

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



JOB NUMBER: IFCC/AJA-003

CLIENT NAME: PT WANANUGRAHA BIMALESTARI

TOTAL HECTARES: 7.465 Ha

SCOPE OF REGISTRATION: Sustainable Forest Management for Forest Plantation covering 7.465,00 hectares in Riau Province

STANDARD/CRITERIA: IFCC ST 1001 : 2014 & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Stage 2

AUDIT START DATE: September 20, 2014

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: September 22, 2014

CERTIFICATE DECISION DATE: April 15, 2015

LEAD AUDITOR: Taryanto Wijaya

SIGNATURE:

AUDIT TEAM: Rahmat Safe'i

SIGNATURE:

Sad Hasto Agus Suprpto

SIGNATURE:

MAJOR CARS: 7

MINOR CARS: 11

OBSERVATIONS: 0

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):

NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence Of Major System Failure):

SELECT OPTION

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SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):	DATE OF EACH SITE VISIT:
Nagodang Estate	Gunung Sahilan Sub District, Kampar District, Riau Province, Indonesia	20 – 22 September 2014
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 (If more than 4 additional sites have been registered please add additional rows)	
	N/A	
REF No:	ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)	
	N/A	

Brief Description of the concession and its natural and socio-economic conditions.

PT. Wananugraha Bimalestari (PT WBL) procured permit of industrial forest plantation by the Decree of Minister of Forestry No. SK 362/MENHUT-II/2007 about the Granting of Business permit on utilization of timber forest product (IUPHHK) at industrial forest plantation to PT. Wananugraha Bimalestari on the forest area of 7.465 ha with granting period 2007 until 2017. Base on forest function, working area of PT WBL has two forest function : 5.780 Ha inside Forest Production Area (HP) and 1.685 Ha inside Conversion Production Forest (HPK); base on Administratively are inside kampar district, Riau Province, Indonesia. The landscape inside forest group falls under Sei Tesso watershed (DAS).

Most of the working area of PT WBL is inside of Gunung Sahilan Indigenous Forest. Gunung Sahilan village is inhabited by indigenous people. The new population of villagers live in Sahilan Kunto Darusalam village. The new villagers came to the area through the government transmigration programme and built new villages. Indigenous people and newcomers depend on palm oil plantations and rubber plantations for their livelihood more than traditional farming or forest related activities. PT WBL has a Community Development / CD - Community Social Responsibility / CSR program, intended to: increase capacity of local people organization, increase the healthy, education and business. PT WBL provides training to the local communities to increase farming skill to help minimize social conflict and increase local business in present and for the future.

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

The results of audit stage 2 of PT. Wananugraha Bimalestari found 18 nonconformities findings (11 minor and 7 major nonconformities).

The nonconformities findings are describe below:

CAR No: 1 of 18	Standard: IFCC ST 1001:2014	Clause Ref : I.1.10	Classification: Minor
Non Conformity Identified :			
The Head of Manpower at the estate only has limited access to the career information system and man power development at Head Office in Pekanbaru			
Corrective Actions:			
UM has provided guidance for Human Resource Development in the Estate office			

