

# 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 EKAWANA LESTARIDHARMA

TOTAL HECTARES: 10,982.56

SCOPE OF REGISTRATION: Sustainable Forest Management of 10,982.56 hectares of Plantation Forest in Riau Province

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Transition to IFCC ST 1001:2021 + Surveillance 1 Transfer Audit

AUDIT START DATE: February 27, 2024  
AUDIT END DATE: March 1, 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:

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED including countries	DATE OF EACH SITE VISIT:
Head office	Jl. Dr. Sutomo No. 62, Pekanbaru, 28141, Riau	February 27, 2024
Site	Kecamatan Dayun, Kabupaten Siak, Provinsi Riau	February 28 to March 1, 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 Ekawana Lestaridharma initially received a forest utilization permit from the Minister of Forestry Decree No. 733/Kpts-II/1997, December 1, 1997, concerning the Granting of IUPHHK-HTI to PT Ekawana Lestaridharma for a Production Forest area of approximately 9,300 Ha in Riau Province. PT Ekawana Lestaridharma has done an Arrangement of Own Boundaries and Work Area Associations with a Boundary Arrangement Report No. LP.011/BPKH.XIX/PKH/-/8/2016 on August 9, 2016. The area of PT Ekawana Lestaridharma changed to an area of 10,982.56 Ha due to this boundary arrangement. In 2021, there was a Forest Utilization Business Permit (PBPH) namely the Decree of the Minister of Environment and Forestry No SK 825/MenLHK/Setjen/HPL.0/9/2021 dated 21 September 2021 of 10,982.56 Ha. In this decree, there is a change in nomenclature from IUPHHK-HT to PBPH. There was no conversion of natural forest to plantation forest after December 31, 2010, thus, the entire work area is certified by IFCC.

PT Ekawana Lestaridharma has a long-term management plan in the form of an RKUPH (Forest Utilization Business Work Plan) document which was approved based on Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK 4865/MenLHK-PHL/PUPH/HPL.1/4/2023 dated April 18, 2023 concerning the Changes to the Forest Utilization Business Work Plan (RKUPH) for the 10 (Ten) Years of Period of 2018 to 2027 on behalf of PT Ekawana Lestaridharma in Riau Province. The arrangement of work areas based on the RKUPH Amendment 2023 document is as follows:

- 1) Protected Area and Conservation of Wild Plants and Animals of 3,288.56 Ha (29.94%) which consists of River Border area of 96 Ha (0.87%), KPPN (Germplasm Protection Area) of 300 Ha (2.73%), KPSL (Wildlife Protection Area) of 50 Ha (0.46%), Zamrud National Park Border of 2,233.69 Ha (20.34%), and Other Protected Areas of 608.87 Ha (5.54%).
- 2) Cultivation area of 7,694 Ha (70.06%) consists of Area of Wood Plantation Utilization of 6,684 Ha (60.86%), which divided into self-management pattern of 6,633 Ha (60.40%) and a partnership pattern of 51 Ha (0.46%); Utilization of NTFPs with a forestry partnership pattern of 758 Ha (6.9%); and infrastructure and facilities of 252 Ha (2,3%).

The work area of PT Ekawana Lestaridharma in terms of government administration is located at Dayun Subdistrict, Mempura District, Siak Regency, Riau Province, Indonesia. There are three assisted villages by this Organization, namely Dayun Village, Benteng Hulu Village and Benteng Hilir Village. It is geographically located at 0° 40' 0" to 0° 46' 0" North and 102° 2' 0" to 102° 10' 0" East. The area boundaries of PT Ekawana Lestaridharma are:

- North: PT Arara Abadi.
- South: PT Chevron.
- East: Suaka Margasatwa Besar and Pulau Besar Lake.
- West: community land.

Based on the Forest and Water Area Map, the forest function of the working area consists of Permanent Production Forest (HP) of 9,402.25 ha and KSA/KPA (Natural Reserve Area/Natural Conservation Area) of 1,580.31 Ha. The general condition of the work area is secondary swamp forest type with a flat topography (0-8%). It is located at an altitude of 2-5 meters above sea level with organosol soil type and formed by the geology of old surface deposits 61%, young surface deposits 39%. The climate type is A (Schmidt Ferguson) with the highest rainfall in October and the lowest is in August. The species of plant developed is *Acacia crassicarpa*.

Based on the Decree of the Minister of Environment and Forestry Number SK.5398/MENLHK-PPKL/PKG/PKL.0/6/2019 concerning Determination of a Corrected 1:25,000 Scale Peat Ecosystem Function Map and Peat Dome Peak PT Ekawana Lestaridharma on June 13 2019, the following Organization Submitting the Peat Ecosystem Recovery Plan Document based on the direction of the RKU Based on the Peat Ecosystem Function Map via the letter of the Director of PT Ekawana Lestaridharma Number 071/EL/PKU-VII//2020, dated 21 July 2020 regarding the Proposed Document for Adjusting the

Peat Ecosystem Recovery Plan. There are peat dome peak area covers a total area of 2,693.67 Ha which spread over KPPN of 294 Ha, buffer zone of 2,231.69 Ha, and Other Protected Areas of 176.98 Ha.

