

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

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

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

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

AUDIT START DATE: November 08, 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

AUDIT END DATE: November 11, 2021

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Ence Hedi Hasan Zubaidi

SIGNATURE:

Abdul Salam

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

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 8 to 11, 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 Nusa Wana Raya has a concession permit based on the Decree of the Minister of Forestry No. 444/Kpts-II/1997 dated August 6, 1997 concerning the Granting of Concession Rights for Plantation of Transmigration Patterns over a Forest Area of approximately 21,870 (twenty one thousand eight hundred seventy) hectares in Riau Province on behalf of PT Nusa Wana Raya. In 2007, issued a new Decree of the Minister of Forestry No. SK.241/MENHUT-II/2007, dated July 19, 2007, concerning Stipulation of Work Area Boundaries for Timber Forest Products Utilization in Industrial Plantation Forests which change the area of PT Nusa Wana Raya to 26,880 (twenty-six thousand eight hundred and eighty) hectares in Riau Province. There is no conversion of natural forest to plantation forest above December 31, 2010, thus, the IFCC certified area is 26,880 hectares.

The Management Unit has a long-term plan, namely the Business Plan for the Utilization of Industrial Timber Forest Products (RKUPHHK-HTI) for 2018 to 2027 period which was ratified based on the Decree of the Minister of Environment and Forestry No. SK.587/MenLHK-PHPL/UHP/HPL.1/2/2018 dated February 13, 2018. The arrangement of the work area spatial based on the RKUPHHK consists of 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%), with a total of 26,880 Ha (100%).

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' 00.018.69" 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 between Slope Class A (flat) of 10,214 ha (38%) and Slope Class B (Slope) of 16,666 ha (62%). The area is located at an altitude of 80 to 150 m above sea level. The soil type in the Management Unit area is red yellow podzolic or consists of Dystropepts, Hapludox, Humitropepts, Kandiodults, Kanhapludults, Fluvaquents, Tropofluvents, Prososaprists and Tropaquepts (USDA classification). The geological formation consists of Minas, Peasant (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

PT Nusa Wana Raya has identified, respects, and recognizes the tenure systems and the legal rights of communities to own, control and use forest land and resources. The villages around PT Nusa Wana Raya is the Village of Segati and Gondai of Langgam District, Pelalawan Regency and Rantau Kasih Village, Kampar Kiri District, Kampar Regency.

PT Nusa Wana Raya has some agreements for the cultivation of Livelihood Plant with the villages. The development is on the livelihood plant with a profit-sharing pattern of acacia and rubber plant partnerships. The Management Unit also provides access to local communities to utilize non-timber forest resources that have economically important functions such as honey and fish.

There is an overlapping area with land occupied by the community. The Management Unit has a conflict resolution mechanism in the form of SOP Conflict Resolution Protocol. According to the SOP, the conflict resolution taken through the socialization process and dispute resolution methods. Dispute resolution with the company is carried out through legal channels, while dispute resolution with the community is carried out through deliberation and consensus. Based on an interview with the Public Relations of PT Nusa Wana Raya, currently there is a conflict between the company and a village community. The case has been reported to the Riau Province Environment and Forestry Service and the Riau Police District.

The Management Unit of PT Nusa Wana Raya has carried out the management and monitoring of the social environment, by opening job and business opportunities which includes the information provision on job vacancies to the surrounding community as partners in the company operational activities; give priority to local residents to

participate in plantation activities, and increase the absorption of local labor. The Management Unit's efforts to increase the community income includes:

- provide opportunities for local communities as contractors for plantation activities and building project implementers,
- provide training facilities on honey-bee cultivation to the community around the company as well as to the employees,
- provide access for the community to look for fodder grass in the work area,
- aid the community around the company (Community Development) which includes activities in the fields of education, religion, repair of facilities and infrastructure.

Description of the Ecological conditions of the concession

The Management Unit has carried out forest ecosystem and hydrological function management through the following activities:

- identification of forest management activities that have significant impacts, and conduct environmental impact assessments through AMDAL, RKL and RPL documents of PT Nusa Wana Raya (Decree of Approval of the Central Commission for Environmental Impact Analysis of the Ministry of Forestry Number 50/DJ-VI/Amdal/1996, April 12, 1996). The implementation of environmental management and monitoring every semester is presented in the Environmental Permit Implementation Report (RPL/RKL),
- performing the Reduced Impact Logging activities in stages before, during, and after logging activities,
- identification of areas that function for soil and water protection to be allocated as Local Protected Areas and Other Protected Areas which consist of River Border of 4,092 Ha (15.2%), KPPN of 300 Ha (1.1%), KPSL of 300 Ha (1.1%), and Other Protected Area of 992 Ha (3.7%),
- monitoring the negative impacts of forest management activities in the concession area in accordance with the AMDAL, RKL and RPL documents and documented procedure that serves as a guide for monitoring the negative impacts of forest management activities, namely SOP for Monitoring Protected Areas, SOP for Monitoring Discharge and Water Quality and SOP for Erosion Monitoring, as well as the documented procedures for the controlled use of B3 (Hazardous and Toxic Substances), namely SOP for Management of Hazardous and Toxic Waste (B3) and SOP for Handling Spills of Fuel, Lubricants and Chemicals.

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

- identification of protected, endemic, rare flora, and fauna and threatened/near-extinct species and their habitats in the area in accordance with applicable regulations through the inventory activities. There is a map of the distribution of flora and fauna as the result of the inventories,
- management of Protected Areas in accordance with the RKL/RPL Implementation Report every semester as well as SOPs for Determining Protected Areas and SOPs for Monitoring Protected Areas,
- identification of key protected and threatened/ endangered species, as well as their habitats and migration patterns. Based on the identification, there are no key species in the area,
- performing environmental impact assessment on the potential impacts on protected, endemic, rare and endangered species of flora and fauna, through AMDAL, RKL and RPL every semester,
- not cultivating genetically modified tree species but *Acacia mangium*, *Acacia crassicarpa* and *Eucalyptus* sp.

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

- identification and monitoring of disturbances in sustainable forest management, such as fires and plant diseases,
- creating guidelines and procedures to prevent and handle pest attacks, namely SOPs for Integrated Pest and Disease Management,
- regulate the management of chemical pesticides in the field with a documented procedure,
- implementation of forest protection measures against fire hazards,
- prohibition of livestock grazing 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 starting October 7, 2021, 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), sent to parties via email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive input from stakeholders during the public consultation.

The audit team also collected information from the mass media about PT Nusa Wana Raya. 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. The management system has been built to cover all activities in the certification field, registered for certification covering 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 result of the Additional Surveillance Audit of PT Nusa Wana Raya is no Non-conformities. The management system of PT Nusa Wana Raya is operating effectively. No critical issues identified.

Conditions under which the certificate is issued

Certificate is valid until January 21, 2023, provided that PT Nusa Wana Raya maintains its Recertification schedule and does not have potential major non-conformities on the next Recertification.