

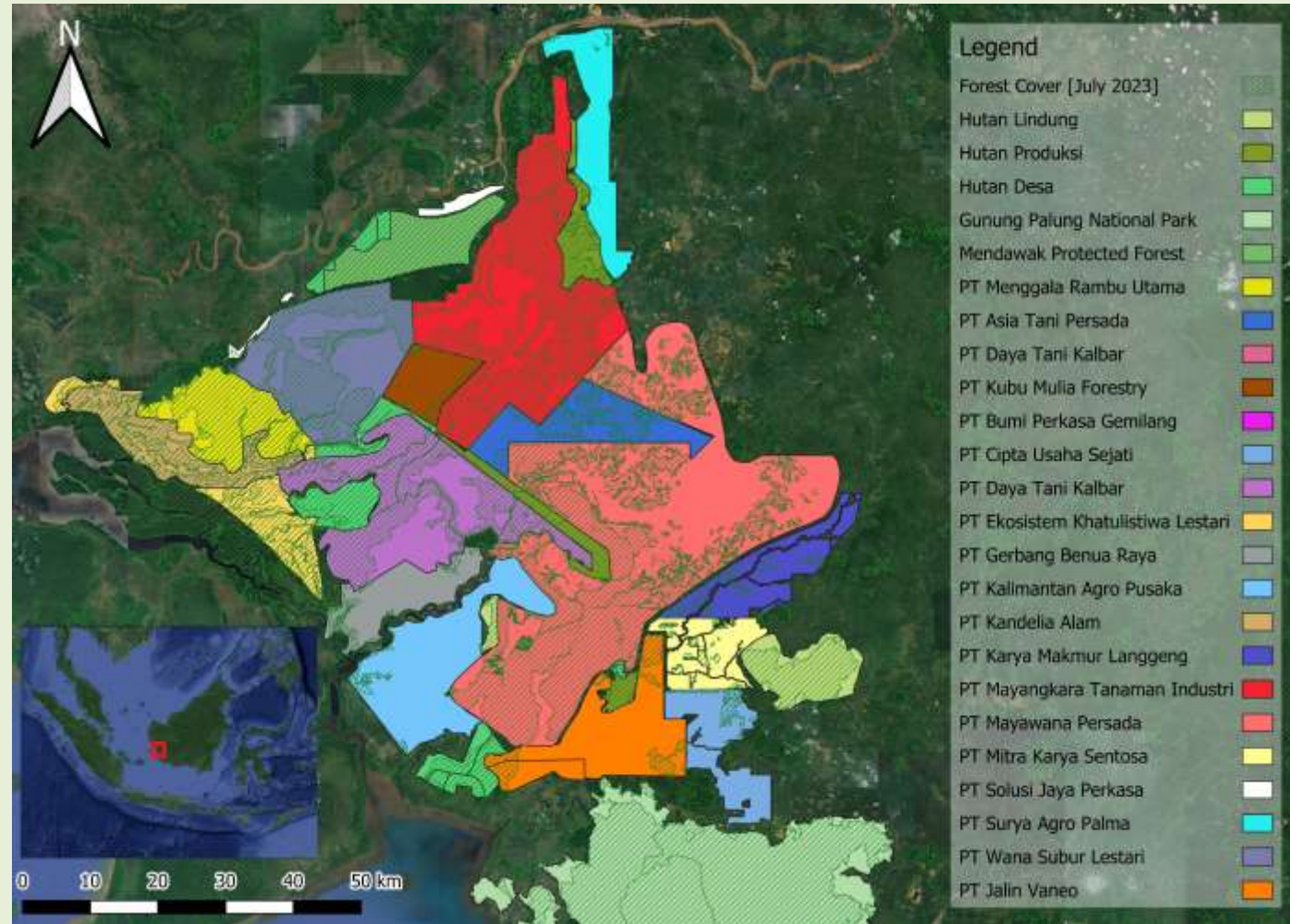


# PT Mayawana Persada – Sustainability Issues and Risk for Buyers

Presented on the Webinar held by JATAN:  
“World Biggest Market of Deforested Timber Products Sourced from Sarawak and West Kalimantan”

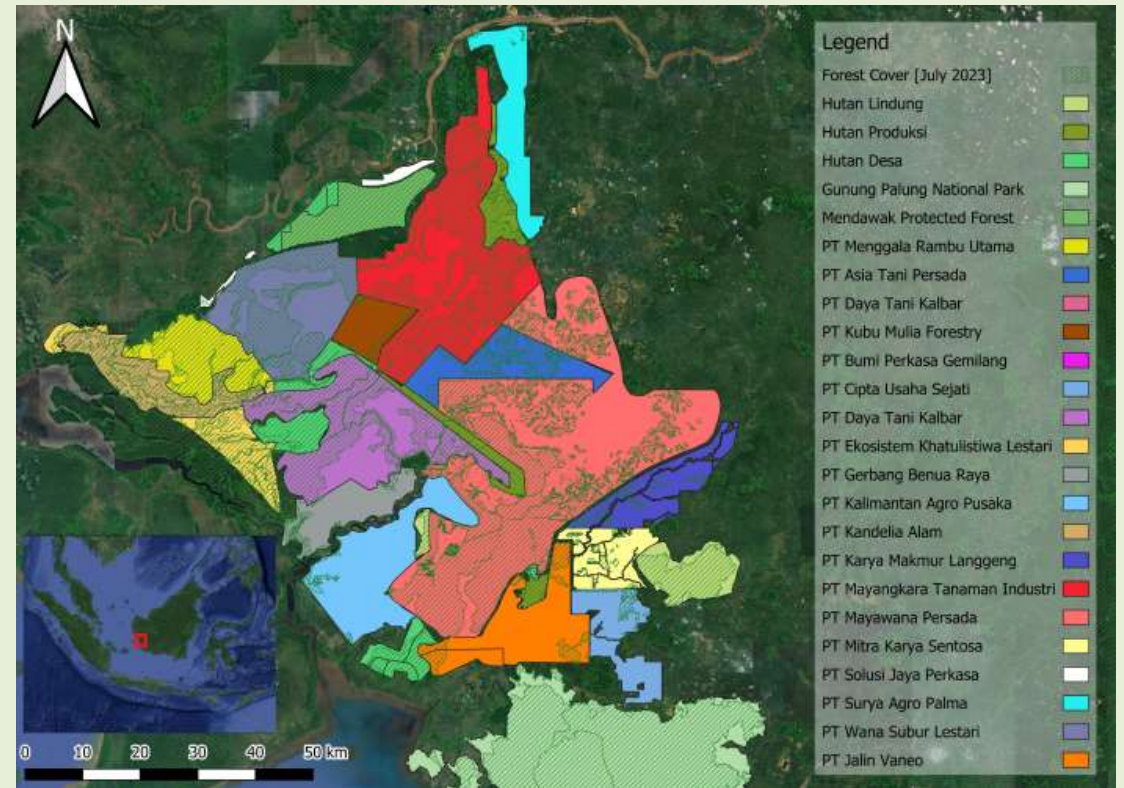
Andi Muttaqien (Executive Director – Satya Bumi)

