

Public Report Sustainable Forest Management System

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CLIENT NAME: PT Korintiga Hutani

TOTAL HECTARES: 94,384 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 94,384 hectares of Plantation Forest in Central Kalimantan Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: December 10, 2019
 AUDIT END DATE: December 14, 2019

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: R. SIGIT PAMUNGKAS

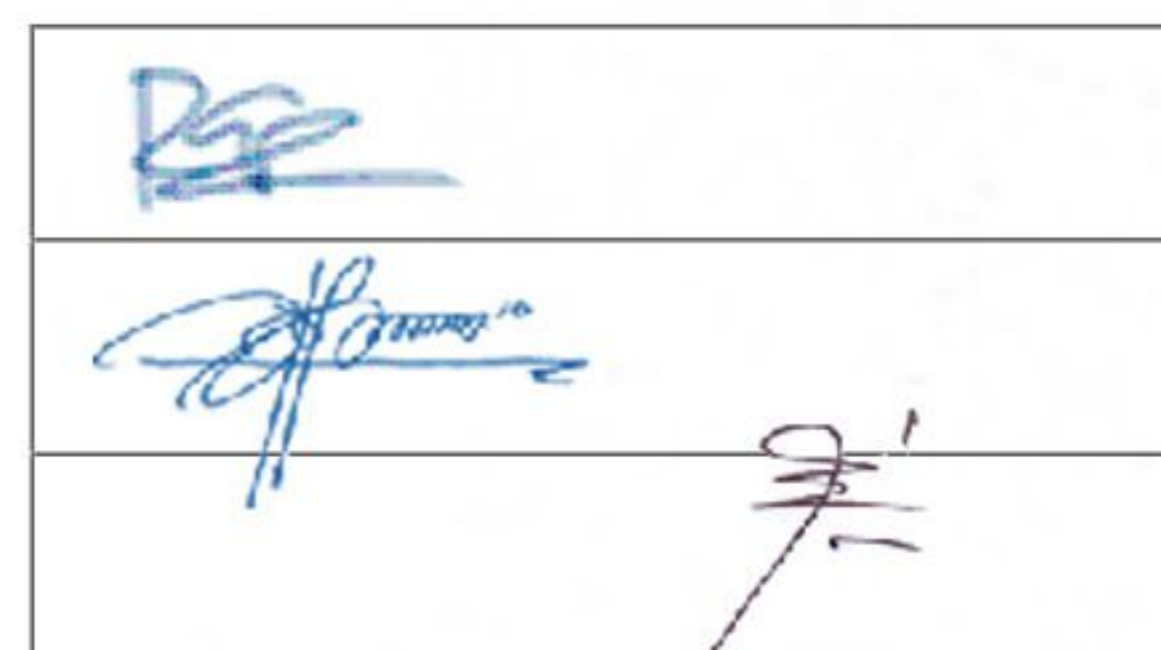
SIGNATURE:

AUDIT TEAM: RAHMAT SYAFE'I

SIGNATURE:

TATA SUMITRA

SIGNATURE:



MAJOR CARS : 0

MINOR CARS : 4

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Korintiga Hutani	Menthobi Raya District, Bulik District, Arut Utara District, Arut Selatan District, Lamandau Regency, Kotawaringin Barat Regency, Central Kalimantan Province, Republic of Indonesia	December 10 to 14, 2019
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 Korintiga Hutani obtained a concession license based on Minister of Forestry Decree Number 219/Kpts-II/1998 on February 27, 1998 concerning the granting of Pulp Industrial Plantation Forest Concession rights over a forest area of about 92,150 ha in the provincial level I Central Kalimantan to PT Aspex Paper. This permit has been amended several times. The latest decree (Addendum IV) Decree of the Minister of Forestry Number 201/Menhut-II/2011 on April 8, 2011 concerning the change in area to approx 94,384 ha.

The Management Unit manages the forest based on the RKUPHHK-HTI document (Work Plan for Timber Forest Products Utilization Business for Industrial Plantation Forests). The 2014 RKUPHHK-HTI Revision document was ratified based on the Decree of the Minister of Forestry Number: SK.12/VI-BUHT/2014 on April 2, 2014 concerning Approval of the Revised Work Plan for Timber Forest Product Utilization Business in Industrial Plantation Forest for the 10-Year Period 2011-2020 on behalf of PT Korintiga Hutani in Central Kalimantan province.

Based on the Revised RKUPHHK-HTI document, The Management Unit has conducted spatial planning as follows: Protected Areas of 11,245 ha (11.91%), Infrastructure of 3,215 ha (3.41%), Staple Plant Areas of 65,118 ha (68.99%), Indigenous Plant Areas of 9,848 ha (10.43%), and Livelihood Plant areas of 4,958 ha (5.25%); percentage total 99.99% due to rounding. The Protected Area consists of Riparian Area of 1,562 ha (1.65%), KPPN of 300 ha (0.32%), KPSL of 9,383 ha (9.94%).

