

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 NUSA PRIMA MANUNGGAL

TOTAL HECTARES: 4,289

SCOPE OF REGISTRATION: Sustainable Forest Management of 4,289 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification

AUDIT START DATE: January 30, 2025

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: February 1, 2025

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Inggita Nuri Prihantini

SIGNATURE:

Agung Utama Lubis

SIGNATURE:

WITNESSING AUDITOR /

TRANSLATOR (if any): //

SIGNATURE: //

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. Lintas Timur, Rukan Akacia Blok I, No. 12, Pangkalan Kerinci, Kabupaten Pelalawan, Provinsi Riau, Indonesia	January 30, 2025
Site	Desa Pangkalan Gondai, Kecamatan Langgam, Kabupaten Pelalawan, Provinsi Riau, Indonesia	January 31 to February 1, 2025
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	
NA		

Brief Description of the concession

PT Nusa Prima Manunggal received Industrial Timber Forest Product Utilization Business Permit (IUPHHK-HTI) based on the Decree of the Regent of Pelalawan Number 522.1/Dishut/XI/2002/002 dated November 12, 2002 concerning the Granting of Timber Forest Product Utilization Business Permit Rights to PT Nusa Prima Manunggal Gross Area \pm 4,412 (Four Thousand Four Hundred Twelve) Hectares, Net Area \pm 3,600 (Three Thousand Six Hundred) Hectares in Pelalawan Regency. In 2018, PT Nusa Prima Manunggal received the Decree of the Minister of Environment and Forestry No. SK.463/MenLHK/Setjen/PLA.2/11/2018 dated November 5, 2018 concerning the Determination of the IUPHHK-HTI Work Area of PT Nusa Prima Manunggal covering an area of 4,289 Ha in Pelalawan Regency, Riau Province. PT Nusa Prima Manunggal received the latest is the Decree of the Minister of Environment and Forestry SK.1126/MENLHK/SETJEN/HPL.0/11/2021 dated November 17, 2021 concerning Business Licensing for Forest Utilization of PT Nusa Prima Manunggal, in this decree there is a change in nomenclature from IUPHHK-HT to PBPH (Forest Utilization Business Permit). The area based on permit is 4,289 ha. The forest area and the certified area is 4,289 ha with reference to the condition that no natural forest was converted after 31 December 2010.

The Organization has documents changes to the RKUPH which is authorized by the Decree of the Minister of Environment and Forestry of the Republic of Indonesia No. SK.46999/MenLHK-PHL/PUPH/HPL.1/4/2023 dated April 4, 2023 concerning Changes to the Work Plan for Utilization of Results for the 2017-2026 Period on behalf of PT Nusa Prima Manunggal. Short-term planning is made into a RKTPH (Annual Forest Utilization Work Plan) document:

1. RKTPH 2024: Director's Decree No. 02/NPM-Dir/I/2024 dated January 10, 2024 concerning the 2024 Annual Work Plan for Forest Utilization
2. RKTPH 2025: Director's Decree No. 01/NPM-Dir/I/2025 dated 31 December 2025 concerning the 2025 Annual Work Plan for Forest Utilization

The organization's work area is divided into two main zones: Protected Areas and Conservation of Wild Plants and Animals, covering 610 Ha (14.23%), and the Cultivation Area, which spans 3,679 Ha (85.78%). The Protected Areas include the KPPN area (3 Ha, 0.07%), the River Boundary area (590 Ha, 13.76%), and the Peat Ecosystem Protection Function Area (17 Ha, 0.40%). The Cultivation Area consists of the Utilization of Cultivated HHK (Plantation Forest) area, which covers 3,574 Ha (83.35%). This area is further subdivided into the Self-Managed Area (2,194 Ha, 51.17%) and the Forestry Partnership Area (1,380 Ha, 32.18%). Additionally, there is an Infrastructure area of 105 Ha (2.45%). In total, the work area covers 4,289 Ha (100%).

Based on interviews with the organization's staff and the village representatives, the formation of PT Nusa Prima Manunggal originated from a collaboration between the Pangkalan Gondai village community and PT Nusa Prima Manunggal. The community, who owned land, sought to cooperate with the organization, leading to the establishment of PT Nusa Prima Manunggal, which operates in the industrial forest plantation sector. As a result, the fostered village for the organization is Pangkalan Gondai Village, located in Langgam District, Pelalawan Regency. The work area of PT Nusa Prima Manunggal, based on government administration, is located in Pangkalan Gondai Village, Langgam District, Pelalawan Regency, Riau Province, with administrative oversight from the Riau Province Environment and Forestry Service. Geographically, the location is situated at coordinates 00°02'04.795" N - 00°06'50.651" N and 101°46'18.285" E - 101°53'37.000" E.

