

Public Report Sustainable Forest Management System

Ownership of this report and the information contained within
remaining the property of AJA EUROPE SRL



AJA EUROPE SRL

PUBLIC AUDIT REPORT – SFM

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



ORGANIZATION NAME: PT NUSANTARA SENTOSA RAYA

TOTAL HECTARES: 23,030

SCOPE OF REGISTRATION: Sustainable Forest Management of 23,030 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: 13 November 2024
 AUDIT END DATE: 16 November 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: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Inggita Nuri Prihantini

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

WITNESSING

EVALUATOR/ //

SIGNATURE: //

TRANSLATOR (if any):

MAJOR CARS :0

MINOR CARS: 0

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	13 November 2024
Site	Kecamatan Langgam, Kabupaten Pelalawan dan Kecamatan Kampar Kiri, Kabupaten Kampar, Propinsi Riau, Indonesia	14 - 16 November 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 Nusantara Sentosa Raya obtained a Business Permit for Utilization of Industrial Timber Forest Products (IUPHHK-HTI) based on the Decree of the Minister of Forestry No. SK.550/Menhut-II/2012, dated October 4, 2012, for an area of approximately 23,030 hectares in Riau Province. The organization then received a Decree on PBPH (Forest Utilization Business Permit) No. SK 1212/Menlhk/Setjen/HPL.0/12/2021, which was the second amendment to SK 202/Menhut-II/2007, dated May 16, 2007. This decree changed the nomenclature from IUPHHK-HT to PBPH, but the permit area remained at 23,030 hectares. The forest area of 23,030 hectares is also the certified area with reference to no conversion of natural forest after December 31, 2010.

The organization has a Work Plan for Industrial Timber Forest Product Utilization (RKUPHHK-HTI) document approved by the Decree of the Minister of Environment and Forestry of the Republic of Indonesia No. SK.6577/MenLHK-PHPL/UHP/HPL.1/12/2017, dated December 5, 2017, concerning the approval of the Work Plan for Industrial Timber Forest Product Utilization (RKUPHHK-HTI) for 2017-2026, in the framework of improving peat governance on behalf of PT Nusantara Sentosa Raya in Riau Province. The organization has carried out spatial planning of its work area, which includes: Peat Ecosystem Protection Function Area, covering an area of 1,682 hectares (7.30%), Local Protection Area and Other Protected Areas, covering an area of 2,848 hectares (12.37%), Staple Plants area, covering an area of 14,429 hectares (62.65%), and Livelihood Plant area, covering an area of 4,071 hectares (17.68%). The total area is 23,030 hectares (100%).

The work area of PT Nusantara Sentosa Raya is geographically located between 00° 06' 00.0" – 00° 10' 00.0" North and 101° 21' 00.0" – 101° 48' 00.0" East. Based on the administrative area, the government is located in two sub-districts: Langgam Sub-district, Pelalawan Regency, and Kampar Kiri Sub-district, Kampar Regency. Based on the 2024 Fostered Village Data, there are four villages around the organization's concession. The villages of Mentulik, Gading Permai, and Rantau Kasih are located in the Kampar Kiri Hilir sub-district of Kampar Regency, while Segati is located in the Langgam sub-district of Pelalawan Regency.

The working area of PT Nusantara Sentosa Raya is located in the Sei Peninjau-Sei Kampar Kiri Forest Group (KH) and hydrologically belongs to the Tesso River Basin Area (DAS). The topography of the area is categorized as flat (0-8%) covering 38% and sloping (8-15%) covering 62%. It is located at an altitude of 80-150 meters above sea level. According to the Schmidt-Fergusson climate classification, it falls under climate type A, with rainfall ranging from 145 to 410 mm per month. The types of plants developed include *Acacia crassicarpa*, *Acacia mangium*, and *Eucalyptus* sp.

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

The population around the organization's concession is a local community. There is no customary law community around the organization's concession area. Based on interviews with the Village Heads and Community Leaders, the livelihoods of the population are mainly from the agricultural sector of oil palm plantations and fisheries as river fishermen.

