

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
ha

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

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Stage 2

AUDIT START DATE: November 05, 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: November 08, 2019

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Amin Kadeni

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS : -

MINOR CARS : 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT BPP2 Unit Bintialo	Lubuk Bintialo Village, Batanghari Leko District, Musi Banyuasin Regency, South Sumatra Province, Republic of Indonesia	November 05 to 08, 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	
N/A		

Brief Description of the concession

The operating permit is based on the Decree of the Minister of Forestry Number SK.79/Menhut/2009 Dated March 5, 2019 concerning the granting to PT Bumi Persada Permai's IUPHHK HTI over the Production Forest area of around 24,050 ha in Musi Banyu Asin Regency, South Sumatra Province. According to LAP.15/BPKH.II/PKH/PLA.2 / 2/2018 in 2018, the total area is 23,570.82 ha. There was a conversion of natural forest to plantation forest after December 31, 2010 covering an area of 2,754.50 ha (Block I Sei Kapas covering 261 ha, and Block II covering 2,493.50 ha), so that the scope of the IFCC certification is for an area of 20,816.32 ha.

The Management Unit has a ten-year Business Plan for Utilization of Timber Forest Products (RKUPHHK-HTI) for the period of 2019 to 2028 of PT Bumi Persada Permai, which was approved based on KepmenLHK No. SK 8717 / MenLHK-PHPL/UHP/HPL.1/12/2018 dated December 19, 2018. Spatial Planning based on the above RKU is as follows: Local Protection Area and Other Protected Areas of 8,208.93 ha (34.83%), Staple Plant Areas of 10,437.08 ha (44.28%) and Livelihood Plant Area of 4,924.81 ha (20.89%).

The PT. Bumi Persada Permai concession area falls under the governmental administration of Batanghari Leko District, Musi Banyuasin Regency, South Sumatra Province, while the administration of forestry includes the Batang River to Jernih River and Sako Suban Rivers, falls under the Forestry Service area of Musi Banyuasin Regency. Geographically, the work areas are located between:

- Block I: 2° 19' to 2° 28' South and 103° 00' to 103° 13' East
- Block II: 2° 24' to 2° 30' South and 103° 20' to 103° 26' East

The territorial boundaries are as follows:

- Block I
 - Northern side: Jambi Province and IUPHHK-RE Area PT. Indonesian Ecosystem Restoration
 - Eastern side: HPT Meranti - Sakosuban
 - Southern side: IUPHHK-HTI PT. MHP, Meranti - Sakosuban HPT and Meranti - S. Batang HPH.
 - Western side: Meranti - S. Batang and IUPHHK - HTI PT. Buana Sriwijaya Sejahtera.
- Block II
 - Northern side: HPT Meranti - Sakosuban
 - Eastern side: HPT Meranti - Sakosuban and HL Sungai Kademba
 - Southern side: HPT Meranti - Sungai Merah
 - Western side: HPT Meranti - Sakosuban

PT Bumi Persada Permai II work area consists of mineral land with a topography of mostly sloping areas; areas with very steep slopes are allocated as protected areas. Geological conditions of the working area of PT Bumi Persada Permai II is composed of three formations, namely Swamp Deposits (Qs), Benakat Water (Tma) and Muara Enim (Tmpt). With the type of soil in the area of PT Bumi Persada Permai II at the level of the great group (soil taxonomy, USDA 1977) it is divided into: Tropaquept, Dystrypepts, Hapludox, and Kandiodults. The climate is Type A (Schmidt/ Ferguson classification) with an average rainfall of 2,577 mm / year, average monthly temperatures ranging from 26.5° - 28.0° C, and an average relative humidity of 85%. The area is included in the Batanghari Leko watershed.

Based on the foregoing, PT Bumi Persada Permai's Management Unit has opted to cultivate *Acacia mangium*, *Acacia crassicaarpa* and *Eucalyptus pellita* tree species as its staple plants.

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

The Management Unit filed a report in 2017 in regard to the rights of the indigenous communities that surround the work area of PT Bumi Persada Permai. Based on this report, the indigenous communities utilize the following villages to meet their basic needs: Lubuk Bintialo, Pangkalan Bulian, Sako Suban, Tebing Tinggi and Bumi Makmur.

They consist of 54 members of the Suku Anak Dalam community who occupy the area around Block I and have a hunting and farming livelihood pattern, while the majority of the population around the concession are of Batanghari Leko Malay origin.

Cooperation with the local community in forest management activities includes the formation of the Fire Concerned Community (MPA) and community access to the concession to utilize Non-Timber Forest Products (NTFP) for their benefit.

The Management Unit maintains conflict mapping and conflict resolution procedural documents on an ongoing basis. The latest report available for 2019 has been submitted to the Head of the Environment and Forestry Office of South Sumatra Province.