Borderline :

- North: Mamahan River, Pangkalan Gondai Village and PT Mitra Unggul Perkasa Oil Palm Plantation.
- South: IUPHHK-HTI PT Siak Timber, IUPHHK-HTI PT Bina Daya Langgam, IUPHHK-HTI PT Arara Abadi (Nilo District).
- West: IUPHHK-HTI PT Nusa Wana Raya.
- East: HGU of PT Langgam Inti Hibrindo Plantation



The work area has a flat topography which consists of Red Yellow Podsollic soil. The geological formations including Minas, Petani (Tup), Young Alluvial and Shallow Peat elements. It is at an altitude of 20-160 m. It is flowed by Tesso watershed and is a part of Tesso Forest Group. The climate is A with rainfall of 2,442 mm/year. The types of plants developed are *Acacia crassicarpa* and *Eucalyptus* sp.

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

The population around the concession is local communities. There are no customary law communities around the Organization's concession area. Based on the Environmental Permit Report for Semester II of 2024, the livelihoods of the residents of Pangkalan Gondai Village are dominated by livelihoods in the agricultural sector of 1,337 people. Furthermore, the livelihoods of individuals include 552 employees, 208 entrepreneurs, 59 traders, 10 fishermen (river), 11 civil servants, and 4 people working in services.

PT Nusa Prima Manunggal has a mechanism for resolving complaints, grievances and disputes regarding land ownership, forest management and working conditions. Based on the Report on Mapping Potential and Conflict Resolution for Semester II of 2024, the Organizational conflict potential value is Controlled. Based on interviews with surrounding villages and Organization workers, the establishment of the company was based on cooperation between the company and the Pangkalan Gondai village community. Based on the agreement, all concession land belongs to the Pangkalan Gondai community which was agreed upon based on the agreement to carry out forest management cooperation.

PT Nusa Prima Manunggal has collaborated with the surrounding community. There is Evidence of Notarial Deed of Forestry Business Cooperation Agreement dated February 21, 2001. This agreement was made between the Village Unit Cooperative and PT Nusa Prima Manunggal. The agreement outlines that the First Party, holder of customary rights in Pangkalan Gondai Village, grants the Second Party management and exploitation rights over the forests in the customary land area. The Second Party is responsible for all permit management, investment costs, and operations related to the Mixed Plantation Forest Concession Rights (HPHTC). The agreement is for 35 years, plus an additional 8-year planting cycle, and can be extended by mutual agreement after the term ends.

PT Nusa Prima Manunggal has implemented a corporate social responsibility program for the surrounding community. According to the 2024 Community Development Program Report, several community development initiatives are underway to improve infrastructure and provide essential services. These include the construction of a canal to enhance water management, road maintenance for proper watering, and beverage assistance during Eid al-Fitr celebrations. Medical aid is being organized with the help of local law enforcement, while efforts to support a Quran recitation contest are also in progress. A volleyball tournament is planned for the national holiday, and a study tour to East Java is being arranged for local government officials to expand their knowledge. Additionally, infrastructure improvements are being made at a secondary school, and an integrated health post is being set up to offer regular medical services to resident.

Description of the Ecological conditions of the concession

PT Nusa Prima Manunggal operates within an area characterized by freshwater swamp forest and lowland rainforest in Sumatra, including a peat swamp region within the KHG Sungai Gonggan - Sungai Nilo. The company has conducted a comprehensive inventory and mapping of its peat ecosystem, as outlined in the Peat Ecosystem Characteristics document, and has developed a Peat Ecosystem Recovery Plan, which includes monitoring water levels to maintain hydrological balance and prevent the construction of new canals. As part of its commitment to sustainable forest management, PT Nusa Prima Manunggal adheres to best practices in the social, environmental, and economic fields, reflected in its Sustainable Forest Management Policy 2.0 and its commitment to the High Carbon Stock Approach (HCSA). The company has conducted carbon stock assessments and identified conservation areas such as high conservation value (HCV) and high carbon stock (HCS) regions.

To ensure ecological sustainability, PT Nusa Prima Manunggal monitors land cover using satellite imagery, drones, and fire towers, implements a Fire Management System, and follows strict Standard Operating Procedures (SOPs) for forest



protection, fire control, waste management, and pesticide use. The company has established a Natural Nursery for rehabilitating the peat ecosystem and enriching biodiversity in protected areas. Forest protection also includes a policy of zero burning and a dedicated Forest and Land Fire Control Brigade. Additionally, PT Nusa Prima Manunggal promotes biodiversity conservation, including the protection of protected and threatened species, through monitoring and wildlife protection efforts. The company has also developed buffer zones and conservation areas, such as a 610 Ha protected area, to preserve forest and water resources.

