

# 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 WIRAKARYA SAKTI

TOTAL HECTARES: 289,586

SCOPE OF REGISTRATION: Sustainable Forest Management of 289,586 hectares of Plantation Forest in Jambi Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: November 02, 2020  
AUDIT END DATE: November 07, 2020  
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

AUDITOR LEAD: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
HO PT WKS	Tebing Tinggi District, Tanjung Jabung Barat Regency, Jambi Province, Republic of Indonesia	November 02, 2020
District II	Tanjung Jabung Barat Regency, Tanjung Jabung Timur Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	November 03, 2020
District V	Tanjung Jabung Barat Regency, Jambi Province, Republic of Indonesia	November 04 to 05, 2020
District VIII	Tanjung Jabung Barat Regency, Batanghari Regency, Tebo Regency, Jambi Province, Republic of Indonesia	November 06 to 07, 2020
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 I	Tanjung Jabung Barat Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	
District IV	Tanjung Jabung Barat Regency, Batanghari Regency, Jambi Province, Republic of Indonesia	
District VII	Tanjung Jabung Barat Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	

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District III	Tanjung Jabung Barat Regency, Batanghari Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia
District VI	Tanjung Jabung Barat Regency, Jambi Province, Republic of Indonesia

#### Brief Description of the concession

The Management Unit of PT Wirakarya Sakti received a Business Permit for the Utilization of Industrial Timber Forest Products (IUPHHK-HTI) from the Minister of Forestry No. 744/Kpts-II/1996 dated November 25, 1996, covering an area of 78,240 ha. The permit then has 4 (four) addendums, namely:

- Addendum I : Decree of the Minister of Forestry No. 64/Kpts-II/2001 on March 15, 2001, of 191.130 ha
- Addendum II: Decree of the Minister of Forestry No. 228 / Menhut-II / 2004 dated July 09, 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 hectares.
- Addendum IV: Decree of the Minister of Environment and Forestry No SK.57 / MenLHK / Setjen / HPL.0 / I / 2018 dated January 26, 2018, of 290,378 ha

In carrying out company operations, the Management Unit has a RKUPHHK-HTI document that is legalized based on SK 6051 / MenLHK-PHPL / UHP / HPL.1 / 6/2019 dated June 28, 2019 concerning Approval of Revised Business Work Plans for the Utilization of Industrial Plantation Forest Timber Forest Products (RKUPHHK- HTI) for the 10-year period 2018 to 2027 for PT Wirakarya Sakti in Jambi Province.

There was an area of 792 ha of natural forest converted to plantation forest after December 31, 2010, covering an area of 357 ha performed in 2011 and 435 ha in 2012. The converted areas are located in District I of 98 ha, District III of 86 ha, District VII of 608 ha. Thus, the total area to be certified is 289,586 ha.

The spatial layout of the concession consists of Local Protection Areas and Other Protected Areas of 49,245 ha (16.96%), Staple Plant Area of 188,058 ha (64.76%) and Livelihood Plant Area of 53,075 ha (18.28%), for a total of 290,378 ha.

Based on the topography, the overall working area of PT Wirakarya Sakti's concession is in lowlands with an altitude ranging from 3 - 469 m above sea level divided into swamp and dry land areas. Swamp areas have an altitude between 3-6 m above sea level, while dry land areas have an altitude between 6 - 469 m above sea level. The elevation based on a topographic map of scale of 1: 250,000, most of the work area is on class A (flat) (slope 0% - 8%) and the remainder is class B (slope 8% - 15%).

In this surveillance, there were three districts chosen to be audited, District I, District IV, and District VII. The location of the sample districts are:

- 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 crasscarpa*, *Acacia mangium*, and *Eucalyptus* sp. Administratively it is located in the Regency of Tanjung Jabung Barat and Muaro Jambi and included in Betara river and Pengabuan river Forest Group,
- District IV located at 01° 20' 27" to 01° 32' 46" North and 102° 53' 34" to 103° 12' 27" East. The species planted are *Acacia crasscarpa*, *Eucalyptus* sp and *Acacia mangium*. Administratively it is located in the Regency of Batanghari, and Tanjung Jabung Barat and included in Danau Bangko River, Singgan river, and Benanak river Forest Group,
- District VII located at 01° 06' 26" to 01° 29' 19" North and 103° 33' 55" to 103° 55' 17" East. The species planted are *Acacia crasscarpa*, and *Eucalyptus* sp. Administratively it is located in the Regency of Tanjung Jabung Timur and Muaro Jambi and included in the Forest Group of Batanghari river, Lagan river, and Mendahara river.

