

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



CLIENT NAME: PT KORINTIGA HUTANI

TOTAL HECTARES: 94,384

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

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: November 22, 2022

In signing this document the Audit team confirmed that they 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: November 26, 2022

LEAD AUDITOR: Riyadi Sigit Pamungkas

SIGNATURE:

[Signature]

AUDIT TEAM: Andri Wibisono

SIGNATURE:

[Signature]

Agung Utama Lubis

SIGNATURE:

[Signature]

AUDITOR IN TRAINING: Inggita Nuri Prihantini

SIGNATURE:

[Signature]

MAJOR CARS: 1

MINOR CARS: 3

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Site	Base Camp Pellita, Desa Nanga Mua, Kecamatan Arut Utara, Kecamatan Arut Selatan, Kabupaten Lamandau, Kabupaten Kotawaringin Barat, Provinsi Kalimantan Tengah	November 22 to 26, 2022
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	

Brief Description of the concession

PT Korintiga Hutani has obtained forest utilization permits since 1998 and has undergone several changes. The latest was the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.717/MENLHK/SETJEN/HPL.0/9/2021 dated September 13, 2021. This was in the form of a nomenclature change from IUPHHK-HTI to Forest Utilization Permit (PBPH). The area under management is approximately 94,384 ha as stated in the Fourth Addendum Decree Number 201/Menhut-II/2011 dated April 8, 2011. In the Management Unit work area, there was no conversion of natural forest to plantation forest after 31 December 2010, thus, the IFCC certified area is 94,384 ha.

The Management Unit has a Forest Utilization Business Work Plan (RKUPH) document for the 2021 to 2030 period ratified by Decree of the Minister of Forestry and Environment Number SK 6422/MenLHK-PHPL/UHP/HPL.1/11/2020 dated November 27, 2020 concerning the Approval Work Plan for Timber Forest Products Utilization Business in Industrial Plantation Forest (RKUPHHK-HTI) for a period of 10 (ten) years for the 2021 to 2030 period on behalf of PT Korintiga Hutani in Central Kalimantan Province.

The allocation of the work area is divided into Protected Area of 18,992 ha (20.12%) and Cultivation Area of 75,392 ha (79.88%). The Protected Area consists of River Border of 7,540 ha (7.99%), Germplasm Conservation Area (KPPN) of 300 ha (0.32%), and Wildlife Conservation Area of 11,152 ha (11.81%), meanwhile, the Cultivation Area consists of Self-managed Pattern Area of 66,024 ha (69.95%), Partnership Pattern Area of 6,252 ha (6.62%), and Infrastructure of 3,116 ha (3.31%).

PT Korintiga Hutani is geographically located between 01°62'30" to 02°20'00" South and 111°28'00" to 111°55'00" East. Administratively, it is located in the Districts of Mentohi Raya, Bulik, Sematu Jaya, Arut Selatan and Arut Utara, Regencies of Kotawaringin Barat and Lamandau, Central Kalimantan Province. The concession area is bordered by:

- North side: PT. Intrado Jaya Intiga,
- East side: PT. Arut Sawit Mandiri,
- South side: PT. Mitra Mendawai Sejati,
- West side: PT. Gemareksa Mekarsari.

The general conditions of PT Korintiga Hutani are as follows:

1. Forest group: Sei Mentohi and Sei Arut
2. Land type: dry land
3. Topography:
 - Flat (0-8%): 61.4%
 - Ramps (8-15%): 12.3%
 - Wavy (15-25%): 11.8%
 - Slightly Steep (25-40%): 8.8%
 - Steep > 40%: 5.7%
4. Altitude: 25 – 500 meters above sea level
5. Soil type: Alluvial (1.3%), Gleisol (3.75%), Cambisol (39.24%), Litosol (0.06%), Podsollic (51.64%), Regosol (4.01%)
6. Geology (rock): Kuayan (TRvk) 93.02%, Tonal Sepauk (Kls) 6.41%, Mandahan Granite (Kgm) 0.57%.

7. Climate Type: A
8. Rivers: Sei Menjai, Sei Peguluman, Sei Uwah, Sei Moa

The species developed for production are *Eucalyptus sp.*, *Paraserianthes falcataria*, *Acacia mangium*, *Anthocephalus macrophyllus*, and *Anthocephalus cadamba*.

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

PT Korintiga Hutani has recognized and respected the rights of the surrounding community. According to the Community Identification Report, there are 12 villages around the PT Korintiga Hutani concession. There are no indigenous peoples recognized by the state in the company concession. The livelihoods of the communities are dominated by agriculture, trading, and government officials.

