

# The Tycoons of Papuan Forest

Alamindo Group - Irmaulindo - Matingan

Kayu Laksana Indonesia - Korindo - Meico - Me

Jaya Modern Group - Moorim - Atria - R

Agung Ady Setiyawan - Isnenti Apriani - Soelthon G. Nanggara  
Anggi Putra Prayoga - Ogy Dwi Aulia - Christian P. Purba - Mufti Fathul Barri

Rimnan Hiku - Sinar Wijaya - Wapoga Group

# **The Tycoons of Papuan Forest**

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# Glossary

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## **Asymmetry**

Imbalance or Inequality.

## **Bottom Up**

A planning model where employees are asked to be proactive in setting goals and objectives, in contrast to the usual situation where employees are only required to provide feedback.

## **Conglomeration**

A large company or holding company which operates various subsidiaries and engages in various business sectors.

## **Deforestation**

All forms of change in land cover condition, especially from forest to non-forest caused by either natural conditions and/or logging activities, either legally or illegally within a certain period of time, which are temporary or permanent.

## **Forest Clearing (Pembukaan Wilayah Hutan, PWH)**

Activities for providing infrastructure in the context of preparation for logging activities for forest exploitation. Clearing of forest areas is part of forest management that requires infrastructure such as roads, log ponds, basecamps, wood hoards, bridges, control towers and others.

## **Forest Governance**

Process, mechanism, regulation, and institution relevant to land and forest management.

## **FSC Certification**

Forest Management Certification, ensuring that forest management practices carried out by concession area operator or land owner has fulfilled responsible forest management standards, with consideration on relevant environmental, social, and economic aspects.

## **Fulfillment Plan for Industrial Raw Materials (RPBBI)**

(*Rencana Pemenuhan Bahan Baku Industri*, RPBBI): a plan containing raw material needs and supply from legal sources in accordance with the capacity of primary industry on forest product and the guaranteed availability of raw material supplies for 1 (one) year, which serves as a controlling system on raw material supplies.

## **HGU**

Right for Business Use or *Hak Guna Usaha*, the right to do business on a plot of land directly owned by the state within a specific timespan, and may be used for agriculture, fishery, or farming businesses.

## **HHBK**

Non-timber forest product or hasil hutan bukan kayu refers to biological forest products, both flora or fauna and their derivatives and cultivations, excluding wood and timber products.

## **Industrial Plantation Forest (Hutan Tanaman Industri, HTI) or Business Permit for Use of Timber Forest Products from Plantation Forest (Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Tanaman, HTI)**

Plantation Forest within Production Forest developed by forestry industry groups to improve potential and quality of Production Forest by implementing silvicultural system in fulfilling raw material needs of forest product industries.

## **IPK**

Timber Use Permit or *Izin Pemanfaatan Kayu* is the permit for logging and/or transporting timber as a result from non-forestry activities, for example from converted and released production forest areas, production forest areas by exchanging forest areas, use of forest areas with borrow-to-use permits, and Other Use Areas that have been granted designation permits.

## **IPPKH**

Lend-Use Permit of Forest Area (*Izin Pinjam Pakai Kawasan Hutan*, IPPKH) or Exchange of Forest Area (*Tukar Menukar Kawasan Hutan*, TMKH) is the use of forest area for development purposes outside of forestry sector, without any changes on functions and use of forest area.

## **Land Clearing (LC)**

Land clearing is the process of clearing and preparing a plot of land for use in activities such as agriculture, plantation, or mining/construction activities.

## **Legal Harvest Verification (LHV)**

A standard that requires that forest owners/managers have the right to harvest timber within legally defined limits.

## **Mandatory Certification**

Natural forest management standards issued by the Ministry of Environment and Forestry and are mandatory in which all management units in Indonesia must be assessed for their forest management performance in order to meet PHPL standards in accordance with applicable laws.

## **Moratorium**

Termination/Suspend on certain permissions or objects.

## **Non-Tax State Revenue (Penerimaan Negara Bukan Pajak, PNBP)**

State revenue not originating from taxation revenue.

## **Primary Forest**

Forest mainly consisting of trees grown naturally without human intervention. Natural forests that exclude plantation and planted forest.

## **Social Forestry**

A sustainable forest management system implemented in State Forest Areas or Private Forests/Customary Forests carried out by local communities or customary law communities as the main actors to improve their welfare, environmental balance and socio-cultural dynamics in the form of Village Forests, Community Forests, Community Plantation Forests, Customary Forests, and Forestry Partnerships.

## **PHPL**

Sustainable Production Forest Management or *Pengelolaan Hutan Produk Lestari* ensures that one produces legal forest products with guarantees over forest sustainability from a production, ecology, and social perspectives.

## **PIPPIB**

Indicative Map for Suspension of New Permit Issuances, *Peta Indikatif Penundaan Pemberian Izin Baru*.

## **PSDH**

Provision of Forest Resources or *Provisi Sumber Daya Hutan*, collection performed as a replacement to the intrinsic value of forest products collected from state forests and/or on forest products located in forest areas whose status has been relegated to non-forest areas and/or state forests that are reserved for development outside the forestry sector.

## **Right for Forest Use (HPH) or Business Permit for Use of Timber Forest Products from Natural Forest (IUPHHK-HA)**

Permits which issued for selective logging activities in natural forests for a certain period, generally 20 years and can be renewed for a further period, generally another 20 years. This HPH permit was originally intended to maintain the forest as a Permanent Production Forest area.



## **RKT**

Annual Work Plan or *Rencana Kerja Tahunan*.

## **S-PHPL**

Forest certification scheme which ensures that a Forest Management Unit manages its production forest area sustainably.

## **SVLK**

Timber Legality Verification System or *Sistem Verifikasi Legalitas Kayu*, a tracking system prepared in a participative manner by the relevant stakeholders to ensure the legality of wood circulated and traded in Indonesia. SVLK is developed to encourage the implementation of prevailing government regulations on trade and circulation of legal forest products in Indonesia.

## **Timber Legality**

A system to ensure that all wood products circulating and traded in Indonesia have a convincing legal status.

## **Top Down**

A planning model where superior officers make decisions and their subordinates execute the decisions.

## **Timber Extraction**

The process of separating wood from the mixture.

## **TPK**

Timber Stockpiling Area or *Tempat Penimbunan Kayu*, an area owned by Permit Holder/Forest Operator and used to stockpile round logs. This is usually located outside of the operation area of Permit Holder/Forest Operator.

The Tycoons of Papuan Forest

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# Preface

In essence, forests are natural resources that help maintain humanity's life systems. This is also the case for community groups heavily dependent on forests for their livelihoods. For these groups, such as indigenous and local communities living in and around forest areas, forests serve as a "mother" providing them with life necessities for generations, be it physical or metaphysical life.

*Forests serve as a "mother" providing them with life necessities for generations, be it physical or metaphysical life.*

The cultural diversity of Indonesian society is also based on the interactions and relationships between societies with nature, including forest ecosystems. It is therefore imperative that forest management is carried out openly, upholding a strong principle of justice for all community groups.

This publication aims to provide a detailed view on the information relating to the practices of forest management, which to date is still out of reach for the general public. We sincerely hope that this publication may spur a broader push towards information accountability with relation to forest management in Indonesia, and specifically in Papuan land. We also seek to open the public's eyes on the actual situation and practices of forest management in Papua.

Information presented in this publication is a result of research conducted using scientific methods. In addition to information on forest condition, this publication also contains data on the ownerships of company entities obtained from the General Legal Administration (*Administrasi Hukum Umum*, “AHU”) data of Ministry of Legal and Human Rights (Kemenkumham), Internet searches, and other report sources published by various parties. This study is not meant to corner any individual person or certain companies/groups; this study is meant solely to convey complete and credible data, in accordance with publicly available information accessible to the general public.

*Thank you.*

*Sincerely,*

*Executive Director of FWI*

*Mufti Fathul Barri*

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**Background**

**F**orest Watch Indonesia (FWI) is an independent forest watch network organization consisting of individuals committing to develop an open process for management of forestry data and information in Indonesia, as well as to ensure the fair and sustainable management of forest resources. On that ground, FWI continues to advocate the importance of information accountability on forest management, in order to realize a sustainable and fair forest governance from an informational perspective.

The information asymmetry on forest management in Indonesia still persists to this day. Information relating to actual forest situations such as deforestation, permit data, forest use, and others, has not been comprehensively conveyed to the general public, resulting in an informational injustice. For example, communities residing in and around forests hardly ever received complete understanding or information with regards to forest management within their area. On the other hand, the good practices on forest management performed by indigenous/ local communities rarely received acknowledgement and legal protection. This informational injustice is also evident from the persistence of social conflicts relating to forest management.

***The information asymmetry on forest management in Indonesia still persists to this day. Information relating to actual forest situations such as deforestation, permit data, forest use, and others, has not been comprehensively conveyed to the general public,***

With regards to the establishment of a Good Forest Governance, the imbalance of information across members of society is called information asymmetry. This concept was first introduced by George A Akerlof (1970) in his paper titled “The Market for Lemons: Quality Uncertainty and The Market Mechanism”<sup>1</sup>, which is later known as the Lemon Market Theory.

While information asymmetry may benefit certain parties, it can also result in devastating consequences for other parties involved. Information asymmetry is prevalent in various aspects in Indonesia, and tends to increase in frequency recently. This also happens with regards to information on forest and land management in Indonesia, particularly Papua, where information sources are limited, accesses are hard, and information flow is imbalanced, especially on information coming into and out of local/indigenous communities.

This information asymmetry has resulted in the apparent perception that Papua is an inhospitable place, as well as the view that Papuan land is simply a region of abundant resources which can be extracted at will. In reality, in addition to its vast wealth of resources, Papua is also an island rich in tribal, cultural, as well as flora and fauna and other biological diversities. Papua is also home to more than 255 indigenous Papuan communities<sup>2</sup>, 718 regional languages<sup>3</sup>, as well as more than 200 floras and 1000 faunas.

One of the information being improperly conveyed with relation to forest management in Papua relates to permits for the forestry sector, especially the HTI (HTI) or the HPH (HPH) schemes. Even the Papuan society in itself is often left in the dark with regards to the real situation in their own land. Who benefits most from the extraction of forest resources in Papua? Have the prevailing policies been able to protect Papuan forests? Where are those forest products being shipped to? What about the legality of permits there, either for those already in operation or those have not? How is the spatial situation within Papuan forests? What will Papua's future forest management plans look like? There are still many such questions without any clear answers, especially for the Papuan society themselves.

On the basis of such informational injustice, FWI is hopeful that this publication will help “untangle” the complicated information on forest management, particularly in Papua. FWI firmly believes that forest management will improve once “informational justice” is reached, which means that all forestry data and relevant data on natural resources can be accessed easily and swiftly by everyone. We hope that all forest exploitation activities and diversification of forest area use may be carried out comprehensively, with careful attention to the subsequent environmental impacts, especially with regards to the main subjects and objects of the area. We sincerely hope that this publication will assist the society, particularly Papuan society, in developing a more comprehensive understanding on the reality of the situation. We also hope that the government and other relevant parties may develop solutions to solve forest degradation and deforestation, as well as the imbalanced forest and land use in Indonesia, especially within Papuan land.

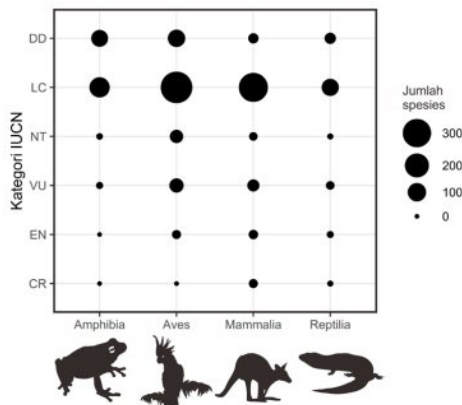


**1**



# **A Brief Overview of Natural Forest on Papua Region**

The mainland of Papua Region in Indonesia, which includes the provinces of Papua and West Papua, covers an area of 41.38 million hectares. According to FWI analysis in 2018, mainland Papua has a natural forest cover area of 33.4 million hectares, representing about 80.71% of the total land area.



Intact natural forest ecosystems on Papuan mainland contribute to the biodiversity living within them. Based on data collected from both GBIF and IUCN's red list, there are more than 250 types of flora that grow in Papua, and more than 1000 species of fauna (which consists of reptiles, amphibians, mammals, and birds). Papua is very rich in bird and mammal species, with 588 species and 394 species respectively. Many of these species have not been assigned a conservation status, as studies and information on Papuan biodiversity is still insufficient. Although the proportion of non-threatened species in Papua is still relatively high, there are also umbrella species that are highly threatened, ranging from vulnerable to critically endangered. (Note: DD: Data Deficient, LC: Least Concern, NT: Near Threatened, VU: Vulnerable, EN: Endangered, CR: Critically Endangered).

Based on spatial data compiled by FWI, as of 2020, about 15.6% of land area within Papua region has been assigned land use and use rights in the form of forest management permits. Around 5,503 million hectares were granted to HPH, 974 thousand hectares to IUPHHK- HT, of which 5.89 million hectares remain as natural forest.

The area of natural forest continues to decrease. In 2019-2020, based on GLAD Alert<sup>4</sup> data superimposed on FWI forest cover in 2018, at least 55.65 thousand hectares of natural forest indicated as deforested, 78% or 43.6 thousand hectares of which are located within permit areas. The same is true for areas included in the map of the moratorium on natural forests and peatlands (PIPPIB). Although the number is small and decreases every year (in 2019 deforestation within the moratorium area was 10,391 hectares, and 8,908 in 2020), deforestation in the moratorium area should not have occurred at all.

While the permit moratorium policy on primary forest and peatland has been made permanent since August 2019, there are still concerns regarding the implementation of said policy, as it has deemed to not be able to contribute materially in protecting the remaining forests in Indonesia. This is because the area under moratorium has remained under “indicative” status since its conception in 2011 to this day. We view that the policy will be more effective if the indicative map is upgraded into a definitive one.

Overall, about 22 million ha (34%) of the areas included in the moratorium are previously designated conservation areas. Therefore, in terms of policy, the area is not intended to be converted in any way. This situation shows that the moratorium policy only protects about 42 million ha of primary forest in Indonesia. **In addition, this forest moratorium policy still provides some exceptions for existing permits and those with principal approval, vital development, permit extensions, ecosystem restoration, natural disaster evacuation routes, central/local government preparedness, national strategic projects (with reference to President Regulation) and defense and security interests, as well as supporting public safety.** Thus, even though a natural forest area has been included into the moratorium, in the future it will still be able to be converted should a government plan including one more of the exception points above arise.

As the determination of PIPPIB is still limited to natural forests included within forest area<sup>5</sup>, other problems arise, especially with regards to 34 million hectares of natural forest that is not included in the moratorium area, 13.7 million ha of moratorium area that is not covered by natural forest, and 1.6 million ha of natural forest lost despite being within the moratorium area in 2013-2017.

Specifically for Papua Region, there are about 26.4 million hectares of forest area that have been designated as PIPPIB indicative areas, with 1,145,272 hectares of them being located within concession areas.

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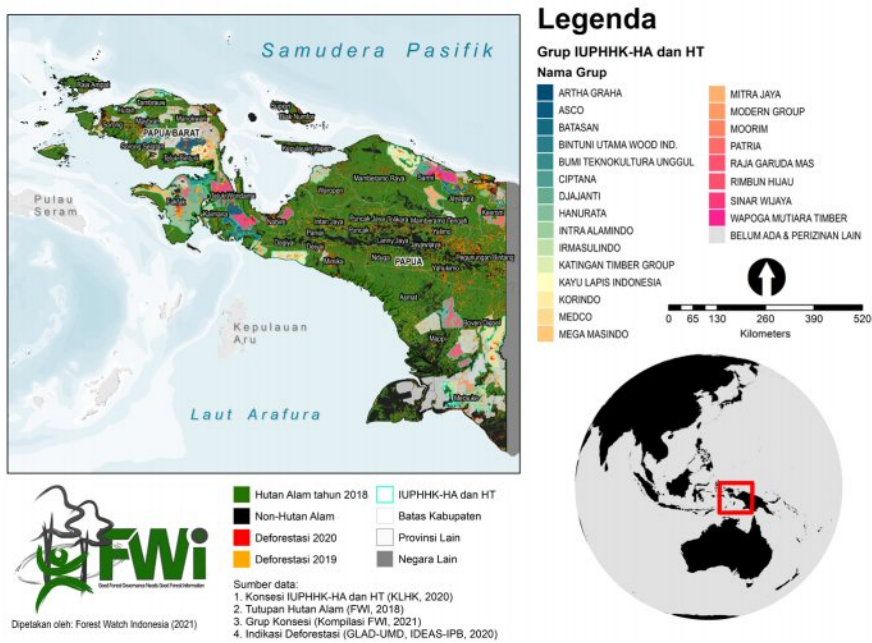


Figure 1. Location map of HPH-HTI groups within Papua Region. Source: FWI, 2021

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# Development of HPH and HTI Permits in Papua Region

The development of timber industry in Papuan mainland was initiated by the operation of *Perusahaan Perseroan (Persero) Eksploitasi dan Industri Hutan* or PT Inhutani II/Kesatuan Usaha Manokwari in January 1979, with its first activity being the export of 5400 m<sup>3</sup> of Matoa (*Pometia* spp.) logs on 19 March 1979 to Japan. In 1980, PT Inhutani was authorized to maintain and take over the former working area of State Timber Company (PKN) Manokwari, in which it conducted sawmill operations. After nine years, PT Inhutani II handed back the area, as it now functions as a designated Transmigration area, has a steep topography, and is insufficient in its stand potential<sup>6</sup>. Based on 2020 data, HPH permits within Papua Region have significantly expanded since 1997, both in total area and number of permits. The number of HPH management units as of 2019 is 38 companies, representing a total permit area of 6 million hectares.

The development of Industrial Forest (*Hutan Tanaman Industri*, HTI) in Indonesia commenced in the mid-1980s. This policy aims to improve forest productivity and also fill the gap for the needs of industrial timber raw materials. In Papua Region, HTI permit was first issued in 1998 for PT Maharani Rayon Jaya, now PT Merauke Rayon Jaya. As of 2020, HTI permits have been issued for 8 management units representing a total permit area of 898 thousand hectares.

Development of HPH and HTI Permits in Papua Region

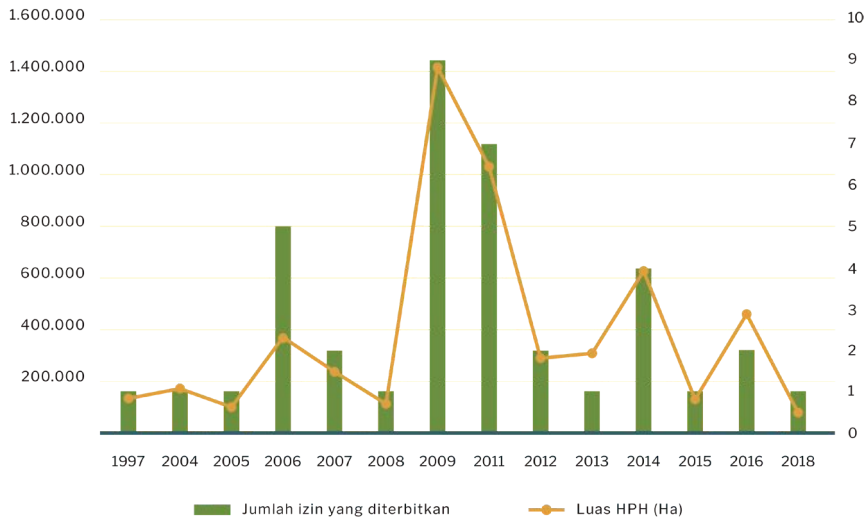


Figure 2. Development of HPH permits in Papua based on Permit Decree Year 2020<sup>7</sup>. Source: FWI Analysis, 2021

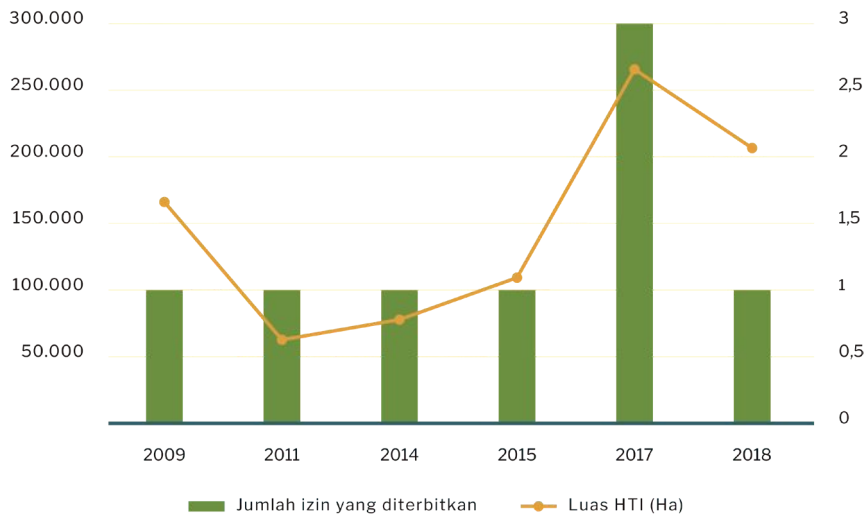


Figure 3. Development of HTI permits in Papua based on Permit Decree Year 2020<sup>8</sup>. Source: FWI Analysis, 2021

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# Land Ownership of HPH and HTI Groups in Papua Region



The use of forest timber products through HPH and HTI in Papua Region is permitted for 43 companies under 24 business groups and an additional 3 independent companies. Based on spatial analysis, there are 6 company groups with land ownership ranging around 6-8% of total land area under permit, which are as follows:

- The first group to own land in Papua is Kayu Lapis Indonesia (KLI) through its 3 subsidiaries owning a total area of around 632,000 hectares, which are PT Bina Balantak Utama, PT Diadyani Timber, and PT Yotefa Sarana Timber. The three subsidiaries deliver timber to supply PT Henrison Iriana in Sorong, also a part of KLI.
- The second group is Raja Garuda Mas (RGM), with its 3 subsidiaries engaging in forest exploitation and timber plantations. The subsidiaries are PT Damai Setiatama Timber (HPH), Mukti Artha Yoga (HPH), and PT Kesatuan Mas Abadi (HTI). All three own a combined forest area of around 549,000 hectares.
- The third group is Sinar Wijaya Group through its 4 subsidiaries owning a total concession area of 547,383 hectares. The subsidiaries are PT Jati Dharma Indah Plywood Industries, PT Wijaya Sentosa, PT Wukirasari, and PT Kaltim Utama. Three subsidiaries are located in West Papua, while the other is located in Papua. All four subsidiaries serve as main suppliers for PT Sinar Wijaya Plywood Industries, located in Dawai - Serui, Yapen Waropen, Papua.
- The fourth group is Intra Alamindo, with PT Prabu Alaska dan PT Rimbakayu Arthamas as its subsidiaries owning a total area of around 460,000 hectares.
- The fifth group is Korindo, with its 3 subsidiaries, PT Bade Makmur Orisa, PT Tunas Timber Lestari, and PT Inocin Abadi owning around 417,000 hectares of Papuan forest. Korindo also owns a plywood processing industry in Boven Digoel (PT Korindo Abadi).
- The sixth group is Mega Masindo, with its 4 subsidiaries owning a total area of around 406,000 hectares. The subsidiaries are PT Arfak Indra, PT Manokwari Mandiri Lestari, PT Megapura Membramo Bangun, and PT Mutiara Alas Khatulistiwa.

In addition to the above, there are several other companies owning their own timber processing industries, such as PT Bintuni Utama Murni Wood Industries, a HPH company specializing in processing mangrove woods into chip woods, a raw material for pulp. Another such company is PT Wapoga Mutiara Timber (WMT), a HPH company which owns an integrated wood industry complex based on Biak and produces plywood, block-board, film face, and sawn timber molding.

The following lists groups and companies under operational HPH and HTI permits in Papua and West Papua.

No	Group	Land Area (ha)	Percentage of land owned to total land area under permit
1	Kayu Lapis Indonesia	632.007	10%
2	Raja Garuda Mas	549.478	8%
3	Sinar Wijaya	547.383	8%
4	Intra Alamindo	460.445	7%
5	Korindo	417.579	6%
6	Mega Masindo	406.579	6%
7	Artha Graha	312.570	5%
8	Hanurata	290.344	4%
9	Asco	274.273	4%
10	Medco	235.075	4%
11	Djajanti	234.943	4%

Land Ownership of HPH and HTI Groups in Papua Region

12	Bumi Teknokultura Unggul	224.377	3%
13	Modern Group	211.707	3%
14	Irmasilindo	174.936	3%
15	Wapoga Mutiara Timber	169.514	3%
16	Patria	164.359	3%
17	Mitra Jaya	157.376	2%
18	Ciptana	94.429	1%
19	Bintuni Utama Wood Industries	81.810	1%
20	Rimbun Hijau	81.379	1%
21	Katingan Timber Group	80.282	1%
22	Batasan	79.634	1%
23	Moorim	64.433	1%
24	Perusahaan lain	532.521	8%
Total Land Area Under Permit		6.477.435	100%

Table 1. Group ownership of land. Source: FWI Analysis, 2021

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# Shareholders of HPH and HTI Companies in Papua Island

**P**roblems relating to HPH permits do not only relate to the apparent direction towards conglomerations of Indonesian forest use. Issuance of HPH permits has been considered by many as insufficiently transparent, as they are not issued through open tender processes. This is believed to drive the conglomeration of forest businesses, which exacerbates social imbalance as conglomerations tend to lead to oligopolies<sup>9</sup> on forest product markets. Likewise, transparency on Beneficial Ownership (BO) in Indonesia remains comparatively low. According to Ministry of Legal and Human Rights (Kemenkumham) as of 31 August 2021, only 515,783 corporations out of 2,306,908, or 22.36% corporations has implemented the principle of BO transparency<sup>10</sup>.

The initial step in tracing the beneficial owner can be done through Kemenkumham's General Legal Administration (AHU) data. It often takes a series of layered searches to find the name of the ultimate owner behind the company. It is often found in the first AHU document that the beneficial ownership in the company is another company, thus requiring a second search for the AHU document of the shareholding companies of the first company being studied. This search cycle may continue until three or more layers of searches are conducted, until an individual name is found. Even then, these individual names may actually be "puppets" of the tycoons, who devised such systems for tax evasion

*Even then, these individual names may actually be "puppets" of the tycoons, who devised such systems for tax evasion and tax avoidance purposes.*

and tax avoidance purposes. The search will also meet a dead end if it turns out that the ultimate parent entity of a company is a foreign company originating from a tax haven country.

Similar patterns can also be found in studies of HPH and HTI permits in Papua region. For example, in Korindo Group, share ownerships amongst Korindo's subsidiaries are interrelated with each other. One such case being PT Bade Makmur Orisa (BMO), whose majority shares are owned by PT Pelayaran Korindo (PK) and PT Trisetia Intiga (TI). PT PK is owned by PT Bumi Indawa Niaga (BIN) and PT Bimaruna Abadi (BA), while PT TI is owned by PT PK and PT Balikpapan Forest Industries (BFI). PT BFI's majority owners are PT PK and PT BMO. Such is also the case with other interrelated members of the Korindo Group (PT Inocin and PT Tunas Timber Lestari). Beyond the convolutions, the name Robert Seung emerges as the ultimate owner. Likewise for Medco Group, ownership of the subsidiaries' shares is interrelated but ultimately ends up with Arifin Panigoro.

On the other hand, the share ownership of other companies can be directly identified as an individual ownership when analyzing the first AHU document. For example, Asco Group through PT APN and PT PHLM is owned by Abdurracman Abdulkadir Assegaf, a businessman from Pasuruan who is also the owner of PT Indo Furnitama Raya (IFURA). Another example is PT Sumber Mitra Jaya under the Mitra Jaya Group, which is owned by a Malaysian entrepreneur of Indian descent, Drs. Gowindasamy, and Sinar Wijaya Group which is owned by Supto Juyo Wijoyo. Table 2 below indicates a detailed outline of the ultimate owners of various HPH and HTI companies operating in Papua region.

## Shareholders of HPH and HTI Companies in Papua Island

No	Group	Company Name	Indicated Beneficial Owner (BO)
1	Raja Garuda Mas	-	Sukanto Tanoto
		PT Damai Setiatama Timber	Ir Agus Didong, Abdi Tunggal dan Dedy Sutanto
		PT Kesatuan Mas Abadi	Ir Agus Didong, Abdi Tunggal dan Dedy Sutanto
		PT Mukti Artha Yoga	Ir Agus Didong, Abdi Tunggal dan Dedy Sutanto
2	Sinar Wijaya	-	Sapto Joyo Wijoyo
		PT Jati Dharma Indah Plywood Industries	Sapto Joyo Wijoyo dan Budi Susanto
		PT Kaltim Utama	Sapto Joyo Wijoyo dan Budi Susanto
		PT Wijaya Sentosa	Sapto Joyo Wijoyo dan Hendra Wijaya
		PT Wukirasari	Sapto Joyo Wijoyo
3	Kayu Lapis Indonesia	-	Belum Teridentifikasi
		PT Bina Balantak Utama	Lanny Lanawati dan Guntoro
		PT Diadyani Timber	Dimas Rahadian Suryoputro dan Freddy Wibowo
		PT Yotefa Sarana Timber	Dimas Rahadian Suryoputro dan Freddy Wibowo
4	Intra Alamindo	PT Prabu Alaska Unit I	Darius Audryc dan Juan Mulya
		PT Rimba Kayu Arthamas	Darius Audryc dan Juan Mulya

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5	Korindo	-	Robert Seung
		PT Inocin Abadi	Robert Seung
		PT Tunas Timber Lestari	Robert Seung
		PT Bade Makmur Orissa	Robert Seung
6	Mega Masindo	-	Mr. Wong atau Paulus George Hung/ Ting Ting Hung
		PT Arfak Indra	Heru Budiyo
		PT Megapura Membramo Bangun	Usman
		PT Manokwari Mandiri Lestari	Grace Sukmawati dan Yongki Indrawan
		PT Mutiara Alas Khatulistiwa	Jasong Ting Kuan Yew dan Paulus George Hung (Mr. Hung)
7	Artha Graha	-	Tommy Winata
		PT Kurniatama Sejahtera	Keluarga TW dan Budi Santoso
		PT Papua Satya Kencana	Keluarga TW dan Budi Santoso
8	Hanurata	-	Keluarga Cendana
		PT Hanurata	Keluarga Cendana
		PT Hanurata Unit Jayapura	Keluarga Cendana



## Shareholders of HPH and HTI Companies in Papua Island

9	Korindo	-	Abdurrachman Abdulkadir Assegaf
		PT Asco Prima Nusantara	Abdurrachman Abdulkadir Assegaf
		PT Papua Hutan Lestari Makmur	Abdurrachman Abdulkadir Assegaf
10	Medco	-	Keluarga Panigoro
		PT Medcopapua Alam Lestari	Arifin Panigoro
		PT Selaras Inti Semesta	Arifin Panigoro
11	Djajanti	-	Belum Teridentifikasi
		PT Teluk Bintuni Mina Agro Karya	Yoseph Prawira
12	Bumi Teknokultura Unggul	-	-
		PT Bangun Kayu Irian	Keluarga Sutanto (Yenny, Anne, Dody, Ari)
		PT Mitra Pembangunan Global	Keluarga Sutanto (Yenny, Anne, Dody, Ari)
13	Modern Group	-	Keluarga Honoris
		PT Wanamulia Sukses Sejati	David Honoris dan Margareth Honoris
		PT Wanamulia Sukses Sejati Unit III	David Honoris dan Margareth Honoris

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14	Irmasulindo	-	Yul Liemsela dan Johny Tjowasi
		PT Irmasulindo (Unit I dan II)	Yul Liemsela dan Johny Tjowasi
15	Wapoga Mutiara Timber	-	Belum Teridentifikasi
		PT Wapoga Mutiara Timber Unit II	Rahadian Tatas
16	Patria	-	Keluarga Tamsil
		PT Semarak Dharma Timber	Ferry Tamsil, Jemmy Tamsil dan Charles Tamsil
17	Mitra Jaya	-	Dato Drs. K. Gowindasamy
		PT Sumber Mitra Jaya (SK.396)	Dato Drs. K. Gowindasamy
		PT Sumber Mitra Jaya (SK.556)	Dato Drs. K. Gowindasamy
18	Ciptana	-	Keluarga Sudarsono Chandrawidjaja
		PT Mondialindo Setya Pratama	Jenny Tjandra Widjaja
19	Bintuni Utama Murni Wood Industries	-	Belum Teridentifikasi
		PT Bintuni Utama Murni Wood Industries	Raflis
20	Rimbun Hijau		Tiong Hiew King
		PT Salaki Mandiri Sejahtera	Susan Lilianti Sunarti

21	Katingan Timber Group	-	Belum Teridentifikasi
		PT Wahana Samudra Sentosa	Tan Keng Liam dan Ivan Chandra
22	Batasan	-	-
		PT Batasan	Tan Tjin Kok dan PT Unggul Cipta Utama
23	Moorim		Do Kyun Lee
		PT Plasma Nutfah Marind Papua	PT Moorim P&P, Co., LTD
24	Texmaco		Marimutu Sinivasan
		PT Merauke Rayon Jaya	Belum Teridentifikasi
25	Tidak ada informasi mengenai grup	PT Bina Nusa Lestari	PT Mancaraya Agro Mandiri
		PT Multi Wahana Wijaya	Tonny Widjaja, Andry Widjaja, Irwan Widjaja
		IR Haji Aristiadi Widodo dan Sutinah	PT Wana Galang Utama

Table 2. Indicated share ownership of HPH-HTI companies. Source: FWI Analysis, 2021

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**Timber  
Production from  
Papua Region**

**D**uring 2019-2020, around 2.72 million m<sup>3</sup> of logs were produced from natural forests of Papua region. The logs are produced from various sources, including: HPH, IPK/IPPKH/HGU/Individual, HTI Land Clearing, and HTI. The number may look insignificant when compared to national timber production, as it only contributes 2 to 3% to the national number. However, when the source of production and the type of timber produced are taken into account, Papua region plays a significant role as a supplier of natural forest timber, and the production number tends to increase in the last 2 years. Here are the details:

### **1. Timber production from HPH**

In 2019, round log production from HPH permits on natural forests reached a total amount of 1.24 million m<sup>3</sup>, representing 19.5% of national timber production from natural forests. Meanwhile in 2020, despite a drop in productivity to 1.15 million m<sup>3</sup> of natural forest logs, Papua region's productivity share increased instead to 21.9%.

### **2. Timber production from IPK/IPPKH/HGU/Perorangan**

In 2019, round log production from IPK/IPPKH/HGU/PERORANGAN permits reached a total amount of 218,000 m<sup>3</sup>, which contributed to 15.4% of national IPK/IPPKH/HGU/Individual timber production. However, in 2020, round log production declined to 54,000 m<sup>3</sup>, which translated to only 5.7% of national IPK/IPPKH/HGU/Perorangan timber production.

### **3. Timber production from LC HTI**

Within 2019 and 2020, timber production originating from HTI land clearing within the Papua region increased 11-fold, from 3,000 m<sup>3</sup> in 2019 to around 34,300 m<sup>3</sup> in 2020. This indicates that HTI land clearing processes as a preliminary stage for HTI development in Papua region has massively expanded within the last 2 years.

#### ***4. Timber production from HTI***

The last entry to this list will be timber produced from Papua's HTI area. Even though HTI permits have been issued for Papua region since 2009, with a total number of 8 permits issued covering 898,000 hectares as of 2020, timber production from these HTIs has not been significant. Data compiled by FWI suggests that timber production from HTIs has only been recorded since 2020, which is a measly 12,700 m<sup>3</sup>.

Based on the above, it is apparent that timber production in Papua region is mainly derived from timber extracted from natural forests within Papua. It is also indicative that from the four sources, only HPH productions implement a certain forest management character to sustainably maintain timber production. Meanwhile, timber produced from IPK/IPPKH/HGU/Perorangan activities as well as HTI land clearing represents use of "by-product" woods resulting from activities seeking to convert forested land into other forms of land management.

Source of Timber Production	2019			2020		
	Indonesia	Papua	%	Indonesia	Papua	%
HTI	39.514.518	-	-	45.385.759	12.770	0,0
HPH	6.386.516	1.245.255	19,5	5.276.016	1.157.934	21,9
IPK/IPPKH/HGU/Perorangan	1.418.138	218.104	15,4	952.483	54.474	5,7
Perhutani	807.975	-	-	854.560	-	-
LC HTI	645.156	3.068	-	447.221	34.322	7,7
IZIN PS	83.010	-	-	201.824	-	-
KPH	1.976	-	-	5.829	-	-
<b>Total</b>	<b>48.857.289</b>	<b>1.466.427</b>	<b>3</b>	<b>53.123.692</b>	<b>1.259.500</b>	<b>2,4</b>

Table 3. National and Papua Region's Timber Production for the period of 2019-2020. Source: Ministry of Environment and Forestry, 2021

The following are several infographics depicting the volume of national and Papuan round log production in 2019 and 2020.

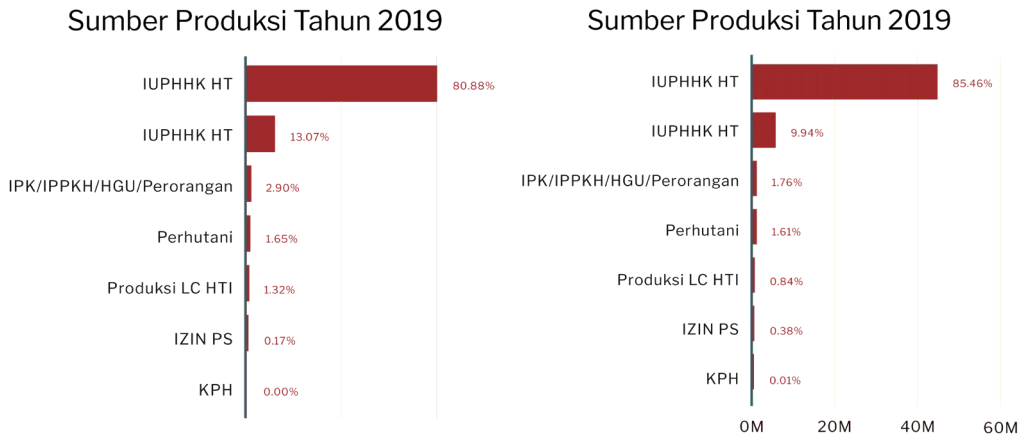


Figure 4. Source of National Round Log Production, 2019 and 2020. Source: <https://:phl.menlhk.go.id>

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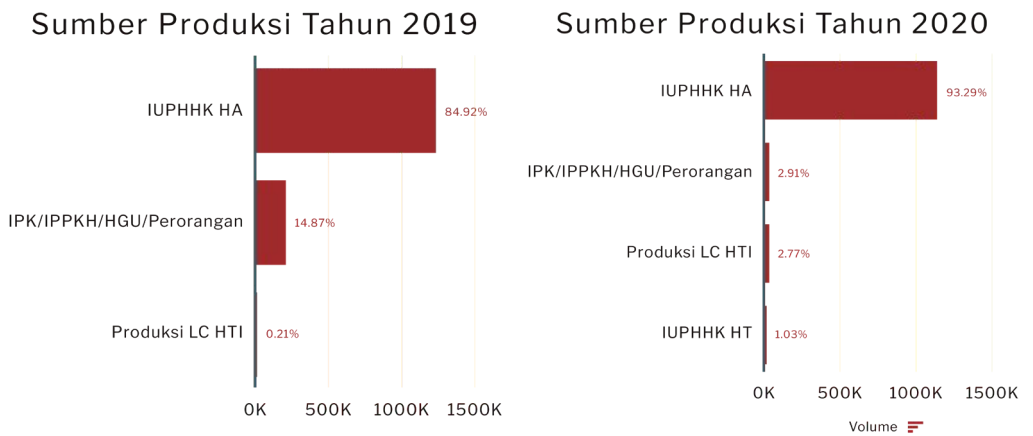


Figure 5. Round Log Production of Papua and West Papua, 2019 and 2020



Timber Production from Papua Region

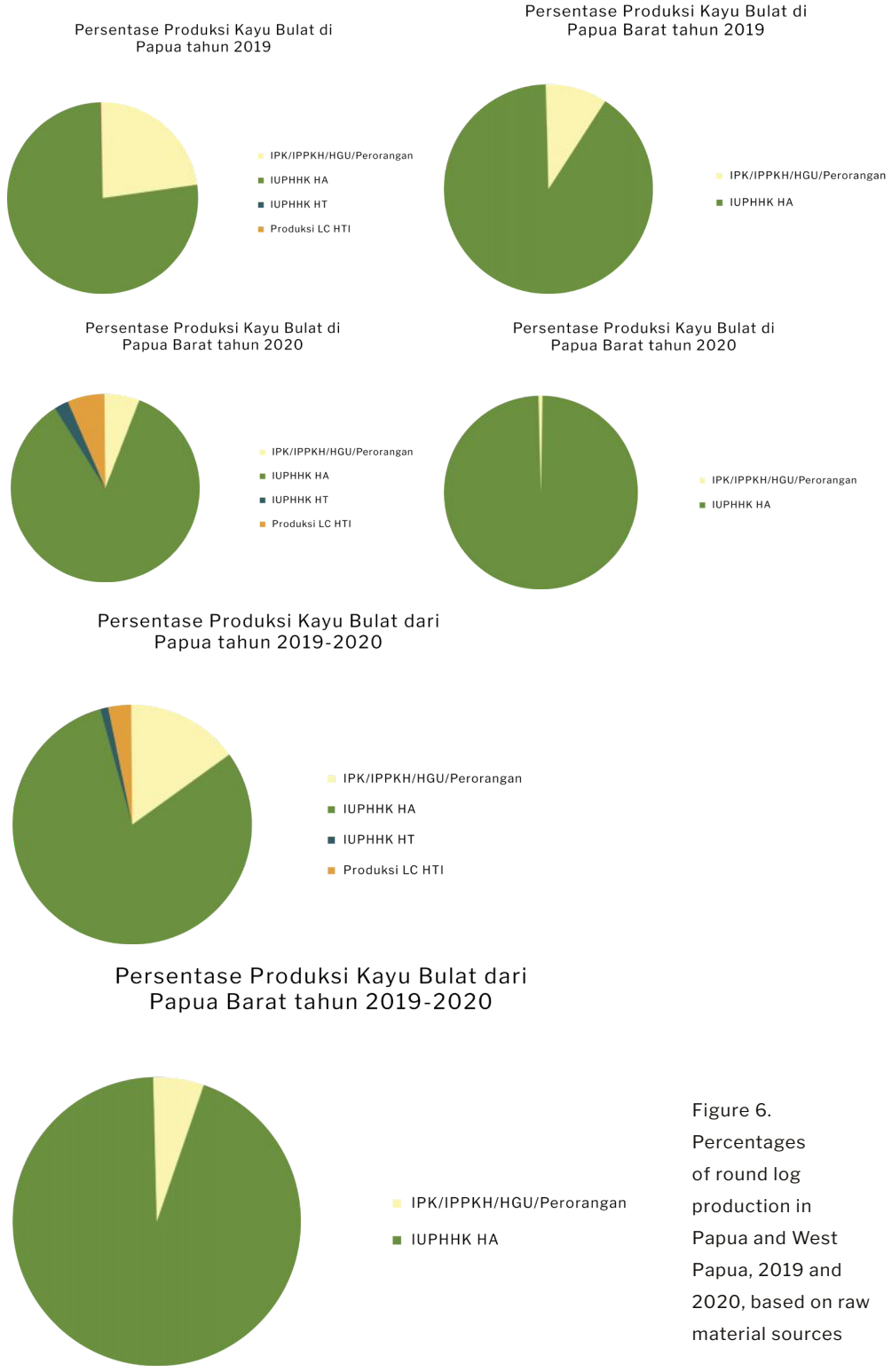


Figure 6. Percentages of round log production in Papua and West Papua, 2019 and 2020, based on raw material sources

## Timber Production in West Papua

**B**ased on Table 4, round log production in West Papua comes only from HPH and IPK/IPPKH/HGU/Individual areas. In 2019, total round log production in West Papua amounted to 850,973 m<sup>3</sup>, with 772,620 m<sup>3</sup> from HPH areas and 78,172 m<sup>3</sup> from IPK/IPPKH/HGU/Individual areas. In 2020, total round log production declined to 711,897 m<sup>3</sup>, with HPH production dipped to 707,170 m<sup>3</sup>, and IPK/IPPKH/HGU/Individual plummeted to 4,726 m<sup>3</sup>.

## Timber Production in Papua

**P**apua sourced its round log production from HPH, HTI, HTI Land Clearing, and IPK/IPPKH/HGU/Perorangan areas. In 2019, the total round log production amounted to 615,658 m<sup>3</sup>, with 472,581 m<sup>3</sup> sourced from HPH areas, 139,918 m<sup>3</sup> from IPK/IPPKH/HGU/Perorangan areas, and 3,068 m<sup>3</sup> from HTI Land Clearing areas. HTI areas did not contribute to any round log production during 2019. In 2020, total round log production declined to 529,126 m<sup>3</sup>, in which HPH production declined to 450,700 m<sup>3</sup>, IPK/IPPKH/HGU/Perorangan production declined to 31,395 m<sup>3</sup>. This is despite the increased contribution from both HTI Land Clearing and HTI areas, which produced 34,321 m<sup>3</sup> and 12,770 m<sup>3</sup> of logs respectively.

Province	Source of Log	Round Log Production in 2019 (m <sup>3</sup> )	Round log Production in 2020 (m <sup>3</sup> )	Total
Papua	IPK/IPPKH/HGU/Perorangan	139.918,92	31.395,16	171.314,08
	IUPHHK HA	472.581,45	450.700,29	923.281,74
	IUPHHK HT		12.770,01	12.770,01
	PRODUKSI LC HTI	3.068,50	34.321,22	37.388,72
Papua Barat	IPK/IPPKH/HGU/Perorangan	78.172,67	4.726,96	82.899,63
	IUPHHK HA	772.620,69	707.170,48	1.479.791,17
Grand Total		1.466.361,23	1.241.084,12	2.707.445,35

Table 4. Round log Production in Papua and West Papua, 2019 and 2020. Source: phl.klhk.go.id

## Round Log Production by Wood Type

The majority of wood types being extracted from Papuan natural forests belong to the special wood types, which are meranti, mixed jungle, beautiful wood, and ebony wood groups. In 2019, the production of special wood types amounted to 52.5%, with merbau wood dominating at 48% or 656,894 m<sup>3</sup>, rose apple wood at 7.8%, mangrove at 7.75%. Meanwhile in 2020, production of special wood types dipped slightly to 51.48%, with merbau wood continuing its domination at 47.98% of total production, or 595,513 m<sup>3</sup>.

