

# Public Report Sustainable Forest Management System

Ownership of this report and the information contained within remain  
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 ADINDO HUTANI LESTARI

**TOTAL HECTARES:** 123,182

**SCOPE OF REGISTRATION:** Sustainable Forest Management of 123,182 hectares of Plantation Forest in North Kalimantan Province

**STANDARD/CRITERIA:** IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

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

**AUDIT START DATE:** 24 May 2024

**AUDIT END DATE:** 29 May 2024

**LEAD AUDITOR:** Andri Wibisono

**AUDIT TEAM:** Riyadi Sigit Pamungkas

Qodly Zaka Syahtriawan

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

**SIGNATURE:**

**SIGNATURE:**

**SIGNATURE:**

**MAJOR CARS: 0**

**MINOR CARS: 2**

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
HO PT Adindo Hutani Lestari	Jl. Raja Panditha No. 88 B, RT. V, Kecamatan Malinau Hulu, Malinau Kota, Kabupaten Malinau, Provinsi Kalimantan Utara, Indonesia	24 May 2024
Estate Sesayap	Sesayap- Sekatak, Tanjung Palas Utara, Sesayap, Sesayap Hilir, Kabupaten Bulungan, Tana Tidung	25 to 26 May 2024
Estate Sembakung	Sembakung - Malinau Utara, Sebuku, Lumbis, Sembakung, Sembakung Atulai, Kabupaten Malinau, Nunukan	27 to 29 May 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	
Estate Sebakis	Sebakis - Sebuku, Sembakung, Nunukan, Kabupaten Nunukan	

#### Brief Description of the concession

PT Adindo Hutani Lestari has a Forest Utilization Business Permit (PBPH):

1. Timber Forest Product Management Business Permit (IUPHHK) through the Decree of the Minister of Forestry No. 88/Kpts-II/1996 dated 12 March 1996 with a concession area of approximately 201,821 Ha.
2. Decree of the Minister of Forestry Number 935/Kpts-II/1999 dated 14 October 1999 concerning the determination of the working area of PT Adindo Hutani Lestari with a boundary length of 799,249.50 meters with an area of 191,486.90 Ha.
3. Decree of the Minister of Environment and Forestry No. 703/Menlhk/Setjen/HPL.0/9/2021 dated 13 September 2021 concerning Amendment to the second Decree of the Minister of Forestry No. 88/Kpts-II/1996 dated 12 March 1996 with a concession area of approximately 201,821 Ha. The working area became 181,437 Ha.
4. Decree of the Minister of Environment and Forestry No. 1454/Menlhk/Setjen/HPL.0/12/2021 dated 31 December 2021 concerning Permits for Forest Utilization (PBPH) for PT Adindo Hutani Lestari with an area of 181,437 Ha. There was a change in the nomenclature of IUPHHK-HT to PBPH.

There was a change in the Forest Utilization Business Work Plan (RKUPH) with a period of 10 years from 2017 to 2026 which is approved based on the Decree of the Minister of Environment and Forestry Number: 7910/MenLHK-PHL/PUPH/HPL.1/8/2023 dated August 1, 2023. The layout of 181,437 ha of PT Adindo Hutani Lestari based on the RKUPH is 128,476 ha (70.81%) of Cultivation Area, and 52.961 ha (29.19%) of Protected Areas. There are non-IFCC areas based on SK.703/Menlhk/Setjen/HPL.0/9/2021 dated 13 September 2021 of 58,255 Ha. These areas were converted from natural forest above 31 December 2010. The areas are spread in Sembakung Sector of 19,801 ha, Sebakis Sector of 11,617 ha, and Sesayap Sector of 26,837 ha. Thus, the IFCC certified area changed from 123,772 ha to 181,437 Ha - 58,255 Ha = 123,182 Ha

Administratively, PT Adindo Hutani Lestari is in Regencies of Nunukan, Malinau, Tana Tidung, and Bulungan. It divides its working area into three (3) operational sectors, namely Sectors of Sesayap, Sebakis, and Sembakung. The details of each sector are as follows:

