

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 ha

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: Recertification

AUDIT START DATE: November 07, 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: November 10, 2018

LEAD AUDITOR: R Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Utomo

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS:

MINOR CARS: 9

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 07 to 10, 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	
	N/A	

-Document: Report Format Public - IFCC

Issue: D

Date: 15 September 2016

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Brief Description of the concession

PT. Nusa Wana Raya obtained a Business Permit for Timber Forest Product Utilization in Industrial Plantation Forests (IUPHHK-HTI) based on Decree of the Minister of Forestry No. 444 / Kpts-II / 1997 dated August 6, 1997 concerning the Granting of Entrepreneurial Rights to the Transmigration Pattern Plantation on Forest Areas covering an area of approximately 21,870 hectares in Riau Province to PT Nusa Wana Raya.

The boundary of PT Nusa Wana Raya's IUPHHK-HTI area has been compromised is based on Minister of Forestry Decree No. SK.241 / MENHUT-II / 2007 dated July 19, 2007 the total area of PT Nusa Wana Raya's IUPHHK-HTI to be 26,880 hectares.

The current management plan used is RKUPHHK-HTI for 2018 – 2027 period, which was approved based on Minister of Forestry Decree No. SK.587 / MenLHK-PHPL / UHP / HPL.1 / 2/2018 on February 13, 2018.

There has been no conversion of natural forest to plantation forest since December 31, 2010, and thus the scope of the IFCC certification is for an area of 26,880 hectares..

Geographically, the concession area of PT Nusa Wana Raya is located between 00° 04' 46.21" to 00° 01' 16.21" North and 101° 72' 18.00" to 101° 33' 34.00" East. It is included in the administrative area of Kampar Kiri District, Kampar Regency and Langgam District, Pelalawan Regency, Riau Province. The area is of mixed topographu, with 10,214 ha of 0-8% slope and the remaining area of 16,666 ha with 8-15% slope, all at an altitude of 50 to 150 meters above sea level.

Based on the Pekanbaru Land Unit Map (0816), Scale 1: 250,000 (Puslitanak - Center for Soil and Agro-climate Research, 1988) type of soil in the PT Nusa Wana Raya concession area consists of Alluvial, Latosol, and Podsollic with flat-sloping reliefs (slope 0-15%) with young Alluvial and old Alluvial material.

Based on the Geological Map of Pekanbaru Scale 1: 250,000 (Bandung Geological Research Center, 1982) the geological formation of the PT Nusa Wana Raya concession consists of rocks and dominant minerals as follows: Minas Formation (rock, sand, gravel); Formation of Young Sediments (Shale, sand and silt); Old sediment formation (Sand and gravel).

The climate in the PT Nusa Wana Raya concession area is included in type: A (Schmidt-Fergusson Climate Classification), with rainfall of 2,540 mm / year. This area includes the Kampar Kiri Watershed with the main rivers being the Sengawek River, Segati River and Teluk Kasai River.

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

The village areas inside PT Nusa Wana Raya concession are Rantau Kasih Village of Kampar Kiri Hilir District, Kampar Regency and Segati Village, Pangkalan Gondai Village of Langgam District, Pelalawan Regency, Riau Province. Based on environmental documents and interviews with management and village heads, there are indigenous people living in the concession area who are of Batin Bungsu and Batabi Palabi descent. The local people who live around the concession are dominated by indigenous Malays.

There is a partnership of livelihood plants with the community in the form of fee benefits for the production of acacia plants. In controlling forest fires, the Community with Fire Awareness was formed in 2017.

In carrying out the Community Development (CD) Program, PT Nusa Wana Raya submits its report to the Riau Province Forestry Service every three months. Realization of the CD program from 2017 to October 2018 was in the form of religious, social and environmental assistance provided to the communities around the concession.

Description of the ecological conditions of the concession

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PT Nusa Wana Raya has environmental documents (UKL UPL) and conducts environmental management and monitoring as its obligations in accordance with these environmental documents, reporting every six months to the relevant government agencies. Environmental management and monitoring efforts in several aspects / fields are noted in UKL and UPL, which include physical chemical components (macro climate change, decrease in soil fertility, water quality), biological components (natural vegetation or protected species, wildlife, plant disease pests and regional disturbances) and socio-economic components of culture (health or health performance, work safety or safety performance , employment opportunities, business opportunities, education and the community economy).

