

Public Report Sustainable Forest Management System

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AJA EUROPE
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 hectares

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 2

AUDIT START DATE: September 05, 2017
AUDIT END DATE: September 08, 2017

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: Warsito

SIGNATURE:

AUDIT TEAM: Andri Wibisono

SIGNATURE:

Abdullah Mujahid

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 5

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
Estate Sijunjung	Dharmasraya and Solok Selatan Districts, West Sumatra Province, Republic of Indonesia	September 05 to 08, 2017
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 its timber forest utilization permit in accordance with Decree of the Minister of Forestry and Plantation No. 257/Kpts-II/2000 of August 23, 2000 concerning the Provision of Right of Concession to PT Bukit Raya Mudisa on Forest Area of approximately 28,617 ha in West Sumatra Province.

PT Bukit Raya Mudisa Plantation Exploitation Work Plan is authorized by Decree of the Director General of Production Forest Management No. 02/Kpts/VI-PHT/2001 dated January 15, 2001. Revised RKUPHHK-HTI Document for the 10-year period of 2008 - 2017, which was endorsed by the Decision of the Director General of Forestry Production Development, Ministry of Forestry No. SK. 292/VI-BPHT/2008 concerning Amendment to Decision of the Director General of Production Forest Management No. 02/Kpts/VI-PHT/2001, January 15, 2001 on ratification of plan of work of exploitation of plantation forest covering all periods of forest exploitation PT Bukit Raya Mudisa West Sumatra Province period Year 2008 - 2017.

The Management Unit of PT Bukit Raya Mudisa has undertaken spatial arrangement of the working area of 28,617 ha as follows : Staple Plant Area of 13,679 ha (47.8%), Indigenous Plant Area of 4,227 ha (14.8%), Livelihood Plant Area of 1,268 ha (4.4%), Protected Areas of 7,625 ha (26.6%), Infrastructure of 661 Ha (2.3%), Area Unsuitable For Production of 1,107 ha (3.9%) and Seed Garden of 50 Ha (0.2%). Protected Areas of 7,625 ha (26.7%), consists of Buffer Zone Pangean Nature Reserve area of 1,401 ha, River Borders of 2,266 ha, Other Protected Area of 3,213 ha. and Nutfah Plasma Protection Area of 745 ha.

There has been a conversion of 5,477 hectares of natural forest to plantation forest since 31 December 2010, thus the overall scope of certification is reduced to 23,140 hectares. The Management Unit has produced a 1: 150,000 map that marks the IFCC and Non-IFCC areas, plus has included compartments and physically tagged the areas. The Managing Unit has committed to not further converting natural forest to plantation forest in the future.

The working area of PT Bukit Raya Mudisa falls under the governmental administration of Dharmasraya Regency and South Solok Regency, West Sumatra Province. The soil type consists of associations of kambisol, oxysol, podsolic, podsolic kambisol associations, associations of kzisol renzina, and podsolic. Geological formations consist of surface sediment, Barisan formation, Pelapat Formation and granite rock. Based on the foregoing, the species *Acacia mangium* has been determined as the most suitable for cultivation.

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

PT Bukit Raya Mudisa has established procedures for resolving conflicts in case of land conflicts with indigenous peoples. Identification has been made regarding the control and legal rights of the community to own, control and use land and forest resources, especially customary forest within the concession area. There is a map of customary forest with scale of 1: 150.000 covering the following 13 customary forests: Muaro Takung, Durian Simpai, Sei Kambut, Lubuk Tarantang, Sei Rao, Lubuk Karak, Pulau Panjang, Tatuk Lijati, Lubuk Buik Alik Tengah, Lubuk Labu, Lubuk Baung , Umbak Kubu, and Dusun Tengah.

Administratively, the concession area of PT Bukit Raya Mudisa belongs to three districts:

- a. Sijunjung Regency: 1). Kamang Baru District (Kanagarian Muaro Takung and Lubuk Terentang Village).
- b. Dharmasraya Regency: 1). IX Koto District (Kanagarian Nagari IV Koto di Bauah, Lubuk Karak, and Silago Village and 2). Pulau Punjung District (Kanagarian Sungai Kambut and Banai Village).
- c. South Solok Regency: 1). Abai Sangir Batang Hari District (Lubuk Ulang Alik Induk, Lubuk Ulang Alik Tengah, Lubuk Ulang Alik Selatan, and Dusun Tengah Village).

