

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: CV ALAM LESTARI

TOTAL HECTARES: 4,868.65

SCOPE OF REGISTRATION: Sustainable Forest Management of 4,868.65 Hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: 5 December 2024

AUDIT END DATE: 7 December 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: R Sigit Pamungkas

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATIONS 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	5 December 2024
Site	Kecamatan Pelalawan, Kabupaten Pelalawan, Provinsi Riau, Indonesia	6 - 7 December 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

The forest management permit for CV Alam Lestari was based on the Decree of the Regent of Pelalawan Regency Number 522.21/IUPHHKHT/1/2003/015 dated January 30, 2003 of 3,300 Ha, located in Pelalawan District, Pelalawan Regency, Riau Province. There are a Report on the Results of the Arrangement of Self-Boundaries and the Partnership of the Work Area of the Business Permit for the Utilization of Timber Forest Products in Industrial Plantation Forests (IUPHHK-HTI) of CV Alam Lestari with PT Riau Andalan Pulp and Paper, CV Bhakti Praja Mulia, PT Madukoro in Pelalawan Regency, Riau Province: LP.012/BPKH.XIX/PKH/-/8/2016, which changed the area into 4,868.65 Ha. CV Alam Lestari received a PBPH (Forest Utilization Business Permit) SK.No.805/MENLHK/SETJEN/HPL.0/9/2021 dated September 21, 2021 of 4,868.65 Ha. There were no natural forest conversion areas after 31 December 2010. Thus, the area according to the permit is 4,868.65 ha, Forest Area is 4,868.65 ha, and the certified area is 4,868.65 ha.

The Organization has a ten-year management plan from 2017 to 2026, namely the Revised Work Plan for Industrial Timber Forest Product Utilization (RKUPHHK-HTI) approved by Decree 6059/MenLHK-PHPL/UHP/HPL.1/6/2019 dated June 28, 2020. According to the document, the spatial planning is divided into Local Protection Area and Other Protected Areas of 1,010.65 ha (20.76%), Staple Plant Area of 3,097.00 ha (63.61%) and Livelihood Plant Area of 761.00 ha (15.63%).

CV Alam Lestari's work area in terms of government administration is located in Pelalawan District, Pelalawan Regency, Riau Province. Meanwhile, it is geographically located between 00°33'44" - 00°25'30" North and 102° 15'59" - 102° 20'24" East. CV Alam Lestari is surrounded by Industrial Plantation Forest companies, namely:

- North: CV Bhakti Praja Mulia,
- South: PT Riau Andalan Pulp and Paper,
- East: Yos Raya Timber (PT Gemilang Cipta Nusantara), and
- West side: PT Riau Andalan Pulp and Paper.

The condition of the work area is peat soil which is suitable for *Acacia crassicaarpa* as the main developed species. CV Alam Lestari has followed the regulations on peatland management in Indonesia through several key actions. The Organization revised the RKUPHHK (Forest Resource Utilization and Peatland Management Plan) to improve peatland governance. They also compiled reports on Peatland Ecosystem Restoration and Forest and Land Fire Control. Additionally, activities for 2023-2024 were adjusted, and the RKUPHHK for the period 2017-2026 was revised. Lastly, there is no Peat Dome Peak.

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

Based on the 2023 Social Impact Assessment Report, there are no indigenous communities around CV Alam Lestari's concession. The local population mainly relies on agriculture for their livelihoods, with farmers making up the largest group in both the Sungai Ara and Ransang villages. Other occupations include traders, civil servants, military personnel, police, and a few laborers. A small portion of the population is involved in various other occupations.

CV Alam Lestari has established a complaint and dispute resolution mechanism with the surrounding community. According to the Semester I 2024 Conflict Resolution Report, there are no claim areas within the Organization's concession. The company also respects community rights, as shown by its Livelihood Plant Cooperation Agreements with Ransang and Sungai Ara villages, formalized through legal deeds in 2019 and 2020.

The Organization has made efforts to build a local forestry-based economy through its 2023 Corporate Development (CD) Program. Activities included providing educational support to the village Elementary School, as well as infrastructure

assistance such as lawn-cutting machines. For the 2024 Corporate Social Responsibility (CSR) Program, CV Alam Lestari has participated in building a mosque in the village, provided fishing equipment to local residents, and supported flood victims and youth sports teams in surrounding villages.