The Management Unit has documented its Community Development Project Plans (CDs) from 2015 to 2019, which detail the plan and realization of the CD program for each year. The planned CD program is in the form of assistance in the fields of: productive business, health, education, social culture and infrastructure. Available reports on the realization of the CD / CSR program for January to October 2019 have taken the form of: agroforestry gardens, educational aids, ceramic and cement assistance for school, addition of drinking water treatment equipment (RO), generator assistance, air conditioner, sacrificial animals, construction of mosques and prayer rooms, computer assistance, etc. In addition, there has also been the realization of the Desa Makmur Peduli Api (DMPA) program in the form of assistance in the form of aid for beef cattle, goat kids, fish fingerlings, and the cultivation of secondary crops.

Description of the ecological conditions of the concession

The Management Unit has identified those forest management activities that have significant impact, and conducts environmental impact assessment through the monitoring of the following areas:

Physical and chemical properties of the soil to determine changes in its health due to losses of organic and other nutrients during land preparation; Soil erosion due to changes in physical properties such as permeability and structure during land preparation; Hydrology and water discharge due to changes in the physical nature of the watershed and land cover because of rainfall; Sedimentation caused by soil particles entering the river and being carried out of the watershed area; and Reduced Impact Logging activities are also carried out in stages, pre-harvesting, during harvesting and post-harvesting. The Management Unit reports all its management and monitoring activities to the requisite authorities on a periodic basis.

The Management Unit has also identified those areas that function for soil protection, which are designated as the Local Protection Area / Other Protected Area.. These cover 8,208.93 ha (34.83%), consisting of Sempadan Sungai covering 1,938.71 ha, KPSL covering 4,309.09 ha, KPPN covering 1,603.01 ha Buffer Zone Kadamba Protected Forest covering 105.73 ha and Slopes E> 40% covering an area of 252.39 ha. Areas that function for water protection have also been identified and are allocated and designated as local protected areas and other protected areas.

The management unit has carried out Biodiversity Management activities that include the identification and inventory of protected, endemic, rare and endangered species of flora and fauna within the concession area, as well as their habitat and migratory patterns. While there are fauna distribution maps, those for flora are not yet available. However, based on the continuous monitoring operations there are no key species in the area. The results of the identification and inventory can be found in RKL and RPL AMDAL documentation that is included in the 2019-2028 Work Plan, as well as the semester reports submitted to the requisite authorities. Moreover, the main

plant species being cultivated are not genetically modified tree species, but *Acacia mangium* and *Eucalyptus pellita*.

The Management Unit carries out forest protection activities, conducting regular patrols to identify and monitor any disturbances. Among the activities carried out are the installation and maintenance of boundary markers and notice boards, plus socialization to the local community about the prohibition of the grazing of livestock within the concession area.

PT. Bumi Persada Permai II also has standard procedures to counter disease or infestation, as well as weed control, which utilize manual, mechanical, biological and chemical approaches as may be required. The procedures for the use of pesticides also includes SOPs for the management of toxic and hazardous waste (B3), as well as fuel oil spills, etc.

The Management Unit implements appropriate measures to counter forest fires and involves the local community through the Fire Concerned Community (MPA) program, providing training and facilities.

Results of the Public Consultation

Before conducting the Stage 2 Audit, PT AJA Sertifikasi Indonesia carried out Public Consultation commencing October 19, 2019, asking stakeholders to provide feedback and information about PT. Bumi Persada Permai II. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to relevant parties via email and / or postal mail, and published in local newspapers.

PT AJA Sertifikasi Indonesia received no 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 carried out by PT. AJA Sertifikasi Indonesia.

PT. Bumi Persada permai II has identified all the requirements for the certification process, which comprise legal aspects that include compliance with international rules or conventions. The established management system includes 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.

Results of the Stage 2 Audit of PT Bumi Persada Permai II identified two (2) Minor Non-Conformities details of which are listed below. The management system of PT. Bumi Persada Permai II is operating effectively and no critical issues were identified.

NO	Non-Conformities	Corrective Action performed	Category
1.	Based on field visits, chainsaw operators were not wearing safety shoes as required in the regulatory standards. Clause Ref. I.12.4.	The Management Unit plans to conduct socialization of PPE standards, as well as ensure that all of the contractor's workforce are fully equipped with PPE.	Minor
2	Based on visits to contractor camps and employee housing complexes, the mixing of organic, inorganic and LB3 waste in trash cans and landfills was still occurring in contradiction to required management procedures.	The Management Unit plans to: <ul style="list-style-type: none"> • Carry out socialization (awareness) to employees and work partners of contractors about waste management in accordance with applicable procedures. • Add trash cans (organic and inorganic) according to the needs in the camp. 	Minor



	Clause Ref. I.12.6.	<ul style="list-style-type: none">• Monitor organic and inorganic waste management in accordance with applicable waste management procedures.	
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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.