

# Public Report Sustainable Forest Management System

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# AJA EUROPE SRL

## PUBLIC AUDIT REPORT – SFM

### TO BE SUBMITTED TO THE ORGANIZATION, IFCC AND TO AJA EUROPE



ORGANIZATION NAME: PT NUSA WANA RAYA

TOTAL HECTARES: 26,880

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

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: November 18, 2024

AUDIT END DATE: November 21, 2024

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: Agung Utama Lubis

SIGNATURE:

AUDIT TEAM: Andri Wibisono

SIGNATURE:

Inggita Nuri Prihantini

SIGNATURE:

WITNESSING AUDITOR / TRANSLATOR (if any): //

SIGNATURE: //

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED including countries	DATE OF EACH SITE VISIT:
Head office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru 28143, Riau Province, Indonesia	November 18, 2024
Site	Kecamatan Langgam, Kabupaten Pelalawan dan Kecamatan Kampar Kiri, Kabupaten Kampar, Propinsi Riau, Indonesia	November 19-21, 2024
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

The Organization has a Decree on Forest Utilization Business Permit (PBPH) from the Minister of Environment and Forestry Number: SK.1121/MENLHK/SETJEN/HPL/0/11/2021 dated November 17, 2021, concerning Amendments to the Decree of the Minister of Forestry Number: 444/KPTS-II1997 dated August 6, 1997. There is a change in nomenclature from IUPHHK-HT to PBPH. The area based on permit is 26,880 ha. The forest area and the certified area are both 26,880 hectares, with reference to the condition that no natural forest was converted after 31 December 2010.

The Organization in operational activities has a Forest Utilization Business Work Plan (RKUPH) document which is approved by the Decree of the Minister of Environment and Forestry No. SK.587/MenLHK-PHPL/UHP/HPL.1/2/2018 dated February 13, 2018 concerning the Approval of the Business Work Plan for the Utilization of Industrial Timber Forest products of PT Nusa Wana Raya for the period 2018-2027 in Riau Province. The arrangement of the work area based on the RKUPH document for the 2018-2027 period is as follows:

- Local Protection Areas and Other Protected Areas of 5,684 Ha (21.1%), Staple Plant areas of 15,820 Ha (58.9%), and Livelihood Plant area of 5,376 Ha (20%), with a total of 26,880 Ha (100%).
- Local Protection Areas and other Protected Areas consist of river boundaries of 4,092 Ha (15.2%), KPPN of 300 Ha (1.1%), KPSL of 300 Ha (1.1%), and Other Protected Areas of 992 Ha (3.7%).

Administratively, the work area of PT Nusa Wana Raya is located in Langgam District, Pelalawan Regency and Kampar Kiri District, Kampar Regency, Riau Province. The work area of PT Nusa Wana Raya is geographically located between 00° 09' 58.14" – 00° 00' 28.09" North and 101° 20' 00.01" – 101° 47' 17.76" East. It is part of the Tesso Forest Group. Topography of the work area is Slope A (Flat) covering an area of 10,214 ha (38%) and Slope Class B (Gentle) covering an area of 16,666 ha (62%). The area is located at an altitude of 80-150 m above sea level. The type of soil in the work area is red yellow podzolic (PPT Bogor classification) or consists of Dystropepts, Hapludox, Humitropepts, Kandiuults, Kanhapludults, Fluvaquents, Tropofluvents, Prososaprists and Tropaquepts (USDA classification). The geological formation consists of Minas, Petani (TuP) and Young Alluvial (Qh) elements. The types 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

Based on the Visit Matrix Sampling Village, there are three villages around the concession, namely Rantau Kasih Village, Kampar Kiri Hilir District, Kampar Regency, Riau; Pangkalan Gondai Village and Segati Village, Langgam District, Pelalawan Regency, Riau. The population around the organization's concession is a local community. There is no customary law community around the organization's concession area. Based on interviews with the village head and community leaders of the village around the organization's concession, the livelihoods of the population are mainly from the agricultural sector of oil palm plantations, rubber plantations, and fisheries as river fishermen.

