

Public Report Sustainable Forest Management System

Ownership of this report and the information contained within remain the property of
AJA Europe



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: RECERTIFICATION

AUDIT START DATE: October 22, 2019

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: October 28, 2019

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

Abdul Salam

SIGNATURE:

MAJOR CARS: 0

MINOR CARS : 3

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	October 22, 2019
Distrik I	Tanjung Jabung Barat Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	October 23 to 24, 2019
Distrik IV	Tanjung Jabung Barat Regency, Batanghari Regency, Jambi Province, Republic of Indonesia	October 25 to 26, 2019
Distrik VII	Tanjung Jabung Barat Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	October 27 to 28, 2019
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	
Distrik II	Tanjung Jabung Barat Regency, Tanjung Jabung Timur Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	
Distrik III	Tanjung Jabung Barat Regency, Batanghari Regency, Muaro Jambi Regency, Jambi Province, Republic of Indonesia	



Distrik V	Tanjung Jabung Barat Regency, Jambi Province, Republic of Indonesia
Distrik VI	Tanjung Jabung Barat Regency, Jambi Province, Republic of Indonesia
Distrik VIII	Tanjung Jabung Barat Regency, Batanghari Regency, Tebo Regency, Jambi Province, Republic of Indonesia

Brief Description of the concession

The Management Unit of PT Wirakarya Sakti received a Business Permit for Timber Forest Product Utilization in Plantation Forest (IUPHHK-HTI) from the Minister of Forestry No. 744 / Kpts-II / 1996 dated 25 November 1996, area of 78,240 ha. Until recently there have been four (4) Addendums, namely:

- Addendum I: Minister of Forestry Decree No. 64 / Kpts-II / 2001 dated 15 March 2001, area of 191,130 ha
- Addendum II: Minister of Forestry Decree No. 228 / Menhut-II / 2004 dated July 9, 2004, area of 233,251 ha
- Addendum III: Minister of Forestry Decree No. 346 / Menhut-II / 2004 dated 10 September 2004, covering an area of 293,812 ha.
- Addendum IV: Minister of Environment and Forestry Decree No SK.57 / MenLHK / Setjen / HPL.0 / I / 2018 dated January 26, 2018, area of 290,378 ha

In carrying out the company's operations, the Management Unit has a Business Plan for Timber Forest Product Utilization in Plantation Forest (RKUPHHK-HTI) for period of 2018 to 2027 There is a RKUPHHK-HTI Adjustment for 2018 to 2019 which was ratified by SK 7848 / MenLHK-PHPL / UHP.1 / 10/2018 dated October 30, 2018 concerning the Approval of Adjustment of Business Work Plan for Timber Forest Product Utilization in Plantation Forest (RKUPHHK-HTI) of 2018 to 2027 Year of Activity 2018 to 2019 on Behalf of PT Wirakarya Sakti in Jambi Province.

PT Wirakarya Sakti spatial arrangement is included Protection Function Area of Peat Ecosystem of 15,882 ha (5.47%), Local Protected Area and Other Protected Area (Non-Peat) area of 33,363 ha (11.49%), Staple Plant area of 188,058 Ha (64, 76%), Livelihood Plant area of 53,075 ha (18.28%), with a total of 290,378 ha (100%).

Based on Business Note: REG No PnP-17-02 dated 20-01-2019 concerning IFCC Non-Scheme List, there is an area of conversion of natural forest to plantations above December 31, 2010 covering 792 ha in District I, District III and District VII. The total concession area is 290,378 ha with 792 ha of converted area, thus the IFCC certified area is 289,586 ha.

Based on aspect of topography (altitude/elevation), the entire area of PT Wirakarya Sakti concession is located in lowlands with altitudes approximately 3 - 469 meters above sea level which are divided into swamp and dry land areas. Swamp areas located in approximately 3 - 6 meters above sea level, while dry areas located at 6 - 469 meters above sea level. Based on a 1: 250,000 scale topographic map, most of the work area are located in slope A class (flat) and the rest in slope B (ramps).

The administrative and geographic locations of each district of PT Wirakarya Sakti 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 crassicaarpa*, *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 II located at 0° 58' 31" to 01° 15' 46" North and 103° 23' 36" to 103° 32' 36" East. The species planted are *Acacia crassicaarpa*, *Acacia mangium*, and *Eucalyptus* sp. Administratively located at Regency of Tanjung Jabung Barat, Tanjung Jabung Timur and Muaro Jambi. Included in Lagan river and Mandahara 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 crassicaarpa*, *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 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 crassicaarpa*, *Eucalyptus* sp and *Acacia mangium*. Administratively located at Regency of Batanghari, and Tanjung Jabung Barat. Included in Danau Bangko River, Singgan river, and Benanak river Forest Group,
- District V located at 0° 45' 21" to 01° 05' 49" North and 102° 47' 22" to 103° 03' 09" East. The species planted are *Acacia crassicaarpa*, *Acacia mangium*, and *Eucalyptus* sp. Administratively located at Regency of Tanjung Jabung Barat. Included in Forest Group of Pengabuan river, Lumahan river, and Limburan river

- 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 crassicaarpa*, *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
- 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 crassicaarpa*, and *Eucalyptus* sp. Administratively located at Regency of Tanjung Jabung Timur and Muaro Jambi. Included in Forest Group of Batanghari river, Lagan river, and Mendahara river
- District VIII located at 01° 15' 49" to 01° 29' 30" North and 102° 38' 05" to 102° 56' 51" East. The species planted are *Acacia crassicaarpa*, *Acacia mangium*, and *Eucalyptus* sp. Administratively located at Regency of Tanjung Jabung Barat, Tebo, and Batanghari. Included in Forest Group of Batanghari river, Rengas river, Emparing river and Mengupeh river.