# PT Mayawana Persada: Why is It Important?

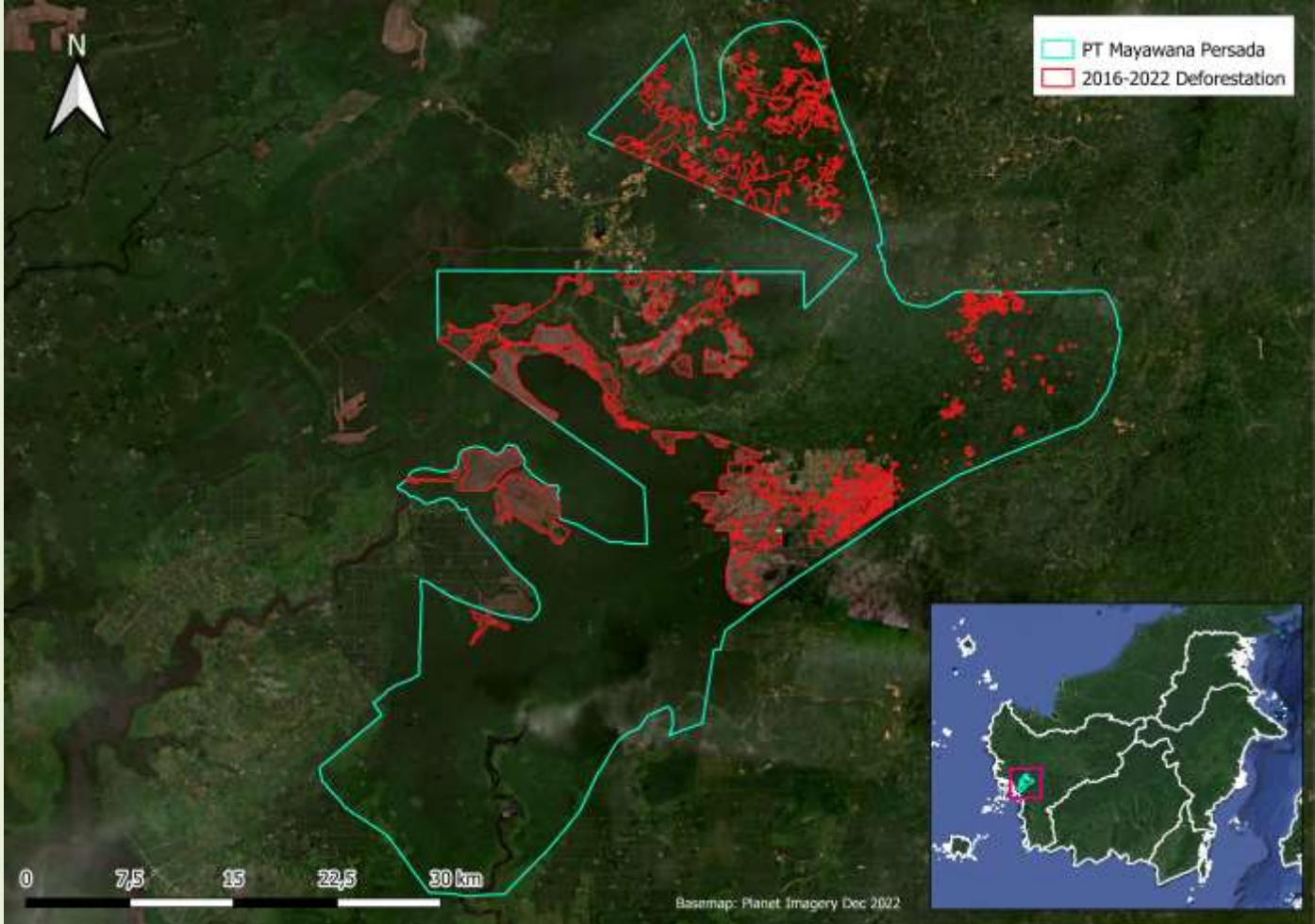


# Mendawak Landscape – Biodiversity, Forest, and Orangutan Habitat

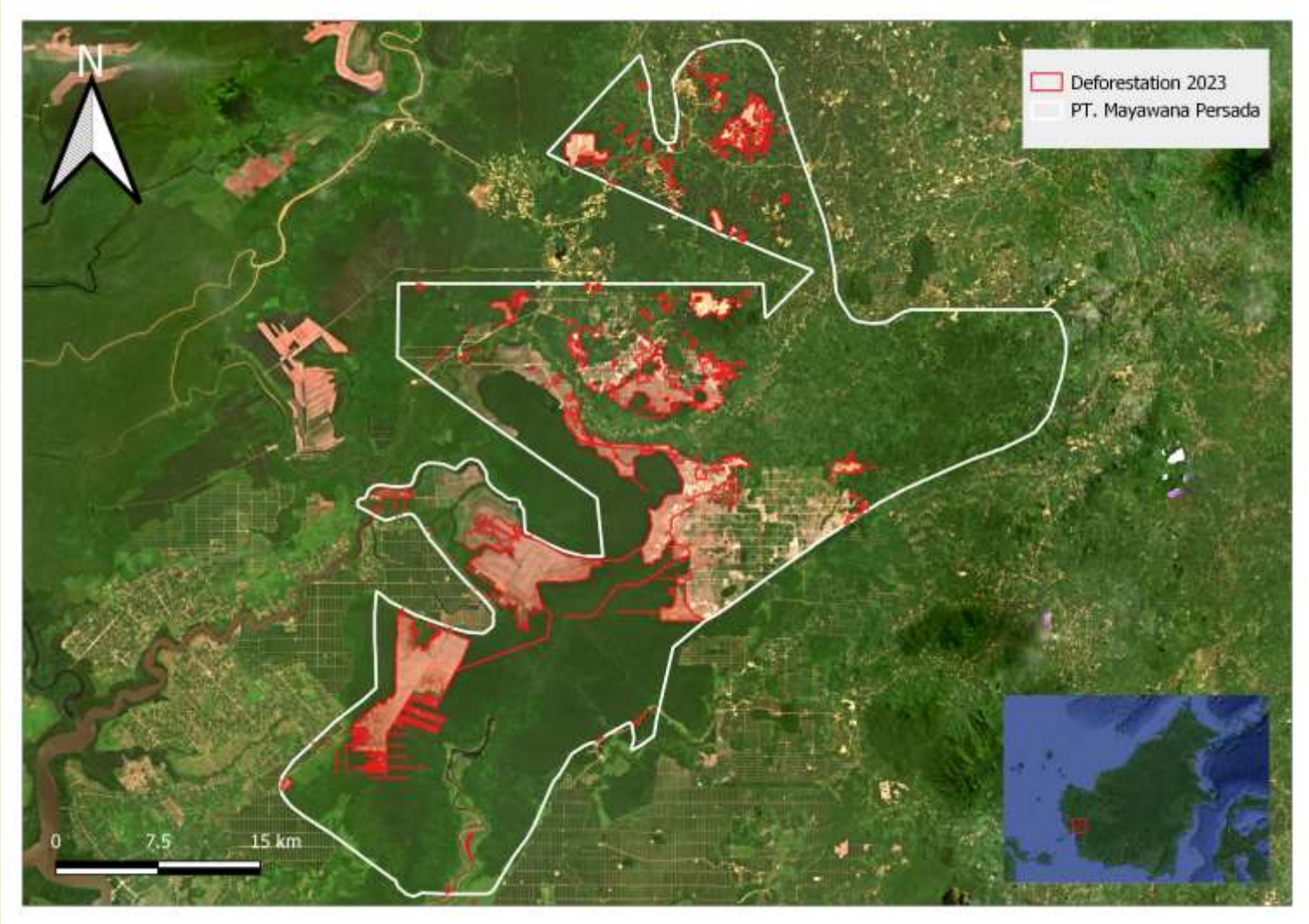
- PT Mayawana Persada is located in the Mendawak landscape in West Kalimantan, covering two districts: Ketapang and North Kayong.
- Mendawak Landscape only has one conservation area in the form of Protected Forest, covering 20,000 ha with eight Village Forest.
- PT Mayawana Persada is among the most important key actors for the conservation effort in the landscape. The company has been developing industrial forest plantation at the cost of remaining forest in the Mendawak landscape.



