

# Public Report Sustainable Forest Management System

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# AJA EUROPE SRL

## PUBLIC AUDIT REPORT – SFM

TO BE SUBMITTED TO THE ORGANIZATION, IFCC AND TO AJA EUROPE



ORGANIZATION NAME: PT SELARAS ABADI UTAMA

TOTAL HECTARES: 13,600

SCOPE OF REGISTRATION: Sustainable Forest Management of 13,600 Hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Transition to IFCC 1001:2021 + Surveillance 2

AUDIT START DATE: 26 August 2024

AUDIT END DATE: 29 August 2024

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: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Amin Kadeni

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

WITNESSING EVALUATOR

/TRANSLATOR (if any): //

SIGNATURE: //

MAJOR CARS: 0

MINOR CARS: 2

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED including countries	DATE OF EACH SITE VISIT:
Head office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru 28143, Riau Province, Indonesia	26 August 2024
Site	Kecamatan Teluk Binjai, Kabupaten Pelalawan, Propinsi Riau, Indonesia	27 - 29 August 2024
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		

#### Brief Description of the concession

PT Selaras Abadi Utama was granted the IUPHHK-HTI based on the Decree of the Regent of Pelalawan, Number: 522.21/IUPHHKHT/XII/2002/005, which pertains to the issuance of Business Permit Rights for the Utilization of Timber Forest Products from Plantation Forests. The permit covers an area of approximately 13,600 hectares in Pelalawan Regency, and was issued on December 30, 2002.

The most recent development involves PT Selaras Abadi Utama receiving a Decree from the Minister of Environment and Forestry of the Republic of Indonesia, Number: SK.1122/MENLHK/SETJEN/HPL.0/11/2021, dated November 17, 2021. This decree amends the aforementioned Decree of the Regent of Pelalawan, Number: 522.21/IUPHHKHT/XII/2002/005, and includes a change in nomenclature, transitioning from IUPHHK-HT to PBPH (Forest Utilization Business Permit) as outlined in Article 1. The area based on permit is 13,600 ha. Forest area is 13,600 ha, and the certified area is 13,600 ha as well.

In its operational management, PT Selaras Abadi Utama has developed a long-term management plan in the form of the RKUPH (Forest Utilization Business Work Plan) document. Additionally, a short-term plan for one year is outlined in the RKTPH (Annual Forest Utilization Work Plan) document. The amendment to the 2022 RKUPH was approved through the Decree of the Minister of Environment and Forestry, Number: SK.8040/MenLHK-PHL/PUPH/HPL.1/10/2022, dated October 18, 2022. This decree approves changes to the Forest Utilization Business Work Plan for the period 2018-2027, specifically for PT Selaras Abadi Utama in Riau Province.

The total area of PT Selaras Abadi Utama is 13,600 hectares (100%), divided into two main categories. The Protected Area comprises 1,712 hectares (12.59%) and includes the following sub-categories: River Borders of 124 ha (0.91%), Buffer Zone SM Kerumutan of 305 ha (2.24%), KPPN of 300 ha (2.21%), KPSL of 300 ha (2.21%), and Other Protected Areas of 683 ha (5.02%). The Cultivation Area spans 11,888 hectares (87.41%), which is further divided into the Utilization of Timber Products from Plantation Forests (11,394 ha (83.78%) and Infrastructure Facilities (494 ha (3.63%).

The geographical location of the concession area is 102°06' to 102°32' East and 0°28' to 0°09' North. Administratively, it is in Pelalawan District and Teluk Meranti District, Pelalawan Regency, Riau Province.

PT Selaras Abadi Utama's concession area, located at an altitude of 5 to 150 meters with a flat topography (slope of 0-8%), spans 13,600 hectares. The soil types in the area are classified into two main groups: Alluvial (including Tropaquepts, Dystrypepts, and Troposamments) and Peat Dome (including Troposaprists, Tropohemists, and Tropofibrists). The company applies sustainable forest management principles, focusing on production, ecological, and social sustainability. The management system includes water level regulation and canal construction for peatland areas, with *Acacia crassicarpa* selected as the primary species for cultivation.

The company has complied with regulations regarding peatland management, taking multiple actions to improve governance and management practices. These actions include revising the RKUPHHK, preparing reports on peat ecosystem restoration, and making adjustments to activities in line with decrees from the Ministry of Environment and Forestry. The latest development is the approval of the 2022 RKUPH Amendment, which includes a Peat Dome Peak area of 244.51 hectares within the Protected Area (Buffer Zone SM Kerumutan), ensuring continued adherence to environmental regulations for sustainable management of peatland resources.

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

The communities around the concession are local communities. There are no customary law communities. Based on the 2023 Social Impact Assessment Report, the livelihoods of residents in seven assisted villages dominated by farmer/labor. Other types of livelihood are civil servants.

The Organization has a document of conflict potential mapping and resolution report for the second semester of 2023 and has conducted conflict analysis calculations based on P.5/PHPL/UHP/PHPL.1/2/2016 and P.8/2021 with conflict criteria having a Conflict Potential Score included in the WASPADA category (55.74%). The conflict criteria analysis report has been completed with the creation of an Encroachment and Claim Identification Map on a Scale of 1: 200,000. Based on the PT Selaras Abadi Utama Conflict Resolution Effort Report, the resolution efforts that have been made include the Identification of Claim Areas in 2023 including claimer names, actual settlement, and remaining claims consisting of 9 claimants. This is the target for future settlement efforts.