- Sector Sesayap; geographically located at 03°05'18,09" to 03°41'27,00" North and 116°53'02,76" to 117°16'29,55" East. It is included in District of Sekatak, Tanjung Palas Utara, Sesayap, Sesayap Hilir, Regency of Bulungan and Tana Tidung. It has an area of 43,827 ha and being planted with *Eucalyptus pellita* and *Acacia crassicaarpa*. The boundaries of the sector are Sesayap River and PT Sanjung Makmur to the north, PT. Bulungan Surya Mas, PT. Citra Sawit Lestari to the south, PT. Sanggam Kahuripan Indonesia to the east, and PT Intraca and PT Sanjung Makmur to the west.
- Sector Sembakung; geographically located at 03°31'53,89" to 04°02'28,41" North and 116°30'19,09" to 117°10'14,46" East. It is included in District of Malinau Utara, Sebuku, Lumbis, Sembakung, Sembakung Atulai, Regency of Malinau and Nunukan. It has an area of 63,766 ha and being planted with *Eucalyptus pellita* and *Acacia crassicaarpa*. The boundaries of Sector Sembakung are PT. BHP and PT. Comismar PT. Inhutani to the north, PT. Persada Kecana to the south, Sebakis Sector to the east, and PT. Wana Adiprima Mandiri to the west.
- Sector Sebakis; geographically located at 03°59'05,18" to 04°09'23,30" North and 117°02'01,17" to 117°21'16,07" East. It is included in District of Sebuku, Sembakung, Nunukan, Regency of Nunukan. It has an area of 16,179 ha and being planted with *Eucalyptus pellita* and *Acacia crassicaarpa*. The boundaries of this sector are PT. Pohon Emas Lestari, PT. Nunukan Jaya Lestari and PT. Karangjuang Hijau Lestari to the north, forest to the south, river to the east, and Sembakung Sector to the west.

This Transition to IFCC ST 1001:2021 + Surveillance 2 Audit sample sites were in Sesayap and Sembakung Sectors.

The condition of the working area of PT Adindo Hutani Lestari is both dry soil and peat.as for its general working area conditions:

- Topography is flat to very steep (0-8%),

- Altitude at 75-280 meters above sea level,
- Soil types include Alluvial, Podzolic, Plintik, Gleisol, Organosol, Cambisol,
- Geology includes New (fresh) river deposits, Rhyolite, Andesite, Dolorite, Basalt, Alluvial, Gleisol hydrik, Mud, Silt, Marl, Pendotite, Likenit, Sandstone, Peat,
- Climate classification includes Type A climate,
- The highest rainfall of 650.57 mm/year and the lowest rainfall of 87.4 mm/year,
- River Basin Areas (DAS) are Sebakis Watershed, Sebuku Watershed, Sekatak Watershed, Sekatak Bengara Watershed, Sembakung Watershed, Sesayap Watershed and Tabur Watershed.

The production plants developed are *Acacia mangium*, *Acacia crassicarpa*, and *Eucalyptus* sp. *Acacia crassicarpa* is planted in areas of peat and areas of transition from minerals to peat. Meanwhile, *Acacia mangium* and *Eucalyptus* sp. are planted in mineral/dry soil areas.

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

PT Adindo Hutani Lestari is surrounded by local community and customary law community. There are some tribes that exists surrounded the company, these are Suku Dayak Agabag, Suku Dayak Punan, Suku Dayak Belusu, and Suku Dayak Tidung. According to the village officials, the livelihoods of villagers around the company are as farmers, workers, traders, fishermen, employees/civil servants, and others.

The organization has made conflict resolution efforts with surrounding communities. Based on the conflict resolution report, there is a decrease in claims every year. The conflict resolution process carried out by the organization is applied based on the conflict resolution SOP. There are still some social conflicts within the concession, but the organization takes persuasive action to achieve results that are in accordance with the rules and laws. This year, the organization has carried out socialization activities and Corporate Social Responsibility funding to the village community.

PT Adindo Hutani Lestari has an Addendum to the cooperation agreement with the village community in the form of forest management with the community and the Community with Fire Awareness. Cooperation of livelihood plants with surrounding villages has been carried out since 2023 with *Acacia* plant. This was confirmed by the relevant village officials during the interview. This cooperation is carried out by providing economic benefits to the community. In this case, the agreement is affirmed for both parties to guarantee each other and maintain the safety of the crop as well as to be responsible for existing social problems.