# Around 20,000 ha of Forest was Cleared Inside the Concession Between 2016-2022



# Almost 20,000 ha of Forest was Cleared Inside the Concession in 2023

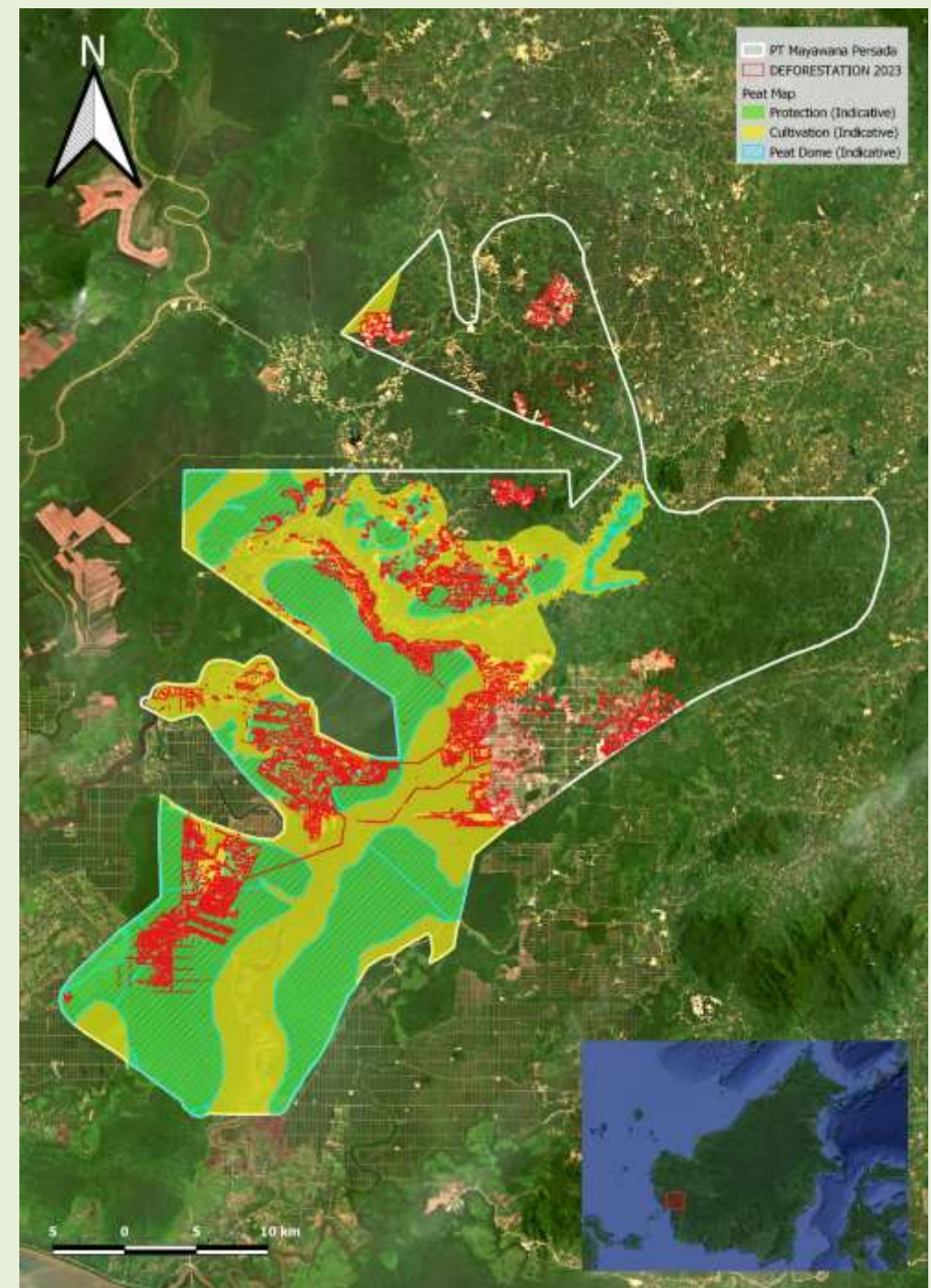


# Zooming in: PT Mayawana Persada's Land Transformation from January to May 2023



# Some of the Clearing Took Place in the Peatland Area

- The Ministry of Environment and Forestry in Indonesia divides peatland into two categories: protection and cultivation. Both types present inside the concession.
- Peatland is among the most carbon-rich ecosystem on Earth.