Generally, the species developed as staple plants are *Acacia crasscarpa*, *Acacia mangium*, *Eucalyptus* sp.

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

The Management Unit of PT Wirakarya Sakti has a report on the Indigenous and Local Community Rights Identification Result stating in and around the company's work area there are forest resources that are used by the community. Most of them are in the form of gardens that are already productive and used for their livelihoods, and some are in the form of Non-Timber Forest Products (HHBK) which can be used for the welfare of the community, while forest products that can be used including: grasslands, sialang trees (honey), rivers and canals with fish, and rattan. Most of non-timber forest products farmers are in direct with the company's work area.

The Management Unit has provided access to the surrounding community, especially in the use of the main road for transporting wood to be used by the community as a means of transporting agricultural products (gardens) or as a link between villages, sub-districts or between districts.

There are documents of cooperation between PT Wirakarya Sakti and the surrounding community in the form of the Desa Makmur Peduli Api (DMPA), Livelihood Plant Partnership, the establishment of a Community with Fire Awareness (MPA), and the utilization of Non-Timber Forest Products (NTFPs). During the Surveillance 1 Remote Audit, there was an addition to the MPA collaboration.

The Management Unit has a CD / CSR program plan for 2019 and 2020 which includes aspects: social, religious, infrastructure, education, economy, health and environment covering eight (8) districts.

The Management Unit of PT Wirakarya Sakti has a conflict resolution procedure that explains the work steps for resolving land conflicts that occur within the concession. Based on the report on mapping and conflict resolution for the first semester of 2020 which was reported to the Jambi Province Environment and Forestry Service, and the Ministry of Environment and Forestry, it explains: the location of the conflict area (village), the conflict status category and the conflict status for each district. There are 10 cases of conflict in the period of semester 1 of 2020 that have the potential to cause problems, with 9 categories of alert status and 1 controlled case.

The handling of land conflicts with a community group that occurred in 2019 has been undertaken by the company by involving the local government (governor, regent, head of districts and villages), the Ministry of Environment and Forestry, Police, etc. An integrated team has been formed whose task is to inventory and re-measure the disputed location, it having been agreed by each party to carry out a re-measurement so that all parties can accept the resulting measurements as the basis for Social Forestry cooperation.

Based on interviews with former of the community group administrators, information was obtained that the land dispute issue with the company had entered the legal realm and a Decision Letter of the Supreme Court of the Directorate of Supreme Court Decisions of the Republic of Indonesia dated December 19, 2019 stated that the defendant was legally and believed guilty of committing and participating in criminal acts. Efforts are being made to overcome this problem through a social forestry pattern.

#### **Description of the ecological conditions of the concession**

PT. Wirakarya Sakti is a Forest Management Unit as a subsidiary of the Sinarmas Group, one of the wood suppliers for APP (Asian Pulp and Paper). Since February 1, 2013, APP has declared a Forest Conservation Policy (FCP) that is mandatory for all timber suppliers in Indonesia. The forest conservation policy includes identification of High Conservation Value (HCV) and High Carbon Stock (HCS), commitment to peat management, social and community involvement, and planting productivity. As a form of commitment and adherence to the FCP policy, PT. Wirakarya Sakti has carried out various studies including HCV identification.

The Local Protection Areas and Other Protected Areas of 49,245 ha (16.96%) layout consists of: Buffer Zone for Peat Protected Forest of 3,375 ha (1.16%), Buffer for Bukit Tiga Puluh National Park of 1,346 ha (0.46%), animal corridor area of 916 ha (0.32%), Protected Area of Germplasm 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 > 40% of 877 ha (0.30%), Peat Dome Peak of 8,502 ha (2.93%).

