

Public Report Sustainable Forest Management System

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CLIENT NAMES: PT ACACIA ANDALAN UTAMA

TOTAL HECTARES: 37,065.70 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 37,065.70 hectares of Plantation Forest in East Kalimantan Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

START DATE AUDITS: February 15, 2021



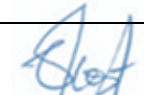
END DATE AUDITS: February 18, 2021

LEAD AUDITOR: Andri Wibisono

TEAM AUDITS: Abdullah Mujahid

Warsito

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

SIGNATURES:	
SIGNATURES:	
SIGNATURES:	

MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Acacia Andalan Utama	Kembang Janggut District, Kutai Kartanegara Regency, East Kalimantan Province – Republic of Indonesia	15 -18 February 2021
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 Management Unit has IUPHHK-HTI based on the Decree of the Minister of Forestry No. 87/Menhut-II/2007 dated March 22, 2007 concerning the Granting of a Business Permit for the Utilization of Timber Forest Products in Industrial Plantation Forests to PT Acacia Andalan Utama for a Production Forest Area of ± 39,620 (thirty nine thousand six hundred twenty) Hectare in Kutai Kartanegara Regency, East Kalimantan Province.

Furthermore, the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.640/MenLHK/Setjen/HPL.0/12/2018 dated December 31, 2018 concerning Changes Decree of the Minister of Forestry No. 87/Menhut-II/2007 dated March 22, 2007 concerning the Granting of a Business Permit for the Utilization of Timber Forest Products in Industrial Plantation Forests to PT Acacia Andalan Utama for a Production Forest Area of ± 39,620 (thirty nine thousand six hundred twenty) hectares in Kutai Kartanegara Regency, East Kalimantan Province. The working area is ± 38,880 Ha (HP=37,731 Ha, HPK= 1,124 Ha, APL = 25 Ha).

Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.892/MenLHK/Setjen/HPL.0/10/2019 dated October 18, 2019 concerning the Determination of Work Areas for Business Permits for Utilization of Timber Forest Products in Industrial Plantation Forest of PT Acacia Andalan Utama of ± 38,879.70 ha (thirty eight thousand eight hundred seventy nine and seventy per hundred hectares) in Kutai Kartanegara Regency, East Kalimantan Province.

In carrying out its operations, the company refers to RKUPHHK-HTI document which was ratified based on the Decree of the Minister of Environment and Forestry Number SK 1054/MenLHK-PHPL/UHP/HPL.1/3/2018 dated March 07, 2018 concerning Approval of the Work Plan for the Utilization of Timber Forest Products in Industrial Plantation Forest (RKUPHHK-HTI) for a Period of 10 (Ten) Years of 2018 to 2027 on behalf of PT Acacia Andalan Utama in East Kalimantan Province. For the short term, the RKTUPHHK-HTI referenced for the annual plan.

There was conversion of natural forest to plantation forest above December 31, 2010 of 1,821 Ha. After the latest Determination of the Work Area of the Business Permit for the Utilization of Timber Forest Products in the PT Acacia Andalan Utama Industrial Plantation Forest of ± 38,879.70 ha, resulting in the conversion area being 1,814 Ha (7 Ha out of the working area). Thus, the certified area is 37,065.70 ha.

Spatial planning based on RKTUPHHK-HTI is divided to Local Protected Areas and Other Protected Areas of 4,113 Ha (10.38%), Staple Plants area of 25,794 Ha (65.10%), Livelihood Plant area of 9,713 Ha (24.52%), with a total of 39,620 Ha (100,00%). Local Protection Areas and other Protected Areas of 4,113 Ha (10.38%), consisting of Wildlife Protection Area (KPSL) of 1,143 Ha (2.88%), Germplasm Protection Area (KPPN) of 528 Ha (1.33%), River Border of 2,442 Ha (6.16%).

PT Acacia Andalan Utama is geographically located at coordinates 00°03'29" to 00°09'18" South and 115°59'10" to 116°17'13" East. Based on government administration, it is located in Kembang Janggut District, Kenohan District and Muara Wis District, Kutai Kartanegara Regency, East Kalimantan Province. Territory boundaries are:

- North: Ex-HPH PT Limbang Ganesa/ (HTI) PT Sylva Rimba Lestari;
- East: HPH PT Jaya Timber Trading;
- South: Ex-HPH PT Marimun Timber Industri (Palm Oil Plantation PT Manunggal Adi Jaya);
- West: Ex. HPH PT Limbang Ganesa (HTI) PT Sendawar Adhi Karya.

The topography of PT Acacia Andalan Utama is mostly flat (33,076 ha), sloping (6,429 ha) and slightly steep of 115 Ha. The altitude is at 0-100 m above sea level. The average rainfall ranges from 122.59 – 267.32 mm between November and April. The lowest monthly average temperature is 23.4°C with the coldest temperature in February and August around 22.9°C and the highest monthly average temperature of 32.2°C with the hottest temperature occurring in February around 32.9 °C. Geologically formed by Qa (alluvial deposits), Ten (Nyaan Vulcanics), Tmbp (Balikpapan

Formation), Tpkb (Kampung Baru Formation). The rivers in the working area are Mongoh river, Telihan river, Gerinding river, Berambai river and Enggelam river.

The species of plants cultivated are *Acacia mangium*, *Acacia crassicarpa* and *Eucalyptus* sp.

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

The Management Unit has conducted a Social Impact Study (SDS) which documents the socio-economic conditions of the community around the concession area (community livelihoods, health, education, environment) and analyzes the social impacts of the company's activities and presence in this community.

