

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 23,140 hectares of Plantation Forests in West Sumatra Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Additional Surveillance due to Covid-19 Pandemic (REMOTE)

START DATE AUDIT: September 07, 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

END DATE AUDIT: September 10, 2021

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

TEAM AUDIT: Amen Kadeni

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS : 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Estate Sijunjung	District IX Koto, Dharmasraya Regency, West Sumatra Province – Republic of Indonesia	September 7 to 10, 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	
N/A		

Brief Description of the Concession

PT Bukit Raya Mudisa obtained a forest management permit based on the Decree of the Minister of Forestry and Plantations No. 257/Kpts-II/2000 dated August 23, 2000 regarding the Granting of Plantation Concession Rights to PT Bukit Raya Mudisa over a forest area of ± 28,617 hectares in West Sumatra Province. There was a conversion of natural forest above December 31, 2010, of 5,477 ha. As the area was not registered for IFCC SFM certification, thus, the scope of certification is 28,617 Ha – 5,477 Ha = 23,140 Ha.

PT Bukit Raya Mudisa has a Business Plan for the Utilization of Industrial Timber Forest Products (RKUPHHK-HTI) which was ratified 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 the Approval of Business Plans for Utilization of Industrial Timber Forest Products (RKUPHHK-HTI) for a period of 10 (ten) years of 2018 to 2027 on behalf of PT. Bukit Raya Mudisa in West Sumatra Province. This RKUPHHK-HTI document is a Management Plan document that becomes a reference in carrying out forest management operations including the spatial planning. The spatial planning of PT Bukit Raya Mudisa based on its function are Local Protected Areas and Other Protected Areas of 12,470 Ha (43.58%), Staple Plants area of 10,154 Ha (35.48%), Livelihood Plant area of 5,993 Ha (20.94%) with the total area of 28,617 Ha (100%).

Geographically, PT Bukit Raya Mudisa is located between 00° 59' 13" to 01° 11' 12" South and 101° 17' 56" to 101° 24' 09" East. Administratively, the concession area of PT Bukit Raya Mudisa are located in 3 (three) regencies, as follows:

- a. Sijunjung Regency, Kamang Baru District : Kanagarian Muaro Takung and Lubuk Terentang.
- b. Dharmasraya Regency, District IX Koto: Kanagarian Nagari IV Koto in Bauah, Lubuk Karak, Banai (Lubuk Lagu) and Silago and Pulau Punjung District: Kanagarian Sungai Kambut.
- c. South Solok Regency, Abai Sangir Batang Hari District : Lubuk Ulang Aling Induk, Lubuk Ulang Aling Tengah, Lubuk Ulang Aling Selatan, and Dusun Tengah.

The topography of the PT Bukit Raya Mudisa area is mostly flat (0-8%) of 14,844 ha (51.9%); slopes (8-15%) of 5,844 ha (20.4%), slightly steep (15-25%) of 2,935 ha (10.3%) steep (25-40%) of 4,783 ha (16.7%) and very steep (> 40%) of 212 ha (0.7%). Soil types consist of a mixture of cambisol, oxisol, podzolic of 170 ha, a mixture of podzolic, cambisol covering an area of 13,051 ha, a mixture of renzina cambisol covering an area of 12,886 ha, and podzolic mixture of 2,510 ha. Geological formations consist of surface deposits, Barisan formations, pelapat formations and granic rocks. The hydrological nature inside the PT Bukit Raya Mudisa area is the Batang Hari watershed covering the Batang Sangir, Batang Momong, Sipotar and Batang Siat watersheds.

The species of plants cultivated in the PT Bukit Raya Mudisa area are *Acacia mangium*, *Acacia crassicarpa* and *Eucalyptus* sp. with a 6-year crop cycle.

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

The residents around the concession area are local communities, but there is a Regional Regulation of the Province of West Sumatra Number 6 of 2008 concerning Ulayat Land and its Utilization. Based on these provisions, PT Bukit Mudisa has collaborated with the holders of customary rights and the head of the local *Nagari* (Head of Village). The collaboration are the livelihood plant agreements which is ongoing until present.

The Management Unit has a Potential Mapping and Conflict Resolution Report for the First Semester of 2021. Based on the report, PT Bukit Raya Mudisa conflict status is alert with a score of 53%. The company efforts to resolve conflicts with the surrounding community are by developing a 2021 Conflict Resolution Institution for all villages (*Kenagarian*) around the concession. Conflict resolution institutions consist of elements of government agencies, namely the

Regent, Head of Police, Kapolsek, *Wali Nagari* (Village Head), Head of *Nagari* Customary Density (KAN), Head of Youth; and the company internal elements.

