

Public Report Sustainable Forest Management System

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CLIENT NAME: PT Wananugraha Bimalestari

TOTAL HECTARES: 7,465

SCOPE OF REGISTRATION: Sustainable Forest Management on 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: February 21, 2023

In signing this document the Audit team confirmed that they 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: February 23, 2023

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Ardi Prasetyo


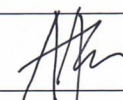

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

SUPERVISOR: Riyadi Sigit Pamungkas

SIGNATURE:


MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru, 28143, Riau Province, Indonesia	February 21, 2023
Site	Nagodang - Kecamatan Gunung Sahilan, Kabupaten Kampar, Propinsi Riau, Indonesia	February 23, 2023
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 obtained its initial Business Permit for Industrial Plantation Forest Management (IUPHHK-HT) based on the Decree of the Minister of Forestry No. 362/Menhut-II/2007 dated October 25, 2007, over a concession area of 7,465 hectares. There was a change in business license with the issuance of Decree No. 136/MenLHK/Setjen/HPL.0/2/2022 dated February 14, 2022, concerning the Approval of Business Permit for The Utilization of Timber Forest Products in Industrial Plantation Forest to PT Wananugraha Bimalestari for a forest area of approximately 7,465 (seven thousand four hundred and sixty-five) hectares in Kampar district, Riau Province. There was a change in the nomenclature from IUPHHK-HT to PBPH (Forest Utilization Business Permit). The entire work area is certified by IFCC due to no forest conversion.

The Management Unit has a long-term management plan document which was ratified through the Decree of the Minister of Environment and Forestry Number SK 1236/MenLHK-PHPL/UHP/UHP/HPL.1/2/2019 dated February 11, 2019, concerning the Approval of the 2019 to 2028 of Industrial Timber Forest Product Utilization Business Plan (RKUPHHK-HTI) on behalf of PT Wananugraha Bimalestari in Riau Province. According to the RKUPHHK-HTI, the work area spatial arrangement is as follows:

1. Local Protected Areas and Other Protected Areas of 1,804 Ha (24.17%),
2. Staple plant area of 4,049 Ha (54.24%),
3. Livelihood Plant area of 1,464 Ha (19.61%),
4. Infrastructure facilities in the Staple Plants area of 118 ha (1.58%),
5. Infrastructure facilities in the Livelihood Plants area of 30 ha (0.40%).

PT Wananugraha Bimalestari is administratively located in Gunung Sahilan District, Kampar Regency, Riau Province. The geographical location is at coordinates of 00°01'49.39" to 00°07'50.04" South and 101°22'50,16" to 101°30'01,98" East. The work area boundaries are as follows:

- to the north: PT Riau Andalan Pulp and Paper Estate Teso;
- to the east: the former PT Hutani Sola Lestari;
- to the west: PT Agro Agria Lestari (oil palm plantation), Suka Maju Village;
- to the south: the former PT Hutani Sola Lestari, Beringin Jaya Village.

The general condition of the working area is flat topography (slope A), with an elevation of 19 to 139 masl. It is included to the Teso River Forest group, Teso watershed with climate type is A (Schmidt and Ferguson 1955) with rainfall of 2,442 mm/year. The forest site is mineral soil with soil types of Paleudults, Haplorthox, Dystropepts, Fluvaquents, Tropoqepts, Eutropepts. The species of plants developed are *Eucalyptus sp*, *Acacia crassicarpa*, *Acacia mangium*.

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

There are 4 villages of 2 districts and 2 regencies around the concession, namely Gunung Sahilan Village and Sahilan Darussalam Village in Gunung Sahilan District of Kampar Regency, and Sukamaju Village and Beringin Jaya Village in Singingi Hilir District of Kuantan Singingi Regency. There were no indigenous peoples around the company's concession. Based on livelihoods of the community, they are classified as local communities. The livelihoods of the population in the two districts surrounding the concession are dominated by livelihoods in the agriculture sector, namely 47% each in Gunung Sahilan District, Kampar Regency and 56.7% in Singingi Hilir District, Kuantan Regency Singingi. Other livelihoods are mining, processing industry, building and construction, trade, services, etc.

PT Wananugraha Bimalestari has made conflict resolution efforts with the surrounding community. There is a PT Wananugraha Bimalestari Conflict Mapping and Resolution Report of 2022. According to the report, the potential conflict status is 51.91% (controlled).

PT Wananugraha Bimalestari has collaborated with the local community. According to the Head of Villages, the

company has been working with communities who claim to own ulayat land in the two villages. Historically, these two villages are former of one village which was the territory of the Gunung Sahilan Kingdom and claimed to own ulayat land whose territory included the concession area of PT Wananugraha Bimalestari. There are livelihood plants agreement with the community which the last handover of livelihood plant fee was carried out in 2018. There is currently no harvest of livelihood plants during the Surveillance 1 Audit. The Management Unit has established Community with Fire Awareness (MPA) for three villages as the community participation in land and forest fire prevention.