In alignment with Indonesia's FOLU Net Sink 2030 target, the Organization has conducted integrated biodiversity and connectivity studies in collaboration with the Ministry of Environment and Forestry, ensuring that forest management aligns with national and regional conservation priorities. The company monitors the diversity of flora and fauna in its operational areas and protects endangered species from exploitation. Furthermore, PT Nusa Prima Manunggal fosters sustainable land use practices by implementing a land clearing moratorium until necessary conservation assessments are completed. The company also engages with local communities on non-timber forest product utilization, ensuring sustainable use of resources like honey and fish for personal consumption, under clear agreements and regulations.

Results of the Public Consultation

Prior to conducting Recertification Audit on PT Nusa Prima Manunggal, 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 starting 3 December 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 Nusa Prima Manunggal. 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 4,289.00 hectares.

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

The result of Transition to IFCC ST 1001:2021 + Surveillance 2 Audit were five (5) minor non-conformities. The Organization has made improvements and the non-conformities are closed.

Number	Non-Conformities	Corrective Action Performed Surveillance 2 in 2024	Closed Out at Recertification in 2025
1	Planting activities on several types of land, as well as the harvesting plan in plantation forest have been planned in the RKTPH document of 2024. However, the planned targets have not been supported by risk and opportunity management. Clause 5.1.1	The Organization has provided planning documents for harvesting and planting operational targets in the document of PT Nusa Prima Manunggal risk and opportunity management and management reviews, monthly meetings and internal audits.	The Organization has a Risk and Opportunity document of PT Nusa Prima Manunggal, where the risks and opportunities that will occur have been identified in harvesting and planting operations.
2	The Organization has demonstrated Compliance Obligation Status	PT Nusa Prima Manunggal has provided updated	The Organization has updated the regulations and has conducted an



	<p>Monitoring. However, the documents being monitored have not been updated, where the regulations shown have been updated up to 2020 and there were regulations that are no longer in force.</p> <p>1. Clause 5.3.1.1</p>	<p>monitoring documents for legal obligations (legal requirements and other requirements) and coordinated with the head office and carried out regular internal audits.</p>	<p>evaluation of its compliance. The results of the evaluation of regulatory compliance for Semester 2, July-December 2024 are as follows:</p> <p>Comply: 97.8%; Partial Comply: 1.9%; Not Comply: 0.3%</p>
3	<p>The Organization has presented the 2023 TBT Boundary Security and Maintenance Implementation Report but cannot show proof of submission of the report to the relevant agencies.</p> <p>Clause 5.3.1.2</p>	<p>PT Nusa Prima Manunggal has provided a report on the implementation of its boundary sign security and maintenance and reported it to the relevant agencies.</p>	<p>The Organization has carried out maintenance of concession boundaries and has reported to the Head of the Forest Area Improvement Center for Region XIX Pekanbaru with Letter No. 01a/NPM-HO/I/2025 dated January 10, 2025 regarding Submission of the results of maintenance and security of the boundaries of the PBPH PT Nusa Prima Manunggal work area in 2024.</p>
4	<p>The Organization has carried out internal audit activities that cover several standards but does not yet include the IFCC ST 1001:2021 Standard. The internal auditors have not taken internal audit training on IFCC Standard ST 1001:2021.</p> <p>Clause 8.2.1</p>	<p>PT Nusa Prima Manunggal has made a proposal to increase the internal auditor competency of IFCC ST 1001: 2021 in 2024.</p>	<p>Internal Audit has been conducted by the IMS Team of PT Riau Andalan Pulp and Paper at PT Nusa Prima Manunggal on May 27-31, 2024 with the scope: ISO 14001: 2015, ISO 45001: 2018, PHL, IFCC ST1001: 2021, SFMP 2.0, SMK3, SGLS and FSC FM. Auditors: KH, JY, RA, EJ, MK</p> <p>In 2024, PT Nusa Prima Manunggal has sent 2 participants to the IFCC SFM Auditor training.</p>
5	<p>The Organization has implemented a Management Review, but its scope was limited to OHS 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.</p> <p>Clause 8.3.1</p>	<p>PT Nusa Prima Manunggal has carried out management reviews in accordance with the clauses and carried out regular internal audits.</p>	<p>On December 22, 2024, PT Nusa Prima Manunggal conducted its Management Review at the company office in Pangkalan Kerinci. The meeting covered a comprehensive set of topics to assess the Organization's forest and environmental management efforts, along with health and safety (K3) practices.</p>

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

The result of Recertification Audit was no non-conformity. The Organization manages its operation effectively.



Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00040/III/2018 is valid until 11/03/2028, provided that PT Nusa Prima Manunggal maintains its Surveillance schedule and does not have potential major non-conformity at the next Surveillance.