

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. Nusa Wana Raya

TOTAL HECTARES: 26,880 ha

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

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: October 16, 2017

AUDIT END DATE: October 19, 2017

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: Abdullah Mujahid

SIGNATURE:

(Handwritten signature of Abdullah Mujahid)

AUDIT TEAM: Amin Kadani

SIGNATURE:

Abdul Salam

SIGNATURE:

(Handwritten signature of Abdul Salam)

MAJOR CARS: -

MINOR CARS: -

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.	October 16 to 19, 2017
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 obtained industrial forest exploitation permit per Minister of Forestry Decree No. 444 / Kpts-II / 1997 of August 6, 1997 for Forest utilization permit Transmigration Top Pattern Forest Areas covering an area of 21,870 hectares in Riau Province to PT. Nusa Wana Raya. Then, based on the Decree of the Minister of Forestry No. SK.241 / MENHUT-II / 2007, dated July 19, 2007 regarding the Stipulation of the work area Limit Utilization License for Timber Forest Product in Industrial Tree Plantation in Plantation Forest to PT. Nusa Wana Raya covering an area of 26,880 hectares in Riau Province,

Spatial planning based on Revised RKUPHHK-HTI, is as follows: (1) Protected Areas of 4,703 ha (17.50%), (2) Areas Not Effective For Production of 11,421 ha (42.49%), and (3) Production Areas consisting of: Principal Plants Area of 9,906 ha (36.85%), Seed Plant Area of 800 ha (2.98%), and Livelihood Plant Area of 50 ha (0.19%); percentage total 100.01 due to rounding .

The working area of PT. Nusa Wana Raya is located between 00° 00' 00" to 00° 10' 00" North and 101° 20' 00" to 101° 46' 00" East. The working area falls under the governmental administration of Kampar Kiri District of Kampar Regency and Langgam District of Pelalawan Regency, Riau Province. Located in Kampar Kiri Forest group, the topography consists of 10,214 ha (38%) flat (0-8%) and 16,666 ha (62%) ramped (8-15%), located at an altitude of 50 to 150 meters above sea level.

Based on the Land Unit and Soil Map Sheet Pekanbaru (0816) Sumatra Scale 1: 250,000 1988 (Puslitanah) there are two soil groups, the flat ground being alluvial, while latosol and podsolc soil types are found on the flat-sloping relief with the parent material being Alluvial young and old. Geological formations based on Geological Map Sheet Pekanbaru based Scale 1: 250,000 (Bandung Geology Research Center, 1982) consist of the following rocks and minerals: Minas Formation: Raman-rock, sand, gravel; Sediment formation Young: shale, sand and silt; Old sediment formations: sand and gravel. The hydrology of the Management Unit's working areas includes the watershed (DAS) Kampar Kiri with major rivers being the Sengawek, Segati and the Teluk Kasai. The working area is classified as having a Type A Climate with annual rainfall of 2,540 mm.

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

In the PT Nusa Wana Raya concession there are areas that overlap with PT Peputra Supra Jaya and occupied public land. The villages around the area of PT. Nusa Wana Raya are Segati and Gondai in the Langgam District of Pelalawan Regency, and Rantau Kasih Village, in the Kampar Kiri District, of Kampar Regency.

PT Nusa Wana Raya has entered into a MoU with the Batin Bungsu community (Segati village) and the Batin Palabi community (Gondai village) in regard to the development of plant life under a profit sharing partnership, as well as with the community of Rantau Kasih in regard to livelihood rubber plants. The total area of the livelihood plants is 50 ha. The Management Unit also grants access to the local communities to utilize non-timber forest resources that have important functions to their economy such as honey and the seasonal fish pond.

The Management Unit of PT Nusa Wana Raya has a conflict resolution mechanism in place that records the steps taken throughout the process. Settlement of disputes with companies is carried out through legal channels, while the resolution of disputes with the community is carried out through deliberation to reach consensus.

The Management Unit of PT Nusa Wana Raya manages and monitors the social environment through offering employment and business opportunities. These include: providing information about employment opportunities to the community as a partner in the company operations; giving priority to local residents to participate in the activities of HTI; increasing local employment. It also seeks to increase public revenues through: providing opportunities for the local communities as contractors for activities as timber and building project implementers; provision of training on beekeeping to the surrounding community as well as employees themselves; providing access for the public to search for fodder within the



work area. The Management Unit also undertakes corporate social responsibility/ community development (CSR/CD) programs that provide assistance to the communities around the company in the areas of education, social facilities and infrastructure, as well as religious observance.

Description of the ecological conditions of the concession

In environmental management Management Unit has made the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) to minimize the negative impacts and enhance environmental quality in the work area of Management Unit. Activities performed include: monitoring of protected areas, erosion and soil quality monitoring, discharge and water quality monitoring, management of hazardous and toxic waste (B3), management and monitoring of protected flora and fauna.

As part of its commitment to sustainable forest management, PT Nusa Wana Raya compiles reports on its management and monitoring activities, which are submitted to the relevant agencies on a periodic basis.

Results of the Public Consultation

Prior to performing Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted public consultation commencing September 29, 2017, asking stakeholders to provide feedback and information on PT Nusa Wana Raya. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.aja-indonesia.com), sent to the parties via email or postal mail, and published in a local newspaper. PT AJA Sertifikasi Indonesia received no input from stakeholders as a result of the public consultation.

The audit team also gathered information from the mass media about PT Nusa Wana Raya. The cases reported there and became material considered materia in the audit process carried out by PT. PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the necessary requirements for this certification process, which include legal aspects and compliance with regulations or international conventions. The management system has been built to cover all activities in the field of certification, 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.

Based on the results of the Surveillance 2 Audit of PT Nusa Wana Raya, no Non-Conformities of either a Major or Minor nature were identified by the audit team.

Conditions under which the certificate is issued

Certificate is valid until 21/01/2019