PT Korintiga Hutani has made conflict resolution efforts with the surrounding community. According to the Village Head, there is no open conflict between the company and the surrounding community. Most of the community claim areas have been settled by the company, either through compensation or through forestry partnership cooperation. According to the village officials, PT Korintiga Hutani has provided compensation for community land located within the concession.

PT Korintiga Hutani has collaborated with the surrounding community in the form of cooperation agreement for livelihood plants, local contractor partner, and community plantation forest. There is a Report on the Recapitulation of Collaboration on Community Plantation Forests and Private Forests. The cooperation has been running for at least two planting cycles. PT Korintiga Hutani also collaborated with the local government concerning the development, improvement and maintenance of inter-village connecting roads.

PT Korintiga Hutani has implemented a Corporate Social Responsibility program for the surrounding community. There is a monthly report on PT Korintiga Hutani Social Management/CSR Activities from January to October 2022. According to the report, the realization of CD/CSR activities until October 2022 has reached 136.36%. The implementations include the sectors of education, economy, social, and infrastructure, such as assistance for honorary teachers, religious teachers, spiritual officers, the commemoration of religious holidays and traditional events, assistance for *Eid al-Adha*, scholarships for students, as well as assistance for construction of worship place and access road.

Description of the Ecological conditions of the concession

PT Korintiga Hutani identified forest management activities that have significant impacts. The environmental impact assessment was carried out through AMDAL, RKL and RPL documents (Approved and Ratified by the AMDAL Commission of the Ministry of Forestry No. 48/DJ-VII/AMDAL/97 dated March 12, 1997), Environmental Permit by the Governor of Central Kalimantan on October 27, 2010, Report on Identification of High Conservation Value Forest Areas of PT Korintiga Hutani (2020), and 3rd Revision of RKUPHHK for the 2021-2030 period SK MenLHK No. 6422/MenLHK-PHPL/UHP/HPL.1/11/2020.

PT Korintiga Hutani allocated areas that is functioned for soil, water, and flora fauna protection, namely Protected Area of 18,992 ha (20.12%). PT Korintiga Hutani implemented documented procedures for the controlled use of B3 (Hazardous and Toxic Materials), namely SOP for B3 Waste Management, SOP for B3 Waste Management Emergency Response System, and SOP for B3 Waste Monitoring. The implementation of B3 waste management by PT Korintiga Hutani has

been carried out in accordance with the provisions of the Letter from the Head of the Kotawaringin Barat Regency Environmental Service concerning the implementation of B3 waste management permits for B3 waste management operational permits for producers/recommendations for B3 waste management by PT Korintiga Hutani.

PT Korintiga Hutani has maintained and improved the flora and fauna habitats that are protected by endemic, rare and threatened/endangered species, as well as features for biological purposes such as seedlings, dead hollow old trees, nesting sites and animal feeding grounds in the Management Unit area. PT Korintiga Hutani has identified key species in the concession area. Based on an HCVF (High Conservation Value Forest) study conducted in collaboration with a consultant in August 2020, the key species in the concession area is Orangutan (*Pongo pygmaeus*).

The staple plants cultivated in the concession area are not genetically modified, being *Eucalyptus* sp., *Paraserianthes falcataria*, *Acacia mangium*, *Anthocephalus macrophyllus*, and *Anthocephalus cadamba*.

PT Korintiga Hutani identified and monitoring disturbances in Sustainable Forest Management. The potential disturbances in the concession area are flood, forest fires, illegal encroachment/land occupation and illegal logging. The Management Unit has established and implemented SOPs, namely SOP for Managing the Impact of HTI activities on Soil and Water in Logging Areas, SOP for Fire Management, SOP for Security and Forest Protection, SOP for Emergency Fire Response and Land and Forest Fires Control in working areas and SOP for Monitoring Hotspots in work areas, SOP for Forest Protection and Security, SOP for Illegal Logging Countermeasures, SOP for Handling Encroachment, SOP for Illegal Hunting and SOP for Patrols.

The activities carried out for Forest Protection and Security are:

1. Socialization of the 2021 RKT protected area.
2. Forest Security and Protection Patrols.
3. Installation of prohibition/warning boards:
 - Fire warning signboard.
 - Prohibited into protected areas signboard.
 - Water reservoir signboard.
 - Protected fauna conservation signboard.
 - Protected area nameplate.
 - Fire hazard signboard.

Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation starting October 19, 2022, asking stakeholders to provide feedback and information about PT Korintiga Hutani. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties by email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia does not receive input from the public consultation.

The audit team also collected information from the mass media about PT Korintiga Hutani. The reported cases are considered as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects which include compliance with international regulations and rules and conventions. The management system has been built to cover all activities in the field of certification, registered for certification covering 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 result of this Surveillance 1 Audit is 4 (four) non-conformities: 3 Minor categories and 1 Major category. The Management Unit has made improvements.