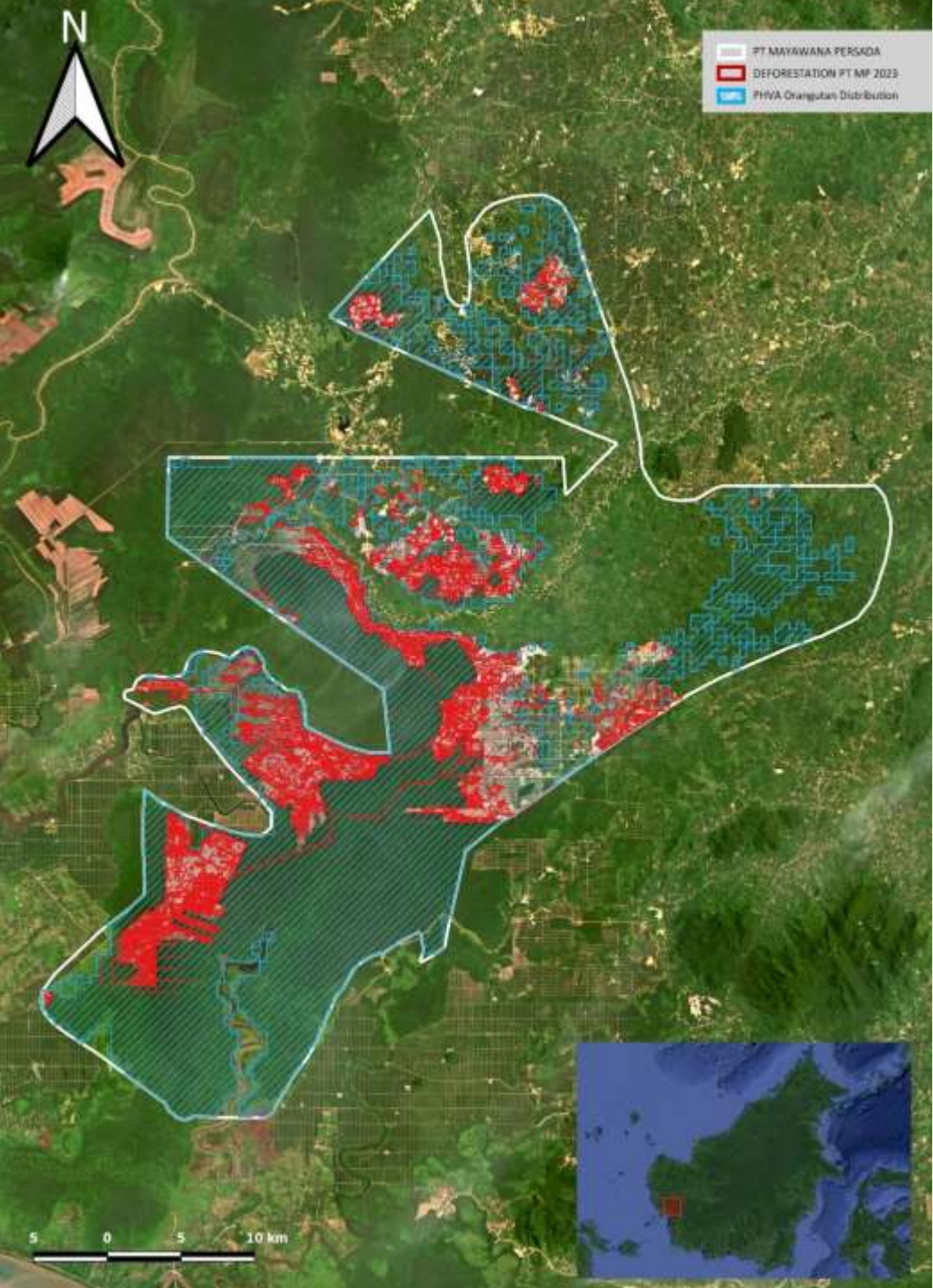


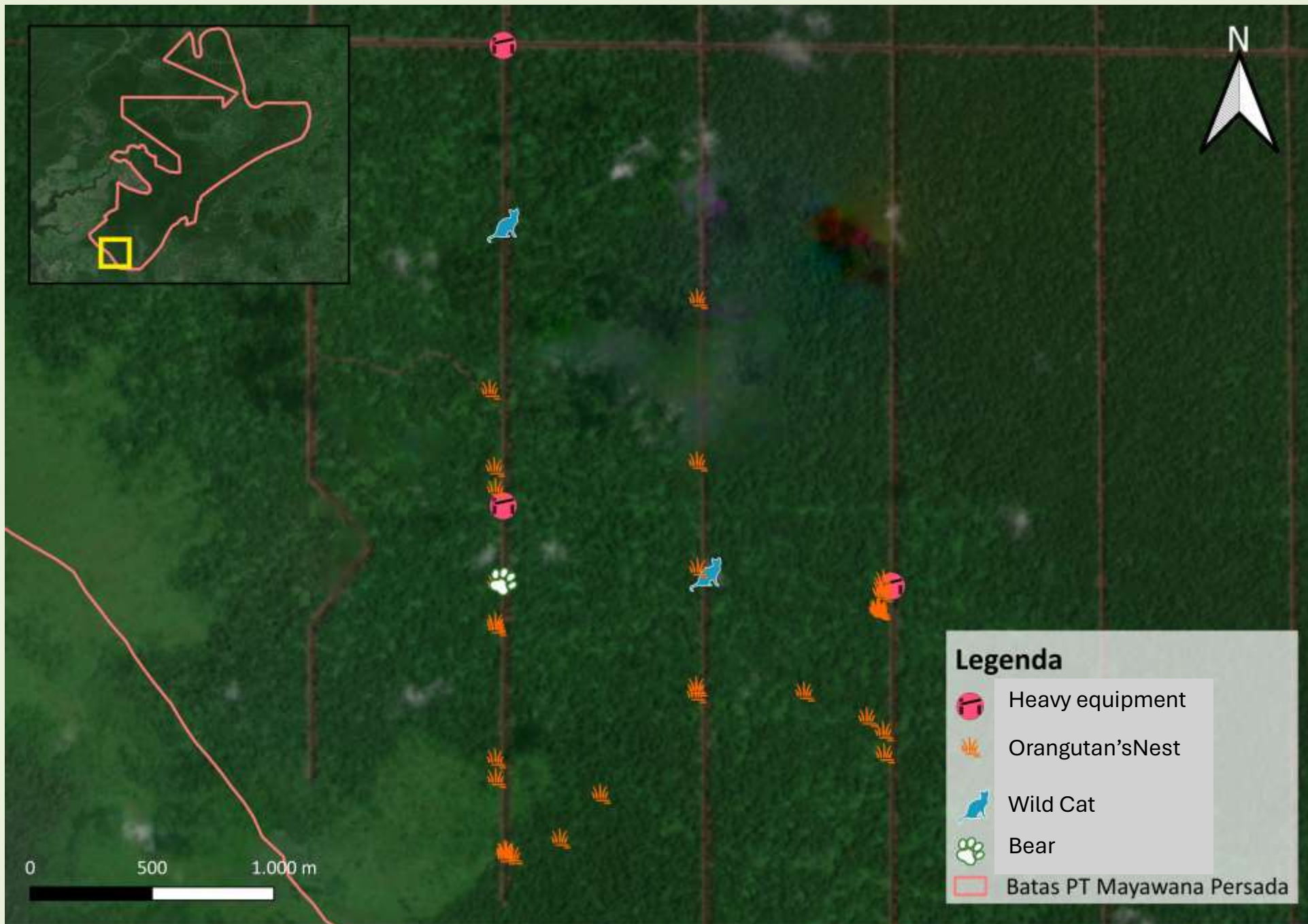


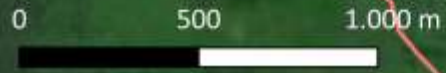




PT Mayawana Persada's  
Concession Overlaps with  
Orangutan Habitat According to the  
PHVA Survey (2016)












**Legenda**

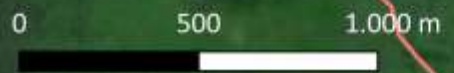
-  Heavy equipment
-  Orangutan's Nest
-  Wild Cat
-  Bear
-  Batas PT Mayawana Persada