PT Wirakarya Sakti has monitored the physical, chemical and biological aspects of the environment due to forest management activities.

The Peat Ecosystem Restoration activity in the peat dome area in 2019 has been carried out by Planting Meranti (*Shorea leprosula*) and Medang (*Litsea* spp). There are also Natural Succession Activities in each sample district. Within the concession, there are a total of 48 species of mammals. About 29 species are important animals such as the Sumatran tiger (*Panthera tigris sumatrae*) a Critically Endangered category based on the IUCN red list. Other species of wildlife which is in endangered category are agile gibbon (*Hylobates agilis*), tapir (*Tapirus indicus*), simpai (*Presbytes melalophos*), and sunda pangolin (*Manis javanica*).

PT. Wirakarya Sakti has identified and monitored disturbances in sustainable forest management activities. These activities are listed in the AMDAL documents, RKUPHHK, HCV Assessment Report, peat recovery reports, wildlife conflict mitigation reports with humans and Conflict Mapping Reports.

Related to forest fires mitigation, the Management Unit has performed:

- Micro-climate management: carry out daily measurements at SPIM (Micro Climate Observation Station) in each district.
- Management of groundwater levels, peat subsidence, water balance: installation of subsidence pipes and water tables on staple crop land.
- Making a fire hazard index, monitoring fire hazard towers, making monitoring posts, making fire hazard maps, installing warning boards, establishing a Fire Control Team (RPK Team), forming and fostering a Community with Fire Awareness Group (KMPA) and Desa Makmur Peduli Api (DMPA), monitoring hotspots, carrying out routine patrols and procuring fire-fighting facilities.

Regarding pest and disease prevention:

- Planting clones that are resistant to pests and root rot.
- Maintain environmental sanitation in order to avoid *helopeltis* and caterpillars in the main crop area.
- Apply fertilization in a balanced manner, because if the plant lacks nutrients, it can make it vulnerable to pests and diseases.
- Mechanical control, if the plant is attacked by pathogens, it can be burned immediately.
- Biological pest control, through the use of biological pests such as *Turnera subulata* and *Cerena* sp,
- Use of environmentally friendly pesticides.

The prevention steps performed by the Management Unit about the illegal activities and encroachment that are usually used on oil palm or rubber plantations is negotiation involving many parties. This problem takes a long time to solve. While illegal logging activities are not found because the potential for large trees is difficult to find. The riverbanks do not have large trees because people around the forest have been encroached on them to become rubber or oil palm plantations. Other types of forest disturbance such as illegal mining and poaching are also not found in concession area.

## Results of the Public Consultation

Prior to carrying the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing October 10, 2020, asking stakeholders to provide feedback and information about 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 via e-mail or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia received no input from stakeholders.

The audit team also collected information from the mass media about PT. Wirakarya Sakti, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects that include compliance with rules and regulations and international conventions. The management system has been built to cover all activities in the field of certification, which is registered for an area of 289,586 hectares.

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

The result of the Surveillance 1 Audit of PT Wirakarya Sakti resulted in one (1) Minor Non-Conformity being identified by the audit team. No critical issues were identified.

No	Non-Conformities	Corrective Action Performed	Category
1	Based on field photos and videos, interviews with the harvesting and safety section, there were chain saw operators who did not wear safety shoes and leg protective pants (chain saw chaps)  Indicator: I.12.4	<ol style="list-style-type: none"> <li>1. Carry out an inventory, and check on the distribution of PPE to all HVT workers</li> <li>2. Complete the distribution of PPE to all HVT workers</li> <li>3. Monitor the use of PPE through the Daily Harvesting Check List,</li> <li>4. Educate Harvesting workers, through daily briefing of supervisors to workers, posters and correct, training to workers,</li> <li>5. Make an evaluation of the contractor's performance every month and discuss it in the monthly meeting.</li> </ol>	Minor

### Conditions under which the certificate is issued

Certificate is valid until February 23, 2022 provided that PT Wirakarya Sakti 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.