

Public Report Sustainable Forest Management System

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CLIENT NAME: PT KELAWIT HUTANI LESTARI

TOTAL HECTARES: 7,802

SCOPE OF REGISTRATION: Sustainable Forest Management in Plantation Forest covering an area of 7,802 hectares in East Kalimantan Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: November 02, 2020

AUDIT END DATE: November 04, 2020

AUDITOR LEAD: Agung Utama Lubis

AUDIT TEAM: Ence Hedi Hasan Z

Ade Nursyaf Putra

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

SIGNATURE:	
SIGNATURE:	
SIGNATURE:	

MAJOR CARS: 0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Kelawit Hutani Lestari	Rikong Village, Siluq Ngurai District, West Kutai Regency, East Kalimantan Province, Republic of Indonesia	November 02 to 04, 2020
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	
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Brief Description of the concession

Error! Bookmark not defined. PT Kelawit Hutani Lestari obtained a permit through the Decree of the Minister of Forestry No.160 / Kpts-II / 1997, dated March 24, 1997, concerning the Granting of Concession Rights for Industrial Plantation Forest Patterns of Transmigration Over Forest Areas of 9,180 Hectares in the Province of East Kalimantan to PT Kelawit Hutani Lestari. This letter was later amended by Decree of the Minister of Environment and Forestry Number. SK.644 / Menlhk / Setjen / HPL.0 / 12/2018 dated December 31, 2018 concerning: Amendments to the Decree of the Minister of Forestry No. 160 / Kpts-II / 1997 dated March 24, 1997 concerning the Granting of Concession Rights for Industrial Plantation Forest Transmigration Patterns for Forest Areas of 9,180 hectares in the Province of East Kalimantan to PT Kelawit Hutani Lestari. Based on Decree. 644 of 2018, There was a change in the area of the PT Kelawit Hutani Lestari concession, namely in the First Letter Number 1 it is written, the area of the IUPHHK HTI concession area of PT Kelawit Hutani Lestari is 9,755 hectares. First Letter Number 1 is written: Other Use Area (APL) was excluded from the work area of PT Kelawit Hutani Lestari IUPHHK Transmigration Pattern of 1,953 hectares. Thus, the area of PT Kelawit Hutani Lestari is now 7,802 ha.

None of the area has been converted from natural forest to plantation forest after December 31, 2010, thus the scope for IFCC certification remains 7,802 hectares.

Spatial layout of PT Kelawit Hutani Lestari IUPHHK-HTI based on The Work Plan for Utilization of Timber Forest Products in Industrial Plantation Forest (RKUPHHK-HTI) for the 2018 to 2027 period includes: Local Protection Areas and Other Protected Areas of 1,851 ha (20.16%), Staple Plant Area of 4,251 ha (46.31%) and Livelihood Plant Area of 3,078 ha (33.53%).

Geographically, PT Kelawit Hutani Lestari work area is located between 00° 45' 52" to 00° 55' 26" South and 115° 54' 32" to 115° 59' 23" East, and located in the Kelawit River Forest Group - Sungai Jelai. The boundaries of the working area are: North, South, West and East borders with Other Use Areas (APL).

PT Kelawit Hutani Lestari is located in the District Siluk Ngurai, West Kutai Regency, East Kalimantan Province, and falls under the East Kalimantan Provincial Forestry Service.

PT Kelawit Hutani Lestari is located in the Mahakam Watershed (DAS) with the Kelawit Sub-watershed and Tuang Sub-watershed. The topography of the land is sloping to hilly with slopes between 0% - 25% at an altitude of 50 - 150 meters above sea level. Rainfall and rainy days are relatively uneven throughout the year. The dry period occurs from June to October, and the rainy season lasts from November to April. The annual rainfall is 1,938 mm, with an average of 179 mm / month. The highest rainfall occurs in April and the lowest rainfall occurs in August and September.

Geological conditions based on the Geological Map of the Long Iram Sheet of East Kalimantan on a scale of 1: 250,000 consist of the Tomp Formation (Pamalu Formation) and the Tuyu Formation (Toty), with the type of soil being Tropudults; Tropaquepts, Tropudults; Dystropepts and Tropudults, Plinthudults and Paleudults.

PT Kelawit Hutani Lestari cultivates *Acacia mangium* and *Eucalyptus pellita* as staple crops.

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

Based on the data from the villages of PT Kelawit Hutani Lestari on August 1, 2020, signed by the Head of HTI and Forest Protection, there are four villages assisted by PT Kelawit Hutani Lestari. All of these villages are located in Siluk Ngurai District, West Kutai Regency, East Kalimantan Province. Based on PT Kelawit Hutani Lestari documents, the majority of the population of these villages are Bentian Dayak and Benuaq Dayak ethnic groups. Based on The Management Unit explanation, there are no customary communities around the company concession.

PT Kelawit Hutani Lestari for the period 2018 to 2027 reveal the villagers largely depend for their livelihood on the wealth of the forest around their village. Farming is still the main activity to meet the food needs of the majority of households in the four villages, although the younger generation are starting to abandon this.

Based on data from the Siluq Ngurai District in *Figures in 2019*, the population in the four surrounding villages is 323 heads of families and a total of 1,256 people. The agricultural area consists of paddy fields, field rice, rubber plantation, coconut gardens, hazelnut gardens, and palm plantations. The livestock raised by the community includes cows, buffalo, goats, pigs, chickens, and ducks.

