

# 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 WIRAKARYA SAKTI

TOTAL HECTARES: 286,497.67

SCOPE OF REGISTRATION: Sustainable Forest Management of 286,497.67 hectares of Plantation Forest in Jambi Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: November 22, 2021

AUDIT END DATE: November 27, 2021

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: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Abdullah Mujahid

SIGNATURE:

Abdul Salam

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	Tebing Tinggi District, Tanjung Jabung Barat Regency, Jambi Province, Republic of Indonesia	November 22, 2021
District I	Tanjung Jabung Barat Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	November 23, 2021
District III	Tanjung Jabung Barat Regency, Batanghari Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	November 24 to 25, 2021
District VI	Tanjung Jabung Barat Regency, Jambi Province, Republic of Indonesia	November 26 to 27, 2021
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	
District II	Tanjung Jabung Barat Regency, Tanjung Jabung Timur Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	
District IV	Tanjung Jabung Barat Regency, Batanghari Regency, Jambi Province, Republic of Indonesia	
District V	Tanjung Jabung Barat Regency, Jambi Province, Republic of Indonesia	
District VII	Tanjung Jabung Barat Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	

Documents: Report Format Public – IFCC  
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Pages: Page 2 of 6

District VIII	Tanjung Jabung Barat Regency, Batanghari Regency, Tebo Regency, Jambi Province, Republic of Indonesia
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#### Brief Description of the concession

PT Wirakarya Sakti received a Business Permit for the Utilization of Industrial Timber Forest Products (IUPHHK-HTI) from Minister of Forestry No. 744/Kpts-II/1996 dated November 25, 1996, covering an area of 78,240 Ha. The followings are some amendments to the concession area after the first permit:

- Addendum I: Decree of the Minister of Forestry No. 64/Kpts-II/2001 dated March 15, 2001, of 191,130 Ha,
- Addendum II: Decree of the Minister of Forestry No. 228/Menhut-II/2004 dated July 9, 2004, of 233,251 Ha,
- Addendum III: Decree of the Minister of Forestry No. 346/Menhut-II/2004 dated September 10, 2004, of 293,812 Ha,
- Addendum IV: Decree of the Minister of Environment and Forestry No. SK.57/MenLHK/Setjen/HPL.0/I/2018 dated 26 January 2018 of 290,378 Ha,
- The latest decree Number 55/Menlhk/Setjen/HPL.0/2/2021 dated February 18, 2021, concerning the Determination of the Work Area for a Timber Utilization Business Permit in Industrial Plantation Forests of 287,166.11 Ha in Tanjung Jabung Barat Regency, Tanjung Jabung Timur Regency, Muaro Jambi Regency, Tebo Regency in Jambi Province.

There were conversions of natural forest into plantations of 668.44 Ha, with details of District I of 97.58 Ha, District III of 86.44 Ha, District VII of 484.42 Ha. The IFCC certified area becomes 286,497.67 Ha after the reduction of the converted area.

The Management Unit has the RKUPHHK-HTI document which was ratified based on SK 6051/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2019, concerning the Approval of the Revised Work Plan for the Utilization of Industrial Timber Forest Products for a period of 10 (Ten) Years of 2018 to 2027. According to the RKUPHHK-HTI, the spatial planning is divided into Local Protected Areas and Other Protected Areas of 49,245 Ha (16.96%), Staple Plants Area of 188,058 Ha (64.76%), and Livelihood Plant Area of 53,075 Ha (18.28%), with a total of 290,378 Ha (100%). The total area is still based on the previous decree. The Management Unit has submitted a request to discuss the Revised RKUPHHK-HTI with the Ministry of Environment and Forestry. The discussion has not yet been implemented due to the pandemic.

The topography of PT Wirakarya Sakti IUPHHK-HTI is in lowlands with an altitude of 3 to 469 m above sea level which is divided into swamp and dryland areas. The swamp area has a height between 3 to 6 m above sea level, while the dry land area has an altitude between 6 to 469 m above sea level. According to its type of land, the Management Unit develops *Acacia crassicarpa*, *Acacia mangium*, and *Eucalyptus* sp.

