

# 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 Wana Lestari

TOTAL HECTARES: 16,443

SCOPE OF REGISTRATION: Sustainable Forest Management of 16,433 hectares of Plantation Forests in East Kalimantan Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: December 01, 2020

AUDIT END DATE: December 04, 2020

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: Amin Kadeni

SIGNATURE:

Ardi Prasetyo

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 Wana Lestari	Ponak Village, Siluq Ngurai District, West Kutai Regency, East Kalimantan Province, Republic of Indonesia	December 01 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	
NA		

#### Brief Description of the Concession

The area of PT Kelawit Wana Lestari based on the Decree of the Minister of Environment and Forestry Number SK 614 / MenLHK / Setjen / HPL.0 / 12/2018 dated December 26, 2018 concerning the Amendments to Decree Minister of Forestry No.169 / Kpts-II / 2005 dated June 16, 2005 concerning the Granting of Business Permits for Utilization of Timber Forest Products in Plantation Forest to PT Kelawit Wana Lestari for a forest area of about 22,065 hectares in East Kalimantan Province. Based on the decree, the concession area of PT Kelawit Wana Lestari is 17,850 ha.

There was conversion of natural forest to plantation forest after December 31, 2010, 619 ha in 2011 and 798 ha in 2012, for a total area of 1,417 ha. Thus, the scope of the IFCC certification is for an area of  $17,850 + 1,417 = 16,433$  ha.

PT Kelawit Wana Lestari has a Business Plan for Utilization of Timber Forest Products in Plantation Forest (RKUPHHK-HT) for the period of 2018 to 2027 on behalf of PT. Kelawit Wana Lestari (SK MenLHK no. 6930 / menLHK-PHPL / UHP / HPL.1 / 12/2017 dated December 27, 2017). The spatial layout of the PT Kelawit Wana Lestari concession based on the above RKUPHHK HTI is: Local Protected Areas and Other Protected Areas of 3,457 ha (15.67%), Staple Plant Area of 9,941 ha (45.05%) and Livelihood Plant Areas of 5,661 ha (25.66%). Percentages are based on original land area of 22,065 ha, of which the balance of 3,006 ha (13.62%) forms part of the area handed over to the local government for allocation to the local community through the Social Forestry scheme (TORA).

The work area of PT Kelawit Wana Lestari is geographically located between  $00^{\circ} 39' 11''$  to  $00^{\circ} 50' 56''$  South and  $115^{\circ} 58' 37''$  to  $116^{\circ} 10' 39''$  East. The work area of PT Kelawit Wana Lestari is located in the Kelawit-Jelau River Forest Group (KH) and hydrologically belongs to the Mahakam Watershed (DAS). The rivers that are located/cross the working areas are the Ohong, Deak, Siram, Bakung, Solang and Ponak rivers. The topography of the area is in the flat category (0-8%) covering an area of 66.7%, Sloping (8-15%) covering an area of 25.5%, a bit steep (15-25%) covering an area of 6.5% and steep (25-40%) covering an area of 1.3%, located at an altitude of 30-120 m above sea level.

Based on the Geological Map of Longiram Sheet of East Kalimantan, Scale 1: 250,000 the soil types in the work area of PT Kelawit Wana Lestari are consists of the Tomp Formation (Pamaluan Formation) and Tuyu Formation (Toty). According to the Schmidt-Fergusson climate classification, the climate in the work area of PT Kelawit Wana Lestari is included in the climate type: A, with rainfall of 2,000 mm / year.

The species cultivated by The Management Unit are *Acacia mangium* and *Eucalyptus pellita*.

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

The residents around the company's concession are local people. Based on the PT Kelawit Wana Lestari HTI RKUPHHK document, the livelihoods of residents around the company's concession are in the agricultural sector, in the form of farming paddy fields and fishing in rivers, forest products, such as sap, honey, and ironwood, the rest are in the oil palm plantation sector, HTI and mining companies.

Based on the 2017-2026 HTI RKUPHHK documents, there are six villages in three districts located around the concession:

- Siluq Ngurai District: Rikong Village; Kendesiq Village; Muara Ponaq Village;
- Bongan District; Muara Siram Village.
- Jempang District: Pentat Village; Lembonah Village.

PT Kelawit Wana Lestari has made conflict resolution efforts with the surrounding community, which includes field verification, cooperation, agreement, compiling Map of Conflict Distributions in 2020. These efforts involve not only the company and community but also government officials such the village and district heads.



PT Kelawit Wana Lestari has collaborated with the surrounding community in the form of the following agreements:

- The company will give priority to the community through a cooperative forum,
- The company will help foster community cooperatives and provide opportunities for company operation,
- The company will provide additional capital assistance to the cooperative through the allocation of livelihood plants,
- The company will help provide clean water facilities, scholarships, teacher honoraria, agricultural and fishing programs, health and religious facilities to the local community through the Community Development program,
- The company does not prohibit the use of ironwood waste by the community if it has received legality from the government, the DR / PSDH fee is the responsibility of the community,
- The company will provide a fee for natural wood to the community,
- The company has the right to carry out HPHTI operational activities with community support,
- The company is obliged to fulfill the written agreement,
- Communities will not claim / claim land within HPHTI areas and provide support for company activities,
- The community is entitled to receive copies of all written agreements.
- The company is willing to provide compensation for planting and growing (GRTT) for the crops of the community which are included in the company's concession.