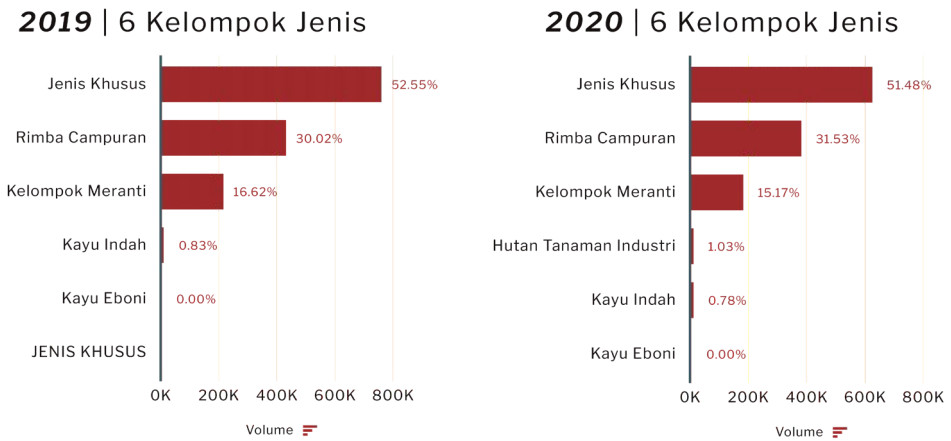


Figure 7. Round log production by wood type groups.

Source: phl.klhk.go.id

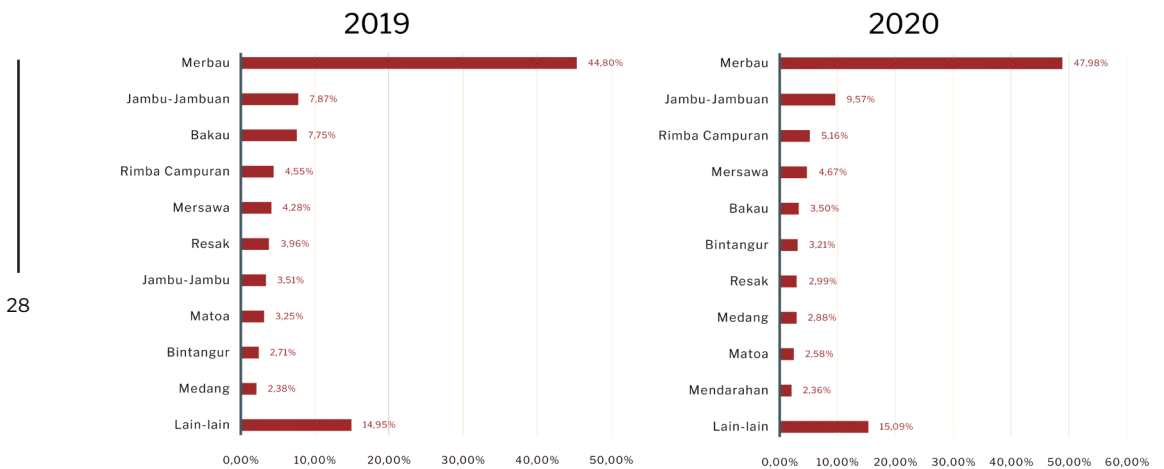


Figure 8. Round log production by wood type

Source: phl.klhk.go.id

Merbau is a type of high-quality hardwood sourced from trees belonging to the Fabaceae (Leguminosae) family. In Indonesia, this tree spreads across Sumatra, Kalimantan, Maluku, East Nusa Tenggara, and Papua. Merbau is a durable (class I-II) and strong (class I-(III)) wood<sup>11</sup>. Under KLHK’s classification of production wood types, merbau is classified under special type alongside teak wood. According to Minister of Environment and Forestry Regulation No. 20 Year 2018 on Protected Species of Plants and Animals, and its first amendment through Minister of Environment

and Forestry Regulation No. 92 Year 2018, merbau used to be classified as protected plants. However, merbau was later removed from this classification due to its perceived abundance, through Minister of Environment and Forestry Regulation No. 106 Year 2018 as the second amendment of Minister of Environment and Forestry Regulation No. 20 Year 2018.

Papua Region is a main source for merbau wood, as well as the greatest supplier for special type wood nationally. This is evident from the data on Indonesia's special type wood production in the last 2 years. In 2019, the national number for special type wood production was 1,464,258 m<sup>3</sup>, with 45.9% or 672,103 m<sup>3</sup> of that amount being merbau wood. In the same year, the total amount of merbau wood extracted from Papuan natural forests was 656,894 m<sup>3</sup>, representing around 98% of national merbau production. In 2020, total special type wood production declined to 1,365,415 m<sup>3</sup>, with merbau production also declining to 612,219 m<sup>3</sup> or 44.84%. From that amount, 97% or 595,513 m<sup>3</sup> was extracted from Papuan natural forests.

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# State Revenue from Timber Extraction in Papua Region

The contribution of Production Forest to Indonesian economy declined in 2019. Non-Tax State Revenue (PNBP) for 2019 was recorded at 2.73 trillion Rupiah, down from 2.86 trillion in 2018. Round log production from natural forests (HA) and industrial forests (HTI) also saw a decline in 2019, with production volume of 6.77 million m<sup>3</sup> and 36.23 million m<sup>3</sup> respectively, down from HPH's 8.60 million m<sup>3</sup> and HTI's 40.14 million m<sup>3</sup> in 2018. Investment level has also decreased, with 2019's level at 128.14 trillion Rupiah being down from 155.71 trillion Rupiah in 2018<sup>12</sup>.

Pursuant to Law No. 20 Year 1997, Non-Tax State Revenue or PNBP represents all government revenues that are not derived from tax revenues. PNBP is also regulated in Law No. 9 Year 2018 (Article 4, Article 5, Article 20, Article 23, Article 23A), and Article 33A of UUD 1945. More specifically, PNBP in the forestry sector is regulated under Government Regulation No. 12 Year 2014 on Types and Tariffs of PNBP Applicable to The Forestry Sector, in which at least 30 types of PNBP may be collected from businesses in the forestry sector. These include Forest Use Permit Fees, Forest Exploitation Violation Fines (DPEH), Provision of Forest Resources (PSDH), and Reforestation Fund (DR).

PSDH and DR are fees that must be paid by HPH permit holders for every cubic meter of timber harvested. HTI and Perhutani permit holders, however, are only required to pay PSDH. Meanwhile, the collectibles of DR will be used by the government to carry out forest rehabilitation programs, even though such programs may be carried out in a different location from that of the company paying the DR. In addition, the term Revenue Sharing Fund (DBH) is also known in relation to decentralization.

DBH is allocated to the respective regions based on a certain percentage<sup>13</sup> to fund regional needs. For the forestry sector, DBH for PSDH is allocated as follows: 20% for central government, 16% for provincial government, 32% for producing cities/regencies, and 32% to be distributed to other cities/regencies. In contrast to the above, DBH for DR is allocated as: 60% for central government, and 40% for provincial government.

# Persentase Pembagian Dana Bagi Hasil (DBH)

- Pusat
- Provinsi
- Kab./Kota Penghasil
- Biaya Pemungutan
- Pemerataan Kab./Kota Lain



## Pajak

Pajak Penghasilan Pasal 21 dan 25/29



Pajak Bumi dan Bangunan



Cukai Hasil Tembakau

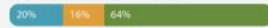


## Sumber Daya Alam



### 1) Kehutanan

Iuran Izin Usaha Pemanfaatan Hutan



Provisi Sumber Daya Hutan



Dana Reboisasi



Iuran Tetap:

a. Darat dan Laut <4 mil



b. 4 mil < Laut < 12 mil



Iuran Produksi:

a. Darat dan Laut <4 mil



b. 4 mil < Laut < 12 mil



### 2) Mineral & Batu Bara



### 3) Perikanan



a. Darat dan Laut <4 mil



b. 4 mil < Laut < 12 mil



### 4) Minyak Bumi



### 5) Gas Bumi

a. Darat dan Laut <4 mil



b. 4 mil < Laut < 12 mil



### 6) Panas Bumi

Figure 9. Share percentage of revenue sharing fund (DBH). Source : <https://djpk.kemenkeu.go.id/?p=7266>



During 2019-2020, PNBP for the forestry sector in Papua region is obtained from the Papua region and is obtained from PSDH, Forest Use Permit Fee, DR, as well as DPEH. The following details PNBP from the forest sector in both Papua and West Papua provinces.

### **Papua Province**

- In 2019, Papua's PSDH collection amounted to 56 Billion Rupiah, contributing to 5.5% of total PSDH collection nationally. The PSDH was collected with the following details: 87% (49 billion rupiah) from HPH, 8% from IPK, 2% from HGU, and less than 1% came from Individuals and HTI permits.
- In 2020, Papua's contribution to national PSDH fell to 5.1% or around 50 billion rupiah. From this figure, PSDH from HPH permits remained the largest contributor at around 45 billion rupiah (90%), and the rest was contributed by PSDH collection for registered non-timber forest product collectors (3.6%), HTI (2.4%), and others.
- In 2019, DR collections in Papua contributed to 6,7% of total DR collection nationally, representing around 7.5 million USD or 110 billion rupiah. DR for HPH permits accounted for 81% of Papua's total DR collections in 2019. As for 2020, although the share of Papua's DR contribution increased to 6.9%, its absolute value decreased to 6.2 million USD or 90 billion rupiah. DR for HPH permits accounted for almost 92% of Papua's total DR collection, at 82 billion rupiah.
- Based on the existing DBH scheme, the relevant provincial and local governments of the wood-producing area receive percentage shares of PSDH of 16% and 32%, respectively. This means that DBH received by provincial and local governments of Papua in 2019 amounted to a total of 28.6 billion rupiah. If we compare this amount to Papua's 2019 Annual Regional Budget of 14.6 trillion rupiah, it is evident that the amount of DBH collected from natural forest extraction activities represented a mere 0.2% of Papua's Regional Budget. The same is true for DBH from DR, from which Papua province received a 40% share, which amounted to 44 billion rupiah. This number represented a measly 0,3% from Papua's Regional Budget. This is despite the fact that those numbers were collected from over 3.5 million hectares of Papuan forest and land under permit.

Papua	2019			2020		
	PSDH	Collection	DR (USD)	PSDH	Collection	DR (USD)
IUPHHK-HA	49.782.103.052	12.412.153.688	6.156.702	45.375.246.078	-	5.771.953
IUPHHK-HT	103.316.460	-	20.426	1.261.723.404	-	227.933
IPK	4.729.985.450	-	1.101.112	287.554.460	-	53.890
Perorangan	326.551.850	-	45.787	11.414.463	-	-
HGU	1.315.104.360	-	271.805	880.276.480	-	223.050
IPHHBK	33.000.000	-	-	402.150.000	-	-
Pengumpul HHBK Terdaftar	-	-	-	1.841.857.500	-	-
<b>Total</b>	<b>56.290.061.172</b>	<b>12.412.153.688</b>	<b>7.595.832</b>	<b>50.060.222.385</b>	<b>-</b>	<b>6.276.826</b>

Table 5. Non-Tax State Revenue from Papua. Source: [phl.klhk.go.id](http://phl.klhk.go.id)

### **West Papua Province**

- West Papua's PSDH collection in 2019 amounted to 101 billion rupiah, contributing to 9.8% of total PSDH collection nationally. 92% (93 billion rupiah) was contributed by PSDH collections from HPH permits, while the remaining 8% was collected from other PSDH collections (IPK, HGU, HHBK, primary industries, etc.). As for 2020, Papua's contribution to national PSDH collection fell to 9,3% or around 91 billion rupiah. From this figure, PSDH from HPH permits remained the largest contributor at around 90 billion rupiahs (98%) and the rest was contributed by other PSDH collections.
- In 2019, West Papua's DR collection contributed to 9,7% of total DR collection nationally, representing around 10,9 million USD or 158 billion rupiah. DR for HPH permits accounted for nearly 99% of West Papua's total DR collections in 2019. As for 2020, although the share of West Papua's DR contribution increased to 10.8%, its absolute value decreased to 9.8 million USD or 141 billion rupiah. DR for HPH permits accounted for nearly the entire DR collection of West Papua in 2020, with 140 billion rupiah of collectibles.
- Based on the existing DBH scheme, the relevant provincial and local governments of the wood-producing area receive percentage shares of PSDH of 16% and 32%, respectively. This means that DBH received by provincial and local governments of West Papua in 2019 amounted to a total of 48.5 billion rupiah. If we compare this amount to West Papua's 2019 Annual Regional Budget of 12.4 trillion rupiah, it is evident that the amount of DBH collected from natural forest extraction activities represented a mere 0.4% of West Papua's Regional Budget. The same is true for DBH from DR, from which Papua province received a 40% share, which amounted to 63.2 billion rupiah. This number represented a measly 0.5% from Papua's Regional Budget. This is despite the fact that those numbers were collected from over 2.9 million hectares of West Papuan forest and land under permits.

Papua Barat	2019		2020		
	PSDH	DR (USD)	PSDH	DPEH	DR (USD)
IUPHHK-HA	93.636.196.890	10.017.584	90.512.461.480	400.044.000	9.786.416
IPK	5.891.446.740	673.005	694.870.170	-	79.964
HGU	1.457.201.560	306.306	-	-	-
KPH	-	-	3.646.500	-	-
IPHHBK-HA	157.463.040	-	132.072.000	-	-
IPHHK	-	-	32.844.960	-	-
IUPHHBK	9.901.650	-	33.990.000	-	-
Industri Primer	63.594.490	-	-	-	-
<b>Total</b>	<b>101.215.804.370</b>	<b>10.996.895</b>	<b>91.409.885.110</b>	<b>400.044.000</b>	<b>9.866.380</b>

Table 6. Non-Tax State Revenue from West Papua. Source: phl.menlhk.go.id

State Revenue from Timber Extraction in Papua Region

Jenis PNBP	2019					2020				
	PSDH	Iuran	DPEH	DR (USD)		PSDH	Iuran	DPEH	DR (USD)	
IUPHHK-HA	495.922.990.200	112.815.268.938	734.915.400	88.054.485		427.279.731.368	61.931.850.000	400.044.000	74.619.308	
IUPHHK-HT	382.826.736.419	110.315.970	145.471.800	8.698.277		423.725.544.240	1.184.475.000	-	7.084.771	
IPK	43.089.610.580	-	1.842.876.450	8.646.874		10.397.885.980	-	2.888.564.850	2.149.668	
Perorangan	15.030.719.911	-	-	2.794.308		16.554.638.864	-	-	2.973.858	
HGU	12.718.600.870	-	-	2.647.837		10.598.956.894	-	-	2.278.944	
IPPKH	12.739.245.736	-	-	2.486.833		10.564.308.240	-	4.399.723.650	2.041.695	
HTR	1.164.484.637	-	-	96.185		987.989.843	-	-	101.521	
HKM	241.442.903	-	-	998		1.483.008.441	4.690.400	-	-	
<b>Perhutani</b>	<b>65.057.588.740</b>	-	-	-		<b>74.943.358.163</b>	-	-	-	
<b>KPH</b>	<b>397.886.214</b>	-	-	-		<b>1.280.226.938</b>	-	-	-	

The Tycoons of Papuan Forest

IUPHHK-RE	2.046.060	-	-	-	-	2.791.200	-	-	-	-
IUPHHK- HD	1.041.150	-	-	-	-	18.581.892	-	-	-	-
IUPHHBK- HT	54.845.220	-	-	-	-	80.226.120	-	-	-	-
IUPHHBK- HA	157.463.040	-	-	-	-	233.322.000	-	-	-	-
IPHHK	-	-	-	-	-	32.844.960	-	-	-	-
IPHHBK	235.359.275	-	-	-	-	847.322.208	-	-	-	-
Industri Primer	63.594.490	-	-	-	-	627.502	-	-	-	-
Pengumpul HHBK Terdaftar	-	-	-	-	-	1.841.857.500	-	-	-	-
<b>Total</b>	<b>1.029.703.655.445</b>	<b>112.925.584.908</b>	<b>2.723.263.650</b>	<b>113.425.797</b>	<b>980.873.222.353</b>	<b>63.121.015.400</b>	<b>7.688.332.500</b>	<b>91.249.765</b>		

Table 7. National Non-Tax State Revenue, 2019-2020. Source: phi.menlhk.go.id

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**Compliance  
on Timber  
Legality and  
Sustainability  
of Forest  
Management in  
Papua Region**

Indonesia implemented a Timber Legality Assurance System (*Sistem Verifikasi Legalitas Kayu*, SVLK) as an instrument assuring the sustainability of forest management and/or timber legality, as well as timber trackability, through certifications on sustainable production forest management (S-PHPL), certification of Timber Legality (S-LK), and Supplier's Declaration of Conformity (DKP). S-PHPL is a certificate issued for permit holders or management rights holders to indicate success of sustainable forest management. S-LK is a certificate issued for permit holders, management right holders, private forest owners, or timber forest products' legal holders stating that the respective permit holder, management right holder, private forest owner, or timber forest products' legal holder have complied with timber legality standards. Lastly, DKP is a statement of conformity made by the supplier based on evidence of compliance with the prevailing requirements.

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Originally standing for Timber Legality Assurance System, through the Minister of Environment and Forestry Regulation No. 8 Year 2021 on Forest Management, Preparation of Forest Management Plans and Forest Utilization in Protected Forest & Production Forest Areas, SVLK is changed into Legality and Sustainability Verification System. This is considered a new breakthrough by the Government of Indonesia in realizing sustainable forest management. In the regulation, SVLK is described as a system to ensure the legal credibility of forest products, traceability of forest products, and sustainability of forest management.



Timber Producer	Number of Unit	S-PHPL Unit	Timber Production, 2019-2020 (m <sup>3</sup> )	S-VLK Unit	Timber Production, 2019-2020 (m <sup>3</sup> )	Uncertified Units	Timber Production, 2019-2020 (m <sup>3</sup> )
HPH	38	28	2.084.532,18	1	6.066,79	-	197.296,75
HTI	8	1	12.770,01	-	-	7	-

Table 7. Number of certified unit managements and their respective timber production, 2019-2020. Source: FWI Analysis, 2021

Out of 46 HPH and HTI management units in Papua and West Papua, only 28 units or 60% have properly complied with SVLK. **This is unfortunate, as Papua is a significant timber-producing area for Indonesia; 98% of national merbau wood production comes from the region.** Out of 38 HPH management units (UM) in Papua, only 28 possess PHPL certifications. From these 28 MUs, only 5 management units possess both S-PHPL & S-LK certifications, while five other MUs possess only S-LK certification. On the other hand, from 8 HTI management units in Papua, only 1 management unit possess both PHPL and S-LK certifications<sup>14</sup>, i.e. PT Selaras Inti Semesta. Details on management units possessing either PHPL or LK certifications can be seen in Attachment 2.

Due to the above, from Papua's total timber production of 2.45 million m<sup>3</sup> within 2019-2020, only 2.09 million m<sup>3</sup> has been certified as products from sustainable production forest management, with another 60,000 m<sup>3</sup> certified as legal but not sustainable. Another 197,000 m<sup>3</sup> of timber has yet to receive any certification on either legality or sustainability.

\*

## An out-of-date certification information system

In KLHK's SILK information system, PT Ayamaru Sertifikasi has issued a certificate for PT Batasan, but there is no attachment regarding the information on certification results, despite its issued status. There is only an assessment plan document being available. Further, in PT Ayamaru Sertifikasi's LS website, there is also no information regarding PT Batasan's PHPL certificate. It is noted that the company produced 11,607.42 m<sup>3</sup> of timber within 2019-2020.

42

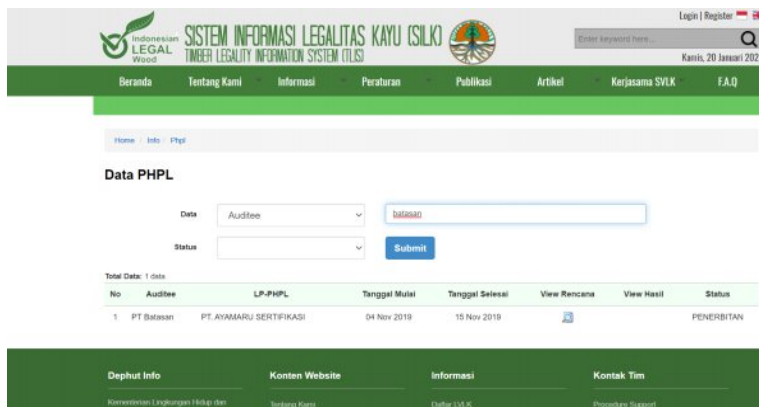


Figure 10. KLHK's Timber Legality Information System (SILK)

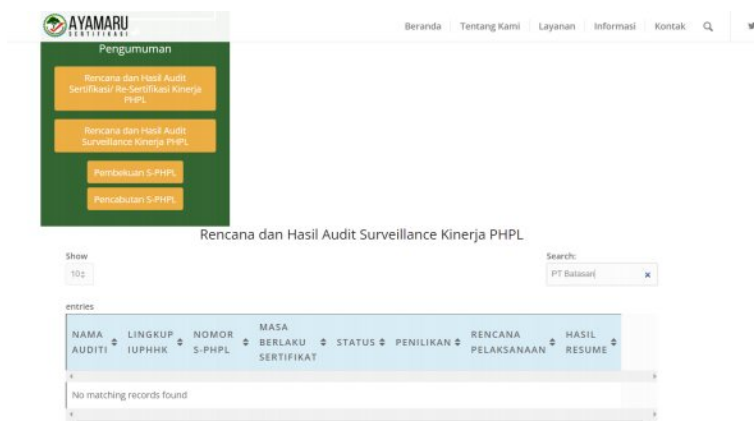


Figure 11. PT Ayamaru Sertifikasi's LS Website

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## **PT Prabu Alaska Logged Into PT Hanurata's Concession Area**

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**P**T Prabu Alaska is a company holding a HPH permit, and is a subsidiary of Intra Alamindo Group. Its operational area is located within both Kaimana and Fak-Fak Regency. This company is the largest HPH permit holding company in West Papua, with a total operational area of 323,650 hectares. Through careful study on IDEAS IPB and GLAD Alert data, FWI found that 1,960 ha of deforestation occurred on the company's operational area, which still had 97.19% of its land covered by natural forests. The operational area borders that of PT Hanurata to the east, and that of PT Arfak Indra to the west.

In July 2021, FWI managed to conduct a field visit to find any signs of violations by the company. FWI found the following:

- It was confirmed that PT Prabu Alaska logged outside its operational area, into PT Hanurata's area. This was confirmed through an interview with one of PT Prabu Alaska's logging operators. This problem is claimed to have been resolved internally between the two parties, involving the certification body, PT Lambodja Certification. PT Prabu Alaska and PT Hanurata's certifications are issued by the same certification body.
- It was indicated that PT Prabu Alaska logged outside the 2020 Annual Work Plan (RKT) area. This is thought to be related to road opening for RKT 2021. This indication cannot be monitored directly on site due to accessibility constraints.
- PT Prabu Alaska was involved in conflicts with 2 indigenous communities in Kaimana, which are Fruata and Rauna indigenous communities. These conflicts were ignited by PT Prabu Alaska's logging activities within their customary areas. When we interviewed PT Prabu Alaska's spokesperson, Dirgan Laberis, the company admitted that their logging operators didn't know that they crossed the boundary of the customary area.

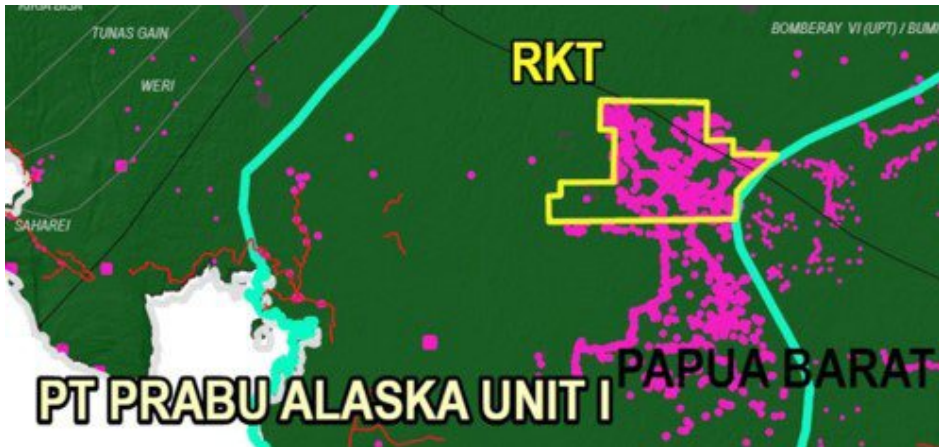


Figure 12. PT Prabu Alaska's Annual Work Plan Map, Unit I. Source: FWI, 2021

- PT Prabu Alaska berkonflik dengan 2 masyarakat adat di Kaimana yaitu masyarakat adat Fruata dan Rauna. Konflik ini terjadi akibat PT Prabu Alaska menebang di wilayah adat mereka. Sewaktu dilakukan wawancara dengan juru bicara PT Prabu Alaska, Dirgan Laberis, mereka mengaku bahwa operator tebangnya tidak mengetahui perihal batas wilayah adat.

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Figure 13. Land clearance for port used to stockpile forest timber for PT Prabu Alaska



Figure 14. Representatives of the indigenous Tanggarofa community signing their declaration of objection against logging within their customary area

\*

## **Alleged Violation of Forest Management Practices by Korindo Group Subsidiaries in Papua**

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**K**orindo Group has one of the largest forest concession areas in South Papua. Through its subsidiaries, PT Inocin Abadi (IA) and PT Tunas Timber Lestari (TTL), Korindo controls concessions of 99,665 hectares (PT IA) and 214,935 hectares (PT TTL), which is located in two regencies, Boven Digul and Merauke. The two companies have obtained permits since 2011 and are actively engaging in logging operations under HPH permit to this day.

In 2020, through processing of GLAD image data<sup>15</sup> Forest Watch Indonesia discovered a significant change in forest cover. Both concession areas of PT IA and PT TTL suffered deforestation of 648 and 888 hectares, respectively, within 2019-2020. In 2021 FWI also conducted monitoring on PT IA and PT TTL's forest activities to figure out the causes of the deforestation. The findings are as follows:

- Deforestation occurred in 2020 in areas under PT IA (6°53'31.36"S 140°38'35.34"E and 6°52'42.87"S 140°45'16.26"E) and PT TTL (6°37'49.41"S 140°37'51.39"E) was caused by forest clearances to develop roads for transport of logged wood.
- Alleged logging outside of RKT. The deforested area in PT TTL's concession area for 2020 is PT TTL's RKT area for 2021. This is known because there are information boards around the area, which indicate that the location is included in the PT TTL's RKT area for 2021. In addition, logging activities were observed outside of PT IA's RKT block for 2021, the timber of which had been processed into logs in the forest.
- Some of the logs cut and collected at PT IA and PT TTL's Forest Timber Stockpiling Areas (*Tempat Penimbunan Kayu*, TPK) do not have barcodes and markers. Other findings also indicated that the companies did not perform selective logging because wood less than 40 centimeters in diameter was found collected at the Forest TPK.
- There were indications of logging around the riverbank and river embankment for wood transportation road access in the PT TTL area, at coordinates 6°37'49.41"S 140°37'51.39"E
- There is an unresolved conflict between the companies and the communities owning customary communal lands. This is evidenced by the existence of a letter of protest from the communities owning customary communal lands, which rejects PT TTL's logging activities. In addition, there have been complaints from communities receiving timber compensation, as the compensation value was low and haven't changed for the past 10 years<sup>16</sup>.

In response to the above findings, which was also published by Tempo Magazine edition 8-14 November 2021, Korindo responded by issuing a letter of right to reply number 10/XI/PR/2021 dated 15 November 2021. In the letter, Korindo claimed to not have cleared forests within the concession areas of its subsidiaries, PT IA and PT TTL. However, Korindo confirmed that 2020 logging in the 2021 RKT area constituted a Forest Area Clearing (PWH) for the construction of road access leading to the blocks to be logged.

With regards to logging performed outside of the RKT block, Korindo claimed that the logging was carried out within the RKT area. Korindo only confirmed that the forest clearing was indeed related to road access. However, they have fallen short of explaining the existence of sawn processed wood in the PT IA's concession area. Likewise, the finding of timber logs without barcodes at both PT IA and PT TTL's Forest TPKs had not been explained in the letter.

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Figure 15. Aerial photo of forest clearing in 2021 RKT block deforested in 2020 in PT Inocin Abadi's concession area



Figure 16. Stockpile of logs without barcodes with diameter less than 40 cm in PT Inocin Abadi's Forest TKP

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Figure 18. Stockpile of logs without barcodes with diameter less than 40 cm in PT Tunas Timber Lestari's Forest TKP of 2021 RKT Block



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# Deforestation Alert in HPH and HTI Concession Areas in Papua

As mentioned above, at least 55.65 thousand hectares of natural forest suffered deforestation, and 78% of it, or 43.6 thousand hectares, are located within permit areas. Figure 13 shows the ratio of deforestation for each HTI and HPH company groups to the total deforestation across groups. This ratio represents the share of deforestation in a certain company group to the total deforestation occurring in all HTI and HPH areas across Papua and West Papua, in percentages.

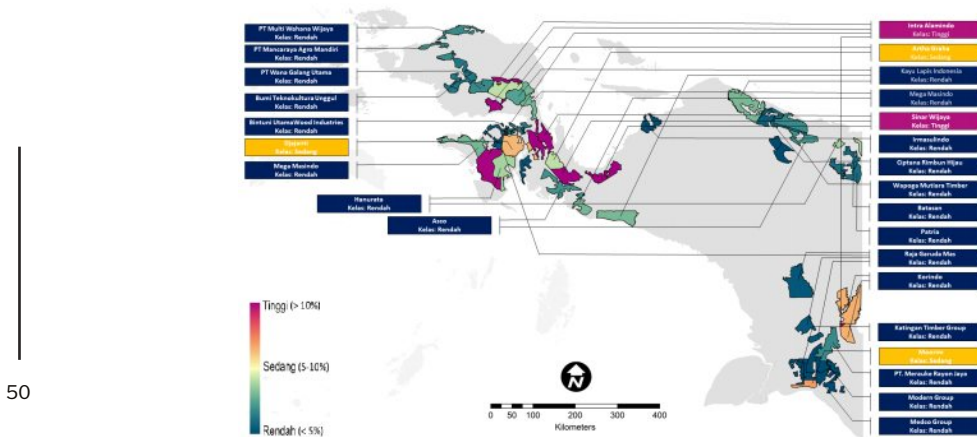


Figure 18. Deforestation alerts within HPH and HTI concession areas in Papua region. Source: FWI, 2021

High-level indicates that the group contributes to 10% or more of total deforestation across groups. High-level (shown in purple) is found on companies near Papuan Bird's Head, e.g. Intra Alamindo and Sinar Wijaya Group. However, companies with high deforestation rates are also found in the Boven Digoel area. Medium-level deforestation (shown in yellow) has a deforestation ratio of 5-10% (e.g.: Djajanti, Artha Graha), and low-level deforestation (shown in blue) has a deforestation ratio below 5%. This dominates the levels for HTI and HPH groups in Papua.

Of the total deforestation (55,650 hectares) occurring in 2019-2020, around 34% or 19,000 hectares occurred within the moratorium area. Analysis of the data above also found that 99% of deforestation within the moratorium area actually occurred outside permit concession areas, and only about 200 hectares of deforestation occurred in the moratorium area overlapping with HPH and HTI concession areas. One notable group with areas under moratorium which also suffers from high-level deforestation is Sinar Wijaya, where 17,000 hectares of its concession area is under moratorium, with similarly high deforestation levels.

Based on analysis results of PIPPIB maps<sup>17</sup>, out of 26.4 million hectares of Papuan land designated as PIPPIB indicative area, a total of 1,145,271 hectares is located within concession areas. The detailed overview of the concession areas are as follows: 658,000 hectares of mining concession areas, 420,000 hectares of oil palm plantation concession areas, 62,770 hectares of HPH concession areas, and 3,569 hectares of HTI concession areas. In addition, 4,328 hectares of PIPPIB areas overlap with HPH, HTI, Oil Palm Plantation, and/or Mining concession areas.

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Type of Permit	HPH (hektare)	HTI (hektare)	Oil Palm Plantation (hektare)	Mining (hektare)	Sub Total (hektare)
HPH	62.039	-	21	710	62.770
HTI	-	3.536	33	-	3.569
Oil Palm Plantation	-	-	417.109	3563	420.672
Mining	-	-	-	658.260	658.260
Total	-	-	-	-	1.145.271

Table 8. PIPPIB areas included in concession areas. Source: FWI, 2021

PIPIB	Forest Cover, 2018 (hektare)	Deforestation 2019 (hektare)	Deforestation 2020 (hektare)	Forest Cover, 2020 (hektare)
Overlaps	3.911	37	22	3.906
HPH	60.329	0	0	60.270
HTI	3.302	122	52	3.302
Plantation	338.828	312	262	338.654
Mining	576.080	4	2	575.506
Out of Concessions	21.541.632	9.916	8.571	21.522.807
Total	22.524.083	10.391	8.909	22.504.445

Table 9. PIPPIB concession area deforested. Source: FWI, 2021

Based on the table above, we can take a deeper look at which moratorium area continues to suffer from deforestation. During 2019-2020, as much as 19,300 hectares of forest moratorium area was lost to deforestation. Most of the deforestation actually occurred outside of concession areas, at 18,487 hectares or almost 95%. The remaining deforested area of 574 hectares (nearly 3%) was located within moratorium areas overlapping with plantation concession areas, 174 hectares (less than 1%) was in HTI concession areas, 59 hectares in areas where all four areas (mining, HPH, HTI, and plantation) overlapped, and six hectares in mining concession areas and There is no deforestation in HPH concession areas overlapping with moratorium areas.

In a more specific view, there is still 66,339 hectares of moratorium area overlapping with HPH and HTI group concession areas, the largest of which are associated with Irmasulindo concession area (12,000 hectares), Mega Masindo (11,000 hectares), the concession areas of 4 unassociated companies (9,000 hectares), Sinar Wijaya (8,000 hectares), Asco (6,000 hectares), with the remaining spread across other company groups.

Group	Concession Area under PIPPIB (hektare)
Irmasulindo	12.462
Mega Masindo	11.714
Belum Ada Info Group	9.263
Sinar Wijaya	8.683
Asco	6.815
Raja Garuda Mas	4.852
Patria	3.498
Kayu Lapis Indonesia	1.516
Wapoga Mutiara Timber	1.305
Mitra Jaya	694
Artha Graha	660
Bumi Teknokultura Unggul	445
Djajanti	424
Korindo	352

Hanurata	134
Intra Alamindo	44
Ciptana	23
Moorim	4
Batasan	0
Modern Group	0
Bintuni Utama Wood Industries	0
Raja Garuda Mas	0
Katingan Timber Group	0
Belum Ada	2.953
<b>Total PIPPIB Area within HPH and HTI</b>	<b>66.339</b>
<b>PIPB Area outside HPH and HTI</b>	<b>26.329.242</b>
<b>Total</b>	<b>26.395.581</b>

Table 10. Area of HPH HTI group concession lands under PIPPIB. Source: FWI, 2021

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**Timber  
Circulation  
from Papua  
Region**

## Timber Processing Industries in Papua Region

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**B**ased on their capacities, timber processing industries in Papua Region are divided into 2 groups, which are timber industries with capacity above 6000 m<sup>3</sup> and timber industries with capacity under 6000 m<sup>3</sup>. As of 2020, there are 24 industries operating with capacities above 6000 m<sup>3</sup>. These industries produce wood products such as plywood, merbau decking and flooring, chip wood, wood pellet, sawn timber and veneer. On the other hand, there are 43 industries operating with capacities under 6000 m<sup>3</sup>. These industries produce wood products such as sawn timber, wooden pallets, plywood, and also lumber to meet the construction needs of local communities.

Some of the timber industries in Papua Region are also integrated with HPH or HTI permit holders as their main suppliers. For example, PT Korindo Abadi, receives timber from PT Inocin Abadi and PT Tunas Timber Lestari, PT Sinar Wijaya Plywood Industries is integrated with its four HPH permit holders (PT Jati Dharma Indah Plywood Industries, PT Kaltim Utama, PT Wukirasari and PT Wijaya Sentosa), PT Wapoga Mutiara Timber Industries with PT Wapoga Mutiara Timber Unit II HPH. PT Kayu Lapis Indonesia's affiliate in Sorong, PT Henrison Iriana, is also integrated with KLI Group's three HPH permit holders, which are PT Yotefa Sarana Timber, PT Diadyani Timber and PT Bina Balantak Utama.

Timber industry in Papua Region is spread over six regencies/cities in Papua: Jayapura with 9 processing industries, Boven Digoel with 2 processing industries, and Biak-Numfor, Nabire, Yapen-Waropen, Merauke each with 1 processing industry. The same is spread over three regencies/cities of West Papua: Sorong with 9 processing industries, Bintuni Bay with 2 processing industries, and Kaimana with 1 industry. It can be seen that most timber processing industries are located within the cities of Jayapura and Sorong. Supported by the ports of Sorong and Jayapura, these two cities serve as the exit gate for the circulation of timber originating from Papua Region.



# Timber circulation from HPH and HTI areas in Papua Region

The sources for raw timber material used by industries explained above is detailed in the table below. We use two data sources as references: PHL (*Pengelolaan Hutan Lestari*; Sustainable Forest Management) and RPBBI (*Rencana Pemenuhan Bahan Baku Industri*; Fulfillment Plan of Industrial Raw Material) information systems.

Sumber: RPBBI.kihk.go.id diakses Jan-Mar 2021

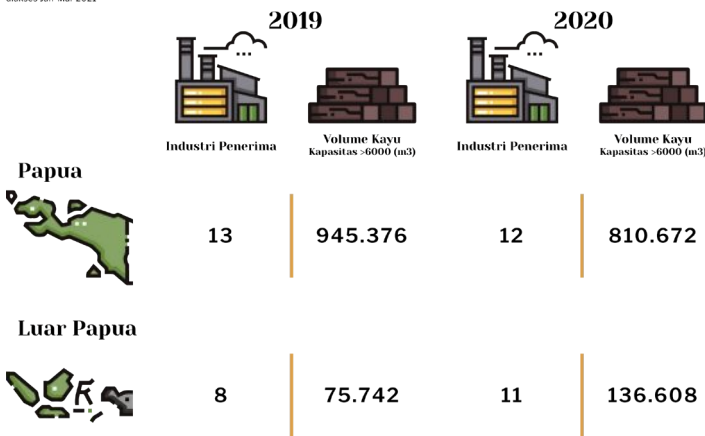


Figure 19. The number of timber processing industries and volume of timber they received in 2019-2020, based on RPBBI information system.

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Sumber: phl.kihk.go.id (data per perusahaan/izin) diakses Jan-Aug 2021

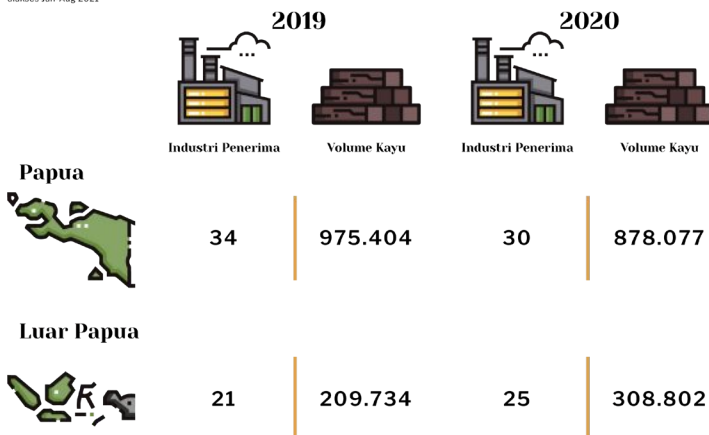


Figure 20. The number of timber processing industries and volume of timber they received in 2019-2020, based on PHL information system.

There are discrepancies on the number of industries receiving timber from Papua Region's HPH and HTI areas, as well as those on timber volume between RPBBI and PHL's data. These discrepancies arise from the lack of data on industries with capacity under 6000 m<sup>3</sup> in RPBBI data, while the same has been contained in PHL data.

It is known that the volume of round logs produced from HPH, HTI, and HTI LC areas within Papua Region in the last 2 years amounted to 2.45 million m<sup>3</sup>. However, the produced volume according to RPBBI and PHL data are 1,968,758 m<sup>3</sup> and 2,453,017 m<sup>3</sup>, resulting in a discrepancy of 484,259 m<sup>3</sup>. This is likely caused by the lack of data on industries with capacity under 6000 m<sup>3</sup> within RPBBI data.

The flow chart/map of timber originating from HPH and HTI permit areas in Papua can be seen in the following:

## Peredaran Kayu dari HPH dan HTI

sumber: RPBBI KLHK tahun 2020



Papua



Papua Barat

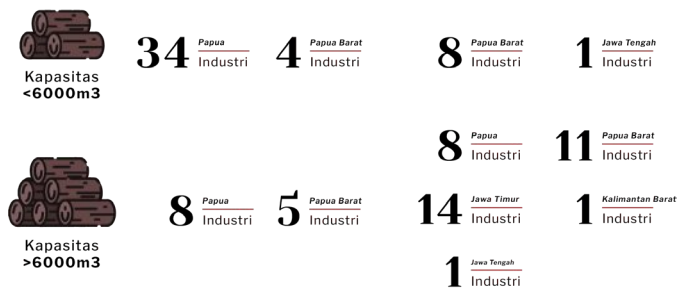


Figure 21. Timber circulation from HPH and HTI permit areas in Papua Region to timber processing industries across Indonesia, based on online RPBBI information system.

From the figure above (RPBBI, 2020) it can be seen that the majority of round logs originated from West Papua is shipped to the following industries with capacities above 6000 m<sup>3</sup>: 14 industries in East Java, 11 industries in West Papua, 1 industry in East Kalimantan, and 1 industry in Central Java. With regards to industries with capacities under 6000 m<sup>3</sup>, West Papuan round logs are shipped to 1 industry in Central Java and 13 industries in West Papua. On the other hand, round logs originated from Papua are absorbed by 34 industries in Papua and 4 industries in West Papua.

Based on PHPL data in the same year, however, Papuan round logs are shipped to 18 timber processing industries and 4 woodworking industries in Merauke Regency and Boven Digoel Regency. West Papuan round logs are shipped to 31 timber processing industries in East Java, 13 industries in West Papua, 2 industries in Central Java, and 1 industry in East Kalimantan.

## Peredaran Kayu dari HPH dan HTI

sumber: PHPL KLHK tahun 2020

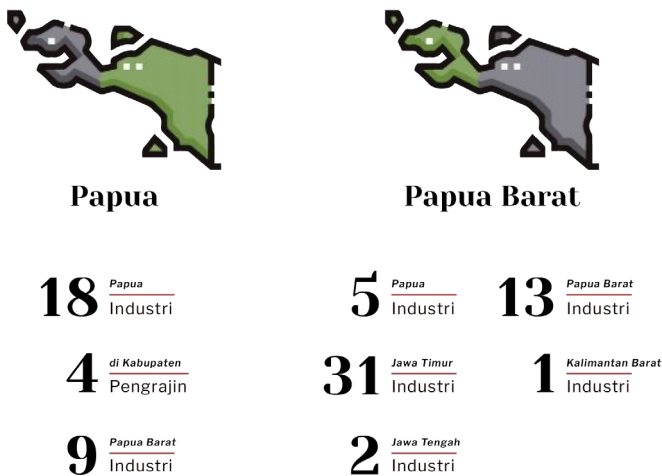


Figure 22. Timber circulation from HPH and HTI permit areas to timber processing industries across Indonesia based on PHPL information system.

As timber procured from Papuan forest is prohibited from leaving or being shipped to industries outside Papua Province<sup>18</sup>, timber processed in Papua is exported directly to foreign countries through Indonesian Sawmill and Woodworking Association (ISWA), Komda Papua which cooperates with PT Pelindo 4 in Jayapura<sup>19</sup>. Based on industrial absorption data from PHPL data, 46,335 m<sup>3</sup> of timber originating from Papua Province is also distributed to West Papua Province. There are 2 industries in West Papua Province that receive timber from Papua Province: PT Bagus Jaya Abadi and PT Henrison Iriana. The relevant HPH permit holder—as the supplier—and the timber-receiving industry are members of the same group. PT Bagus Jaya Abadi and its supplier PT Mutiara Alas Khatulistiwa are both under Masindo Group. Meanwhile, PT Henrison Iriana and its supplier, PT Bina Balantak Utama and PT Diadyani Timber, are under Kayu Lapis Indonesia (KLI) Group. It should be noted that PT Henrison Iriana also received timber shipments from the HPH area of PT Mondialindo Setya Pratama (Ciptana Group) located in Sarmi Regency, Papua. **Thus, this pattern of wood shipment involving HPH areas as a source of raw materials (originating from Papua) and its integrated industry (located outside Papua), with both parts being parts of the same group, can be used as a way to circumvent regulations prohibiting Papuan timber out of its territory.**

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# Timber Export from Papua Region

Indonesia has a tremendous amount of timber raw material and is one of the world's largest timber exporting countries. Timber exports from Papua accounted for USD 141 million in 2019, representing 232,360 m<sup>3</sup> of exported timber. Meanwhile, in 2020, the export value of timber products from Papua fell to USD 136 million from 205,321 m<sup>3</sup> of timber. This decline is obviously in line with the decline in Papuan log production.

Year	Export	Papua	West Papua
2019	Nilai Ekspor (USD)	133.784.249	126.241.287
	Volume (m <sup>3</sup> )	226.017	47.567.716
2020	Nilai Ekspor (USD)	126.241.287	-
	Volume (m <sup>3</sup> )	195.097	-

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Table 11. Export Value of Papuan and West Papuan Timber, 2019 and 2020. Source: phl.menlhk.go.id

Province/Country	Export Value 2019 (USD)	Export Value 2020 (USD)
<b>Papua</b>	<b>133.784.249</b>	<b>126.241.287</b>
Australia	40.033.911	47.567.716
Belgium	61.478	-
China	90.485	-
India	-	21.932
Japan	-	15
New Zealand	3.046.150	3.335.646

Timber Export from Papua Region

Oman	1.925.947	-
Qatar	419.036	-
Republic Of Korea	22.305.414	14.175.917
Saudi Arabia	28.976.608	8.446.766
Somalia	391.589	-
Taiwan, Republic Of China	7.356.158	2.993.579
United Arab Emirates	1.219.452	13.605
United States Of America	27.958.022	49.686.112
<b>West Papua</b>	<b>7.672.972</b>	<b>10.466.988</b>
Australia	291.776	1.520.503
Belgium	107.291	102.941
China	5.326.911	6.295.778
French Polynesia	186.670	158.898
India	337.151	1.140.938
Italy	30.297	-
Malaysia	34.401	-
Netherlands	135.852	311.091
New Caledonia	54.113	-
Poland	36.265	-
Republic Of Korea	1.132.246	909.088
Taiwan, Republic Of China	-	27.751
<b>Total</b>	<b>141.457.221</b>	<b>136.708.275</b>

Table 12. Export destinations of Papuan and West Papuan Timber Products, 2019 and 2020. Source: phl.menlhk.go.id

It can be seen that for 2019-2020, timber products from both Papua and West Papua had been exported to 20 different countries. Based on export value in 2019, most Papuan timber products were sent to Australia (40 million USD), Saudi Arabia (28 million USD), the United States (27 million USD), and South Korea (22 million USD). Meanwhile, most West Papuan timber products were sent to China (5.3 million USD) and South Korea (1.1 million USD).