The organization has undertaken social obligations to the community through CSR and CD programs. Based on the CSR/CD plan submitted, the realization of CSR/CD has been achieved and exceeds the nominal of the plan for 2023. The realization of CSR/CD that has been done is non-physical and physical assistance. Non-physical programs include educational assistance in the form of college scholarships, research scholarships, educational facilities assistance and other learning support. Not only the aspect of education, but there is assistance in health aspects, namely counseling, services, free health, and medical assistance. Physical assistance programs include those in the fields of Fisheries, Livestock, mosque rehabilitation assistance, churches, sports facilities assistance, indigenous facilities to clean water assistance. Other programs provided are institutional development such as religious holidays safari, customary institutional development, small and medium business counseling in several villages, business partnerships to increase the capacity of partners through training to conflict management programs.

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



The organization has made various efforts to improve the health and vitality of forest ecosystems through environmental monitoring activities and identifying HCV and HCS values. In fulfilling this commitment, PT. Adindo Hutani Lestari implemented a policy to stop land clearing (Land Clearing Moratorium Letter) and planting on new land before integrated HCV-HCS assessment activities and an Integrated Conversation and Land Use Planning (Integrated Conversation and Land Use Planning) have been implemented, completed or finalized by HCVRN.

In vegetation management, PT Adindo Hutani Lestari made several efforts to preserve the diversity in the concession. Flora management is carried out both in protected/conservation areas and in production areas. Management of production areas is done by marking trees that are protected both from government regulation and local communities, in protected areas/conservation is done by vegetation analysis activities.

In the management of terrestrial fauna, PT Adindo Hutani Lestari conducts several management in each region. In protected areas, several fauna/wildlife plots are managed simultaneously with vegetation analysis plots, while in production areas, management is carried out in the form of fauna/wildlife monitoring plots. Other efforts are; installing a board prohibiting hunting of protected animal fauna to monitor protected areas; allocate the monitoring plots of wildlife in production area. As for Proboscis Monkey species (*Nasalis narvatus*) which are endemic to the island of Kalimantan, the environment section of Sesayap Estate carries out monitoring in the Block G Protected Area of Sengkong Estate, Sesayap Village. The animal is a protected animal according to the Indoneisan law, based on the IUCN Redlist, it is in the Endangered category, included in CITES Appendix I.

In preventing and early detection of forest and land fires, PT. Adindo Hutani Lestari made several efforts, namely:

- building a fire tower,
- prevention in accordance with P. 32 of 2016 on forest and land fires and the procurement of fire fighting equipment,
- build a water station and water point inside the company area,
- create signboard, leaflets, and banners for the community about the dangers of forest and land fires,
- conduct counseling to the community about the dangers of forest and land fires and form a Community with Fire Awareness,
- training and forest and Land Fire Control Task Force conducted every 1 year.

### Results of the Public Consultation

Prior to undertaking the Transition to IFCC ST 1001:2021 + Surveillance 2 Audit, PT Acube TIC International conducted Public Consultation commencing April 1, 2024, which asked stakeholders to provide feedback and information on PT Adindo Hutani Lestari. The public consultation was uploaded to the PT Acube TIC International website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to related parties via email or postal mail, and announced in local newspapers.

PT Acube TIC International received no input from stakeholders during the public consultation. The audit team also collected information from the mass media about PT Adindo Hutani Lestari, such reported cases being given material consideration in the audit process conducted by PT Acube TIC International.

PT Adindo Hutani Lestari has identified all necessary requirements for this certification process, comprising legal aspects that include compliance with international regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 123,182 ha.

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

The results of the Surveillance 1 Audit at PT Adindo Hutani Lestari are 6 (six) non-conformities of Minor categories. The non-conformities has been verified and closed.