**Legenda**

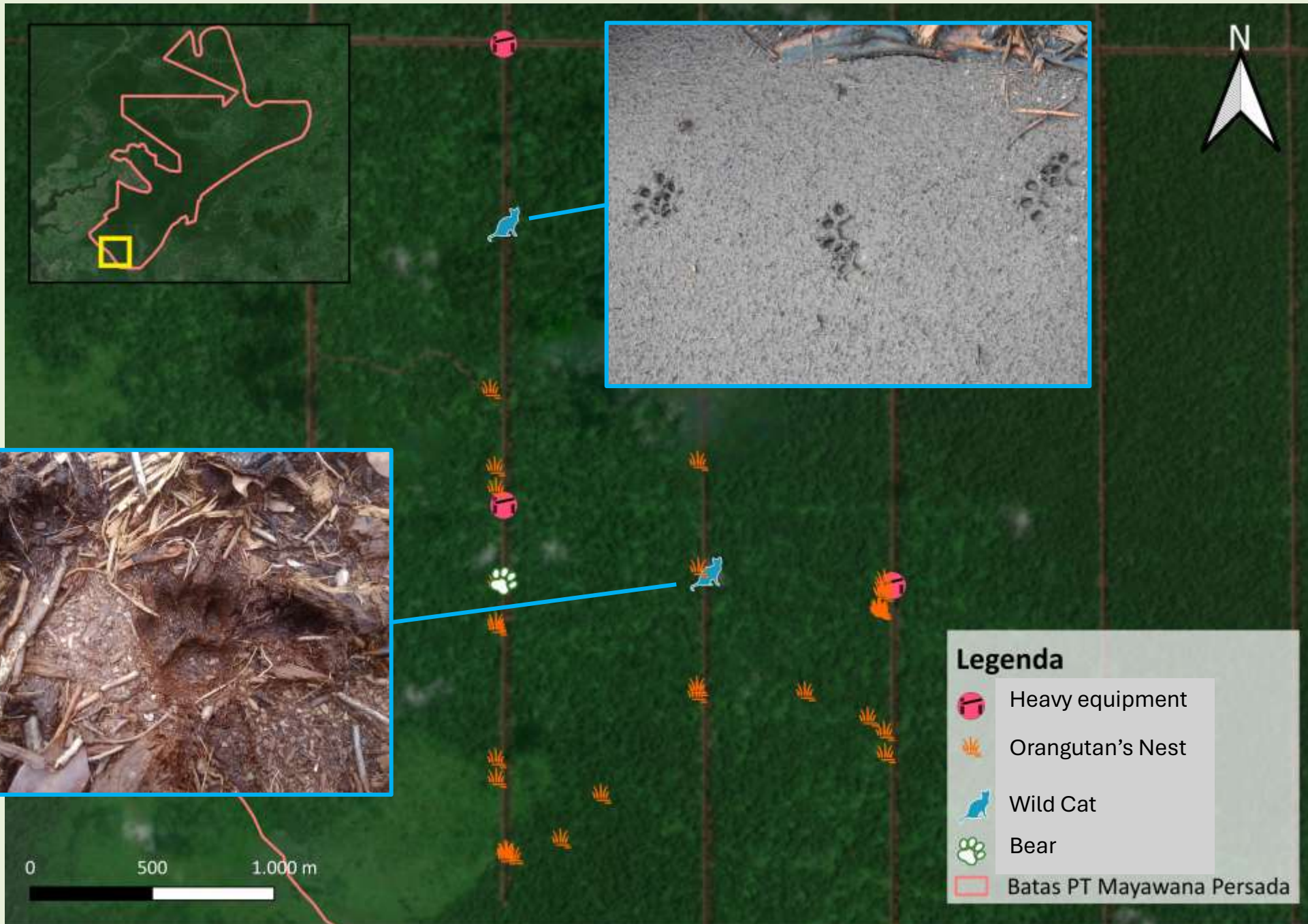
-  Heavy equipment
-  Orangutan's Nest
-  Wild Cat
-  Bear
-  Batas PT Mayawana Persada

