

Public Report Sustainable Forest Management System

Ownership of this report and the information contained within remain the property of
AJA Europe



AJA EUROPE

PUBLIC AUDIT REPORT – SFM

TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



CLIENT NAME: PT Wananugraha Bimalestari

TOTAL HECTARES: 7,465 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 7,465 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: March 5, 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

AUDIT END DATE: March 7, 2019

LEAD AUDITOR: R Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Ence Hedi Hasan

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: -

MINOR CARS: -

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT. Wananugraha Bimalestari	Nagodang - Gunung Sahilan District, Kampar Regency, Riau Province, Indonesia	March 5 to 7, 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	
	NA	

Brief Description of the concession

PT Wananugraha Bimalestari received a concession permit/Business Permit for Timber Forest Products Utilization in Industrial Plantation Forests (IUPHHK-HTI): based on Decree of the Minister of Forestry No. 362/Menhut-II/2007 on October 25, 2007 for a concession area of 7,465 hectares. There has been no conversion of natural forest to plantation forest after December 31, 2010 and thus the scope registered for IFCC Certification is for an area of 7,465 ha.

Spatial arrangement of the working area is as follows: Protected Area of 1,085 ha (14.53%), Area Ineffective for Production of 240 ha (3.22%), Staple Plant Area of 5,194 ha (69.58%), Indigenous Plant Area of 356 ha (4.77%) and Livelihood Plant Area of 590 ha (7.90%).

PT Wananugraha Bimalestari is located between coordinates 00° 01' 49.39" to 00° 07' 50.04" South and 101° 22' 50.16" to 101° 30' 01.98" East, and falls under the governmental administration of Gunung Sahilan District, Kampar Regency, Riau Province.

PT Wananugraha Bimalestari work area is located at an altitude of 19 to 139 meters above seas level, and has a flat topography (0-8% slopes).

The boundaries to the work area of PT Wananugraha Bimalestari are as follows:

North side - PT RAPP Teso Estate;

East side - ex-PT Hutani Sola Lestari;

West side - PT Agro Agria Lestari (palm oil plantation), Suka Maju Village;

South side - ex-PT Hutani Sola Lestari, and Beringin Jaya Village.

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

There are four villages around the company's concession area, Sahilan Darussalam and Gunung Sahilan in Gunung Sahilan District, Kampar Regency, and Suka Maju and Beringin Jaya in Singingi Hilir District, Kuantan Singingi Regency (former transmigration village). In addition to these villages, there are also industrial plantation companies that are in the same group as PT Wananugraha Bimalestari, namely PT Nusa Wana Raya, PT Nusa Sentosa Raya, and PT Riau Andalan Pulp and Paper Teso Estate. In addition to industrial plantation companies, there are also palm oil plantation companies.

Population in the four villages around PT Wananugraha Bimalestari belong to local communities, there being no indigenous communities as prescribed by law found around the company's concession. The majority of the population work in the agricultural sector as farmers and farm laborers on palm oil plantations. Based on the information from the district government in 2017, palm oil plantations dominate with an area of 24,000 ha, while rubber plantations cover a further 11,000 ha.

PT Wananugraha Bimalestari has standard procedures for the resolution of land claims in the company's concession area, which include mapping and documentation of the whole process from initial submission of complaint through to ultimate resolution. There is an Organizational Structure Conflict Resolution of PT Wananugraha Bimalestari on 9 July 2018 that was signed by the Head of the Field. There is also a complaint submission form dated July 16, 2018 from the surrounding community, relating to village administrative and concession boundaries, and a community

development program. This problem was communicated to the company by the village head.

PT Wananugraha Bimalestari has collaborated with the surrounding community in the form of a livelihood pact agreement, plus has also signed an agreement with the local community to prevent damage to the protected areas in the upper sub-watershed of Sei Tesso. In addition, an agreement was reached with the village head due to the transmigration program, as well as agreement on the utilization of a number of NTFP items such as fisheries and honey collection. The signing was also attended by representatives of village representative body (BPD), community empowerment institution (LPM), and the village youth.

A Community Fire Awareness Collective Agreement was signed between the villages and PT Wananugraha Bimalestari, on November 22, 2016. The existence of this agreement was also made known to the local police chief and the local district military commander.

