

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 DAYA TANI KALBAR

TOTAL HECTARES: 41,353 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 41,353 hectares of Plantation Forest in West Kalimantan Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: November 22, 2021
AUDIT END DATE: November 25, 2021

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: Agung Utama Lubis

SIGNATURE:

AUDIT TEAM: Ardi Prasetyo

SIGNATURE:

Amin Kadeni

SIGNATURE:

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Daya Tani Kalbar	Batu Ampar and Kubu Raya District, Kubu Raya Regency and Simpang Hulu District, Ketapang Regency, West Kalimantan – Republic of Indonesia	November 22 to 25, 2021
SITE NAME (Legal Name):	ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION INCLUDING COUNTRY – TO BE COMPLETED IF THE CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN	
NA		

Brief Description of the concession

PT Daya Tani Kalbar obtained the concession permit based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia No. SK.33/Menlhk/Setjen/HPL.0/1/2019 dated January 17, 2019 regarding the Amendment to the Decree of the Minister of Forestry Number 60/KPTS-II/1997 dated January 28, 1997, on the Granting of Concession Rights for Industrial Plantation Forests on a Forest Area of approximately 56,060 hectares in West Kalimantan Province at Level I Region to PT Daya Tani Kalbar. The area of IUPHHK-HTI PT. Daya Tani Kalbar becomes 44,530 (forty-four thousand five hundred and thirty) hectares after the amendment. A conversion area of 3,177 ha of a secondary natural forest after December 31, 2010, cannot be included in the IFCC certified area. Thus, the IFCC certified area is 41,353 Ha.

The Revised Work Plan for the Utilization of Timber Forest Products in Industrial Plantation Forests (RKUPHHK-HTI) for the 2017 to 2026 Period was approved by the Decree of the Minister of Environment and Forestry Number: 6081/MenLHK-PHPL/UHP/HPL.1 /6/2019 on June 28, 2019. The spatial allocation of according to the RKUPHHK-HTI is Local Protected Areas and Other Protected Areas of 19,903.43 ha (44.70%), Staple Plant area of 17,047.15 ha (38.28%), and Livelihood Plant area of 7,579.42 ha (17.02%). The staple plant being cultivated by PT Daya Tani Kalbar is *Acacia crassicarpa*.

PT Daya Tani Kalbar is located between 0° 32' 35" to 0° 53' 45" South and 109° 37' 00" to 110° 04' 45" East. It falls under the Government Administration of Batu Ampar District, Kubu Raya Regency and Simpang Hulu District, Ketapang Regency, West Kalimantan Province. There are five assisted villages by the company namely Village of Muara Tiga, Tanjung Beringin, and Sumber Agung of Batu Ampar District and Village of Labai Hilir and Sekucing Kualan of Simpang Hulu District. The boundaries of PT. Daya Tani Kalbar concessions are as follows:

- East: Permanent Production Forest
- West: Protection Forest, Limited Production Forest
- North: IUPHHK-HA PT Kandelial Alam, Permanent Production Forest
- South: PT Gerbang Benua Raya, PT Mayawana Persada IUPHHK-HTI, Other Use Area.

The concession area topography is mostly flat with a height of 0 to 100 m above sea level. According to the document of the Main Report of the AMDAL Study (1996), the soil types are sulfaquents; hydraquents, opohemist, tropofibrists, etc. The geological formation consists of alluvium sedimentary rock types. The climate type is A according to the Schmidt-Fergusson climate classification. It is part of the Kapuas watershed with important rivers flowing within the work area are River of Lida, Kualan, Rumbia, Haur, Mendawak, Kelam, and Jenu.

PT Daya Tani Kalbar has compiled a Peat Ecosystem Recovery Document with number SK.11/PPKL/PKG/PKL.0/1/2018 concerning Peatland Ecosystem Recovery Plan and Determination of Manual Groundwater Level Arrangement Points, Installation Points for Automatic Groundwater Level Measuring Equipment, and Rainfall Monitoring Station Points following the RKUPHHK-HTI of 2017 to 2026. The forest management is in reference to the Regulation of the Minister of Environment and Forestry Number P.10/MenLHK/Setjen/Kum.1/2/2019 concerning Determination and Management of Peat Dome Peaks Based on Peat Hydrological Units.

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

There are no indigenous peoples around the concessions according to the AMDAL document and interviews with company staff. The livelihoods of the residents around the concession are farmers and fishermen in the majority. The verification for social aspect in this Surveillance 2 Audit was taken in three out of five assisted villages namely Village of Muara Tiga, Labai Hilir, and Sekucing Kualan.

