

Public Report Sustainable Forest Management System

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PUBLIC AUDIT REPORT - SFM

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



JOB NUMBER: AJA/IFCC-010

CLIENT NAME: PT ITCI HUTANI MANUNGGAL

TOTAL HECTARES: 161.127

SCOPE OF REGISTRATION: Sustainable Forest Management of Plantation Forest Covering 161.127 hectares in East Kalimantan Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Stage 2

AUDIT START DATE: 3 November 2015

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: 12 November 2015

LEAD AUDITOR: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Zaenal Arifin

SIGNATURE:

Taryanto Wijaya

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 19

OBSERVATIONS: 0

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (No CARs raised or CARs closed out on site):

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING OFF-SITE VERIFICATION OF CAR RESPONSES (CARs raised):

RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION FOLLOWING ON-SITE VERIFICATION OF CAR RESPONSES (CARs raised):

NON RECOMMENDATION FOR CERTIFICATION/CONTINUED CERTIFICATION (Evidence Of Major System Failure):

SELECT OPTION

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SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY (If more than 4 sites have been visited please add additional rows):	DATE OF EACH SITE VISIT:
Sector Senoni	Sebulu district, Kota Bangun district, Muara Wis district, Muara Muntai district, Tenggara district, Kutai Kartanegara Regency, East Kalimantan Province, Indonesia.	3-7 November 2015
Sector Terunen	Loa Kulu District, Penajam Paser Utara Regency, East Kalimantan Province, Indonesia	9-12 November 2015
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 (If more than 4 additional sites have been registered please add additional rows)	
Sector Sepaku	Sepaku district, Kutai Kartanegara Regency, East Kalimantan Province, Indonesia	
REF No:	ADDRESSES OF INSTALLATION SITES (CLIENT'S CUSTOMER SITES) VISITED AND NOT COVERED DIRECTLY BY THE COMPANY REGISTRATION INCLUDING COUNTRY (If more than 2 installation sites have been visited please add additional rows)	
N/A		

Brief Description of the concession and its natural and socio-economic conditions.

PT. ITCI Hutani Manunggal is a company engaged in the business of Forest Industry Plants.

PT ITCI Hutani Manunggal gets the permission of forest management with the decision letter of the Minister of Forestry of the Republic of Indonesia Number on 195/Kpts-II/1996, dated April 23, 1996. In the implementation of the company's operational Business Plans work based on the utilization of forest products timber forest crop industries (RKUPHHK-HTI), this document may be revised in the event of changes in forest management. The latest document was Revised RKUPHHK-HTI PT ITCI Hutani Manunggal Based IHMB 2012 Period of 2008 – 2017 and its attachments have been passed through the decision letter of the Minister of forestry No.: SK. 55/VIBUHT/2012 August 14th, 2012 and on the revision of the return by 2014 through SK Kepmenhut SK number 53/VI-BUHT/2014 date September 26, 2014. Implementation of short term made an annual work plan the utilization of wood forest products Business.

In forest management PT ITCI Hutani Manunggal divide the area of the works into three units, namely: management of Sector Senoni (broad 76204 Ha), Sector Sepaku (broad 43437 Ha) and Terunen (broad 41486 Ha). UM makes spatial plan/space into: 1) protected area (wide 17443 Ha), 2) Area for the production of staple crops: (broad 91887 Ha), Superior Plants (broad 19261 Ha) and Plant life (broad 20873 Ha), 3) Acreage is not for extensive production 11663 Ha

PT ITCI Hutani Manunggal geographically located between 116°25'21" - 116°52'15" and 00°23'04" - 01°06'29" LS, where borders:

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The North side: The Mahakam river was , The other uses (APL)
The South side : Road Bukit Bangkirai Penajam, Forest Production (HP), The other uses (APL)
The West side: IUPHHK-HA PT ITCIKU, The other uses (APL)
The East side: The Gulf Balikpapan, Forest Production (HP), The other uses (APL)

According to a work area administration PT ITCI Hutani Manunggal enter in two districts namely district Kutai Kartanegara dan district Penajam Paser Utara, in detail as below:

- Senoni sectors: Sub Kota Bangun, Sub Muara Muntai, Sub Muara Wis, Sub Sebulu, Sub Tenggara, district Kutai Kartanegara, East Kalimantan Province, Indonesia
- Terunen sectors : Sub Loa Kulu , district Penajam Paser Utara, East Kalimantan Province, Indonesia
- Sepaku sectors : Sub Sepaku, district Kutai Kartanegara, East Kalimantan Province, Indonesia

The physical condition of the work area PT ITCI Hutani Manunggal Have topography most ramps (44,93 %) , a flat (29,41 %) , somewhat steep (21,80 %) , steep (3,22 %) and very steep (0,64 %) . Height 0 – 800 M with Climate type A with a value of Q = 0 % - 4,3%, The average rainfall of 1,998 mm/year.

