

# 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 Nusa Wana Raya

TOTAL HECTARES: 26,880 hectares

SCOPE OF REGISTRATION: Sustainable Forest Management of 26,880 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: November 12, 2019

AUDIT END DATE: November 15, 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: Agung Utama Lubis

Ardi Presetyo

SIGNATURE:

SIGNATURE:

SIGNATURE:


MAJOR CARS : -

MINOR CARS : 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Nusa Wana Raya	Kampar Kiri District, Kampar Regency and Langgam District, Pelalawan Regency, Riau Province - Republic of Indonesia	November 12 to 15, 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

The Management Unit has a concession permit based on Minister of Forestry Decree No. 444 / Kpts-II / 1997 on August 6, 1997 concerning the Granting of Concession Rights for Transmitting Plantations over a Forest Area of about 21,870 hectares in Riau Province First Level Region to PT Nusa Wana Raya.

Minister of Forestry Decree No. SK.241 / MENHUT-II / 2007, dated July 19, 2007 concerning the Establishment of Working Areas for Timber Forest Product Utilization Permits in Industrial Plantation Forests in PT Nusa Wana Raya Plantation Area of 26,880 hectares in Riau Province. There has been no conversion of natural forest into plantation forest since December 31, 2010, thus the area for IFCC certification is 26,880 ha.

Work Plan for Industrial Timber Forest Product Utilization (RKUPHHK-HTI) is approved by Decree of MenLHK No. SK.587 / MenLHK-PHPL / UHP / HPL.1 / 2/2018 dated February 13, 2018 concerning Approval of Business Plan for Utilization in Industrial Timber Forest Products of PT Nusa Wana Raya for the 10-year period 2018-2027 in Riau Province.

The Management Unit organizes its spatial planning as follows: Local Protected Areas and Other Protected Areas of 5,684 ha (21.1%), Staple Plant Area of 15,820 ha (58.9%), Livelihood Plant area of 5,376 ha (20.0%) for a total of 26,880 ha. Local Protected Areas and other Protected Areas consist of: Riparian Area of 4,092 ha (15.2%), KPPN of 300 ha (1.1%), KPSL of 300 ha (1.1%), Other Protected Areas of 992 ha (3.7%)

The working area of PT Nusa Wana Raya is geographically located between 00° 09' 58.14" to 00° 00' 28.09" North and 101° 20' 18.69" to 101° 47' 17.76" East. The working area of PT Nusa Wana Raya is located in the Tesso Forest Group. The topography of the area is 38% Slope A (Flat) (0-8% slopes) and 62% Slope B (Ramps) (8-15% slopes) located at an altitude of 80-150 meters above sea level.

In the RKUPHHK-HTI document of PT. Nusa Wana Raya (2018-2027) states that the type of soil in the Management Unit area is red yellow podsolik (Bogor PPT classification) or consists of Dystropepts, Hapludox, Humitropepts, Kandiodults, Kanhapludults, Fluvaquents, Tropofluvents, Prososaprists and Tropaquepts (USDA classification). Geological formations consist of Minas, Farmers (TuP) and Young Alluvial (Qh) elements.

The species of plants developed are *Acacia mangium*, *Acacia crassicarpa*, and *Eucalyptus* sp.

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

The people who live around the PT Nusa Wana Raya concession are local residents. Based on population data in the RKUPHHK HTI document, some 55.3% of Langgam District population and 47% of Kampar Kiri District residents work in the agriculture sector.

PT Nusa Wana Raya has standard procedures for conflict resolution within the company's concession area. These include recording every action taken from the initial report of the conflict, through discussions to reach an amicable solution, until the conflict is finally resolved. Data of claim areas are recorded along with a summary of the conflict resolution efforts that have been made by PT Nusa Wana Raya. Indicative maps on encroachment and claims in the work area of PT Nusa Wana Raya in the scale of 1:200,000 have been made, while reports exist from 2005 to 2019 about the settlement of land claims in the company's concession.