PT Bukit Raya Mudisa collaborated with the surrounding community by the granting of livelihood plant fees in 2020 to the surrounding residents of three (3) villages. The company also aids the community for non-timber forest product utilization. According to the honey farmers, the company provides cooperation assistance to use acacia plants as a place to produce honey. The forest utilization is also made in the cooperation of forest management.

The Management Unit implemented a corporate social responsibility program to the surrounding community. There is a report on the Implementation of the Community Development Program 2020, covering activities in the fields of education, religion, economics, social and environmental fields including assistance of PPE for medical personnel in the context of overcoming the COVID-19 pandemic and foods assistance for victims affected by the Covid-19 pandemic. There is a Community Development Implementation Report Quarter I and Quarter II 2021 of January to June 2021, including infrastructure assistance in the form of building materials for village mosques.

Description of the Ecological Conditions of the Concession

The Management Unit has carried out Management of Forest Ecosystem and Hydrological Functions, through the following activities:

- Identification of forest management activities that have significant impacts, and conduct environmental impact assessments through AMDAL Document (2003), RKL and RPL of IUPHHK-HTI of PT. Bukit Raya Mudisa 2018 to 2027,
- Carry out the Reduced Impact Logging activities in stages before, during and post logging activities,
- Identification of areas that function for soil and water protection are and designated as Local Protected Areas and other Protected Areas of 12,470 ha (43.58%), consisting of the Buffer Zone of the Pangean Nature Reserve of 1,750 ha (6.11%), River Border of 5,240 ha (18.31%), KPSL/KPPN of 1,652 ha (5.78%) and Other Protected Areas of 3,828 ha (13.38%),
- Monitoring the negative impacts of forest management activities in the concession area is carried out in accordance with the AMDAL (2003), RKL and RPL documents as guidance to making procedure, namely SOP for Monitoring Protected Areas, SOP for Monitoring Discharge and Water Quality and SOP for Monitoring Erosion,
- Implementation of activities in reference to 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 Spills of Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP for Countermeasures Integrated Pests and Diseases.

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

- Identification and inventory of protected, endemic, rare and threatened/near-extinct flora and fauna and their habitats and migration patterns in the concession area. The results of the identification and inventory can be found in AMDAL Document 2003, RKUPHHK-HTI for 2018 to 2027 and Environmental Permit Implementation Reports for Semester II 2020 and Semester I 2021. There is a map of the distribution of flora and fauna, there are no key species in the area,
- Management of Protected Areas carried out in accordance with the RKL/RPL Implementation Report every semester (semester 2 of 2020 and semester 1 of 2021) as well as SOPs for Determining Protected Areas and SOPs for Monitoring Protected Areas,
- The staple plant species cultivated are not genetically modified tree species. The species of plants cultivated are *Acacia mangium* and *Eucalyptus* Sp.

The Management Unit has carried out forest protection through the following activities:

- Identify and monitor disturbances in Sustainable Forest Management where the result from the identification of and monitoring stated in AMDAL Document 2003, RKUPHHK-HTI for 2018 to 2027 and Environmental Permit Implementation Reports for Semester II 2020 and Semester I 2021,

- Regulate the management of chemical pesticides in the field with a documented procedure,
- Implementation of forest protection measures against fire hazards,
- There are no livestock grazing activities in the work area,
- Implementation of appropriate steps in forest protection activities.

Results of the Public Consultation

Prior to carrying out the Additional Surveillance Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing August 16, 2021, 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 by email or postal mail, and published in local newspapers. During the public consultation, PT AJA Sertifikasi Indonesia did not receive input from stakeholders.

The audit team also collected information from the mass media about PT Bukit Raya Mudisa. 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. A management system has been established to cover all activities in the area of certification, registered for certification covering 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 result of Additional Surveillance Audit of PT Bukit Raya Mudisa is no Non-conformity either in Minor or Major category identified. The management system of PT Bukit Raya Mudisa is operating effectively.

Conditions under which the certificate is issued

Certificate is valid until November 03, 2022, 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 Recertification visit. If the non-conformities are not closed at the next Recertification, the certificate will be suspended until such time as AJA is able to perform a closeout visit.