Socio-economic conditions of working area PT ITCI Hutani Manunggal spread across 28 villages with 6 districts and 2 counties. The livelihoods of the population mostly in the agricultural sector, plantations, forestry, hunting and fishing. Second-order trade, restaurants, accommodation services. In addition the mining sector and others.

PT ITCI Hutani Manunggal have done efforts to establish good relations with the local community. PT ITCI Hutani Manunggalthe company has conducted studies of the impact on the environment including the impact of the presence of the company for the local community, where the purpose of the company is to improve the welfare of the communities surrounding the forest include: income level, the improvement of social welfare, the improvement of public education.

PT ITCI Hutani Manunggal have also made the system work for the fulfillment of the rights of workers, so that the created situation and conducive work. PT ITCI Hutani Manunggal have done the analysis and create an activity for each HIRAC potential hazards, among others in the activity logging. PT ITCI Hutani Manunggal a policy on social, environmental, health and safety, established by the President Director.

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

Based on the results of the audit stage 2 in PT. ITCI Hutani Manunggal found a number of discrepancies, i.e. 19 Minor Throughout the discrepancy corrective action has been performed by the company in the field so that all of the certification process can be continued and the company has demonstrated the seriousness and commitment in sustainable forest management by means of continuous improvement actions to improve its performance.

The findings of these discrepancies, i.e. in the form of:

1. There is a lack of consistent Annual work plan Documents between Business Harvesting Forest Wood on the Forest Industry Plants (RKTUPHHK-HTI) PT Itci Hutani Manunggal with the revision of the work plan document Business utilization of forest products Industrial Plant Forest Wood (RKUPHHK-HTI) for a period of 10 (ten) years Period 2008-2017, i.e. the activity of RKTUPHHK-HTI yet no details to every sector.
2. UM PT ITCI Hutani Manunggal do not have a management model of crop Acreage Seeded. Activities performed on the stage of structuring the work area and not in the form of management.
3. In the activities of Plantation Monitoring Assessment (PMA) 6, subsequent tree label, size and color of the label on the label do not comply with IHM-PLG-1004B-SOP (PMA), Edition date 13 January 2014, Rev 3. In the SOP tree label contains information the number of trees and tall trees while the implementation, only the information that tree only number written. Likewise with the size of the label do not comply with SOP (5 x 7 cm) and the color of the label are not set in SOP.
4. Writing the label of a tree on the activities of the PUP does not comply with IHM-PLG-1008B-SOP Permanent Sampling Plots (PSP), Edition date July 22, 2013, Revision 3. In the SOP tree labels contain information number of trees, tree diameter and height of the tree, while the implementation is only limited to the number of trees only.



5. UM has not done identification and inventory forest products non wood inside the as well as the form of funds.
6. On a Tally Sheet measurements of wood is not done writing on column Volume (M3 and tonnes).
7. Some NKT area assignment does not match between the allocation of area identification of High conservation value (NKT) and realization of field sector Senoni and Terunen.
8. There were no SOP Management and monitoring of protected areas of slopes E Senoni and sector both in the sector Terunen. Verify the installation in accordance with the management of airy pal limits and patrol.
9. Fit is Less in the measurement of the parameters of the water (debit) in the inlet-outlet in the rivers that exist in the area of work both in the Senoni sector and Terunen sector.
10. No cultivation of the plant cover (cover crop) in the area-the area of the cliffs, the street that lead to the onset of erosion grooves and ditches in both the sector and Senoni sector Terunen
11. On the measurement of the activity level of vegetation structure tree and pole not done labeling (name types and plant) in both the Senoni sector and Terunen sector.
12. The number of seeds available for enrichment type than the vast acreage planted so that insufficient, enrichment type of plant using local types in both the Senoni sector and Terunen sector.
13. Report of the identification of the rights of indigenous peoples and local, but not yet available based on the specificity of indigenous peoples (sand and Kootenay) and local communities through excavations in participatory.
14. There is no identification of the existence of the indigenous peoples of the upper Kootenay, Paser and Dayak tribes and others more specifically located in 27 villages of the region PT IHM to protect their rights in social, cultural and economic.
15. Identification has not been made the amount of honey produced by Beehive, controlled, and the Division of their rights and obligations in Customary Institutions Paser Unified Etinis (LAPBE) and MoU PT IHM with 15 other groups
16. Analysis of the results has not been made socio-economic monitoring has been done by 2014 (3 villages) and 2015 (12 villages) in order to recognize the social impact,
17. Yet a viable area to identify further developed to increase the recreational value of the forest, and make steps to manage them independently or in cooperation with others.
18. Yet done a review and evaluation of several contractors that enable the helper by worker PT IHM related waging.
19. 19. repair haven't done UM against means of PUBLIC CONVENIENCES on Camp Mangga (Senoni) dan Camp Harvesting Petak I-094 (Terunen),