PT Nusa Wana Raya has made efforts to resolve claim areas in the Organization's concession area. By the end of September 2024, 71.93 hectares were completed, leaving 45.9% hectares of the concession still in the balance. There is Notarial Deed Number: 21 dated 11 March 2013 concerning the Livelihood Plant Management Cooperation Agreement between PT Nusa Wana Raya and a village community. The provision of the livelihood plant fees has been given in 2019 as stated in the previous audit report.

Based on the 2023 Community Development Report in Pelalawan Regency, the assistance was provided across various locations for a range of activities. Support was given for the inauguration of primary school, the 10th Anniversary of a village celebration, and for office equipment. There was also aid for school supplies and active speakers for a local school, as well as cash assistance for a Marching Band competition. Financial aid was provided for street light procurement,



building materials for a local church, and various celebrations such as Eid al-Fitr, Eid al-Adha, and Independence Day. Additional support included assistance for a Youth Organization Ramadan Safari 2023, Kartini Day celebrations, and Independence Day events, along with capacity-building for local youth organizations and other community activities.

#### **Description of the Ecological conditions of the concession**

PT Nusa Wana Raya is dedicated to sustainable forest management, adhering to PT RAPP's Sustainable Forest Management Policy 2.0. This includes the implementation of best practices in social, environmental, and economic areas, with a focus on climate monitoring, greenhouse gas emission reduction, and high carbon stock (HCS) estimation. The company has established operational documents, such as the Forest Utilization Business Work Plan, and follows strict standard operating procedures (SOPs) for forest management, ensuring compliance with regulatory requirements.

The company has implemented various practices to maintain the health and vitality of forest ecosystems, including habitat enrichment, biodiversity protection, and integrated pest management. It also monitors microclimates, conducts aerial surveillance, and ensures land preparation and planting activities align with sustainable principles. Additionally, PT Nusa Wana Raya has committed to protecting valuable forest areas, allocating 5,684 hectares for conservation, and implementing measures to prevent land and forest degradation, including the prevention of forest fires and responsible waste management.

The environmental, occupational health, and safety policies, established by the Director on January 1, 2012, and revised on April 1, 2022, are issued and enforced, with ongoing evaluations of their implementation and compliance with relevant regulations concerning forest management and environmental monitoring. The maintenance of forest ecosystem health and vitality is carried out through efforts targeting the area, stand, and biodiversity aspects, including forest protection patrols/area inspections, vegetation and wildlife monitoring, and eradication activities. Forest protection patrols are conducted according to the plan outlined in the 2024 Fire Management Program, with a fire guard work plan for the November 2024 period at the Nagodang Estate.

PT Nusa Wana Raya is proactive in collaborating with local communities to raise awareness on fire prevention and environmental sustainability. Through initiatives like the Fire Aware Community Forum, it works closely with nearby villages to ensure joint efforts in protecting the forest from fires. The company continues to monitor environmental conditions such as soil fertility, water quality, and biodiversity, while conducting regular evaluations and reporting to relevant authorities. These efforts contribute to its goal of maintaining a balanced ecosystem and reducing the environmental impact of its operations.

#### **Results of the Public Consultation**

Prior to conducting Surveillance 2 Audit on PT Nusa Wana Raya, PT Acube TIC International has made a public announcement and public consultation. Invitation to public consultation to stakeholders to obtain input as materials/consideration through the website [www.ajaindonesia.com](http://www.ajaindonesia.com) starting 10 October 2024. The stakeholders can provide input for audit considerations to PT Acube TIC International email. There is no input from stakeholders.

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 Acube TIC International audit process.

The Organization has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the area of certification, which are registered for the certification area of 26,880 hectares.

#### **Organization progress record related to corrective action on findings of nonconformities in previous audit**



The result of Transition to IFCC ST 1001:2021 + Surveillance 1 Audit were three (3) minor non-conformities. The Organization has made improvements and the non-conformities are closed.