As for 2020, despite the overall decline in value of timber product exports, for some countries it had actually increased. One notable example of this is Papuan timber exports to the USA, which had almost doubled in value from 27 to 49 million USD in 2020. Exports to Australia had also increased in 2020, from 40 to 47 million USD. The story is different for West Papua, however, as it experienced increases in both overall export value and export value per country. Such is the case for exports to China (6.2 million USD), Australia (1.5 million USD), and India (1.1 million USD).

Information regarding timber circulation chain from Papua Region at the exporter level, especially Producing Exporters, can be approached from data on processing industries accompanied with a list of exporters. As for non-producing exporters or traders, there is no accessible information regarding which non-producing exporter exports the timber products from which industries.

As an illustration, in 2020 there were around 55 processing industries receiving timber shipments from Papua Region. Of these 55 industries, only about 23 companies are registered as producing exporters. Based on exporter data accessed from the SILK website, there are 23 timber producing exporters acting as either Producing Exporters or Non-Producing Exporters in Papua Region. All of these companies have received SVLK certification ending in 2022 to 2026.



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## **Export Destination Countries of Timber Derivatives Originating from HPH and HTI Areas in Papua Region**

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**B**ased on daily data available in SILK site, it is known that per 21 December 2020, 10 timber processing industries receiving timber from HPH dan HTI areas in Papua Region has exported their products to 7 countries, with a total shipped volume of 800 m<sup>3</sup>, equivalent to 930,000 USD (around 13 billion rupiah). A majority of these processing industries is located in East Java (8 industries), with addition of 1 Industry under Korindo Group (PT BFI) in East Kalimantan, and 1 Industry under Sinar Wijaya in Papua.

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Even though these timber processing industries outside Papua and West Papua do receive timber from outside of Papua, the types of wood products exported clearly indicate that they indeed originated from Papua. For example, IFURA's export of merbau wood to Australia can have its raw material traced back to the HPH area under PT Asco Prima Nusantara. PT APN also shipped its timber to CV Jati Makmur of East Java, which later exported its merbau wood product to New Zealand. The complete illustration is below.

# Ekspor Kayu dari Papua

Pada 21 Desember 2020

Asal Kayu	Nama Eksportir	Nama Importir	Negara Tujuan	Scientific Names	Volume (m3)
PT Asco Prima Nusamara	CV Jabi Maxmur	Budipro Limited	New Zealand	Merbau/Pantai (Imtsia bijaga)	17,97
PT Hanureta Unit I	PT Aneka Rimba Indonesia	(TI)ISA Pty. Ltd.	Australia	Merbau (Imtsia sp.)	38,94
PT Prabulaska	PT Balikpapan Forest Industries	Tera Timber Co. Ltd	Republic of Korea	Bangkral (Shorea laevis/flora)	10,90
PT Yolefa Sarana Timber	PT Haswin Hiju Perkasa	Hock AK Trading Pte. Ltd	Australia	Jambu-Jambu (Eugenia sp.)	1,48
PT Teluk Bintuni Mira Agro Karya	PT Sinar Wijaya Plywood Industries	Wood Theory Pte. Ltd	New Zealand	Meranti Batu (Shorea levis)	16,25
HPH Sinar Wijaya Group	PT Sinar Wijaya Plywood Industries	Geo Star Resources Pte. Ltd	China	Merbau/Pantai (Imtsia bijaga)	55,52
PT Manokwari Mandiri Lestari	PT Berau Karya Indah	Global Wood Resources Ltd. QQ Dongguan Tange Imp. & Exp. Co. Ltd	Australia	Merbau/Pantai (Imtsia bijaga)	36,09
PT Kurnelana Sjahiera	PT Hutan Lestari Mukti Perkasa	Global Wood Resources Ltd. QQ Guangtong Silk Road Supply Chain Co. Ltd	China	Merbau/Pantai (Imtsia bijaga)	39,08
PT Mitra Pemoanguran Global	PT Mitra Pemoanguran Global	Angad Impex	China	Merbau (Imtsia sp.)	67,45
PT Teluk Bintuni Mira Agro Karya	PT Indo Funitama Raya	China Pajared Products Imp. & Exp. Corp. Ltd	China	Merbau/Pantai (Imtsia bijaga)	57,83
PT Asco Prima Nusamara	PT Indo Funitama Raya	LTL Woodproducts By Trendlink Wood Products Ltd	China	Merbau/Pantai (Imtsia bijaga)	40,08
		Simmonds Lumber P.H.D. Timber Importers Pty. Ltd	Netherlands	Merbau (Imtsia sp.)	85,61
			Israel	Merbau/Pantai (Imtsia bijaga)	42,21
			New Zealand	Bangkral (Shorea laevis/flora)	27,00
			Australia	Bangkral (Shorea laevis/flora)	27,37
				Merbau/Pantai (Imtsia bijaga)	160,04
				Merbau/Pantai (Imtsia bijaga)	74,94
<b>Total</b>					<b>758,63</b>



Figure 23. Wood Exports from Industries Receiving Papuan & West Papuan Timber. Source: silk.klhk.go.id

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**Closing**

**A**pproximately 6.4 million hectares of land on the island of Papua has been distributed by the government for the forest management rights to 43 Logging and Forest Plantation companies, which are members of 24 groups, and there are 3 others which are independent companies. Based on spatial analysis, there are approximately 6 groups of companies with land tenure ranging from 6-10 percent of the total area of permits (6.4 million hectares) granted, namely: KLI Group (632 thousand hectares / 10%), RGM Group (549 thousand hectares) / 8%), Sinar Wijaya (547 thousand hectares / 8%), Alamindo Group (460 thousand hectares / 7%), Korindo Group (417 thousand hectares / 6%), and Masindo Group (406 thousand hectares / 6%).

During 2019 - 2020, no less than 2.72 million m<sup>3</sup> of logs were extracted from natural forests on the island of Papua. And 1,252,407 m<sup>3</sup> or about 46 percent of which is merbau wood. However, merbau from Papua Island has contributed 98 percent to Indonesia's merbau production.

More than 80 percent of the wood that has been extracted from Papua Island comes from the use of timber forest products by Logging concession. Meanwhile, other sources come from IPK/IPPKH/HGU/Individuals, Industrial Timber Plantation Land Clearing, and Industrial Timber Plantation itself. The extracted timber contributes to state revenue in the form of Non-Tax State Revenue through resource royalty provision and reforestation fund levies. In the 2019-2020 period, resource royalty provision levies on Papua Island reached around 298 billion rupiah and contributed approximately 15 percent of the total National resource royalty provision. Meanwhile, DR levies reached around 500 billion rupiah or approximately 17 percent of the total national DR. Part of this revenue will be received by the Provincial Governments of Papua and West Papua through the Revenue Sharing Fund scheme.

The majority of logs produced from natural forests on the island of Papua absorbed by the local timber processing industry. While the rest are absorbed by industries in Java and Kalimantan. The timber circulation chain in Papua Province in 2020 shows that around 89 percent of the logs is absorbed by the timber processing industry in Papua Province and the remaining 11 percent is absorbed in West Papua. Meanwhile, for the timber distribution chain in West Papua Province in the same year, 58 percent was absorbed by the timber processing industry in West Papua Province, 34 percent was absorbed by industry in East Java, 4.8 percent was absorbed by industry in Central Java and the rest was absorbed by industry in East Kalimantan.

The processed timber from Papua Island has been shipped to 20 countries with an export value of 277 million USD during 2019-2020. The countries which are the destination for the export are Australia, Saudi Arabia, the United States, South Korea and China. This export data search is only based on exporter and manufacturer information and does not include export information from non -manufacturer exporters due to lack of information.

In the context of SVLK compliance in the timber supply chain, this study is only limited to compiling information on compliance with management units in the upstream sector. Of the total 47 units of logging concession and Industrial Timber Plantation in Papua Island, 29 units have obtained PHPL certification, 3 are still in S-LK units and the remaining 15 do not have certificates. Of all 31 management units producing timber in 2019 and 2020, there are 2 units that do not have SVLK and 1 unit uses S-LK. While the rest already have PHPL certificates.

Based on satellite image analysis for 2019 and 2020, areas of suspected deforestation in all logging concession and industrial timber plantation units. In 2019, the total deforestation that occurred in logging concessions and industrial timber plantation was 11,000 hectares and increased to 13 thousand hectares in 2020. Deforestation is found in units that produce wood or not and are also certified or not. Further research is needed on deforestation in logging concession and industrial timber plantation areas to find out whether deforestation actually occurs, what causes it, whether it is relevant to the level of compliance with SVLK implementation, and other related factors.

Although deforestation and timber production nationally in 2020 decreased, the contribution of wood extracted from Papua Island to national wood production has increased, as well as deforestation in Papua Island which has also increased. The potential for increased forest destruction in the future is also even greater if Industrial Timber Plantation permits that have been granted in Papua Island begin to convert forest areas into plantation forests.

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# Profiles of HPH and HTI Companies in Papua



# Artha Graha

## Company Profile

There are two HPH companies under Artha Graha (AG) Network in West Papua: PT Papua Satya Kencana (No. SK.647/Menhut-II/2009), located in Teluk Bintuni Regency and operates on an area of 195,420 hectares, and PT Kurniatama Sejahtera (No. SK.648/Menhut-II/2009), located at Teluk Wondama Regency and operates on an area of 115,800 hectares. The HPH permits for both companies were issued at the same date, i.e., 15 October 2009, and both companies are headquartered at Artha Graha Building, 27<sup>th</sup> Floor, Jl. Jend. Sudirman Kav. 52-53, Jakarta. As such, the concession area of PT Papua Satya Kencana (PSK) constitutes 10% of Teluk Bintuni Regency's total area (1,836,700 hectares), whereas that of Konsesi PT Kurniatama Sejahtera (KTS) constitutes almost 8% of Teluk Wondama Regency's total area (1,449,500 hectares).

PT KTS obtained a PHPL certification with a good grade from PT Inti Multima Sertifikasi under certification number: IMS-SPHPL-004, which is valid between 1 July 2018-30 June 2023. PT PSK has also obtained a PHPL certification with a good grade from PT Mutuagung Lestari under certification number: LPHPL-08/MUTU/FM-011, which is valid between 6 January 2019-5 January 2024.

## Ownership Profile

**A**rtha Graha Grup, or often also called Artha Graha Network (AG Network), is a business group founded by Tomy Winata (TW). This group engages in finance, property, hotel and agribusiness industry. In addition to these 4 core sectors, AG Network has also diversified into other businesses, which are mining, media & entertainment, retail, IT & telecommunications and others<sup>20</sup>. Of all the business conglomerates above, AG Network also operates timber companies in West Kalimantan and West Papua.

The West Papuan timber companies, which are PT Kurniatama Sejahtera (PT KTS) and PT Papua Satya Kencana (PT PSK), are directly owned by TW's families, the names of which are as follows: Panji Yudha Winata, Aditya Prakarsa, Andi Bharata Winata, Christina Harapan, and Agustina. There are also other controlling names on PT KTS and PT PSK through majority share ownerships: businessman Haryono Winarta<sup>21</sup> and TW's son-in-law, Budi Santoso<sup>22</sup>.

Artha Graha became a successful business group thanks to its connections with military officials. This relationship benefitted the expansion of TW's business empire and trickled a sizable fortune to a handful of generals. TW received full support military figures to build military facilities, schools, barracks, and distribute military goods to Papua<sup>23</sup>. TW founded PT Danayasa Arthatama in 1989 and collaborated with the Army's Kartika Eka Paksi Foundation to build the extraordinary projects of Panglima Besar TKR/TNI and SCBD projects that costed up to US\$3.25 billion<sup>24</sup>. To this date, TW has placed military officials in strategic positions within the group, one notable example being Lt. Gen. (Ret.) Kiki Syahnakri, who is currently the President Commissioner of PT Bank Artha Graha<sup>25</sup>.

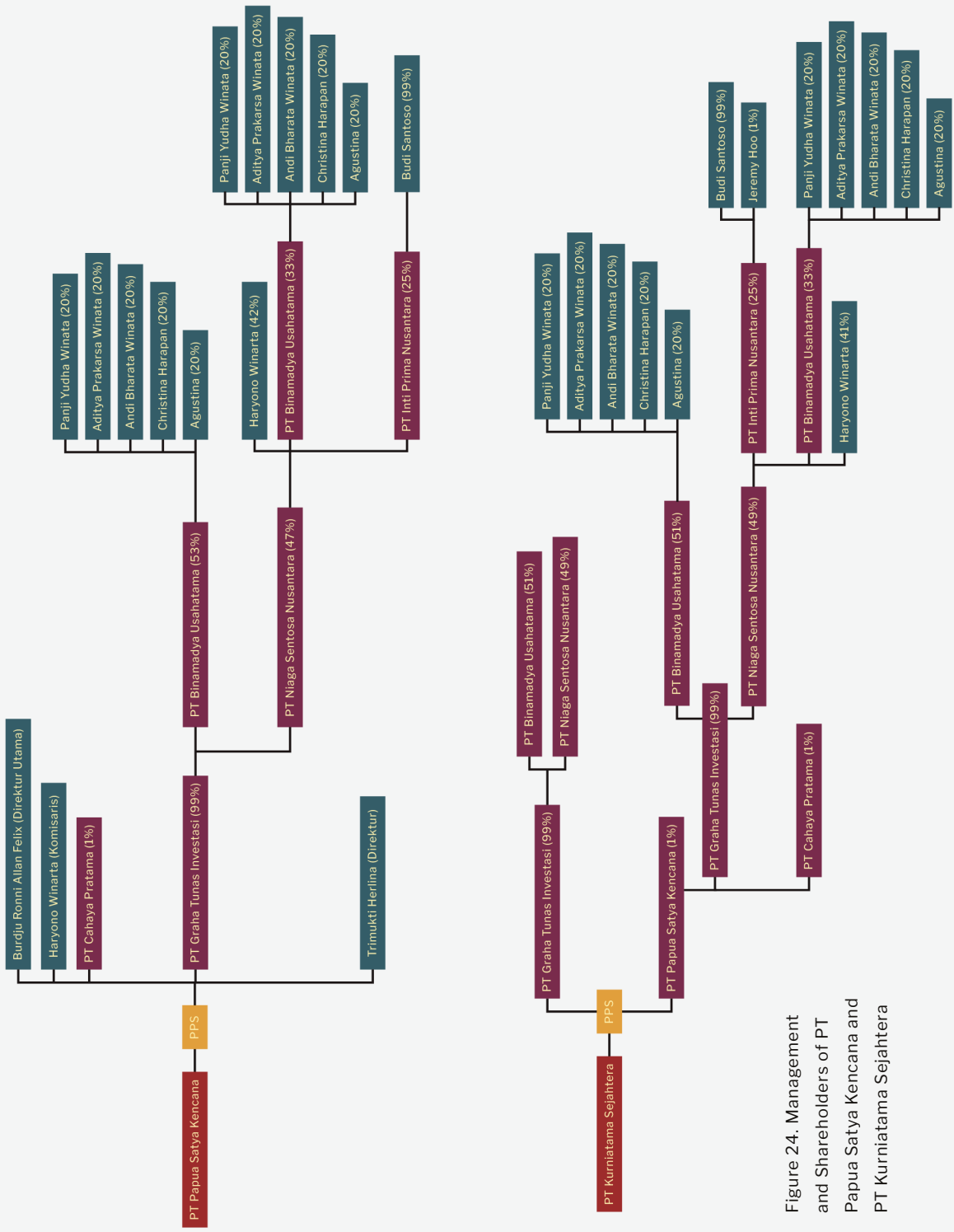


Figure 24. Management and Shareholders of PT Papua Satya Kencana and PT Kurniatama Sejahtera

## Forest Condition Profile

This group performed medium-level logging activities during 2019-2020 on a relatively high natural forest cover area. Information on forest conditions can be seen in the table below.

The total area of natural forest cover in these 2 concession locations (PT PSK and PT KTS) is 306,520.42 hectares. In other words, 98% of concession areas of these two companies are still covered by natural forest. The potential loss of natural forest from these two companies in the event of full operation is measured at almost 25 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered very low at 0.3%. After obtaining PHPL certificates in 2019 (PT PSK) and 2018 (PT KTS), these two companies are likely to perform their working activities more flexibly after more than 10 years of suspension. In the future, more natural forest is projected to be lost due to the operations of these companies under the Artha Graha Network group.

Description	Area (hectares)
Remaining natural forest, 2020	306.520,42
Deforestation, 2020	448,36
Deforestation, 2019	490,87

Table 13. Map of forest situation under the Artha Graha Network

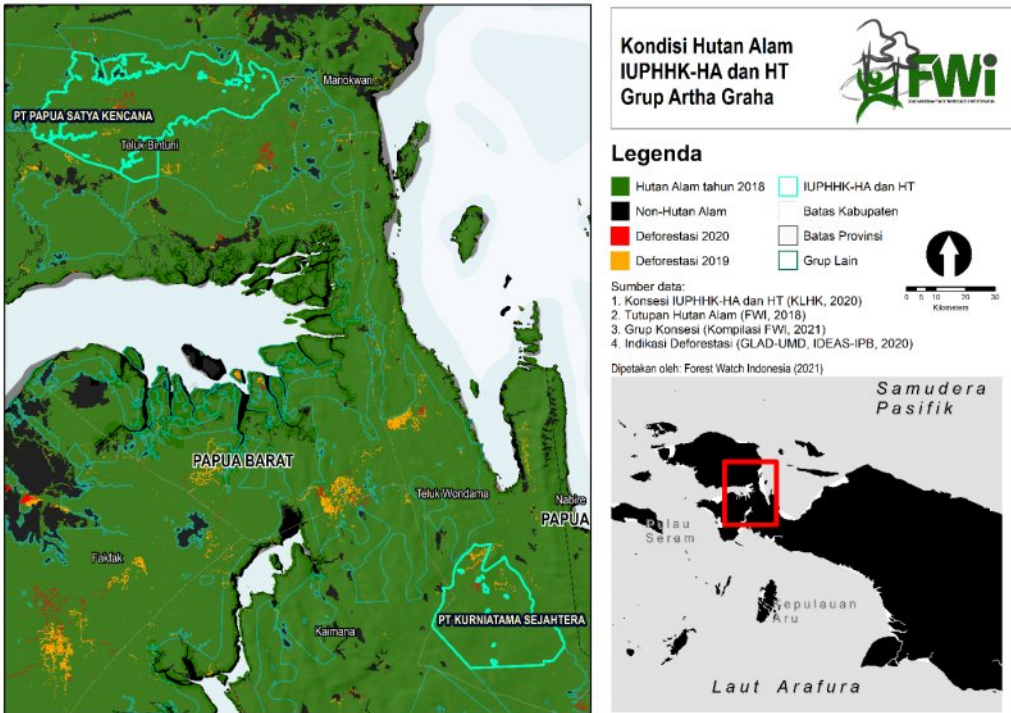
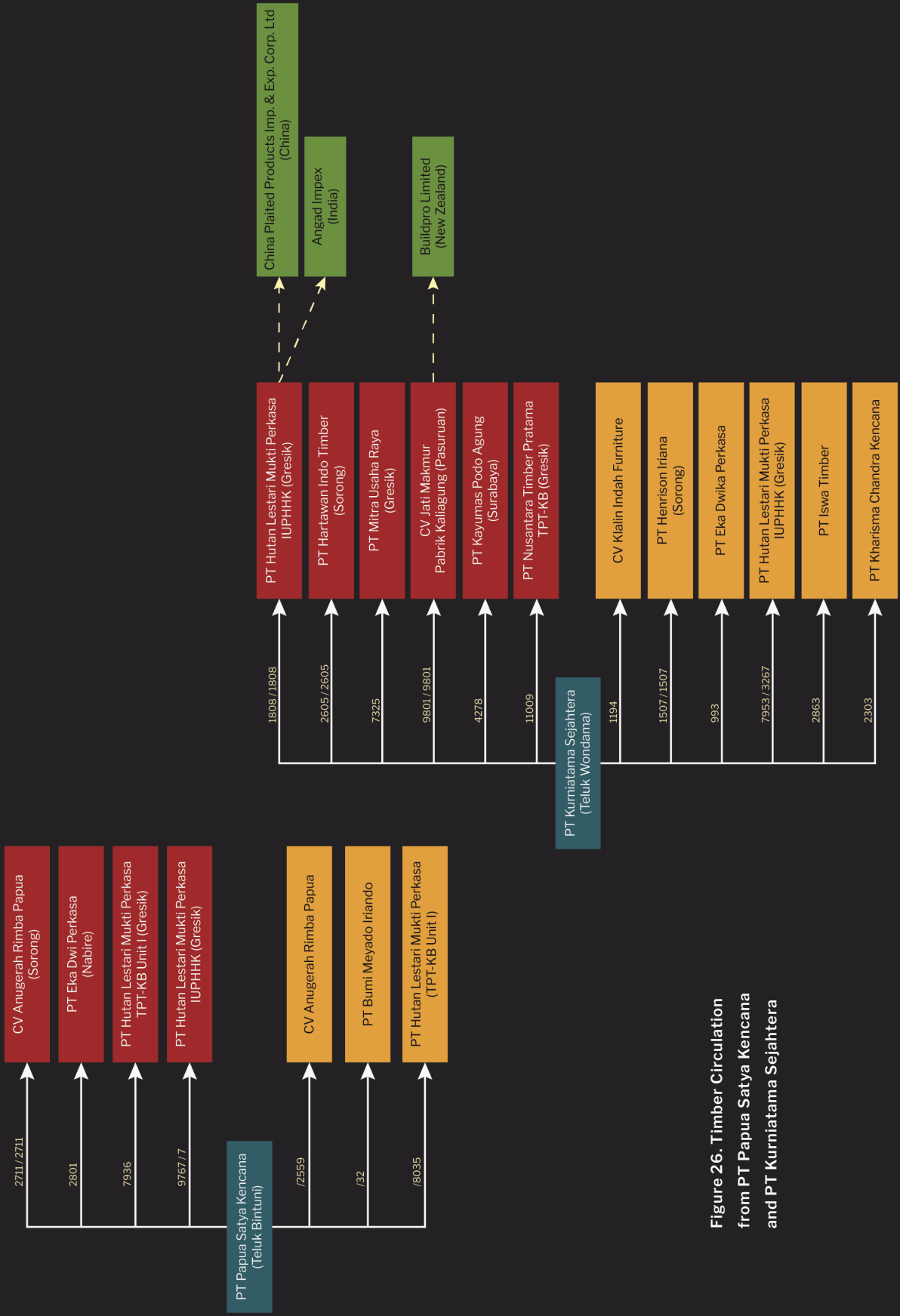


Figure 25. Map of Natural Forest Condition of Artha Graha Group

## Timber Production

**A**rtha Graha Group produced 59,195 m<sup>3</sup> of timber in 2020, without any round log production in 2019. In overseeing timber circulation originating from this group, we used 2 information sources: RPBBI and PHPL Timber Circulation. Data from these sources are outlined below:



**Figure 26. Timber Circulation from PT Papua Satya Kencana and PT Kurniatama Sejahtera**

Data sourced from RPBBI is used to find information regarding supply of raw materials to industries with capacities above 6000 m<sup>3</sup>, whereas data sourced from PHPL Timber Circulation is used to find information regarding supply of raw materials to industries with capacities both above and under 6000 m<sup>3</sup>.

In 2019, PT KTS shipped its timber products to six timber processing industries in Papua, West Papua, and East Java. Two of those industries may handle capacities above 6000 m<sup>3</sup>: PT Henrison Iriana (West Papua) with 1,507 m<sup>3</sup> and PT Hutan Lestari Mukti Perkasa/HLMP (East Hava). Interestingly, a discrepancy is found between the reported number in RPBBI (3,270 m<sup>3</sup>) and PHPL (7,953 m<sup>3</sup>) from PT KTS to PT HLMP, amounting to a difference of 4.683 m<sup>3</sup>. In addition to the 2 industries above, PT KTS also shipped its timber products to CV Klalin Indah Furniture (1,194 m<sup>3</sup>) in West Papua, PT Eka Dwika Perkasa (993 m<sup>3</sup>) in Papua, PT Iswa Timber (2,863 m<sup>3</sup>) in East Java, and PT Kharisma Chandra Kencana (2,303 m<sup>3</sup>) in West Papua.

As for 2020, based on RPBBI data, PT KTS shipped its timber to PT Hartawan Indo Timber (2,605 m<sup>3</sup>) in West Papua, as well as PT HLMP (1,808 m<sup>3</sup>) and CV Jati Makmur Unit Kaliagung (9,081 m<sup>3</sup>), both of which are in East Java. Further, according to PHPL data for 2020, in addition to the exact three shipments as those from RPBBI data above, PT KTS also shipped its timber to PT Kayumas Podo Agung (4,278 m<sup>3</sup>), PT Mitra Usaha Raya (7,325 m<sup>3</sup>), and PT Nusantara Timber Pratama/TPT-KB (11,009 m<sup>3</sup>), all three of which are in East Java.

As for PT PSK, in 2019 only data from PHPL Timber Circulation source is available. PT PSK shipped its timber to CV Anugerah Rimba Papua (2,302 m<sup>3</sup>) and PT Bumi Meyadi Iriando (32 m<sup>3</sup>), both in West Papua, as well as PT Hutan Lestari Mukti Perkasa (9,839 m<sup>3</sup>) in East Java. However, data from RPBBi indicates another discrepancy in numbers reported for PT Hutan Lestari Makmur Perkasa in 2020: RPBBi data indicates that PT PSK only shipped 7 m<sup>3</sup> of wood to PT HLMP, but PHPL data indicates that the amount is actually 9,766 m<sup>3</sup> of round log. This represents a difference of 9,760 m<sup>3</sup>. Other industries receiving timber from PT PSK in 2020 are PT Eka Dwika Perkasa (2,601 m<sup>3</sup>) in Papua and CV Anugerah Rimba Papua for (2,711 m<sup>3</sup>) in West Papua.

The timber processing industry that both receives shipments from PT KTS and performs export activities is PT HLMP in Gresik, East Java. According to data obtained from KLHK's SILK website, it is known that in 2020 PT HLMP had exported 85,614 m<sup>3</sup> of merbau wood (*Instia* sp.) to Calcutta (India) and 42,207 m<sup>3</sup> to Shanghai (China). The two importing companies are Angad Impex and China Plaited Products IMP. & EXP. CORP. LTD. PT HLMP owns a timber legality certificate from PT TRIFOS International Certification (TRIC) with No. TRICIDN-TL-243, which is valid for 23 December 2018-22 December 2021. Another exporting industry is CV Jati Makmur (Kaliagung factory) located in Pasuruan, East Java. The company shipped 17,865 m<sup>3</sup> of merbau wood products to Lyttelton (New Zealand) on behalf of Buildpro Limited. Meanwhile, from the data we have obtained, industries receiving shipments from PT PSK do not perform export activities.



# ASCO

## Company Profile

**A**SCO Group owns 2 HPH business units in both Papua and West Papua, both operating on a combined area of 274,780 hectares. This is divided to 171.270 hectares under PT Asco Prima Nusantara (APN) in Kaimana Regency, West Papua, and 103.510 hectares under PT Papua Hutan Lestari Makmur (PHLM) in Papua. With regards to permits, PT APN obtained the Minister of Forestry Decree No. SK.82/MENHUT-II/2009 dated 5 March 2009, whilst PT PHLM obtained No. SK.334/Menhut-II/2009 dated 15 June 2009. PT APN owns a PHPL certificate with a moderate grade under the certification number: IMS-SPHPL-020 issued by PT Inti Multima Sertifikasi, valid between 31 May 2018 and 30 May 2023, whilst PT PHLM owns a PHPL certificate under the certificate number 009/LPPHPL-018/VI/2018, which is valid between 28 June 2018 and 27 June 2023 and issued by PT Transtra Permada.

## Ownership Profile

**A**sco Group can be likened to IFURA Group in that both are owned by Abdurachman Assegaf. IFURA's website also explains that PT APN and PT PHLM are two HPH concession permits holders affiliated<sup>26</sup> to IFURA. While the name Abdurachman Assegaf is not mentioned at all at the companies' website, the name represents the greatest shareholder for both companies, with a share ownership of 80% on both. The remaining 20% on both is owned by Zainal Abidin. IFURA, or previously known as CV Jati Karya, was founded in 1924 by Abdurachman Assegaf's family, in which he is the third generation director and owner of the company, which engages in processing of woodworking products in Pasuruan.

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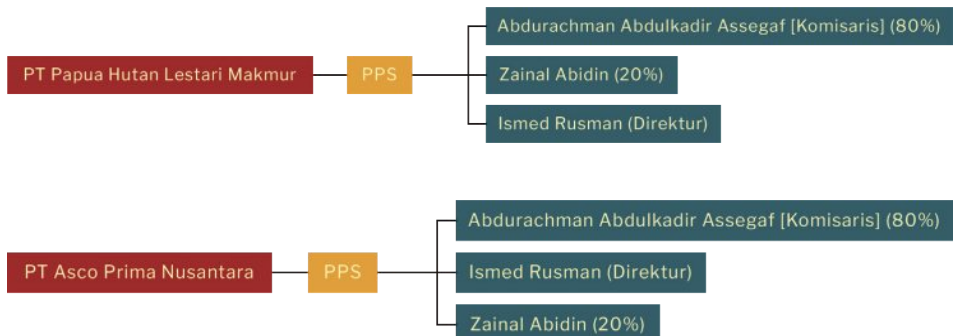


Figure 27. Management and Shareholders of PT Papua Hutan Lestari Makmur and PT Asco Prima Nusantara.

## Forest Condition Profile

This group performed low-level logging activities during 2019-2020 on a relatively high natural forest cover area. Information on forest conditions can be seen in the table below.

The total area of natural forest cover in these 2 concession locations (PT APN dan PT PHLM) is 261,568.6 hectares. In other words, 95% of concession areas of these two companies are still covered by natural forest. The potential loss of natural forest from these two companies in the event of full operation is measured at almost 21 times the area of Bali. The deforestation that occurred in 2019 and 2020 is still considered very low at 0.2%. After obtaining PHPL certificates in 2018 (PT APN dan PT PHLM), these two companies are likely to perform their working activities more flexibly after more than 10 years of suspension. In the future, more natural forest is projected to be lost due to the operations of these companies under the ASCO Group.

Description	Area (hectares)
Remaining natural forest, 2020	261.568,6
Deforestation, 2020	221,84
Deforestation, 2019	378,1

Table 14. Natural Forest Coverage and Deforestation of the Asco Group

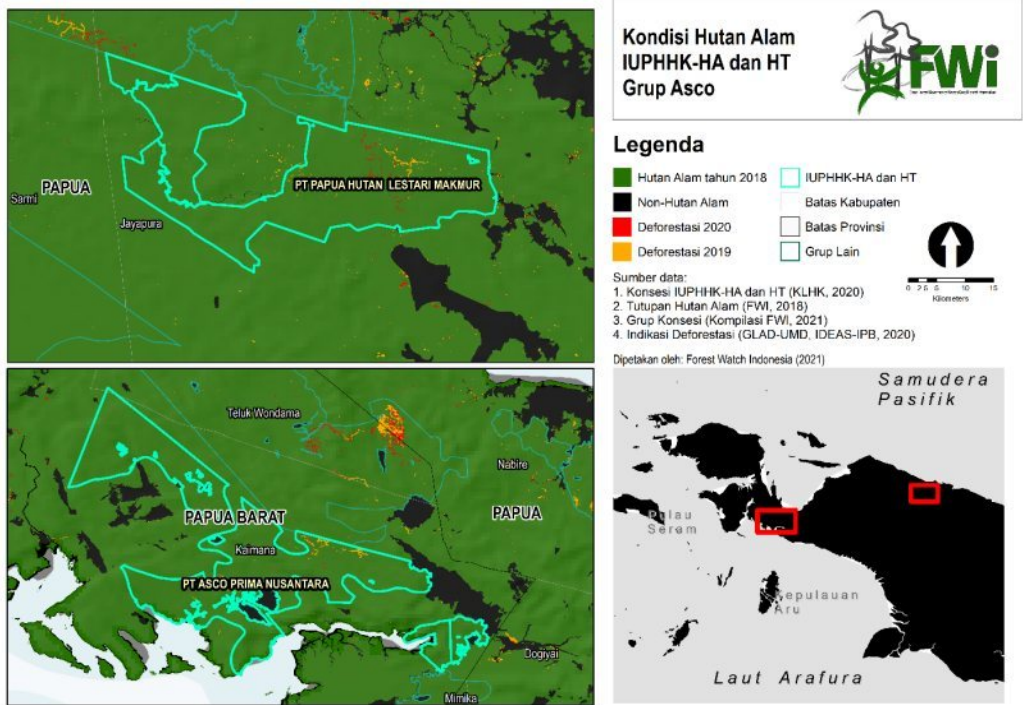


Figure 28. Asco Group Natural Forest Condition Map

## Timber Production

**B**ased on available online RPBBI and PHPL Directorate General data, it is known that PT PHLM produced 17,195 m<sup>3</sup> and 15,516 m<sup>3</sup> of round logs in 2019 and 2020, respectively. These numbers for PT APN are 22,675 m<sup>3</sup> and 7,978 m<sup>3</sup>. Based on RPBBI's 2019 data, PT PHLM supplied its own timber processing industry (integrated) with 3,672 m<sup>3</sup> of timber. Meanwhile, based on PHPL data, PHLM's timber production is shipped to CV Irian Hutama (2,653 m<sup>3</sup>), CV Persada Papua Mandiri (2,379 m<sup>3</sup>), PT Harangan Bagot (540 m<sup>3</sup>), PT Sijas Express Unit II (858 m<sup>3</sup>) and PHLM's Owned Industries (13,128 m<sup>3</sup>). It can be seen that there is a discrepancy of 9,456 m<sup>3</sup> of timber shipped by PHLM between RPBBI and PHPL data.

As for 2020, both RPBBI and PHPL data recorded the same number of timber volumes shipped by PT PHLM at 12,440 m<sup>3</sup>. In addition, timber from PT PHLM's HPH area is also shipped to CV Irian Utama (36 m<sup>3</sup>), CV Nawa Papua Foresta (297 m<sup>3</sup>), CV Persada Papua Mandiri (1.191 m<sup>3</sup>), CV Sejahtera Bumi Papua (3.440 m<sup>3</sup>), PT Lanny Inabua (100 m<sup>3</sup>), and PT Sijas Express Unit II (563 m<sup>3</sup>).

PT APN, which is located in Kaimana, West Papua, is permitted to ship its timber to industries outside Papua Region, and most of it is shipped to East Java. In 2019, RPBBI data recorded that timber from PT APN is shipped to CV Jati Makmur unit Kaliagung (3,011 m<sup>3</sup>) and PT IFURA (5,909 m<sup>3</sup>). PHPL data also records the same number for timber shipped to CV Jati Makmur (3,011 m<sup>3</sup>), however there is a 942 m<sup>3</sup> discrepancy to the amount shipped to PT IFURA (6,852 m<sup>3</sup>). The remaining 11.133 m<sup>3</sup> of timber is shipped to CV Indo Jati Utama in Central Java.

As for 2020, based on RPBBI data, timber from PT APN is recorded to be shipped to PT IFURA (4,749 m<sup>3</sup>) and CV Jati Makmur Unit Kaliagung (5,060 m<sup>3</sup>). PHPL data also recorded the same number for CV Jati Makmur (5.060 m<sup>3</sup>), while the remaining timber was shipped to CV Jawa Timur Baru (3,094 m<sup>3</sup>) and CV Indo Jati Utama (10,561 m<sup>3</sup>). In regard to trade export of timber products, it is recorded in KLHK's SILK website that upon receiving timber from PT APN's HPH area, PT IFURA is recorded to have exported 74,938 m<sup>3</sup> of merbau wood products to Brisbane (Australia), with P.H.D Timbers Importers PT LTD as its importer. Other industry performing export activities is CV Jati Makmur Unit Kaliagung, which is recorded to have exported 17,865 m<sup>3</sup> of merbau wood products to Lyttelton (New Zealand), with Buildpro Limited as its importer.

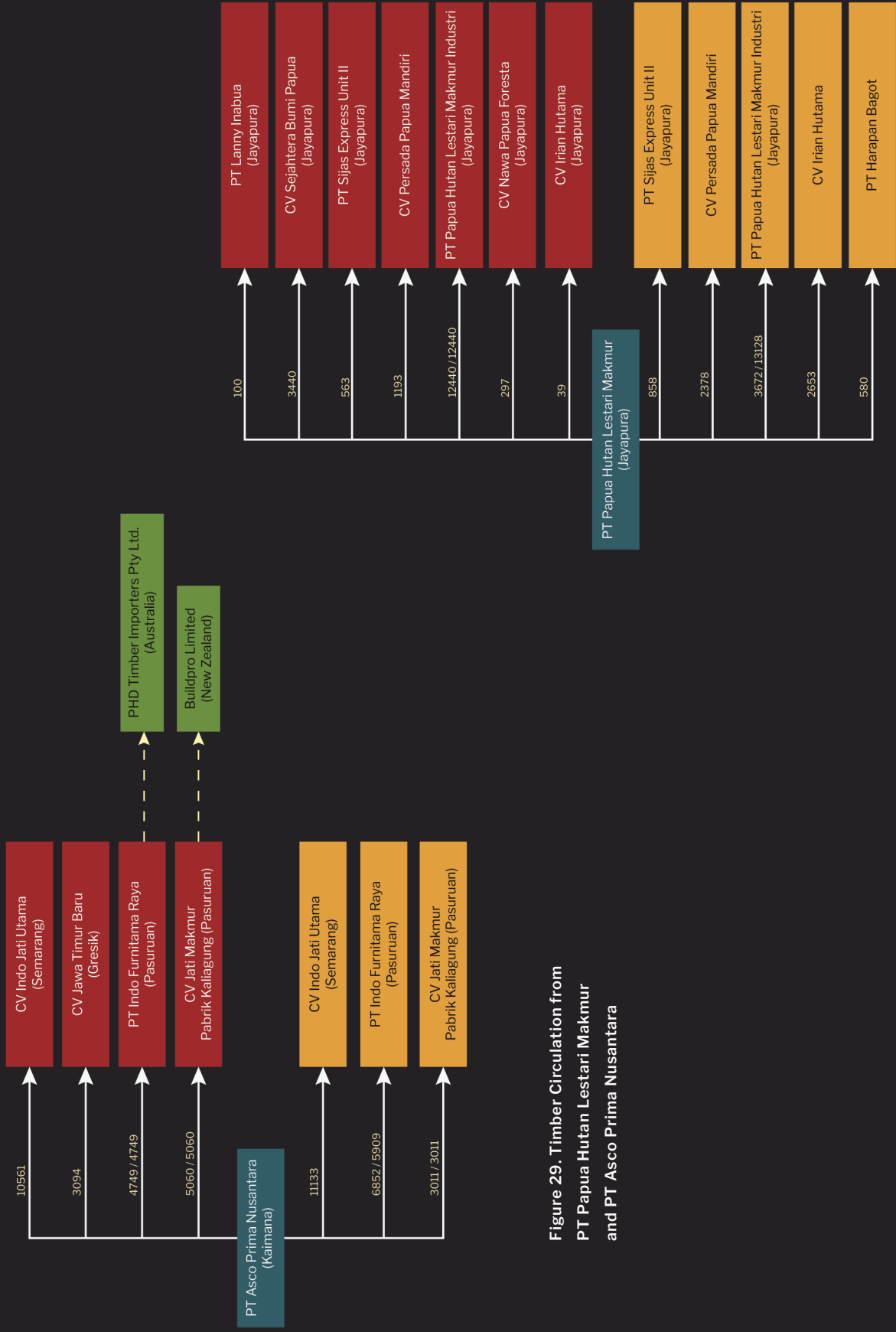


Figure 29. Timber Circulation from PT Papua Hutan Lestari Makmur and PT Asco Prima Nusantara

# Batasan

## Ownership Profile

The share ownership of PT Batasan is dominated by Tan Tjin Kok and Yon Wiranata/Suryadi Wiranata. In addition to HPH permits in Papua, PT Batasan also owns HPH permit in Sintang (Minister of Forestry Decree No. 416/Menhut-II/2004 dated 19 Oktober 2004), West Kalimantan, and Plywood Factory in Tanjung Pura Indah Comp. Blok H/10-11, Pontianak, West Kalimantan. The two names above also hold positions as a commissioner and president director at PT Batasan, but other information is not yet known.

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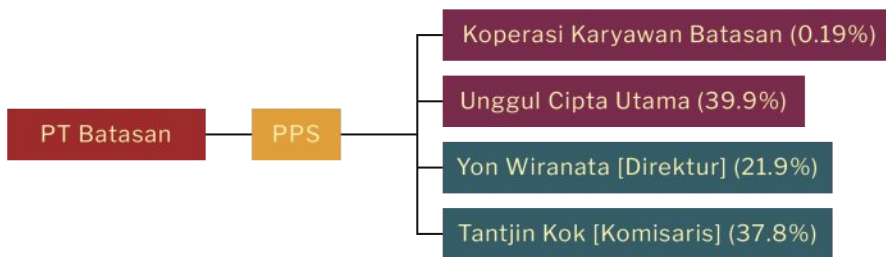


Figure 30. Management and Shareholders of PT Batasan

## Company Profile

**P**T Batasan is located in Keerom Regency, Papua. The company obtained its permit from KLHK (then Department of Forestry) under the permit number No 342/Kpts-II/97 on an area of 106,643 hectares. While the previous permit expired in 2017, the company extended its permit in 2018 through Permit No. 436/MenLHK/Setjen/HPL.0/10/2018 on an area of 79,572 hectares. During its 20+ years of operation, this company hasn't managed to obtain any PHPL certificate, despite having obtained a VLK certificate in 2014 under certificate number 24/A-SERT-VLK/XI/2014, which was valid until 13 November 2017. It has since been revised in a second inspection through certificate number SLK.24/ASERT/LVLK-011-IDN under the status "Maintained", and the company was later declared to "HAVE FULFILLED" timber legality standards. This certificate was issued by PT Ayamaru Sertifikasi.

After extending its permit in 2018, PT Batasan obtained VLK Certificate No. 097/BWI-SLK issued by PT Borneo Wanajaya Indonesia and was declared to "HAVE FULFILLED" Timber Legality Standards under the status "Sustainably Maintained". This certificate is valid from 13 August 2019 to 12 August 2022. As of 2021, PT Batasan has performed two inspections.

## Forest Condition Profile

**T**his group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in the table below.

The total area of natural forest cover within PT Batasan's concession area is 78,324.19 hectares. In other words, 98% of PT Batasan's concession areas are still covered by natural forest. The potential loss of natural forest due to the HPH company in the event of full operation is measured at more than 6 times the area of Bali. The deforestation that occurred in 2019 and 2020 is still considered very low at 0.7%. After obtaining a VLK certificate in 2019, this company is likely to perform its working activities more



flexibly as a HPH holding company. PT Batasan's permit extension after 30 years of operation in Papua was marked with a 27,000 Ha decrease in total concession area Ha. As this HPH company operates with natural forest use as its business core, this company's footprints are highly related with the projected loss of natural forest in Papua.

Description	Area (hectares)
Remaining natural forest, 2020	78.324,19
Deforestation, 2020	221,84
Deforestation, 2019	378,1

Table 15. Natural Forest Coverage and Deforestation of Batasan Group

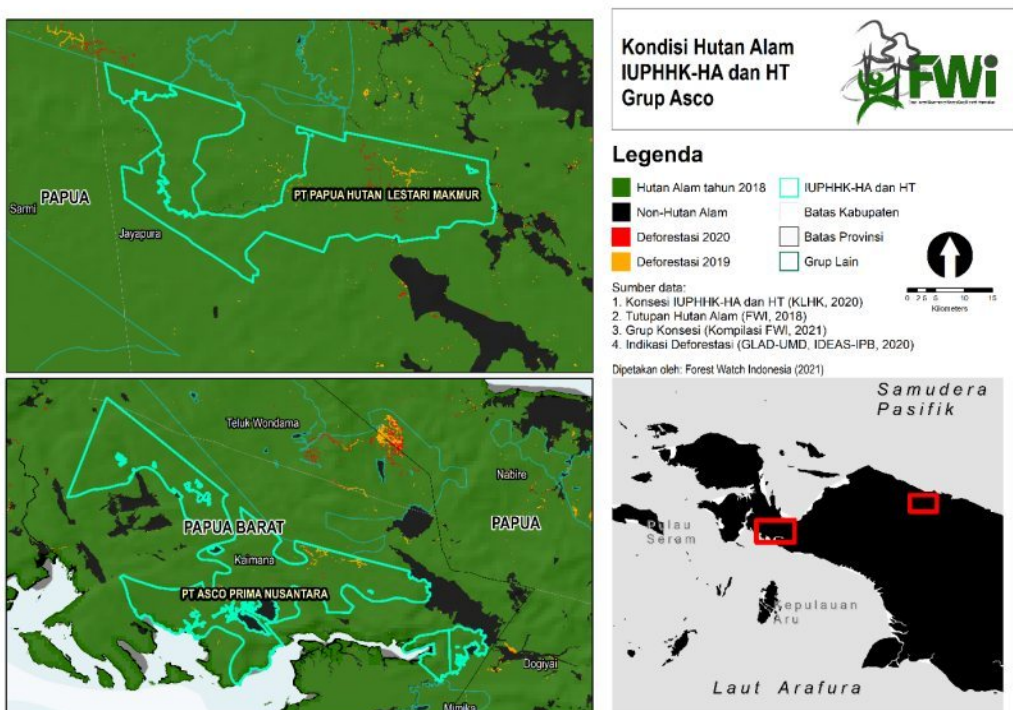


Figure 31. Batasan Group Natural Forest Condition Map

## Timber Production

In 2019, PHPL Directorate General data recorded that PT Batasan produced 2,790.98 m<sup>3</sup> of round logs. On the other hand, PHPL data on the company's timber circulation indicates that PT Batasan shipped a total of 53,576.02 m<sup>3</sup> of timber to the timber processing industries. In PNPB's 2019 data, for its PSDH payment, PT Batasan paid Rp5,995,658,350 for 33,245.87 m<sup>3</sup> of timber.

