

Public Report Sustainable Forest Management System

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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 in Plantation Industrial Forest covering an area of 7,465 hectares in Riau Province. Indonesia

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Reaudit

AUDIT START DATE: March 06, 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: March 08, 2018

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 6

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Wananugraha Bimalestari	Nagodang – Kecamatan Gunung Sahilan, Kabupaten Kampar, Propinsi Riau	March 06 to 08 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 Wananugraha Bimalestari was granted a concession license for Utilization of Timber Forest Products in Industrial Plantation Forest (IUPHHK-HTI): based on the Minister of Forestry Decree No. 362 / Menhut-II / 2007 dated 25 October 2007 with a total concession area of 7,465 hectares. Based on the forest function of PT Wananugraha Bimalestari working area; (HP) of 5,780 ha and convertible production forest (HKP) of 1,685 ha located in Kampar District is valid for 100 years unless redistributed by the license holder or revoked by the Minister of Forestry and not renewed.

PT Wananugraha Bimalestari has a RKUPHHK-HTI document approved by Decree of Minister of Forestry Number SK 37/VI-BPHT/2009 concerning Approval of Work Plan of Industrial Timber Forest Product Utilization (RKUPHHK-HTI) for the 10-year period 2009- 2018 on behalf of PT Wananugraha Bimalestari in Riau Province dated February 13, 2009. PT Wananugraha Bimalestari has undertaken spatial planning of its working area as follows: Protected Areas of 1,085 ha (14.53%); Area Not Effective For Production of 240 ha (3.22%); Primary 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%). Protected Area consists of Germplasm Protection Area (KPPN) of 95 ha (1.27%), and Riparian Zone of 990 ha (13.26%)

In the work area of PT Wananugraha Bimalestari, there has been no conversion of natural forest to plantation forest since 31 December 2010. Thus the scope for IFCC certification is an area of 7,465 ha. The Management Unit has committed not to convert natural forest to plantation forest in the future.

The PT Wananugraha Bimalestari concession falls under the administrative area of Gunung Sahilan Village, Gunung Sahilan Sub-district, Kampar Regency, Riau Province. Meanwhile, its geographic location lies between 00° 01' 49.39" to 00° 07' 50.04" South and 101° 22' 50.16" to 101° 30' 01.98" East.

Meanwhile, the working area is bounded by:

North: PT RAPP Estate Teso;

East: ex PT Hutani Sola Lestari;

West: PT Agro Agria Lestari (Oil palm plantation), Suka Maju village;

South: ex PT Hutani Sola Lestari, Beringin Jaya Village.

Based on Topography, the working area is 100% flat (0-8% slope) with 100% dry land condition, and lies at an altitude of 19 to 139 meters above sea level. Geologically, the area is of mudstone, silt rock and sandstone, while the soil types are paleudults, haplorthox and dystropepts.

Climate: Climatic type: A (Schmidt Ferguson) with rainfall of 2,442 mm / year with October being the wettest and February the driest. Based on the foregoing, the species developed are *Acacia mangium* and *Eucalyptus sp*

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 Village and Gunung Sahilan Village, in Gunung Sahilan Sub-district, and ex transmigration village, Gunung Sahilan and transmigration village, Beringin Jaya, in Gunung Sahilan Sub-district. Gunung Sahilan is the oldest of these dating from the Dutch colonial era.

PT Wananugraha Bimalestari has made efforts to settle land claims in the company's concession area, the Management Unit having a series of procedures / mechanisms related to conflict resolution mechanisms.

PT Wananugraha Bimalestari provides access to local communities to utilize non-timber forest products that have economic value for them. community. These include wild boar, fish, grass, rattan, and honey. Although there is an agreement between PT Wananugraha Bimalestari and the Farmers' Group in regard to honey bee cultivation, current production levels are still inadequate. This is due to a change in staple crop to eucalyptus from the former acacia that



suffered pest attacks affecting timber production. Nevertheless, the company has sought to maintain 200 hectares of land planted with acacia trees to facilitate the community honey bee cultivation.

PT Wananugraha Bimalestari has entered into a cooperation agreement with the surrounding community of Gunung Sahilan in regard to 300 hectares of plantation area and a 65/35 split between the company and the local community. There is also a joint agreement between the community and the Concerned Community for Fire of Gunung Sahilan Village under which the company has handed over fire-fighting equipment.

There is also a Cooperation Agreement between PT Wananugraha Bimalestari and Mekar Jaya Forest Farmers Group of Sidodadi Hamlet, Beringin Jaya Village, dated April 2016, under which the company agrees to the cultivation of honey bees within the company's concessions and planting of forestry and fruit trees by insertion in riparian areas that are rarely overgrown with plants.

PT Wananugraha Bimalestari also has an active CD program to assist with community development in the area.

Description of the ecological conditions of the concession

PT Wananugraha Bimalestari (WBL) has environmental documents (UKL UPL) and conducts environmental management and monitoring of its obligations under the Environmental Document (UKL UPL), which are reported twice yearly to the relevant government agencies. Environmental management and monitoring efforts of several aspects / areas have been contained in the environmental document of UKL UPL. Some aspects that are managed and monitored include; macro-climate change, soil fertility, water quality, and biological components such as natural or protected vegetation, wildlife, plant pest and regional disruption.

PT Wananugraha Bimalestari (WBL) has identified areas that serve to protect the soil and apply precise / measurable measures to protect the area from damage (erosion, landslides, etc.) resulting from forest operations. In so doing it carefully measures physical properties and soil chemistry, as well as soil erosion. Care is also taken to protect the riparian areas and maintain hydrology and water quality.