No.	Non-Conformities	Corrective Action Performed at Surveillance 1 Audit in 2023	Closed Out at Surveillance 2 2024
1	<p>The Organization has not updated the legal regulations. In the Monitoring Status - Compliance Obligation (Legal Requirements and Other Requirements) document for the period January to June 2023, there are some statutory regulations that are no longer valid and/or applicable.</p> <p>Indicator 5.3.1.1 Minor</p>	<p>The Organization has made improvements by updating statutory regulations and has evaluated compliance with legal and other requirements for the period January to June 2023. The Organization will monitor and update the list of statutory regulations periodically.</p>	<p>Based on the document:</p> <ol style="list-style-type: none"> <li>1. Review of legal and other requirements for the period January-June 2024</li> <li>2. Evaluation of PT Nusa Wana Raya's compliance with regulations for the period January-June 2024</li> <li>3. Updates to legal regulations and evaluations of compliance have been carried out.</li> </ol>
2	<p>The Organization has carried out internal audit activities that include the standards ISO 14001:2015, ISO 45000:2018, Decree of the Director General of PHPL No. P.62/PHPL/SET.5/KUM.1/12.2020 (Appendix 1 &amp; 2), SMK3, SFMP 2.0 Policy, IFCC Standard ST 1001:2014 but does not include IFCC Standard ST 1001:2021. Some auditors have not participated in internal audit training on IFCC Standard ST 1001:2021.</p> <p>Indicator 8.2.1 Minor</p>	<p>The Organization will conduct training for their internal auditors on the IFCC ST 1001:2021 standard to increase internal auditors' understanding and competence on the IFCC ST 1001:2021 standard and will use the IFCC ST 1001:2021 standard as a reference for the implementation of internal audits for the 2023 period.</p> <p>The Organization in this case from SDU (Sumatra Development Unit) has sent 3 personnel to take part in the Internal Audit Standard ST 1001:2021 training on 20 to 25 November 2023 in Kerinci (PT RAPP).</p>	<p>PT Nusa Wana Raya has conducted an internal audit on February 20-28, 2024. The scope includes the IFCC ST 1001:2021 standard and the audit team has the competence of IFCC standard auditors.</p>
3	<p>The Organization has implemented a Management Review in 2022, but its scope is still limited to K3 policies and objectives. It did not include organizational performance information, including audit results of Mandatory standards (PHPL), IFCC ST 1001:2021 standards, SFMP 2.0 Policy etc.</p>	<p>In implementing the 2024 Management Review, the Organization will conduct a review of all aspects including prerequisites, production, ecology and social as well as information regarding the results of PHL, IFCC audit performance and implementation of the SFMP 2.0 Policy.</p>	<p>The Organization has conducted a 2023 PT Nusa Wana Raya SHE Management Review on January 15, 2024, which is not limited to OHS policies and objectives alone, but has met the requirements of the IFCC ST 1001:2021 standard.</p>



	<p>Indicator 8.3.1 Minor</p>	<p>The Organization has made improvements by creating a Draft Management Review for 2024 with the main theme:</p> <ol style="list-style-type: none"> <li>1. Previous Management Review Action Status</li> <li>2. Changes in External and Internal Issues</li> <li>3. Organizational Performance Information</li> <li>4. Opportunities for Continuous Improvement</li> </ol>		
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**Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.**

The result of Surveillance 2 Audit was one (1) minor non-conformity. The Organization has made improvements and the non-conformity is closed.

No.	Non-Conformities	Corrective Action Performed	Category
1	<p>Based on field verification at the Harvesting Contractor, there was a place to store refillable drinking water that did not meet health requirements, including floors made of soil and some floors covered with carpets that are partly sandy. The storage area is in an open condition, vulnerable to rainwater from the lower door area. Based on interviews with clinic doctors, and by showing photos of the drinking water storage areas, these conditions are considered unhygienic.</p> <p>Indicator 5.3.4.2</p>		Minor

**Conditions under which the certificate is issued**

Certificate number AJA/IFCC-PEFC/FMC-HT/00017/I/2016 is valid until January 21, 2026, 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 Recertification visit. If the non-conformities are not closed at the next Recertification, the certificate will be suspended until such time as AJA EUROPE is able to perform a closeout visit.