

Public Report Sustainable Forest Management System

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





CLIENT NAME: PT SEBANGUN BUMI ANDALAS WOOD INDUSTRIES

TOTAL HECTARES: 136,524.68

SCOPE OF REGISTRATION: Sustainable Forest Management of 136,524.68 hectares of Plantation Forest in South Sumatra Province

REGISTRATION: Sumatra Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: September 13, 2021

AUDIT END DATE: September 18, 2021

LEAD AUDITOR: Abdullah Mujahid

AUDIT TEAM: Andri Wissono

Agung Utama Lubis

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

SIGNATURE:

SIGNATURE:

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	Tulung Selapan District, Air Sugihan District, Ogan Komering Ilir Regency, South Sumatra Province, Republic of Indonesia	September 13, 2021
Sungai Riding District	Tulung Selapan District, Air Sugihan District, Ogan Komering Ilir Regency, South Sumatra Province, Republic of Indonesia	September 14 to 15, 2021
Teluk Pulai District	Tulung Selapan District, Air Sugihan District, Ogan Komering Ilir Regency, South Sumatra Province, Republic of Indonesia	September 16 to 17, 2021
Teluk Daun District	Tulung Selapan District, Air Sugihan District, Ogan Komering Ilir Regency, South Sumatra Province, Republic of Indonesia	September 18, 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	
Kuala Lumpur District	Tulung Selapan District, Air Sugihan District, Ogan Komering Ilir Regency, South Sumatra Province, Republic of Indonesia	
Lebong Hitam District	Tulung Selapan District, Air Sugihan District, Ogan Komering Ilir Regency, South Sumatra Province, Republic of Indonesia	

Brief Description of the concession

PT Sebangun Bumi Andalas Wood Industries IUPHHK-HTI is based on the Decree of the Minister of Environment and Forestry No. SK.563/Menlhk/Setjen/PLA.2/10/2017 dated October 18, 2017 concerning the Determination of Work Areas for Business Permits for the Utilization of Timber Forest Products in PT Sebangun Bumi Andalas Wood Industries of 136,524.68 (one hundred thirty six five hundred twenty four and sixty eight percent) in Ogan Komering Ilir Regency, South Sumatra Province. In the area of the Management Unit, there is no conversion of natural forest into plantation forest after December 31, 2010, thus the IFCC certified area is 136,524.68 Ha.

In the operational implementation of forest management, the Management Unit has a document RKUPHHK-HTI (Business Plan for Utilization of Timber Forest Products in Industrial Plantation Forests). The current long-term business plan during this Surveillance 2 Audit is the approved RKUPHHK-HTI based on the Decree of the Minister of Environment and Forestry Number SK.6048/MenLHK-PHPL/UHP.1/6/2019 dated June 28, 2019, for a period of ten years of 2017 to 2026. The spatial arrangement of the work area is Local Protected Areas and Other Protected Areas of 21,007.04 Ha (15.39%), Staple Plant area of 87,054.05 Ha (63.76%), and Livelihood Plant area of 28,463.59 Ha (20.85%), with a total of 136,524.68 Ha (100%). The Local Protected Areas and Other Protected Area consists of River Border of 5,620.58 Ha (4.12%), Germplasm Conservation Area of 422.66 Ha (0.31%), Wildlife Conservation Area of 8,276.99 Ha (6.06%), and Peat Dome Peak of 6,686.81 Ha (4.90%).

The geographical location of the work area is at 105 ° 34 '54.284 " to 105 ° 55' 41.263" East and 2 ° 47 '51.834 " to 3 ° 19' 39.702" South. The entire area is part of the Tulung Selapan District and Air Sugihan District, Ogan Komering Ilir Regency, South Sumatra Province. There are five districts in PT Sebangun Bumi Andalas Wood Industries, where on this Surveillance 2 Audit, the sample districts are District of Sungai Riding, Teluk Pulau and Teluk Daun. The details of per-districts are as below:

- District of Kuala Lumpur: 5,045,86 ha of Conservation Area; 12,647.36 ha of Livelihood Plant area; 11,073.44 ha of Staple Plant area; with a total of 28,766.65 ha. Located at 105° 34' 54,284" to 105° 46' 34,669" East and 3° 1' 33,519" to 3° 19' 39,702" South. The species planted are *Acacia crassicarpa*, *Acacia mangium*, and *Eucalyptus* sp. Bordered by Lebong Hitam District (North); APL, HTI of PT Bumi Mekar Hijau (South); HTI of PT Bumi Mekar Hijau (West); and APL, HTI PT Bumi Mekar Hijau (East).
- District of Lebong Hitam: 6,545.44 ha of Conservation Area; 11,138.53 ha of Livelihood Plant area; 20,320.59 ha of Staple Plant area; with a total of 38,004.56 ha. Located at 105° 34' 54,284" to 105° 48' 1,121" East and 2° 53' 41,014" to 3° 15' 44,629" South. The species planted are *Acacia crassicarpa*, *Acacia mangium*, and *Eucalyptus* sp. Bordered by Teluk Daun and Sungai Riding District (North); APL, Kuala Lumpur District (South); HTI PT Bumi Mekar Hijau and HTI PT Bumi Andalas Permai (West); APL, Sungai Riding District (East).
- District of Sungai Riding: 2,554,34 ha of Conservation Area; 4,677,70 ha of Livelihood Plant area; 25,685.98 ha of Staple Plant area; with a total of 32,918.02 ha. Located at 105° 43' 22,587" to 105° 55' 41,263" East and 3° 1' 48,951" to 3° 14' 35,592" South. The species planted are *Acacia crassicarpa*, *Acacia mangium*, and *Eucalyptus* sp. Bordered by Teluk Pulau District (North); APL (South); APL, Lebong Hitam District (West); HTI PT Bumi Andalas Permai (East).
- District of Teluk Daun: 174,58 ha of Conservation Area; 8,120.05 ha of Staple Plant area; 6,686.81 ha of Peat Dome, with a total area of 14,981.44 ha. Located at 105° 35' 0,238" to 105° 46' 13,786" East and 2° 47' 51,834" to 2° 56' 24,183" South. The species planted are *Acacia crassicarpa*, and *Acacia mangium*. Bordered by HTI PT Bumi Andalas Permai (North); HTI PT Bumi Andalas Permai, Lebong Hitam District, Teluk Pulau District (South and west); HTI PT Bumi Andalas Permai, Teluk Pulau District, Permanent Production Forest (East).
- District of Teluk Pulau; 21,854.01 ha of Staple Plant area. Located at 105° 40' 24,608" to 105° 55' 41,263" East and 2° 55' 52,014" to 3° 1' 49,076" South. The species planted are *Acacia crassicarpa*, *Acacia mangium*, and *Eucalyptus* sp. Bordered by Lebong Hitam District, Teluk Pulau District (North); Lebong Hitam District,

Sungai Riding District (South); Lebong Hitam District (West); HTI PT Bumi Andalas Permai, Permanent Production Forest (East).

Based on forestry administration, the work area is entered KPH Sungai Lumpur. Watershed Location: Batang Watershed, Riding Watershed, Lebong Hitam Watershed, Lumpur Watershed, Pedada Watershed. Forest Group Lumpur - Tanjung Koyan River. Altitude 0-8 m above sea level, 0-8% flat topography, Rawa Sediment geological formation. Soil type: 84% mineral and 16% peat. Organosol, Podsolik, alluvial soils. The plants developed for production are *Acacia crassicarpa*, *Acacia mangium* and *Eucalyptus pelita*.

The Management Unit has compiled the RKUPHHK-HTI based on the Peat Ecosystem Function for the period of 2017 to 2026 which has been approved by Decree of the Minister of Environment and Forestry No: 5028/MenLHK-PHPL/UHP/HPL. 1/9/2017 dated September 29, 2017. This document as guidance for the implementation and improvement of peat governance as mandated by PP 57 of 2016 jo. PP 71 of 2014 and compiled according to P.17/Menlhk-II/Setjen/Kum. 1/2/2017 Jo. P.12/Menlhk-II/2015 dated 9 February 9, 2017, related to the management of peat ecosystem functions. The Management Unit then implemented the revision of the RKUPHHK-HTI approved by the Decree of the Minister of Environment and Forestry No. SK.6048/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019 concerning Approval of Revised RKUPHHK-HTI for a period of ten years of 2017 to 2026 as per issuance of Decree of Minister of Environment and Forestry Regulation P. 10/Menlhk/5etjen/Kum. 1/3/2019 dated March 20, 2019 related to peat management. There is a peat dome peak with a total area of 6,686.81 ha in Teluk Daun District.

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

The livelihoods of the residents of Ogan Komerling Ilir Regency are dominated by the agricultural sector (river fishing, marine fishermen, agriculture, swallow nest culture, and ponds), followed by service sector and manufacturing industry. There are no indigenous peoples around the PT Sebangun Bumi Andalas Wood Industries concession.

PT Sebangun Bumi Andalas Wood Industries has made conflict resolution efforts with the surrounding community. There is a Report on Potential Mapping and Conflict Resolution for Semester I 2021, from the three sample districts, there are no claim areas in the three districts.

PT Sebangun Bumi Andalas Wood Industries has collaborated with the surrounding community. There are some livelihood plant cooperation agreements regarding the Forestry Partnership for Spatial Management of Livelihood Plant in the IUPHHK-HTI Area of PT Sebangun Bumi Andalas Wood Industries. This collaboration is part of a conflict resolution effort between the company and claimer community. The conflict is declared resolved. The term of the agreement is valid until the end of the concession period. The layout of the livelihood plant is allocated for social management, production management, and environmental management.