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Objective evidences viewed to support the certification recommendation: MU has made SOP/WBL-ADM-001, on November 30, 2010 as Human Resource Development Guidance and a Personnel Review Programme (PRP).			
CAR No: 2 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.1.16	Classification: Minor
<p>Non Conformity Identified : The results of Research and Development of PT WBL is not well documented nor analyzed.</p> <p>Corrective Actions: The MU has identified the person who will be responsible for managing Research and Development at PT WBL.</p> <p>Objective evidences viewed to support the certification recommendation:</p> <ol style="list-style-type: none"> 1. The document of research design and appointment letter of Mr. Arif Prasetya Ahadi (Field Head) as staff who responsible to manage R&D. 2. The document of monitoring field data sent to R&D of PT RAPP. 			
CAR No: 3 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.2.4	Classification: Minor
<p>Non Conformity Identified : The management plan and annual report cannot be easily accessed by the public.</p> <p>Corrective Actions : MU has made public summary of management plan and annual report to public that is easily accessed by website and made a booklet of company profile that can be distributed to stakeholders.</p> <p>Objective evidences viewed to support the certification recommendation : The summary of management plan in 2013 and summary of evaluate of management plan 2012 has available in printed form and can be accessed by all stakeholders.</p>			
CAR No: 4 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.3.1 dan I.3.2	Classification: Minor
<p>Non Conformity Identified : MU has monthly and yearly monitoring of operational forestry results have not been compiled or analyzed for feedback.</p> <p>Corrective Actions : Analyzed and follow-up compiled and documented monthly and yearly operational forest management monitoring.</p> <p>Objective evidences viewed to support the certification recommendation : Comprehensive monitoring plan.</p>			
CAR No: 5 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.3.3	Classification: Major
<p>Non Conformity Identified : MU did not have a monitoring report that can be access by public</p> <p>Corrective Actions : MU has made public summary of management plan and annual report to public that is easily accessed by website and made a booklet of company profile that can be distributed to stakeholders.</p> <p>Objective evidences viewed to support the certification recommendation : Report of monitoring and evaluation of forest management PT WBL 2012 - 2013</p>			
CAR No: 6 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.5.4	Classification : Minor
<p>Non Conformity Identified : MU did not identified NTFP (Non Timber Forest Product) that have an impact if over-exploited, and have not analyzed the sustainability of NTFP or the rules that need to agreed upon by local people and relevant stakeholders.</p> <p>Corrective Actions : To make action plan to evaluate NTFP thoroughly, and then manage the method of sustainability harvest</p> <p>Objective evidences viewed to support the certification recommendation :</p> <ol style="list-style-type: none"> 1. Report showing identification of fish and medicinal plants and in accordance with sustainable harvest 2. The document of honey yield in protected area that originate from 21 group of village people that access the region. 			
CAR No: 7 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.7.2	Classification : Major



<p>Non Conformity Identified : MU does not have a clear action plan to manage protected animals like Sumatera Tiger and elephant in the concession.</p> <p>Corrective Actions : To formulate action plan to keep and save the protected area and prepare budget, and determine mechanism of regular monitoring.</p> <p>Objective evidences viewed to support the certification recommendation : Action plan to ensure effective management of flora-fauna, especially rare species and endangered species.</p>			
CAR No: 8 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.7.3	Classification : Minor
<p>Non Conformity Identified : MU did not renew identified flora-fauna list after three years, that required by IFCC standard.</p> <p>Corrective Actions : MU has updated the list is flora-fauna and has cross checked the IUCN Red List and Indonesian legislation.</p> <p>Objective evidences viewed to support the certification recommendation : Renewable plan up-to-date of flora-fauna complies with Red List of IUCN and CITES</p>			
CAR No: 9 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.7.4	Classification : Major
<p>Non Conformity Identified : MU did perform an environmental impact assessment to determine the production impact to the ecological condition.</p> <p>Corrective Actions : MU performed an Environment impact assessment appropriate with existence of protected wildlife inside the concession, to ensure that the forest operation does not disturb the area or the quality of their habitat.</p> <p>Objective evidences viewed to support the certification recommendation : Action plan to finish the preparation of management of identified flora-fauna, detailing the operational impact to RTE (Sumatera Tiger, elephant etc).</p>			
CAR No: 10 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.8.2	Classification : Major
<p>Non Conformity Identified : Integrated pest management is using chemical material, namely Furadan (with carbofuran active material) that is included in the forbidden category.</p> <p>Corrective Actions : MU established and implemented a policy regarding Integrated Pest Management (PHT = Pengelolaan Hama Terpadu) in accordance with the consistent handling of <i>Acacia crassicarpa</i>.</p> <p>Objective evidences viewed to support the certification recommendation :</p> <ol style="list-style-type: none"> 1. Report of utilizing the biological agents within manage of integrated pest. 2. List of the other biological agents or handling pest and disease 			
CAR No: 11 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.8.5	Classification : Major
<p>Non Conformity Identified : MU did not have MoU with local communities or effective training for said communities regarding management of livestock in a manner that does not cause damage to the forest.</p> <p>Corrective Actions : Training for the local communities on the draft MoU. The area where livestock can graze has been clearly marked. Livestock have been released to those areas.</p> <p>Objective evidences viewed to support the certification recommendation :</p> <ol style="list-style-type: none"> 1. Draft MoU between MU and local people to friendly pasture 2. Report of grazing by people inside concession of PT WBL 3. Field photos of grazing area 			
CAR No: 12 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.9.3	Classification : Minor
<p>Non Conformity Identified : MoU on the prevention of damage to protected areas on Tesso Sub Watershed, signed on January 9. 2009, does not cover all beekeeper groups. Additionally, access to the forest has been restricted by the MU.</p> <p>Corrective Actions :</p>			



