

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 BUKIT RAYA MUDISA

TOTAL HECTARES: 23,140

SCOPE OF REGISTRATION: Sustainable Forest Management of Plantation Forest covering 23,140 hectares in West Sumatra Province, Indonesia

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: August 06, 2019

AUDIT END DATE: August 09, 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

LEAD AUDITOR: Andri Wibisono

AUDIT TEAM: Ade Nursyaf Putra

Warsito

SIGNATURE:

SIGNATURE:

SIGNATURE:

MAJOR CARS : 0

MINOR CARS : 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
Estate Sijunjung	District of IX Koto, Dharmasraya Regency, West Sumatra Province, Republic of Indonesia	August 06 to 09, 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

PT Bukit Raya Mudisa obtained a forest management permit based on Minister of Forestry and Plantation Decree No. 257 / Kpts-II / 2000 dated August 23, 2000 concerning the granting of Concession Utilization Rights to PT Bukit Raya Mudisa over ± 28,617 ha of Forest Area in the area of West Sumatra Province.

PT Bukit Raya Mudisa has a Business Plan for Timber Forest Product Utilization Business Plan (RKUPHHK-HTI) which was approved based on the Decree of the Minister of Environment and Forestry Number: 1243 / MenLHK-PHPL / UHP / HPL.1 / 3/2018 dated March 26 2018 concerning Approval of Work Plan for Utilization of Timber Forest Products of Industrial Plantation Forest (RKUPHHK-HTI) for a period of 10 (ten) years for the 2018 to 2027 period on behalf of PT. Bukit Raya Mudisa in West Sumatra Province. This RKUPHHK-HTI document is a Management Plan document that serves as a reference in carrying out forest management operations.

PT Bukit Raya Mudisa has conducted spatial planning based on its functions, namely: Local Protection Areas and Other Protected Areas covering an area of 12,470 ha (43.58%), Staple Plants of 10,154 ha (35.48%), Livelihood Plants of 5,993 ha and a total area working area 28,617 Ha (100%).

In the work area there was a conversion of natural forest over December 31, 2010 covering an area of 5,477 ha, and was not registered for IFCC SFM certification. Based on Minister of Forestry and Plantation Decree No. 257 / Kpts-II / 2000 dated August 23, 2000 concerning the granting of Plantation Forest Utilization Rights to PT Bukit Raya Mudisa over ± 28,617 ha of Forest Area in the area of West Sumatra Province. So that the scope of certification is 28,617 Ha - 5,477 Ha = 23,140 ha.

PT Bukit Raya Mudisa is geographically located between coordinates: 00° 59 '13 "to 01°11'12" South and 101° 17' 56 "to 101° 24 '09" East. Based on Government administration, it is located in Pulau Punjung District, Dharmasraya Regency, Kamangbaru District, Sijunjung Regency and Sangir Batang Hari District, Solok Selatan Regency, West Sumatra Province. Located in the Momong River Forest group, Batanghari River.

The topography of the PT Bukit Raya Mudisa area is mostly flat (0-8%) covering an area of 14,844 ha (51.9%); Ramps (8-15%) covering 5,844 ha (20.4%), Slightly steep (15-25%) covering 2,935 ha (10.3%) steep (25-40%) covering 4,783 ha (16.7%) and very steep (> 40%) 212 ha (0.7%). Soil types consisted of the association of guaisol, oxisol, podsolik 170 ha, association of podsolik cambisol covering 13,051 ha, association of renisinaambisol covering 12,886 ha, and podsolic 2,510 ha. Geological formations consist of surface deposits, Barisan formations, seafont formations and granic rocks. The hydrological condition in the PT Bukit Raya Mudisa area is the Batang Hari watershed, including the Sangir, Batang Momong, Sipotar and Batang Siat sub-watersheds.

The types of plants cultivated in the PT Bukit Raya Mudisa area are *Acacia mangium*, *Acacia crassicarpa* and *Eucalyptus* sp. with a plant cycle of 6 years.

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

PT Bukit Raya Mudisa has the RKUPHHK HTI document for the 2018-2027 Period, the Social Function Sustainability Plan includes a plan for community development and empowerment and institutional development. Plans for community development and empowerment through development / improvement of infrastructure distribution and improvement of human resources and community institutional development through cooperation with cooperatives and building business partnerships to foster Forest Honey Farmers Groups.

Administratively, the administration of the work area of PT Bukit Raya Mudisa is included in 3 (three) districts, namely:

- a. Sijunjung Regency: Kamang Baru District: Kanagarian Muaro Takung and Lubuk Terentang.
- b. Dharmasraya Regency: District IX Koto: Kanagarian Nagari IV Koto di Buah, Lubuk Karak, Banai (Lubuk Lagu) and

Silago and Pulau Punjung District: Kanagarian Sungai Kambut.

- c. Regency of South Solok: District of Abai Sangir Batang Hari: Lubuk Ulang Aling Main, Lubuk Ulang Aling Tengah, Lubuk Ulang Aling Selatan, and Dusun Tengah.