The industries receiving timber from PT Batasan were PT Semarak Dharma Timber (48,208.67 m<sup>3</sup>, same as recorded in RPBBI), CV Selaras Kayu Unggul (153.12 m<sup>3</sup>), PT Karya Pasifik Sukses (1,453.85 m<sup>3</sup>), PT Sijas Express Unit I (1,273.98 m<sup>3</sup>), and PT Sisilia Claudya (2,486.40 m<sup>3</sup>). PT Batasan produced 8,816.44 m<sup>3</sup> of round logs in 2020. Based on PHPL round log circulation system, the company shipped 9,257.8 m<sup>3</sup> of timber to three timber processing industries in Papua: CV Selaras Kayu Unggul with 1,411.46 m<sup>3</sup>, PT Karya Pasifik Sukses with 6,149.985 m<sup>3</sup>, and PT Sijas Express Unit I with 1,696.36 m<sup>3</sup>. Based on RPBBI system, no industries with capacity above 6000 m<sup>3</sup> received timber from PT Batasan.

Regarding timber export destinations in 2020, there is no information within the SILK system that directly mentions the names of timber processing industries receiving direct exports from PT Batasan.

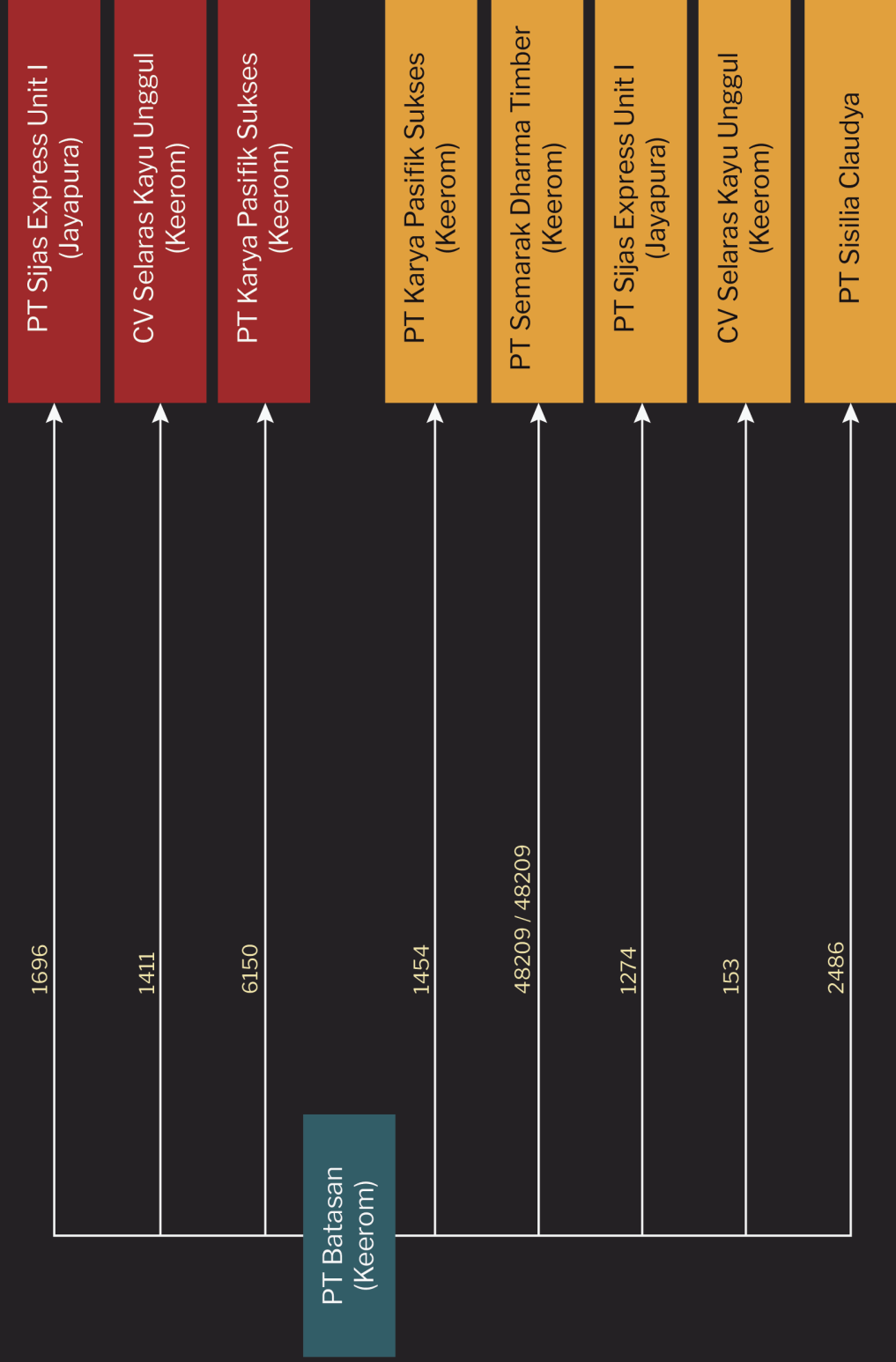


Figure 32. Timber Circulation from PT Batasan

# Bintuni Utama Murni Wood Industri

## Company Profile

**P**T Bintuni Utama Murni Wood Industries (abbreviated PT BUMWI) was incorporated on 1 February 1980. PT BUMWI engages in forestry, with particular focus to the use and processing of mangroves/Rhizophoraceae. Its Use Permit (HPH/IUPHHK) is decreed on HPH Decree No. 174/Kpts-IV/1988 dated 21 March 1988, with an addendum No. 94/Kpts-II/1995 dated 13 February 1995, and valid for 20 years. The permit was extended through Decree No. 213/MENHUT-II/2007 dated 28 May 2007 which is valid until 31 December 2052 (45 years). This permit was issued over an area of 82,120 hectares located in Teluk Bintuni Regency, West Papua.

PT BUMWI also owns a processing industry, under (industrial) processing permit No. 4010/MENHUT-VI/BPPHH/2005, which allows it to process mangrove woods into wood chips to be exported to Japan, Taiwan, and China, as raw material for pulp. The production capacity of PT BUMWI's chip processing industry reaches almost 200,000 m<sup>3</sup>/year. Since the start of production in 1988, PT BUMWI has exported approximately 2.9 million tons of wood chips<sup>27</sup>.



Acknowledgement of sustainable management of mangrove forests from independent institutions is evidenced by the issuance of Certificate of Sustainable Production Forest Management (PHPL) with a good grade in 2016, issued by Sarbi International Certification. The mandatory VLK certificate was also obtained in early 2016. Likewise, the company also obtained a Legal Harvest Verification certification from SCS Global Services. In 2015, PT BUMWI obtained FSC® Forest Management (FSC-C126506) certification with support from TBI (The Borneo Initiatives) and WWF/GFTN.

## Ownership Profile

In reference to Kemenkumham’s AHU data, PT BUMWI’s majority ownership is held by Raflis (98%) who also served as its president commissioner. According to information in the company’s website, Raflis used to also serve as the company’s president director. While Raflis currently is the majority owner of PT BUMWI, we haven’t acquired more detailed information regarding the true owner of PT BUMWI. Another notable aspect of this company is the indication that PT BUMWI is linked to Marubeni of Japan. This stems from the information that in addition to PT BUMWI’s exports of wood chip to Japan, earlier investigations<sup>28</sup> also suggest interrelations between the two companies.

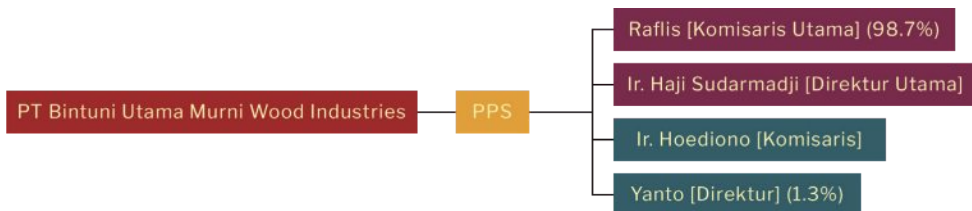


Figure 33. Management and Shareholders of PT Bintuni Utama Murni Wood Industries

## Forest Condition Profile

This group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in the table below.

The total area of natural forest cover within PT BUMWI's concession area is 68,587.9 hectares. In other words, 84% of PT BUMWI concession areas are still covered by natural forest. The potential loss of natural forest due to this HPH company in the event of full operation is measured at more than 5 times the area of Bali. The deforestation that occurred in 2019 and 2020 is still considered high at 1.1%<sup>29</sup>. After obtaining various acknowledgements such as PHPL certification, VLK certificate, Legal Harvest Verification, and FSC certification, this company may perform its work operations more flexibly as a HPH company in West Papua. Moreover, this company has been operating since 1988 and the permit expires until 2052, which enables it to massively use the mangrove forest of Bintuni Bay. As this HPH company operates with natural mangrove forest use as its business core, this company's footprints are highly related with the projected loss of natural forest in West Papua.

Description	Area (hectares)
Remaining natural forest, 2020	68.587,9
Deforestation, 2020	558,94
Deforestation, 2019	254,6

Table 16. Natural Forest Coverage and Deforestation  
Bintuni Utama Murni Wood Industry Group

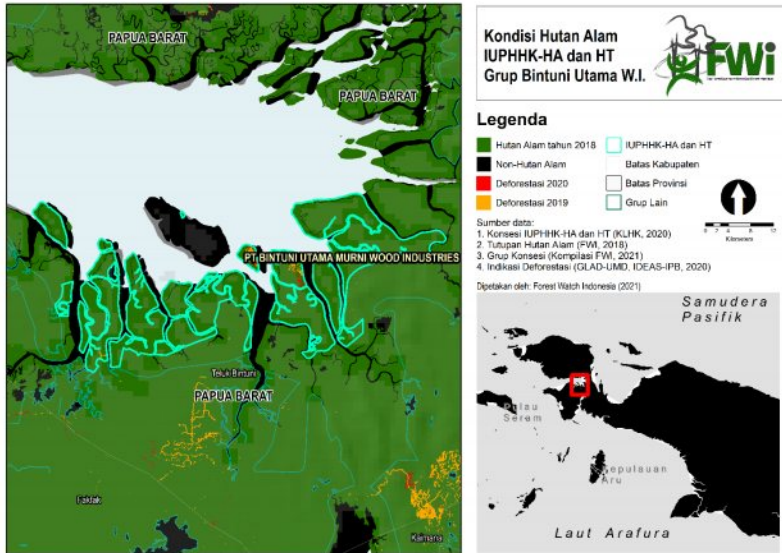


Figure 34. Map of the Forest Conditions of the Bintuni Utama Group Wood Industries

## Timber Production

**P**T BUMWI's round log production in 2019 and 2020 was 113,643 m<sup>3</sup> and 43,469 m<sup>3</sup>, respectively. PT BUMWI is recorded to supply its timber products only to its own (integrated) industry. From the production results, RPBBi data noted that in 2019, PT BUMWI shipped 114,152 m<sup>3</sup> of raw materials, while PHPL data recorded 108,337 m<sup>3</sup>. Meanwhile, in 2020, RPBBi and PHPL data recorded the same amount, 48,374 m<sup>3</sup>. Regarding timber export destinations in 2020, there is no information within the SILK system which indicates that PT BUMWI exports its products abroad.

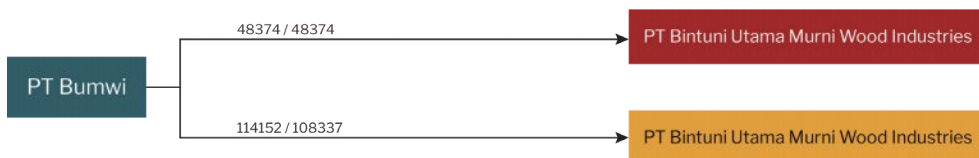


Figure 35. Timber Distribution from PT Bintuni Utama Wood Industries

# BUMI TEKNOKULTURA UNGGUL

## Company Profile

**B**TEK Group's logging business units are PT Bangun Kayu Irian (SK.623/Menhut-II/2014, 14 July 2014) and PT Mitra Pembangunan Global (SK.714/Menhut-II/2009, 19 September 2009). The two companies are located in South Sorong Regency, West Papua. The concession area of PT BKI and PT MPG are 139,970 hectares and 83,950 hectares, respectively. This combines to a total controlled area of 223,920 hectares or 2,239 km<sup>2</sup>, which covers almost 30% of South Sorong Regency land area (7,790 km<sup>2</sup>).

PT BKI has obtained timber legality certificate from PT Lambodja Certification under certification number: Laser/LK-HPH/79, valid from 16 June 2021 to 15 June 2024. Meanwhile, based on the decision of LVLK Garda Mutu Prima, PT Mitra Pembangunan Global's HPH Certificate of Sustainable Production Forest Management (S-PHPL) No. GMP/2019/10005 was revoked as there was no certainty regarding performance of inspections until the end of the freeze period.



## Ownership Profile

**P**T Bumi Teknokultura Unggul Tbk. (BTEK) is a company founded on 6 June 2001 and engaged in production of round logs, logging services, ornamental plants, cocoa butter, and cocoa solids. Based on the company's 2019 annual report, PT BTEK engages in the following businesses: real estate and construction, service activities, trade, industry, mining, plantations, agriculture and forest control and forestry support services. The Company's Head Office is located at Rukan Permata Senayan Complex, Blok E No. 38 Jl. Tentara Pelajar, South Jakarta 12210, while the location of its business activity unit is on Jl. Raya Serang Km. 68 Julang Village, Cikande, Serang, Banten, Indonesia.

Based on a letter from PT Ficomindo Buana Registrar, Securities Administration Bureau, No. 01/BTEK-FBR/I/2020 dated 6 January 2020, the Entity's ownership structure as of 31 December 2019 PT BTEK is as follows: public (58.4%) and 41.6% owned by HSBC Singapore. Meanwhile, the majority of shares in PT Bangun Kayu Irian are owned by the Sutanto family (Doddy Sutanto, Ari Sutanto, Yenny Sutanto and Anne Patricia Sutanto), through its subsidiary PT Asa Plantation. The same applies to PT Mitra Pembangunan Global, which is 99% owned by the Sutanto family.

From the names mentioned above, Yenny and Anne also serve as commissioner and president director of BTEK Group, respectively. Sutanto is a relative of Handiman Tjokrosaputro, the father of Benny Tjokrosaputro (Bentjoek) who was caught in relation to the Jiwasraya case. Anne Patricia Sutanto also serves as President Director of Pancaprima Ekabrothers and Vice President of PT Pan Brothers TBK (PBRX). Apart from being famous thanks to her frequent public appearances, Anne's name has also recently emerged as a witness to the Jiwasraya case involving her cousin, Bentjoek. 10 of Anne's bank accounts were also confiscated by the Attorney General's Office as a result on the investigation of the Jiwasraya TPPU case<sup>30</sup>.

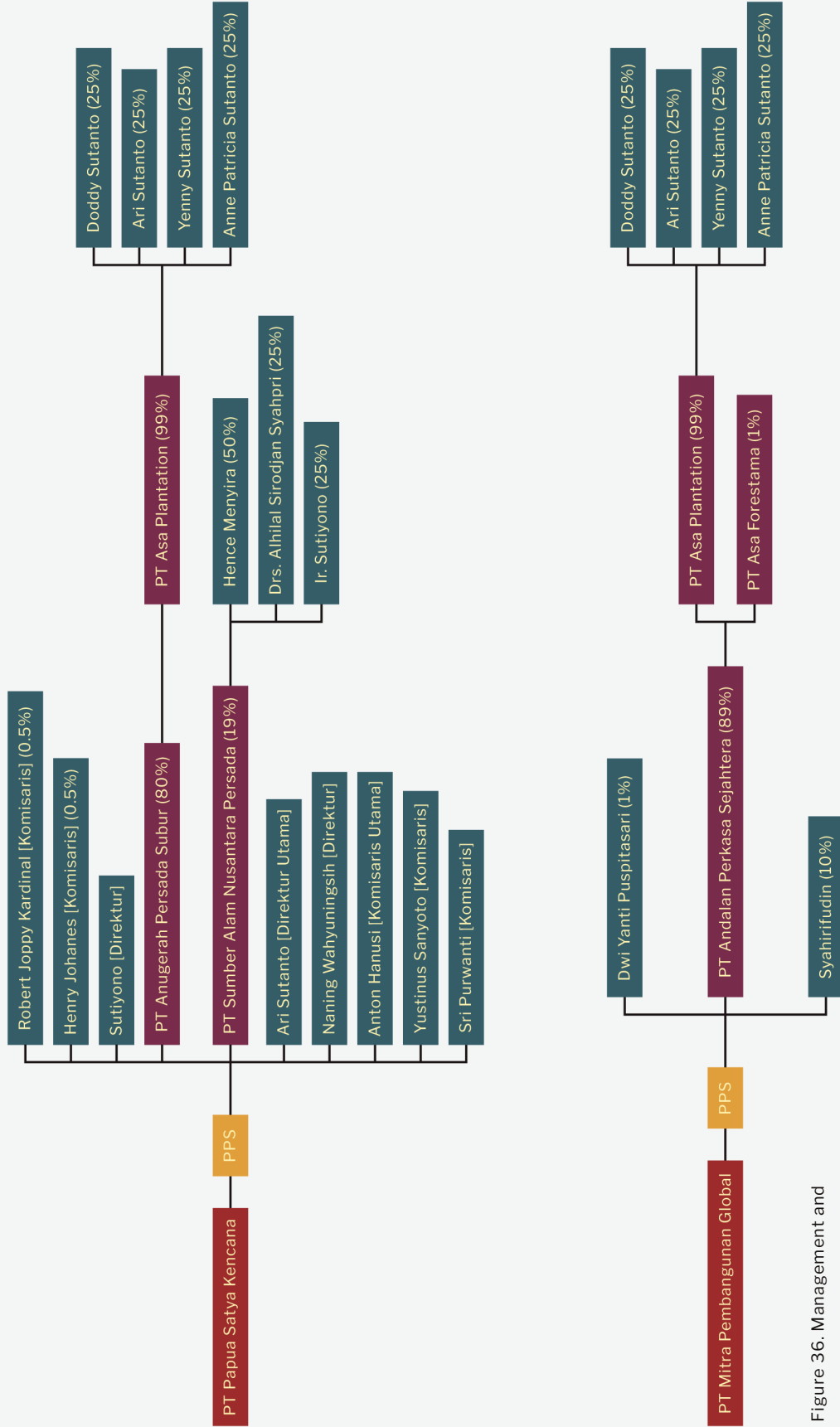


Figure 36. Management and Shareholders of PT Bangun Kayu Irian and PT Mitra Pembangunan Global

## Forest Condition Profile

This group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in the table below.

Description	Area (hectares)
Remaining natural forest, 2020	208.022.97
Deforestation, 2020	258,86
Deforestation, 2019	162,48

Table 17. Natural Forest Coverage and Deforestation of Bumi Teknokultura Unggul Group

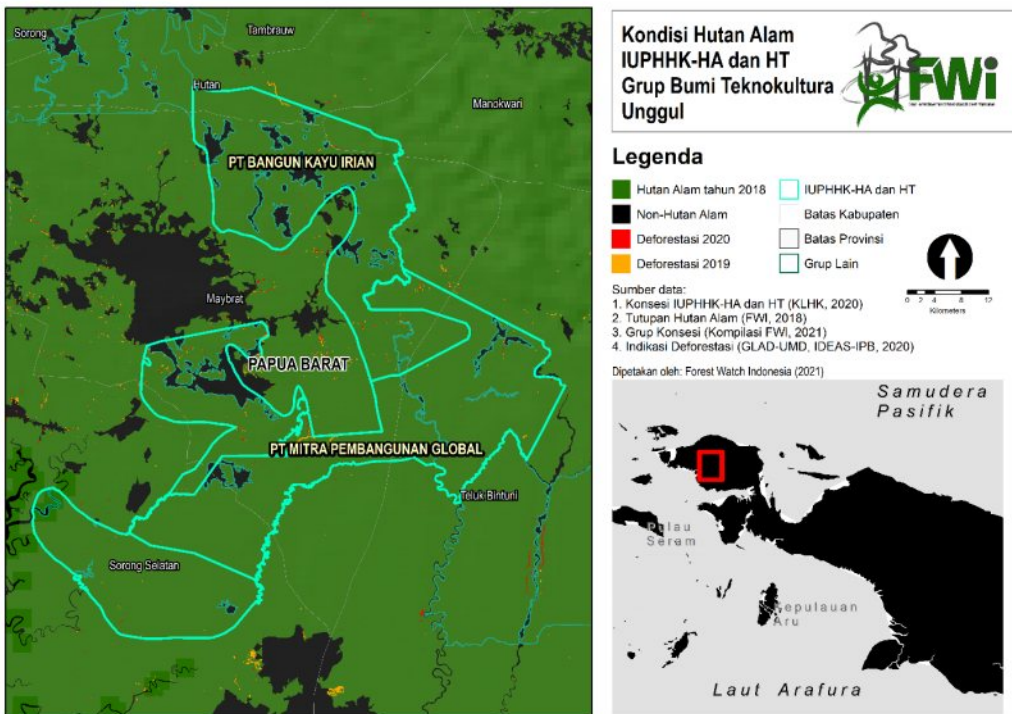


Figure 37. Forest Condition Map of Bumi Teknokultura Unggul Group

## Timber Production

**D**uring the period of June 2020 - May 2021, PT BKI has not performed any timber shipping activities from its Forest TPK to any other areas or industrial destinations, such that the online SKSHHK timber shipment document has not been issued at SIPUHH. However, PT BKI has paid its PSDH and DR obligations for the timber amount contained in LHP, with proof of bank deposit and the SIPUHH Online document, which is Proof of Non-Tax State Revenue (BPNBP) for the period of April 2021.

Based on data available in both online RPBBI and PHPL Directorate General in 2019, PT MPG did not ship its round logs to industries with capacities above 6000 m<sup>3</sup>. It only shipped the logs to industries with capacities of 2000-6000 m<sup>3</sup> in Gresik City, which are PT Wijaya Loka Nusantara (4,550 m<sup>3</sup>) and TPT KB PT Gema Lestari Indonesia (9,147 m<sup>3</sup>). Meanwhile, in 2020, PT MPG shipped timber to PT Kayu Merapi Internusa (3,477 m<sup>3</sup>), which is recorded at both RPBBI and PHPL Directorate General. The company also shipped 5,560 m<sup>3</sup> of timber to PT Gema Lestari Indonesia.

It is through PT Kayu Merapi Internusa that timber from natural forests, a part of which originated from West Papua, is exported abroad. From the data we obtained, PT KMI shipped 27,373 m<sup>3</sup> of Bangkirai wood to Tradelink Wood Products LTD in Israel and 27,000 m<sup>3</sup> to LTL Wood Product BV in the Netherlands.



Figure 38. Timber Circulation from PT Mitra Pembangunan Global

# Ciptana

## Company Profile

**C**iptana Group's logging company is PT Mondialindo Setya Pratama (PT MSP). PT MSP has obtained an HPH permit in accordance with Minister of Forestry Decision No. SK.466/Menhut-II/2006 dated 19 September 2006, on an area of ±94,800 hectares juncto SK.120/Menlhk/setjen/PLA.2/2/2018 dated 28 February 2018 with an area of 94,568.79 hectares, juncto No. SK.875/Menlhk/Setjen/HPL.0/10/2019 dated 18 October 2019 with an area of 94,568.79 hectares located in Sarmi Regency, Papua.

PT MSP has obtained a PHPL certificate with a good grade under certification number 46-SIC-04.01 from PT Sarbi International Certification (SIC) since 24 May 2018, which was amended on 21 May 2021. This means that the certificate is valid until 23 May 2024.

## Ownership Profile

Ciptana Group, or previously known as UD. Wijaya Pratama was founded by Sudarsono Chandrawidjaja in 1993. This company is now located on Jl. Raya Semarang – Purwodadi Km 16,5. Mranggen, Demak, Central Java. This company engages in the production of plywood, veneer, decking, and sawn wood under the product name CIPTANA. The company registered on behalf of Ciptana Group in Kemenkumham’s AHU is PT Cipta Wijaya Mandiri, which is partly owned by PT Ciptana Kapita Indonesia and is mainly owned by Jenny Tjandra Widjaja, who serves as a commissioner in the company.

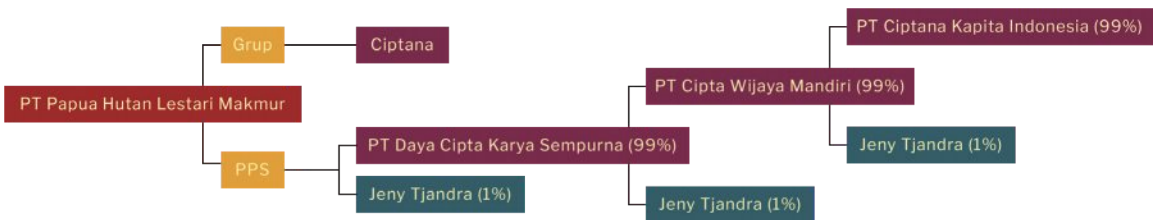


Figure 39. Management and Shareholders of PT Mondialindo Setya Pratama

## Forest Condition Profile

This group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in the table below.

The total area of natural forest cover within PT MSP's concession area is 92,508.20 hectare. In other words, 98% of PT MSP's concession area is still covered by natural forest. The potential loss of natural forest from this HPH company in the event of full operation is measured at more than 7 times the area of Bali. The deforestation that occurred in 2019 and 2020 is still considered low at 0.29%<sup>31</sup>. After obtaining PHPL certification in 2021, this company is likely to perform their working activities more flexibly as a HPH company in Sarimi, Papua. As this HPH company operates with natural forest use as its business core, this company's footprints are highly related with the projected loss of natural forest in Sarimi Regency, Papua.

Description	Area (hectares)
Remaining natural forest, 2020	92.508,2
Deforestation, 2020	162,93
Deforestation, 2019	106,87

Table 18. Ciptana Group Natural Forest Coverage and Deforestation



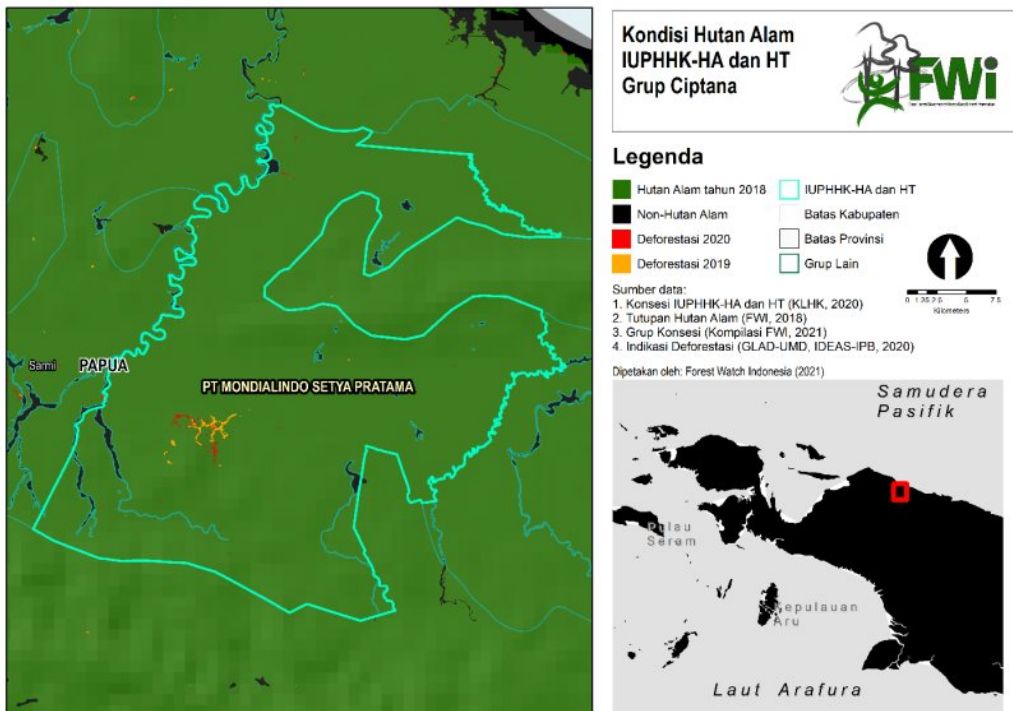


Figure 40. Map of the Natural Forest Condition of the Ciptana Group

## Timber Production

**P**T MSP's round log production in 2019 and 2020 were 9,949 m<sup>3</sup> and 8,731 m<sup>3</sup>, respectively. Based on PHPL Directorate General and online RPBBI data accessed in December 2019, PT MSP shipped 5,392 m<sup>3</sup> of round logs to PT Henrison Iriana and 497 m<sup>3</sup> to PT Sijas Express Unit. As for 2020, PT MSP shipped 7,966 m<sup>3</sup> of round logs to PT Henrison Iriana, and the remaining logs were shipped to industries with capacities between 2000-6000 m<sup>3</sup>, which are: CV Sejahtera Bumi Papua (206 m<sup>3</sup>), CV Fadhila Papua Lestari (520 m<sup>3</sup>), PT Lanny Inabua (30 m<sup>3</sup>), and PT Kharisma Chandra Kencana (1,222 m<sup>3</sup>). Timber circulation from PT MSP occurred entirely in mainland Papua, and there is no export data from industries receiving timber from PT MSP.

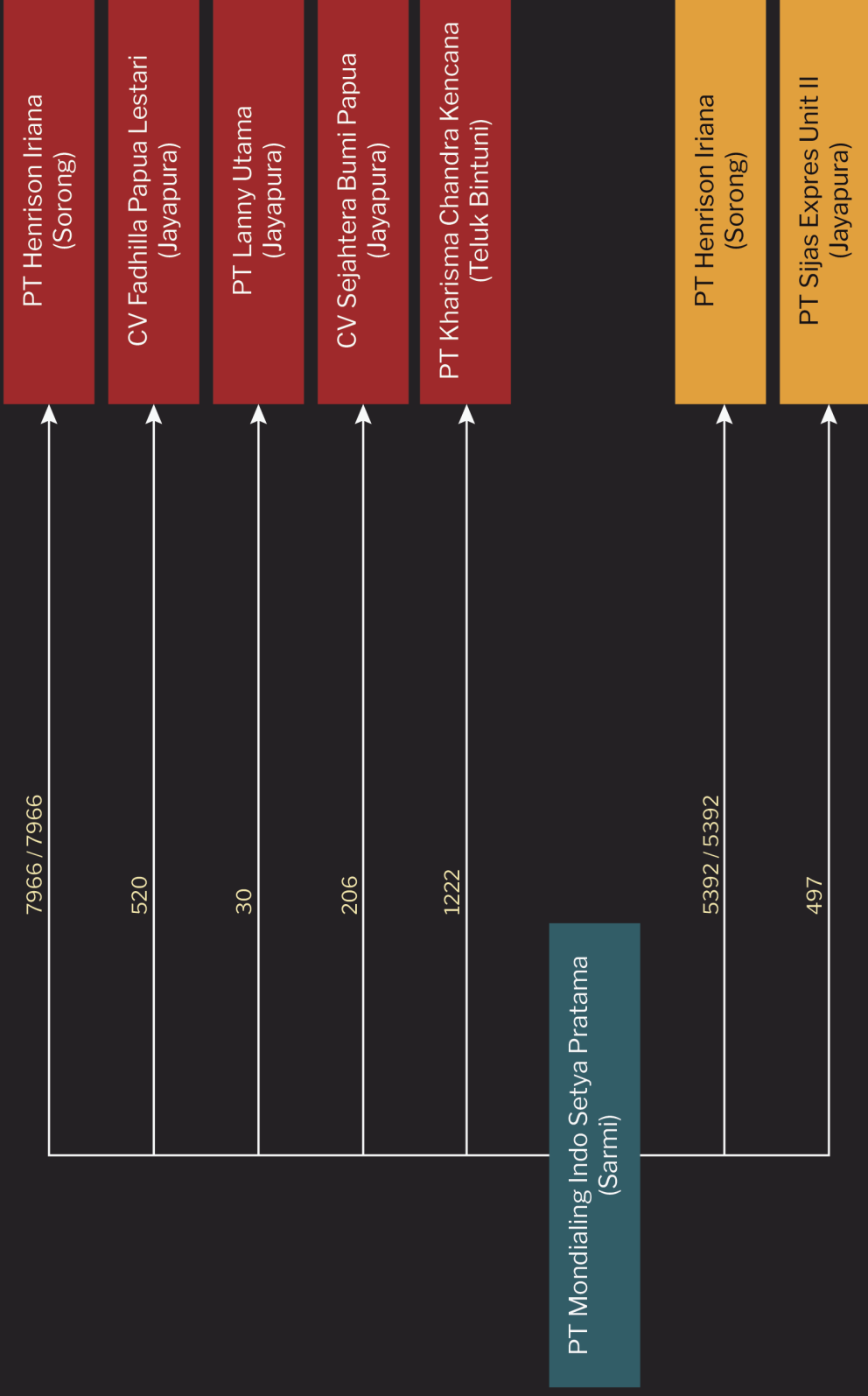


Figure 41. Timber Circulation from PT Mondialindo Setya Pratama

# Djajanti

## Ownership Profile

The ownership of PT Teluk Bintuni Mina Agro Karya (TBMAK) is dominated by Yoseph Prawira (99%), who also served as a Commissioner in the company. Other names related to PT TBMAK are Setiyo Nuswantoro as the President Director, and IR Pakat Ginting as the Production Director. Even though PT TBMAK is listed as a part of Djajanti Group by many reports, the names mentioned above are related neither to the Group or other companies under Djajanti Group.

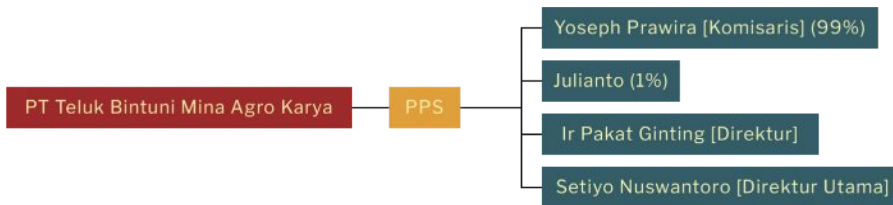


Figure 42. Management and Shareholders of PT Teluk Bintuni Mina Agro Karya

## Company Profile

**P**T (TBMAK) is a HPH permit holding company located in Teluk Bintuni Regency, West Papua. The HPH area, with a total concession area of 237,750 hectares, is located within Teluk Bintuni Regency, Fak-fak Regency, and Kaimana Regency. Its head office is located in Jakarta, with an address of Tamansari Parama Boutique Office 8th Floor Unit B, Jl. KH. Wahid Hasyim No. 84-88, RT.015/RW.06 Kel. Kebon Sirih, Menteng District, Central Jakarta. PT TBMAK's permit is valid until ..., pursuant to SK.509/Menhut-II/2012 dated 13 September 2012.

Based on the result of re-certification conducted by Lambodja Sertifikasi in April 2019, it was confirmed that Teluk Bintuni Mina Agro Karya's HPH has "PASSED" the PHPL standard with a "GOOD" grade. PT TBMAK's PHPL certificate is valid until April 2025.

## Forest Condition Profile

**T**his group performed medium-level logging activities during 2019-2020 on a relatively high natural forest cover area. Information on forest conditions can be seen in the table below.

The total area of natural forest coverage within PT TBMAK's concession area is 223,471.22 hectares. In other words, 94% of PT TBMAK's concession area is still covered by natural forest. The potential loss of natural forest from this company in the event of full operation is measured at more than 18 times the area of Bali. The deforestation that occurred in 2019 and 2020 is still considered moderate at 0.66%<sup>32</sup>. The issuance of PHPL certification in 2019 has enabled the company to perform its working activities more flexibly as a HPH company in West Papua. As this HPH company operates with natural forest use as its business core, this company's footprints are highly related with the projected loss of natural forest in Fak-Fak Regency, Teluk Bintuni Regency, and Kaimana Regency in West Papua.

Description	Area (hectares)
Remaining natural forest, 2020	223.471,22
Deforestation, 2020	1248,36
Deforestation, 2019	227,49

Table 19. Natural Forest Coverage and Deforestation of Djajanti Group

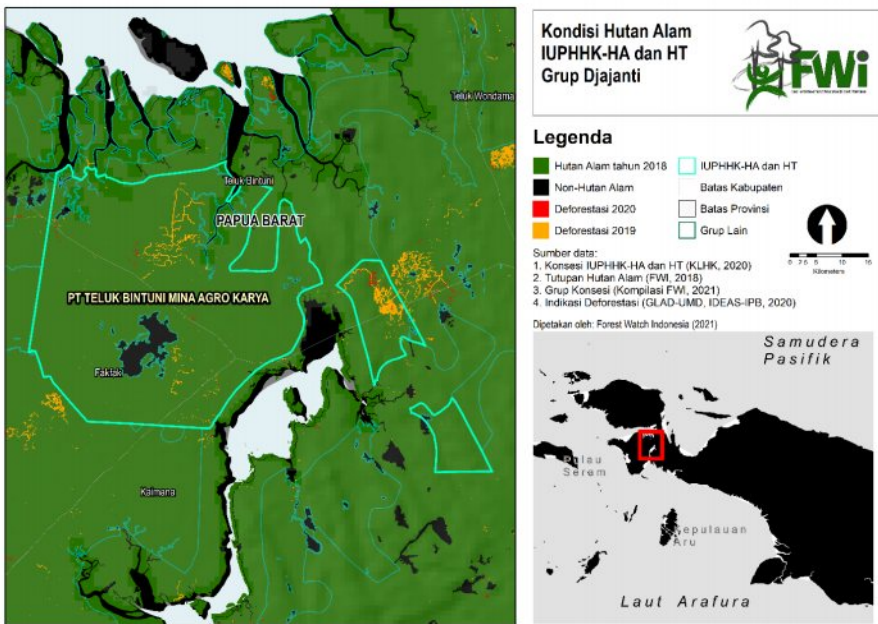


Figure 43. Djajanti Group Natural Forest Condition Map

## Timber Production

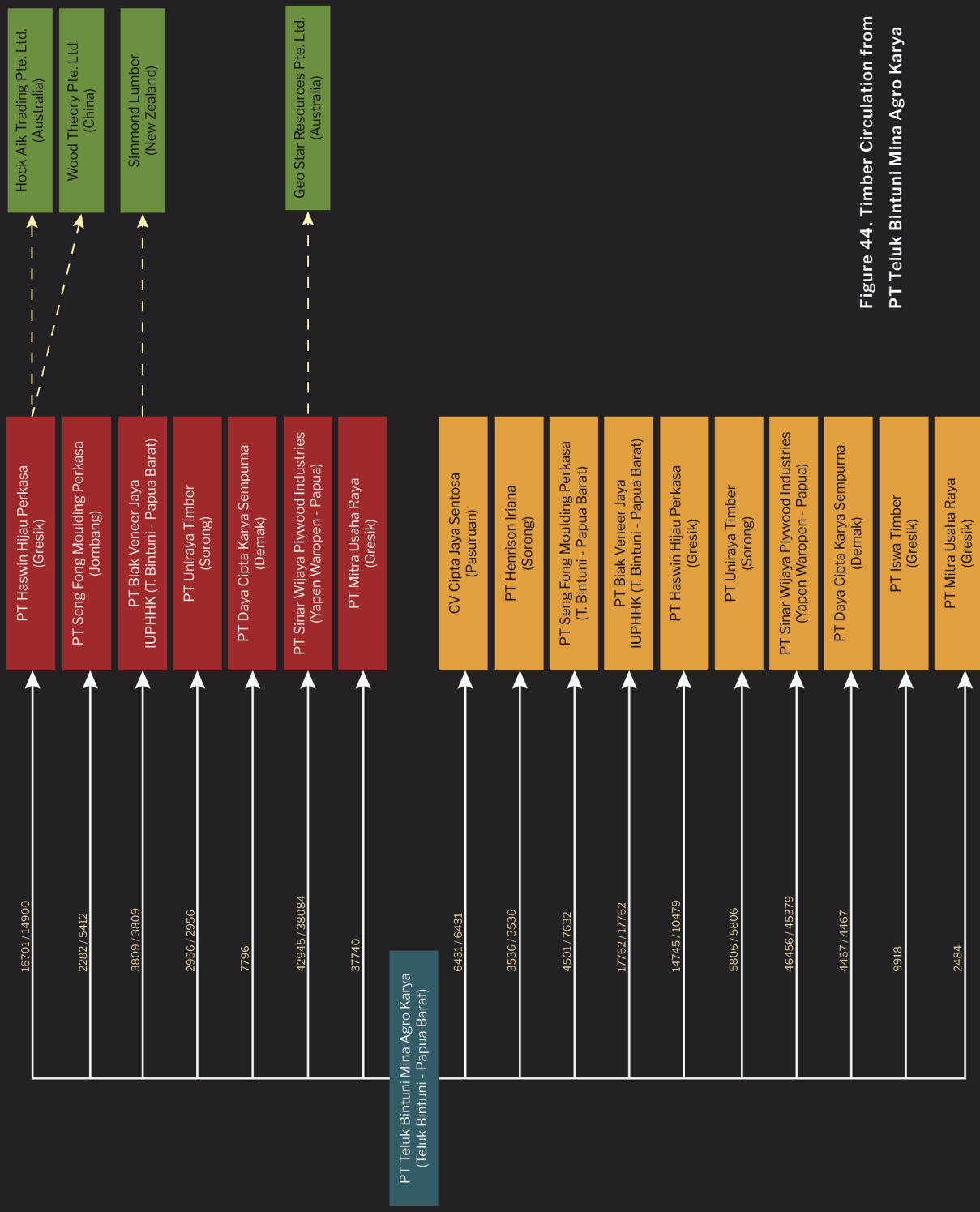
**P**T Teluk Bintuni Mina Agro Karya (TBMAK) produced 101,492.40 m<sup>3</sup> of round logs in 2019. Based on online RPBBI data, this company shipped 95,686.42 m<sup>3</sup> of timber to industries in West Papua, Papua, East Java, and Central Java. The industries are PT Biak Veneer Jaya (17,762.22 m<sup>3</sup>), CV Cipta Jaya Sentosa (6431.4 m<sup>3</sup>), PT Daya Cipta Karya Sempurna (4,467.34 m<sup>3</sup>), PT Haswin Hijau Perkasa (10,478.82 m<sup>3</sup>), PT Henrison Iriana (3,535.78 m<sup>3</sup>), PT Seng Fong Molding Perkasa (7,631.51 m<sup>3</sup>), and PT Sinar Wijaya Industries (45,379.35 m<sup>3</sup>).

In PHPL timber circulation data, it is stated that this company shipped 116,105.57 m<sup>3</sup> of timber to industries in West Papua, Papua, East Java, and Central Java. These industries are CV Cipta Jaya Sentosa Industry (6,431.4 m<sup>3</sup>), PT Henrison Iriana (3,535.78 m<sup>3</sup>), PT Biak Veneer Jaya (17762.22 m<sup>3</sup>), PT Daya Cipta Karya Sempurna (4,467.34 m<sup>3</sup>), PT Haswin Hijau Perkasa (14,744.84 m<sup>3</sup>), PT Iswa Timber (9,917.82 m<sup>3</sup>), PT Mitra Usaha Raya (2,484 m<sup>3</sup>), PT Seng Fong Molding Perkasa (4,500.63 m<sup>3</sup>), Sinar Wijaya Plywood Industries (46,455.56 m<sup>3</sup>), and PT Uniraya Timber (5,805.98 m<sup>3</sup>).

In PNBP's 2019 data, PT Batasan paid Rp5,995,658,350 for 33,245.87 m<sup>3</sup> of timber. In PNBP's 2019 data, PT Batasan paid Rp5,995,658,350 for 33,245.87 m<sup>3</sup> of timber.

In 2020, the company produced 109,613.30 m<sup>3</sup> of round logs. In Online RPBBI data, this company shipped 72,956.54 m<sup>3</sup> of timber to industries in West Papua. The round logs were shipped to industries in West Papua, Papua, East Java and Central Java, which are PT Biak Veneer Jaya (3,808.88 m<sup>3</sup>), PT Daya Cipta Karya Sempurna (7,796.23 m<sup>3</sup>), PT Haswin Hijau Perkasa (14,899.77 m<sup>3</sup>), PT Seng Fong Molding Perkasa (5,412 m<sup>3</sup>), PT Sinar Wijaya Plywood Industries (38,083.87 m<sup>3</sup>), and PT Uni Raya Timber (2,955.79 m<sup>3</sup>). In PNBP's 2020 data, for its PSDH payment, PT TBMAK paid Rp16,213,345,290 for 111,831.29 m<sup>3</sup> of timber.

In SILK's 2020 data, wood originating from PT Teluk Bintuni Mina Agro Karya were exported via PT Sinar Wijaya Plywood Industries, PT Seng Fong Molding Perkasa, and PT Haswin Jaya Perkasa. The wood products are shipped to the following importers: Hock Aik Trading PT LTD for Australia and New Zealand, Wood Theory PT LTD for China, SIMMONDS LUMBER for New Zealand, and GEO STAR RESOURCES PT LTD for Australia.



**Figure 44. Timber Circulation from PT Teluk Bintuni Mina Agro Karya**

# Hanurata

## Company Profile

**H**anurata Group is considered a veteran player in the Indonesian timber industry. The group, which is closely related to the Cendana Family of Soeharto, owns two units of HPH/HPH permits located in Fakfak Regency, West Papua, covering an area of 234,470 hectares, and in Jayapura and Keerom, Papua, covering an area of 56,325 hectares. PT Hanurata's operating permit in Fakfak Regency was obtained in 2014 through SK.859/Menhut-II/2014, whilst the permit for operation in Jayapura and Keerom was obtained in 2012 through SK.601/MeNHUT-II/2012. Hanurata Group's head office is located at Jl Kebon Sirih No. 67-69, Hanurata Graha 6th Floor, Kebon Sirih, Jakarta.

In 2016, PT Hanurata's Fakfak unit obtained a PHPL certificate from the certification agency PT Trustindo Prima Karya, whereas Jayapura unit obtained its PHPL certificate from PT Lambodja Sertifikasi in the same year. The PHPL certificates for both companies expire on 15 March 2021.



## Ownership Profile

**P**T Hanurata’s ownership is evenly divided (50:50) to two foundations closely tied to Soeharto’s family: Harapan Kita Foundation and Trikora Foundation.

Harapan Kita Foundation is currently managed by Suharto's children. This foundation has also managed state assets (TMII) for 46 years. TMII was finally taken over by the state on 1 April 2021. Within the foundation’s management, President Soeharto's eldest child, Hj. Siti Hardiyanti Indra Rukmana, is the general chairman of the foundation. His second child, Sigit Harjojudanto acted as chairman, where Bambang Trihatmodjo as the third child as advisor, and his son-in-law Indra Rukmana as chair of supervisor<sup>33</sup>.

The same applies for the Trikora Foundation founded by Soeharto. His fourth and fifth child, Siti Hediati Hariyadi and Hutomo Mandala Putra (Tommy Soeharto) are the advisors of Trikora Foundation. It is managed by Soeharto’s grandchildren<sup>34</sup>.