PT Acacia Andalan Utama has collaborated with the surrounding community as stated in the forest management cooperation agreement document signed with the community in connection with life plants, the Desa Makmur Peduli Api (DMPA) program, and the establishment of the Community with Fire Awareness (MPA).

There is CD/CSR program plan documents for 2020 covering the fields of: economy, education, health, socio-culture, and infrastructure. Programs that are realized in the program consist of activities: Economic Aspects, Educational Aspects (assistance between socialization of the dangers of drugs, aid for school books), health aspects (free treatment, free cataract surgery, and fogging), Socio-cultural aspects (sacrificial animals, celebration of religious holidays), and Infrastructure Aspect (creation of Final Disposal Area (TPA), repair of market footprints and repair of roads and bridges).

PT Acacia Andalan Utama has prepared a report on the results of conflict mapping and conflict resolution, the latest of which was reported to the Head of the East Kalimantan Provincial Forestry Service in 2020, accompanied by a map of the conflict area. There is a recording of meetings with stakeholders in an effort to resolve conflicts that were carried out in 2020 with the Village community.

Description of the ecological conditions of the concession

The Management Unit has carried out Forest Ecosystem and Hydrological Function Management activities, namely through the following activities:

- Identify forest management activities that have significant impacts, and conduct environmental impact assessments through: AMDAL RKL & RPL documents PT. Acacia Andalan Utama of 2006. (Kukar Regency AMDAL Commission No. KAKK/36/AMDAL/Kehutanan/2006) and Reporting the implementation of environmental management and monitoring in the first and second semesters of 2020.
- Reduced Impact Logging activities are carried out in stages before logging (pre harvesting), during harvesting operations (harvesting), after logging activities (post harvesting).
- Identification of areas that function for land and water protection by designation of Local Protection and Other Protected Areas, namely the KPPN and KPSL River Borders
- Monitoring the negative impacts of forest management activities in the concession area is carried out in accordance with the AMDAL RKL and RPL documents. 2006. Based on documented procedures that serve as guidelines for monitoring negative impacts due to forest management activities, namely: SOP for Monitoring Protected Areas, SOP for Monitoring Discharge and Water Quality and SOP for Erosion Monitoring.
- PT. Acacia Andalan Utama has documented procedures for the controlled use of B3 (Hazardous and Toxic Materials), namely: SOP for Management of Hazardous and Toxic Waste (B3), SOP for Handling Spilled Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP Integrated Pest and Disease Management,

The Management Unit has carried out biodiversity management activities, namely through the following activities:

- Identification and inventory of protected, endemic, rare and threatened/nearly-extinct flora & fauna in the IUPHHK-HTI areaby identifying protected, endemic, rare flora and fauna and threatened/nearly-extinct species and their habitats in the area in accordance with applicable regulations/stipulations through inventory activities that have been carried out. There is a map of the distribution of protected flora and fauna.

- Management of Protected Areas carried out in accordance with the Semester RKL/RPL Implementation Report I and II of 2020, as well as SOPs for Determining Protected Areas and SOPs for Monitoring Protected Areas.
- Identification of key species, as well as their habitats and migration patterns. Based on the identification, there are no key species in the area.
- Carried out an environmental impact assessment on the potential impacts on protected, endemic, rare and endangered species of flora and fauna, through the 2006 AMDAL RKL & RPL Documents
- Based on Map Mosaic Sentinel-2 imagery T50NLF, T50NMF, T50MLE and T50MME coverage on September 17, 2020, scale 1:50,000, it is identified that the area of PT Acacia Andalan Utama is the Mahakam River watershed.
- The species cultivated are not genetically modified tree species.

The Management Unit has carried out forest protection activities, namely through the following activities:

- Based on Documents AMDAL, 2006 RPL, RKL and 2018 to 2027 RKUPHHK-HTI documents potential disturbance which pose a threat to the health and vitality of forest resources, are forest fires, forest encroachment, pests and plant diseases.
- Have documented procedures to prevent and handle pest attacks, namely SOPs for Integrated Pest and Disease Management,
- Regulate the management of chemical pesticides in the field with the following documented procedures: SOP for Weed Control, SOP for Integrated Pest and Disease Management. SOP for Handling Spills of Fuel, Lubricants and Chemicals and SOP for Management of Hazardous and Toxic Waste.
- Have implemented forest protection measures against fire hazards.
- there are no livestock grazing activities by the community in the work area.
- Implemented appropriate/measured steps in forest protection activities

Results of the Public Consultation

Prior to undertaking the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing February 01, 2021, requesting stakeholders to provide input and information on PT Acacia Andalan Utama. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email or postal mail, and announced in local newspapers

PT AJA Sertifikasi Indonesia received no input from stakeholders during the public consultation. The audit team also collected information from the mass media about PT Acacia Andalan Utama, such reported cases being given material consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

PT Acacia Andalan Utama 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 37,065.70 ha.

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 is 1 (one) Non-Conformities in Minor category. The Management Unit has made improvements to:

Number	Non-Conformities	Corrective Action Performed	Category
1	The Management Unit does not yet have a rinse house for cleaning PPE, work tools and showers for spraying workers in order to not do cleaning in places that have the risk of	The Management Unit build a rinse house for spraying workers for showering and cleaning tools and PPE.	Minor



	polluting the environment and houses. Indicator I.12.2			
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Conditions under which the certificate is issued

Certificate is valid until August 01, 2022, provided that PT Acacia Andalan Utama 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 is able to perform a close out visit.