako Suban Village where they live near the Batanghari Leko River. The Anak Dalam Tribe lives by farming and hunting in the forest. Their customary has been respected by the company, as well as the local communities who are also neighbors with the tribe.

Generally, the population of the residents is immigrants who come from various districts in South Sumatra Province, and other tribes coming from Java, Jambi, and Medan. The livelihoods of residents around the concessions are dominated by the agricultural sector; they work as farmers (oil palm and rubber), fishers, wood gatherers, craftsmen, shop owners, casual daily laborers, rubber tappers, taking oil from old wells, workshops, etc.

Efforts to resolve community conflicts include compiling the Potential Mapping and Conflict Resolution Report per semester. According to the latest report, the status of the conflict at the IUPHHK level is under control. The conflict resolution efforts that have been carried out by the company include submission of a proposal for optimizing the claim area to become a Plantation Partnership, claim area identification and measurement, and location checking to allocate the livelihood plant area according to spatial planning. As the conflict resolution efforts carried out, some of the land claims had been successfully resolved. Meanwhile for the open claim case, the collaboration is still in the process of collecting data on groups to be cooperated in social forestry.

PT Bumi Persada Permai has collaborated with the surrounding community. The collaboration is in the sector of non-timber forest product with some honey-seeker groups, and the establishment of Community with Fire Awareness with the villages. Other collaborations are in the form of plantation partnership and with partnering with the local contractors in the Management Unit operational activities.

The corporate social responsibility program runs in the form of assistance for school building facilities, goat, corn and pepper cultivation, Eid Al-adha celebration, clean water well construction at the village office, solar cell installation assistance, and food assistance. According to the community leaders, the company has provide assistance in providing books for elementary school students and providing al-Qur'an assistance to local villages, assistance in the construction of village roads, and assistance of water machines to provide clean water for villagers.

Description of the Ecological conditions of the concession

PT Bumi Persada Permai II has allocated some areas as protected areas. The protected areas namely Local Protected Area and Other Protected Areas has an area 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%), the area with Slopes $E > 40\%$ of 252.39 ha (1.07%). The activities carried out in the protected areas are maintenance of protected area information signs, forest security patrols, and socialization of forest protection to the employee and communities.

A wildlife protection area is an area that functions as a shelter and natural breeding of wild animals. This area has an important role related to the sustainability of the life of these animals. Apart from being a local/in situ wildlife sanctuary for various types of birds, reptiles, and mammals. The important wildlife species found in the Management Unit include Sumatran tiger (*Panthera tigris sumatrae*) clouded leopard (*Neofelis nebulosa*), sun bear (*Helarctos malayanus*), deer (*Cervus unicolor*), ungko (*Hylobates agilis*), eagle (*Haliastur indus*), monitor lizards (*Varanus salvator*), *Trionyx* sp and others.

PT Bumi Persada Permai II has identified and monitored disturbances, considering natural disturbances that pose a threat to the health and vitality of forest resources. The disturbances are caused by pests, diseases, and weeds; fire hazards; the potential for hunting wildlife; theft and destruction of plantation forest stands; illegal logging in protected areas and landslides. The technical plan for forest protection and security taken by the Management Unit are pest and disease control, and forest protection from disturbance.

The Management Unit has established and implemented documented procedures in the form of SOPs for Forest Protection and Security and SOPs for Fire and Forest Emergency Preparation and Response. The Management Unit has evidence of the implementation of forest protection and security procedures, including a map of the level of vulnerability to disturbance, prone to conflict, fire, prone to illegal logging, and prone to encroachment. The Management Unit also

has the infrastructure and human resources for pre-emptive, preventive, and measurable measures to protect forests from disturbance.

Results of the Public Consultation

Before carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing October 07, 2021, 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.

The result of the Surveillance 2 Audit is one non-conformity. No critical issues occur, and the non-conformity has been closed.

No	Non-conformities	Corrective Action Request	Category
1	The auditor cannot identify the maximum effort from The Management Unit to prevent the expansion of the claim area/encroachment in the Slope E area of the concession which has the potential to cause landslides. Indicator I.8.1	<ol style="list-style-type: none"> 1. Carry out identification of conflicts/occupations in slope E protected area, 2. Carry out socialization to the claimer community groups regarding the management of slope E protected areas, 3. Carry out conflict resolution, 4. Develop a management and monitoring program for the protected areas. 	Minor

Conditions under which the certificate is issued

The certificate is valid until April 01, 2021, provided that PT Bumi Persada Permai II completes all corrective actions according to the schedule proposed in its corrective action responses and does not have the same problems at the next Recertification visit. If the non-conformities are not closed at the next Recertification, the certificate will be suspended until AJA can perform a closeout visit.