PT Kelawit Wana Lestari has provided local communities with access to find non-timber forest products that have economic value, such as rattan, honey and fish.

Based on the PMDH implementation report, the activities that have been carried out include: Semester I of 2019: husbandry, mass medicine, natural disaster assistance, religious holidays, transportation assistance, fuel assistance, repair of village roads, school subsidies: stationery assistance; fogging and health checks; customary rituals.

### Description of the ecological conditions of the concession

The Management Unit has allocated Local Protected Areas and Other Protected Areas designated for conservation purposes, protection of biodiversity and protection of endangered and protected species.

The types of flora dominant in the area of PT Kelawit Wana Lestari include: Bengkal (*Nauclea officinalis*), Kalik (*Cyathocalyx magnifica*), Lime (*Dryobalanops fusca*), Medang (*Litsea elliptica*), plus there are also species of protected, rare and threatened vegetation, namely: Ulin (*Eusideroxylon zwageri*), Mempaning (*Castanopsis argentata*) and red meranti (*Shorea leprosula* and *S. johorensis*).

From observation, several species of protected, rare or threatened wildlife were found in the work area of the Management Unit, namely: sambar deer (*Cervus unicolor*), gibbon (*Hylobates muelleri*), Malayan porcupine (*Hystrix brachyuran*).

To minimize the environmental impact of forest management, PT. Kelawit Wana Lestari has taken the following steps:

- Establish and maintain protected areas representing the types of natural ecosystems that exist. These are protected with a nameplate and marked boundary.
- Implement Reduced Impact Logging (RIL) in harvesting, transportation and infrastructure development activities.
- Use of non-prohibited pesticides to tackle pests and diseases of staple crops and weeds. Handling HPT naturally (mechanical and biological) is preferred.
- Build temporary storage for Hazardous and Toxic Wastes (TPS LB3)
- Minimize oil spills by providing oil trap facilities for generator sets and fuel oil (BBM),
- Establish security posts and portals to restrict outsider access to the work area.
- The Management Unit formed the RPK organization (Fire Squad) to prevent and deal with forest and land fires. There is also a monitoring post and fire warehouse to hold the facilities necessary to control forest and land fires. In addition, other facilities include fire towers and water reservoirs. The Management Unit has also established Fire Care Communities (MPA) in the villages to participate in preventing and controlling forest and land fires in the

concession and surrounding areas.

- To minimize the negative impact of invasive species, the Management Unit will no longer plant *Acacia mangium*. Currently, it will develop *Eucalyptus pellita*, which although also an introduced plant, is not invasive.
- The Management Unit also does not plant genetically modified staple plants or other crops.
- To support the success of its production, the Management Unit uses a fertilizer regime based on recommendations from the R&D section of PT. Surya Hutani.
- The Management Unit routinely patrols the forest providing protection against existing forest disturbances, especially land claims and illegal logging, reporting existing violations to the authorities.
- The Management Unit has carried out open land rehabilitation at the KPPN.
- The Management Unit installs signboards in the form of restrictions on lighting fires for clearing land, cutting down trees, and hunting of animals. Pamphlets are also posted in the form of notification of the types of protected flora and fauna.

The Management Unit has also monitored the impact of forest management on the soil (physical-chemical, erosion and fertility) and water (river water quality and discharge), the results of which are reported in the Environmental Permit Implementation Report each semester. Reports for semester 2 of 2019 and semester 1 of 2020 are available.

### Results of the Public Consultation

Prior to undertaking the IFCC Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing November 16, 2020, which asked stakeholders to provide feedback and information on PT Kelawit Wana Lestari. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to related parties via email or postal mail, and announced in local newspapers.

There was positive input from a stakeholder, who conveyed since PT Kelawit Wana Lestari was in its former area, the implementation of road activities was quite good, maintenance of the forest around the concession had been carried out. PT Kelawit Wana Lestari has provided holiday donations, goat livestock assistance, but the assistance on the repair of the passageway from the PT Kelawit Wana Lestari area to the village, educational development activities, cultural arts activities and religious activities was still lacking. The auditors then clarified that based on the 2020 Forest Village Community Empowerment Implementation Report (Semester I) and 2019 (Semester I and II), PT Kelawit Wana Lestari has realized educational programs in the form of stationery assistance, while the village road repair program was implemented in Semester I of 2019.

PT Kelawit Wana Lestari has identified all necessary requirements for this certification process, comprising legal aspects that include compliance with international laws and regulations and conventions. The established management system includes all field activities for certification, which is registered for an area of 16,433 ha.

### 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 PT Kelawit Wana Lestari, there were no Non-Conformities of either a Major or Minor nature identified by the audit team. The management system of PT Kelawit Wana Lestari is operating effectively.

### Conditions under which the certificate is issued

Certificate is valid until April 01, 2023, provided that PT PT Kelawit Wana 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.