There is a document of cooperation agreement for livelihood plants with a deed of cooperation agreement with the seven fostered villages with a period until the end of the concession permit decree. There is a Community Development Program Implementation Report for the January – December 2023. Assistance was provided to various villages for community development and empowerment. Support included infant complementary food, betel nut seedlings, and office equipment, as well as assistance for health centre supplies, the development of places of worship, and the empowerment of local small businesses. In addition, aid was given for sports equipment, office materials, and the construction of a sports field. Further assistance included the provision of tents for community activities and cash support for local events and races. While in January – June 2024, the assistance has been provided across various sectors. In the religious sector, funds were allocated for the celebration of a local religious event. The infrastructure sector saw support for office supplies to enhance local government operations. For social and environmental initiatives, assistance was given to flood victims, with different areas receiving aid to help with recovery efforts.

#### **Description of the Ecological conditions of the concession**

The concession area is in the form of a Peat Forest Ecosystem located in the KPH Langgam, Riau Province Forestry Service, Sungai Kampar Production Forest Group. The climate type based on Schmidt Fergusson classification is type A (very wet), rainfall 2,731 mm, the highest month is November (457.5 mm), the lowest month: January (82.9 mm). Located in the Kampar River Peat Hydrological Unit.

The organization has carried out proper maintenance or enhancement of forest resources and their contribution to the global carbon cycle by: having planning documents, namely: ANDAL RKL and RPL. Carrying out positive climate practice activities in forest management activities including monitoring microclimate changes, monitoring ambient air quality, etc. No conversion of natural forests to plantations after 31 December 2010. The organization does not afforest ecologically important non-forest ecosystems.

The Organization has been maintaining the health and vitality of the forest ecosystem by implementing and establish operational standards that support the maintenance of adequate genetic, species and structural diversity. The Organization has arranged the work areas of the Protected Area and mapped the areas that have been reserved for conservation, protection of biodiversity, endangered and species, and areas that have unique biodiversity functions. The Organization does not use modified species and development of natural seedlings from local species for enrichment of forage plant species and mixed forests in protected areas.

PT Selaras Abadi Utama does not use fire for forest management practices as stipulated in the regulations. They have established and implemented Documented Procedures for waste management including Hazardous and Toxic Materials waste as well.

#### **Results of the Public Consultation**

Prior to conducting Transition to IFCC ST 1001:2021 + Surveillance 2 Audit on PT Selaras Abadi Utama, PT Acube TIC International has made a public announcement and public consultation. Invitation to public consultation to stakeholders to obtain input as materials/consideration through the website [www.ajaindonesia.com](http://www.ajaindonesia.com) starting 11 July 2024. The stakeholders can provide input for audit considerations to PT Acube TIC International email. There is no input from stakeholders.

The audit team also collected information from the mass media about PT Selaras Abadi Utama. The reported cases are considered as part of the PT Acube TIC International audit process.

The Organization has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the area of certification, which are registered for the certification area of 13,600 hectares.

#### Organization progress record related to corrective action on findings of nonconformities in previous audit

The result of Surveillance 1 Audit was two (2) minor non-conformity. The Organization has made improvements and the non-conformity is closed.

No.	Non-Conformities	Corrective Action Performed Surveillance 1 in 2023	Closed Out at Surveillance Audit 2 in 2024
1	During a visit to the harvesting progress of the wood sorting distribution activity, it was found that the length of the wood was not standard. The chainsaw operator was not using complete PPE (safety shoes, saw cap, face shield) not in accordance with the SOP of Harvesting at Peat Locations.  Indicator I.3.1 (minor)	<ul style="list-style-type: none"> <li>- Carrying out measuring stick calibration.</li> <li>- Ensure the contractor provides complete PPE.</li> <li>- Providing briefings and education regarding the importance of PPE in every job.</li> <li>- Ensure that each operator understands the wood size standards by conducting more intense briefings and monitoring of processes and results and always using complete PPE.</li> </ul>	The Organization has made improvements with LPH (Harvesting Check Sheet). The chainsaw operator is fully equipped with PPE.
2	During visit on the progress of harvesting activities, the heavy equipment operators was unable to show SIO (Heavy Equipment Operation License).  Indicator I.11.2 (minor)	<ul style="list-style-type: none"> <li>- Submit SIO Training through the PSE Team.</li> <li>- SIO training activities have been carried out for the operators.</li> </ul>	The Organization has conducted OHS training for Lifting Equipment Operators which was held on September 2023.

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

The result of Transition to IFCC ST 1001:2021 + Surveillance 2 Audit was two (2) minor non-conformity. The Organization has made improvements and the non-conformity is closed.

Number	Non-Conformities	Corrective Action Performed	Category
1	. There were some contractor workers who were not registered for BPJS. Based on interviews, the workers have worked for more than two years.  Indicator 5.3.1.2	The Organization has ensured that all workers are registered and have BPJS Employment and Health.	Minor
2	There were toilets that did not comply with occupational safety and health standards in the plantation and harvesting contractor's camp.	The Organization has strategically located the contractor's camp to ensure coverage of all work areas, thereby	Minor



	Indicator 5.3.4.2	minimizing the need for the crew to move between sites. This strategic placement also facilitates the construction of permanent toilet facilities, which will be built to the required standards.	
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**Conditions under which the certificate is issued**

Certificate number AJA/IFCC-PEFC/FMC-HT/00013/XII/2015 is valid until 13/12/2025, provided that PT Selaras Abadi Utama 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 Recertification visit. If the non-conformities are not closed at the next Recertification, the certificate will be suspended until such time as AJA EUROPE is able to perform a closeout visit.