The Management Unit of PT Wananugraha Bimalestari (WBL) has standard procedures for handling Toxic and Hazardous Waste (B3), which include documenting the usage and storage of all hazardous and toxic materials, as well as the procedures undertaken for the temporary storage of B3 Waste until such time as it can be removed by a licensed B3 waste disposal specialist.

PT Wananugraha Bimalestari (WBL) has identified through inventory and mapping the distribution of flora and fauna including protected, endemic, rare, threatened in the concession area, which was initially created in 2011 and is updated annually. These include: Sumatran elephant (*Elephas maximus sumatrensis*), sun bear (*Helarctos malayanus*), tapir (*Tapirus indicus*), and various types of deer and macaques. Among key bird species are various hornbills, mynas, honey birds and raptors.

PT Wananugraha Bimalestari (WBL) undertakes Pest Management and Integrated Diseases aimed at overcoming the occurrence of pests and diseases against plants utilizing chemical, mechanical, manual and biological / environmentally friendly methods. The Management Unit has implemented participatory steps related to livestock grazing activities, where there are livestock grazing activities by surrounding communities, so that the negative impacts of grazing and livestock populations on forest regeneration areas, growth and biodiversity can be avoided.

Forest protection efforts against encroachment and illegal logging include:

1. Establishment of perimeter and postal guard channels to restrict public access to encroachment and illegal logging
2. Conducting socialization to the community about the dangers of forest destruction.
3. Conducting the installation and maintenance of boards to keep forests and restrictions on forest destruction.
4. Socialization of Annual Working Plan (RKT) related to protected area management and prohibition of land burning activities.
5. Fire Danger Rating Monitoring (FDR) to support potential fire hazard information based on temperature and humidity measurements.



6. Installation of fire posts and monitoring towers in some places prone to fire.
7. Monitoring hot spots for early fire detection.
8. Patrol regularly (land and water) and report the incidents of fire to the local police.
9. Community development (CSR) and life crop development programs).
10. Installation of signboards prohibiting illegal encroachment / logging / occupying forest areas / hunting / lighting of fires, etc.

Results of the Public Consultation

Prior to conducting the Re-Certification audit, PT AJA Sertifikasi Indonesia carried out public consultation commencing February 23, 2018, in which stakeholders were invited to provide feedback and information on PT Wananugraha Bimalestari. The public consultation was uploaded to the PT AJA Sertifikasi website (www.ajaindonesia.com), sent to the parties via email or letter, and published in a local newspaper. No input was received from stakeholders as a result of the public consultation.

The audit team also gathered information from the mass media about PT Wananugraha Bimalestari, which was given material consideration in the audit process

The Management Unit has identified all the necessary requirements for this certification process, including legal aspects and compliance with regulations or international conventions. The management system has been built to cover all activities in the field of certification, which is registered for a certification area of 7,465 hectares

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

Base on the results of the Recertification Audit of PT Wananugraha Bimalestari, six (6) Minor categories of Non-Conformity were identified.

No	Non-Conformities	Corrective Action Performed	Category
1	Implementation of plantation inventory activities in the field is still not in accordance with the relevant SOP. Indicator: I.4.2	Ensuring the implementation of inventory in the field always refers to the relevant SOP.	Minor
2	No lighting in the storage area for B3 waste, plus oil trap conditions still allow rainwater to enter due to non-standard lid Indicator I.6.6	Regular monitoring to ensure the LB3 TPS conditions are as required.	Minor
3	Poor quality of seed stock in the nursery for rehabilitation of degraded land. Moreover, there is no maintenance activity, as indicated by the presence of weeds and acacia growing wild along the sides of many roads. Indicator I.6.5	The Company will seek to enrich the types used for rehabilitation and planting of open land or that eroding easily	Minor
4	There has been no progress in resolving claims for acreage in the PT Wananugraha Bimalestari	The Company will make continuous efforts in order to resolve the land claim conflicts with	Minor



	<p>concession since the last Surveillance Audit 2, including land tenure by PT SAR (Surya Agrolika Resksa), which controls 471.79 hectares of land for oil palm plantation companies and other area claims. Based on the results of the Surveillance 2 Audit, it was described that the company would make efforts to settle the claim of the area.</p> <p>Indicator I.9.5</p>	<p>the community and surrounding companies, including preemptive, preventative and repressive efforts if necessary</p>	
5	<p>Based on the 1st Surveillance audit of 2015, PT Wananagera Bimalestari had a Collective Work Agreement, but in the Recertification Audit there was no Joint Working Agreement only the Company Regulations</p> <p>Indicator I.11.1.</p>	<p>The Company will continue to encourage SP2RL to immediately resolve the issue and its board members to obtain authorization from the authorities, plus further encourage them to get the CLAs resolved to further ensure the rights and obligations of workers and their industrial relations with employers</p>	Minor
6	<p>Based on the results of Surveillance 2 Audit, there was a Workers Union Board of PT Wananagera Bimalestari that was based on SP2RL. The term of the Workers Union Administration expired in 2016 and has not currently been renewed</p> <p>Indicator I.11.4</p>	<p>The Company ensures that workers in PT Wananagera Bimalestari are still part of SP2RL center and have a valid unit of management</p>	Minor

Conditions under which the certificate is issued

Certificate is valid until 14/04/2021 provided that PT Wananagera 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.