

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 Kelawit Hutani Lestari

TOTAL HECTARES: 7,802 Ha

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

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: November 8, 2021

AUDIT END DATE: November 10, 2021

LEAD AUDITOR: Agung Utama Lubis

AUDIT TEAM: Andri Wibisono
Riyadi Sigit Pamungkas

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: 1

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, Indonesia	November 8 to 10, 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 Kelawit Hutani Lestari has an IUPHHK-HTI that was obtained based on 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 Forests for Transmigration Patterns over a Forest Area of 9,180 hectares in the Province of East Kalimantan. There was an amendment to IUPHHK-HTI based on the Decree of the Minister of Environment and Forestry Number SK.644/Menlhk/Setjen/HPL.0/12/2018 dated December 31, 2018, where the concession area was changed to 7,802 ha. No forest conversion occurred in the concession, thus, the IFCC certified area is 7,802 ha.

The spatial layout of PT Kelawit Hutani Lestari based on the Business Plan for the Utilization of Timber Forest Products from Plantation Forests (RKUPHHK-HT) of 2018 to 2027 is 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%), with a total area of 9,180 ha (100%).

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). Meanwhile, according to the government administration, PT Kelawit Hutani Lestari is in Siluq Ngurai District, West Kutai Regency, East Kalimantan Province, East Kalimantan Provincial Forestry Service. There are four villages assisted by PT Kelawit Hutani Lestari, namely Village of Lendian Liang Nayuk, Kendesiq, Penawang and Rikong.

The concession is hydrologically part of the Mahakam watershed and crossed by the sub-watershed of Kelawit and Tuang. 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. The geological conditions consist of the Tomp Formation (Pamalu Formation) and the Tuyu Formation (Toty). The soil types are Tropdults; Tropaquepts, Tropudults; Dystropepts, and Tropudults, Plinthudults, and Paleudults. PT Kelawit Hutani Lestari grows *Acacia mangium* and *Eucalyptus pellita* as staple crops as these species are suitable for its type of land.

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

PT Kelawit Hutani Lestari has made conflict resolutions with the surrounding community. The resolutions include Compensation for Growing Plants (GRTT) with the villages, Boundary Conflict Monitoring Report, and the establishment of Organizational Structure for Conflict Resolution by involving multi-stakeholders in the company including heads of surrounding villages, district heads, and related agencies. Based on IFCC Audit every year, there is no indigenous community occupying the concession area and surroundings.

The collaboration with the surrounding community is in the form of Desa Makmur Peduli Api Program to prevent forest fires and the development of cattle farming to improve the welfare of the community. There are established Community with Fire Awareness groups per village as their participation in community inland and forest fire control and patrol.

Another social program is Community Development Program which is implemented throughout the year. The CD program includes medical assistance, fuel assistance, assistance for traditional events, rice and cacao farming tools, and materials to the surrounding villages.

Description of the Ecological conditions of the concession

PT Kelawit Hutani Lestari has performed identification of forest management activities that have significant impacts and conducted an environmental impact assessment that analyzes these potential impacts on the environment, namely:

- Submitted environmental monitoring reports (RKL and RPL) per semester in 2021,
- Monitoring HCV and HCS activities to ensure the concession area is environmentally functioning properly,
- Created SOP for identification of environmental aspects and impacts.

PT Kelawit Hutani Lestari has identified areas that function for soil and water protection and implemented appropriate measures to protect these areas from damage (erosion, landslides, etc.) due to forest management operations. The areas then being allocated as Local Protected Areas and Other Protected Areas of 1,851 ha (20.16%) consisting of KPSP of 607 ha (6.61%), KPPN of 366 (3.99%), and River Border of 878 ha (9.56%). Other protection activities include the installation of signboards and boundary signs for Protected Areas, carrying out land rehabilitation in open areas, and regular forest security patrol and monitoring the condition of river water.

The wildlife monitoring was implemented in the protected area as well as in the staple plant area which includes identification of fauna through direct or indirect encounters. The protected tree species such as *Eusideroxylon zwageri* is found in the production area. The tree is also a habitat or nest for animals such as birds and small reptiles and insects.

The concession area security activities are efforts to prevent illegal activities without permits. PT Kelawit Hutani Lestari has developed a system and infrastructure to limit public access by providing security post and implementing procedures for receiving guests. Forest protection activities are intended to prevent and control all forms of activities that have the potential to cause disturbance to the existence and integrity of forest areas and their ecosystems. The scope of forest protection activities carried out includes forest and land fires, pests and plant diseases, illegal hunting and logging activities, looting and destruction of plants and company assets.

Results of the Public Consultation

Before carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation starting October 7, 2021, 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 parties by email or postal mail, and published in local newspapers. The audit team also collected information from the mass media about PT Kelawit Hutani Lestari.

There is one input from the local police sector which contains a positive response and suggestions for The Management Unit. The positive feedback related to the company operational activities which were implemented per the provisions and expectations of the community around the company includes the sectors of social, security of illegal activities, and protection of forest fires. Meanwhile, the suggestions are to increase the quality and quantity of social activities, external and internal security, and cooperation with authorities related to environmental protection. The reported cases were delivered to the Management Unit and 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 certification field, registered for certification covering 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.

The result of the Surveillance 2 Audit is one non-conformity. The improvement has been implemented and the non-conformity has been closed.

No	Non-Conformity (NC)	Corrective Action to be Undertaken	Category
1.	The Management Unit has not carried	PAT activities in the Management Unit were not	Minor



	<p>out any PAT (Plantation Assessment Team) activities in 2021.</p> <p>Indicator I.4.2.</p>	<p>performed due to regional lockdown and limited accessibility. The activities will be performed when the plants reach three years old (MRI).</p>	
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Conditions under which the certificate is issued

The certificate is valid until April 01, 2023, provided that PT Kelawit Hutani Lestari completes all corrective actions according to the 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 AJA can perform a closeout visit.