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

There are no Indigenous Peoples in the Organization's concession based on the 2024 Social Impact Assessment Report. Furthermore, according to Social Impact Assessment 2024 report, most of the livelihoods of residents are in the agricultural sector, others are employees, labours, entrepreneurs, traders, craftsmen, civil servants, health workers, teachers.

PT Ekawana Lestaridharma has made efforts to resolve complaints and disputes with local communities and workers. Based on the Potential Mapping and Conflict Resolution Report, the resolution mechanism that can be implemented is in three ways, namely Formal Legal, Partnership Collaboration, and Welfare Approach through CD/CSR programs. According to two head of villages, currently there are no longer any claims in the concession. The Organization has resolved claims within the concession through a deliberation mechanism with claimants and involving local village governments.

PT Ekawana Lestaridharma has been collaborating on livelihood plants since 2016. In 2023, there was evidence of the handover of the value of the benefits of livelihood plants to three villages around the Organization. There is evidence of the attendance list and documentation of the handover of livelihood plants value of the benefits.

PT Ekawana Lestaridharma has encouraged the creation of long-term health and prosperity for the surrounding community. Based on the Community Development Program 2023 Report, the programs carried out are 225% of the planned covering the fields of education, religion, economy, social facilities, youth, and sports. The activities carried out are school education support, mosque building materials, empowerment of village MSMEs, Tonggal River canal washing, assistance for landfill renovation, sports equipment assistance.

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

The Organization has carried out appropriate maintenance or improvement of forest resources and their contribution to the global carbon cycle with the following activities:

- Carrying out positive climate practices in forest management activities includes monitoring weather (temperature, CH and temperature), monitoring ambient air quality, identifying sources of greenhouse gas emissions and estimating high carbon stock.
- The Organization identifies land cover and periodically carries out aerial monitoring.
- Do not carry out land conversion, deforestation or afforestation on non-forest ecosystems.
- Allocating protected areas to areas that have ecologically important functions by arranging work areas in accordance with the RKUPH is Protected Areas and Conservation of Plants – Wild Animals.

PT Ekawana Lestaridharma has maintained the healthy vitality of forest ecosystems with the following steps:

- Establish operational standards that support the maintenance of adequate genetic, species and structural diversity to improve the health and vitality of forests against adverse environmental factors and strengthen natural regulatory mechanisms.
- Arrangement and maintenance of protected area boundary markers. Arranging area boundaries can help Organizations carry out operations so that they do not damage the forest ecosystem which plays an important role.

- Identification of land cover is carried out periodically. Based on the interpretation of the Landsat image of August 23 2023, it shows that more than 80% of the land cover is still forested and there are no degraded areas.
- Enrichment of food plant species. To support increasing the benefits of natural structures and processes, the Organization established a Natural Sapling Nursery which is used as a place to develop natural saplings from local species for the enrichment of food plant species in protected areas.
- Monitoring pests and diseases with an integrated pest and disease management system.
- To protect genetic, species and structural diversity in these protected areas, the Organization does not use genetically modified species.
- The Organization does not use fire for forest management practices as stipulated in the RKUPH PBPH Decree and is carried out in accordance with the implemented SOP.
- Identifying and monitoring disturbances in sustainable forest management.
- The Organization has carried out forest protection activities through aerial monitoring of changes in land cover, security, and area patrols.
- Develop and implement Documented Procedures for waste management including B3 waste (Hazardous and Toxic Materials). The Organization determines documented procedures.
- Manage chemical pesticide management in the field with documented procedures and MSDS. No type of pesticide was found which is prohibited by international agreements as intended in the Stockholm Convention on Persistent Organic Pollutants.
- Has implemented forest protection measures against fire hazards.
- In the work area there are no livestock grazing activities by the community and the use of NTFPs is monitored by the Forest Protection team. The NTFPs used by the community are fish.

PT Ekawana Lestaridharma carries out appropriate maintenance, conservation and enhancement of biodiversity in forest ecosystems, the efforts made are:

- AMDAL Documents in accordance Forestry Department Decree, Decree Number 143/DJ-VI/AMDAL/97 dated 30 October 1997. Identifying and inventorying protected, endemic, rare and threatened/endangered flora and fauna in the concession area. The implementation of environmental management and monitoring each semester is presented in Semester Report on Implementation of Environmental Permits, Vegetation Analysis Observation Survey, Wildlife Monitoring (Encounter Method) and public summary for 2023.
- Allocation of Protected and Wild Animal Conservation Area. The Organization has encouraged the improvement and restoration of ecological connectivity with its contribution to the management of National Parks and the functioning of peat ecosystems.
- Identify key species along with their habitats and migration patterns. Based on the results of monitoring flora and fauna in 2023, no key species were found in the PT Ekawana Lestaridharma work area.
- Controlling pressure from animal populations that disrupt forest regeneration and growth with patrol activities, installing warning and prohibition signboards, as well as socializing the prohibition on making animal snares, posting warnings regarding the presence of animals and establishing a team to handle conflicts with wild animals according to the Organizational Structure of the wildlife conflict management team .
- Carrying out maintenance and harvesting operational activities that do not cause permanent damage to the ecosystem, namely by controlling weeds manually and semi-manually (using herbicides), maintaining canals and roads, applying Reduce Impact Logging (RIL) and avoid falling into protected areas during harvesting, use of appropriate equipment and integrated supervision to minimize soil damage and damage to remaining stands, HQA and RWA assessment to ensure that the activity is in accordance with harvesting procedures on peatlands, Do not use pesticides or chemicals in protected areas, forest protection and disturbance patrols,
- Carry out Eradiction is the mechanism used by PT Ekawana Lestaridharma to overcome species introduction.