PT Nusa Wana Raya has made a cooperation agreement with the surrounding village community in the form of Livelihood Plant Management Agreement. The Management Unit also allows the community to utilize non-timber forest products (NTFPs) such as river fish, honey, resin and rattan as long as their use is sustainable.

PT Nusa Wana Raya has implemented a corporate social responsibility program. There are quarterly reports on its implementation for January through June 2019. Based on the report on the realization of the community development program, the activities that have been carried out include the religious sector (mosque construction material, ramadan travel), social and environmental fields (sports facilities). Based on interviews with the Head of Villages, PT Nusa Wana Raya has carried out Community Development activities routinely every year.

#### Description of the ecological conditions of the concession

PT. Nusa Wana Raya has taken steps to minimize environmental impacts due to forest management, such as maintaining protected areas, implementing reduced impact logging (RIL) in harvesting activities, using permitted pesticides in the control of pests, weeds and diseases of staple plants, constructing temporary storage places for hazardous and toxic hazardous waste (TPS LB3), and provision of oil traps on generator set to avoid LB3 pollution, and oil spills to the soil or water.

The Management Unit has also monitored the impact of forest management on soil (physical-chemical, erosion and fertility) and water (river water quality and discharge), the results of which are reported in the Environmental Permit Implementation Report each semester.

The Management Unit uses *Acacia mangium* as the staple plant species. Although the species is classified as invasive, control of its spread is closely monitored and the population is now beginning to be reduced and replaced by another species of staple plant, namely *Eucalyptus pellita*, which although an introductive plant is not invasive.

The Management Unit also does not plant genetically modified organisms (GMO) plants as staple crops or other plants, For the fertilizing activities, the Management Unit has conducted based on recommendations from the R&D department of PT. RAPP.

The Management Unit routinely conducts forest patrols to counter forest disturbance such as illegal logging, encroachment and poaching, and fishing with poisons. The current forest disturbance is mainly land occupation / encroachment carried out by oil palm plantations and the community. Regarding the violation, the Management Unit has reported it to the authorized agency. To restrict outsiders from entering the building area, there are security posts and portals as well routine security patrols.

Rehabilitation of degraded land has been conducted in several locations in protected areas. The Management Unit has carried out periodic identification and monitoring of the types of flora and fauna that are in the work area. The types of native flora and fauna that exist are protected and protected by providing their habitat in the form of protected areas. The key species here is Sumatran Elephant (*Elephas maximus*).

The Management Unit has installed signboards in several locations. These include bans on the lighting of fires, encroachment, illegal logging, hunting animals, and poisoning and electrocuting fish. Noticeboards are also installed in the form of notifications of protected flora and fauna types, and elephant crossing routes.

The Management Unit has formed an organization of Forest and Land Fire Brigades and Fire Aware Community (MPA) with the village who participate as firefighters and help prevent forest and land fires. They also have facilities and infrastructure to support forest and land fire control activities such as fire towers, CCTV monitor towers and water reservoirs.

#### Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted public consultations commencing October 23, 2019, asking stakeholders to provide feedback and information about PT Nusa Wana Raya. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://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. 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 Nusa Wana Raya, 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 26,880 hectares.

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

The Surveillance 1 Audit results recorded one (1) Minor Non-Conformity identified by the audit team.

No	Non-Conformities	Corrective Action Performed	Category
1	<p>The Management Unit could not present land cover classification data for monitoring of Local Protected Area and Other Protected Areas, Staple Plants and Livelihood Plants.</p> <p>The Management Unit also has not been able to present slides and forms of Monitoring Report of Changes in Land Cover and attachment of the previous and the latest landsat maps.</p> <p>Indicator: I.3.1</p>	<p>The Management Unit has made improvements by implementing activities in accordance with SOP of Industrial Forest Spatial Arrangement.</p>	Minor

#### Conditions under which the certificate is issued

Certificate is valid until (January 21, 2022), provided that PT Nusa Wana Raya 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.