

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 BINA DAYA BINTARA

TOTAL HECTARES: 7,550 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 7,550 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: October 29, 2018

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: October 31, 2018

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
Estate Libo	Minas District, Siak Regency, Riau Province	October 29 to 31, 2018
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		

Document: Report Format Public – IFCC

Issue: D

Date: 15 September 2016

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Brief Description of the concession

PT Bina Daya Bintara received a forest area management permit based on the Decree of the Minister of Forestry Number SK.02 / IUPHHK / I / 2003 dated 18 January 2003. The final decree was the Decree of the Minister of Forestry Number SK.64 / Menhut-II / 2007 dated 23 February 2007 for an area of 7,550 ha, whereby the function of forests in the work area is based on the Riau Province Forest Map (attachment to the Decree of the Minister of Environment and Forestry No: SK.903 / MENLHK / SETJEN / PLA-2/12/2006 dated 7 December 2016) consisting of Limited Production Forests (HPT) covering an area of 0 ha, Converted Production Forest (HPK) covering an area of 260 ha and Permanent Production Forest (HP) covering an area of 7,290 ha, or a total of 7,550 ha.

To carry out operations, the Management Unit has a RKUPHHK-HTI 2018 document ratified by the Republic of Indonesia Minister of Environment and Forestry Decree Number: SK.1010 / MenLHK-PHPL / UHP / HPL.1 / 3/2018 dated 5 March 2018 concerning Approval of Work Plans for Industrial Timber Forest Products Utilization Business (RKUPHHK-HTI) for 2017 to 2026, in order to improve peat governance on behalf of PT Bina Daya Bintara in Riau Province.

PT Bina Daya Bintara has a Spatial Plan for the 10-year period 2017 to 2026: Staple Plant Area of 923 ha (12.23%), Livelihood Plant Area of 0 ha, Protected Area of 6,627 ha (87.77%), or a total of 7,550 ha. The Protected Area consists of: Riparian Area of 759 ha (10.05%), Germplasm Protection Area (KPPN) of 140 ha (1.85%), Wildlife Protection Area (KPSL) of 70 ha (0.93%), Peat Ecosystem Function of 5,658 ha (74.94%), for a total of 6,627 ha (87.77%). The Protected Area consists of a Peat Ecosystem with Protection (FLEG) with an area of 5,330 ha (70.60%) and Peat Ecosystem with Cultivation Function (FBEG) with an area of 1,297 ha (17.18) – percentage difference due to rounding.

There has been no conversion of natural forest to plantation forest in the PT Bina Daya Bintara work area, thus the scope of the IFCC certification is for an area of 7,550 ha.

The geographic location of the work area lies between 01° 01' 51" to 01° 13' 28" North and 100° 53' 51" to 100° 59' 33" East, while it is bounded by:

East by PT Rimba Rokan Perkasa

West by PT Bina Daya Bentala

South by PT Balai Kayang Mandiri

North by State Forest

PT Bina Daya Bintara falls under the governmental administration of Minas District, Siak Regency, Riau Province.

The Management Unit has a flat work area topography at a height of 10 to 26 meters above sea level with a Histosol soil type (Hemik Organic, Sapik Organic). Geologically it is formed by young Alluvium and Minas, and is located inside the Group Forest and river of Sei Rangau. The area has a Type A climate classification.

In accordance with the foregoing data, the species developed as staple plant growth is *Acacia crassicarpa*.

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

PT Bina Daya Bintara's base camp is located in Kasang Padang Village, Bonai Darussalam District, Rokan Hulu Regency. Based on environmental documents and interviews with the Heads of the surrounding villages, the inhabitants are ethnic Malay communities. There are Sakai tribes who live around the river but do not enter the Bonai Darussalam District area.



There is an agreement document with the villages regarding cooperation of livelihood plants in the form of acacia plant partnerships, the community receiving a fee from the production. In addition, there are efforts to overcome land and forest fires in the district where the *Satuan Tugas Satria Kresna* fire-fighters were formed and include eight personnel from PT Bina Daya Bintara.

The Management Unit has a CD program plan for 2018 covering the fields of education, religion, economics, infrastructure and social, as well as the environment. Based on the report on the realization of the 2018 CD program the types of program realized include:

- a. Religion: assistance with the sound system equipment for the mosques of the villages.
- b. Education and culture: educational facilities and traditional clothing assistance.
- c. Agriculture: assistance with chili and pineapple cultivation.

The Management Unit of PT Bina Daya Bintara has a standard procedure for Conflict Resolution that applies to resolving conflicts under the principle of mutual agreement on the basis of preliminary information covering local communities and immigrants with criteria that can be proven by the existence of ex-cultivation, processed land, villages, burial complexes and cultural relics.

Description of the ecological conditions of the concession

The Management Unit has an environmental document (AMDAL), that provides a predictive analysis of the impact of forest management on environmental and social aspects. The Management Unit has created a matrix of the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) to minimize the negative impacts of forest management, with reports being submitted to the relevant authorities on a periodic basis.

The monitoring plan carried out by the Management Unit includes the following areas:

- a. Physical-Chemical, including: microclimate, soil physiography (physical and chemical properties, subsidence, erosion), hydrological (surface water flow, fluctuation rate, sedimentation), water quality;
- b. Biological components include: vegetation (potential and non-timber forest products), wildlife (habitat, property type, density and range), aquatic biota (abundance and diversity).

The Management Unit carries out regular patrols to identify possible threats of forest disturbance, be these of natural or human origin. Natural disturbance include infestation by pests and disease, for which the MU has standard procedures for the controlled use and disposal of hazardous and toxic materials (B3). Human disturbances, meanwhile, include illegal entry, ground clearance and lighting of fires, hunting, etc. which are countered by not only patrols but socialization of the company's work plans to the local community.

PT Bina Daya Bintara has also put in place countermeasures to fires, which involve members of the local community.

Results of the Public Consultation

Prior to conducting the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing October 8, 2018, asking stakeholders to provide feedback and information about PT Bina Daya Bintara. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders as a result of the public consultation.

The audit team also gathered information from the mass media about PT Bina Daya Bintara, the reported cases being given material consideration as part of the audit process of 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 rules and conventions. The management system has been built to

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cover all activities in the field of certification, which is registered for an area of 7,550 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 2 Audit of PT Bina Daya Bintara revealed two (2) Minor Non-Conformities (NC) of Minor categories. The Management Unit has noted and since addressed these issues. No critical issues were identified during the audit.

No	Non-Conformities	Corrective Action Performed	Category
1	The Management Unit currently lacks an SFM Technical Measurement and Planning and Guidance Officer, following the expiry of the validity of the previously contracted officer in mid-2017. Indicator I.1.8	As an indication of its commitment and responsibility, the company will assign a suitably qualified Technical Officer from among its employees.	Minor
2	The RKL / RPL report has not yet monitored social aspects in accordance with the Environmental Monitoring Plan (RPL) document matrix, which includes monitoring of social conflict, job opportunities and efforts, local economy, cultural change, community perceptions and income changes. Indicator I.10.2	The RKL/RPL Report of the second semester of 2019 will be in total adherence with the provisions of the social monitoring matrix.	Minor

Conditions under which the certificate is issued

Certificate is valid until 27 December 2019 (Certificate Number: AJA/IFCC-PEFC/FMC-HT/00032/XII/2016), provided that PT Bina Daya Bintara 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 certification visit. If the non-conformities are not closed at the next certification, the certificate will be suspended until such time as AJA is able to perform a closeout visit.