Trikora Foundation was initiated with a noble goal to help orphaned members of TNI soldiers who died during the capture of Irian Jaya. However, in 2000 there was an indictment stating that Soeharto’s actions cost the state Rp7 billion through Trikora Foundation due to the provision of funds to institutions unrelated to the foundation's activities<sup>35</sup>.



Figure 45. Management and Shareholders of PT Hanurata Unit I

## Forest Condition Profile

This group performed low-level logging activities during 2019-2020 on a relatively high natural forest cover area. Information on forest conditions can be seen in table 20 below.

The total area of natural forest coverage within Hanurata Group's two concession areas is 286,213.44 hectares. In other words, 98% of concession areas of Hanurata Group's companies are still covered by natural forest. The potential loss of natural forest from these two HPH companies in the event of full operation is measured at more than 23 times the area of Bali. The deforestation that occurred in 2019 and 2020 is still considered low at 0.33%<sup>36</sup>. After obtaining acknowledgements such as PHPL certifications in 2016, the group companies are likely to perform its work activities on use of natural forests more flexibly. Since these companies operate with natural forest use as their business core, these companies' footprints are highly related with the projected loss of natural forest in Papua and West Papua.

Description	Area (hectares)
Remaining natural forest, 2020	286.213,44
Deforestation, 2020	328,26
Deforestation, 2019	637,35

Table 20. Natural Forest Coverage and Deforestation of the Hanurata Group

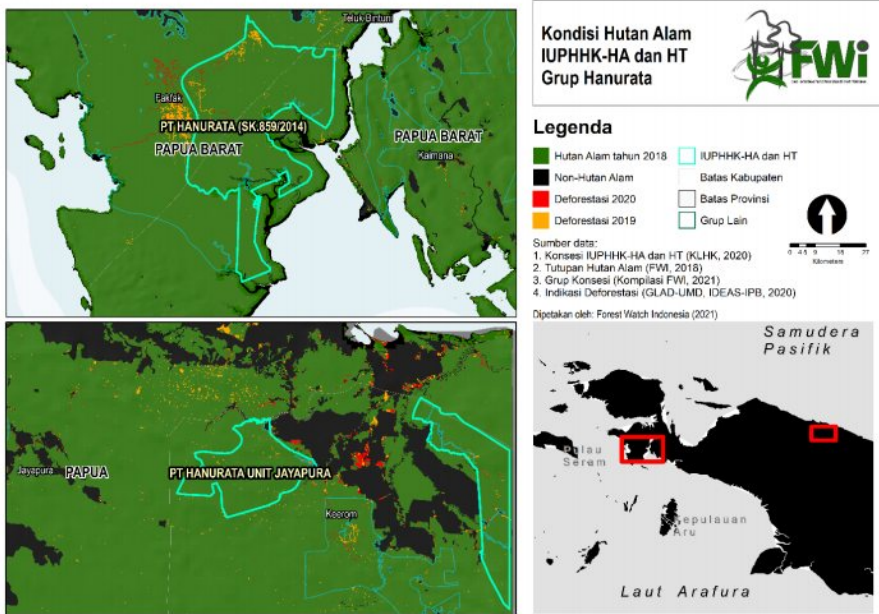


Figure 46. Map of the Natural Forest Condition of the Hanurata Group

## Timber Production

**P**T Hanurata Unit West Papua produced 52,372 m<sup>3</sup> of round logs in 2019. Based on online RPBB data, this company shipped 32,467 m<sup>3</sup> of timber to PT Aneka Rimba Indonusa, a timber processing industry in East Java.

PHPL timber circulation data stated that PT Hanurata Unit West Papua shipped 47,505.12 m<sup>3</sup> of timber to PT Aneka Rimba Indonusa in East Java. In PNPB's 2019 data, for its PSDH payment, the company paid Rp9,647,624,130 for 52,372 m<sup>3</sup> of timber, which consisted of Meranti, Jungle, and Merbau Group wood types.

In 2020, PT Hanurata Unit West Papua produced 35,347.2 m<sup>3</sup> of round logs. Based on online RPBBI data, the company shipped 63,780.66 m<sup>3</sup> of timber to PT Aneka Rimba Indonusa in East Java. In PHPL timber circulation data, it is stated that the company shipped 34,214.39 m<sup>3</sup> of timber to PT Aneka Rimba Indonusa. That year, according to PNPB data, the company paid Rp3,926.339,930 for 21,344 m<sup>3</sup> of timber.

In SILK's 2020 data, timber originated from PT Hanurata Unit West Papua is exported through PT Aneka Rimba Indonusa as processed wood products to its importer, ITI (SA) PTY. LTD in Australia.

In 2019, PT Hanurata Coy LTD Jayapura Unit produced 3,335 m<sup>3</sup> of round logs. There is no information on PT Hanurata Coy LTD Jayapura unit in the Online RPBBI system with regards to timber shipment to industries with capacities above 6000 m<sup>3</sup>.

In PHPL timber circulation system, it is stated that in 2019, the company shipped wood to industries in Papua, which are CV Sejahtera Bumi Papua (100.33 m<sup>3</sup>), CV Selaras Kayu Unggul (921.36 m<sup>3</sup>), PT Sijas Express Unit I (527.15 m<sup>3</sup>), and PT Victori Civi Unit II (4,960.02 m<sup>3</sup>).



Figure 47. Timber Circulation from PT Hanurata Unit I

# Intra Alamindo

## Ownership Profile

**B**oth PT Prabu Alaska (PA) and PT Rimba Kayu Arthamas (RKA) are mainly owned by Darius Audryc (51%) and Juan Mulya (49%). These names are related to PT PA and PT RKA through their majority ownership of PT Bintang Artha Sejahtera, which is the parent company of PT Intra Alamindo Investama and PT Alamindo Lestari Sejahtera. However, like most people acting as the real beneficiaries of a company, information relating to both Darius Audryc and Juan Mulya and their backgrounds are difficult to find, and so is their direct connection to Alamindo Group. Another name that has emerged as a board member in both Alamindo Group and PT PA is Adi Gunawan, who acts as a commissioner.

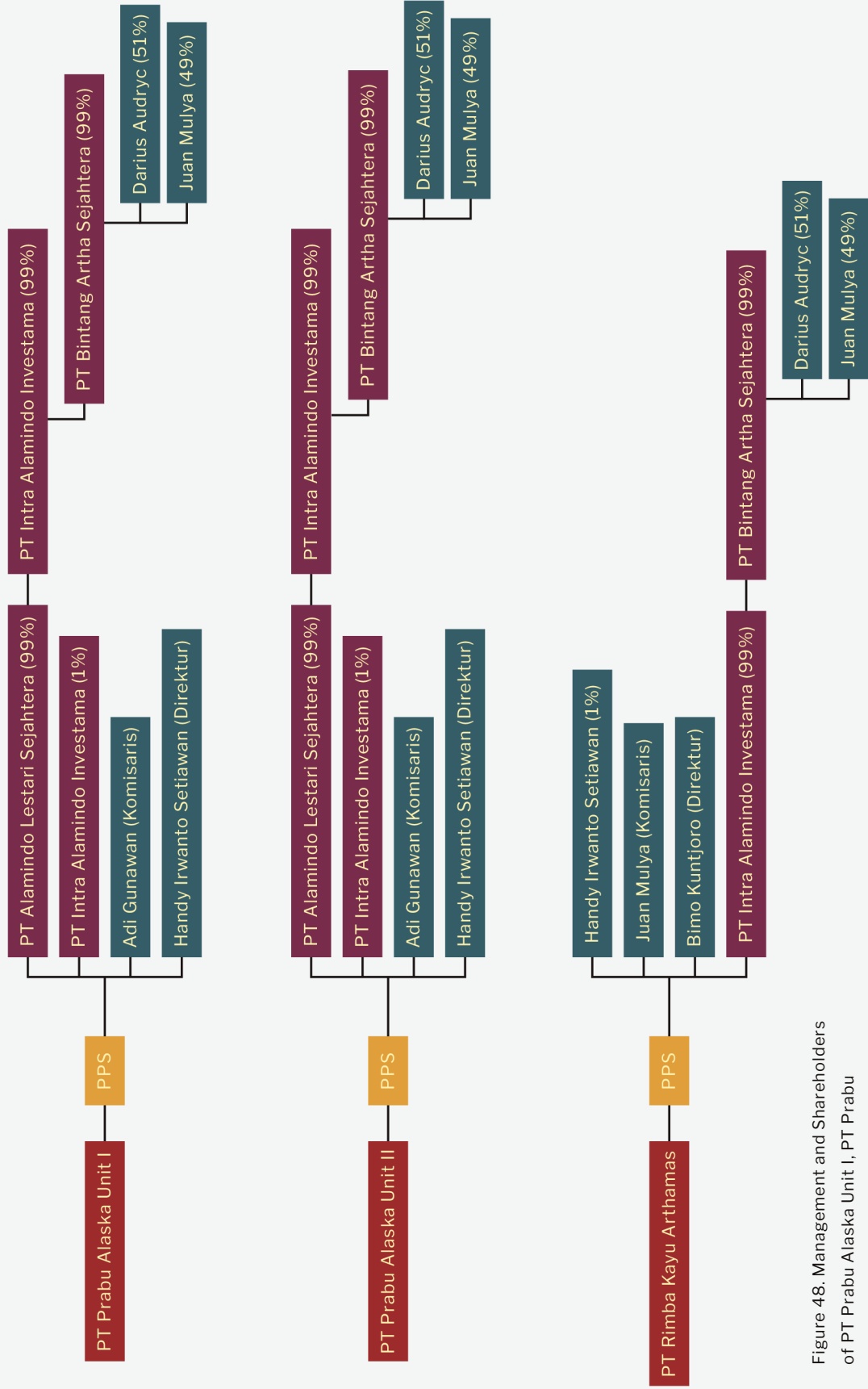


Figure 48. Management and Shareholders of PT Prabu Alaska Unit I, PT Prabu Alaska Unit II, PT Rimba Kayu Arthamas



## Company Profile

**P**T Alamindo Lestari Sejahtera Tbk. (formerly PT Garbapati Prakarsa), is the holding company<sup>37</sup> of PT Prabu Alaska and PT Rimbakayu Arthamas, with both companies engaging in forest business as the Holders of HPH (Business Permit for Use of Timber Forest Products – Natural Forest), and PT Karas Industri Papua which engages in wood industry. All these companies are located in West Papua. PT ALS's Head Office is located in Delta Marina, Jl. Raya Bogor KM. 28, East Jakarta 13710, (021) 2961-6868.

PT Prabu Alaska is a company engaging in forestry and an HPH holder under Permit Decree No. 15/1/HPH/PMDN/2016 dated 19 September 2016, located in Fakfak Regency & Kaimana Regency, West Papua and Boven Digoel Regency, Papua covering a total area of 322,780 hectares. PT Rimbakayu Arthamas is a company engaging in forestry and an HPH holder under Permit Decree No. 16/1/HPH/PMDN/2016 dated 20 September 2016, located in Bintuni Regency, Papua covering an area of 130,400 hectares.

PT Prabu Alaska obtained a PHPL certificate with a good grade from Lambodja Sertifikasi under certification number LASER/PHPL-PA/2021/13, which was issued on 5 March 2021 remained valid until 18 September 2021. Meanwhile, PT Rimba Kayu Arthamas obtained a wood legality certificate from Garda Mutu Prima under certificate number GMP/2020/20031, which is valid from 28 July 2020 to 27 July 2023.



## Forest Condition Profile

This group performed high-level logging activities during 2019-2020 on a relatively high natural forest cover area. Information on forest conditions can be seen in the table below.

The total area of natural forest coverage within the two companies' concession areas is 444,861.18 hectares. In other words, 98% of concession areas of these two companies are still covered by natural forest. The potential loss of natural forest from these two companies in the event of full operation is measured at more than 35 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered high at 0.50%. After obtaining acknowledgements such as PHPL certification and timber legality in 2020 and 2021, PT PA and PT RKA are likely to perform its work activities on use of natural forests more flexibly. Since these companies operate with natural forest use as their business core, these companies' footprints are highly related with the projected loss of natural forest in Papua and West Papua.

Description	Area (hectares)
Remaining natural forest, 2020	444.861,18
Deforestation, 2020	755,64
Deforestation, 2019	1471,19

Table 21. Natural Forest Coverage and Intra Alamindo Group Deforestation

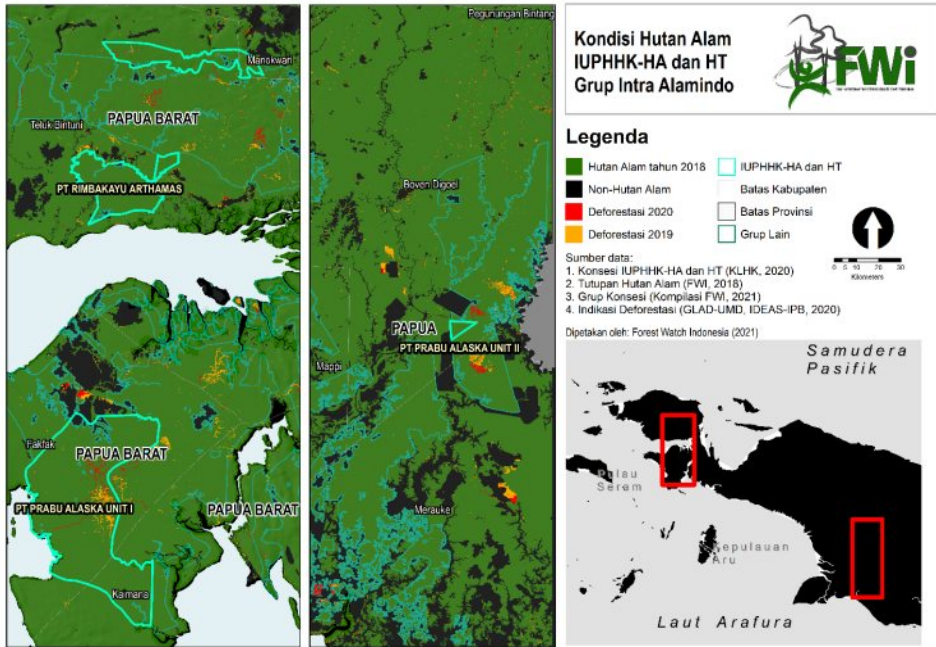


Figure 49. Intra Alamindo Group Natural Forest Condition Map

## Timber Production

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**P**T Prabu Alaska produced 98,123 m<sup>3</sup> of round logs in 2019. Based on online RPBBI data on industries with capacities above 6000 m<sup>3</sup>, the company shipped 5,602.54 m<sup>3</sup> of timber to industries in Papua and East Java. The industries are PT Korindo Abadi (5,294.82 m<sup>3</sup>) and PT Hutan Lestari Mukti Perkasa (307.72 m<sup>3</sup>).

PHPL timber circulation data stated that PT PA shipped 86,085.96 m<sup>3</sup> of timber to industries in East Java, Papua, and West Papua. The industries in East Java are CV Jasa Mitra Abadi (16,089.4 m<sup>3</sup>), PT Alam Lestari Jaya Salbach (32,931.71 m<sup>3</sup>), PT Hutan Lestari Mukti Perkasa (6,209.82 m<sup>3</sup>), PT Iswa Timber (10,823.16 m<sup>3</sup>), PT Mitra Usaha Raya (4,025.49 m<sup>3</sup>), PT Nusantara Timber Pratama (9,804.4 m<sup>3</sup>). The industry in Papua is PT Korindo Abadi (5,294.82 m<sup>3</sup>), while the industry in West Papua is PT Aneka Wood Profil Indah (907.16 m<sup>3</sup>).

In PNPB's 2019 data, for its PSDH payment, PT PA paid Rp16,990,235,980 for 112,210.84 m<sup>3</sup> of timber, which consisted of Meranti Group, Jungle Group, and Merbau Group wood types.

In 2020, PT KA produced 66,666.472 m<sup>3</sup> of round logs. Based on online RPBB data on industries with capacities above 6000 m<sup>3</sup>, the company shipped 7,691.32 m<sup>3</sup> of timber to industries in East Java and East Kalimantan, which are PT Alam Berserta Kita (Ex. CV Wana Gemilang Raya) (4,325.99 m<sup>3</sup>) and PT Balikpapan Forest Industries (3,365.33 m<sup>3</sup>).

PHPL timber circulation data stated that PT KA shipped 96,225.98 m<sup>3</sup> of timber to East Java and East Kalimantan. Industries in East Java receiving timber from this company were Jasa Mitra Abadi (5,068.78 m<sup>3</sup>), CV SURABAYA TRADING & CO (GRESIK) (4,503.65 m<sup>3</sup>), PT Alam Berserta Kita (11,232.35 m<sup>3</sup>), PT Alam Lestari Jaya Salbach (11,232.35 m<sup>3</sup>), PT Alam Lestari Jaya Salbach (48,254.43 m<sup>3</sup>), PT Balikpapan Forest Industries (INDUSTRY) (3,365.33 m<sup>3</sup>), PT Iswa Timber (6,039.28 m<sup>3</sup>), PT Kayumas Podo Agung (4,641.14 m<sup>3</sup>), and PT Nusantara Timber Pratama (TPT-Kb) (8,675.24 m<sup>3</sup>).

In PNPB's 2020 data, for its PSDH payment, PT PA paid Rp12,247,246,010 for 66,666.47 m<sup>3</sup> of timber, which consisted of Meranti Group, Jungle Group, and Merbau Group wood types.

In SILK's 2020 data, wood originating from PT Teluk Bintuni Mina Agro Karya were exported via PT Sinar Wijaya Plywood Industries, PT Seng Fong Molding Perkasa, and PT Haswin Jaya Perkasa. The wood products are shipped to the following importers: Hock Aik Trading PT LTD for Australia and New Zealand, Wood Theory PT LTD for China, SIMMONDS LUMBER for New Zealand, and GEO STAR RESOURCES PT LTD for Australia. In SLIK's 2020 data, wood originated from PT Prabu Alaska was exported via PT Balikpapan Forest Industries as processed wood products to importer: Tera Timber Co. LTD. in South Korea.

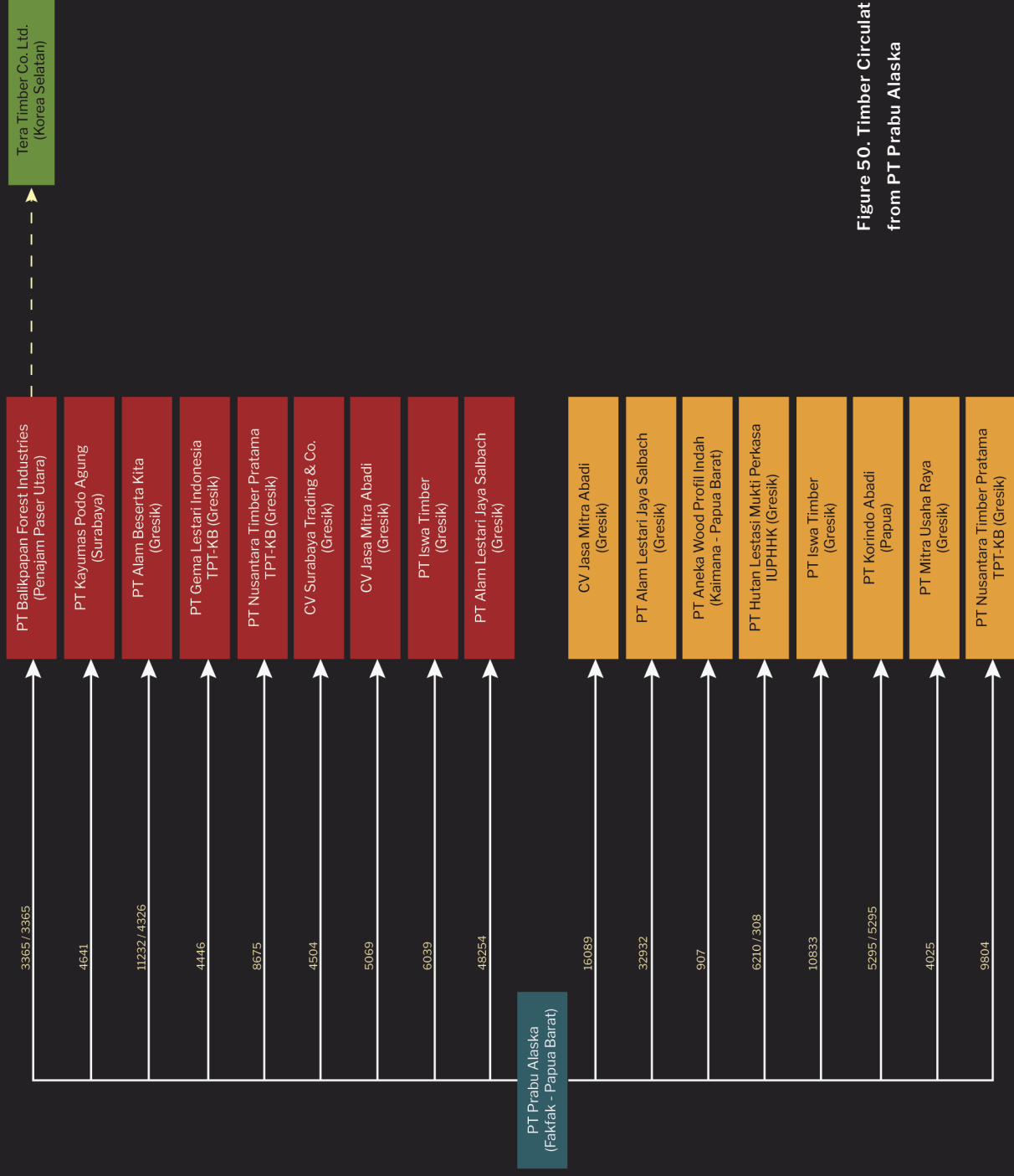


Figure 50. Timber Circulation from PT Prabru Alaska

# Irmasilindo

## Ownership Profile

**P**T Irmasilindo is a company engaged in timber processing, established in 1989. It is headquartered on PT Irmasilindo Unit I in Makassar, with its exact address being Jl. Prof. Dr. Ir. Sutami No. 28 Makassar, South Sulawesi, Indonesia, and its branch office, i.e. PT Irmasilindo Unit II, is located in Kaimana Regency, West Papua. PT Irmasilindo is jointly owned by Yul Liemsela and Johnny Tjowasi, with each holding a 50% ownership.

Yul and Johnny are a married couple. They are both the commissioners of PT Irmasilindo. The names indicated in PT Irmasilindo board of directors and commissioners are part of a single family: Feronica Tjowasi and Filemon Tjowasi, the children of Yul and Johnny. Feronica acts as PT Irmasilindo’s finance director, while Filemon acts as its president director.

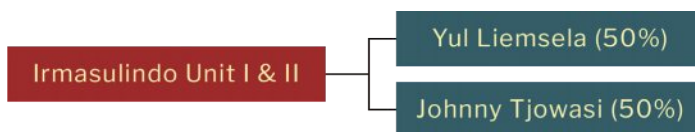


Figure 51. Management and Shareholders of PT Irmasilindo Units I and II

## Company Profile

**P**T Irmasulindo is a national private company that obtained a Business Permit on Use of Timber Forest Products (IUIPHHK) in natural forests through the Minister of Forestry Decree No. SK.04/Kpts-II/2001 dated 11 January 2001 covering two separate blocks: Unit I with an area of 104,192 hectares located in Waropen Regency, Papua, and Unit II covering an area of 70,348 hectares located in Kaimana Regency, West Papua.

PT Irmasulindo obtained a timber legality certificate from PT BRIK Quality Service under certification number BRIK-VLK-0130, which is valid from 10 April 2019 to 9 April 2025. As for the HPH unit (Irmasulindo unit II), the latest information we have is that its VLK certificate was valid until 2018, and was issued by PT Ayamaru Certification under certification number SLK.52/ASERT/LVLK-011-IDN.

## Forest Condition Profile

**T**his group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in table below.

The total area of natural forest cover within PT Irmasulindo (Unit I and Unit II) concession areas is 169,388.56 hectares. In other words, 97% of PT Irmasulindo's concession areas are still covered by natural forest. The potential loss of natural forest under this HPH company in the event of full operations is measured at more than 13 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered very low at 0.2%<sup>38</sup>. After obtaining VLK certificates valid from 2018 and 2019, this company is likely to perform its work activities with more flexibility as a HPH company. PT Irmasulindo has obtained permits since 2001, and has operated for around 20 years as a HPH company. Since the company operates with natural forest use as its business core, this company's footprints are highly related with the projected loss of natural forest in Papua and West Papua.

Description	Area (hectares)
Remaining natural forest, 2020	169.388,56
Deforestation, 2020	324,52
Deforestation, 2019	28,81

Table 22. Natural Forest Coverage and Deforestation Irmasulindo Group

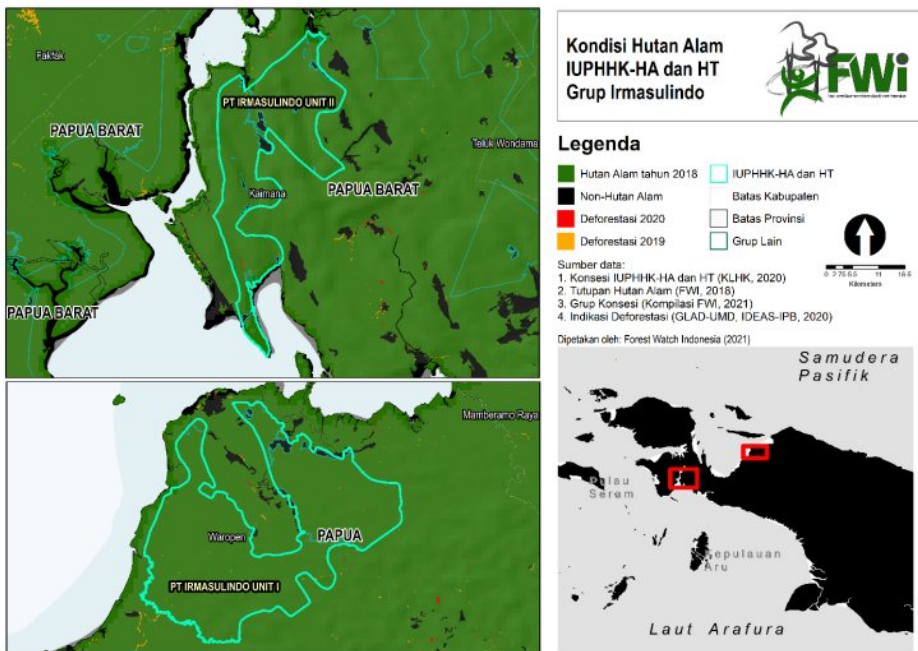


Figure 52. Irmasulindo Group Natural Forest Condition Map

## Timber Production

In the process of collecting and analyzing data for this study (2019-2020), PT Irmasulindo Units I and II were not recorded or had not reported their logging activities or timber shipments out of their concession area, as evidenced by the absence of PT Irmasulindo data in the RPBBI, PNBP, and other information systems within KLHK during that period. PT Irmasulindo Unit I was one of the companies whose licenses were recently revoked by the government on 6 January 2022.

# Katingan Timber Group

## Ownership Profile

**P**T Wahana Samudra Sentosa (WSS) is owned by PT Wahana Nusantara Perkasa and PT Wawasan Dinamika Sejahtera. Both companies are controlled by Tan Keng Liam and Ivan Chandra. PT WSS is actually related to the Katingan Timber Group (KTG) through Tan Keng Liam himself, who has been the Production Director of KTG since 2014, and is also the majority owner of PT WSS. It should be noted that if one visits KTG website, PT WSS does not appear on the list of company lines under the auspices of KTG (whilst there used to be information about the company<sup>39</sup>).

Katingan Timber Group is headquartered at Gama Tower 20th Floor E,F,G, Jl. H.R. Rasuna Said Kav. C-22 Karet Kuningan, Jakarta 12940 (Telp. 021-2918 3330). It also has branch offices in Makassar, Gorontalo, Ambon, and Merauke. KTG owns subsidiaries engaging in both upstream and downstream timber processing businesses, covering HPH, HTI, and the processing industries. Among the companies under KTG are PT Gema Hutani Lestari (HPH), PT Gema Nusantara Jaya (HTI), PT Gorontalo Citra Lestari (HTI), and PT Katingan Timber Celebes (Industri).





Figure 53. Management and Shareholders of PT Wahana Samudra Sentosa

## Company Profile

PT Wahana Samudera Sentosa is a HTI permit holding company (SK.880/Menhut-II/2014 dated 29 September 2014) which operates in Ngguti and Okaba Districts, Merauke Regency on a concession area of 79,000 hectares. During the establishment of PT WSS in Merauke, there were many unresolved cases, ranging from environmental permits issued without involvement of indigenous communities to Amdal that did not comply with spatial planning<sup>40</sup>. There is no information regarding PT WSS’ PHPL and VLK certification of all statuses, from submitted, processed, or passed by any certification body.

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## Forest Condition Profile

This group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in table below.

The total area of natural forest cover within PT WSS’ concession areas is 49,907.72 hectares. In other words, 63% of Katingan Timber Group’s concession areas are still covered by natural forest. The potential loss of natural forest from this HTI company in the event of full operation is measured at more than 4 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered very low at 0.09%<sup>41</sup>. Without any guarantees from the PHPL and SVLK system, further activity from this company may result in continued deforestation and degradation of

the concession area, which may adversely impact the socio-ecological sustainability of Merauke Regency, Papua. The footprints of these two companies are highly related with the projected loss of natural forest in Papua.

Description	Area (hectares)
Remaining natural forest, 2020	49.907,72
Deforestation, 2020	49,53
Deforestation, 2019	0

Table 23. Natural Forest Coverage and Deforestation of Katingan Timber Group

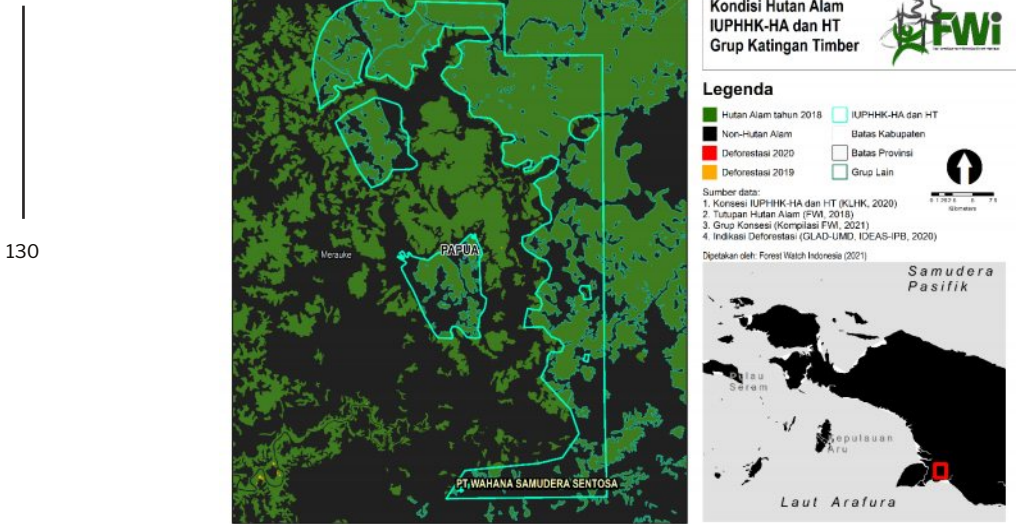


Figure 54. Map of the Natural Forest Condition of Katingan Timber Group

## Timber Production

**B**Based on round log data for 2019 and 2020 contained in PHPL information system, as well as online RPBBI information system, there is no information regarding round log production and its circulation towards timber processing industries from PT Wahana Samudera Sentosa.

# Kayu Lapis Indonesia

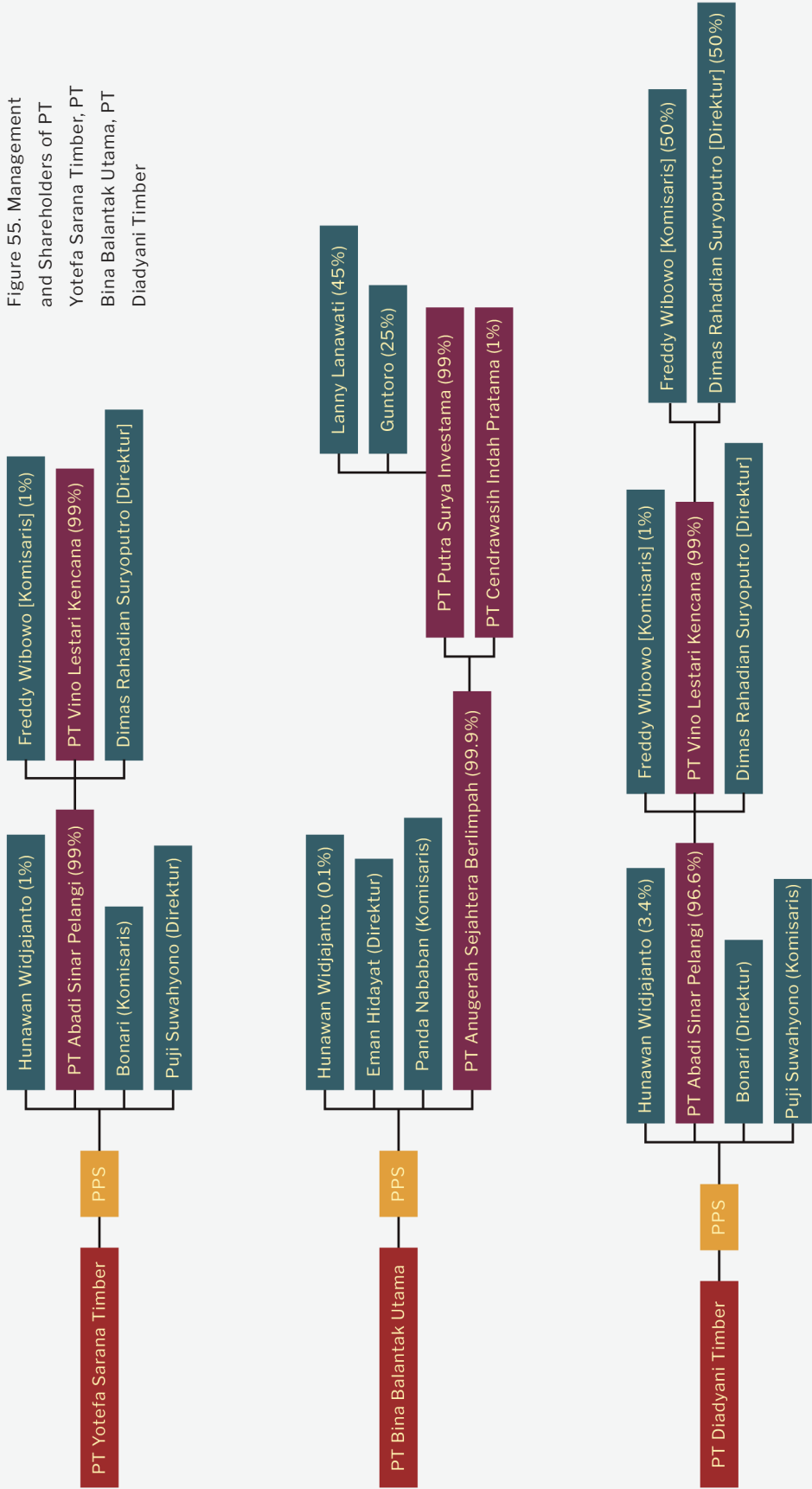
## Ownership Profile

**P**T Yotefa Sarana Timber, PT Diadyani Timber, and PT Bina Balatantak Utama are member companies of PT Kayu Lapis Indonesia (KLI) Group. The ownership of companies under KLI Group is controlled by Dimas Rahadian Suryoputro and Freddy Wibowo, who own the companies PT Vino Lestari Kencana and PT Abadi Sinar Pelangi. These companies are the majority shareholders of PT Yotefa Sarana Timber and PT Diadyani Timber. Other names within the shareholding structure are Lanny Lanawati and Guntoro, the majority owner of PT Bina Balantak Utama.

One interesting note regarding KLI Group can actually be observed on its management, which lists Hunawan Widjajanto, who serves as a member of APHI supervisory board for 2016-2021, Chairman of APKINDO Supervisory Board for 2018-2023, and the President Director of PT KLI. Previously, Hunawan Widjajanto had also served as the President Director of PT Yotefa Sarana Timber (this is mentioned in 2014's TUV PHPL assessment resume). Other advisor names appearing in latest Deed of Modification No.36 dated 18 August 2016 are Bonari and Puji Suwahyono (commissioner and director, respectively), who also serve at the same position in PT Diadyani Timber, Mimika Regency, Papua. The company's ownership is also the same, i.e. it is owned by PT Abadi Sinar Pelangi and Hunawan Widjajanto.

Another interesting note is regarding the background of PT KLI's establishment by the Sutanto family. Sutanto and his two cousins founded KLI in Demak Regency in 1978, and the company has been operating to produce plywood since 1979. Sutanto is a relative of Handiman Tjokrosaputro, the father of Benny Tjokrosaputro (Bentjoek), who was involved in the Jiwasraya case. One of Sutanto's successful children is Anne Patricia Sutanto, President Director of Pancaprima Ekabrothers and Deputy President Director of PT Pan Brothers TBK (PBRX). Anne also serves as the President Director of BTEK Group. The majority of shares in PT Bangun Kayu Irian are owned by the Sutanto family (Doddy Sutanto, Ari Sutanto, Yenny Sutanto and Anne Patricia Sutanto), through its subsidiary PT Asa Plantation. The same applies for PT Mitra Pembangunan Global, which is 99% owned by the Sutanto family.

Figure 55. Management and Shareholders of PT Yotefa Sarana Timber, PT Bina Balantak Utama, PT Diadyani Timber



## Company Profile

**P**T Kayu Lapis Indonesia's plywood factory is located in Mororejo Village, Kaliwungu District, Kendal Regency, and was established in 1978. The factory's land area of 140 hectares is located on the shores of the Java Sea, among many fish ponds, and is equipped with a loading and unloading port for timber logs. The production capacity of this factory reaches 480,000 m<sup>3</sup>, which makes this KLI factory one of the largest plywood processing factories in Indonesia. In addition to the Kaliwungu factory, PT KLI also owns a plywood factory in Sorong, Papua, under the name of PT Henrison Iriana.

The KLI Group's HPH concessions in Papua are also one of the largest, under PT Bina Balantak Utama (BBU), PT Diadyani Timber (DT), and PT Yotefa Sarana Timber (YST). PT BBU through Decree No. SK.365/Menhut-II/2011 dated 7 July 2011 controls a concession area of 298,000 hectares located in Sarmi Regency, Papua. PT DT through Decree No. SK.292/Menhut-II/2009 dated 18 May 2009 controls 190,000 hectares of Papuan forest in Mimika Regency, Papua. Meanwhile, PT YST through Decree No. SK.570/Menhut-II/2011 dated 3 October 2012 controls 123,000 hectares of Papuan forest in Teluk Bintuni Regency, West Papua.

KLI Group members own several PHPL certificates as well as S-LK certificates. They are as follows: a PHPL certificate with a good grade for PT BBU under certification number 008/S-PHPL/GRS/X/2018 issued by PT Global Resource Sertifikasi (GRS) on 3 October 2018, which remains valid until 2 October 2023. In addition, PT BBU has obtained a voluntary PHPL certificate for the FSC® scheme from SCS Global Services, which was valid from June 2016 to June 2021. PT YST also obtained a PHPL Certificate with a good grade from PT GRS under certificate number 23/S-PHPL/GRS/II/2020 dated 7 February 2020, which remains valid until 6 February 2025. PT DT also has a PHPL certificate from PT Tuv Rheinland Indonesia under certification number 824 407 180002, which is valid from 1 December 2017 to 30 November 2022.

## Forest Condition Profile

This group performed relatively high-level logging activities during 2019-2020 on a relatively high natural forest cover area. Information on forest conditions can be seen in the table below.

The total area of natural forest cover within the concession areas of the four companies (PT BBU, PT DT, PT YST, PT MAM) under KLI Group is 700,669.86 Ha. In other words, 99% of concession areas of these companies are still covered by natural forests. The potential loss of natural forest from these four companies in the event of full operation is measured at more than 56 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered moderate at 0.31%<sup>42</sup>. After obtaining acknowledgements through certifications such as PHPL, S-LK, as well as FSC, KLI Group is likely to perform its work activities on use of natural forest products more flexibly. Since this group operates with natural forest use as its business core, the group's footprints are highly related with the projected loss of natural forest in Sarmi Regency, Teluk Bintuni Regency, Sorong Regency, and Mimika Regency in Papua and West Papua.

Description	Area (hectares)
Remaining natural forest, 2020	700.669,86
Deforestation, 2020	1.151
Deforestation, 2019	1.073,15

Table 24. Natural Forest Coverage and Deforestation of the Kayu Lapis Indonesia Group

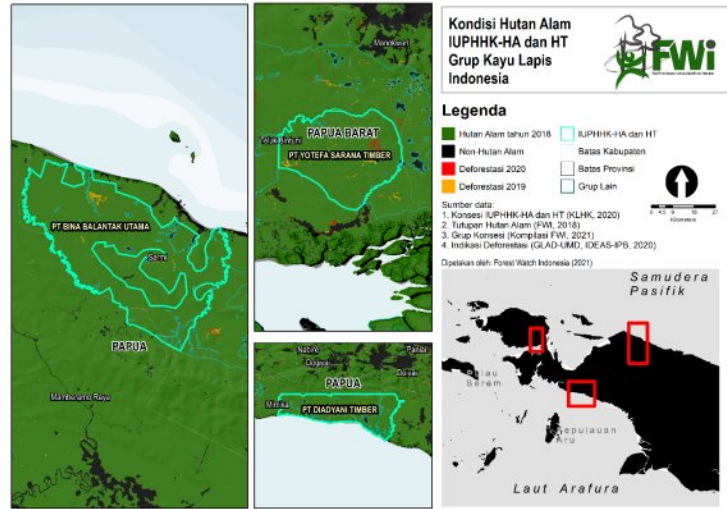


Figure 56. Map of the Natural Forest Condition of Kayu Lapis Indonesia Group

## Timber Production

Company Name	Round Logs 2020	Round Logs 2019
PT Bina Balantak Utama	23.415,31	53.894
PT Diadyani Timber	14.754,48	17.278

Table 25. Log Production of Kayu Lapis Indonesia Group

**P**T Bina Balantak Utama produced 53,894 m<sup>3</sup> and 23,415 m<sup>3</sup> of round logs in 2019 and 2020, respectively. Based on online RPBBI data on industries with capacities above 6000 m<sup>3</sup> in 2019, PT BBU shipped 31,233 m<sup>3</sup> of timber to timber processing industries in West Papua. The industries are PT Uni Raya Timber (7,662 m<sup>3</sup>) and PT Henrison Iriana (23,571 m<sup>3</sup>). PHPL timber circulation data records that the amount of timber shipped to PT Klalin Indah Furniture was 1,219 m<sup>3</sup>. Meanwhile, in 2020,



PT BBU's timber production was shipped to PT Uniraya Timber (21,977 m<sup>3</sup>) and PT Henrison Iriana (15,385 m<sup>3</sup>). In addition, PHPL data also records that the company shipped 2,571.53 m<sup>3</sup> of timber CV Karya Bersama Papua, 1,136.27 m<sup>3</sup> to CV Klalin Indah Furniture, 15,385.4 m<sup>3</sup> to PT Henrison Iriana, and 25,001.1 m<sup>3</sup> to PT Uniraya Timber.

In 2019 and 2020, PT Diadyani's log production was 17,278 m<sup>3</sup> and 14,754 m<sup>3</sup>, respectively. Based on RPBBI's 2019 data, PT Diadyani shipped 11,944.02 m<sup>3</sup> of timber to PT Henrison Iriana, and 9,600.59 m<sup>3</sup> to PT Uni Raya Timber. On the other hand, based on PHPL data, the amount of timber shipped PT Henrison Iriana and PT Uniraya Timber is the same as those of RPBBI data, with an addition of 1,218.61 m<sup>3</sup> of timber shipped to CV Klalin Indah Furniture. Then for 2020, RPBBI data recorded that PT Diadyani shipped 15,385.4 m<sup>3</sup> of timber to PT Henrison Iriana and 21,976.9 m<sup>3</sup> to PT Uni Raya Timber. Meanwhile, PHPL data recorded 2,571.53 m<sup>3</sup> of timber being shipped to CV Karya Bersama Papua, 1,136.27 m<sup>3</sup> to CV Klalin Indah Furniture, 25,001.1 m<sup>3</sup> to PT Uniraya Timber, and the same amount of 15,385.4 m<sup>3</sup> to PT Henrison Iriana.

In 2019 and 2020, PT Yotefa Sarana Timber produced 20,155.35 m<sup>3</sup> and 40,292.35 m<sup>3</sup> of timber, respectively. During 2019, there was no record of timber produced by PT YST entering the industry in the RPBBI data, while PHPL data recorded that timber from PT YST was shipped to PT Henrison Iriana (5,119.52 m<sup>3</sup>), PT Nusantara Timber Pratama (TPT-KB) (3,483.57 m<sup>3</sup>), and PT Gema Lestari Indonesia TPT-KB (9,821.28 m<sup>3</sup>). For 2020, RPBBI data recorded that PT YST shipped 2,848.54 m<sup>3</sup> of timber to PT Dewata Cipta Semesta, 5,708.44 m<sup>3</sup> to PT Haswin Hijau Perkasa, 10,427.2 m<sup>3</sup> to PT Henrison Iriana, and 4,288.65 m<sup>3</sup> to PT Kayu Merapi Internusa. Further, PHPL's 2020 data recorded shipments of 2,973.37 m<sup>3</sup> of timber to CV Intraco, 4,357 m<sup>3</sup> to CV Karya Bersama Papua, 1,140.9 m<sup>3</sup> to CV Klalin Indah Furniture, 8,057.89 m<sup>3</sup> to PT Henrison Iriana, 2,848.54 m<sup>3</sup> to PT Dewata Cipta Semesta, 2,668.16 m<sup>3</sup> to PT Dewata Industrindo Forestry, 5,708.44 m<sup>3</sup> to PT Haswin Hijau Perkasa, 4,288.65 m<sup>3</sup> to PT Kayu Merapi Internusa, and 2,532.7 m<sup>3</sup> to PT Kharisma Chandra Kencana.

Industries receiving timber shipments from PT YST have also been recorded to export the wood products overseas. The exporting industries are PT Kayu Merapi Internusa to Tradelink Wood Products Ltd (UK) and LTL Wood-Products B.V. (the Netherlands), and PT Haswin Hijau Perkasa to WOOD THEORY PTE. LTD (China) and Hock Aik Trading Pte. Ltd. (Australia).