No	Non-Conformities	Corrective Action Performed at Surveillance 1	Closed Out audit Surveillance 2 of 2024	Category
----	------------------	---	---	----------

1	<p>Planting activities were carried out without a Micro Planning Plantation (MPP) map and there was no MPP marking in the field.</p> <p>Indicator I.4.3</p>	<p>Organization has made improvement of planting activities by adding a Micro Planning Plantation (MPP) map to facilitate field supervision and marking according to the MPP map that has been made. They carry out socialization of SOP and direction to field supervisors as well.</p>	<p>The verification results on planting activities have used MPP (Micro Plan Plantation) maps.</p>	Minor
2	<p>There were many parameters in the Harvesting Check Sheet (LPH) that were not appropriate. Some of the condition in the field did not match the check sheet as well. The results of monitoring from LPH will be used as evaluation material for improvement in subsequent harvesting activities.</p> <p>Indicator I.4.4</p>	<p>Organization conducts outreach and awareness to all field supervisors (foremen) and assistants. Particularly in logging activities to be more optimal in monitoring operational activities.</p>	<p>The results of field verification parameters on the harvesting check sheet are in accordance with the standard.</p>	Minor
3	<p>There are mismatches in the activity of making and measuring the Permanent Sample Plots (PSP):</p> <ol style="list-style-type: none"> <li>1. Soil sampling was not carried out.</li> <li>2. The marking of PSP plot boundaries in Sesayap Sector and Sebakis Sector is not uniform. The sorting of wood for marking PSP plot boundaries in the Sebakis Sector was bigger than in the Sesayap Sector.</li> </ol>	<p>The Organization has performed:</p> <p>Taking sample soil to be tested.</p> <p>Uniform the PSP boundary marking in all Sector according to SOP, as well as adjusting and standardizing the timber sorting made for marking the boundaries of PSP plots in each Sector.</p>	<p>The Organization has carried out soil sampling in PSP plots and the plot boundaries are uniform.</p>	Minor



	Indicator I.5.2			
4	Some SKSHHK timber transport documents are not accompanied by the supporting documents that provide information on the plots of the origin of the timber being transported. The wood cannot be traced to the smallest management level/cutting plot. The IFCC Timber Traceability System is not available in any SOP. This is not in accordance with the SOP of Wood Administration.  Indicator III.2.1	The Organization has performed: 1.Made revision of SOP: AHL-WSH-0009-PR related to the timber traceability system IFCC claims. 2.Socialization of the SOP and direction to supervisors.	The transport document timber has been equipped with a loaded timber cargo attachment containing information plot of timber origins. The SOP document has been revised.	Minor
5	The weighing post building at the Sesayap Sector needs to be repaired.  Indicator I.11.8	The Organization has prepared a development plan (timeline) and RAB for the construction of a weighing post at the Sesayap Sector. As well as conducting regular monitoring and evaluation of all company assets.	The weighing post has been built.	
6	There are chainsaw workers who did not wear complete PPE such as face shield, ear plug, and saw cap.  Indicator I.12.4	The Organization has planned to provide PPE (helmets, face shields, earplugs, gloves, saw caps and safety shoes) according to the requirements in the SOP for workers, especially for the chainsaw men. As well as monitoring and evaluating as well as inspecting the use of PPE on a regular basis.	The results of field visits on the progress harvesting activities were, workers have used standard PPE and the recording results on LPH have used standard PPE.	Minor

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

The result of this audit was two non-conformities on minor category. The Organization has made improvements, and the non-conformities are closed.

No.	Non-Conformities	Corrective Action Performed	Category
-----	------------------	-----------------------------	----------



1	<p>During field verification at harvesting camp, there was only an open restroom built on a river stream. There was no proper restroom. There was no containment/container and sawdust to prevent the generator oil spill.</p> <p>Indicator 5.3.4.</p>	<p>Organization has rebuilt a proper restroom and provide sawdust to prevent oil spills from generators.</p>	Minor
2	<p>Organization has a SOP of timber harvesting of plantation forests in mineral soil, but the SOP was not including the procedures for harvesting with a full mechanical system. During harvesting, the under-brushing activities were not carried out, even though the condition of the bushy plot, and the parameters in the harvesting check sheet (LPH) have not been adjusted.</p> <p>Indicator 7.1.1</p>	<p>Organization has revised the SOP and Work Instruction of harvesting timber from forest plantations in mineral soil related to harvesting with a full mechanical system.</p>	Minor

### Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00060/V/2022 is valid until August 28, 2025, provided that PT ADINDO HUTANI LESTARI 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.