

Public Report Sustainable Forest Management System

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CLIENT NAME: PT Bumi Mekar Hijau

TOTAL HECTARES: 249,650 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 249,650 hectares of Plantation Forest in South Sumatra Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: November 23, 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 28, 2020

AUDITOR LEAD: Abdullah Mujahid

SIGNATURE:	
SIGNATURE:	
SIGNATURE:	

AUDIT TEAM: Priyo Handoko

Agung Utama Lubis

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Sungai Baung Head Quarter	Pangkalan Lampang District, Ogan Komering Ilir Regency, South Sumatra Province – Republic of Indonesia	November 23 and 28, 2020
Simpang Tiga District	Tulung Selapan District, Ogan Komering Ilir District, Ogan Komering Ilir Regency, South Sumatra Province – Republic of Indonesia	November 24 to 25, 2020
Serdang River District	Cengal District, Ogan Komering Ilir Regency, South Sumatra Province – Republic of Indonesia	November 26, 2020
Ketupak River District	Cengal District, Ogan Komering Ilir Regency, South Sumatra Province – Republic of Indonesia	November 27 to 28, 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	
Beyuku District	Air Sugihan and Tulung Selapan Districts, Ogan Komering Ilir Regency, South Sumatra Province – Republic of Indonesia	
Sungai Penyabungan District	Air Sugihan and Tulung Selapan Districts, Ogan Komering Ilir Regency, South Sumatra Province – Republic of Indonesia	



Padang Sugihan District	Tulung Selapan District, Ogan Komering Ilir Regency, South Sumatra Province – Republic of Indonesia
Sungai Menang District	Sungai Menang District, Ogan Komering Ilir Regency, South Sumatra Province – Republic of Indonesia
Sungai Gebang District	Sungai Menang District, Ogan Komering Ilir Regency, South Sumatra Province – Republic of Indonesia

Brief Description of the concession

Based on the Decree of the Minister of Environment and Forestry No. SK.521 / Menlhk / Setjen / PLA.0 / 11/2018 concerning the Second Amendment to the Decree of the Minister of Forestry No. SK.338 / Menhut-II / 2004 dated September 07, 2004 concerning the Granting of IUPHHK-HTI to PT Bumi Mekar Hijau in South Sumatra Province, the area of the IUPHHK-HTI PT. Bumi Mekar Hijau becomes about 249,650 Ha.

PT Bumi Mekar Hijau did not convert natural forest to plantation forest after December 31, 2010, thus, the scope of the IFCC certification is for an area of 249,650 ha.

PT Bumi Mekar Hijau has a long-term plan that is currently in effect, namely Revised RKUPHHK-HTI for 2017 to 2026, approved by Decree of the MenLHK No. SK.6047 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 dated June 28, 2019. The spatial arrangement based on these documents is Local Protected Areas and Other Protected Areas of 37,849 ha (15.16%), Staple Plant Areas of 160,143 ha (64.15%) and Livelihood Plant Areas of 51,658 ha (20.69%).

PT Bumi Mekar Hijau divided into three (3) units, the locations of which are:

- Unit I is located at 02° 50' to 03° 18' South and 105° 13' to 105° 45' East,
- Unit II at 03° 15' to 03° 38' South and 105° 31' to 105° 48' East,
- Unit III at 03° 40' to 03° 54' South and 105° 21' to 105° 54' East.

The geographic location by district is as follows:

- Unit I area is located in Pangkalan Lampan and Tulung Selapan Districts;
- Unit II in Cengal and Tulung Selapan Districts;
- Unit III in Sungai Menang District, Ogan Komering Ilir Regency, South Sumatra Province.