The management unit has implemented participatory steps in relation to livestock grazing activities by surrounding communities, so that the negative impacts of grazing and livestock population on forest regeneration, growth and biodiversity can be avoided.

Results of the Public Consultation

Prior to conducting the Recertification Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing October 8, 2018, 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 any 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 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 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.

The results of the Recertification Audit of PT Nusa Wana Raya revealed nine (9) Minor Non-Conformities (NC) as described below.

NO	Non-conformity (NC)	Corrective Action to be Undertaken	Category
1	PT Nusa Wana Raya has not reported the results of mapping and conflict resolution to the requisite authorities every six months as required. Indicator I.1.2.	The Management Unit has prepared the conflict resolution report and updated progress report and will submit to the Riau Province Environment and Forestry Service.	Minor



2	<p>PT Nusa Wana Raya has conducted periodic MCUs for employees and contract workers but has not yet conducted a special MCU (Cholinesterase test) to ensure the blood toxicity levels of those workers potentially exposed to chemicals - chemical warehouse officers, poison handlers and sprayers as required in the requisite SOP.</p> <p>Indicator I.12.1.</p>	<p>The Management Unit has conducted the tests for chemical warehouse officers, poison handlers and sprayers.</p>	Minor
3	<p>Work tools of the PPE spraying teams (knapsack, apron, rubber gloves, masks) are being taken home and stored behind the house / in the kitchen as visits to plantation contractor housing revealed. The Management Unit must ensure that work equipment of PPE spraying teams are stored in a special warehouse to prevent the occurrence of occupational diseases.</p> <p>Indicator I.12.2.</p>	<p>The Management Unit has carried out socialization on the storage of work equipment, plus confiscated spraying work equipment that is stored in workers' homes.</p>	Minor
4	<p>Based on visits to the contractor housing complex and plantation contractor housing, organic and inorganic is still being mixed. The Management Unit must ensure that domestic waste is managed in accordance with the relevant SOP.</p> <p>Indicator I.12.6.</p>	<p>Dissemination on waste management has been carried out to contracting workers (harvesting and plantation) and company employees, as well as the addition of the procurement of trash cans.</p>	Minor
5	<p>While PT Nusa Wana Raya has new RWA and HQA passing standards, the referenced SOP had not been updated.</p> <p>Indicator I.1.11.</p>	<p>PT Nusa Wana Raya has confirmed the number and date of revision of the relevant SOP.</p>	Minor
6	<p>PT Nusa Wana Raya has not yet identified all the degraded land in the new revision of RKU.</p> <p>Indicator I.3.4.</p>	<p>PT Nusa Wana Raya has identified the open area and will take aerial/drone photographs to support the data on identification that the area is an effective staple plant area where harvesting has just been carried out and the present condition of the area has been planted with 1.5 year old plants.</p>	Minor

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7	<p>PT Nusa Wana Raya has not prepared a complete rehabilitation plan for the degraded area.</p> <p>Indicator I.4.5.</p>	<p>The results of interpretation of landsat imagery in 2017 which indicated the presence of degraded land, the actual conditions in the field was in an area prepared for planting</p> <p>The present condition of the area is that it has been planted with staple plants aged 1.5 years old.</p>	Minor
8	<p>PT Nusa Wana Raya has not been able to show evidence that it has developed participatory ways to monitor and encourage agreements with local communities, indigenous people, and other parties who have the right to exploit non-timber forest products, so that their activities will not exceed levels of sustainability.</p> <p>Indicator I.5.4.</p>	<p>PT Nusa Wana Raya monitors and records the types of NTFPs and their utilization.</p> <p>PT Nusa Wana Raya will prepare a letter of agreement as proof of the NTFP beneficiary's responsibility to ensure the use of NTFPs will not exceed their level of sustainability, and will not damage the ecosystem of natural resources.</p>	Minor
9	<p>PT Nusa Wana Raya has a LOA area allocated as staple plants and livelihood plants, which can be utilized with the area as stated the block of the RKT, as presented in the current RKUPHHK. This has the potential to cause incompatibility with the standard, especially in the scope of certification and traceability system of harvested wood.</p> <p>Indicator III.1.1.</p>	<p>PT Nusa Wana Raya has a map showing the location/LOA position in the area allocated as the staple plant and livelihood plant areas. This will be verified on surveillance 1 in 2019.</p>	Minor

Conditions under which the certificate is issued

Certificate is valid until 21/01/2022, 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.