There were no land claims from the surrounding community in the concession area. PT Daya Tani Kalbar has prepared the conflict resolution in the form of Potential Mapping Report and Conflict Resolution which is updated and submitted every semester of the year.

The collaboration with the surrounding community is in the form of HTI Fee and Livelihood Plant. As for 2021, no HTI Fee was paid because no harvesting activities in the company. There is other cooperation in preventing forest fires between the company and the surrounding community through the Desa Makmur Peduli Api (DMPA) program. This program includes assistance covering coffee cultivation, cultivation of *kelulut* honey, community capacity building, and animal livestock. The company also held a partnership with the community in the use of community land and local contractor partners. The partnership is carried out with a work agreement between the company and partners. The Management Unit allows the community to use non-timber forest products (NTFPs) such as river fish, forest honey, rattan, fruits, bamboo, ferns, bajaka roots, nibung, and nipah.

PT Daya Tani Kalbar has implemented a Corporate Social Responsibility program for the surrounding community. The realization of the CSR program for this year has reached 89% of the planned. The activities carried out include awarding MPA Honours, youth activities assistance, religious activities assistance, education assistance, socio-cultural activities, lighting assistance (diesel fuel), road repair assistance and culverts, fuel oil assistance for village electricity, and rehabilitation of a village church.

Description of the Ecological conditions of the concession

PT. Daya Tani Kalbar has taken steps to minimize environmental impacts due to forest management through the following activities:

- compiled various Documented Procedures (SOP) and Work Instructions (WI) related to environmental management in its work area as a reference in carrying out its work operations,
- establish and maintain protected areas. The allocation of the protected area is in the form of Local Protected Areas and Other Protected Areas of 19,903.43 ha (44.70%) consisting of Buffer Zone of 1,495.50 ha (3.36%), Cultural Conservation of 321.75 ha (0.72%), KPPN of 715.13 ha (1.61%), KPSL of 5,480.32 ha (12.31%), river border of 7,728.37 ha (17.35%), and Peat Dome Peak of 4,162.36 ha (9.35%),
- implementation of RIL (Reduce Impact Logging) in harvesting activities,
- rehabilitation of peat protected function areas with appropriate species and technical silviculture systems. The Management Unit has carried out the rehabilitation of degraded land in the Lida River Border,
- utilization of approved pesticides for tackling pests and plant diseases and weeds for staple crops (*Acacia crassicarpa*),
- building a Temporary Storage Place for Hazardous and Toxic Waste (TPS LB3) and fuel oil warehouses and generators equipped with oil catcher facilities to minimize oil spills into the surrounding environment,
- applies Zero Burning method and provided facilities and infrastructure as well as human resources for forest and land fire prevention and control activities. The Management Unit has also established Desa Makmur Peduli Api, as community participation in preventing and controlling forest and land fires in the work area,
- cultivates *Acacia crassicarpa* which is a non-GMO plant,
- build Security Posts and portals to limit outsiders from entering the concession and conduct forest security patrols against existing forest disturbances, especially forest and land fires and occupation/land claims,
- conduct regular monitoring and inventory of the types of flora and fauna in the working area. The existence of native flora and fauna is protected by providing their habitat in the form of a protected area. The species of *Pongo pygmaeus* are found in the concession area as the key species,
- installing warning boards of prohibition of burning forest and land, logging trees, hunting animals,

- monitoring the impact of forest management on the physical-chemical properties of soil and river water, and performing Water Management on the canal to maintain the groundwater level per field conditions,
- report environmental management activities in the RKL/RPL Implementation Report per semester to the relevant agencies. The latest reports that have been made are the RKL/RPL Implementation Reports for semester 2 of 2020 and semester 1 of 2021.

Results of the Public Consultation

Prior to conducting the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing October 07, 2021, asking stakeholders to provide feedback and information about PT Daya Tani Kalbar. Public consultations were uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via email or postal mail, and published 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 Daya Tani Kalbar, the reported cases being given material consideration as part of the audit process conducted by PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects that include compliance with international rules and regulations, and conventions. The management system has been developed to cover all activities in the field of certification, which is registered for an area of 41,353 hectares.

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

The result of the Surveillance 2 Audit is zero non-conformity.

Conditions under which the certificate is issued

The certificate is valid until April 1, 2023, provided that PT Daya Tani Kalbar maintains its Recertification schedule and does not have potential major non-conformities on the next Recertification.