There has been no conversion of natural forest to plantation forest after December 21, 2010 in the concession, so the scope of certification is 94,384 ha. The work area of PT Korintiga Hutani is geographically located within 01° 28' 00" to 02° 20' 00" South and 111° 28' 00" to 111° 55' 00.74" East. The boundary of the work area is bordered by the community area. The general conditions of PT Korintiga Hutani are as follows:

1. Government administration: Mentohi Raya District, Bulik District, Arut Utara District, Arut Selatan District, Lamandau Regency, Kota Waringin Barat Regency
2. Forest groups: Sei Mentohi and Sei Arut
3. Land type: dry land
4. Topography:
 - a. Flat (0-8%): 61.4%
 - b. Ramps (8-15%): 12.3%
 - c. Corrugated (15-25%): 11.8%
 - d. Slightly steep (25-40%): 8.8%
 - e. Steep > 40%: 5.7%
5. Altitude: 25-500 meters above sea level
6. Soil types: Alluvial (1.3%), Gleisol (3.75%), Kambisol (39.24%), Litosol (0.06%), Podsol (51.64%), Regosol (4.01%)
7. Geology (Rock): Kuayan (TRvk) 93.02%, Tonalt Sepauk (KIs) 6.41%, Granite Mandahan (Kgm) 0.57%
8. Climate Type: A
9. Rivers: Sei Mentajai, Sei Peguluman, Sei Uwah, Sei Moa

The cultivated species are *Acacia mangium*, *Eucalyptus pellita* and Red Jabon (*Anthocephalus macrophyllus*).

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

Based on the Map of the Distribution of Village Communities around PT Korintiga Hutani's IUPHHK-HTI in Lamandau and Kotawaringin Barat Regency, Central Kalimantan Province Scale 1: 100,000, there are 13 fostered villages consisting of 9 villages in Arut Utara District, 1 village in Arut Selatan District, Kotawaringin Barat Regency. Meanwhile, in Mentohi Raya District, Lamandau Regency there are 3 villages,

Field verification in the four (4) sample villages obtained the following information:

- a. Batu Ampar Village, Mentohi Raya District, Lamandau Regency, Central Kalimantan Province. The village consists of about 70% Dayak Tomon and 30% migrants, with 80% of the population living by farming and gardening, while the others work in palm oil companies. Meanwhile, the religion and beliefs of the majority are Christians and Kaharingan.
- b. Sumber Jaya Village, Mentohi Raya District, Lamandau Barat Regency, Central Kalimantan Province. This village is occupied with people who are ex-transmigration H-5 from East Java, Central Java, and West Java. At present

the population consists of around only 3% of the indigenous population and about 97% of Javanese migrants with around 85% farming and gardening livelihoods and around 15% working in oil palm companies and others. Meanwhile, religion and beliefs of the majority are Muslim with some Kaharingan.

- c. Penyombaan Village, Arut Utara District, Kotawaringin Barat District, Central Kalimantan Province. This village consists of 20% indigenous Dayak and some 80% immigrants (Java and Sulawesi, NTB, Sumatra), with the majority of the community's livelihoods as gold miners (around 90%) with farming and gardening making up the remaining 10%. Meanwhile in religious belief the majority are Muslim.
- d. Riam Village, Arut Utara District, Kotawaringin Barat District, Central Kalimantan Province. The village consists of about 97% indigenous Dayak and 3% migrants with the majority of the people making a living in farming (90%) and gardening (10%). Meanwhile the religion and beliefs of the majority are Christian and Kaharingan.

As for issues related to conflicts between PT Korintiga Hutani and the surrounding community based on interviews with the PMDH & Public Relations Section and several village officials, a problem arises in hiring local labor because of low levels of education of the communities. There are some villages whose residents tend to be reluctant to go to school because since childhood they have been accustomed to making money by panning for gold from rivers around the village.

The results of interviews with the community in the four sample villages, that if there were problems or conflicts between PT Korintiga Hutani and the community these were always swiftly resolved. Nowadays, almost every village community has a labor involvement in PT Korintiga Hutani. The public relations representative also acts as problem-solver and information coordinator, as well as cooperating in partnership programs with the village. This cooperation is related to annual socialization activities (RKT) and other socialization activities (company vision and mission, CSR, livelihood plants, protected areas, concession boundaries and forest and land fires). As well as cooperation programs there is development of plantation partnership in the area of private forest and community plantation forest.

Based on the results of document verification and community visits in four sample villages, PT Korintiga Hutani has made several agreements with the surrounding communities, and implemented community rights, including:

1. Livelihood plant management collaboration
2. Cooperation agreement on social forestry partnership pattern in the form of cooperation in the development of plantation forest in private forest areas and community forest.
3. Cooperation agreement in HTI development (as a contractor) in operational equipment, planting/maintenance and production.