As for corrective actions that have been carried out by the company that is:

1. UM has made work plan 2016 (chapter IV) with details of the activities in each Sector, (general requirement, production, ecological and social).
2. UM make SOP management of Crops Seeded number: IHM-PLG-1015B-SOP publication date November 25, 2015 Rev 0 and have implemented on Estate 427 spacious compartment M, 0.9 conducted a survey of vegetation with 100% intensity.
3. UM do revision SOP IHM-PLG-1004B-SOP Plantation Monitoring Assessment (PMA). SOP revised date November 16, 2015 is 4 revisions. In section 4.5 the creation of line plot survey and marking of trees in the plot; the revision has been made for the label using a red ribbon to plot the PMA 6 and blue ribbon for PMA 18.
4. UM do revision SOP IHM-PLG-1008B-SOP Permanent Sampling Plots (PSP). SOP revised date November 16, 2015 is 4 revisions. In section 5.5 Manufacture line plot survey and marking of trees in the plot; the revision has been made: every tree in the plot is labeled (plat) containing information No tree. Other information in the form of high multiples of 5 and all diameters are written into the tally sheet.
5. UM have done identification of HHNK, logging, production, management of HHNK HHNK and made an agreement with the Community/farmer groups/joint venture of non wood forest products utilization in the area of employment PT ITCI Hutani Manunggal.
6. 6. UM do charging on a Tally Sheet complete with Wood Measurements included in the column Volume (M3 and tons) on a heap of number 3381 (LHP number 20/LHP-IHM/PHH-KK/X/2015), and a heap of number 3062 (LHP number 18/LHP-IHM/PHH-KK/IX/2015).
7. UM make letter number 242/GTR/1011/2015 date, November 10, 2005 subject application for Revision identification of High conservation value of PT IHM to Leadership TBI-Indonesia.
8. UM make SOP number IHM-MMP-6013B-SOP management of protected areas of slopes E, KPPN KPPN wetlands, dry land, the border river and KPSL; published on 10 November 2015 Rev 0.



9. Purchase of UM stopwatch, mounting the measuring sticks on the river and the Purchasing Order (PO) for GPS.
10. UM purchase seeds cover crop date, November 14, 2015.
11. UM do the labeling on the tree. Coordinate measurement and mapping (trees and poles) has not been created.
12. UM make Target Enrichment Planning on burning in the conservation area of the former Sector Senoni acre 60.6 Ha. The planned seed 6060 rod with local types.
13. UM would carry out studies of the identification of the existence of customary law Community, local wisdom, and customary law Community in the area of Concessions PT IHM Kalimantan Timur by Foundations Bioma planned December 2015 s / d march 2016 .Have been made a proposal and skeleton reference by bioma foundation for the planned its implementation.
14. UM will carry out the study of the identification of the existence of customary law Community, local wisdom, and customary law Community in the area of Concessions PT IHM Kalimantan Timur by foundations Bioma planned December 2015 until march 2016 .Have been made a proposal and skeleton reference by bioma foundation for the planned its implementation.
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16. UM will carry out the study of the identification of the existence of customary law Community, local wisdom, and customary law Community in the area of Concessions PT IHM Kalimantan Timur By Foundations Bioma planned December 2015 until march 2016 .Have been made a proposal and skeleton reference by Bioma Foundation for the planned its implementation.
17. UM report local recreational Potential Identification PT ITCI Hutani Manunggal Years 2015.
18. UM doing meetings with PT Nusa Citra Rayaon 20 November, 2015 for clarification of system related waging against workers. Documentation in the form of a Photo of the meeting, a list of the present, and the list of Premium Carriers Period September 2015. There is no worker his wages under the UMR/UMK.
19. UM make improvements repairs means sanitary facility at Camp Mango (Senoni) and Camp swaths of Harvesting I-094 (Terunen), with evidence of photo repair process and results improvement.

The entire corrective actions carried out seriously by companies supported by some evidence or action plan in the framework of the fulfillment of all requirements of the standard IFCC.

PT ITCI Hutani Manunggal in doing a sustainable forest management standard IFCC has been working hard to meet all the requirements in the standard IFCC ST 1001:2014. Some of the main issues that arises is related with the environment management of forest fire disaster and land as well as related social issues management of plant life.

Conditions under which the certificate is issued

The certificate is valid until 12/11/2018, indicating that the PT ITCI Hutani Manunggal complete all corrective actions have been in accordance with the timetable proposed in response to their corrective actions and the expectation is at the time of the audit done surveillance will be successful.