

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 Wananugraha Bimalestari

TOTAL HECTARES: 7,465

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 2

AUDIT START DATE: July 06, 2020

AUDIT END DATE: July 08, 2020

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

AUDIT TEAM: Ence Hedi Hasan

Agung Utama Lubis

MAJOR CARS : 0

MINOR CARS : 0

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, Republic of Indonesia	July 06 to 08, 2020
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 Wananugraha Bimalestari has a Business Permit for Utilization of Timber Forest Products (IUPHHK), Decree of Industrial Plantation Forest Concession Permit: Minister of Forestry Decree No. 362 / Menhut-II / 2007 dated 25/10/2007 for a concession area of 7,465 hectares in the form of permanent production forest (HP) covering an area of 5,780 ha and convertible production forest (HKP) covering an area of 1,685 ha located in Kampar Regency, valid for 100 years, unless returned by the permit holder or revoked by the Minister of Forestry and not extended.

In the Management Unit's work area there has been no conversion of natural forest to plantation forest since December 31, 2010. PT Wananugraha Bimalestari has obtained a concession permit / Business Permit for Utilization of Timber Forest Products in Industrial Plantation Forests (IUPHHK-HTI), based on Minister of Forestry Decree No. 362 / Menhut-II / 2007 dated 25 October 2007 for a concession area of 7,465 hectares. So the scope of the IFCC registration is 7,465 hectares

PT Wananugraha Bimalestari has the latest revision of RKUPHHK-HTI for the Period of 2019-2028, which was ratified by Decree of the Minister of Environment and Forestry Number: SK 1236 / MenLHK-PHPL / UHP / UHP / HPL.1 / 2/2019 dated 11 February 2019. The Spatial Layout Plan consists of Local Protection Areas and Other Protected Areas of 1,804 hectares (24.2%), Staple Plant Areas of 4,167 hectares (55.8%) and Livelihood Plant Area of 1,494 hectares (20.0%).

PT Wananugraha Bimalestari has realized the boundaries of the IUPHHK-HTI area along 33,230.34 meters (77%) of the total boundary length of 42,942.59 meters (based on the Boundary Report Number: LP.014 / BPKH XIX / PKH / - / 12/2016) .

Geographically, PT Wananugraha Bimalestari is located at 00° 01' 49.39" to 01° 07' 50.04" South and 101° 22' 50.16" to 101° 30' 01.98" East.

PT Wananugraha Bimalestari is located on dry land (mineral) at an altitude of 19 to 139 meters above sea level. The Management Unit has a flat topography (0-8%). Administratively it is located in Gunung Sahilan District, Kampar Regency, Riau Province, and is part of the Kampar River watershed.

PT Wananugraha Bimalestari has working area boundaries:

- north: PT RAPP Estate Teso;
- east: former area of PT Hutani Sola Lestari;
- west: PT Agro Agria Lestari (oil palm plantation), Suka Maju Village;
- south: ex-PT Hutani Sola Lestari, Beringin Jaya Village.

The cultivated species are *Eucalyptus* sp., *Acacia Crassicarpa* and *Acacia mangium*.

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

The residents around the concession are local residents, there being no customary law based communities around the concession. Based on the PT Wananugraha Bimalestari RKUPHHK-HTI document for the 2019-2028 period, the majority of residents around the company's concession work in the agricultural sector, 47% living in Gunung Sahilan District and 57% in Singingi Hilir District. Apart from the agricultural sector, the rest of the residents work in the trade sector.

PT Wananugraha Bimalestari has made conflict resolution efforts with the surrounding village communities. Based on interviews with the Head of Village, in the past there were claims by the community for land within the PT Wananugraha Bimalestari concession, but now it has been resolved by building a trench between the community's land and the company's concession. PT Wananugraha Bimalestari has conducted potential mapping and conflict resolution. Based on the results of the conflict potential assessment, the final score of potential conflict is 57.45% or at the alert level. Based on the provisions of potential mapping and conflict resolution, a conflict resolution

approach that can be taken is the Alternative Dispute Resolution or welfare approach.