PT Sebangun Bumi Andalas Wood Industries has implemented a corporate social responsibility program for the surrounding community. There is a Monthly Report on Forest Village Community Empowerment (January - July 2021). The programs implemented include community development and empowerment consisting of infrastructure development and distribution, improvement of human resources by fostering community institutions, including cooperation with cooperatives, improving the community economy with the Desa Makmur Peduli Api program, productive economy, creative economy.

Description of the Ecological conditions of the concession

The Management Unit has carried out forest ecosystem and hydrological function management through the following activities:

- identification of forest management activities that have significant impacts, and conduct environmental impact assessments through:

- AMDAL based on the Central AMDAL Commission of the Ministry of Forestry Number 113/DJ-VI/AMDAL/97 dated August 20, 1997 for the Concession Rights of Industrial Plantation Forests,
 - ANDAL RHK and RPL (area expansion) based on SK Regent of Ogan Komering Ilir No. 220/KEP/K-PLH/2004 dated August 12, 2004,
 - ANDAL RKL and RPL in Construction of Canals, Logyards, and Base Camp based on the Decree of the Regent of Ogan Komering Ilir Number 660/07/KEP/BPLH-ESDM/2008 dated March 28, 2008,
 - Environmental Services Plan for Improvement of Inspection Roads to Production Roads of 315.3 KM In the area of PT. Sebangun Bumi Andalas Wood Industries based on the Decree of the Governor of South Sumatra No. 719/KPTS/BAN.LH/2015 dated October 2, 2015, which updated in July 20, 2016,
 - Report on the Implementation of Environmental Permits for Semester 2 of 2020 and Semester 1 of 2021.
 - Revised RKUPHHK-HTI of 2017 to 2026 Decree of the Minister of Environment and Forestry Number SK.6048/MenLHK-PHPL/UHP.1/6/2019 dated June 28, 2019
- implementing Reduced Impact Logging in before, during and after harvesting,
 - identification of areas that function for soil and water protection and being allocated as Local Protected Areas and Other Protected Areas,
 - monitoring the negative impacts of forest management activities in accordance with the RKL and RPL documents and guidelines for monitoring negative impacts resulting from forest management activities, such as SOP for Monitoring Protected Areas, SOP for Monitoring Discharge and Water Quality and SOP for Monitoring Subsidence and TPMAT, as well as documented procedure for the controlled use of B3 (Hazardous and Toxic Materials), namely SOP for Management of Hazardous and Toxic Waste (B3), SOP for Handling Spilled Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP Integrated Pest and Disease Management.

The Management Unit has carried out biodiversity management through the following activities:

- identifying protected, endemic, rare flora, and fauna and threatened/near-extinct species and their habitats in the area in accordance with applicable regulations through the inventory activities. There is a map of the distribution of flora and fauna as the result of the inventories,
- carrying out management of protected areas in accordance with the RKL/RPL Implementation Report every semester as well as SOPs for Determining Protected Areas and SOPs for Monitoring Protected Areas,
- identifying protected and threatened/ endangered key species, as well as their habitats and migration patterns. The is key species identified is Sumatran elephant (*Elephas maximus sumatrae*),
- carrying out an environmental impact assessment on the potential impacts on protected, endemic, rare and threatened/near-extinct flora and fauna, through AMDAL RKL and RPL documents,
- not cultivating genetically modified tree species but are *Acacia crassicarpa*, *Acacia mangium* and *Eucalyptus pellita*.

The Management Unit has implemented forest protection through the following activities:

- identifying and monitoring disturbances in sustainable forest management, such as are forest fires and plant diseases,
- establish documented procedure to prevent and handle pest attacks,
- regulating the management of chemical pesticides in the field with a documented procedure,
- implemented forest protection measures against fire hazards,
- prohibition of livestock grazing activities in the work area,
- implemented appropriate steps in forest protection activities.

Results of the Public Consultation

Prior to conducting the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation starting August 16, 2021, asking stakeholders to provide feedback and information on PT Sebangun Bumi Andalas Wood Industries. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via email or postal mail, and published in local newspapers.

There was an input from a stakeholder during the public consultation. It was a government forestry agency which stated about the request to hasten the implementation and coordination of social activities to the community, the input has been validated during the audit.

The audit team also collects information from the mass media about PT Sebangun Bumi Andalas Wood Industries. The reported cases are considered as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects which include compliance with international regulations and rules and conventions. The management system has been built to cover all activities in the field of certification, registered for certification covering an area of 136,524.68 hectares.

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

The results of the Surveillance 2 Audit is no non-conformities. The Management Unit of PT Sebangun Bumi Andalas Wood Industries operates effectively.

Conditions under which the certificate is issued

Certificate is valid until February 03, 2023, provided that PT Sebangun Bumi Andalas Wood Industries maintains its Surveillance schedule and does not have potential major non-conformities on the next Surveillance.