

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 BATABUH SEI INDAH

TOTAL HECTARES: 13,420

SCOPE OF REGISTRATION: Sustainable Forest Management of 13,420 hectares of Plantation Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: June 28, 2021

AUDIT END DATE: July 01, 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

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Riyadi Sigit Pamungkas

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:
PT Bukit Batabuh Sei Indah	Peranap District, Indragiri Hulu Regency, Riau Province, Indonesia	June 28 to July 01, 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	
NA		

Brief Description of the concession

PT Bukit Batabuh Sei Indah received an IUPHHK-HTI based on the Decree of the Minister of Forestry No. SK.67 / MENHUT-II / 2007 dated February 23, 2007 concerning the Renewal of IUPHHK-HTI of PT Bukit Batabuh Sei Indah in a Production Forest Area of 13,420 Ha in Indragiri Hulu Regency, Riau Province. There is no natural forest conversion above December 31, 2010, in the work area. The scope of IFCC certification is 13,420 ha.

PT Bukit Batabuh Sei Indah has an RKUPHHK-HTI for a period of 10 (ten) years of 2018 to 2027, which was approved based on the Minister of Environment and Forestry Decree Number SK.122/MenLHK-PHPL/UHP/HPL.1 /1/2018 dated January 22, 2018. The spatial layout of PT Bukit Batabuh Sei Indah is as follows: 1) Protected Area of 1,344 Ha (10.02%), 2) Staple Plants area of 9,386 Ha (69.94%), 3) Livelihood Plant area of 2,690 Ha (20.04%) with a total of 13,240 Ha. The Protected Area consists of River Border area of 787 Ha (5.86%), KPPN area of 59 Ha (0.04%), KPSL area of 133 Ha (0.99%), and Other Protected Areas area of 365 Ha (2.72%)

The work area of PT Bukit Batabuh Sei Indah is located between 00° 35' 43" to 00° 47' 52" South and 102° 00' 39" to 102° 08' 07" East. Administratively, it is in Peranap District, Indragiri Hulu Regency, Riau Province, with the following boundaries:

- North side: PT Rigunas Agri Utama;
- South side: PT Rigunas Agri Utama;
- East side: Ex HPH PT Patriadi and SKPH Anak Talang; and
- West side: Serangge Permai Village Cooperative, Tani Pura Usaha, Rahma.

The Management Unit work area has a mostly flat topography (Slope Class 0-8%) of 91.99%, with the remaining 8.01% is gentle (Slope class 8-15%) with an altitude of 30 - 535 meters above sea level. According to the Schmidt-Ferguson climate classification, PT. Bukit Batabuh Sei Indah is included in climate type A with a value of Q = 14.3%. The entire work area of PT. Bukit Batabuh Sei Indah is located on mineral soil with yellow red podzolic soil type (PMK). The Management Unit cultivates *Acacia mangium* and *Eucalyptus* sp. as staple plants species.

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

Communities around PT Bukit Batabuh Sei Indah concession are classified as local communities. Based on the 2020 Social Impact Assessment Report, the residents around concession are employed in the agricultural sector. There are food crop agriculture, horticulture, fisheries, plantations, animal husbandry. There are no customary law communities around the concession.

PT Bukit Batabuh Sei Indah has made efforts to resolve conflicts with the surrounding community. There is a Report on Potential Mapping and Conflict Resolution of PT Bukit Batabuh Sei Indah in 2020. Based on the report, the conflict status is at a controlled level with a score of 50%. The company and the surrounding community have agreed to make agreements including:

- livelihood Plants,
- maintain the security of the concession area from encroachment,
- compensation provision from the company for the production fee for village development and community empowerment,
- secure protected areas to avoid illegal logging of natural wood,
- demarcation of the company concession boundaries to avoid overlapping with community land. Deliberation process is chosen to resolve land overlap (if any),
- establishment of Community with Fire Awareness (MPA) as the community participation in land and forest fire protection.

PT Bukit Batabuh Sei Indah has carried out corporate social responsibility activities to the surrounding community. There is a CSR Program Implementation report for 2020 (January - December), and a CSR Program Report for 2021 (January - June). The CSR activities carried out include skills training, counseling on natural resource and forest conservation, development of fostered villages, agricultural cultivation, livestock cultivation, assistance for road rehabilitation facilities and infrastructure, health services, assistance for worship equipment, assistance for building places of worship, youth activities, celebrations of the day, religious affairs, assistance for community activity proposals.

Description of the Ecological conditions of the concession

PT. Bukit Batabuh Sei Indah has identified forest management activities with significant impacts, and implements following activities:

- environmental impact assessment in protected areas,
- erosion and sedimentation management,
- management of soil degradation,
- water discharge management,
- protect the hydrological function and water quality as stated in the RKL/RPL Implementation Report.

PT Bukit Batabuh Sei Indah has identified flora and fauna protected by national and international laws. As for the key species of wildlife, the Management Unit has performed a document study. Based on the results of interviews with environmental staff, the key species is the Sumatran elephant (*Elephas maximus sumatrensis*), which habitat's is natural forest in the protected area. The conservation of flora and fauna also being implemented by allocating protected area as part of important layout in the concession.

In managing hazardous and toxic waste materials (B3), the Management Unit performs following activities:

- provide a place for storing b3 waste,
- B3 waste storage area in a closed room,
- availability of facilities and infrastructure.

PT Bukit Batabuh Sei Indah has established measures to protect forests against fires, namely by establishing a Community with Fire Awareness (MPA), carry out regional boundary planning activities, conducting zero fire socialization to the community, and forest and land fire management.

Results of the Public Consultation

Prior to carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing May 15, 2021, asking stakeholders to provide feedback and information about PT Bukit Batabuh Sei Indah. 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 consultations.

The audit team also collected information from the mass media about PT Bukit Batabuh Sei Indah, 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, consisting of 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 13,420 hectares.

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

There is zero non-conformity being identified in Surveillance 2 Audit of PT Bukit Batabuh Sei Indah. The Management



Unit operates effectively.

Conditions under which the certificate is issued

Certificate is valid until June 30, 2022, provided that PT Bukit Batabuh Sei Indah maintains its Surveillance schedule and does not have potential major non-conformities at the next Surveillance.