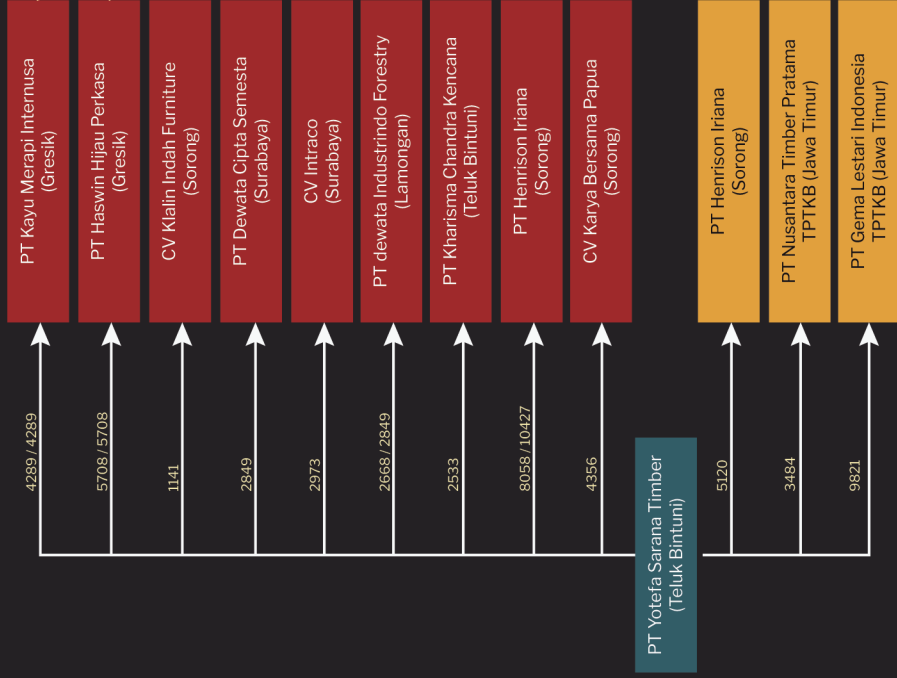
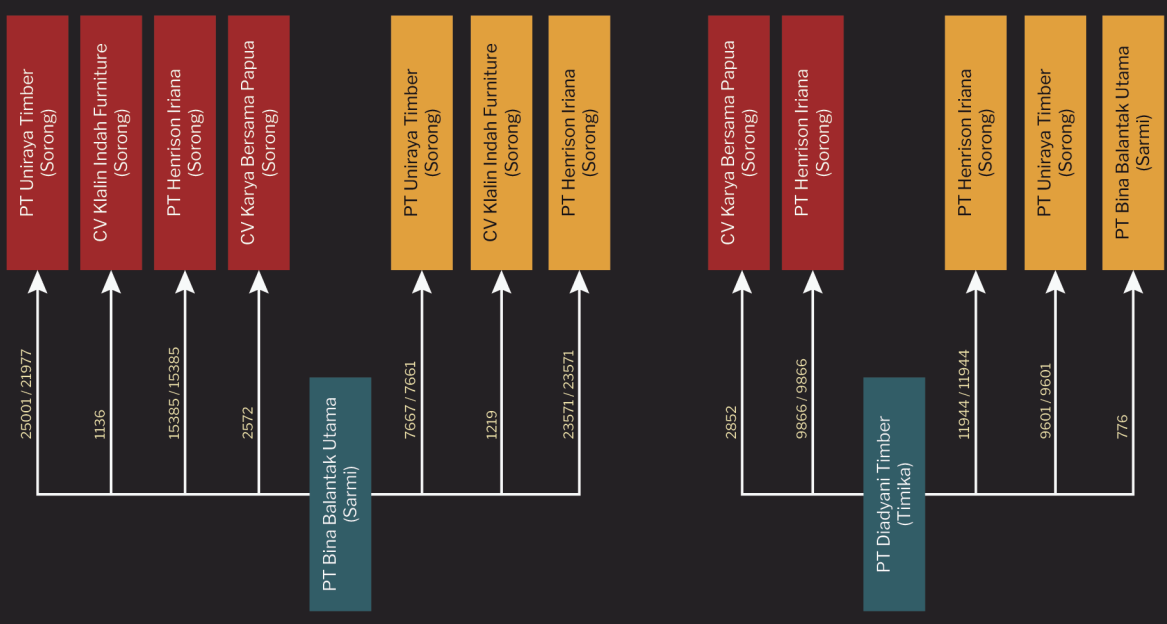


Figure 57. Timber Distribution from PT Yotefa Sarana Timber, PT Bina Balantak Utama, PT Dadyani Timber

# Korindo

## Ownership Profile

**K**orindo is a private company group founded by a South Korean business magnate, Eun-Ho Seung, in 1969. Korindo's main business is in the natural resources sector, i.e. HPH and HTI, oil palm, and rubber. This includes plywood processing factories, wood chips, and palm oil production. Korindo also engages in other business sectors such as newsprint manufacturing, heavy equipment industry, finance, and real estate<sup>43</sup>.

Korindo is mainly owned by the South Korean Seung family, in which the intercompany ownerships under the group are interrelated to each other. For example, PT Bade Makmur Orisa (BMO) is controlled by PT Pelayaran Korindo (PK) and PT Trisetia Intiga (TI). PT PK is owned by Bumi Indawa Niaga (BIN) and PT Bimaruna Abadi (BA), while PT TI is renowned by PT PK and PT Balikpapan Forest Industries (BFI). Further, PT BFI's majority ownership is controlled by PT PK and PT BMO. This continues for all of Korindo Group's subsidiaries, with Robert Seung being the ultimate owner.

Since the start of its operations in Indonesia, an important business partner for Korindo during its expansion was Mohamad "Bob" Hasan. Bob Hasan was a shareholder and director in a paper company owned by Korindo, PT Aspex Kumbong. Bob Hasan was imprisoned in 2001 under the charges of state fund swindling, amounting to US\$243 million. However, he remained as Korindo's business partner until 2017. At the production site (Asiki, Papua), Korindo also utilizes civil apparatus and the military to secure its operations. (Kontras' report on Military Business in Papua<sup>44</sup>).



## Company Profile

**K**orindo started logging in Papua in 1993 in a 464,000-hectare HPH concession area through PT Bade Makmur Orissa (BMO). Currently, Korindo owns two active logging concessions (HPH) in Papua, which are under PT Tunas Timber Lestari in Boven Digoel (SK.711/Menhut-II/2010 dated 27 December 2010) and PT Inocin Abadi in Merauke (SK.606/ Menhut-II/2011 dated 21 October 2011), with concession areas covering 214,935 and 99,665 hectares, respectively. Production from PT BMO ended in 2012 and changed to an HTI concession, after PT BMO obtained a permit (16/1/HTII/PMDN/2017 dated 19 September 2017) covering an area of 99,750 hectares in Boven Digoel.

To date, Korindo Group owns active concession permits (HPH & HTI) with a total area of nearly 630,000 hectares, with HPH permit area of 513,000 hectares and HTI permits covering an area of 116,000 hectares<sup>45</sup>. This does not include other permits, such as oil palm concession permit covering an area of 29,000 hectares, of which 20,000 hectares are in Papua. Timber produced from all of Korindo Group's concessions, as well as other timber products from third-party suppliers, provides raw material for Korindo's three plywood mills: PT Balikpapan Forest Industries, PT Korindo Abadi and PT Korindo Ariabima Sari (KAS). These three Korindo factories have a combined production capacity of up to 32 thousand m<sup>3</sup>/month. However, PT KAS was reported to have closed its factory at the end of October 2018, citing shortage of raw materials and budget deficit as the reason for closure<sup>46</sup>.

According to Korindo Sustainability Report, all (100%) of concession permits owned by Korindo Group have obtained PHPL and VLK certifications, with the only exception being the undeveloped HTI concession area. With regards to industry, PT Korindo Abadi also claimed to have obtained FSC certification under the certification number FSC-C020770. However, through careful look, Korindo Group's member certifications are far from being okay. PT BMO's PHPL certificate has been revoked by PT Ayamaru Sertifikasi<sup>47</sup> since 2014. PT Inocin Abadi's VLK certificate issued by PT Equality Indonesia under certification number 024.2/EQC-VLK/XII/2014 was only valid until 10 December 2015. This is also the case for the other member companies: PT Tunas Timber Lestari's PHPL certificate from PT Ayamaru Sertifikasi under certification number 12-1/A-SERT/XII/2012 dated 17 February 2012 was only valid until 16 February 2015. To date, there hasn't been any new information regarding the recertification of all three companies.

## Forest Condition Profile

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This group performed low-level logging activities during 2019-2020 on a relatively high natural forest cover area. Information on forest conditions can be seen in the table below.

Description	Area (hectares)
Remaining natural forest, 2020	382.145,18
Deforestation, 2020	866,65
Deforestation, 2019	774,01

Table 25. Korindo Group Natural Forest Coverage and Deforestation

The total area of natural forest cover within the concession areas of the three companies (PT BMO, PT TTL, PT IA) under Korindo Group is 382,145.18 hectares. In other words, 92% of Korindo Group's concession areas are still covered by natural forest. The potential loss of natural forest from these three HPH and HTI companies in the event of full operation is measured at more than 30 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered high at 0.42%<sup>48</sup>. After the expiry of PHPL and timber legality certificates of the three companies under Korindo Group in 2014 and 2015, the Group needs to seriously consider the sustainability aspects of its business, as well as its seriousness in doing business. Without any guarantees from the PHPL and SVLK system, further activity from this group on more than 414,000 hectares of land under its control may result in continued deforestation and degradation of the concession area, which may adversely impact the socio-ecological sustainability of the region. The footprints of these two companies are highly related with the projected loss of natural forest in Boven Digoel Regency and Merauke Regency, Papua.

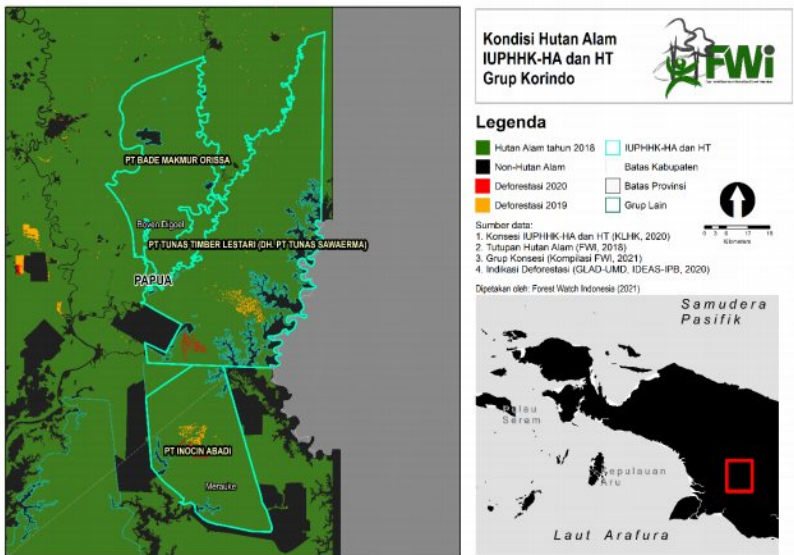


Figure 59. Korindo Group's Natural Forest Condition



## Timber Production

**D**uring 2019 and 2020, PT Inocin Abadi produced 54,936.15 m<sup>3</sup> and 86240.37 m<sup>3</sup> of round logs, respectively. Based on RPBBI's 2019 data, PT IA shipped 46,565.24 m<sup>3</sup> of round logs to PT Korindo Abadi. Meanwhile, PHPL data recorded 1,440.11 m<sup>3</sup> of timber shipped to Boven Digoel Regency Craftsmen, 2,675.81 m<sup>3</sup> to Merauke Regency Craftsmen, and 47,038.65 m<sup>3</sup> to PT Korindo Abadi (industry). For 2020, RPBBI data recorded that 71,627.6 m<sup>3</sup> of timber was shipped to PT Korindo Abadi. PHPL data for the same year indicated that 226.6 m<sup>3</sup> of timber was shipped to Boven Digoel Regency Craftsmen, 1,179.42 m<sup>3</sup> to Merauke Regency Craftsmen, and 83,628.4 m<sup>3</sup> to PT Korindo Abadi (industry).

PT Tunas Timber Lestari produced 71,687.94 m<sup>3</sup> and 90,439.22 m<sup>3</sup> of round logs in 2019 and 2020, respectively. RPBBI and PHPL records in 2019 indicated that the company shipped 75,501.36 m<sup>3</sup> and 76,698.93 m<sup>3</sup> to PT Korindo Abadi, respectively. Meanwhile, for 2020, RPBBI data recorded shipments totalling 63,570.8 m<sup>3</sup> of timber to PT Korindo Abadi. PHPL data instead indicated that 196.16 m<sup>3</sup> of timber was shipped to Boven Digoel Regency Craftsmen, 728.81 m<sup>3</sup> to Merauke Regency Craftsmen, and 76,463.7 m<sup>3</sup> to PT Korindo Abadi (industry).

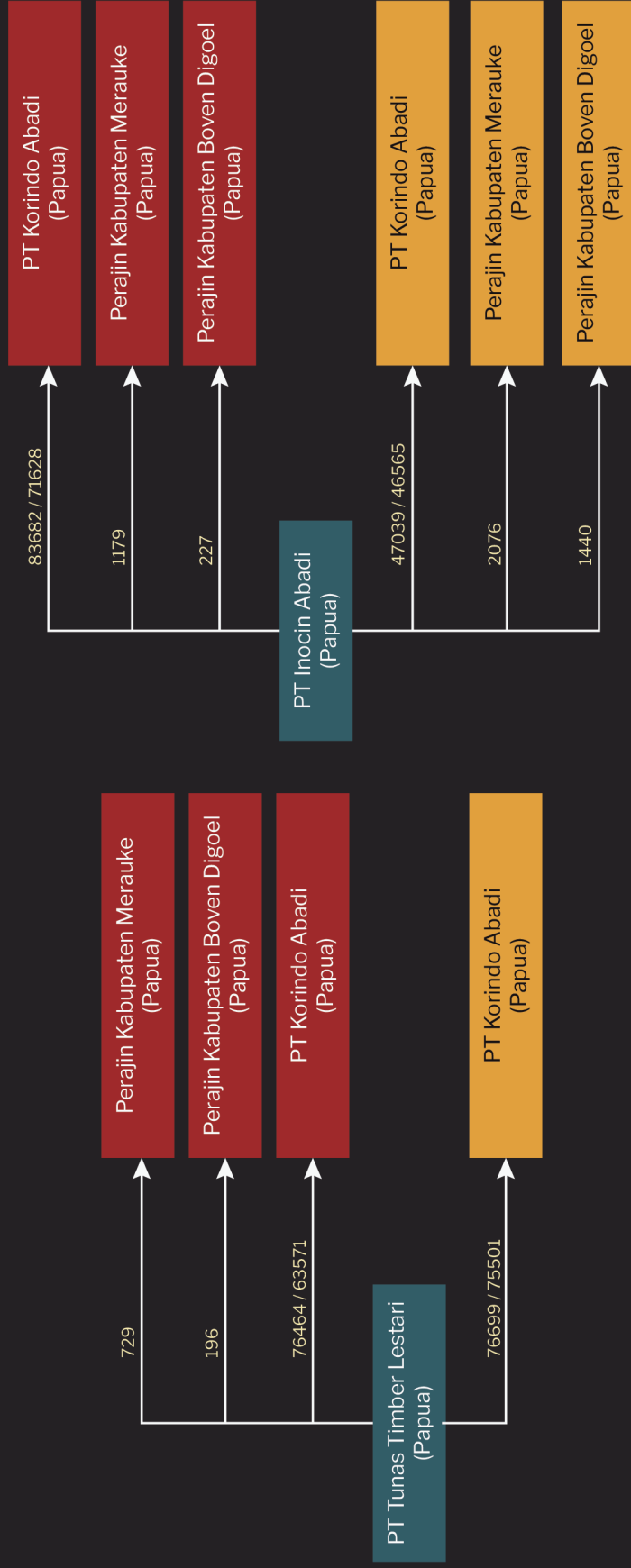


Figure 60. Timber Circulation from PT Tunas Lestari and PT Inocin Abadi

# Medco

## Ownership Profile

**M**edco is a business conglomerate owned by the Panigoro family. This company initially focused on the oil and gas mining sector, before diversifying into the agribusiness sector (oil palm plantation, biofuel, and timber industry), construction and fabrication, even venturing into the financial sector (Bank Himpunan Saudara).

Medco Group's ownership ultimately led to Arifin Panigoro (AP) and his younger brother, Hilmi Panigoro. This business is part of a family business with his younger brother, the President Director of Medco Energi. AP was once listed on Forbes' list of Indonesia's richest people at number 45 in 2019. Hilmi Panigoro also serves as the Chairman of the Board of Trustees of the Indonesian Renewable Energy Society (METI). Apart from being a businessman, AP is also involved in politics. He had joined the PDIP and was a member of the DPR RI in the Banten constituency in 1999-2005. Finally, Arifin founded his own party, the Democratic Reform Party (PDP).



Figure 61. Management and Shareholders of PT Selaras Inti Semesta and PT Medco Papua Alam Lestari

## Company Profile

**M**edco Group through its subsidiaries engaged in Industrial Plantation Forests (HTI), PT Selaras Inti Semesta (SIS) and PT Medco Papua Alam Lestari (MPAL), owns concession areas in Merauke Regency, Papua. The concessions of the two companies cover an area of approximately 169,400 hectares and 68,300 hectares, respectively. PT SIS' concession area is in Hanimah District, under HTI permit SK.18/MENHUT-II/2009 dated 22 January 2009. Meanwhile PT MPAL's concession is in Kaptel District under HTI permit SK.2/1/HTII/ PMA/2017 dated 2 May 2017.

PT SIS obtained its PHPL certificate with a moderate grade from PT Borneo Wanajaya Indonesia (BWI) under certificate number 008/BWI-SPHPL, which is valid from 13 October 2021 to 12 October 2027. We have yet to find any information regarding certifications of PT MPAL.

## Forest Condition Profile

**T**his group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in table below.

Description	Area (Hectares)
Remaining natural forest, 2020	139.173,01
Deforestation, 2020	324,25
Deforestation, 2019	8,14

Table 26. Natural Forest Coverage and Deforestation of the Medco Group

The total area of natural forest cover within the two HTI companies (PT SIS dan PT MPAL) under Medco Group is 139,173.01 hectares. In other words, 59% of Medco Group's concession areas are still covered by natural forest. The potential loss of natural forest from these two HTI companies in the event of full operation is measured at more than 11 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered low at 0.2%<sup>49</sup>. However, PT SIS had just recently obtained its PHPL certificate in October 2021, while the same cannot be said for PT MPAL. This highlights the importance to review the sustainability aspects and the seriousness of doing business of these two HTI companies. Without any guarantees from the PHPL and SVLK system, further activity from this company may result in continued deforestation and degradation of the concession area, which may adversely impact the socio-ecological sustainability of Merauke Regency, Papua. The footprints of these two companies are highly related with the projected loss of natural forest in Papua.

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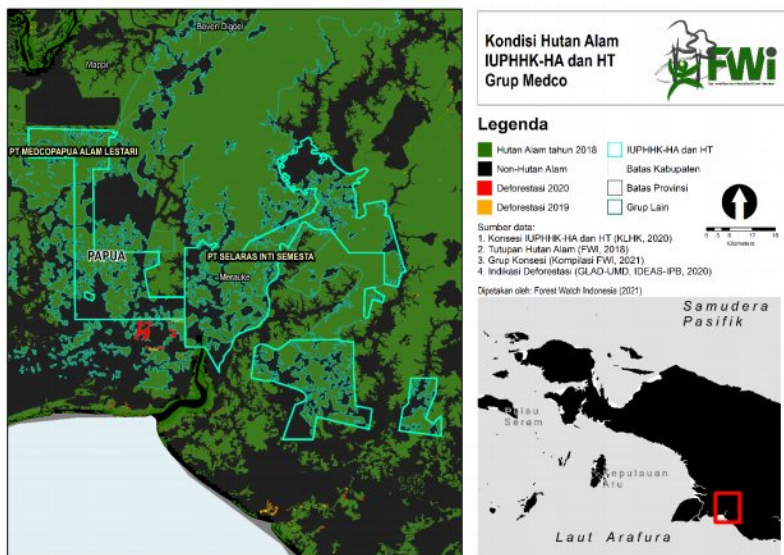


Figure 62. Medco Group Natural Forest Condition Map

## Timber Production

During 2019-2020, the only Medco Group subsidiaries producing round logs is PT Selaras Inti Semesta at 12,770.01 m<sup>3</sup>, and this amount was produced only in 2020. Based on PHPL data available for 2020, 7.775 m<sup>3</sup> of the logs were shipped to Merauke Regency Craftsmen.



Figure 63. Timber Distribution from PT Selaras Inti Semesta

# Mega Masindo

## Ownership Profile

**M**r. Wong or Paulus George Hung/Ting Ting Hung is a Chinese Malaysian notorious as a cukong for illegal logging, and has traveled all over Indonesia. Mr Hung's name was also included in the black list of targets for sustainable forest operations issued by the then Minister of Forestry, MS Kaban. Several logging companies under the Mega Masindo Group in Papua are PT Megapura Membramo Bangun (MMB), PT Manokwari Mandiri Lestari (MML), PT Arfak Indra, and PT Mutiara Alas Khatulistiwa (MAK). Mega Masindo Group's head office is located at Jalan Kelapa Hybrida Raya Blok PF 18 Number 32, Kelapa Gading, North Jakarta, while the Sorong branch office is located in Jl. Tidar No.1, Sorong.

The ownership of companies under the Mega Masindo Group is not entirely directly related to Mr Hung. PT Megapura Membramo Bangun is owned by Selvanny Tunggowijaya and PT Longkelai Hijau Bersama, whose shares are also owned by Selvanny and Usman (80%). PT Manokwari Mandiri Lestari is owned by Tang Choi Tieng and PT Bintuni Mulia Sakti. 95% of PT Manokwari Mandiri Lestari is owned by Grace Sukmawati, Hj. Rosita, Yongki Indrawan, and again by Tang Choi Tieng (10%). PT Arfak Indra is owned by Henry Tanamas, Samsudin, Heru Budiyo (98.9%), Tiono, T. Eddy Hariyanto, and the heirs of Mrs. Gabriela. PT Mutiara Alas Khatulistiwa is 98% owned by PT Bagus Jaya Abadi (98%) and Iwan Tandiono 2%. PT Bagus Jaya Abadi is owned by PT Global Jaya Abadi Gemilang and PT Pilar Sukses Sejahtera, most of which are owned by Jason Ting Kuan Yew and Paulus George Hung (Mr. Hung).



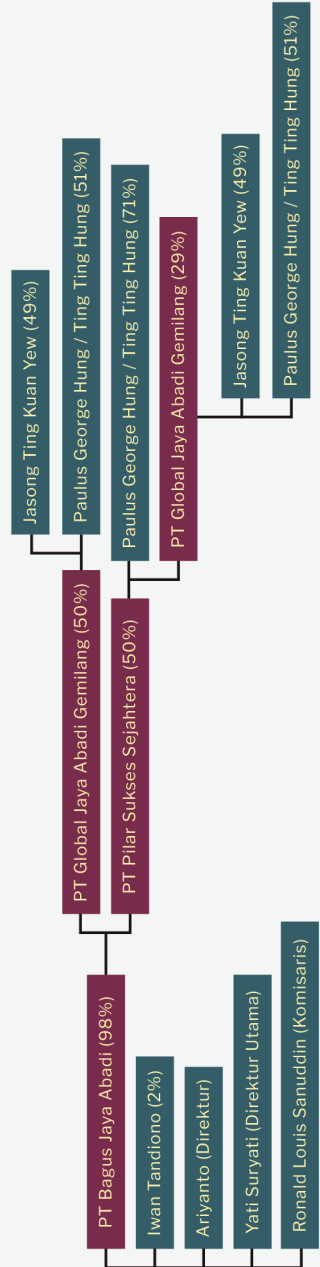
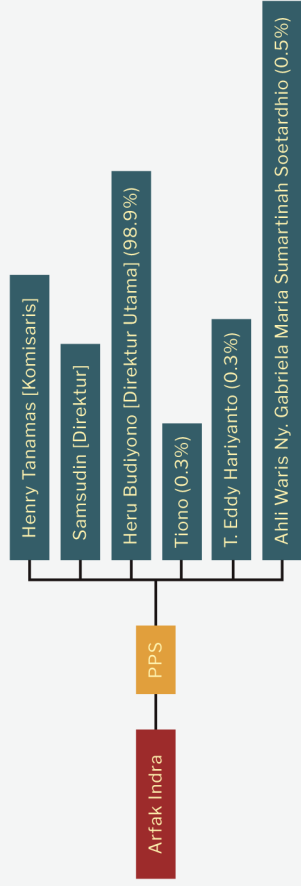
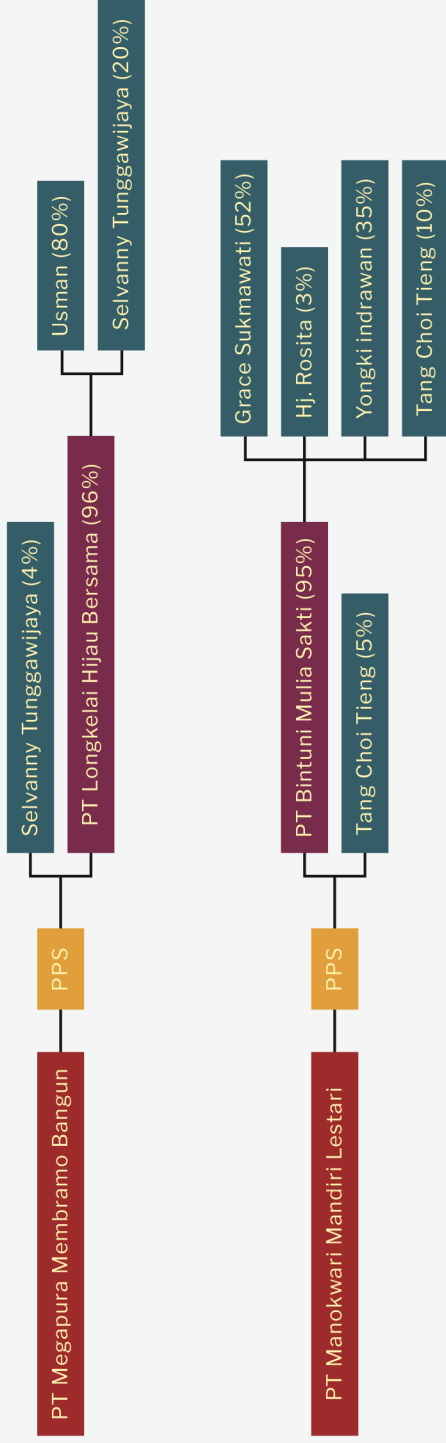


Figure 64. Management and Shareholders of PT Megapura Membramo Bangun, PT Manokwari Mandiri Lestari, PT Arfak Indra, and PT Mutiara Alas Khatulistiwa

## Company Profile

There are 4 HPH companies operating under Mega Masindo Group: Megapura Mambramo Bangun, Manokwari Mandiri Lestari, Arfak Indra, and Mutiara Alas Khatulistiwa. The concession areas of all 4 company units amounted to 405,835 hectares. Megapura Membramo Bangun owns 55,100 hectares, Manokwari Mandiri Lestari owns 90,980 hectares, Arfak Indra owns 177,900 hectares, and Mutiara Alas Equator owns 81,855 hectares. Three of the company's units are located within West Papua: PT Megapura Membramo Bangun in Manokwari, Manokwari Mandiri Lestari in Bintuni Bay, and Arfak Indra in Fak Fak, while the other, Mutiara Alas Khatulistiwa, operates in Jayapura, Papua. With regards to licensing, PT Megapura Membramo Bangun obtained a permit under Decree No. SK.397/Menhut-II/2006 dated 17 July 2006, PT Manokwari Mandiri Lestari under SK.366/Menhut-II/2011 dated 7 July 2011, PT Arfak Indra under SK.333/Menhut -II/2009 dated 15 June 2009, and PT Mutiara Alas Khatulistiwa under SK.676/Menhut-II/2014 dated 12 August 2014.

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With regards to sustainable production forest management, PT MMB has obtained a PHPL certificate with a moderate grade from PT Lambodja Certification under certification number LASER/PHPL-MMB/05, which is valid from 8 September 2020 to 7 September 2025. For PT AI, the latest information we obtained is that an initial VLK certification assessment had been carried out by PT Kreasi Prima Sertifikasi on 27 May - 1 June 2021, after which PT AI was declared to have met the requirements for an issuance of timber legality certificate. PT MML has also obtained a PHPL certificate from PT Equality Indonesia under certification number 012.2/EQC-PHPL/VIII/2015, which is valid from 15 June 2013 to 14 June 2018. As for PT MAK, the latest information we obtained is that PT Intishar Sadira Ehsan (ISE) conducted an initial certification audit of sustainable production forest management on 15 June - 25 October 2020. The results from this assessment have not been reported by PT ISE to date.

## Forest Condition Profile

This group performed low-level logging activities during 2019-2020 on a relatively high natural forest cover area. Information on forest conditions can be seen in the table below.

Description	Area (Hectares)
Remaining natural forest, 2020	374.094,30
Deforestation, 2020	332,9
Deforestation, 2019	497,31

Table 27. Natural Forest Coverage and Deforestation of Mega Masindo Group

The total area of natural forest cover within the concession areas of the four HPH companies (PT MMB, PT MML, PT AI, PT MAK) under Mega Masindo is 374,094.30 hectares. In other words, 92% of Mega Masindo's concession areas are still covered by natural forests. The potential loss of natural forest from these four HPH companies in the event of full operation is measured at more than 30 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered low at 0.2%<sup>50</sup>. However, PT MML's PHPL certificate has expired back in 2018, while the PHPL assessment of PT MAK has yet to be known. This highlights the importance to review the sustainability aspects and the seriousness of doing business of these two HPH companies. Without any guarantees from the PHPL and SVLK system, further activity from this company may result in continued deforestation and degradation of the concession area, which may adversely impact the socio-ecological sustainability of both Papua and West Papua. The footprints of these four companies are highly related with the projected loss of natural forest in Papua.

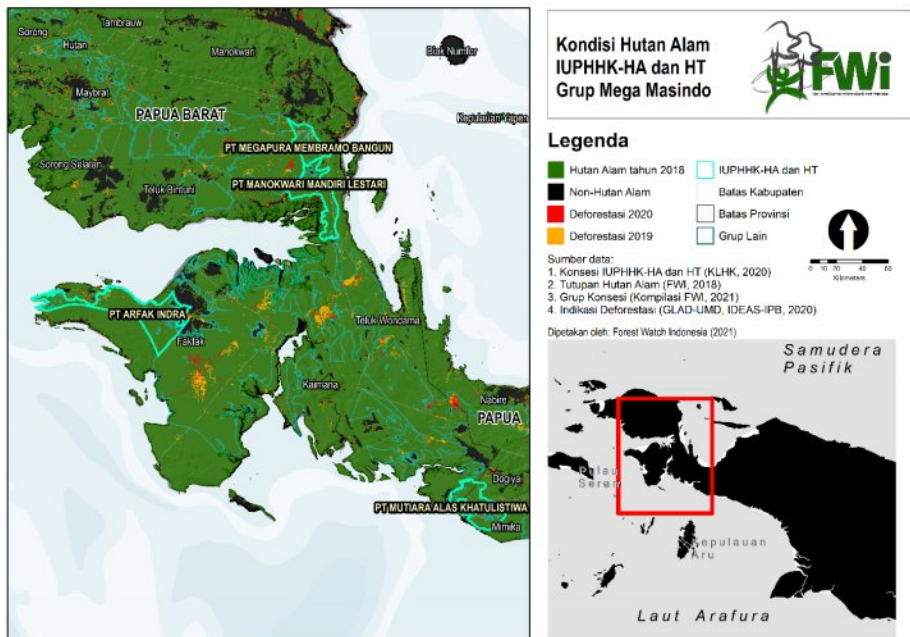


Figure 65. Map of the Natural Forest Condition of Mega Masindo Group

## Timber Production

In 2019 and 2020, PT Mutiara Alas Khatulistiwa produced 28,593.52 m<sup>3</sup> and 22,719.95 m<sup>3</sup> of round logs, respectively. Based on RPBBi's 2019 data, the logs were shipped to PT Bagus Jaya Abadi (11,805.07 m<sup>3</sup>) and Korindo Abadi (10,124.4 m<sup>3</sup>). On the other hand, PHPL data recorded that PT MAK shipped timber to CV Aimas Jaya Mandiri (1,054.23 m<sup>3</sup>), PT Bagus Jaya Abadi (14,781.81 m<sup>3</sup>), and the same amount of timber to PT Korindo Abadi (10,124.4 m<sup>3</sup>). As for 2020, RPBBi data recorded that the company shipped 13,117.1 m<sup>3</sup> of timber to PT Bagus Jaya Abadi in contrast to PHPL data's 18,665.4 m<sup>3</sup> to PT Bagus Jaya Abadi.

In 2019 and 2020, PT Megapura Membramo Bangun produced 590.9 m<sup>3</sup> and 8,135.55 m<sup>3</sup> of round logs, respectively. Regarding the above, only in 2019 PHPL recorded shipment of 6,279.42 m<sup>3</sup> of timber to PT LONGKELAI HIJAU BERSAMA. Meanwhile, PT Manokwari Mandiri Lestari produced 8,013.66 m<sup>3</sup> and 17,336.3 m<sup>3</sup> of round logs in 2019 and 2020, respectively.

Based on RPBBI and PHPL's 2019 data, PT MML shipped timber to PT BERAU KARYA INDAH at an amount of 17,478.7 m<sup>3</sup>, in contrast to 16,782 m<sup>3</sup> in 2020, which is consistent in both RPBBI and PHPL data. PT Berau Karya Indah performed export activities during 2020, during which it exported wood products to China through the following importers: Global Wood Resources Ltd. Qq Dongguan Tiange Imp. & Exp. Co.,Ltd and Global Wood Resources Ltd Qq Guangdong Silk Road Supply Chain Co., Ltd.

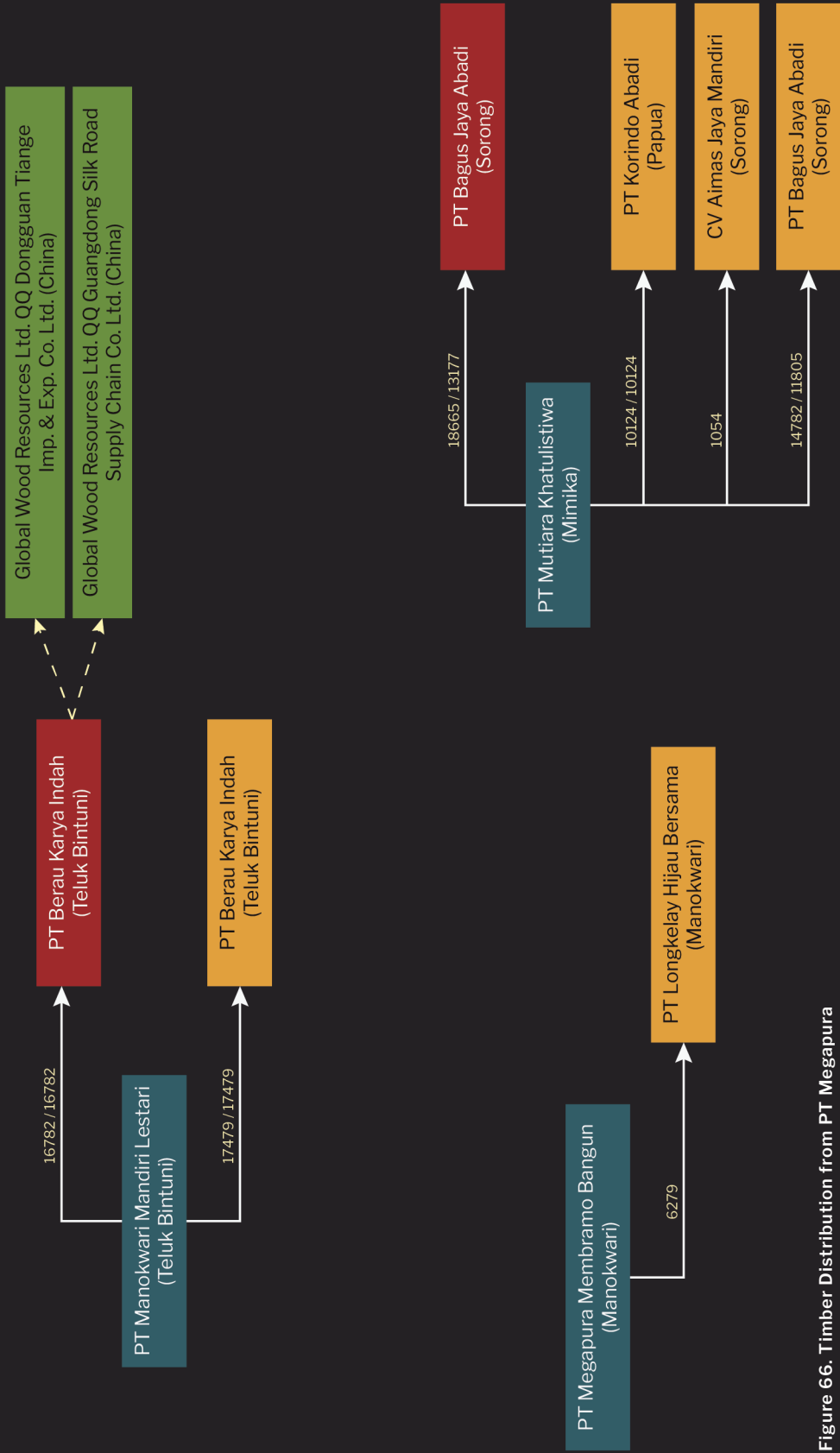


Figure 66. Timber Distribution from PT Megapura Mambromo Bangun, PT Manokwari Mandiri Lestari, and PT Mutiara Alas Khatulistiwa

# Mitra Jaya

## Ownership Profile

**D**ato Drs. K. Gowindasamy, is a businessman of Indian descent who owns PT Sumber Mitra Jaya (SMJ)/Mitra Jaya Group. The company was founded in 1981 as a road construction contractor in Jakarta. Now, SMJ is growing with various businesses in the construction sector (toll road construction), mining (gold and coal), property, pharmaceuticals, and also forestry through PT SMJ's HPH permits in Sarmi and Jayapura. Gowindasamy is the 92nd richest person in Indonesia according to Forbes 2018, with a wealth of US\$ 430 million. He is also the founder of the philanthropic organization Saroja Ammal Sejahtera Foundation. Mitra Jaya Group's head office is located at Graha Irama 14th Floor, Jl. H. R Rasuna Said Block X-1, South Jakarta.

In reference to Kemenkumham's AHU data, the majority ownership of PT SMJ is owned by PT Mitra Jaya Paduan at 95%. Even though business lines in the forestry sector (PT SMJ's HPH) is not clearly mentioned in Mitra Jaya Group's official website<sup>51</sup>, the board of directors in Mitra Jaya Group is the same as board of directors and shareholders of PT SMJs HPH, which are Drs Gowindasamy, Saroja, Sumitra, Kuhan Selvaretnam, Vasireddy Surya Sekhar, Burhan MA, Ir Eko Purnomo, and Sarita.

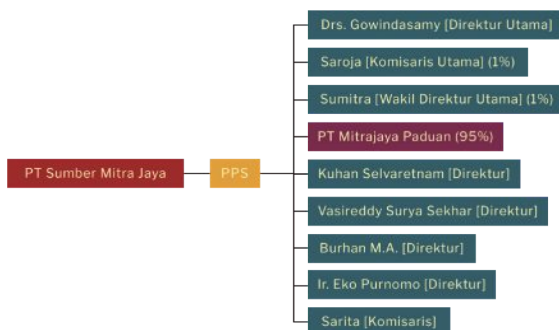


Figure 67. Management and Shareholders of PT Sumber Mitra Jaya



## Company Profile

There are two HPH permits for PT SMJ in Papua: one under SK.396/Menhut-II/2005 dated 23 November 2005 which covers a concession area of 102,000 hectares in Jayapura, and PT SMJ under SK.556/Menhut-II/2006 dated 22 December 2006 which covers a concession area of about 52,000 hectares in Sarmi Regency. With regards to certification, as of the writing of this report, no information has been found regarding PT SMJ's PHPL and/or VLK certification of all statuses, from submitted, processed, or passed by any certification body.

## Forest Condition Profile

This group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in table below.

Description	Area (hectares)
Remaining natural forest, 2020	152.381,24
Deforestation, 2020	81,12
Deforestation, 2019	1,69

Table 28. Natural Forest Coverage and Deforestation of Mitra Jaya Group



The total area of natural forest cover within the two HPH companies (PT SMJ) under Mitra Jaya Group is 152,381.24 hectares. In other words, 99% of Mitra Jaya Group’s concession areas are still covered by natural forests. The potential loss of natural forest from these two HTI companies in the event of full operation is measured at more than 12 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered low at 0.05%<sup>52</sup>. However, as both companies have yet to fulfill either PHPL or SVLK certifications, it is important to review the sustainability aspects and the seriousness of doing business of these two HPH companies. Without any guarantees from the PHPL and SVLK system, further activity from this company may result in continued deforestation and degradation of the concession area, which may adversely impact the socio-ecological sustainability in Papua. The footprints of these two companies are highly related with the projected loss of natural forest in Jayapura Regency and Sarmi Regency, Papua.

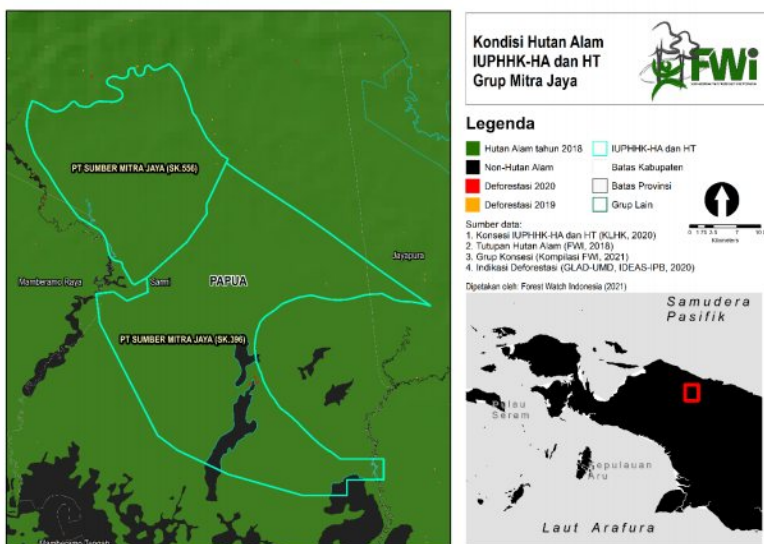


Figure 68. Mitra Jaya Group Natural Forest Condition Map

## Timber Production

**D**uring the research period of 2019-2020, Mitra Jaya Group has yet to perform any logging and round log producing activities. It is later known that the group is included in those who had its permit revoked by the government on 6 January 2022.

# Modern Group

## Ownership Profile

**M**odern Group is a group of companies owned by the Honoris family. Starting from a photographic equipment distributor company called PT Modern Photo Film Company (MPF) founded on 12 May 1971. Ho Tjek or better known as Otje Honoris and his children became the sole distributor for all Japanese Fujifilm products in Indonesia. In fact, this company succeeded in producing the first camera made in Indonesia, the Fujica M-1 brand. After Otje Honoris died in 1982, the Modern Group business was continued by his sons (Luntungan Honoris, Sungkono Honoris, Samadikun Hartono, and Siewie Honoris). The Honoris family business conglomeration continues to grow. It diversified to retail, nickel smelters, property, technology, animal husbandry, agriculture, forestry, and so on. Even his son, Luntungan Honoris was once listed as one of the 50 richest people in Indonesia according to Forbes Asia magazine, with a wealth of 800 million US dollars<sup>53</sup>.

The work of the Honoris family has been tarnished by one of Otje Honoris's son (Samadikun Hartono) who was involved in a misappropriation case of Bank Indonesia Liquidity Assistance (BLBI). He became a fugitive from the Indonesian government for 13 years, and was only caught in China shortly before the start of a Formula-1 racing event, Friday, 15 April 2016. The total amount of BLBI funds corrupted is reported to have reached Rp 169 billion<sup>54</sup>. In addition to business, Honoris Family is also involved in politics. The son of Luntungan Honoris, Charles Honoris, has been a member of the Indonesian House of Representatives from the PDIP party since 2014.

In Papua, the Honoris Family owns land banking, one of which is in the form of an HPH or HPH permit. Sungkono Honoris' son David Honoris acts as the President Director of two companies in Papua, PT Wanamulia Sukses Sejati and PT Wanamulia Sukses Sejati Unit III, while Sungkono Honoris himself acted as commissioner. In addition to being a director, David Honoris owns a 70% stake at these companies, with Margareth Honoris holding the remaining 30%.

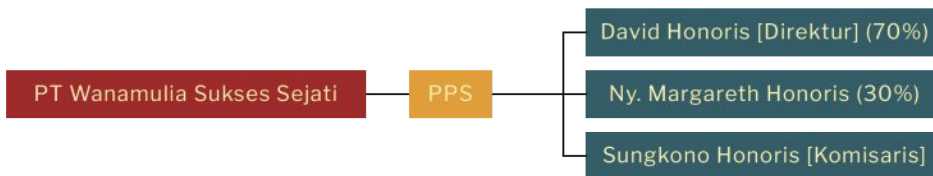


Figure 69. Management and Shareholders of PT Wanamulia Sukses Sejati

## Company Profile

**M**odern Group owns permits over 211,345 hectares of land in Papua through two HPH company units: PT Wanamulia Sukses Sejati covering an area of 112,245 hectares, and PT Wanamulia Sukses Sejati Unit III covering an area of 99,100 hectares. The two companies are located in Merauke Regency, based on permits in 2015 and 2017. As of date (October 2021), the two companies are inactive in status, and therefore there is no recorded activity from the two companies, which affects the absence of PHPL certification owned by these companies.



## Forest Condition Profile

The total area of natural forest cover within the two HPH companies (PT WSS) under Modern Group is 153,661.8 hectares. In other words, 73% of Modern Group’s concession areas are still covered by natural forest. The potential loss of natural forest from these two HPH companies in the event of full operation is measured at more than 12 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered very low at 0.1%<sup>55</sup>. However, as both companies have yet to fulfill either PHPL or SVLK certifications, it is important to review the sustainability aspects and the seriousness of doing business of these two HPH companies. Without any guarantees from the PHPL and SVLK system, further activity from this company may result in continued deforestation and degradation of the concession area, which may adversely impact the socio-ecological sustainability in Merauke Regency, Papua. The footprints of these two companies are highly related with the projected loss of natural forest in Merauke Regency, Papua.