### Results of the Public Consultation



Prior to carrying out the Transition to IFCC ST 1001:2021 + Surveillance 1 Transfer Audit, PT ACube TIC International conducted a public consultation starting December 26, 2023, asking stakeholders to provide feedback and information about PT Ekawana Lestaridharma. The public consultation was uploaded to the PT ACube TIC International website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to parties by email or postal mail, and published in local newspapers.

The audit team also collected information from the mass media about PT Ekawana Lestaridharma. 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 10,982.56 hectares.

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

The results of the Recertification Audit are that there are 4 (four) non-conformities in the Minor category. These non-conformities have been closed.

No	Indicator	Findings	Closed Recertification audit	Closed Out Surveillance audit 1 in 2024
1	11.4 Major	The company cannot show the latest Bipartite LKS Ratification Decree. This is related to compliance with Law 13/2003 concerning Employment and Regulation of the Minister of Manpower and Transmigration Number Per. 32/Men/XII/2008 concerning Procedures for the Formation and Membership Structure of Bipartite Cooperation Institutions. This was a minor finding in previous audit.	Riau Province Manpower and Transmigration Service Decree Number Kpts.248/I/2023 dated January 17, 2023, concerning recording of Bipartite cooperation with contractor partner.	Riau Province Manpower and Transmigration Service Decree Number Kpts.248/I/2023 dated January 17, 2023, concerning recording of Bipartite cooperation with contractor partner.
2	12.2 Major	The company cannot demonstrate the clinic's license. This is related to the fulfillment of Minister of Health Regulation Number 71 of 2013 concerning Health Services in National Health Insurance as amended several times up to the Fourth Amendment to Regulation of the Minister of Health of the Republic of Indonesia Number 7 of 2021 concerning Fourth Amendment to Regulation of the Minister of Health Number 71 of 2013 concerning Health Services	Riau Province Manpower and Transmigration Service Decree Number KEP.12/Disnakertrans-PK/SK-P2K2/V/2023 17 May 2023 date concerning Ratification of the Implementation of Occupational Health Services at contractor partner.	Riau Province Manpower and Transmigration Service Decree Number KEP.12/Disnakertrans-PK/SK-P2K2/V/2023 17 May 2023 date concerning Ratification of the Implementation of Occupational Health Services at contractor partner.



		on National Health Insurance. This was a minor finding in previous audit.		
3	3.1 and 10.4 Minor	The company has made a CSR report every year. However, the report did not contain an analysis of the monitoring and evaluation carried out every year as material for planning for the following year.	- CD realization in 2022 PT Ekawana Ekawana Lestaridharma - CD Monitoring for 2022 PT Ekawana Lestaridharma	Already monitoring the 2023 CD program
4	9.5 Minor	The company cannot demonstrate a more comprehensive management and implementation plan in accordance with the spatial planning and regulations applicable to the conflict area in the livelihood plant area. This was a minor finding in previous audit.	Statement Letter for Concession Area Management in the Village Administrative Area No. 140/KD-SET/1535 dated 27 December 2022	Statement Letter for Concession Area Management in the Village Administrative Area No. 140/KD-SET/1535 dated 27 December 2022

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

The results of Transition to IFCC ST 1001:2021 + Surveillance 1 Transfer Audit are 1 (one) non-conformity in Minor category, the organization has made improvements.

No	Non-Conformities	Corrective Action Performed	Categories
1	<p>The implementation of pest and plant disease monitoring has been carried out by the Organization but discussions regarding these activities have not been included in the Environmental Approval Implementation Report for Semester I and Semester II in 2023.</p> <p>This was an observation in the previous audit, which stated that the report needs to be ensured to clearly contain the identification, monitoring and management of integrated pests and/or plant diseases that affect the health and vitality of the forest as stated in the UKL-UPL ratification Decree Number 143/DJ-VI/AMDAL /97 dated 30 October 1997 and the 2018 - 2027 RKUPH-PBPH Amendment document (Environmental Monitoring Plan Table).</p> <p>Indicator 8.1.1</p>	<p>The Organization will ensure that a discussion of the results of monitoring of pests and diseases is included in the Environmental Approval Implementation Report for Semester 1 of 2024. The Organization has created an outline of the Environmental Approval Implementation Report for Semester I of 2024, which includes the management of Plant Pests and Diseases.</p>	Minor



#### Conditions under which the certificate is issued

Certificate is valid until February 2, 2026, provided that PT Ekawana Lestaridharma 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 Surveillance visit. If the non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time as AJA EUROPE SRL is able to perform a closeout visit.