

Public Report Sustainable Forest Management System

Ownership of this report and the information contained within remain the property of
AJA Europe





CLIENT NAME: PT KELAWIT WANA LESTARI

TOTAL HECTARES: 16,433 ha

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

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Stage 2

AUDIT START DATE: October 22, 2019

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

AUDIT END DATE: October 25, 2019

LEAD AUDITOR: Abdullah Mujahid

SIGNATURE:

AUDIT TEAM: Rahmat Safe'i

SIGNATURE:

Warsito

SIGNATURE:

MAJOR CARS : -

MINOR CARS : 1

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, Kutai Barat Regency, East Kalimantan Province, Republic of Indonesia	October 22 to 25, 2019
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	
N/A		

Brief Description of the concession

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 Amendment to the Decree of the Minister of Forestry No.169 / Kpts-II / 2005 dated June 16, 2005 concerning Granting of the Business Permit for the Utilization of Timber Forest Plantation Forest Products to PT Kelawit Wana Lestari over around 22,065 hectares of forest in East Kalimantan Province, the amended area is 17,850 ha.

There has been conversion of natural forest to plantation forest since December 31, 2010, in 2011 an area of 619 hectares and in 2012 an area of 798 hectares, or 1,417 hectares in total. Thus the scope of the IFCC certification is for an area of 17,850 ha - 1,417 ha = 16,433 ha.

The Management Unit has a ten-year planning document, the Business Plan for Utilization of Timber Forest Products (RKUPHHK-HT) for 2018-2027 on behalf of PT. Kelawit Wana Lestari (SK Men LHK No. 6930 / menLHK-PHPL / UHP / HPL.1 / 12/2017 dated December 27, 2017). The spatial plan based on the RKU is Local Protected Area and Other Protected Areas of 3,457 ha (15.67%), Staple Plant Area of 9,941 ha (45.05%) and Livelihood Plant Area of 5,661 ha (25.66%). Percentages 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 TORA or Social Forestry scheme.

The work area is located between 00° 39' 11" to 00° 50' 56" South and 115° 58' 37" to 116° 10' 39" East. The boundaries are: North side is APL and PT Montewani, East side is APL, PT Teguh Swakarsa Sejahtera and Balikpapan Forest Indonesia HPH, South side is APL and PT. Kelawit Hutani Lestari; West side is the former area of PT. Meratus Kalimantan Timber and HTI PT. Kelawit Hutani Lestari.

Based on governmental administration the concession falls under the District of Siluq Ngurai, Jombang, Bongan, West Kutai Regency, East Kalimantan Province, First Level Region of Forestry Agency of East Kalimantan. It is included in the Mahakam watershed with Kelawit, Siram and Ohong Sub-watersheds.

The topography of the land is sloping to hilly with a slope range of 0% - 25% at an altitude ranging from 0 - 200 meters above seas level. The concession area experiences an uneven rainfall pattern throughout the year with a dry season occurring between June and October, and the rainy season lasting from November to April/May. Annual rainfall is 1,938 mm, with an average of 179 mm / month, the highest rainfall occurring in April and the least in August and September. The geological conditions based on the East Kalimantan Longiram Sheet Geological Map scale of 1: 250,000 consist of the Tomp Formation (Pamaluan Formation) and the Tuyu Formation (Toty). The soil type is Ultisol, which is a soil that has undergone further weathering and is derived from highly acidic parent material.

In light of the foregoing, the Management Unit has selected *Acacia mangium* and *Eucalyptus pellita* as species for cultivation.

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

The Management Unit of PT Kelawit Wana Lestari conducted a Social Impact Study (SDS) in 2016, which identified potential social impacts resulting from the existence and operational activities of HTI concessions and enabled mitigation plans to be prepared. Based on the SDS document, the four (4) villages of Muara Siram, Kandisiq, Muara Ponak and Rikong were identified within the vicinity of the concession in the administrative area of Siluk Ngurai District.

The majority of the population of the villages are Benuaq Dayak and Bentian Dayak, with a small number of Javanese, Bugis and Kutai migrants. The Benuaq Dayak and Bentian Dayak communities still maintain traditional customs in their

daily lives such as for deaths, marriages, medical treatments and the traditional fine system.

The existence of customary rights is still recognized by the community and the local government, so every area planted by PT Kelawit Wana Lestari must first obtain approval from the community. There is evidence of cooperation with the local village community, which is recorded by notarial deed in regard to the cooperation of HTI plants with a total area of 2,269.2 ha. In addition there are records of cooperation agreements within the framework of forest management in the form of the formation of the Fire Concern Community (MPA), Desa Makmur Peduli Api (DMPA) and cooperation on the utilization of Non-Timber Forest Products (HHNK).