Proof of payment exists for the remaining realization of benefits from livelihood plants to the local community. PT Wananugraha Bimalestari has carried out corporate social responsibility (CSR) activities to the surrounding village communities, copies of the realization of which have been submitted to the requisite authorities.

Description of the ecological conditions of the concession

PT Wananugraha Bimalestari undertakes environmental management and monitoring in accordance with its obligations under the Environmental Documents (UKL UPL), the results of which are reported to the requisite government authorities every six (6) months. Aspects include physical chemical components (macro climate change, decrease in soil fertility, water quality, etc.), biological components (natural vegetation and protected species, wildlife, plant disease pests and regional disturbances) and socio-economic components.

In carrying out environmentally friendly logging activities, Reduced Impact Logging (RIL) activities are carried out in three stages: pre-harvest, during harvesting and post-harvest.

PT Wananugraha Bimalestari has identified areas that function to protect land and implements appropriate measures to protect the areas from damage (erosion, landslides, etc.) due to operational activities of forest management. PT Wananugraha Bimalestari has identified through inventory and mapped the distribution of all flora and fauna, including protected, endemic, rare, and threatened species in the concession area, which is updated on an annual basis. The Management Unit also conducted a flora inventory in the germplasm conservation area (KPPN) in 2018 and mapped all trees, including protected, endemic, rare and endangered / endangered species in the KPPN area.

In carrying out activities to maintain and improve the habitat of these species, including provision of habitat and wildlife corridors, the Management Unit focuses on the management of protected areas based on changes in the spatial planning for the years 2019-2028, namely: riparian zones of 1,519 ha (20.34%) and KPSL KPPN covering 285 ha (3.82%). The total local protected area and other protected areas are 1,804 ha (24.17%); difference in percentage figures due to rounding.

PT Wananugraha Bimalestari has identified key species of mammals, which include: Sumatran elephant (*Elephas maximus*), sun bear (*Helarctos malayanus*), tapir (*Tapirus indicus*), Java mouse-deer (*Tragulus javanicus*), long-tailed macaque (*Macaca fascicularis*), southern pig-tailed macaque (*Macaca nemestrina*), southern red muntjak (*Muntiacus muntjak*), and sambar deer (*Cervus unicolor*). Meanwhile, among the key species of birds are bushy-crested hornbill (*Anorrhinus galeritus*), black hornbill (*Anthracosceros malayanus*), common hill mynah (*Gracula religiosa*), rhinoceros hornbill (*Buceros rhinoceros*), Sunda pied fantail (*Rhipidura javanica*), and various raptor species (Accipitridae).

In meeting its forest protection responsibilities, PT Wananugraha Bimalestari erects and maintains boundary markers and notice boards identifying protected areas and forbidding such actions as encroachment, logging activities, hunting, and the lighting of fires, etc. In enforcement of these regulations, it also conducts patrol activities on a regular basis. The Management Unit works in cooperation with the local authorities in respect to handing the cases of those apprehended while undertaking unauthorized activities.

Care is also taken to protect the work area from infestation by pests or diseases, seeking biological rather than chemical resolutions whenever possible. Nevertheless, the Management Unit does have standard procedures for the use, handling and storage of hazardous materials and their resultant waste (B3).

As part of its measures to combat fire hazards, PT Wananugraha Bimalestari has set up a Fire Awareness Society (MPA) with the local community, whereby the Management Unit provides equipment and training for the village community.

Results of the Public Consultation

Prior to undertaking the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing February 18, 2019, which asked stakeholders to provide feedback and information on PT Wananugraha Bimalestari. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email or postal mail, and announced in local newspapers.

PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation. The audit team also collected information from the mass media about PT Wananugraha Bimalestari, such reported cases being given material consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

PT Wananugraha Bimalestari has identified all necessary requirements for this certification process, comprising legal aspects that include compliance with international regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 7,465 ha.

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

During the Surveillance 1 Audit of PT Wananugraha Bimalestari, there were no major or minor Non-Conformities identified by the audit team.

Conditions under which the certificate is issued

Certificate is valid until April 14, 2021, provided that PT Wananugraha Bimalestari 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.