Description of the Ecological conditions of the concession

CV Alam Lestari has received an approval letter for its environmental management plan (UKL-UPL) and is committed to managing its environmental impacts in accordance with relevant regulations. The company focuses on land management, particularly in peatland areas, to preserve soil conditions and reduce peat subsidence. Water management involves monitoring river water quality, while air quality is controlled by addressing emissions from generators and road dust. The company also ensures that plant growth and biodiversity are maintained, while minimizing the impact of land preparation, planting, and harvesting activities on the microclimate and fire hazards.

In managing hazardous waste, particularly B3 waste, CV Alam Lestari takes preventive measures such as training and proper handling of waste. The Organization holds a permit for temporary B3 waste storage and tracks waste through a logbook, ensuring it is transported in compliance with regulations. To mitigate forest and land fires, the company has developed a comprehensive fire prevention and control program, including fire risk assessments, firefighting capabilities, and community outreach. Regular patrols, satellite monitoring, and firebreaks are also used to prevent and respond to potential fires.

CV Alam Lestari is also focused on protecting biodiversity through the management of protected areas, such as wildlife corridors and habitat pockets. The company monitors vegetation and soil conditions in these areas to track biodiversity and soil health, conducting regular assessments every six months. Wildlife protection efforts include the installation of hunting ban signs and anti-poaching patrols. Additionally, CV Alam Lestari uses spatial planning and provides quality seeds to control pests and diseases, while also eradicating invasive plants in protected areas when necessary.

To protect forest areas from illegal activities, CV Alam Lestari conducts routine patrols in high-risk zones to prevent illegal logging, encroachment, and hunting of protected wildlife. Forest protection is further supported by the installation of signboards and regular monitoring. The company also educates employees and surrounding communities about the importance of sustainable forest management and the role of protected areas through socialization efforts that align with annual work plans. These activities ensure that both the environment and local communities' benefit from the Organization's conservation efforts.

Results of the Public Consultation

Prior to carrying out the Surveillance 2 Audit, PT ACube TIC International conducted a public consultation starting November 4, 2024, asking stakeholders to provide feedback and information about CV Alam Lestari. 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 CV Alam Lestari. 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 4,868.65 hectares.

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

The result of this Transition to IFCC ST 1001:2021 + Surveillance 1 Audit is 3 (three) non-conformities in Minor categories. The Organization has made improvements and no repetition of these clauses. The non-conformities are closed.

No.	Non-Conformities	Corrective Action Performed in Surveillance 1 2023	Closed Out at Surveillance 2 2024
1	The Organization has not yet revised SOP-NEN-007 Harvesting Timber from Planted Forests in Peat Areas. There are several inconsistencies in implementation in the field with the SOP. Indicator 7.3.4	The Organization has made a draft revision of the SOP by adding work procedures for full mechanical and semi-mechanical system harvesting as well as mechanisms for dividing wood lengths (bucking) and procedures for loading wood in barging. The Organization will also conduct outreach to harvest workers to increase the understanding and awareness of the work mechanisms set by the company. The consistency of the improvements made will be reviewed in the next audit (Audit Surveillance 2)	Revision of SOP-NEN-007 has been carried out in Revision 04; February 2024
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. Indicator 8.2.1	The Organization has made improvements through the implementation of the 2023 internal audit which was carried out on February 27 to March 3, 2024, included the IFCC ST 1001:2021 standard.	An internal audit of Tasik Estate was conducted on February 27 - March 1, 2024.
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 results of mandatory standards (PHPL), IFCC ST 1001:2021 standards, SFMP 2.0 Policy, etc.	The Organization has carried out the 2023 Management Review on February 10, 2024, with the topic of Organizational performance information, audit results of mandatory standards (PHPL), IFCC ST 1001:2021 standards, SFMP 2.0 Policy, etc.	The Organization has conducted the 2023 CV Alam Lestari K3L Management Review on February 15, 2024 and has met the requirements of the IFCC ST 1001:2021 Standard. Discussion topics:



	Indicator 8.3.1		<ol style="list-style-type: none"> 1. Status of the outstanding previous Management Review 2. Changes in external and internal issues 3. Fulfilment of K3 (HSE) policies and objectives 4. Information on K3L performance 5. Human resource adequacy 6. Results of LK3 participation and communication with related parties 7. Opportunities for improvement
Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.			
The results of the Surveillance 2 Audit were no findings.			
Conditions under which the certificate is issued			
Certificate number AJA/IFCC-PEFC/FMC-HT/00036/II/2017 is valid until February 27, 2026, provided that CV Alam Lestari maintains its Recertification schedule and does not have potential major non-conformity at the next Recertification.			