<p>Training for the local communities on the draft MoU, updated to include the beekeeper groups. The area where livestock can graze has been clearly marked.</p> <p>Objective evidences viewed to support the certification recommendation : MoU between local communities and MU.</p>			
CAR No: 13 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.10.2	Classification : Minor
<p>Non Conformity Identified : No social impact assessment study to determine the forest operation impact to local people, and economic grade of villages around concession.</p> <p>Corrective Actions : MU performed a Social Impact Assessment (SIA) study to help operational management to increase the effectiveness of approaching to local communities.</p> <p>Objective evidences viewed to support the certification recommendation : CD CSR Report that identified the impact of forest operation in 4 villages (Gunung Sahilan and Sahilan Darussalam as old villages) and Suka Maju and Beringin Jaya (as new villages).</p>			
CAR No: 14 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.10.3	Classification : Major
<p>Non Conformity Identified : There is no social impact analysis, and social annual action plan not yet complete.</p> <p>Corrective Actions : MU has developed a programme of integrated social management to help operational management increase their effectiveness in managing social conflict and program of community development.</p> <p>Objective evidences viewed to support the certification recommendation :</p> <ol style="list-style-type: none"> 1. CD CRR Report for people who outstanding impact from forest operation in 4 villages (Gunung Sahilan and Sahilan Darussalam as old villages), and Suka Maju and Beringin Jaya (as new villages dominated by new comer) 2. Report of Fire Care People establishment 			
CAR No: 15 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.10.4	Classification : Minor
<p>Non Conformity Identified : The is no assessment of community needs to explore and formulate a relevant programme for community development.</p> <p>Corrective Actions : MU has evaluated the needs of villages around the concession and prepared framework and facilities to follow-up.</p> <p>Objective evidences viewed to support the certification recommendation : CSR Report and the analysis of the community development programme</p>			
CAR No: 16 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.10.5	Classification : Minor
<p>Non Conformity Identified : MU did not identify the potential areas for recreation</p> <p>Corrective Actions : MU has identified potential recreation areas.</p> <p>Objective evidences viewed to support the certification recommendation : The document that identified potential of recreation area (Map of Working Area and Company Budget Working Plan)</p>			
CAR No: 17 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.11.6	Classification : Minor
<p>Non Conformity Identified : No clear long term career planning for MU staff.</p> <p>Corrective Actions : MU has created a HR career development and made formal decision applicable to all management levels. Staff are monitored in accordance with worker regulations operated in the company level.</p> <p>Objective evidences viewed to support the certification recommendation : List of employee training 2013 - 2014 and report of Personal Programme that refer as manual of staff and career building</p>			
CAR No: 18 of 18	Standard : IFCC ST 1001:2014	Clause Ref : I.12.7	Classification : Major

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Non Conformity Identified :

MU has weak control of contractor accidents, which lead to the death of a chainsaw operator in May 2013.

Corrective Actions :

MU will consistently monitor contractor performance to evaluate the safely performance and has created a policy of zero work accidents.

Objective evidences viewed to support the certification recommendation :

1. The document of observation and evaluation health and safety conditions in all sectors at PT WBL, including inside office estate, forest area, and people in general.
2. Report of risk evaluation and action plan to minimize accident in 2014. Base on the report, no accidents have occurred in 2014.

Working area of PT WBL has had no conversion of natural forest to plantation forest after December 31, 2010. MU has management system to handle forest management operation and already put to a test with performance to reach sustainable forest management certification from Indonesian government (PHPL). MU has a good conformity about certification requirements that is in 5 aspects : 1) Clear vision and mission that is supported by sufficient budget, personnel and equipment., 2) Working Team structure that is clear and effective, 3) Good access from local people to forest operation, 4) Certainty of forest yield to sale to factory and technical assistance in research and development, 5) Escalation of social welfare for permanent employee and contractor staff.