This Surveillance 2 Audit sampled districts include three out of eight districts in PT Wirakarya Sakti, namely District I, District III, and District VI. The details of each sampled districts are as follows:

- District I located at 01° 00' 29" to 01° 16' 28" North and 103° 06' 53" to 103° 25' 12" East. The species planted are *Acacia crassicarpa*, *Acacia mangium*, and *Eucalyptus* sp. Administratively located at Regency of Tanjung Jabung Barat and Muaro Jambi. Included in Betara river and Pengabuan river Forest Group,
- District III located at 01° 20' 32" to 01° 34' 47" North and 103° 04' 48" to 103° 21' 58" East. The species planted are *Acacia crassicarpa*, *Acacia mangium*, and *Eucalyptus* sp. Administratively located at Regency of Batanghari, Muaro Jambi, and Tanjung Jabung Barat. Included in Danau Bangko River, and Air Hitam Forest Group,
- District VI located at 0° 51' 57" to 0° 59' 56" North and 103° 03' 14" to 103° 19' 33" East. The species planted are *Acacia crassicarpa*, *Acacia mangium*, and *Eucalyptus* sp. Administratively located at Regency of Tanjung Jabung Barat. Included in Forest Group of Pengabuan river, Bram Hitam river, and Simpang Kadam river.

There are peat dome peaks of 8,943 ha which are spread in Protected Area Buffer Zone of 347 Ha, KPSL of 24 Ha, River Border of 70 Ha and 8,502 ha in the former area of Livelihood Plant. As for peatland protection, The Management Unit has implemented improvement according to the regulations, namely:

- compiled the RKUPHHK-HTI Document based on the Peat Ecosystem Function and make adjustment to the RKUPHHK-HTI Adjustment Document for the 2018 to 2027;
- drawn up a Peat Ecosystem Recovery Plan Document based on the Decree of the Director General of Pollution and Environmental Damage Control Number SK.60/PPKL/PKG/PKL.0/7/2018 dated 16 July 2018 concerning Peatland Ecosystem Recovery Plan, Determination of Groundwater Level Compliance Points and Rainfall Monitoring Station Point PT. Wirakarya Sakti in Districts I, II, V, VI, and VII,
- Regulation of the Minister of Environment and Forestry Number P. 10/Menlhk/Setjen/Kum.1/2/2019 concerning Determination and Management of Peat Dome Peaks Based on Peat Hydrological Units,
- Minister of Forestry Regulation Number P.30/Menhut-II /2014 concerning Periodic Comprehensive Forest Inventory and Business Plan for Utilization of Industrial Timber Forest Products.

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

The residents in and around the work area of PT Wirakarya Sakti are Malay, Batak, Banjar, and Javanese. On its ANDAL Study in 1998, PT Wirakarya Sakti identifies the Anak Dalam Tribe Community in Lubuk Kambing Village, Merlung District, and occupies District VIII of the concession. The Management Unit has respected the rights of the indigenous people. The Anak Dalam Tribe Community is still living in a very traditional way. They usually hunt and collect foods in the forest around District VIII. Meanwhile, the main livelihoods of the residents are farming and working in oil palm plantations.

PT Wirakarya Sakti has conflict resolution procedures with the community, namely the SOP of Mapping Conflict Procedure, and Solving and Dispute of Land Conflict Resolution. PT Wirakarya Sakti has collaborated with the community as part of conflict resolution and prevention. The cooperation or agreement is in the form of Desa Makmur Peduli Api Program (DMPA), livelihood plant partnership, Community with Fire Awareness (MPA), and the utilization of non-timber forest products. The non-timber forest products being utilized are honey, rattan, bamboo, fish, and feeding grass. In addition, there is a cooperation of tourism management with a village in District I.

The company also gives priority to indigenous peoples and/or local communities to obtain job opportunities following the required skills, such as providing employment and business opportunities for the community and related industries, which can improve the welfare of the surrounding community. The Management Unit currently runs a Community Development (CD/CSR) program. The programs include the aspects of the economy, infrastructure, health & environment, education, social culture, and religion.

### Description of the Ecological conditions of the concession

The Management Unit has carried out forest ecosystem and hydrological function management through the following activities:

- Identification of forest management activities that have significant impacts, and conduct environmental impact assessments through UKL and UPL, AMDAL Documents,
- Implementation of Reduced Impact Logging before, during, and after logging activities,
- Identification of areas that function for soil and water protection to be allocated as protected areas. The Local Protected Areas and Other Protected Areas with an area of 49,245 Ha (16.96%) consisting of the buffer of Protected Forest Peat of 3,375 Ha (1.16%), Buffer of Bukit Tiga Puluh National Park of 1,346 Ha (0.46%), Corridor Wildlife area of 916 Ha (0.32%), Germplasm Conservation Area of 2,203 Ha (0.76%), Wildlife Protection Area of 7,670 Ha (2.64%), River border area of 24,355 Ha (8.39%), slopes E area of 877 Ha (0.30%), and peat dome peak area of 8,502 Ha (2.93%). The protected area in the sample estate are:
  - District I: Local Protected Areas and Other Protected Areas covering an area of 10,544 ha consisting of

Peat Protected Forest Buffer of 1,054 ha, animal corridor 53 ha, KPPN 343 ha, KPSL 440 ha, and River Borders of 8,654 ha.