PT Bukit Raya Mudisa has entered into an agreement (8 agreements) with indigenous peoples regarding the utilization of customary rights belonging to the Nagari community recorded in front of a Notary in the form of a joint agreement on the development of livelihood rubber plants and Acacia, as well as evidence of realization of natural forest timber compensation payments to indigenous peoples and proof of payment fee of livelihood plant proceeds.



In addition, PT Bukit Raya Mudisa runs Corporate Social Responsibility (CSR) programs covering support in the areas of economic, social and environmental, educational and religious belief. Based on the report of the realization of such programs in 2016 and 2017, this has taken the form of: assistance with rearing goats, material assistance for mosque renovation, food aid for flood victims, construction of kindergarten schools, aid with provision of sports equipment, and fostering the farmers' group Hutan Bukit Raya Muara Takung.

Description of the ecological conditions of the concession

PT Bukit Raya Mudisa has undertaken management of forest ecosystem and hydrological functions, which identifies critical forest management activities and conducts environmental impact in accordance with RKL (Environmental Management Plan) and RPL (Environmental Monitoring Plan) documentation, the results of which are reported to the requisite authorities on a periodic basis. Among the impacts monitored are various indicators relating to the health of the soil and the quality of air and water.

Reduced Impact Logging activities are carried out with stages prior to logging activities, during logging operations, and following logging activities. No genetically modified species are propagated, with the main production species being *Acacia mangium*. The Management Unit has undertaken Biodiversity Management activities through the identification and inventory of protected, endemic, rare and threatened / endangered flora and fauna within the concession area. The Protected areas of 7,625 ha (26.7%) consist of buffer zone Pangean Nature Reserve area of 1,401 ha, riparian area of Ledakan River of 2,266 ha, other protected areas of 3,213 ha, and animal protection area of 745 ha.

The Management Unit has procedures for monitoring the negative impacts of its forest management activities, which include regular patrols of the whole plantation area to minimize forest disturbances that can threaten its health such as illegal entry, lighting of fires, illegal logging, and outbreaks of disease or infestation. Fire is, of course. A major threat to any plantation area and PT Bukit Raya Mudisa has in place the necessary facilities to contain such an outbreak.

The Management Unit implements standard methods for the handling of hazardous waste materials (B3), which include an inventory of waste, source, and estimated amount. All such waste is regularly collected and retained in temporary storage until its collection by a licensed disposal company.

Results of the Public Consultation

Prior to performing Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing August 28, 2017, asking stakeholders to provide feedback and information on PT Bukit Raya Mudisa. The Public consultations 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 received no input from stakeholders during the public consultation.

The audit team also gathered information from the mass media about PT Bukit Raya Mudisa. Such reported cases are considered a material part of the audit process conducted by PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the requirements required for this certification process, comprising legal aspects that include compliance with international rules and regulations and conventions. The management system has been built to cover all activities in the field of certification, which are 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 results of Surveillance 2 Audit of PT Bukit Raya Mudisa identified 5 (five) minor non-conformities (NC) as shown below. No critical issues were found.



No	Non-Conformities	Corrective Action Performed	Category
1	Map of microplanning harvesting compartement lacked detail in the direction of wood pull (extraction), and location of the wood and contours. Clause Ref I.4.4.	The management unit has created a microplanning harvesting compartment scale of 1: 5,000, that shows the direction of the wood pull (extraction), plus location of the wood and contours.	Minor
2	Based on interviews with some excavator operators, they lacked the requisite valid licenses to operate such equipment. Clause Ref I.1.13	The Management Unit has drafted a contract requiring contractors to make sure that heavy equipment operators hold valid licenses to operate said equipment.	Minor
3	PT Bukit Raya Mudisa was unable to show the results of special MCU examinations for those potentially exposed to toxic chemicals (spraying officers and toxic mixers). Clause Ref I.12.1.	Special health inspection of chemical warehouse officers was conducted on December 06, 2017, including laboratory tests (Cholinesterase test).	Minor
4	Lightweight fire extinguisher with expiry date 2015 was installed on some heavy equipment. Clause Ref I.12.2.	This lightweight extinguisher (APAR has been replaced by suitable extinguisher for heavy equipment.	Minor
5	The Management Unit has not provided IFCC (100% PEFC Certified) or Non-IFCC (PEFC Control sources) logged claims on timber transport documents Clause Ref III.2.1.	PT Bukit Raya Mudisa has now assigned IFCC (100% PEFC Certified) or Non-IFCC (PEFC Control sources) claims on timber and trip ticket documents.	Minor

Conditions under which the certificate is issued

SFM Certificate IFCC PT Bukit Raya Mudisa, certificate number: AJA/IFCC-PEFC/FMC-HT/00009/XI/2015 remains valid until 03/11/2018