Based on interviews with the village chiefs, PT Kelawit Wana Lestari has respected the rights of the indigenous Dayak people and there have been no evictions from cultural sites (graves / sacred sites) or from land previously cultivated by the community. Every time logging or new opening of land takes place. the community is always involved.

The Management Unit has procedures for resolving land conflicts that explain the conflict resolution mechanism. There are records of land settlement documents together with the BA agreement accompanied by payment receipts, and a letter certifying the ownership of the land, as well as HTI development cooperation accompanied by a location map. Conflict mapping and resolution reports for period I of 2019 have been reported to the Head of the Environment and Forestry Office of East Kalimantan Province.

The Management Unit has documented Community Development Project Plans (CDs) from 2015 to 2019 with details of the plans and the realization of the CD program for each year. The planned CD program is in the form of assistance in the fields of productive business, health, education, social culture and infrastructure. Plans and realization of the CD program include the realization of the DMPA program in the form of the provision of calves and piglets.

Description of the ecological conditions of the concession

The Management Unit has identified those forest management activities with significant impacts, and conducted an environmental impact assessment through: RKL & RPL AMDAL Documents of PT. Kelawit Wana Lestari that was approved by the Forestry Department AMDAL Commission No. 83 / DJ-VI / AMDAL / 1996 dated July 6, 1999. Moreover, reports on the implementation of environmental management and monitoring are presented in the Environmental Permit Implementation (RPL / RKL) report each semester.

To help counter negative effects, Reduced Impact Logging activities are carried out in three stages - pre-harvesting, during harvesting operations, and post-harvesting. The Management Unit also monitors the physical and chemical properties of the soil and soil erosion, as well as water quality and discharge.

Identification of areas that function for soil protection are included in the Local Protection Area / Other Protected Area covering an area of 3,457 ha (15.67%), which consists of KPSL of 893 ha (4.05%), KPPN of 1,138 ha (5.16%) and Riparian Areas of 1,426 ha (6.46%). Areas that function for water protection are also identified and then allocated and designated as local protected areas and other protected areas.

The Management Unit has carried out biodiversity management activities that include identification and inventory of protected, endemic, rare and threatened / endangered flora and fauna within the concession area. The results of the identification and inventory can be found in RKL and RPL AMDAL semester reports, as well as the fauna distribution maps, although the flora distribution maps are not yet available. No key species have been identified. The main plant species being cultivated are not genetically modified tree species, but *Acacia mangium* and *Eucalyptus pellita*.

The Management Unit also carries out Forest Protection activities for disturbances due to human and natural causes. These include the posting of boundary markers and warning notices forbidding the lighting of fires, grazing of livestock, etc. While regular patrols are carried out to swiftly identify the cause of any disturbance, close coordination is also maintained with the local community to keep them aware of the company operations.

The Management Unit has documented procedures to prevent and handle the occurrence of disease or infestation, which include manual, mechanical, natural and the use of chemical pesticides as appropriate. There are also documented procedures for the handling of fuel oil spills, lubricants and chemicals, as well as for the management of hazardous and toxic materials (B3).

The Management Unit also implements forest protection measures against fire hazards in cooperation with the local community as part of the MPA and DMPA agreements.

Results of the Public Consultation

Prior to undertaking the IFCC Stage 2 Audit, PT AJA Sertifikasi Indonesia conducted a Public Consultation commencing October 8, 2019, 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), sent to related parties via email or postal mail, and announced in local newspapers. PT AJA Sertifikasi Indonesia received no input in respect to the public consultation..

The audit team also collected information from the mass media about PT Kelawit Wana Lestari, the reported cases being given material consideration as part of the PT AJA Sertifikasi Indonesia audit process.

PT Kelawit Wana Lestari has identified all necessary requirements for this certification process, comprising legal aspects that include compliance with international rules and regulations and conventions. A management system has been developed to cover all activities in the field of certification, which is registered for an area of 16,443 hectares.

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

Results of the Stage 2 Audit PT Kelawit Wana Lestari identified one (1) Minor Non-Conformity. The management system of PT Kelawit Wana Lestari is operating effectively and no critical issues were identified.

NO	Non-Conformities	Corrective Action performed	Category
1.	The Management Unit has divided the work area into work plots. Based on field verification, however, some compartment pegs were not made from paralon material, resulting in the absence of compartment marking and RKT boundaries with pegs, as well as no maintenance of compartment pegs carried out in the last year's and current year RKT blocks. In addition, no boundary plants were found in the area of Livelihood Plants. Clause Ref. I.4.1.	The Management Unit has planned the installation / maintenance of compartment plots that are not made of paralon material, as well as carrying out maintenance of compartment stakes carried out in the last and next year's RKT block. In addition, it has also installed boundary pegs for the area of Livelihood Plants.	Minor

Conditions under which the certificate is issued

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