In forest management, PT Bukit Raya Mudisa made an agreement with the surrounding community in the form of cooperation in livelihood plants in the form of compensation for the benefits of acacia / eucalyptus plants on customary land with the community and community cooperatives.

PT Bukit Raya Mudisa has provided access to the community to utilize forest resources for economic interests, namely the community utilizing Non-Timber Forest Products (HHNK) in the form of forest honey. Based on information from the people who use honey, honey production in a month is around 1.5 tons.

The management unit already has a conflict resolution mechanism and has included personnel in the Training of Potential Mapping and Conflict Resolution Perdirjen PHPL Number: P.5 / PHPL / UHP.1 / 2/2016. There are reports of areas that are still used by the community (claims), attached with maps of the location of claims area distribution.

There are documents on the realization of the CD-CSR program in 2018 in the form of 10 lambs, Ramadan safaris, green house assistance in schools and infrastructure. Whereas in 2019 until the month of July, infrastructure assistance was realized at the school in the form of tables and chairs, and religious fields in the form of Ramadan safaris for 11 villages.

Description of the Ecological conditions of the concession

Activities related to managing ecological and hydrological functions in the work area are as follows:

- 1) Implementation of Reduced Impact Logging (RIL) SOP Harvesting planning refers to the HTI Planning Status Procedure and Procedure for Harvesting Timber Forest, Procedure for Establishing Protected Areas, Procedure for Harvesting Timber Forest and Road Planning Survey
- 2) Timber harvesting operations refer to the Plantation Forest Timber Harvesting Procedure and occupational safety and health inspection procedures
- 3) Post-Timber Harvesting Activities refer to the Procedure of Timber Forest Timber Harvesting and SOPs for Road Creation and Maintenance.
- 4) The post logging activities, The Management Unit conduct an assessment (planning section) using the HQA and RWA Forms in which several parameters assessed indicate harvesting activities are certain to meet standards or comply with environmentally friendly harvesting procedures to avoid soil compaction. The activities are as follows:
 - a. Conduct microplanning before harvesting to determine the direction of felling and skid track,
 - b. Doing ripping (easing) on lands that experience compaction (such as landings and skid tracks),
 - c. Collecting tree bark, litter and leftover felling in skid tracks and doing scattering after extraction activities in all plant areas to avoid erosion and damage to the soil layer and using a low-powered helicopter.

The Management Unit has a program concerning soil and water conservation including:

- 1) Soil conservation program:
 - Immediate planting on land cleared with *Acacia mangium*
 - Scatter evenly on each plot that has been harvested
 - Skidtrack making on slope > 8%
 - Maintaining natural forest areas in the concession in the form of protected areas and river borders as water catchments
 - Maintaining main roads and branch roads and drainage channels
- 2) Management of soil fertility is done by:
 - Implementation of area arrangement based on land suitability maps,
 - Application of policies without burning in land preparation.

- Leave the remaining felling which is not economically valuable in the compartment area to increase the content of organic matter
 - Making plot monitoring of erosion and soil fertility
- 3) Water conservation efforts:
- Allocation of protected areas as protected areas, boundary arrangement and area protection
 - Perform maintenance of water sources, outlets and drinking water quality by operating water treatment for the provision of clean water
 - Conduct periodic checks on the quality of river water, housing wells in external laboratories

The Management Unit has a B3 Waste Temporary Storage Permit based on Regent Dharmasraya with a validity period of 5 (five) years (until August 2, 2020). A B3 waste management cooperation agreement with PT Shali Riau Lestari with the object of the Agreement, namely: Cleaning, Transportation, Destruction and Reporting of B3 Waste. PT Shali Riau Lestari has a B3 Waste Management Permit for B3 Waste Collection activities based on the Decree of the Minister of LHK Number: SK.879 / MenLHK / Setjen / PLB.3 / 11/2016, valid for 5 (five) years from November 9, 2016. B3 waste management cooperation agreement with PT Shali Riau Lestari, Number: 083 / SRL-PKU / MOU / V / 2018, valid for 12 months from July 1, 2018 to June 30, 2019.

The dosage and type of pesticide, herbicide and fertilizer used by The Management Unit are based on R&D recommendations, changes in the dosage/type of fertilizer must originate from R&D, where all identified chemical types do not include chemicals that are prohibited for use by the Government based on Permentan Number 01 / Permentan / OT.140 / 1/2007 concerning the List of Prohibited Active Pesticides and Limited Pesticides; and Permentan Number 24 / Permentan / SR.140 / 4/2011 concerning Terms and Procedures for Pesticide Registration; and Appendix 3 (three) IFCC 1001: 2014 Standards.

