

Public Report Sustainable Forest Management System

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AJA EUROPE SRL

PUBLIC AUDIT REPORT – SFM

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



ORGANIZATION NAME: PT Wananugraha Bimalestari

TOTAL HECTARES: 7,465

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

STANDARDS/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Transition to IFCC ST 1001:2021 + Surveillance 2

AUDIT START DATE: February 27, 2024

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: February 29, 2024

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Ence Hedi Hasan Zubaedi

SIGNATURE:

Qodly Zaka Syahtriawan

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED including countries	DATE OF EACH SITE VISIT:
Head office	Jl. Sei Duku No. 333 Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru, 28142, Riau Province, Indonesia	February 27, 2024
Site	Nagodang - Kecamatan Gunung Sahilan, Kabupaten Kampar, Propinsi Riau, Indonesia	February 28 to 29, 2024
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	

Brief Description of the concession

PT Wananugraha Bimalestari received its initial Industrial Plantation Forest Management Business Permit based on Minister of Forestry Decree No. 362/Menhut-II/2007 dated October 25, 2007, with a concession area of 7,465 hectares; in the form of permanent production forest (HP) covering an area of 5.78 ha and convertible production forest (HKP) covering an area of 1,685 ha; located in Kampar Regency, Riau province. There is a change to business permits due the issuance of Decree No. 136/MenLHK/Setjen/HPL.0/2/2022 dated 14 February 2022 concerning Amendments to Decree of the Minister of Forestry No. 362/Menhut-II/2007 dated 25 October 2007. There is a change in nomenclature from IUPHHK-HT to PBPH (Forest Utilization Business Permit). There was no conversion of natural forest to plantation forest after December 31, 2010, thus, the IFCC certified area is 7,465 Ha.

In carrying out forest management, the Organization has the RKUPHHK-HTI document for the 2019 to 2028 period as 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 11 February 2019. The spatial arrangement of the work area is divided to Local Protected Areas and Other Protected Areas of 1,804 Ha (24.17%), Staple Plants area of 4,049 Ha (54.24%), Livelihood Plants area of 1,464 Ha (19.61%), and Infrastructure and facilities included in the Staple Plant area of 118 ha (1.58%) and infrastructure in Livelihood Plants area of 30 ha (0.40%). Local Protected Areas and Other Protected Areas of 1,804 Ha (24.17 Ha) consisting of River Borders 1,519 Ha (20.35%) and KPPN and KPSL of 285 Ha (3.82%).

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:

- north: PT Riau Andalan Pulp and Paper Estate Teso;
- east: the former PT Hutani Sola Lestari;
- west: PT Agro Agria Lestari (oil palm plantation), Suka Maju Village;
- 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 in the Tesso River Forest group, Tesso 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, Tropoqpepts, 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

PT Wananugraha Bimalestari is surrounded by local communities and indigenous communities. The indigenous communities around the concession, namely the Malay Kedatukan Adat, is recognized by the Kampar LAM (Malay Traditional Institute). According to the heads of the surrounding villages, the livelihood of the villages around the company is dominated by farmers/cultivators and followed by workers/services, traders, fishermen, employees/PNS, and others.

The Organization has made conflict resolution efforts with the surrounding community. Based on the 2023 Claim Area Identification and Settlement Report, there is a decrease in the size of the claim area every year with the conflict resolution process. This reduction resulted from effective communication and submission of complaints such as providing outreach, village consultations, and fulfilling social obligations from the company to surrounding village communities in accordance with the applicable organizational SOP.

PT Wananugraha Bimalestari has an Addendum to the Cooperation Agreement between the company and village communities in livelihood plant. Livelihood plant cooperation has been implemented since 2011. This was confirmed by relevant village officials during interviews. Livelihood plant cooperation is carried out by providing beneficial value to the community. The final benefits will be given in 2023 and in the next harvest cycle.

The organization has carried out social obligations to society through CSR and CD programs. Based on the realization of CSR/CD, the Company has exceeded the target of the CSR/CD plan for 2023. CSR activities that have been carried out include assistance for village elementary school learning equipment, material assistance for village MTS, improvement of infrastructure at district offices, increasing the capacity of youth organizations in sub-districts, participating in funding for religious holiday celebrations, assistance with local traditional holidays, assistance with sewing training, assistance with raising chickens, assistance with fish seeds, as well as providing health equipment to village *posyandu*.