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Description	Area (hectares)
Remaining natural forest, 2020	153.661,8
Deforestation, 2020	6,86
Deforestation, 2019	1,98

Table 29. Natural Forest Coverage and Modern Group Deforestation

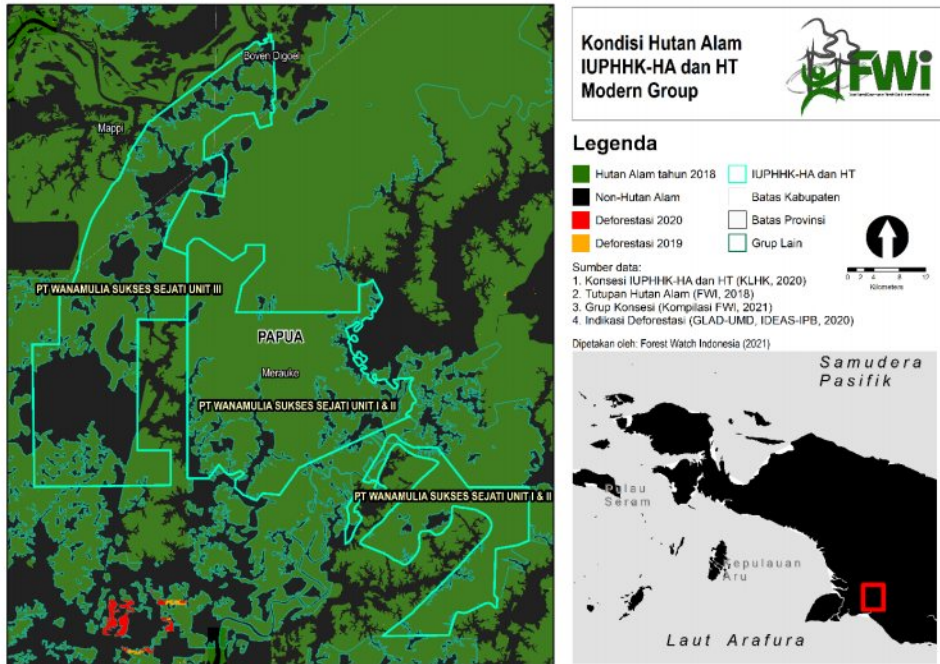


Figure 70. Condition of Modern Group Natural Forest

## Timber Production

In the process of collecting and analyzing data for this study (2019-2020), PT Wanamulia Sukses Sejati Unit I, II and III were not recorded or had not reported their logging activities or timber shipments out of their concession area, as evidenced by the absence of PT Wanamulia Sukses Sejati Unit I, II and III data in the RPBBI, PNPB, and other information systems within KLHK during that period.

# Moorim

## Ownership Profile

**P**T Plasma Nutfah Marind Papua (PNMP) was bought by Moorim of South Korea in 2011<sup>56</sup>. 99% of its shares are owned by PT Moorim P&P, Co., LTD (99%) and Moorim Paper (1%), both of which are members of Moorim Group<sup>57</sup> and based in South Korea. Moorim Group’s Chairman of Board is Lee Dong Wook. Its board of directors are filled with South Korean nationals.

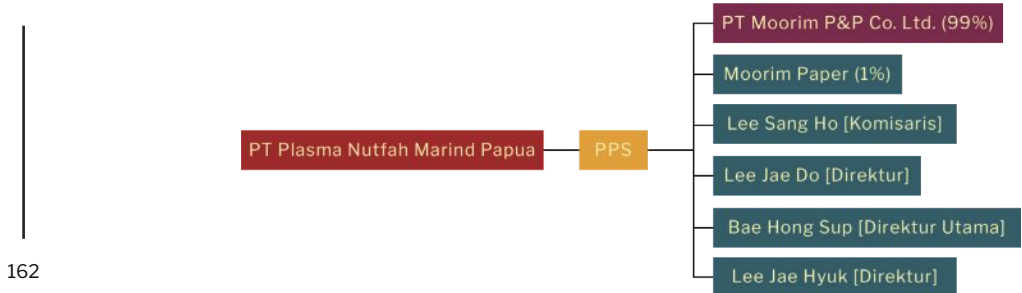


Figure 71. Management and Shareholders of PT Plasma Nutfah Marind Papua

## Company Profile

**P**T Plasma Nutfah Marind Papua (PNMP) is the only related party to Moorim. PT PNMP’s concession area is located in Merauke, Papua with a total area of 64,050 hectares, operational under SK.624/Menhut-VI/2009 dated 14 November 2011. Moorim Group does not have an explicit NDPE policy, however the company’s strategy includes the commitment to environmentally friendly policies in accordance with the government’s “low carbon and green growth” policy. It is to be known that Moorim’s holding company in Korea owns a Forest Stewardship Council/ FSC certificate for forest management. Information on the same for PT PNMP is however unknown.

## Forest Condition Profile

This group performed moderate-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in table below.

The total area of natural forest cover within PT PNMP's concession area is 10,286.57 hectares. In other words, 16% of Moorim Group's concession areas are still covered by natural forest. The potential loss of natural forest from this HTI company in the event of full operation is measured at nearly the same area as Bali. The deforestation that occurred in 2019 and 2020 is considered very high at 44%<sup>58</sup>. Without any guarantees from the PHPL and SVLK system, further activity from this company may result in continued deforestation and degradation of the concession area, which may adversely impact the socio-ecological sustainability of Merauke Regency, Papua. The footprints of these two companies are highly related with the projected loss of natural forest in Papua.

Description	Area (hectares)
Remaining natural forest, 2020	10,286.57
Deforestation, 2020	4288.47
Deforestation, 2019	336.92

Table 30. Moorim Group Natural Forest Coverage and Deforestation

Aidenvironment<sup>59</sup> has identified Moorim Group's activities in 2021. It has been found that there are four companies deforesting as much as 7,000 hectares of forests for industrial raw material needs in Papua between 2016 and May 2021. Moorim through PT PNMP has been identified as the greatest contributor to deforestation, having cleared 3,800 hectares of forest during the timespan.

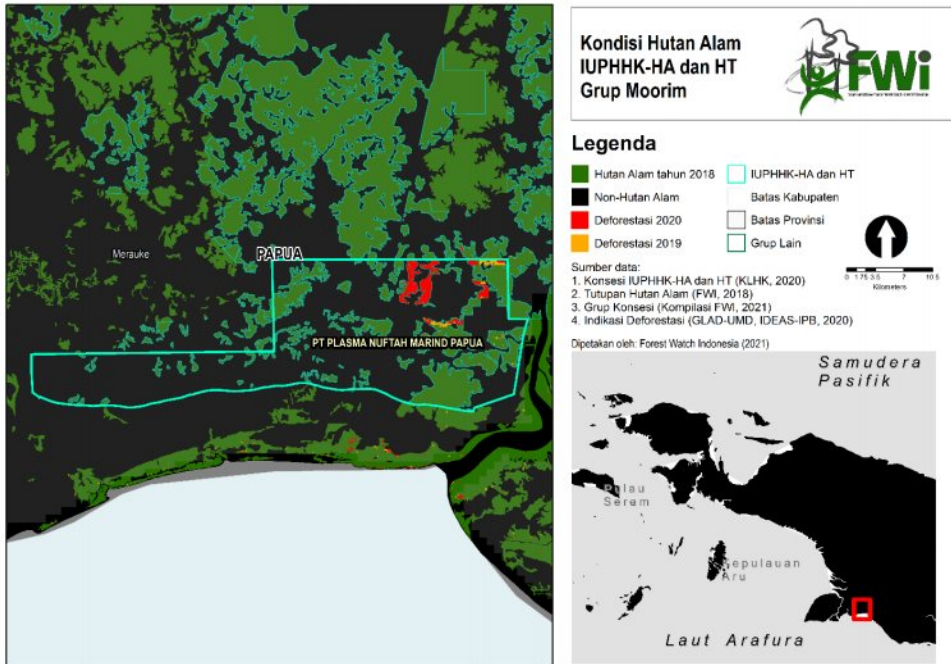


Figure 72. Moorim Group Natural Forest Condition

## Timber Production

In the process of collecting and analyzing data for this study (2019-2020), PT Plasma Nutfah Marind Papua (PNMP) were not recorded or had not reported their logging activities or timber shipments out of their concession area, as evidenced by the absence of PT PNMP data in the RPBBI, PNBP, and other information systems within KLHK during that period. This is despite the result of spatial analysis which indicated that 4,624 hectares of forest within PT PNMP's concession area had been deforested during the period.



# Patria

## Ownership Profile

The ownership PT Semarak Dharma Timber (SDT) is under Jemmy Tamsil, Ferry Tamsil, and Charles Tamsil with 75%. The remaining shares are owned by Thjie Yuing, Timoty Ezra, and Franky MP Naibaho. In addition to being the President Director of PT SDT, Tamsil family is also the owner of Patria Group<sup>60</sup>.

In 2018, FT was caught in a bribery case involving PT Victory Cemerlang Indonesia Wood Industry (VCIWI) with the Head of Forestry for Papua Province, Jan Jap Ormuseray. However, the case was stopped in Jakarta. FT is suspected of taking bribes from the Director of PT VCIWI regarding an illegal logging case.

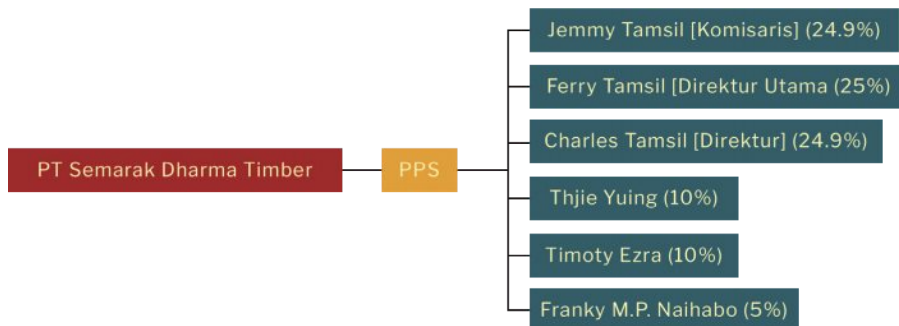


Figure 73. Management and Shareholders of PT Semarak Dharma Timber

## Company Profile

**P**T SDT has a concession permit covering an area of 164,000 hectares, based on permit SK.287/Menhut-II/2014 dated 20 March 2014, and is located in Keerom Regency, Papua. Its head office is located on Jl. Pakin No. 1, Mitra Bahari Rukan Block E 17-19, Penjaringan, Jakarta. PT SDT also owns a timber factory in Waris District, Keerom, based on an industrial business permit SK Minister of Forestry dated 1 March 2013 to produce 36,000 cubic meters of sawn wood per year. In addition to the HPH concessions, there are two palm oil concessions belonging to the Patria Group, under PT Semarak Agri Lestari and PT Patria Agri Lestari (PAL). Both of them are located in land assigned for other use allocations (APL) as reserve land for the Integrated City of Senggi Mandiri, Keerom District. PAL has obtained IUP SK No. 03 from the Head of BKPM Papua dated 5 October 2016.

PT Ayamaru Sertifikasi through letter No. 310/A-SERT/VIII/2020 has delivered the result of SVLK remote audit on PT SDT, which indicated that the company 'has fulfilled' timber legality verification standard for all assessment norms for each verifier. PT SDT is declared to have "Passed" the Timber Legality Verification and thus deserving of Timber Legality Certificate (S-LK) No. SLK.164/ASERT/LVLK-011-IDN, which is valid from 12 August 2020 to 11 August 2023.

## Forest Condition Profile

**T**his group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in the table below.

The total area of natural forest cover within PT SDT's concession area is 159,346.99 hectares. In other words, 97% of Patria Group's concession areas are still covered by natural forest. The potential loss of natural forest from this HPH company in the event of full operation is measured at more than 12 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered low at 0.23%<sup>61</sup>. After being acknowledged to fulfill the requirements for the SVLK certificate, the company is likely to perform its work activities as a HPH company more flexibly. Further activity from this company may result in continued deforestation and degradation of the concession area, as well as socio-ecological sustainability issues in Keerom Regency, Papua. The footprints of this company are highly related with the projected loss of natural forest in Papua.

Description	Area (hectares)
Remaining natural forest, 2020	159.346,99
Deforestation, 2020	240,64
Deforestation, 2019	127,17

Table 31. Natural Forest Coverage and Deforestation of Patria Group

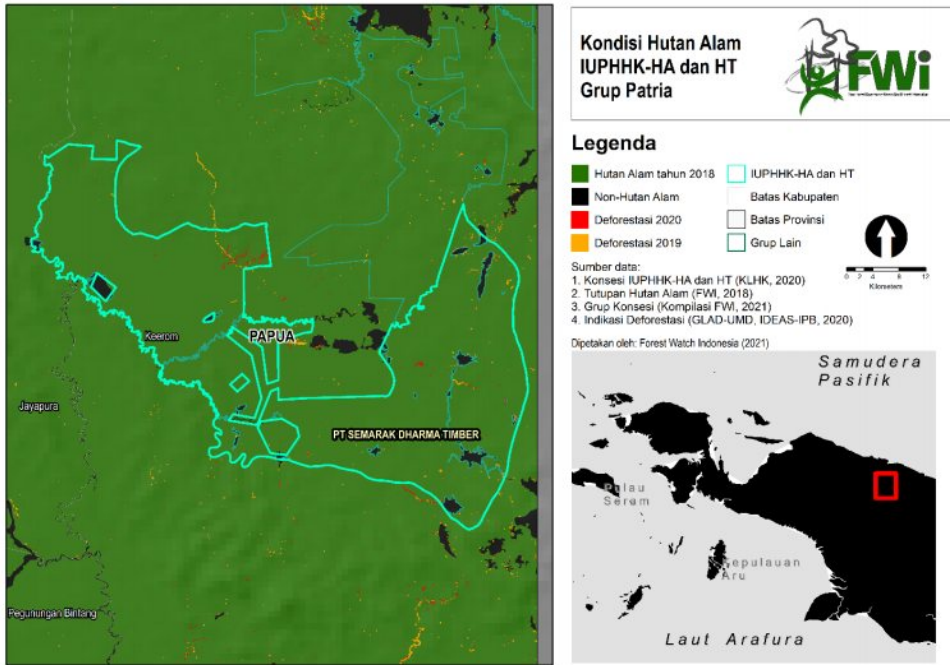


Figure 74. Condition of Patria Group's Natural Forests

## Timber Production

In the process of collecting and analyzing data for this study (2019-2020), PT Semarak Dharma Timber is recorded to have produced 6,847.98 m<sup>3</sup> of round logs. However, there is no data on timber shipping to any industries recorded in either RPBBi or PHPL during the period.

# Raja Garuda Mas

## Ownership Profile

**O**wnership of companies under Raja Garuda Mas (RGM) Group is dominated by Ir Agus Didong at 87%, with the remaining shares owned by Andi Chandra, Arjuna El Malco, and Harianto Wisastra on PT Firdaus Mitra Utama. The ownership of this company group also includes Abdi Tunggal and Dedy Sutanto on PT Bintang Utama Lestari.

Figure 75.1. Management and Shareholders of PT Damai Setiatama Timber, Mukti Artha Yoga, and PT Kesatuan Mas Abadi

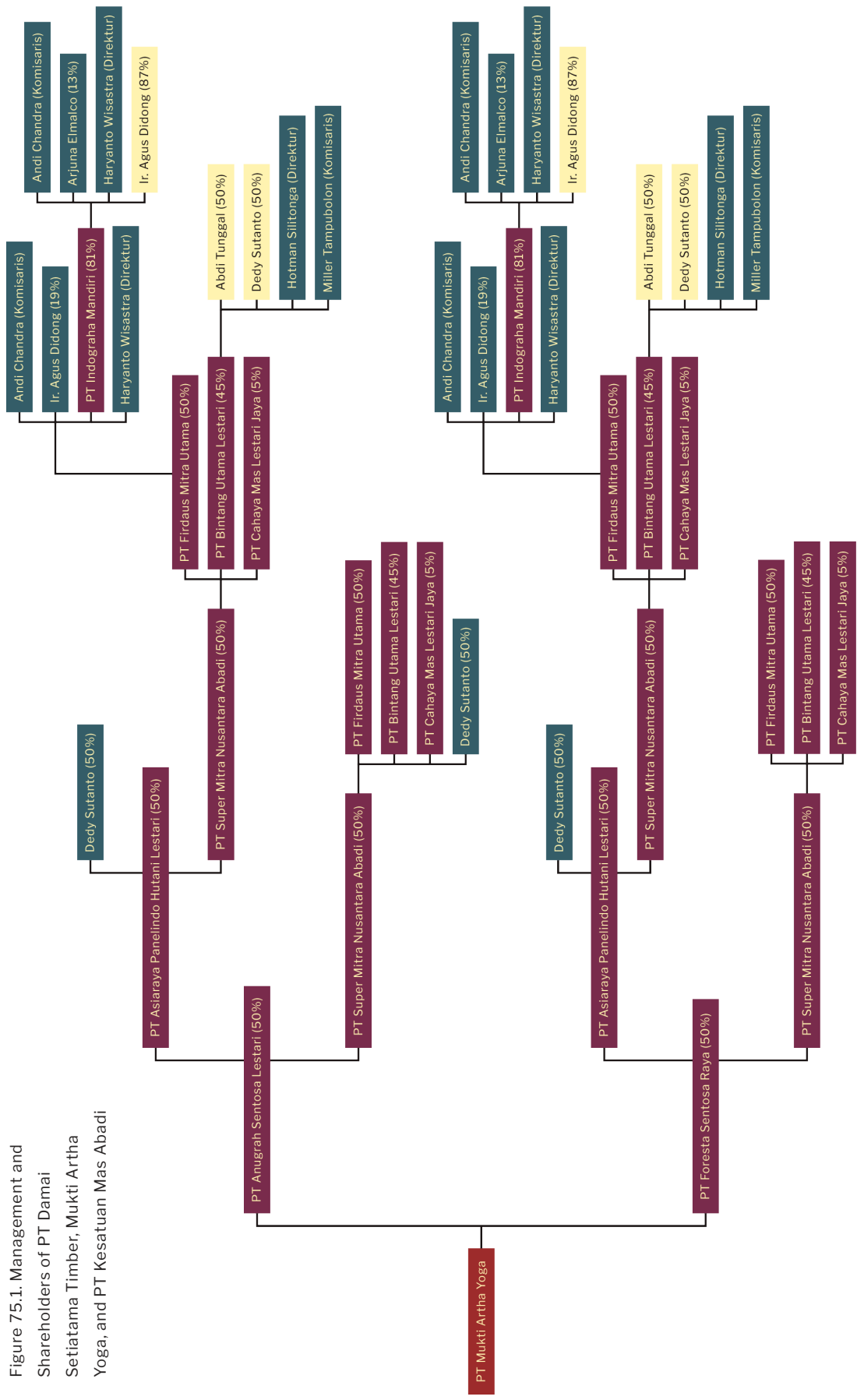




Figure 75.3.  
 Management and  
 Shareholders of PT  
 Damai Setiatama  
 Timber, Mukti  
 Artha Yoga, and  
 PT Kesatuan Mas  
 Abadi





## Company Profile

**R**GM has three subsidiaries engaging in forest exploitation and timber plantations: PT Damai Setiatama Timber (HPH), Mukti Artha Yoga (HPH), and PT Kesatuan Mas Abadi (HTI), with concession areas of approximately 315,475 hectares, 151,690 hectares, and 99,980 hectares, respectively. PT Damai Setiatama Timber (DST) owns concession areas in two regencies: Boven Digoel and Mappi, while PT Mukti Artha Yoga (MAY) is in Merauke Regency. PT Kesatuan Mas Abadi (KMA) Industrial Plantation Forest concession area is different in that it is located in Fakfak Regency and Teluk Bintuni Regency, West Papua. PT DST has owned a concession area since 2013 through Permit Decree No. 565/Menhut-II/2013. Meanwhile, PT MAY was the first to own such areas in 2007 after obtaining Permit Decree No. 57/Menhut-II/2007, and PT KMA is the newest in 2019 through Permit Decree No. 552/Menlhk/Setjen/PLA.2/8/2019.

Based on the data we obtained, all three RGM Group companies but PT DST have yet to obtain PHPL and VLK certificates. PT DST owns a PHPL certification issued by PT Ayamaru Sertifikasi through letter No. 035/ASERT-PHPL/kpts/pnlk/XII/2019.

## Forest Condition Profile

**T**he total area of natural forest cover within the RGM Group concession areas (under PT DST, PT MAY, PT KMA) is 421,593.90 hectares. In other words, 74% of RGM Group's concession areas are still covered by natural forest. The potential loss of natural forest from these HPH and HTI companies in the event of full operation is measured at 34 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered very low at 0.1%<sup>62</sup>. Without any guarantees from PHPL and SVLK system, further activity from these companies (PT MAY and PT KMA) may result in continued deforestation and degradation of the concession area, as well as socio-ecological sustainability issues

in Boven Digoel Regency, Mappi Regency, and Merauke Regency. The footprints of this company are highly related with the projected loss of natural forest in both Papua and West Papua.

Description	Area (hectares)
Remaining natural forest, 2020	421.593,90
Deforestation, 2020	394,52
Deforestation, 2019	68,7

Table 32. Natural Forest Coverage and Deforestation of the Raja Garuda Mas Group

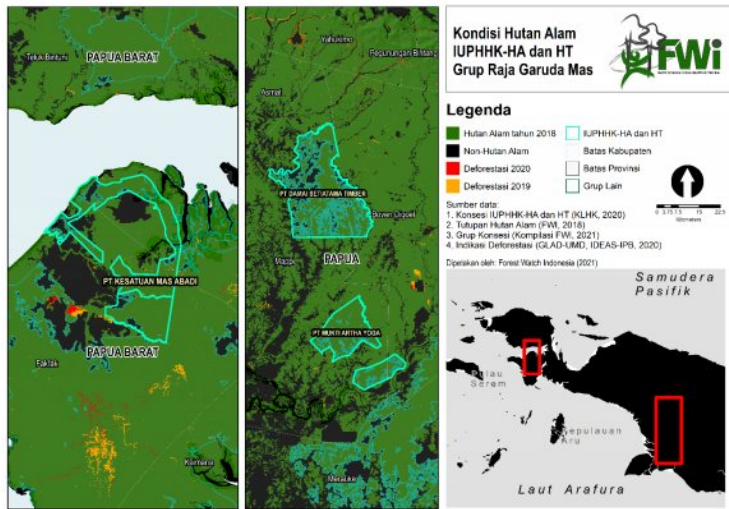


Figure 76. Map of the Natural Forest Condition of the Raja Garuda Mas Group

## Timber Production

In the process of collecting and analyzing data for this study (2019-2020), RMG Group’s subsidiaries were not recorded or had not reported their logging activities or timber shipments out of their concession area, as evidenced by the absence of PT PNMP data in the RPBBI, PNBP, and other information systems within KLHK during that period.

# Rimbunan Hijau

## Ownership Profile

**R**imbunan Hijau Group is a Malaysian multinational logging company, controlled by Malaysian businessman Tiong Hiew King. The company was founded in 1975, and has an estimated annual turnover of over US\$1 billion, according to the Malaysia-China Business Council. Apart from Malaysia and Indonesia, the company also operates in many countries, including Papua New Guinea, Equatorial Guinea, Gabon, Vanuatu, New Zealand and Russia. In Papua New Guinea, Rimbunan Hijau is the single largest logging operator, and runs the country's largest sawmill. It also owns one of the two main newspapers in Papua New Guinea, The National.

PT Salaki Mandiri Sejahtera is practically owned by Susan Lilianti Sunarti, who also serves as Director, and Supriyono as Commissioner. As of 2016, both PT SMS and PT Wapoga Mutiara Timber (a part of Wapoga Group) are still mainly owned by Susan Lilianti Sunarti, an Indonesian national who has also served as President Director and President Commissioner of PT Wapoga Mutiara Timber<sup>63</sup>. Since it is illegal for foreign-controlled companies to perform logging concessions, there is a possibility that Susan Lilianti Sunarti merely acts as a nominee shareholder, with the Tiong family as the actual beneficiaries of the company<sup>64</sup>.

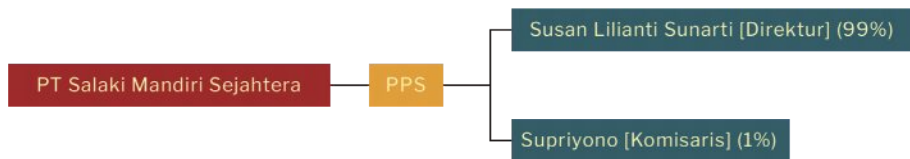


Figure 77. Management and Shareholders of PT Salaki Mandiri Sejahtera

## Company Profile

**A**fter the exit of PT WMT from Rimbulan Hijau Group, only one HPH company under the group operates in Papua: PT Salaki Mandiri Sejahtera (SMS). PT SMS’s concession area covers 79,130 hectares in Sarmi Regency, Papua. PT SMS operates under SK.396/Menhut-II/2006 dated 17 July 2006, and it has obtained PHPL certificate from LS Inti Multima Sertifikasi under certification number IMS-SPHPL-021, which was issued on 25 October 2018 and remains valid until 29 October 2023.

## Forest Condition Profile

This group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in the table below.

Description	Area (hectares)
Remaining natural forest, 2020	74.585,76
Deforestation, 2020	176,28
Deforestation, 2019	141,46

Table 33. Natural Forest Coverage and Deforestation of the Rimbunan Hijau Group

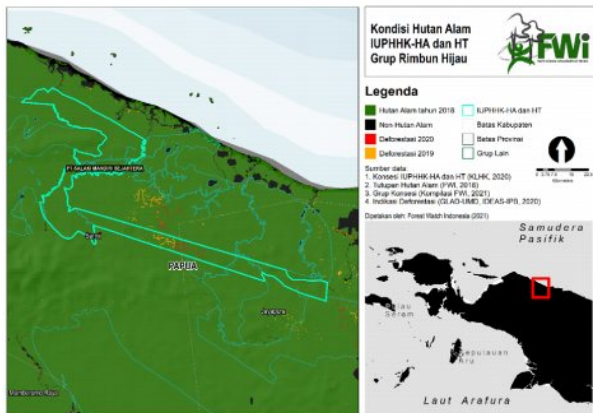


Figure 78. Map of the Natural Forest Condition of the Rimbunan Hijau Group

The total area of natural forest cover within PT SMS' concession area is 74,585.76 hectares. In other words, 91% of PT SMS' concession areas are still covered by natural forest. The potential loss of natural forest from this HPH company in the event of full operation is measured at more than 6 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered high at 0.4%<sup>65</sup>. After being acknowledged through a PHPL certificate, the company is likely to perform its work activities as a HPH company more flexibly. Further, since PT SMS has operated since 2006, further activity from this company may result in continued deforestation and degradation of the concession area, as well as socio-ecological sustainability issues. As this HPH company operates with natural forest use as its business core, this company's footprints are highly related with the projected loss of natural forest in The footprints of this company are highly related with the projected loss of natural forest in Sarmi Regency, Papua.

# Timber Production

During 2019-2020, PT Salaki Mandiri Sejahtera produced 26,325.05 m<sup>3</sup> and 21,626.89 m<sup>3</sup> of round logs, respectively. Based on both RPBBI and PHPL's 2019 data, the produced logs were shipped to PT Wapoga Mutiara Industries (10.782,37 m<sup>3</sup>). As for 2020, RPBBI and PHPL also recorded the same data: 29,359.6 m<sup>3</sup> of timber shipped to PT Wapoga Mutiara Industries.

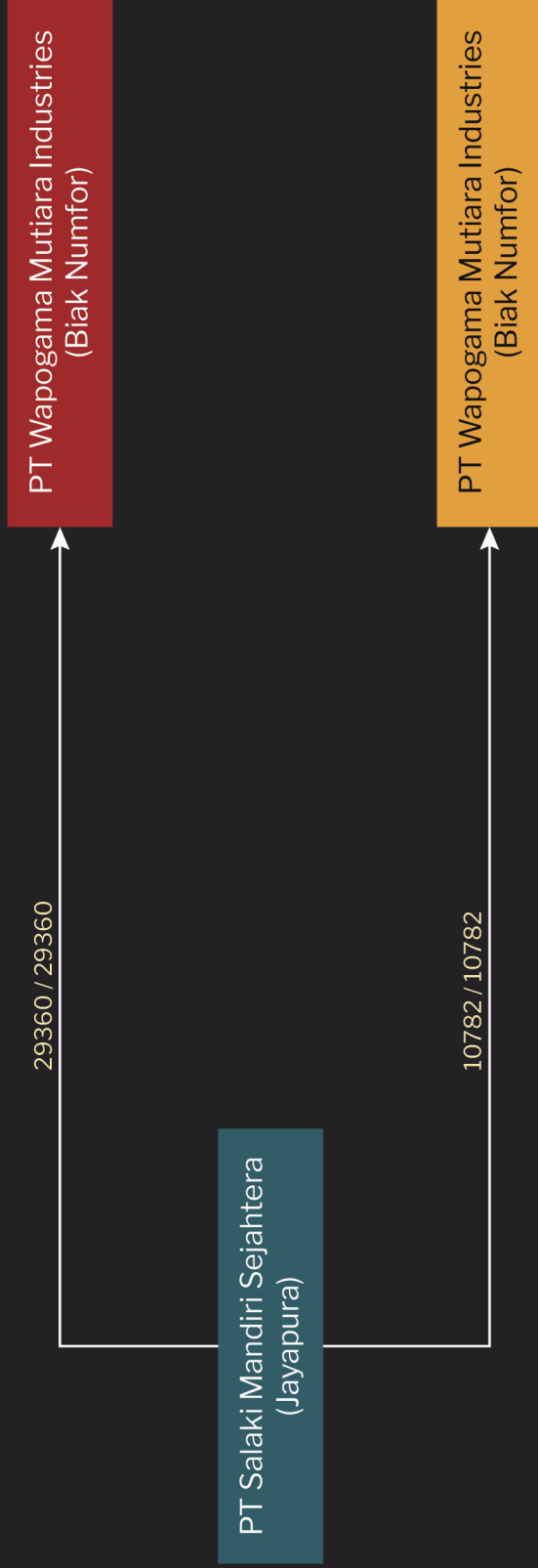


Figure 79. Map of PT Salaki Mandiri Sejahtera's Natural Forest Condition

# Sinar Wijaya

## Ownership Profile

**S**inar Wijaya Group is an Indonesian private company owned by Sapto Joyo Wijoyo, which engages in the wood-based industry. Established in 2002, its main business is a wood processing industry, with a capacity of 140,000 m<sup>3</sup> for plywood and 36,000 m<sup>3</sup> for merbau decking and flooring. In addition to logging and timber industry, which is represented by its four subsidiaries (PT Jati Darma Indah Plywood Industries, PT Kaltim Utama, PT Wurikasari, and PT Wijaya Sentosa), the Sinar Wijaya Group also provides transportation services through PT Sinar Jaya Wijaya. Share ownership of SWG's subsidiaries ultimately leads to two names: Sapto Joyo Wijoyo and Budi Susanto.



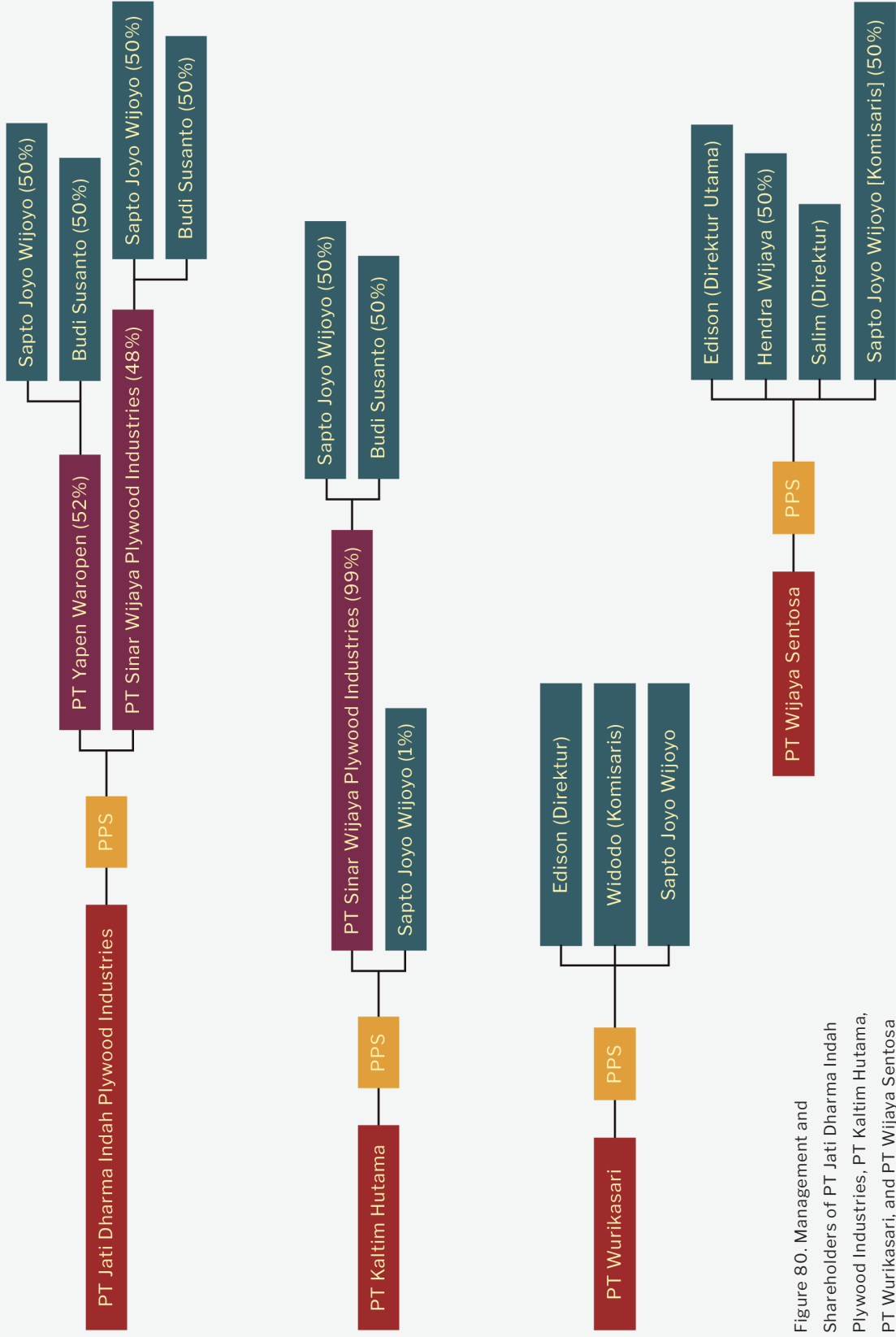


Figure 80. Management and Shareholders of PT Jati Dharma Indah Plywood Industries, PT Kaltim Hutama, PT Wuriikasari, and PT Wijiaya Sentosa

## Company Profile

**S**inar Wijaya Group has four subsidiaries engaged in the HPH sector: PT Jati Dharma Indah Plywood Industries (8/1/HPH/PMDN/2016), PT Wijaya Sentosa (SK.33/Menhut-II/2013), PT Wukirasari (SK.477/Menhut-II/2008) and PT Kaltim Utama (SK.652/Menhut-II/2009). The total concession area of the four companies is around 548,215 hectares. Three of them are located in West Papua, and the other is located in Papua. These four companies are the main suppliers of industrial raw materials for PT Sinar Wijaya Plywood Industries. Located in Dawai - Serui, Yapen Waropen, Papua Province, the industrial area covers a total area of 274 hectares.

Company Name	Location	Total Concession Area (Hectares)
PT Jati Dharma Indah Plywood Industries	Nabire, Papua	139.470
PT Kaltim Utama	Kaimana, Papua Barat	161.670
PT Wijaya Sentosa	Teluk Wondama, Papua Barat	130.755
PT Wukirasari	Teluk Bintuni, Papua Barat	116.320

Table 34. Concession Area of Sinar Wijaya Group's Subsidiaries

Regarding PHPL and S-LK certificates, PT WS has obtained a PHPL certificate with a good grade from PT Tuv Rheinland Indonesia number 824303140005, valid from 10 March 2019 to 9 March 2024. PT JDPI also owns a PHPL certificate with a good grade from PT Transtra Permada under certification number 06/LPPHPL-018/XII/2019, valid from 17 December 2019 to 8 January 2025. PT Wukirasari also obtained S-PHPL under certification number 51-SIC-04.01 from PT Sarbi International Certification which is valid from 20 February 2019 to 19 February 2024. Meanwhile, PT Kaltim Utama's S-PHPL under certification number LASER/PHPL-KALHUT/2014/1 which used to be valid from 21 May 2014 to 20 May 2019 was suspended by PT Lambodja Certification on 21 September

2015<sup>66</sup>. However, the latest information we know regarding the issue is through Decree No. 080/IMS-SK/IX/2019 from PT Inti Multima Certification which states that PT KH have met the requirements for the issuance of VLK certificate.

## Forest Condition Profile

This group performed high-level logging activities during 2019-2020 on a relatively high natural forest cover area. Information on forest conditions can be seen in the table below.

Description	Area (hectares)
Remaining natural forest, 2020	795.107,39
Deforestation, 2020	1.422,23
Deforestation, 2019	3.708,3

Table 35. Natural Forest Coverage and Deforestation of the Sinar Wijaya Group

The total area of natural forest cover within the four HPH companies, which are PT Jati Darma Indah Plywood Industries (JDPI), PT Kaltim Hutama (KH), PT Wurikasari, and PT Wijaya Sentosa (WS) under Sinar Wijaya Group is 374,094.30 hectares. In other words, 92% of Sinar Wijaya Group's concession areas are still covered by natural forest. The potential loss of natural forest from these four companies in the event of full operation is measured at more than 30 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered low at 0.2%<sup>67</sup>. After being acknowledged through PHPL and SVLK certificates, the companies are likely to perform their work activities as a HPH company in Papua more flexibly. The companies engage in forest use, which may result in continued

deforestation and degradation of the concession area, as well as socio-ecological sustainability issues in Kaimana Regency, Teluk Wondama Regency, Teluk Bintuni Regency, and Nabire Regency. The footprints of this company are highly related with the projected loss of natural forest in both Papua and West Papua.

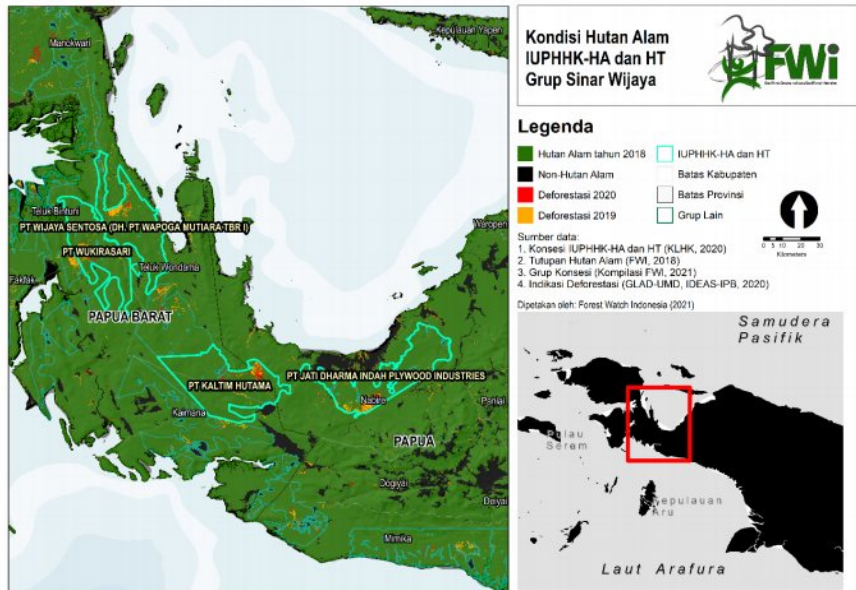


Figure 81. Sinar Wijaya Group Forest Condition Map

## Timber Production

In 2019 and 2020, PT JDIPI produced 127,502.21 m<sup>3</sup> and 107,287.83 m<sup>3</sup> of logs, respectively. Based on RPBBI's 2019 data, timber from PT JDIPI was shipped to PT Sinar Wijaya Plywood Industries (130,617.96 m<sup>3</sup>), while PHPL data stated that 599.12 m<sup>3</sup> of timber was shipped to PT Kaltim Hutama and 130,512.39 m<sup>3</sup> to PT Sinar Wijaya Plywood Industries. In 2020, the amount of timber shipped to PT Sinar Wijaya Plywood Industries based on RPBBI and PHPL data is 108,968 m<sup>3</sup> and 106,180 m<sup>3</sup>, respectively.

In the same period, PT Kaltim Utama produced 14,486.55 m<sup>3</sup> and 117,892.68 m<sup>3</sup> of round logs, respectively. In 2019, based on RPBBI and PHPL data, timber from the HPH area shipped to PT Sinar Wijaya Plywood Industries amounted to 58,400.03 m<sup>3</sup> and 61,580.84 m<sup>3</sup>, respectively. As for 2020, the same is 113,585 m<sup>3</sup> and 110,404 m<sup>3</sup>. In addition, PT Wijaya Sentosa produced 107,642.51 m<sup>3</sup> and 89,654.24 m<sup>3</sup> of round logs in 2019 and 2020 respectively, and based on RPBBI and PHPL's 2019 data, the timber was shipped to PT Sinar Wijaya Plywood Industries at 107,092.45 m<sup>3</sup>, and 88,474.3 m<sup>3</sup> in 2020.

PT Wukirasari produced 111,108.11 m<sup>3</sup> and 96,616.87 m<sup>3</sup> of round logs in 2019 and 2020, respectively. Based on RPBBI's 2019 data, PT Sinar Wijaya Plywood Industries received 89,526.65 m<sup>3</sup> of timber from PT Wukirasari, and PHPL data recorded that 95,052.39 m<sup>3</sup> of timber was shipped to PT Sinar Wijaya Plywood Industries and 21,032.94 m<sup>3</sup> to PT Wurikasari. As for 2020, RPBBI data recorded that the amount of timber shipped to PT Sinar Wijaya Plywood Industries was 87,639.9 m<sup>3</sup>, while based on PHPL data, it was recorded that revenues on behalf of PT Sinar Wijaya Plywood Industries amounted to 85,533.2 m<sup>3</sup> and 7,622.48 m<sup>3</sup> for PT. Wurikasari. In 2020, PT Sinar Wijaya Plywood Industries to Australia exports wood products on behalf of Sinar Wjiaya Group to Geo Star Resources Pte Ltd.

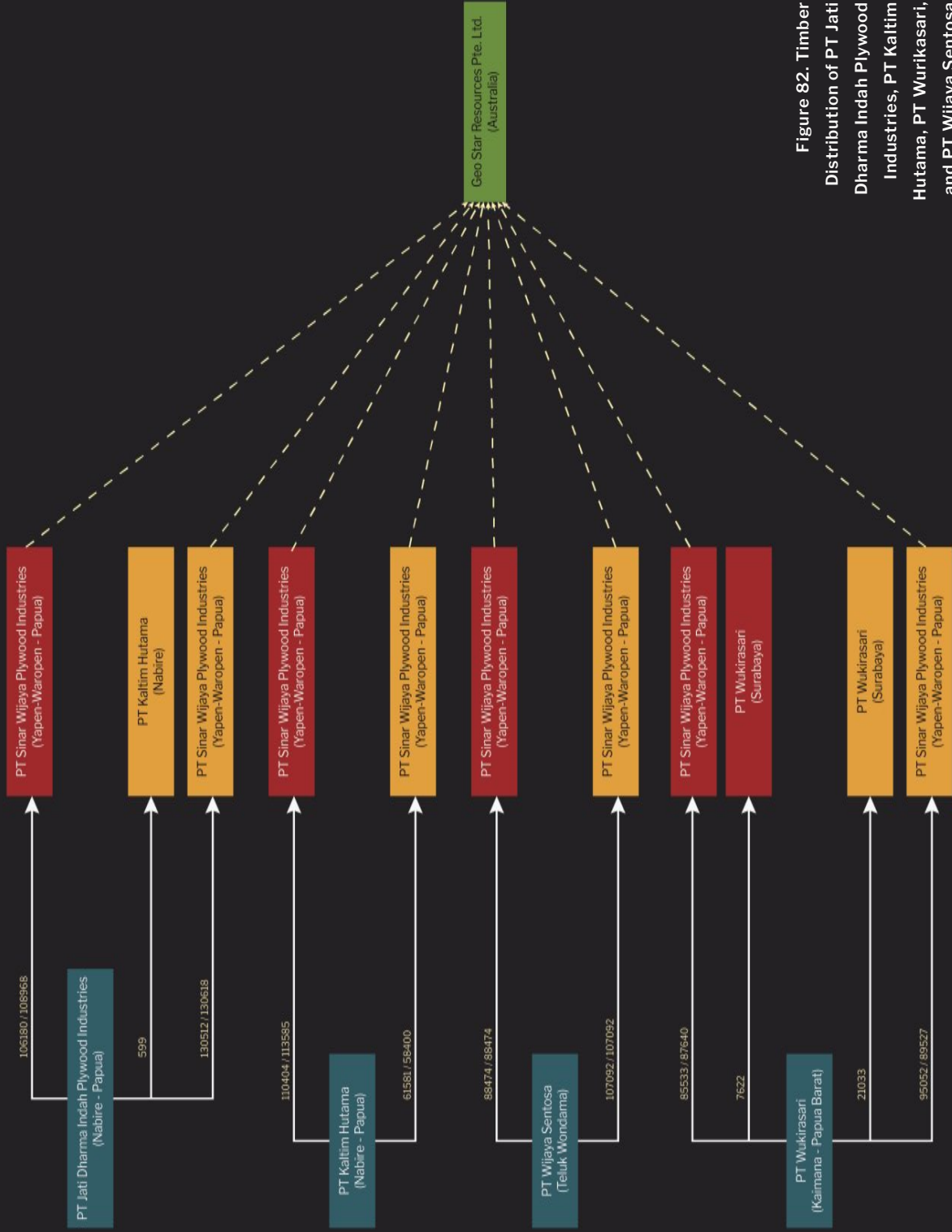


Figure 82. Timber Distribution of PT Jati Dharma Indah Plywood Industries, PT Kaltim Hutama, PT Wukirasari, and PT Wijaya Sentosa

# Wapoga Group



## Ownership Profile

Prior to 2016, PT Wapoga Mutiara Timber (WMT) owned two concession units, Unit I and Unit II. Recently, PT WMT Unit I has changed its name to PT Wijaya Sentosa (Sinar Wijaya group). Its shareholding structure has also changed: previously owned by Susan Lilianti Sunarti, the company is now controlled by Sapto Joyo Wijoyo of the Sinar Wijaya Group. PT WMT unit II is owned by Rahadian Tatas, Samuel Vinson Hermawan, and partly by the Sinar Mutiara Employee Cooperative, Nayuda Village Unit Cooperative, AD B8 Kodim 1708 Cooperative, and the Usaha Guna Civil Service Cooperative. Wapoga Group is based in Malaysia, and is controlled by Tan Eng Kwee and Fredy Tang.