PT Nusantara Sentosa Raya has been actively addressing land claims within its concession area, as reflected in the 2024 Land Claim Data. As of January 2024, a number of hectares had been claimed by various individuals and groups, with 63.7% still pending resolution. By September 2024, the company had successfully resolved 8.7%, leaving 54.9% still to be settled. These claims involve a variety of parties, including individuals, community groups, and organizations. While some areas, such as those involving some claimers, and several farmer groups, have seen their claims resolved. PT Nusantara Sentosa Raya is committed to addressing these land disputes in a manner that respects both legal frameworks and community interests.



PT Nusantara Sentosa Raya has formalized livelihood plant cooperation agreements in various villages through notarial deeds, with compensation provided for these cooperations. These agreements include some notarial deeds made in 2013 for three villages. As part of its commitment, PT Nusantara Sentosa Raya has provided financial compensation, last in 2023.

In 2023, PT Nusantara Sentosa Raya contributed significantly to local communities through its CSR initiatives across education, health, religion, economics, infrastructure, and social sectors. The company funded educational and health support, such as aid for local schools and healthcare facilities, provided financial and material assistance for religious and community events, and helped improve local infrastructure. Additionally, PT Nusantara Sentosa Raya supported economic activities like providing fishing boats and funded youth and social programs, achieving 229% and 124% of the planned budget in Kampar and Pelalawan regencies, respectively. As for the Realization of the CD Program until the 2nd Quarter of 2024 was Equipment for Village Mosque, and Food Aid for Flood Victims which reached 135% of the planned.

Description of the Ecological conditions of the concession

PT Nusantara Sentosa Raya holds Amdal approval (No. 131/DJ-VI/Amdal/1999) and adheres to environmental guidelines set by the Ministry of State for the Environment. As a wood supplier for PT RAPP Pulp, the organization is committed to sustainable forest management, following the Sustainable Forest Management Policy 2.0 (SFMP) that aligns with the High Carbon Stock Approach (HCSA). PT Nusantara Sentosa Raya integrates conservation and forest management practices, incorporating findings from High Conservation Value (HCV) and HCSA assessments, and engaging with local communities through its Community Engagement Toolkit.

The company has operational documents in place, including the Forest Utilization Business Work Plan (RKUPH) for 2017-2026, environmental management plans, and monitoring plans as per AMDAL regulations. They had allocated a Local Protected Areas and Other Protected Areas which consist of: River Borders, covering an area of 2,622 hectares (11.38%), and KPPN/KPSL, covering an area of 226 hectares (0.98%). It has established standard operating procedures (SOPs) and work instructions to guide sustainable forest management practices. Additionally, the organization conducts climate-positive practices, such as weather and air quality monitoring, greenhouse gas emission source identification, and high carbon stock (HCS) estimation, with emission sources being regularly assessed.

In its forest management, PT Nusantara Sentosa Raya follows a no-conversion policy for natural forests after December 31, 2010, and focuses on the protection of ecologically significant areas. It has designated protected areas covering peat ecosystems and other critical areas, including river border zones and conservation areas. The company actively monitors and protects these areas through patrols and aerial monitoring using fire towers, drones, and satellite imagery. This includes maintaining biodiversity and supporting the natural regeneration of protected species.

The organization has taken significant steps to ensure forest ecosystem health by adopting integrated pest and disease management, conserving biodiversity, and minimizing forest degradation through practices such as Reduced Impact Logging (RIL). It follows operational standards that prioritize the protection of endangered species, biodiversity, and critical ecological functions. Furthermore, PT Nusantara Sentosa Raya addresses waste management, fire prevention, and soil conservation through documented procedures and partnerships, ensuring the ongoing sustainability and conservation of forest ecosystems.

Results of the Public Consultation

Prior to carrying out the Surveillance 2 Audit, PT ACube TIC International conducted a public consultation starting 10 October 2024, asking stakeholders to provide feedback and information about PT Nusantara Sentosa Raya. The public consultation was uploaded to the PT ACube TIC International website (www.ajaindonesia.com), sent to parties by email or postal mail, and published in local newspapers. There was no input from the stakeholders.