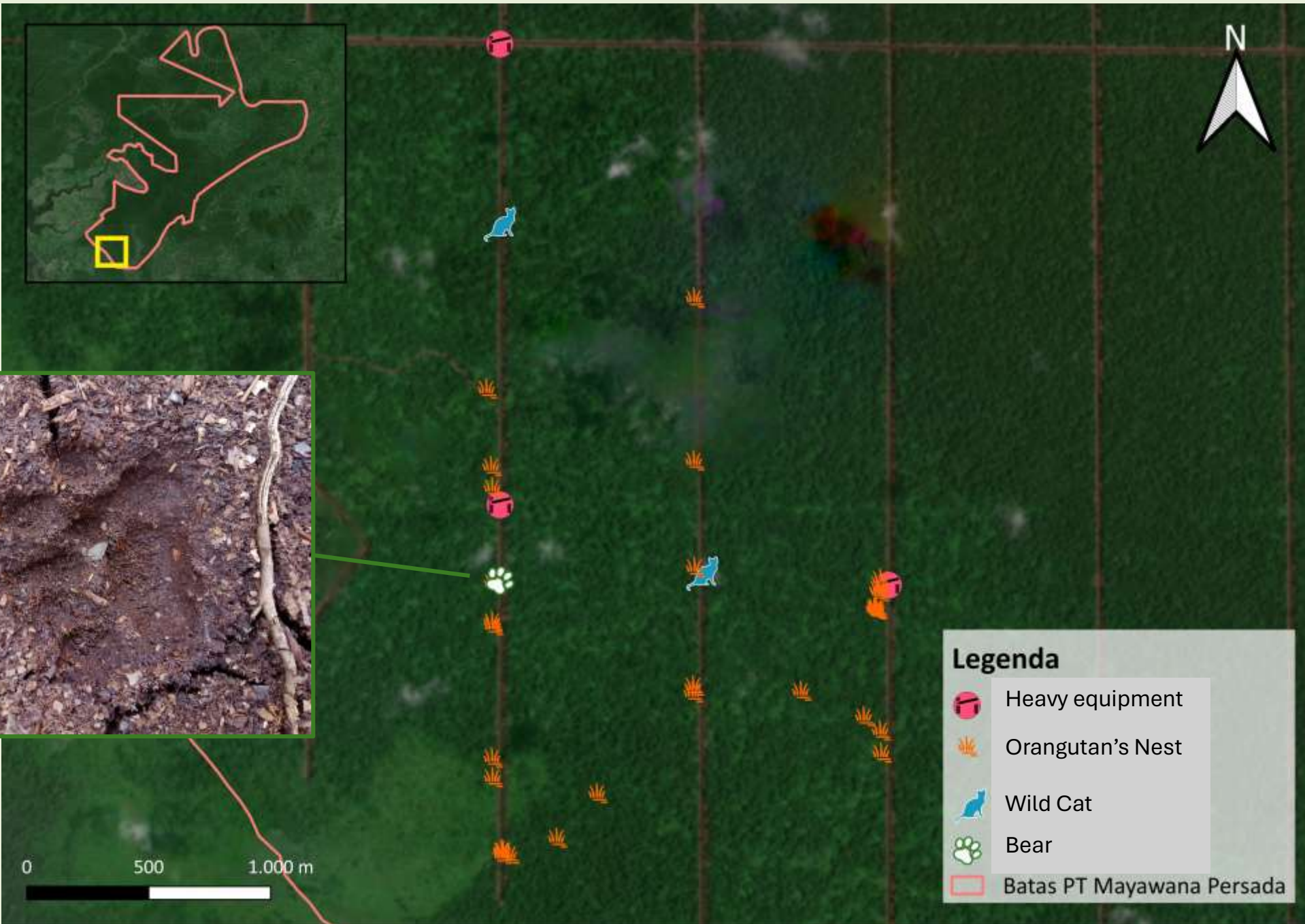




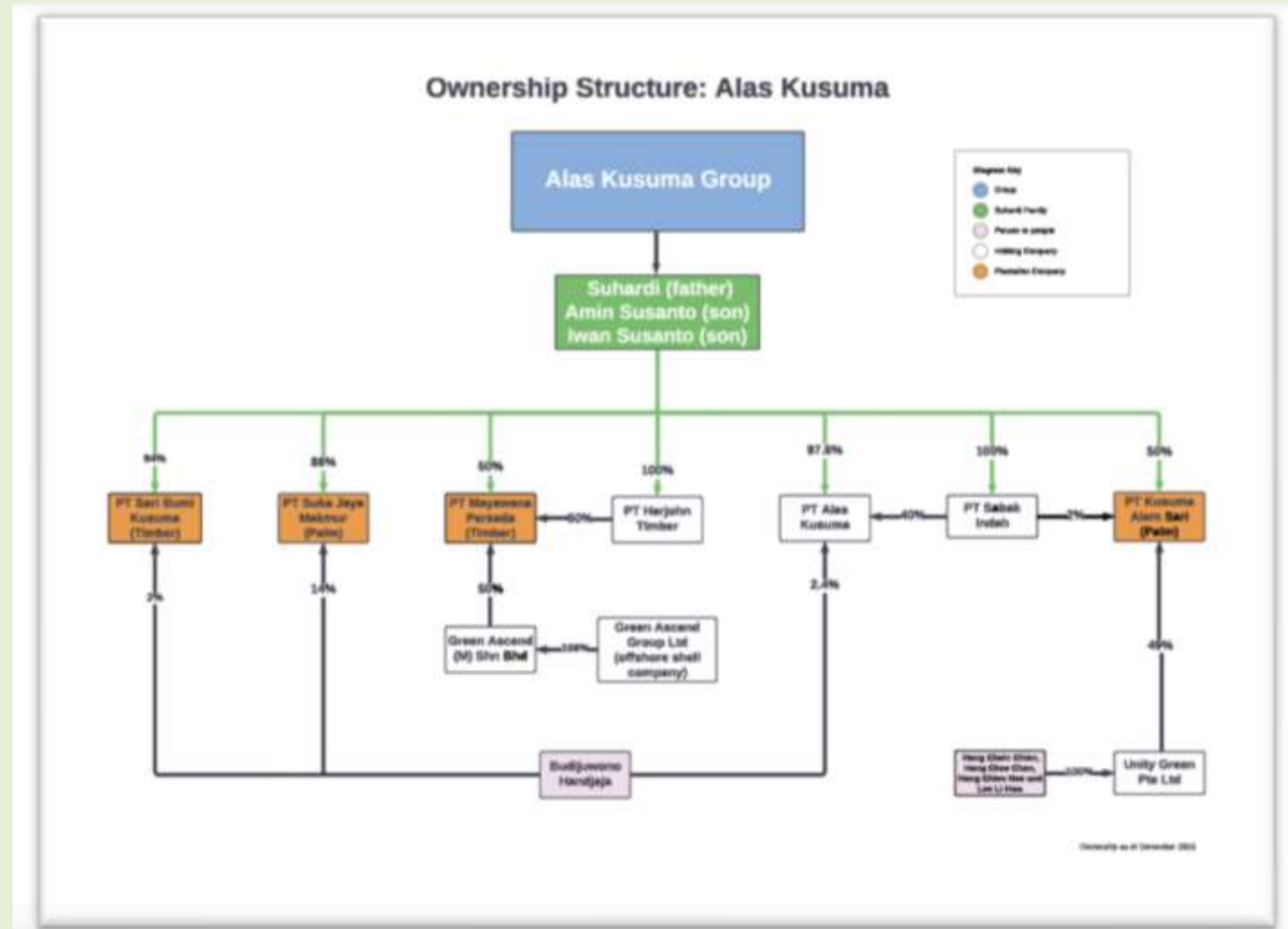
**Legenda**

-  Heavy equipment
-  Orangutan's Nest
-  Wild Cat
-  Bear
-  Batas PT Mayawana Persada