The types developed are *Acacia crassicaarpa*, *Acacia mangium*, *Eucalyptus* sp..

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

Generally the communities around the concession area have livelihoods as rubber and oil palm farmers. Developed villages of the sample Districts by The Management Unit, namely:

District I located in Tanjung Jabung Barat Regency which consists of 11 villages, namely villages of Serdang Jaya, Pematang Buluh, Mandala Jaya, Terjun Gajah; Delima, Dataran Kempas, Sungai Keruh, Purwodadi; Kuala Dasal, Dusun Mudo and Lubuk Sebontan.

Distrik IV located in Tanjung Jabung Barat and Batanghari Regency, with 22 villages, namely Village of Adipurwa, Bukit Harapan, Cinta Damai, Merlung, Lampisi, Lubuk Terap, Penyabungan, Pinang Gading, Pulau Pauh, Rantau Benar, Sungai Papauh, Tanjung Benanak, Tanjung Makmur, and Tanjung Paku in Tanjung Jabung Barat Regency; Belanti Jaya, Benteng Rendah, Bukit Kemuning, Kembang Paseban, Pematang Gadung, and Sengkati Baru in Batanghari Regency.

Distrik VII located in Tanjung Jabung Timur and Muaro Jambi Regency with 20 villages, namely Village of Pandan Jaya, Bukit Tempurung, Kota Baru, Lagan Tengah, Merbau, Pandan Lagan, Parit Culum I, Parit Culum II, Pematang Rahim, and Suka Maju in Tanjung Jabung Timur Regency, Danau Lamo, Dusun Mudo, Lubuk Raman, Manis Mato, Mekar Sari, Rantau Karya, Rukam, Sekumbang, Tanjung Katung.

Based on the review of the Report on the Identification Results of the Indigenous Community Rights and HCV Study Report, there are no indigenous people territories within the concession area of PT Wirakarya Sakti. Regarding the existing conflict problem, PT Wirakarya Sakti has a mechanism of Conflict Mapping Procedure. The purpose of this procedure are:

- Identify all conflicts occur in PT Wirakarya Sakti specifically,
- Give understanding to the officers to comprehend the conflicts that exist in each work location completely,
- Create recording and documentation of conflicts history which includes the development of material problems and physical changes of the conflict objects.

This procedure is to support the principle of efficiency and the achievement of the implementation of the Vision & Mission, Occupational Health & Environmental Safety Policy, Social Policy and Human Resources. The scope of this Procedure describes the mechanism of mapping conflict areas in company concessions which include conflict identification activities, secondary data mining, primary data mining, conflict classification and final reporting as a basis and consideration in determining conflict resolution.

PT Wirakarya Sakti has made several agreements and cooperation with communities around the forest, including the Desa Makmur Peduli Api Program (DMPA), Livelihood Plant Partnerships, Fire Aware Community (MPA), and agreements related to the utilization of Non-Timber Forest Product (HHBK) within the concession area of PT Wirakarya

Sakti.

The Management Unit's Community Development (CSR) activities includes the aspect of economy in the form of assistance in entrepreneurship (workshop, craftsman), agriculture (food), livestock, fishery and establishment of Business Entities (Cooperatives, BUMDes), socio-culture and religious in the form of worship equipments, youth and sports, mass treatment, posyandu activities, commemoration of religious and national holidays, and MTQ, education in the form of scholarship, teacher supports, school supplies, empowerment training, and research assistance, infrastructure in the form of road construction, social/cultural facilities (posyandu, village office), religious (mosque, church), and settlements, and environment in the form of environmental education, and clean water facilities.

Description of the Ecological conditions of the concession

PT. Wirakarya Sakti has established an analysis of potential significant impacts on the environment that potentially occur and has identified environmental management and monitoring activities related to biodiversity, protected and endangered species, protection of land and water, and health and vitality of forest resources that refer to identification of potential impacts on AMDAL document of 1998.

There are protected areas allocated in the spatial arrangements, namely: The Function Area for Peat Ecosystem Protection of 15,883 ha (5.47%) which consists of: Buffer Forest Protection Ecosystem of 2,710 Ha (0.93%), Wildlife Corridor of 44 Ha (0.02%), Wildlife Protection Area of 576 ha (0.20%), River Border Area of 4,049 ha (1.40%), Peat Ecosystem Function area of 8,502 ha (2.93%).