The operations of PT Bumi Mekar Hijau are divided into eight (8) work areas, as follows:

- Unit I: 1). Sungai District (District of Air Sugihan and Tulung Selapan), 2). Sungai Penyabungan District (District of Air Sugihan and Tulung Selapan), 3). Padang Sugihan District (District of Tulung Selapan), 4). Simpang Tiga District (District of Tulung Selapan),
- Unit II: 5). Sungai Ketupak District (District of Cengal), 6). Sungai Serdang District (District of Cengal),
- Unit III: 7). Sungai Gebang District (District of Cengal and Sungai Menang), and 8). Sungai Menang District (District of Sungai Menang).

This Surveillance Audit 1 visited three (3) districts, namely Simpang Tiga District, Sungai Ketupak District and Sungai Serdang District.

Topographic conditions in the area of PT Bumi Mekar Hijau are all located on slope class A (flat) with a height of 0-8 meters above sea level. According to Schmit Fergusson, the climate type includes type B with a Q value of 0.20 -0.40 with the highest rainfall of 371 mm and the lowest of 63 mm. Geological formations are located in the Kasai (Otk), Alluvium (Oa), Swamp (Qs) and Muara Enim (Tns) formations with Organosol, Podsol and Alluvial soil types. The land conditions are dry / mineral land covering an area of 164,863 ha (66.04%) and peat covering an area of 84,787 ha (33.96%) with *Eucalyptus pellita*, *Acacia Mangium* and *Acacia crassicarpa* as the species cultivated.

The Management Unit has implemented peat governance improvement regulations, namely PP. 57 of 2016 by revising RKUPHHK-HTI 2017-2026, (MenLHK Decree No. SK.5029 / MenLHK-PHPL / UHP / HPL.1 / 9/2017 dated 29 September 2017) concerning the Approval of RKUPHHK-HTI period 2017 to 2026 in the context of improvement of Peat Management on behalf of PT Bumi Mekar Hijau in South Sumatra Province. Also compiling Peat Ecosystem Restoration Plan (Decree of the Director General of Pollution and Environmental Damage Control, Ministry of Environment and

Forestry based on Letter No. SK.3 / PPKL / PKG / PKL.0 / 1/2018 dated January 2, 2018) regarding Peat Ecosystem Restoration Plan and Determination Manual Groundwater Level Arrangement Points, Automatic Groundwater Level Measuring Equipment Installation Points, and Rainfall Monitoring Station Points of PT. Bumi Mekar Hijau. There was also an adjustment to RKUPHHK-HTI for the 2017 – 2026, year of Activities 2018-2019, based on MenLHK Decree No. SK.2384 / MenLHK-PHPL / UHP / HPL.1 / 4/2018 dated 25 April 2018 and PermenLHK No.P.10 of 2019 by revising RKUPHHK-HTI for 2017-2026, (MenLHK Decree No. SK.6047 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 dated June 28, 2019. There is an area of the Peat Dome Peak of 9,613 ha.

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

Based on PT Bumi Mekar Hijau's RKUPHHK HTI Document for the 2017 to 2026 Revision of 2019, the socio-economic conditions of the communities around the company are dominated by farming, fishermen, fish farmers, traders, and swallow cultivation. The residents around the company's concession are local communities, there being no customary law communities as was conveyed in the previous audit.

PT Bumi Mekar Hijau has made efforts to resolve conflicts with the surrounding community. Based on the October 2020 Conflict Resolution Work Plan Progress Report, the settlement of land claims in the three districts that were sampled in the 2020 remote audit was 50.57% of the total area.

PT Bumi Mekar Hijau has carried out an agreement with the surrounding community, there being a Livelihood Plant Agreement between PT Bumi Mekar Hijau and the villages. PT Bumi Mekar Hijau has implemented a corporate social responsibility (CSR) program for the surrounding community. In the 2019 Forest Village Community Development (PMDH) Report, activities carried out in 2019 include Aspects of Education: Assistance for Facilities, Scholarship Assistance and Teacher Honorariums; Health Aspects: Clean Water Facilities, Medicines and Health Education; Socio-Cultural Aspects: Community Facilities Assistance and Commemoration of Islamic Holidays; Economic Aspects: Desa Makmur Peduli Api, Non-Timber Forest Products and Agriculture; and Infrastructure Aspects. PMDH 2020 activities that have been carried out include: Education: Teacher honorarium assistance; Infrastructure: Support for Rice field making; and Socio-Cultural: Aid to Commemorate Religious Holidays.