PT Kelawit Hutani Lestari has made efforts to resolve conflicts with the surrounding community. Based on the Decree of the Minister of Environment and Forestry Number SK.644 of 2018, the Other Use Area has been removed from the concession and has become the Object of Land for Agrarian Reform (TORA). There is a Final Report on Land Conflict Mapping of PT Kelawit Hutani Lestari in 2020, plus a Work Plan for Conflict Resolution and a Conflict Monitoring Report for August 2020.

PT Kelawit Hutani Lestari has collaborated with the surrounding community, in both a Timber Forest Products and Non-Timber Forest Products. The utilization agreement between PT Kelawit Hutani Lestari and the community began in 2015, while the non-timber forest products are the form of fish, honey, and rattan.

A Desa Makmur Peduli Api (DMPA) Agreement between PT Kelawit Hutani Lestari and the Village Community was signed on January 27, 2020. This agreement includes efforts to prevent forest fires by providing an alternative stimulus for people's livelihoods by reducing their dependence on lighting fires to clear land. The agreement runs from 2020 to 2024, and DMPA activities include pig and cattle cultivation.

PT Kelawit Hutani Lestari has carried out social responsibility activities for the surrounding community. There is a Report on the Empowerment of Forest Village Community Semester II of 2019, and for Semester I of 2020. Based on the 2019 PMDH report, the activities carried out include: Animal Husbandry Assistance; Stationery assistance for schools; Mass treatment; Fuel Oil Assistance. Based on the 2020 Semester I Report, the PMDH activities carried out include: Animal Husbandry Assistance; Fogging and Health Checks; Youth Sports; Oil Fuel Assistance, Transportation Assistance; Village road improvement.

Description of the ecological conditions of the concession

The Management Unit has identified forest management activities with significant impacts, and conducts environmental impact assessments through activities and implementation of ecosystem management systems and hydrological functions in accordance with Environmental Impact Analysis,

Local Protection Areas and Other Protected Areas covering an area of 1,851 ha (20.16%), consisting of KPSL covering an area of 607 ha (6.61%), KPPN of 366 ha (3.99%), Riparian Zone of 878 ha (9.56%).

The following activities are related to the management of ecological and hydrological functions:

1. The Management Unit has prepared and established a Reduced Impact Logging (RIL) Documented Procedure to minimize negative impacts from harvesting,
2. The Management Unit has identified areas that function for land and water protection,
3. The Management Unit has implemented a management plan and monitoring of operations on the environment in the field, as stated in the semester reports PT Kelawit Hutani Lestari, Semester II 2019 and I 2020,
4. Based on the results of identification of significant impacts, Management Unit has carried out management, monitoring and analysis in accordance with the established SOP, and the results are still below the threshold set for each parameter.
5. The Management Unit has carried out the implementation of a biodiversity management system including inventory and mapping and environmental assessment and measurement results for mitigation and disturbance, as well as marking Protected Area boundaries.

Based on AMDAL Documents and the High Conservation Value Assessment Report of PT. Kelawit Hutani Lestari December 2014, the identification of wild animals is carried out by the Management Unit every year. However, there are no key species in the work area.

The Management Unit has implemented appropriate / measurable management steps to minimize negative impacts of MU operational activities on wildlife species such as population monitoring, habitat allocation and improvement, as well as plant enrichment for food availability.

Protected Areas have been allocated (KPPN, KPSL, and Riparian Areas) that are sufficiently adequate for wildlife habitat. Other Protected Areas, apart from having a special function, also function as wildlife habitat.

The species of plant cultivated by the Management Unit is *Eucalyptus pellita* and *Acacia mangium*, which are not genetically modified species.

The Management Unit has carried out Forest Protection activities, be the disturbances due to human or natural causes. These measures are intended to prevent and control all forms of activities that have the potential to disrupt the existence and integrity of forest areas and their ecosystems.

- Has documented procedures to prevent and deal with pest attacks or infestations, the Integrated Pest and Disease Management, which utilizes human, biological or chemical means as deemed necessary.
- Regulates the management of chemical pesticides in the field using documented procedures, plus also has standard procedures for handling spills of fuel, lubricants and chemicals, as well as for the management of hazardous and toxic waste (B3).
- Has implemented forest protection measures against fire hazards.
- Has implemented protection from forest encroachment and illegal logging activities.

Results of the Public Consultation

Prior to the carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing October 10, 2020, asking stakeholders to provide feedback and information about PT Kelawit Hutani Lestari. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to related parties via email and / or postal mail, and announced in local newspapers.

There was input from two stakeholders, as follows:

1. Letter from the first stakeholder: PT Kelawit Hutani Lestari has carried out its operational activities in accordance with the provisions and expectations of the surrounding community. The company has performed well, especially in regard to social activities through CSR and security of the PT Kelawit Hutani Lestari company area, both external (countermeasures against forest and land fires) and internally are going well.
2. Other inputs are from the second stakeholder:
 - The government supports the activities of PT Kelawit Hutani Lestari.
 - Forest management activities must pay attention to the preservation of protected flora and fauna.
 - Forest management must pay attention to local customs.
 - Historical sites within forest management areas must be preserved.
 - In forest management, it is best to use appropriate technology to reduce soil erosion.
 - Companies need to implement a CSR program for the surrounding community.

The foregoing inputs received from the stakeholders have been submitted to the Management Unit and received a positive response from the company.

PT Kelawit Hutani Lestari 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. A management system has been built to cover all activities in the field of certification, which is registered for an area of 7,802 hectares.



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

Based on the results of this Surveillance 1 Audit of PT Kelawit Hutani Lestari, there were no Non-Conformities of either a Major or Minor nature identified by the audit team.

Conditions under which the certificate is issued

Certificate is valid until April 01, 2023, provided that PT Kelawit Hutani Lestari does not have any 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.