Local Protected Areas and Other Protected Areas (Non-Peat) of 33,363 ha (11.49%) consisting of: 575 ha (0.20%) of Peat Protected Forest Buffer, Bukit Tigapuluh National Park buffer zone area of 1,346 ha (area 0, 43%), Wildlife Corridor of 872 ha (0.30%), Germplasm Conservation Area of 2,201 ha (0.76%), Wildlife Protection Area of 7,299 ha (2.50%), River Border area of 20,193 ha (6.95%), and area with Slopes > 40% of 877 ha (0.30%).

PT. Wirakarya Sakti has identified, inventoried protected, endemic, rare and endangered flora and fauna in the concession area. The results of the identification and inventory can be found in the Environmental Permit Implementation (Environmental Management and Monitoring), Environmental Management Report of PT. Wirakarya Sakti, of July - December 2018 and January - June 2019.

Flora observations are based on Vegetation Analysis activities which include: Tree species, Important Value Index, Species Wealth Index, Diversity Index and Identification of Endangered, Rare, and Threatened (threatened) Vegetation Whereas the observation of fauna is based on the Wildlife Monitoring activities, which contain: Types of animals, diversity index, abundance of individuals and identification of protected / endangered, rare, and threatened species.

The management unit has maintained and improved protected flora and fauna habitat, endemic, rare and threatened / endangered species, as well as features for biological purposes such as mother trees and seedlings, dead hollow trees, nesting and feeding sites, in various steps namely :

- Patrol in the context of monitoring forest fires and forest disturbance
- Map of animal distribution.
- Collection of flora and fauna data in the Germplasm Conservation Area (KPPN), Wildlife Conservation Areas (KPSL), Riparian.
- Installation of camera traps in the context of monitoring protected fauna
- Monitoring the value of vegetation diversity in the protected area (KPPN), KPSL and Leading Plants. In addition, the conservation area is very effective as a water catchment area, germplasm protection and as an animal enclosure.
- Installing sign boards, in the form of appeal boards and prohibitions are quite effective in helping to protect protected areas.

PT Wirakarya Sakti has identified key species in its concession areas, namely by making / conducting: Installation of Camera Traps for monitoring key species, Making Maps of distribution of key animals including Sumatran Elephants, Sumatran Tigers and Tapir). Identification and monitoring of fauna in the KPPN, KPSL and river border areas. Installation of sign boards containing information on types of protected wildlife and key species.

The company has made a Plan and Realization of Protected Area Rehabilitation based on the study of the Center for Research and Development Team for Socio-Economic Policy and Climate Change (P3SEKPI) -KLHK, recommendations

for Open Land (LT) were carried out by invasive species eradication and enrichment planting by 57 seeds / ha using 19 seeds types, while for Young Shrub eradication is done for invasive species.

The company has made a Protected Area (HCS) Rehabilitation Plan, Rehabilitation Area 376 ha and Natural Regeneration area 24,212 ha. The company has also made an ISFMP Recommended Protected Area Rehabilitation Plan, Rehabilitation Area of 1,071 ha and Natural Regeneration area of 7,849 ha.

The Management Unit has monitored the disturbance periodically through patrol activities and reports. The monthly patrol report is also recapitulated into the Environmental Permit (Environmental Management and Monitoring) Implementation Report every semester. This included Forest Fire Monitoring which carried out by patrol via land and air as well as via satellites to vulnerable points. Prevention efforts undertaken includes following activities:

1. Desa Makmur Peduli Api Program.
2. Intensifying the role of the Fire Concerned Community (MPA)
3. Formation of the Forestry and Forestry Team and training.
4. Socialization of prohibition on burning forests and land.
5. Conduct intensive patrols.
6. Making maps of fire-prone and daily fire hazard index monitoring.
7. Emergency team training, Provision of adequate fire equipment.
8. Installing warning signs of fire danger and a prohibition board to hunt animals in the area of PT. Wirakarya Sakti.

Results of the Public Consultation

Prior to carrying the recertification audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing October 11, 2019, 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), 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 which 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.

Based on the results of the Recertification Audit there were three (3) categories of minor non-conformity, as follows

No	Non-Conformities	Corrective Action Performed	Category
1	Timber harvesting activities in tree felling do not use felling notches and notches back. Indicator: I.4.4	- Provide training material concerning technical and safety logging to harvesting workers and supervisors - Reviewing the Daily Harvesting Checklist - Making pamphlets about the correct logging technique	Minor
2	PT Wirakarya Sakti has not installed an erosion observation plot in the mineral protected area as a control of the erosion calculation results every year. This can be seen in Districts I and IV where erosion observation plots were only conducted by	Ensuring that erosion monitoring plots in protected areas on mineral soil types have been developed at the work area of PT Wirakarya Sakti and conduct regular monitoring of the plots	Minor



	using the stick method and the erosion tank is only installed in Production Area for plants for more than 1 year and less than 1 year Indicator: I.6.3		
3	The WTP water tank in District IV is leaking, causing corrosion of the WTP supporting poles which potentially causing accident Indicator: I.12.5	Periodically checking the condition of WTP, repainting the dull and repairing corrosive WTP	Minor

Conditions under which the certificate is issued

Certificate is valid until February 26, 2023, 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.