Description of the ecological conditions of the concession

The Management Unit has AMDAL document of PT Aspek Paper that was approved by the Ministry of Forestry AMDAL Assessment Commission Number 168/Menhut-IV/1996 covering 130,250 ha. In 2000 there was a change to PT Korintiga Hutani which was approved by the Minister of Forestry. With these changes PT Korintiga Hutani is required to revise the RKL (Environmental Management Plan) and RPL (Environmental Monitoring Plan) without revising the AMDAL documents. RKL document (Environmental Management Plan) and RPL (Environmental Monitoring Plan), was approved by the Head of the Central Kalimantan Province BLH Number 660/123/II/BLH/2010 on February 4, 2010.

The Management Unit carries out activities to minimize negative impacts on the environment in accordance with the RKL (Environmental Management Plan) and RPL (Environmental Monitoring Plan) documents, which are reported to the relevant authorities on a periodic basis. These include:

- a. Environment Management plan
 - Identify High Conservation Value areas and install boundary markers
 - Enrichment of vegetation with forest trees and animal feed
 - Routine patrols in the area to safeguard and protect forests, and maintain conservation areas
 - Making drainage and sediment traps, etc.
 - Control forest and land fires, and disseminate to surrounding community the importance of maintaining security and sustainability
- b. Environmental Monitoring Plan:
 - Measure rainfall, temperature and humidity, and erosion and sedimentation
 - Conduct laboratory tests on physical, chemical and fertility properties
 - Conduct testing on water quality and water discharge

- Conduct an inventory on flora and fauna, identifying endangered species
- Monitor hot spots
- c. Management of Toxic and Hazardous Material (B3)
 - Identifying waste that covers the type, source / location, estimated amount and duration of waste produced. Periodically collecting all B3 waste to temporary storage for collection.
 - Agreement on transportation and waste collection on April 20, 2017.
- d. Forest protection and security.
 - Dangers to forest resources are illegal encroachment / occupation of land, illegal logging, pest infestation and disease, and forest fires

PT Korintiga Hutani's Commitment in the Context of Forest and Land Fire Control. March 21, 2017, provides equipment, infrastructure and training to control forest and land fires. It will also coordinate with whatever agency necessary in the context of controlling fires.

PT Korintiga Hutani has a high commitment to produce wood from *Eucalyptus pellita* and *Acacia mangium* for staple plants that are not derived from genetically modified organism (GMO) seeds, but from high quality seeds produced in its breeding orchard, which was established at the Pellita base camp, August 14, 2017.

Results of the Public Consultation

Prior to undertaking the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted Public Consultation commencing November 19, 2019, requesting stakeholders to provide input and information on PT Korintiga Hutani. 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 Korintiga Hutani, such reported cases being given material consideration in the audit process conducted by PT. AJA Sertifikasi Indonesia.

PT Korintiga Hutani 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 94,384 hectares.

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

The results of Surveillance 2 Audit identified four (4) Minor Non-Conformities, details of which are appended below.

No	Non-conformity (NC)	Corrective Action to be Undertaken	Category
1	The Management Unit has not made a Report on the Status of Potential Conflicts and Conflict Resolution, which should be reported every six months to the relevant authorities. Indicator I.9.5.	The Management Unit will create conflict mapping and resolution reports and forward the report to the relevant agencies.	Minor
2	The Management Unit needs to more intensively develop communication and consultation about the MoU of livelihood plants with the community and village government that is entitled to the allocation and management of such. Indicator I.9.3.	The Management Unit has made plans to carry out communication and socialization of livelihood plants to the community if there is certainty in the allocation of livelihood plants according to the revised RKU.	Minor

3	<p>There are wood transportation activities that endanger other road users. A special assessment must be carried out to determine whether it is appropriate or not.</p> <p>PT Korintiga Hutani has carried out an internal audit of occupational safety and health but has not yet made a System Implementation Assessment (SIA).</p> <p>Indicator I.12.7</p>	<p>The management unit has carried out an OHS assessment for the transverse wood position and documented the implementation of the assessment and conducted socialization and revision of the HIRADC.</p>	Minor
4	<p>The Management Unit has made micro planning for increasing the effectiveness and efficiency of HTI wood harvesting work. However, the map does not describe skid roads, transport roads and there are no TPn coordinates. It also does not use topographic maps and micro planning evaluation maps.</p> <p>There was also mismatch in the implementation of the micro planning map with conditions in the field (TPn locations and skid trails) and no marking of the cutting block boundaries, plot boundaries, plot nameplates / RKT blocks, felling coupes and felling strips, as well as logging boards on the field were not found.</p> <p>Indicator 4.3 and 4.4.</p>	<p>The Management Unit has improved the micro planning map and plot in accordance with the RIL rules and conducted an evaluation briefing of production staff, both administrative staff (GIS) and field workers</p>	Minor

Conditions under which the certificate is issued

Certificate is valid until (January 18, 2021), provided that PT Korintiga Hutani 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 is able to perform a closeout visit.