Description of the ecological conditions of the concession

The Management Unit has identified forest management activities with significant impacts, and conducts environmental impact assessments according to: AMDAL RKL & RPL documents, Ogan Komering Ilir Regent Decree No: 195 / Kep / K-PLH / 2004, July 08, 2004 and the Environmental Management and Monitoring Implementation Report each semester is presented in the Environmental Permit Implementation Report (RPL / RKL).

- Reduced Impact Logging activities are carried out in stages: before logging activities (pre-harvesting), during harvesting operations (harvesting), and after logging activities (post-harvesting),
- Identification of areas that function for land protection and water are designated as Local Protected Areas and Other Protected Areas covering an area of 37,849 ha (15.16%) consisting of Riparian Areas 7,787 ha (3.12%), KPPN 470 ha (0.19%), KPSL 22,721 ha (9.10%) Buffer Zone 1,001 ha (0.40%) and Peat Dome Peak 5,870 ha (2.35%).
- Monitoring of the negative impacts of forest management activities in concession areas is carried out in accordance with the AMDAL RKL and RPL documents year 2004. The Management Unit has documented procedures for the monitoring negative impacts that include Monitoring Protected Areas, Discharge and Water Quality and Monitoring of Peat Subsidence.

The Management Unit has carried out the identification and inventory of protected, endemic, rare and threatened / endangered flora & fauna in the concession area, the results of which can be found in: AMDAL RKL & RPL documents for Bumi Mekar Hijau 2004, Revised RKUPHHK-HTI for 2017-2026, and RKL / RPL Semester Reports (Semester 2 of

2019 and Semester 1 2020).

- Identification of key protected and threatened / endangered species includes their habitats and migration patterns. Based on the identification, the key species in the area is the Sumatran elephant (*Elephas Maximus Sumatranus*) which is included in the Critically Endangered category.
- It has also carried out an environmental impact assessment of the potential impact on protected, endemic, rare and threatened / endangered species of flora and fauna, through the AMDAL RKL & RPL Documents 2004
- The staple plants cultivated are not genetically modified tree species, being *Acacia crassicarpa*, *Acacia mangium* and *Eucalyptus pellita*.

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

- Identified and monitored according to AMDAL RKL, RPL 2004 Revised RKUPHHK-HTI 2017-2026 and reported in RKL / RPL semester reports (Semester 2 of 2019 and Semester 1 2020)
- Has documented procedures to prevent and deal with pest attacks or infestations, namely the Integrated Pest and Disease Management SOP, which utilizes human, biological or chemical means as deemed necessary.
- Regulates the management of chemical pesticides in the field using documented procedures, plus also has standard procedures for handling spills of fuel, lubricants and chemicals, as well as for the management of hazardous and toxic waste (B3).
- Has implemented forest protection measures against fire hazards.
- No livestock grazing activities by the community are permitted in the concession area.
- The Management Unit has implemented appropriate steps in forest protection activities.

Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit 1, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing October 15, 2020, asking stakeholders to provide feedback and information about PT. Bumi Mekar Hijau. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email and / or postal mail, and announced in local newspapers.

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

PT. Bumi Mekar Hijau has identified all the requirements needed for this certification process, which consists of legal aspects that include compliance with international rules and regulations and conventions. A management system has been built to cover all activities in the field of certification, which is registered for an area 249,650 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 this Surveillance 1 Audit of PT. Bumi Mekar Hijau, there were no Non-Conformities of either a Major or Minor nature identified by the audit team.

Conditions under which the certificate is issued

Certificate is valid until March 15, 2023, provided that PT. Bumi Mekar Hijau does not have any 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.