PT Wananugraha Bimalestari has carried out corporate social responsibility to the surrounding community. According to the Report on the Implementation of Community Development (CD) for January to December 2022, the activities carried out covered the fields of education, health, religion, economy, infrastructure, social and environmental sector. The realization of the 2022 CD program is 245% of what was planned. Increased activity occurred in almost all fields. The company as well has carried out corporate social responsibility (CSR) activities for the surrounding community, for example assistance for schools, repair of places of worship, cattle assistance, chicken livestock assistance.

Description of the Ecological conditions of the concession

PT Wananugraha Bimalestari has taken the following steps to minimize the environmental impact due to forest management:

- Establish and maintain protected areas that represent the types of natural ecosystems that exist. There was a protected area nameplate and a boundary mark. The condition of the protected area vegetation cover is in good condition. The Local Protected Areas and Other Protected Areas of 1,804 Ha (24.17 Ha) consisting of River Rims of 1,519 Ha (20.35%) and KPPN and KPSL of 285 Ha (3.82%).
- Reduce Impact Logging (RIL) has been implemented to minimize environmental damage in harvesting activities.
- Pesticides that are not prohibited by regulation have been used in tackling pests and diseases of staple crops and weeds.
- Building a TPS LB3 (Temporary Storage Site for Hazardous and Toxic Hazardous Waste) and a generator site accompanied by an oil trap facility.
- The Management Unit formed the Forest and Land Fire Control Brigade (Brigdalkarhutla) organization to prevent and control forest and land fires. The Management Unit also built a Command Post and Warehouse for Fire and Rescue Service which has the facilities and infrastructure to carry out fire control activities. There are other facilities such as fire towers, CCTV monitoring towers, water points and water reservoirs. The Management Unit also invites communities around the forest to participate in preventing and controlling forest and land fires in the work area and its surroundings.
- The Management Unit also does not plant staple crops or other crops which are the result of genetic engineering or Genetically Modified Organisms (GMO) considering the adverse impacts on the environment and human health.
- To support the success of its production, the Management Unit uses a fertilizer regime whose type, dosage and time of use are based on recommendations from the R and D section of PT. RAPP.
- The Management Unit routinely conducts forest security patrols against existing forest disturbances. The most prominent case of forest disturbance at this time is encroachment accompanied by land claims and land overlapping with oil palm plantations. Cars and motorbikes are available for patrolling. Regarding existing violations, the Management Unit has reported it to the authorities.
- The Management Unit allows the community to utilize non-timber forest products (NTFPs) such as river fish, honey and rattan.
- The Management Unit has periodically identified and monitored the species of flora and fauna in its working area. Existing native flora and fauna species are protected by providing their habitat in the form of a protected area. Among the existing species, the most important is the Sumatran elephant (*Elephas maximus sumatranus*), which is a key animal.
- The Management Unit installed signboards in the form of prohibitions or notifications in several locations. The signboard contains, among other things, prohibitions on hunting animals, burning forests and land and destroying plants. And also found a signboard in the form of a notification of the elephant crossing.

- The Management Unit has also monitored the impact of forest management on soil (physical-chemical, erosion and fertility) and water (quality and river water discharge). The results are reported in the Environmental Permit Implementation Report per semester. In the past one year, the Management Unit has prepared Reports on the Implementation of Environmental Permits for semesters 1 and 2 of 2022.

As for the threatened or protected species of flora found in the PT Wananugraha Bimalestari area include Balam (*Palaquium gutta*), Cengal (*Hopea sangal*), Gaharu (*Aquilaria malaccensis*), etc. Meanwhile, the fauna species are sun bear (*Helarctos malayanus*), sumatran elephant (*Elephas maximus sumatranus*), deer (*Muntiacus muntjak*), kokah (*Presbytis femoralis*), etc.

Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation starting January 12, 2023, asking stakeholders to provide feedback and information about the PT Wananugraha Bimalestari. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties by e-mail or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia does not receive any input from stakeholders during public consultations.

The audit team also collected information from the mass media about the PT Wananugraha Bimalestari. The reported cases are considered as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit 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, registered for a total of 7,465 hectares.

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

The Surveillance 1 Audit result is 1 (one) non-conformity in Minor category. The Management Unit has made improvements and the non-conformity can be closed.

Number	Non-Conformities	Corrective Action Performed	Categories
1	Many RWA and HQA results in 2022 were failed and occurred repeatedly. During the field visit, found a lot of merchantable wood and waste wood in the plot. This is not in accordance with SOP of Assessment of Harvesting Quality. Indicator I.4.4	Conduct outreach to related contractors regarding the importance of reducing the amount of wood left in the felling plots and paying more attention to the parameter of stump height. The contractor stated a commitment to make improvements related to the RWA and HQA assessments.	Minor

Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00002/IV/2015 is valid until April 14, 2025, 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 close-out visit.