The audit team also collected information from the mass media about PT Nusantara Sentosa Raya. The reported cases are considered part of the PT ACube TIC International audit process.

The Organization has identified all the requirements necessary for this certification process, which consists of legal aspects that include compliance with regulations and international rules and conventions. The management system has been built to cover all activities in the field of certification, which are registered for certification covering an area of 23,030 hectares.

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

The results of Transition to IFCC ST 1001:2021 + Surveillance 1 Audit are that 3 (three) nonconformities in Minor category. The Organization has made improvements. The non-conformities are closed.

No.	Non-Conformities	Corrective Action Performed	Closed in 2024
1	The Organization has not updated the legal regulations. In the Monitoring Status - Compliance Obligation (Legal Requirements and Other Requirements) document for the period January to June 2023, there are some statutory regulations that are no longer valid and/or applicable. Indicator 5.3.1.1 Minor	The Organization has made improvements by updating statutory regulations and has evaluated compliance with legal and other requirements for the period January to June 2023. The Organization will monitor and update the list of statutory regulations periodically.	1. Review of legal and other requirements for the period of January-June 2024. 2. Evaluation of PT Nusa Regulation Compliance for the period of January-June 2024 has been updated to reflect legal regulations, and compliance evaluations have been carried out
2	The Organization has carried out internal audit activities that include the standards ISO 14001:2015, ISO 45000:2018, Decree of the Director General of PHPL No. P.62/PHPL/SET.5/KUM.1/12.2020 (Appendix 1 & 2), SMK3, SFMP 2.0 Policy, IFCC Standard ST 1001:2014 but does not include IFCC Standard ST 1001:2021. Some auditors have not participated in internal audit training on IFCC Standard ST 1001:2021. Indicator 8.2.1 Minor	The Organization will conduct training for their internal auditors on the IFCC ST 1001:2021 standard to increase internal auditors' understanding and competence on the IFCC ST 1001:2021 standard and will use the IFCC ST 1001:2021 standard as a reference for the implementation of internal audits for the 2023 period. The Organization in this case from SDU (Sumatra Development Unit) has sent 3 personnel to take part in the Internal Audit Standard ST 1001:2021 training on 20 to 25 November 2023 in Kerinci (PT RAPP).	PT Nusantara Sentosa Raya conducted an internal audit from February 20-23, 2024. The audit results included 23 minor non-conformities (NCs) and 3 observations. The NC status is as follows: 14 NCs have been closed, and 9 NCs are in progress for improvements. The scope of the audit covered the IFCC ST 1001:2021 standard, and the audit team possesses the competence of IFCC standard auditors.
3	The Organization has implemented a Management Review in 2022, but its scope is still limited to K3 policies and objectives. It did not include organizational performance information, including audit	In implementing the 2024 Management Review, the Organization will conduct a review of all aspects including prerequisites, production, ecology and social as well as information regarding the results of PHL, IFCC	The organization conducted the 2023 PT Nusantara Sentosa Raya K3L Management Review on January 15, 2024. This review went beyond K3 policies and objectives,



	<p>results of Mandatory standards (PHPL), IFCC ST 1001:2021 standards, SFMP 2.0 Policy etc.</p> <p>Indicator 8.3.1 Minor</p>	<p>audit performance and implementation of the SFMP 2.0 Policy.</p> <p>The Organization has made improvements by creating a Draft Management Review for 2024 with the main theme:</p> <ol style="list-style-type: none"> 1. Previous Management Review Action Status 2. Changes in External and Internal Issues 3. Organizational Performance Information 4. Opportunities for Continuous Improvement 	<p>addressing the requirements of the IFCC ST 1001:2021 standard.</p>
--	--	---	---

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 no non-conformity. The Organization manages its operations effectively.

Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00016/1/2016 is valid until 06/01/2026, provided that PT Nusantara Sentosa Raya maintains its Recertification schedule and does not have potential major non-conformity at the next Recertification.