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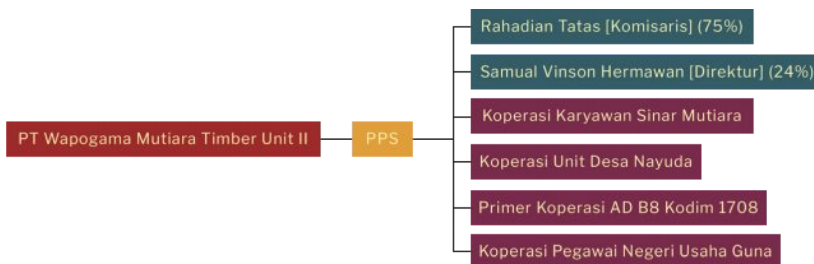


Figure 83. Management and Shareholders of PT Wapoga Mutiara Timber Unit II

## Company Profile

**W**apoga Mutiara Timber Group only owns 1 company unit with HPH permit, PT Wapoga Mutiara Timber (WMT) Unit II. PT Wapoga Mutiara Timber’s HPH concession area is approximately 169,170 hectares in Sarmi Regency, Papua. The company has obtained a permit since 2012 through SK 625/Menhut-II/2012. In addition to the HPH concession, PT WMT also owns an integrated timber industrial complex based in Biak, which operates downstream timber activities, and produces plywood, block-board, film face, sawn timber molding products.

PT WMT’s PHPL certificate was issued by PT Inti Multima Certification under certificate number IMS-SPHPL-010, valid from 30 December 2018 to 29 December 2023. In addition, PT WMT unit II has also obtained an FSC certificate since 2016<sup>68</sup>.

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## Forest Condition Profile

**T**his group performed low-level logging activities during 2019-2020 on a relatively low natural forest cover area. Information on forest conditions can be seen in the table below.

Description	Area (hectares)
Remaining natural forest, 2020	163.921,8
Deforestation, 2020	282,59
Deforestation, 2019	282,59

Table 36. Natural Forest Coverage and Deforestation of the Wapoga Group



The total area of natural forest cover within PT WMT's concession area under Wapoga Group is 163,921.8 hectares. In other words, 97% of PT WMT's concession areas are still covered by natural forest. The potential loss of natural forest from this HPH company in the event of full operation is measured at more than 13 times the area of Bali. The deforestation that occurred in 2019 and 2020 is considered low at 0.3%<sup>69</sup>. After the issuance of SVLK and FSC certificates, this company is likely to perform work activities more flexibly as a HPH company. The companies engage in forest use, which may result in continued deforestation and degradation of the concession area, as well as socio-ecological sustainability issues in Sarmi Regency, Papua. As this HPH company operates with natural forest use as its business core, this company's footprints are highly related with the projected loss of natural forest in Papua.

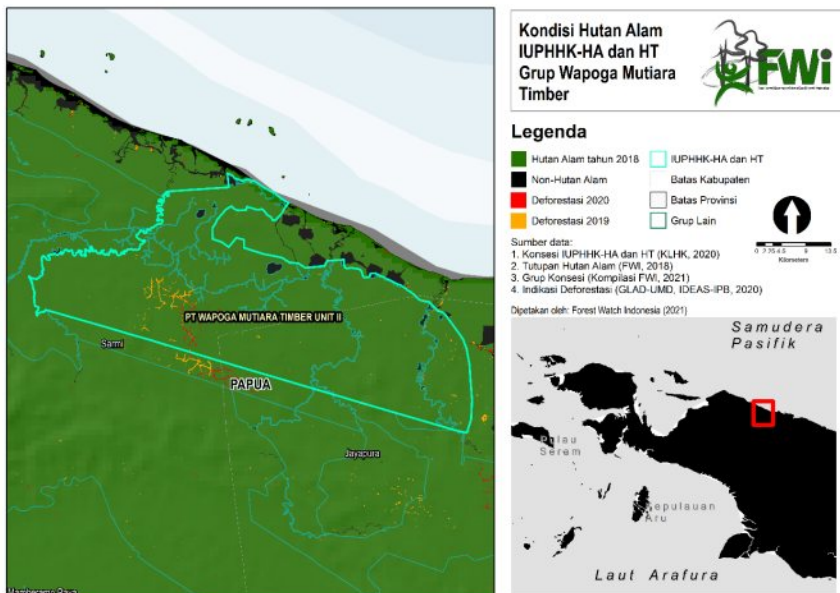


Figure 84. Map of the Natural Forest Condition of the Wapoga Mutiara Timber Group

## Timber Production

In 2019 and 2020, PT WMT produced 44,607.88 m<sup>3</sup> and 44,304.88 m<sup>3</sup> of round logs. These logs are shipped to Wapoga Group's integrated industry located in Sarmi Regency. Based on RPBBI and PHPL's 2019 data, timber shipped to WMI amounted to 48,261.46 m<sup>3</sup>. As for 2020, based on the same data sources, timber shipped to PT WMI amounted to 40,947.4 m<sup>3</sup>.



Figure 85. Timber Distribution from  
PT Wapoga Mutiara Timber Unit II

# Independent Companies



## Company Profile, Ownership, Forest Condition, and Timber Production

### **1. PT Merauke Rayon Jaya**

PT Merauke Rayon Jaya (MRJ) or previously known as PT Maharani Rayon Raya is an industrial timber plantation company that holds a concession permit covering an area of 206,800 hectares, and is located in Merauke Regency, Papua. PT MRJ obtained an HTI permit on 17 May 2018 based on SK.238/MenLHK/Setjen/Kum.1/5/2018. PT MRJ is one of about 20 companies owned by an Indonesian conglomerate, Marimutu Sinivasan. Previously, Marimutu Sinivasan was closely tied to the Cendana Family, and is currently the owner of the Texmaco Group. Despite this, based on the shareholding structure provided in the AHU document, the majority of PT MRJ is controlled by Energy Timber Bamboo Plantation PTE. LTD (55%), and PT Star Timber Perkasa (44%), while Marimutu Sinivasan only controls 1% of PT MRJ shares.

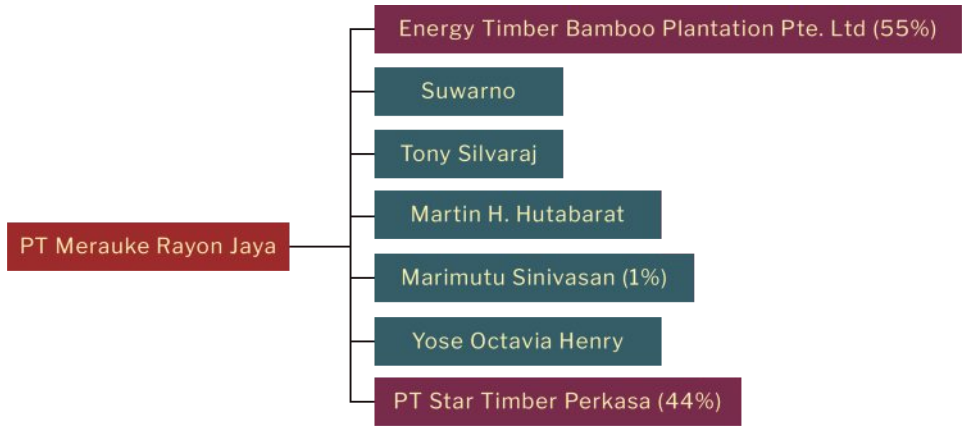


Figure 87. Management and Shareholders of PT. Merauke Rayon Raya

As of 2018, around 183 thousand hectares (88%) of PT MRJ's concession area is still natural forest. During 2019-2020, 125 hectares of the concession area suffered from deforestation. Regarding wood production, based on RPBBI 2019 data, timber from PT MRJ was recorded shipped to PT Henrison Iriana's timber processing industry in Sorong, West Papua, totaling 2,750.18 hectares.

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Figure 88. Timber Distribution from PT Merauke Rayon Raya

**2. PT Mancaraya Agro Mandiri**

PT MAM obtained a HPH concession permit based on SK.55/Menhut-II/2006 dated 14 March 2006, controlling approximately 97,000 hectares of Papuan forest located in Sorong, West Papua. With regards to certification, based on the latest information we obtained based on Letter No. 287/SIC/Dirut/V/2021 from PT Sarbi International Certification (SIC) on 24-31 May 2021 a remote audit was conducted under Surveillance stage I of PT MAM's Sustainable Production Forest Management Performance, and until this report was written, information on the results of the remote audit had not been announced to the public. Based on AHU data, PT MAM is controlled by the Widjaja family and evenly distributed among Tonny Widjaja, Irwan Widjaja and Andry Widjaja, each owning 33% of the company's shares.

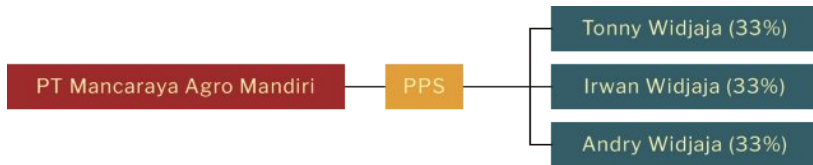


Figure 89. Management and Shareholders of PT Mancaraya Agro Mandiri

As of 2018, 91,798 thousand hectares (approximately 94%) of PT MAM's concession area remained as natural forest. During 2019-2020, the PT MAM concession experienced 339 hectares of deforestation. Regarding wood production, in 2019 PT MAM produced 13,925 m<sup>3</sup> of logs. Based on RPBBI 2019 data, logs from PT MAM were received by PT Hutan Lestari Mukti Perkasa in East Java, amounting 1,768.36 m<sup>3</sup>. Meanwhile, based on PHPL data for the same year, logs were also shipped to CV. Jawa Timur Baru (5419.85 m<sup>3</sup>), PT. Mukti Perkasa Sustainable Forest (IUIPHHK) (7168.84 m<sup>3</sup>), PT. Mukti Perkasa Sustainable Forest (TPTKB UNIT I) (4638.55 m<sup>3</sup>) and PT. Inkatama Wancheng Indonesia (3686.31 m<sup>3</sup>). For 2020, only data sourced from PHPL

records the presence of wood from PT MAM received by the timber processing industry, with 4,028.75 m<sup>3</sup> of timber shipped to PT. Podo Agung Kayumas and 762.42 m<sup>3</sup> to UD. Mandau Kapuas.

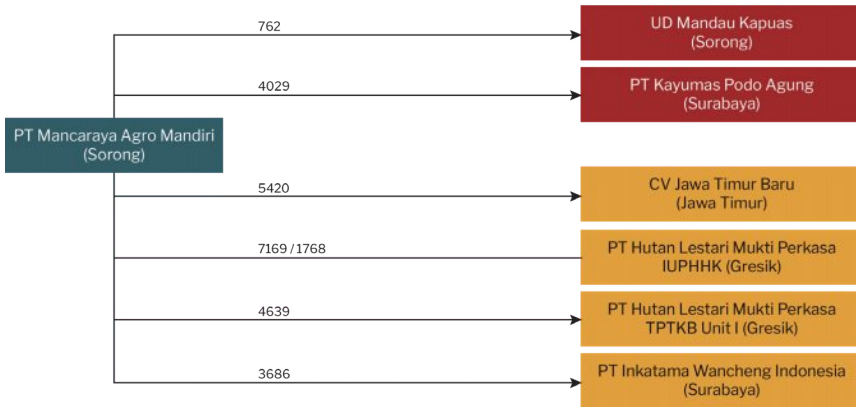


Figure 90. Timber Circulation from Mancaraya Agro Mandiri

### 3. PT Multi Wahana Wijaya

PT MWW obtained an HPH permit based on SK159/Menhut-II/2011 dated 31 March 2011. It is located in Sorong Regency, West Papua with a concession area of 107,740 hectares. If you look at AHU data, the majority share ownership of PT MWW is controlled by IR H Aristiadi Widodo (50%) and Sutinah (37.5%). Another name that also appears is H Nur Iman Wicaksono (12.5%).

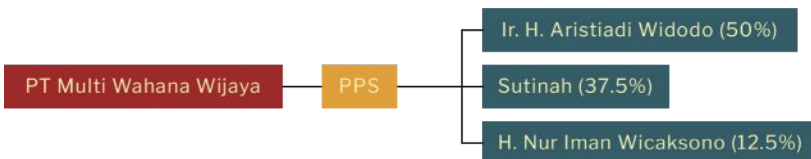


Figure 91. Management and Shareholders of PT Multi Wahana Wijaya

As of 2018, around 101,100 hectares (94%) of PT MWW's concession areas is still covered with natural forest. In the study period (2019-2020), in the PT MWW concession, 294 hectares of forest are still experiencing deforestation. Regarding log production, in 2019 PT MWW harvested 1,384.32 m<sup>3</sup> of logs. From these results, the 2019 RPBBI data noted that the logs from PT MWW were received by the PT Hartawan Indo Timber industry as much as 890.39 m<sup>3</sup>. However, PHPL data in the same year actually recorded a much higher number, where logs from PT MWW were received by 2 other industries besides those recorded in the RPBBI, namely PT. Bagus Jaya Abadi (944.56 m<sup>3</sup>) and PT. Services Mulia Abadi Raya (2165.2 m<sup>3</sup>). Then in 2020, although no data were found regarding the production of logs at PT MWW, based on PHPL data, there was still wood received by CV. 700.06 Klalin Indah Furniture originating from PT MWW.

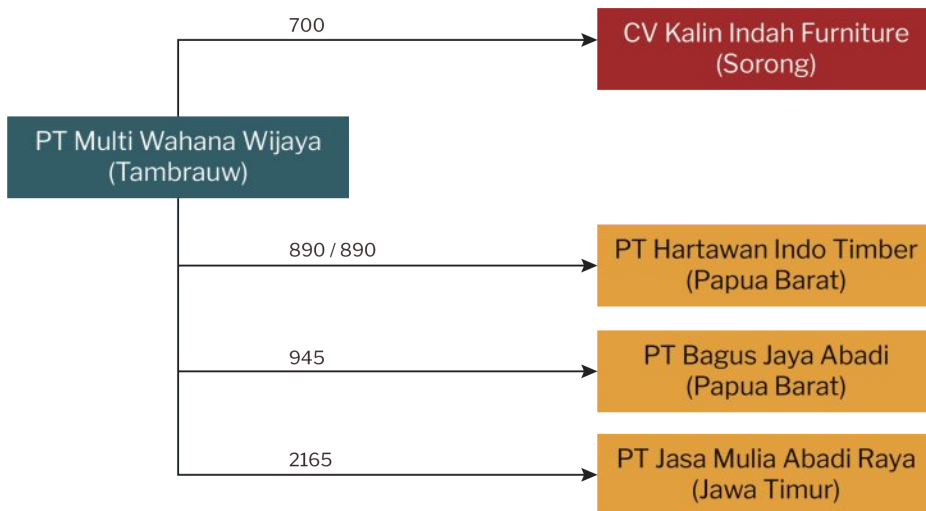


Figure 92. Timber Distribution from PT Multi Wahana Wijaya

**4. PT Wana Galang Utama**

PT WGU obtained a HPH concession permit based on SK 6/1/ HPH/PMDN/2015 dated July 13, 2015. The concession permit is located in Teluk Bintuni Regency, West Papua with an area of 132,850 hectares. According to the AHU document, PT WGU's share ownership is controlled by PT Bina Nusa Lestari (67%) and Liem Ena Richard Hiron (23%). Although there is information that states that PT WGU is also part of the Sinar Wijaya Group, based on share ownership and the group's official website, no related information is found.

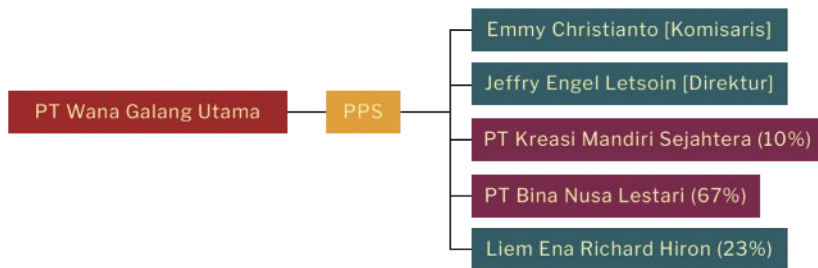


Figure 93. Management and Shareholders of PT Wana Galang Utama

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As of 2018, there are still around 128,447 hectares of natural forest in the PT WGU concession, or around 97% of the total concession area. Although small, in the span of 2019-2020 there was deforestation in the PT WGU concession of around 135 hectares. Regarding log production, PT WGU in 2019 and 2020 harvested 5425.73 m<sup>3</sup> and 9016.99 m<sup>3</sup> of logs, respectively. However, during this range, only in 2020 was it recorded in the PHPL system that wood from PT WGU circulated and was accepted by the industry on behalf of CV. Papua Green Diamond 1667.37 m<sup>3</sup>.



Figure 94. Timber Circulation from PT Wanagalang Utama (Bintuni Bay)



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**Attachment,  
References,  
and Footnotes**

## Attachment 1. List of Groups and Subsidiaries in Papua Island

No	Group	Subsidiaries (HPH and HTI)	Permit Decree Number	Date of Permit Issuance	Total Area under Permit (SK)	Spatially Analyzed Area
1	Artha Graha	PT Kurniatama Sejahtera	SK.648/Menhut-II/2009	15/10/2009	115.800	113.340
2		PT Papua Satya Kencana	SK.647/Menhut-II/2009	15/10/2009	195.420	199.230
3	Asco	PT Asco Prima Nusantara	SK.82/Menhut-II/2009	05/03/2009	171.270	173.646
4		PT Papua Hutan Lestari Makmur	SK.334/Menhut-II/2009	15/06/2009	103.510	100.627
5	Batasan	PT Batasan	SK.436/Menhk/Setjen/HPL.0/10/2018	19/10/2018	79.572	79.634
6	Bintuni Utama Murni Wood Industri	PT Bintuni Utama Murni Wood Industries	SK.213/Menhut-II/2007	28/05/2007	82.120	81.810
7	Bumi Teknokultura Unggul	PT Bangun Kayu Irian	SK.623/Menhut-II/2014	14/07/2004	139.970	140.343
8		PT Mitra Pembangunan Global	SK.714/Menhut-II/2009	19/09/2009	83.950	84.034
9	Ciptana	PT Mondialindo Setya Pratama	SK.875/MENLHK/SETJEN/HPL.0/10/2019	18/11/2019	94.569	94.429
10	Djajanti	PT Teluk Bintuni Mina Agro Karya	SK.509/Menhut-II/2012	13/09/2012	237.750	234.943
11	Hanurata	PT Hanurata (Sk.859/2014)	SK.859/Menhut-II/2014	29/09/2014	234.470	233.987
12		PT Hanurata Unit Jayapura (Sk.601/2012)	SK.601/MeNHUT-II/2012	30/10/2012	56.325	56.356
13	Intra Alamindo	PT Prabu Alaska Unit I Dan II	15/1/IUPHHK-HA/PMDN/2016	19/09/2016	322.780	323.866
14			15/1/IUPHHK-HA/PMDN/2016	19/09/2016	6.435	6.446
15		PT Rimbakayu Arthamas	16/1/IUPHHK-HA/PMDN/2016	20/09/2016	130.400	130.133
16	Irmasulindo	PT Irmasulindo Unit I Dan II	SK.04/Kpts-II/2001	11/01/2001	104.192	102.494
17			SK.04/Kpts-II/2001	11/01/2001	70.348	72.442
18	Katingan Timber Group	PT Wahana Samudra Sentosa	SK.880/Menhut-II/2014	29/09/2014	79.000	80.282
19	Kayu Lapis Indonesia	PT Bina Balantak Utama	SK.365/Menhut-II/2011	07/07/2011	298.710	122.408

20	Kayu Lapis Indonesia	PT Diayani Timber	SK.292/Menhut-II/2009	18/05/2009	190.000	297.798
21		PT Yotefa Sarana Timber	SK.570/Menhut-II/2011	03/10/2011	123.565	211.801
22	Korindo	PT Bade Makmur Orissa	16/1/IUPHHK-HTI/ PMDN/2017	2017-09-11	99.750	103.000
23		PT Inocin Abadi	SK.606/Menhut-II/2011	21/10/2011	99.665	99.719
24		PT Tunas Timber Lestari (Dh. PT Tunas Sawaerma)	SK.711/Menhut-II/2010	27/12/2010	214.935	214.861
25	Medco	PT Medcopapua Alam Lestari	SK.2/1/IUPHHK-HTI/ PMA/2017	02/05/2017	68.300	68.330
26		PT Selaras Inti Semesta	SK.18/MENHUT-II/2009	22/01/2009	169.400	166.745
27	Mega Masindo	PT Arfak Indra	SK.333/Menhut-II/2009	15/06/2009	177.900	177.354
28		PT Manokwari Mandiri Lestari	SK.366/Menhut-II/2011	07/07/2011	90.980	91.150
29		PT Megapura Membramo Bangun	SK.397/Menhut-II/2006	17/07/2006	55.100	56.415
30		PT Mutiara Alas Khatulistiwa	SK.676/Menhut-II/2014	12/08/2014	81.855	81.661
31	Mitra Jaya	PT Sumber Mitra Jaya (Sk.396)	SK.396/Menhut-II/2005	23/11/2005	102.250	102.225
32		PT Sumber Mitra Jaya (Sk.556)	SK.556/Menhut-II/2006	22/12/2006	52.160	55.151
33	Modern Group	PT Wanamulia Sukses Sejati	3/1/IUPHHK-HTI/ PMDN/2015	31/03/2015	112.245	112.561
34		PT Wanamulia Sukses Sejati Unit Iii	SK.11/1/IUPHHK-HTI/ PMDN/2017	12/06/2017	99.100	99.146
35	Moorim	PT Plasma Nutfah Marind Papua	SK.624/Menhut-VI/2009	14/11/2011	64.050	64.433
36	Patria	PT Semarak Dharma Timber	SK.287/Menhut-II/2014	20/03/2014	164.180	164.359
37	Raja Garuda Mas	PT Damai Setiatama Timber	SK.565/Menhut-II/2013	16/08/2013	315.475	313.283
38		PT Kesatuan Mas Abadi	SK.552/Menhk/Setjen/ PLA.2/8/2019	14/08/2019	99.980	87.209
39		PT Mukti Artha Yoga	SK.57/Menhut-II/2007	22/02/2007	151.690	148.987
40	Rimbunan Hijau	PT Salaki Mandiri Sejahtera	SK.396/Menhut-II/2006	17/07/2006	79.130	81.379

41	Sinar Wijaya	PT Jati Dharma Indah Plywood Industries	8/1/IUPHHK-HA/ PMDN/2016	21/07/2016	139.470	139.509
42		PT Kaltim Utama	SK.652/Menhut-II/2009	15/10/2009	161.670	161.291
43		PT Wijaya Sentosa (Dh. PT Wapoga Mutiara Tbr I)	SK.33/Menhut-II/2013	15/01/2013	130.755	130.069
44		PT Wukirasari	SK.477/Menhut-II/2008	31/12/2008	116.320	116.514
45	Wapoga Mutiara Timber	PT Wapoga Mutiara Timber Unit li	SK.625/Menhut-II/2012	07/11/2012	169.170	169.514
46	Companies without any group information	PT Multi Wahana Wijaya	159/Menhut-II/2011	31/03/2011	107.740	110.168
47		PT Wana Galang Utama	6/1/IUPHHK-HA/ PMDN/2015	13/07/2015	132.850	132.530
48		PT Merauke Rayon Jaya	SK.238/MenLHK/ Setjen/Kum.1/ 5/2018	17/05/2018	206.800	192.295
49		PT Mancaraya Agro Mandiri	SK.55/Menhut-II/2006	14/03/2006	97.820	97.529

#### Attachment 2. Log Production in 2019 and 2020

No	Group	Subsidiaries (HPH and HTI)	Roundwood Production 2019	Roundwood Production 2020
1	Artha Graha	PT Kurniatama Sejahtera	-	26.598,16
		PT Papua Satya Kencana	-	32.597,16
2	Asco	PT Asco Prima Nusantara	22.675,11	7.978,49
		PT Papua Hutan Lestari Makmur	17.195,36	15.516,23
3	Batasan	PT Batasan	2.790,98	8.816,44
4	Bintuni Utama Murni Wood Industri	PT Bintuni Utama Murni Wood Industries	113.643,21	43.468,51
5	Bumi Teknokultura Unggul	PT Bangun Kayu Irian	-	-
		PT Mitra Pembangunan Global	-	-
6	Ciptana	PT Mondialindo Setya Pratama	9.948,51	8.730,71
7	Djajanti	PT Teluk Bintuni Mina Agro Karya	116.626,77	109.613,30

8	Hanurata	PT Hanurata (Sk.859/2014)	52.371,75	35.347,20
		PT Hanurata Unit Jayapura (Sk.601/2012)	3.335,07	-
9	Intra Alamindo	PT Prabu Alaska Unit I	98.213,00	66.666,47
		PT Prabu Alaska Unit Ii	-	-
		PT Rimbakayu Arthamas	110,58	5.956,21
10	Irmasulindo	PT Irmasulindo Unit I	-	-
		PT Irmasulindo Unit Ii	-	-
11	Katingan Timber Group	PT Wahana Samudra Sentosa	-	-
12	Kayu Lapis Indonesia	PT Bina Balantak Utama	53.894,26	23.415,31
		PT Diadyani Timber	17.277,97	14.754,48
		PT Yotefa Sarana Timber	20.155,35	40.292,35
13	Korindo	PT Bade Makmur Orissa	-	-
		PT Inocin Abadi	54.936,15	86.240,37
		PT Tunas Timber Lestari (Dh. PT Tunas Sawaerma)	71.687,94	90.439,22
14	Medco	PT Medcopapua Alam Lestari	-	-
		PT Selaras Inti Semesta	-	12.770,01
15	Mega Masindo	PT Arfak Indra	-	-
		PT Manokwari Mandiri Lestari	8.013,66	17.336,30
		PT Megapura Membramo Bangun	590,90	8.135,55
		PT Mutiara Alas Khatulistiwa	28.593,52	22.719,95
16	Mitra Jaya	PT Sumber Mitra Jaya (Sk.396)	-	-
		PT Sumber Mitra Jaya (Sk.556)	-	-
17	Modern Group	PT Wanamulia Sukses Sejati	-	-
		PT Wanamulia Sukses Sejati Unit Iii	-	-
18	Moorim	PT Plasma Nutfah Marind Papua	-	-

19	Patria	PT Semarak Dharma Timber	-	6.847,98
20	Raja Garuda Mas	PT Damai Setiatama Timber	-	-
		PT Kesatuan Mas Abadi	-	-
		PT Mukti Artha Yoga	-	-
21	Rimbunan Hijau	PT Salaki Mandiri Sejahtera	26.325,05	21.626,89
22	Sinar Wijaya	PT Jati Dharma Indah Plywood Industries	127.502,21	107.287,83
		PT Kaltim Hutama	14.486,55	117.892,68
		PT Wijaya Sentosa (Dh. PT Wapoga Mutiara Tbr l)	107.642,51	89.654,24
		PT Wukirasari	111.108,11	96.616,87
23	Wapogama Mutiara Timber	PT Wapoga Mutiara Timber Unit li	44.607,88	44.304,88
24	Companies without any group	PT Merauke Rayon Jaya	-	-
		PT Multi Wahana Wijaya	1.384,32	-
		PT Wana Galang Utama	5.425,73	9.016,99
		PT Mancaraya Agro Mandiri	13.925,22	-

Attachment 3. List of Groups and Subsidiaries certified PHPL and LK

No	Group	Subsidiaries (HPH and HTI)	PHPL Certificate Number	PHPL Certificate	LS PHPL	LK Certificate Number	V-LK
1	Artha Graha	PT Kurniatama Sejahtera	MS-SPHP-004	phpl	PT Inti Multima Sertifikasi	-	-
		PT Papua Satya Kencana	LPPHPL-008/MUTU/FM-011	phpl	PT Mutuagung Lestari	-	-
2	Asco	PT Asco Prima Nusantara	IMS-SPHPL-020	phpl	PT Inti Multima Sertifikasi	-	VLK - habis
		PT Papua Hutan Lestari Makmur	009/LPPHPL-018/VI/2018	phpl	PT Transtra Permada	LVLK-010-IDN	VLK
3	Batasan	PT Batasan	Tidak Ada Link Dokumen	phpl	PT Ayamaru Sertifikasi	097/BWI-SLK	VLK
4	Bintuni Utama Murni Wood Industri	PT Bintuni Utama Murni Wood Industries	11-SIC-04.01	phpl	PT Sarbi International Certification	92-SIC-04.02	VLK

5	Bumi Teknokultura Unggul	PT Bangun Kayu Irian	-	-	-	LASER/LK-IUPHHK-HA/79	VLK
		PT Mitra Pembangunan Global	GMP/2019/10005	phpl - cabut	PT Intishar Sadira Eshan	-	-
6	Ciptana	PT Mondialindo Setya Pratama	46-SIC-04.01	phpl	PT Sarbi International Certification	-	VLK - habis
7	Djajanti	PT Teluk Bintuni Mina Agro Karya	LASER/PHPL-TBMAK/02	phpl	PT Lambodja Sertifikasi	-	-
8	Hanurata	PT Hanurata (Sk.859/2014)	O11.SPHPL.019-IDN	phpl	PT Trustindo Prima Karya	-	-
		PT Hanurata Unit Jayapura (Sk.601/2012)	LASER/PHPL-HNRT/08	phpl	PT Lambodja Sertifikasi	-	VLK - habis
9	Intra Alamindo	PT Prabu Alaska Unit I	LASER/PHPL-PA/2021/13	phpl	PT Lambodja Sertifikasi	-	VLK - habis
		PT Prabu Alaska Unit II	-	-	-	-	-
		PT Rimbakayu Arthamas	-	-	-	LASER/LK-IUPHHK-HA/89	VLK
10	Irmasulindo	PT Irmasulindo Unit I	-	-	-	BRIK-VLK-0130	VLK
		PT Irmasulindo Unit II	-	-	-	-	-
11	Katingan Timber Group	PT Wahana Samudra Sentosa	-	-	-	-	-
12	Kayu Lapis Indonesia	PT Bina Balantak Utama	008/S-PHPL/GRS/X/2018	phpl	PT Global Resource Sertifikasi	-	-
		PT Diayani Timber	824 407 180002	phpl	PT Global Resource Sertifikasi	-	VLK - habis
		PT Yotefa Sarana Timber	023.1/S-PHPL/GRS/II/2021	phpl	PT Global Resource Sertifikasi	-	-
13	Korindo	PT Bade Makmur Orissa	-	-	-	-	-
		PT Inocin Abadi	025/EQC-PHPL/XII/2015	phpl	PT Equality Indonesia	-	-
		PT Tunas Timber Lestari (Dh. PT Tunas Sawaerma)	SPHPL.12/ASERT/LPPHPL-001-IDN	phpl	PT Ayamuru Sertifikasi	-	-
14	Medco	PT Medcopapua Alam Lestari	008/BWI-SPHPL	phpl	PT Borneo Wanajaya Indonesia	-	-
		PT Selaras Inti Semesta	008/BWI-SPHPL	phpl	PT Borneo Wanajaya Indonesia	213/BWI-SLK	VLK

15	Mega Masindo	PT Arfak Indra	20.REV.2/A-SERT-PHPL/VI/2013	phpl - habis	PT Ayamaru Sertifikasi	-	-
		PT Manokwari Mandiri Lestari	012.7/EQC-PHPL/V/2021	phpl	PT Equality Indonesia	-	-
		PT Megapura Membramo Bangun	LASER/PHPL-MMB/05	phpl	PT Lambodja Sertifikasi	-	-
		PT Mutiara Alas Khatulistiwa	001-ISE-SPHPL-025 IDN	phpl	PT Intishar Sadira Eshan	-	-
16	Mitra Jaya	PT Sumber Mitra Jaya (Sk.396)	-	-	-	-	-
		Pt Sumber Mitra Jaya (Sk.556)	-	-	-	-	-
17	Modern Group	PT Wanamulia Sukses Sejati	-	-	-	-	-
		PT Wanamulia Sukses Sejati Unit Iii	-	-	-	-	-
18	Moorim	PT Plasma Nutfah Marind Papua	-	-	-	-	-
19	Patria	PT Semarak Dharma Timber	SLK.164/ASERT/LVLK-011-Ldn	phpl	PT Ayamaru Sertifikasi	-	VLK
20	Raja Garuda Mas	PT Damai Setiatama Timber	SPHPL.11/ASERT/LPPHPL-001-IDN	phpl	PT Ayamaru Sertifikasi	-	-
		PT Kesatuan Mas Abadi	-	-	-	-	-
		PT Mukti Artha Yoga	-	-	-	-	-
21	Rimbunan Hijau	PT Salaki Mandiri Sejahtera	IMS-SPHPL-021	phpl	PT Inti Multima Sertifikasi	-	-
22	Sinar Wijaya	PT Jati Dharma Indah Plywood Industries	006/LPPHPL-018/XII/2019	phpl	PT Transtra Permada	-	VLK - habis
		PT Kaltim Utama	IMS-SLK-307	phpl	Pt Intishar Sadira Eshan	IMS-SLK-307	VLK
		PT Wijaya Sentosa (Dh. Pt Wapoga Mutiara Tbr I)	824 303 140005	phpl - habis	PT Global Resource Sertifikasi	-	VLK - cabut
		PT Wukirasari	51.SIC.04.01	phpl	PT Sarbi International Certification	-	VLK
23	Wapogama Mutiara Timber	PT Wapoga Mutiara Timber Unit Ii	IMS-SPHPL-010	phpl	PT Inti Multima Sertifikasi	-	-



24	Companies without any group	PT Merauke Rayon Jaya	-	-	-	-	-
		PT Multi Wahana Wijaya	SPHPL.15/ASERT/LPPHPL-001-IDN	phpl	PT Ayamaru Sertifikasi	-	-
		PT Wana Galang Utama	-	-	-	-	-
		PT Mancaraya Agro Mandiri	39.SIC.04.01	phpl	PT Sarbi International Certification	-	-

Attachment 4. Deforestation occurring within HPH and HTI Groups

Group	Subsidiaries (HPH and HTI)	Deforestation 2019	Deforestation 2020
Artha Graha	PT Kurniatama Sejahtera	299	116,6
	PT Papua Satya Kencana	192	332
	PT Asco Prima Nusantara	208	122
Asco	PT Papua Hutan Lestari Makmur	170	99
Batasan	PT Batasan	147	109
Bintuni Utama Murni Wood Industri	PT Bintuni Utama Murni Wood Industries	255	559
Bumi Teknokultura Unggul	PT Bangun Kayu Irian	76	209
	PT Mitra Pembangunan Global	86	50
Ciptana	PT Mondialindo Setya Pratama	107	163
Djajanti	PT Teluk Bintuni Mina Agro Karya	1,248	227
Hanurata	PT Hanurata (Sk.859/2014)	542	253
	PT Hanurata Unit Jayapura (Sk.601/2012)	95	75
Intra Alamindo	PT Prabu Alaska Unit I	1,426	648
	PT Prabu Alaska Unit II	0	0,2324
	PT Rimbakayu Arthamas	45	108
Irmusulindo	PT Irmusulindo Unit I	15	169
	PT Irmusulindo Unit II	13	156
Katingan Timber Group	PT Wahana Samudra Sentosa	0	49

Kayu Lapis Indonesia	PT Bina Balantak Utama	298	246
	PT Diadyani Timber	348	355
	PT Yotefa Sarana Timber	271	368
Korindo	PT Bade Makmur Orissa	6	99
	PT Inocin Abadi	316	332
	PT Tunas Timber Lestari (Dh. PT Tunas Sawaerma)	452	436
Medco	PT Medcopapua Alam Lestari	0,6057	45
	PT Selaras Inti Semesta	8	279
Mega Masindo	PT Arfak Indra	125	136
	PT Manokwari Mandiri Lestari	69	21
	PT Megapura Membramo Bangun	95	84
	PT Mutiara Alas Khatulistiwa	208	91
Mitra Jaya	PT Sumber Mitra Jaya (Sk.396)	0,3852	46
	PT Sumber Mitra Jaya (Sk.556)	1	35
Modern Group	PT Wanamulia Sukses Sejati	0,7763	156
	PT Wanamulia Sukses Sejati Unit Iii	1	14
Moorim	PT Plasma Nutfah Marind Papua	337	4288,47
Patria	PT Semarak Dharma Timber	127	241
Raja Garuda Mas	PT Damai Setiatama Timber	42	306
	PT Kesatuan Mas Abadi	20	17
	PT Mukti Artha Yoga	7	72
Rimbunan Hijau	PT Salaki Mandiri Sejahtera	141	176
Sinar Wijaya	PT Jati Dharma Indah Plywood Industries	1.209	430
	PT Kaltim Utama	810	507
	PT Wijaya Sentosa (Dh. Pt Wapoga Mutiara Tbr I)	898	65
	PT Wukirasari	685	97
Wapogama Mutiara Timber	PT Wapoga Mutiara Timber Unit Ii	283	288

Companies without any group	PT Merauke Rayon Jaya	4	121
	PT Multi Wahana Wijaya	76	218
	PT Wana Galang Utama	30	105
	PT Mancaraya Agro Mandiri	156	183

#### Attachment 5. List of Certified Exporters in West Papua

No	Exporter Company Name	S-LK Number	Validity period
1	Rimba Bintuni Lestari	SLK.87/ASERT/LVLK-011-IDN	06 Dec 2016 - 05 Dec 2022
2	Hartawan Indo Timber	LVLK-003/MUTU/LK-485	10 Oct 2020 - 09 Oct 2026
3	Alco Timber Irian	069-VLK-NKL-2020	11 Mar 2020 - 10 Mar 2026
4	Wukirasari	122-SIC-04.02	11 Jul 2018 - 10 Jul 2024
5	Berau Karya Indah	VLK 00544	02 Jan 2021 - 01 Jan 2027
6	Longkelai Hijau Bersama	VLK 00434	01 Dec 2020 - 30 Nov 2026
7	Klalin Indah Furniture	VLK 00310	02 Jun 2016 - 01 Jun 2022

#### Attachment 6. List of Certified Exporters in Papua

No	Exporter Company Name	S-LK Number	Validity period
1	Cenderawasih Kayu Indah	SLK.172/ASERT/LVLK-011-IDN	08 Sep 2021 - 07 Sep 2027
2	PT Sisilia Claudya	SLK.109/ASERT/ LVLK-011-IDN	19 Oct 2017 - 18 Oct 2023
3	Edom Ariha Jaya	108	16 Oct 2017 - 15 Oct 2023
4	Mevan Jaya	102	18 Aug 2017 - 17 Aug 2023
5	Sijas Express	95	30 Mar 2017 - 29 Mar 2023
6	Selaras Inti Semesta	213/BWI-SLK	04 Nov 2021 - 03 Nov 2027
7	Nawa Papua Foresta	141/BWI-SLK	01 Jul 2020 - 30 Jun 2026
8	Sinar Wijaya Plywood Industries	BRIK-VLK-0037	14 Nov 2020 - 13 Nov 2026
9	Korindo Abadi	LVLK-003/MUTU/LK-032	29 Nov 2020 - 28 Nov 2026

## References and Footnotes

1. [https://www.academia.edu/9928802/Akerlof\\_1970\\_The\\_Market\\_for\\_Lemons\\_Quality\\_Uncertainty\\_and\\_the\\_Market\\_Mechanism](https://www.academia.edu/9928802/Akerlof_1970_The_Market_for_Lemons_Quality_Uncertainty_and_the_Market_Mechanism)
2. <https://www.papua.go.id/view-detail-page-254/sekilas-papua-.html>
3. <https://labbineka.kemdikbud.go.id/bahasa/daftarbahasa>
4. GLAD Alert is developed by Hansen et al. (2016) and is estimated using spectral indices from Landsat images with a 30-m scale. Glad Alert provides preliminary information on deforestation every 7 days.
5. The Government-assigned Forest Area does not necessarily reflect forest areas or contains natural forests; it may also contain non-forest areas such as shrubs. Therefore, there are still many areas containing natural forests that have yet to be incorporated into the moratorium area as they are located outside of the assigned forest areas.
6. *Perkembangan Industri Perakayuan di Tanah Papua\**) Oleh Ir. Wahyudi, M.WoodSc, Ph
7. Request of information, FWI no: 03/FWI/II/2021 and KLHK Letter No: S.88/HUMAS/PPIP/Hms.3/2/2021
8. Request of information, FWI no: 03/FWI/II/2021 and KLHK Letter No: S.88/HUMAS/PPIP/Hms.3/2/2021
9. Oligopoly is a market condition where production is dominated in part or whole by a small number of companies
10. <https://jakrev.com/nasional/stranas-pk-terus-dorong-transparansi-beneficial-ownership-untuk-cipatakan-iklim-usaha-yang-transparan/>
11. <https://rimbakita.com/pohon-merbau/>
12. *Siaran Pers:Terobosan Pemerintah Untuk Tingkatkan Investasi Dan Produktivitas Hutan Produksi*, KLHK 2020. PPID | Kementerian Lingkungan Hidup dan Kehutanan | Terobosan Pemerintah untuk Tingkatkan Investasi dan Produktivitas Hutan Produksi (menlhk.go.id)
13. Law No. 33 Year 2004 on Financial Balancing Between Central and Regional Government
14. It is also possible that there is a management unit having other certification schemes such as FSC. However, in this study, we only consider compliances relating to PHPL and VLK certification schemes, which are both mandatory in Indonesia.
15. Global Land Analysis and Discovery University of Maryland, Amerika Serikat
16. The amount of timber compensation is Rp10,000 rupiah/cubic meter since 2010. This is contained in the "Surat Marah Tiga Marga" letter. Published by Tempo Magazine on 8 November 2021.
17. Indicative Map for Termination of Business Permit Issuance, 2021, 2<sup>nd</sup> Revision. Obtained from Ministry of Environment and Forestry

18. In accordance with the Papua Special Region Regulation No. 21 Year 2008 Article 52 Paragraph 1, "Log wood and other forest products shall be processed in Papua to optimize the forestry industry, increase added value, create job opportunities, increase business opportunities, and to increase knowledge and technology" and Governor of Papua Regulation No. 18 Year 2010 on Guidelines for Implementation of Timber Forest Product Collection Permits (IPHHK) in Papua, Article 15 Paragraph 3, "Holders of IPHHK and processed wood forest products collection permits are prohibited from transporting and trading timber forest products to other provinces, receiving timber forest products that are not procured under a valid permit and issuing IPHHL FAKO/receipts for timber forest products that are not procured under a valid permit".
19. <https://www.papua.go.id/view-detail-berita-4299/undefined>
20. <https://arthagraha.net/artha-graha-network/>
21. <https://jatim.idntimes.com/news/jatim/fitria-madia/5-fakta-haryono-winarta-crazy-rich-di-balik-vaksin-nusantara/5>
22. <https://koran.tempo.co/read/nasional/273960/kasus-suap-cek-pelawatmenantu-tommy-winata-dikorek-soal-sponsor-suap>
23. <https://tirto.id/sejarah-persinggungan-tommy-winata-dengan-tentara-ee2a>
24. [https://www.academia.edu/31737336/Keterlibatan\\_Militer\\_Dalam\\_Bisnis\\_Tomy\\_Winata](https://www.academia.edu/31737336/Keterlibatan_Militer_Dalam_Bisnis_Tomy_Winata)
25. <https://amp.tirto.id/m/kiki-syahnakri-oK>
26. <https://www.ifura.com/id/home/about>
27. <http://www.bumwimangrove.com/home/>
28. Eksploitasi sumber daya alam di Papua selama 22 tahun dengan pendekatan dari atas ke bawah | Down to Earth (downtoearth-indonesia.org)
29. This is in comparison to other HPH companies operating in Papua and West Papua.
30. <http://btek.co.id/new/laporan-tahunan/>
31. <https://www.jawapos.com/nasional/hukum-kriminal/06/08/2020/rekening-diblokir-imbaskasus-jiwasraya-saksi-minta-dikembalikan/>
32. This is in comparison to other HPH companies operating in Papua and West Papua.
33. <https://news.detik.com/berita/d-5523410/daftar-keluarga-soeharto-di-yayasan-harapan-kita-yang-kuasai-tmii>.
34. <https://tirto.id/modus-soeharto-mencatut-uang-publik-lewat-yayasan-cDPf>
35. <https://nasional.tempo.co/read/690940/yayasan-supersemar-dan-5-yayasan-soeharto-dibidik-kejaksaan>
36. This is in comparison to other HPH companies operating in Papua and West Papua
37. PT Alamindo Lestari Sejahtera acquired PT PA and PT RKA in 2017
38. This is in comparison to other HPH companies operating in Papua and West Papua
39. <https://katingan.com/management-performace/pt-wahana-sentosa-samudera/>
40. <https://awasmiffee.potager.org/?p=788&lang=id>
41. This is in comparison to other HPH companies operating in Papua and West Papua.
42. This is in comparison to other HPH companies operating in Papua and West Papua.
43. Based on available information on Korindo's website
44. [https://kontras.org/home/WPKONTRAS/wp-content/uploads/2018/09/Laporan\\_Digoel.pdf](https://kontras.org/home/WPKONTRAS/wp-content/uploads/2018/09/Laporan_Digoel.pdf)
45. <https://www.korindo.co.id/sustainability/>
46. <https://kalteng.antaranews.com/berita/288996/berhenti-beroperasi-pt-korindo-terpaksa-berhentikan-1076-pekerja>
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49. This is in comparison to other HPH companies operating in Papua and West Papua
50. This is in comparison to other HPH companies operating in Papua and West Papua
51. <https://mitrajaya.co.id/about/directors>
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56. [https://awasmiffee.potager.org/?page\\_id=171](https://awasmiffee.potager.org/?page_id=171)
57. [https://www.moorim.co.kr:13002/eng/companyinfo/paper\\_outline.php](https://www.moorim.co.kr:13002/eng/companyinfo/paper_outline.php)
58. This is in comparison to other HPH companies operating in Papua and West Papua
59. <https://www.aidenvironment.org/2021/09/07/three-industrial-tree-plantation-group-companies-responsible-for-4700-ha-forest-loss-in-indonesia/>
60. <https://www.mongabay.co.id/2019/02/06/tak-ada-kejelasan-kelola-hutan-adat-di-papua-jadi-celah-pebisnis-kayu-ilegal/>
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63. <http://www.intimultimasertifikasi.com/wp-content/uploads/2018/11/RESUME-HASIL-AUDIT-PT-WAPOGA-MUTIARA-TIMBER-UNIT-II-TAHUN-2018.pdf>
64. <https://awasmiffee.potager.org/?p=1688>
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66. <http://www.lambodjasertifikasi.com/pengumuman-pembekuan-s-phpl-pt-kaltim-hutama/>
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68. <https://fsc.org/en/newsfeed/fscs-recent-certification-in-indonesia-gives-its-forests-a-chance-to-thrive>
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