PT Wananugraha Bimalestari has made agreements with local communities on forest management. Based on an interview with the Head of Village, PT Wananugraha Bimalestari has collaborated with the village community on livelihood plants. The livelihood plant cooperation is still on-going and the last livelihood plant harvest fee was made in 2018. Based on the agreement, the provision of a livelihood plant fee is carried out each harvest and the harvest period of one cycle is five years. Therefore, the next livelihood plant fee will be made in 2023. In addition, the company and the community also work together for the economy of the village community in the form of providing machines for weaving houses (making traditional weaving crafts).

PT Wananugraha Bimalestari has carried out corporate social responsibility activities for the surrounding community. There is a 2019 Community Development Program Plan Document. Based on the 2019 CD program plan, the activities carried out are the provision of Ramadhan packages, sewing training, provision of sports infrastructure. There is also a 2019 CD Program Implementation Report Document. Based on an interview with the Head of Village, PT Wananugraha Bimalestari has provided assistance in the form of basic food assistance in order to handle the impact of COVID-19 for residents in need in four company-assisted villages in May 2020.

Description of the ecological conditions of the concession

The Management Unit has carried out identification of forest management activities that have significant impacts, and conducts environmental impact assessments through UKL & UPL documents of PT Wananugraha Bimalestari, 1999. Implementation of environmental management and monitoring is presented in the Environmental Permit Implementation report (RPL / RKL) each semester. These include:

- Reduced Impact Logging activities that are carried out in stages: before logging activities (pre-harvesting), during harvesting operations (harvesting), and after logging activities (post-harvesting)
- Identification of areas that function for land protection, namely the KPPN / KPSL Protected Area
- Identification of areas that function for water protection, such as riparian areas.
- PT Wananugraha Bimalestari has documented procedures that serve as guidelines for monitoring negative impacts due to forest management activities, namely: SOP for Monitoring Protected Areas, SOP for Monitoring of Discharge and Water Quality and SOP for Monitoring of Subsidence and PPWT.

The Management Unit has carried out Biodiversity Management activities, namely through the following activities:

- Identification and inventory of protected, endemic, rare and threatened / endangered flora & fauna, the results of which can be found in UKL & UPL documents of PT Wananugraha Bimalestari. There is a map of fauna distribution, but as yet there is no flora distribution map.
- Management of Protected Areas is carried out in accordance with the RKL / RPL Implementation Report each semester (2019), as well as SOPs for the Determination of Protected Areas and SOPs for Monitoring Protected Areas. No key species were found in the area.
- The type of staple plant cultivated is not a genetically modified tree species, but *Eucalyptus* sp. and *Acacia mangium*.

The Management Unit has carried out Forest Protection activities, whether these are the result of human or natural causes.

- PT Wananugraha Bimalestari has documented procedures for controlled use of B3 (Hazardous and Toxic Materials), for Handling Spills of Fuel, Lubricants and Chemicals, and for Control of Weeds and Integrated Pest and Disease Management.
- The Management Unit has implemented forest protection measures against fire hazards such as forbidding of livestock grazing by the community in the work area. It has also implemented appropriate / measurable steps in forest protection activities, where PT Wananugraha Bimalestari has documented procedures for forest protection activities.

Results of the Public Consultation

Prior to carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing June 19, 2020, asking stakeholders to provide feedback and information about PT Wananugraha Bimalestari. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties by email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from stakeholders during the public consultation.

The audit team also collected information from the mass media about PT Wananugraha Bimalestari, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements required for this certification process, which consists of legal aspects that include compliance with international rules and regulations and conventions. A management system has been established to cover all activities in the area of certification, which is registered for an area of 7,465 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 Wananugraha Bimalestari no Non-Conformities of either a minor and major nature were identified. PT Wananugraha Bimalestari's management system is operating effectively.

Conditions under which the certificate is issued

SFM IFCC certificate PT Wananugraha Bimalestari, certificate number: AJA/IFCC-PEFC/FMC-HT/00002/IV/2015 remains valid until 14/04/2021