No	Non-Conformities	Corrective Action Performed	Categories
1	<p>On the Microplanning Map plot 226B the skid trails are not well delineated.</p> <p>Results of field verification on industrial plantation forest of timber harvesting activities:</p> <ul style="list-style-type: none"> - There are no skid trails in the compartment, allowing the machine to move freely without a track. - The results of measuring the length of the log are unequal. - The harvesting supervisor does not have a harvesting progress worksheet <p>This is not in accordance with:</p> <ul style="list-style-type: none"> - SOP for Harvesting Industrial Forest Timber - Indicator I.4.4 	<p>The Management Unit has made improvements:</p> <ol style="list-style-type: none"> 1. Making SOP No. H-9 Monitoring Timber Harvesting 2. Evaluating plot with non-conformities 3. Making a worksheet for monitoring timber harvesting 4. Conducting a staple meter log measurement 5. Planning RIL training for harvesting employees for January 2023 <p>Evaluation of the microplanning map can be used for harvesting plans in the next cycle.</p> <p>Timber harvesting monitoring worksheets have been carried out in accordance with activity monitoring in SOP No. H-9 Timber Harvesting Monitoring.</p>	Minor
2	<p>The method for determining the location of Permanent Measurement Plots (PUP) was not explained in detail in the SOP, and the land class/fertility class parameters have not been used to determine the location of PUP plots.</p> <p>Indicator I.5.2</p>	<p>The Management Unit has made improvements by showing evidence:</p> <ol style="list-style-type: none"> 1. Carrying out Revision of the SOP of Permanent Measurement Plots of Industrial Plantation Forest 2. Planning for making new PUP plots based on soil type. 3. Made a PUP plot plan map with a scale of 1:10,000. 	Minor
3	<p>There are traces of burning plastic waste in the ground pits at the workers' camp facility which has the potential to cause disease.</p>	<p>The Management Unit has carried out:</p> <ol style="list-style-type: none"> 1. Socialization of waste management to workers of PT Korintiga Hutani and contractors (work 	Minor

	<p>Indicator I.12.6</p>	<p>partners), especially workers at the flying camp level.</p> <ol style="list-style-type: none"> 2. Request for commitment to the contractors to carry out proper waste management according to SOPs and regulations related to waste management. 3. Taking precautions by monitoring and making a worksheet for the monitoring of work hut (flying camp) OHS, including waste management at the work hut level. 4. Developing a waste management mechanism in the working environment of PT Korintiga Hutani, including at the flying camp level. 5. Applying sanctions to the work partners (contractors) if the waste management was not performed properly and termination of work contract for repetitive violations. 	
4	<p>Based on the results of interviews with chemical mixing workers, there are non-conformities in the form of:</p> <ul style="list-style-type: none"> - Workers do not use a standard respirator mask (pig snout). - Workers have not received a cholinesterase test medical check-up. - When mixing chemicals on site, they do not use containment, resulting in chemical spills directly onto the ground. - There is no wind direction marker at the location, thus allowing work accidents to occur when the wind direction changes suddenly. <p>This is not in accordance with:</p> <ul style="list-style-type: none"> - Indicator I.6.6 - Decree on Recommendation for Use of Chemicals/Pesticide No: 560/PK.12/Disnakertrans/IX/2022 - Regulation of the Minister of Manpower and Transmigration No. 03/MEN/1986 	<p>The Management Unit has taken the following corrective actions:</p> <ul style="list-style-type: none"> - Socialization of OHS and use of herbicides to herbicide weeding spraying workers - Conducting in-house training for herbicide weeding spraying workers, - Equipping herbicide weeding spraying workers with standard PPE based on the results of the assessment HSE, - Conducting medical check-ups for herbicide weeding spraying workers, - Improving the method of mixing chemicals by using the containment (base) when mixing chemicals. - Providing places and tools for washing hands at herbicide spraying locations - Installing wind signs in each plot of herbicide spraying activities - Revising SOP for Manual Work by including a clause requiring the use of containment when mixing chemicals - Taking precautions by conducting monitoring and compiling a worksheet (checklist) for monitoring OHS Weeding by spraying of herbicide weeding activities periodically. 	Major



	<p>- Regulation of the Minister of Manpower and Transmigration No. 02/MEN/1980</p>	<p>- Applying sanctions to the work partners (contractors) if the OHS management was not performed properly and termination of work contract for repetitive violations.</p>	
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Conditions under which the certificate is issued

Certificate AJA/IFCC-PEFC/FMC-HT/00038/I/2018 is valid until January 18, 2025, 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.