Activities related to biodiversity management in the work area are as follows:

1. The Management Unit has allocated Local Protected Areas and Other Protected Areas which consist of: River Border of 5,240 ha, HL/KSA/KPA Buffer Zone of 1,750 Ha, KPSL/KPPN of 1,652 ha and Other Protected Areas of 3,828 ha. On this matter, the Management Unit has a Protected Area Map based on its designation as a protected area.
2. The Management Unit has carried out an inventory of flora in protected areas and conducted regular (per-semester) monitoring, Key Species Based on information from the PT Bukit Raya Mudisa High Conservation Value (HCV) Re-Assessment Report Document, West Sumatra - September 2011, by Tropenbos International Indonesia Programme is *Panthera tigris sumatrensis*. At this time an HCV + (HCS) Report is being updated in the work area Based on wildlife monitoring for the past 5 years, there were no signs of the presence of Sumatran tigers, so the key species were determined by Honey bears (*Helarctus malayanus*). However, based on the results of field verification, there is a trace of the Sumatran Tiger (*Panthera tigris sumatrensis*) so that the presence based on these findings needs to be followed up.

The species cultivated by The Management Unit are *Acacia mangium* and *Eucalyptus sp.* (CGP 65, CGP 32 and CEP). These plant types are the result of R&D studies in collaboration with PT Riau Andalan Pulp And Paper. Seed sources come from certified Seed Sources (Central Nursery RAPP, Baserah).

Activities related to Forest Protection Activities in the working area is in accordance with the identification of potential disturbance in Sustainable Forest Management (SFM) are as follows:

1. Implemented an integrated pest management program based on Plant Disease and Pest Information (IPM), has established and implemented Documented Procedures, for the use of chemical pesticides that have ensured compliance with legal requirements and work instructions for the use of pesticides from producers and uses fertilizers for the purpose of success regenerate.
2. Implemented appropriate steps in Forest Protection and Security activities. No grazing and community livestock activities are found in the area and have restricted public access to forests for the purpose of protecting ownership

rights, facilities and infrastructure, protecting health and safety, protecting unlicensed and forest encroachment activities, protecting against fires, or for conservation purposes. The implementation of activities in the field is as follows:

3. Implemented measures to protect forests against fires, including an initial risk analysis and fire encroachment, fire detection systems, appropriate silvicultural systems including a ban on the use of fire and other uses of fire as a management technique; maintenance of infrastructure for fire protection, and education and care for workers and the local community.

Forest fire prevention activities undertaken are:

- 1) Early detection with NOAA, AQUA, TERRA satellite Groundspot Hotspot monitoring and FDRS (Fire Danger Rating System) monitoring.
- 2) Hotspot clarification resume resume record is available in 2019. NULL
- 3) Patrol using land vehicles (cars, motorbikes) and the construction of fire towers to support patrol / fire incident monitoring
- 4) As a form of preventive activities, counseling is conducted regarding the prohibition of burning to the surrounding community.
- 5) Create a structure for preventing and managing large and small fires.
- 6) Provide infrastructure for fire prevention and prevention.
- 7) Fire data for 2019 (until July) NULL
- 8) Training of fire / fire prevention team personnel
- 9) Installation of fire hazard warning signboard
- 10) Determination of FDR
- 11) Procurement of fire-fighting infrastructure facilities
- 12) Maintenance of fire-fighting equipment

The Management Unit has a record of forest protection activities contained in the Illegal Logging and Fire Patrol Report. List of Facilities and Infrastructure of Forest Safeguard Activities, including: Equipment, Security Posts, Monitoring Posts.

Results of the Public Consultation

Prior to carrying out the Audit Surveillance 1, PT AJA Sertifikasi Indonesia conducted a public consultation commencing July 08, 2019, asking stakeholders to provide feedback and information about PT Bukit Raya Mudisa. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via e-mail or postal mail, and published 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 Bukit Raya Mudisa, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, comprising legal aspects that include compliance with rules and regulations and international conventions. The management system has been established to cover all activities in the certification field, which is registered for an area of 23,140 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 1 Audit are 2 (two) Minor Non-Conformities. The Management Unit has made improvements and all Non-Conformities have been closed. No critical issues occurred.

No	Non-Conformities	Corrective Action Performed	Category
1	<p>The results of the verification of the B3 Waste Summary document and the results of verification at the B3 Waste TPS, there are B3 Waste such as Used Filter and Used Lamps (14.5 Kg) exceeding the storage time limit at TPS B3 for 180 days, this is not in accordance with SOP concerning Management of Toxic and Hazardous Waste which states the shelf life of B3 Waste is 180 days.</p> <p>Indicator : I.6.6</p>	<ul style="list-style-type: none"> - The Environment Department is constantly looking for B3 waste management business entities that are willing to work together to manage all types of B3 waste including used filters and used lamps. - Continue to ensure that all B3 waste stored at the TPS is not scattered - Making a letter to the Head of the Dharmasraya Regency Environmental Agency regarding the Application for the Period of Waste and Hazardous Waste (LB3) of PT Bukit Raya Mudisa 	Minor
2	<p>Based on field verification, there is a pile of wood on the side of the road in the customary land, the Management Unit has not been able to show proof of identification of the pile of wood and evidence of monitoring of disturbance to the forest</p> <p>Indicator : I.8.1</p>	<p>The environment department ensures that daily patrol activities must continue to be carried out covering all work areas that have been identified as being prone to illegal activities and / or fires</p>	Minor

Conditions under which the certificate is issued

Certificate is valid until November 03, 2021, provided that PT Bukit Raya Mudisa 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.