- District III: Local Protected Areas and Other Protected Areas of 5,340 ha consisting of KPPN of 671 ha, KPSL of 453 ha, and River Borders of 4,216 ha and
  - District VI: Local Protected Areas and Other Protected Areas of 3,596 ha consisting of Peat Protected Forest Buffer of 825 ha, KPSL of 35 ha, River Border of 1,508 ha, and Peat Dome Peak of 1,227 ha.
- Monitoring the negative impacts of forest management activities following the AMDAL RKL and RPL documents. The Management Unit has documented procedures that serve as guidelines for monitoring the negative impacts of forest management activities and for the controlled use of B3.

The Management Unit has carried out biodiversity management through the following activities:

- Identification and inventory of protected, endemic, rare, and threatened/near-extinct flora and fauna as well as their habitats in the IUPHHK-HTI area. The results of the identification and inventory can be found in AMDAL, RKL, and RPL documents, RKUPHHK-HTI, Report on the Implementation of Environmental Permits per semester, and a map of the distribution of flora and fauna,
- Implementation of Management of Protected Areas per the Report on the Implementation of Environmental Permits,
- Identification of Sumatran tiger (*Panthera tigris sumatrae*) as key species, as well as its habitats and migration patterns,
- Carried out environmental impact assessments on potential impacts on protected, endemic, rare, and threatened/near-extinct flora and fauna,
- Not cultivating genetically modified tree species but *Eucalyptus* sp, *Acacia mangium* and *Acacia crassicarpa*.

The Management Unit has carried out forest protection through the following activities:

- Identify and monitor disturbances in Sustainable Forest Management,
- Implementation of prevention and handling of pest attacks, in accordance with the documented procedure, as well as the management of chemical pesticides in the field,
- Implementation of measures against fire hazards.

## Results of the Public Consultation

Before carrying out the Surveillance 2 Audit 2, PT AJA Sertifikasi Indonesia conducted a public consultation starting October 7, 2021, asking stakeholders to provide feedback and information on PT Wirakarya Sakti. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to parties by email or postal mail, and published in local newspapers. The audit team also collects information from the mass media about PT Wirakarya Sakti.

There are inputs from two stakeholders during the public consultation. The reported cases are considered as part of the PT AJA Sertifikasi Indonesia audit process. The auditors had verified the issues with the Management Unit and the clarifications are as follows:

- The input about the opening and widening of the canal as well as revegetation efforts that are not following the provisions on peatlands. The Management Unit stated that the boundary canal widening is performed to provide access roads for fire patrol activities. The road for patrol is also part of the collaboration with the government. The canal maintenance also aims to maximize the capacity of the canal so that the water level can be maintained for the humidity of the peat area. After the road building, the widened area will be returned to its function as a protected area and may not be planted. Meanwhile, the peatland restoration activities are guided and referred to the Minister of Environment and Forestry Regulation No. P.16/Menlhk/Setjen/Kum.1/2/2017. The company will carry out revegetation activities that are adjusted with the damage level. The implementation schedule follows the production operational activities related to the harvesting plan or annual plan. The recovery activities will be completed after the hydrological function of the peat is restored and the water construction facilities and

infrastructure are completed,

- The input from a farmers association that requested to continue resolving the land conflict. This input had been submitted to the Management Unit and be resolved as an audit observation for the Management Unit to improve. If at the next audit this observation has not been resolved, the issue may become a non-conformity.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects which include compliance with international regulations and rules and conventions. A management system has been established to cover all activities in the certification field of certification, which is registered for an area of 286,497.67 hectares.

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

The result of Surveillance 2 Audit is one non-conformity in the Minor category. No critical issues occur and the non-conformity has been closed.

No	Non-Conformities	Corrective Action Performed	Category
1	The contractor workers have received a medical check-up conducted by District Paramedics but not including a specific Cholinesterase (CHE) examination on workers exposed to Toxic Hazardous Substances (B3).  <b>Indicator I.12.1</b>	<ul style="list-style-type: none"> <li>• Sending letters of urging to all contractors to carry out the medical check-up including the specific CHE examination to the B3 exposed workers,</li> <li>• Conduct regular employment monitoring related to the obligation of medical check-up including the CHE test for B3 exposed workers.</li> </ul>	Minor

#### **Conditions under which the certificate is issued**

The certificate is valid until February 26, 2023, provided that PT Wirakarya Sakti completes all corrective actions according to the schedule proposed in its corrective action responses and does not have the same problems at the next Recertification visit. If the non-conformities are not closed at the next Recertification, the certificate will be suspended until AJA can perform a closeout visit.