Description of the Ecological conditions of the concession

To minimize environmental impacts due to forest management, PT Wananugraha Bimawisata has taken the following steps:

- Establish, maintain and maintain protected areas. There was a signboard with the name of the protected area and its boundaries. The vegetation cover of the protected area is in good condition.
- In harvesting activities, Reduce Impact Logging (RIL) has been implemented to minimize environmental damage.
- In dealing with pests and diseases of staple crops and weeds, they use types of pesticides that are not prohibited by regulations.
- Build TPS LB3 (Temporary Storage Place for Hazardous and Toxic Waste) and generator area accompanied by oil trap facilities.
- The Organization formed the Forest and Land Fire Control Brigade (Brigdalkarhutla) organization to prevent and deal with forest and land fires. The Organization also built a Fire and Rescue Equipment Command Post and Warehouse which has facilities and infrastructure to carry out forest and land fire control activities.
- The Organization also invites communities around the forest to participate in preventing and controlling forest and land fires in The Organization work area and its surroundings. The Organization has formed the Community with Fire Awareness group (MPA) with the surrounding villages.
- To minimize the negative impact of the use of invasive plant species, The Organization has no longer planted staple *Acacia mangium* but *Eucalyptus pellita*.
- The Organization also does not plant staple crops or other crops that are the result of genetic engineering or Genetically Modified Organisms (GMO).
- To support the success of production, The Organization uses a fertilizer regime which type, dose and time of use are based on recommendations from the R & D section of PT. RAPP.
- The Organization routinely carries out forest security patrols against existing forest disturbances. The most prominent case of forest disturbance at the moment is encroachment accompanied by land claims and overlapping land with oil palm plantations. Cars and motorbikes are available for patrolling. Regarding existing violations, The Organization has reported them to the authorities.
- The Organization allows the community to utilize non-timber forest products (NTFPs) such as river fish, honey and rattan as long as they are managed traditionally with local wisdom.
- The Organization has carried out regular identification and monitoring of the types of flora and fauna in its work area. Existing types of native flora and fauna are protected and protected by providing habitat in the form of protected areas. Among the existing species, the most important is the Sumatran Elephant (*Elephas maximus*) which is a key animal.
- The Organization installed signboards in the form of prohibitions or notifications in several locations. The signboard, among other things, prohibits hunting animals, burning forests and land and destroying plants. And there was also a signboard in the form of a notification about the elephant crossing route.
- The Organization has also monitored the impact of forest management on soil (physical-chemical, erosion and fertility) and water (quality and river water discharge). Where the results are reported in the Environmental Permit



Implementation Report per semester. In the past year, The Organization has prepared an Environmental Permit Implementation Report for semesters 1 and 2 of 2023.

Types of threatened or protected flora found in the PT Wananugraha Bimalestari area such as balam (*Palaquium gutta*), cengal (*Hopea sangal*), gaharu (*Aquilaria malaccensis*), etc. While the types of fauna such as sun bear (*Helarctos malayanus*), tapir (*Tapirus indicus*), hornbill (*Buceros rhinoceros*), etc.

Results of the Public Consultation

Prior to carrying out the Transition to IFCC ST 1001:2021 + Surveillance 2 Audit, PT Acube TIC International conducted a public consultation starting January 19, 2024, asking stakeholders to provide feedback and information about the PT Wananugraha Bimalestari. The public consultation was uploaded to the PT Acube TIC International website (www.ajaindonesia.com), sent to parties by e-mail or postal mail, and published in local newspapers. PT Acube TIC International 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 Acube TIC International 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.

Organization progress record related to corrective action on findings of nonconformities in previous audit

The Surveillance 1 Audit result is 1 (one) non-conformity in Minor category. The Organization 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

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

The results of Transition to IFCC ST 1001:2021 + Surveillance 2 Audit is no non-conformities. The management system operates effectively.

Conditions under which the certificate is issued

The certificate number AJA/IFCC-PEFC/FMC-HT/00002/IV/2015 is valid until April 14, 2025, provided that PT Wananugraha Bimalestari maintains its Recertification schedule and does not have potential major non-conformities at the next Recertification.