# PT Mayawana Persada's Ownership Structure, until January 2023

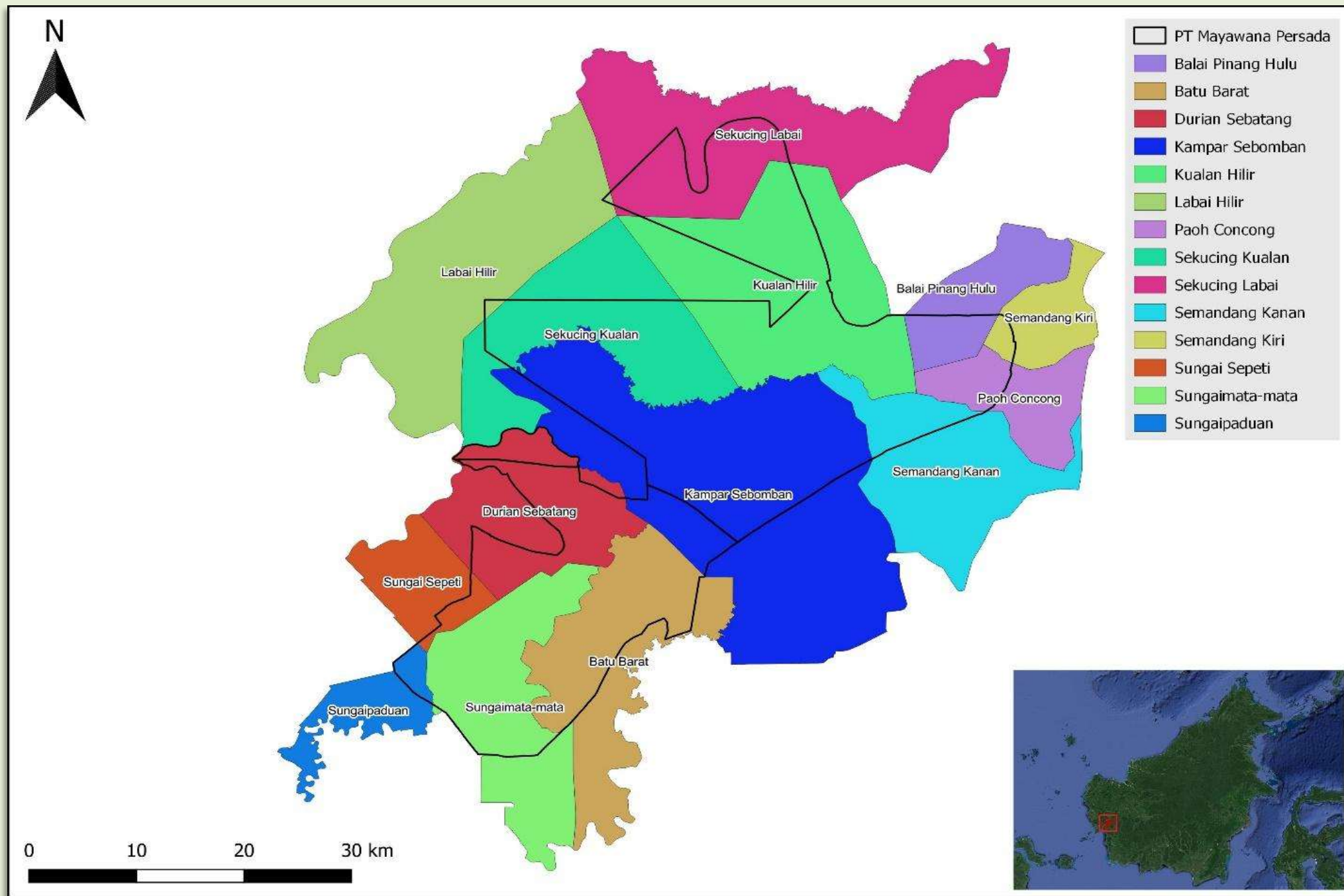




# PT Mayawana Persada's Ownership Structure Januari-Desember 2023

- In January 2023, 50% of Mayawana Persada was sold to Green Ascend Group [offshore]
- In December 2023 the remaining 50% of Mayawana Persada was sold to Balaji Investment Holdings Group Limited [offshore- Samoa]
- Its unclear whether these are shadow companies of Alas Kusuma.

# Social Issues



- The entire area designated as a PT Mayawana Persada concession is rural which is the living environment and living environment for indigenous communities and farmers in rural areas.
- The loss of land means the loss of the source of livelihood and entity as a customary law community
- Oil palm, rubber, durian, cempedak, jengkol and quality timber plantations and even rice fields belonging to the community were forcibly evicted and confiscated.
- Graves, clean water sources and traditional sites were damaged
- Conflict occurs between communities

All of these actions were carried out by force through intimidation, fighting against each other, terror, and even criminalization



1 Des 2022 11.51.06  
49M 415814 9918478  
Pondok Padi Pak Polen



1 Des 2022 11.37.31  
49M 415471 9917627  
Pondok Pak Dion Ceng



1 Des 2022 11.52.37  
49M 415790 9918472  
Damar Pak Polen



1 Des 2022 10.52.12  
49M 412499 9917450  
Pondok Pak Lius Celayang



# PT Mayawana Persada's Ties to Japanese Market

- In 2022, PT Mayawana Persada supplied its timber to several companies, including PT Harjohn Timber, PT Basirih Industrial, PT Wijaya Tri Utama Plywood, PT Putra Kalimantan Sukses, and PT Indonesia Fibreboard Industry. Some of these companies supplied to Japanese market in 2021.

# PT Mayawana Persada's Ties to Japanese Market

Companies	Japanese Buyers (2021)
PT Basirih Industrial	Itochu Kenzai, SMB Kenzai, Nippon Paper Lumber Co Ltd, Sojitz Building Material Corporation.
PT Wijaya Triutama Plywood Industri	Yuasa Trading Co Ltd, Japan Kenzai Co Ltd, Noda Corporation, Sia Trading Inc, YNK Corporation.
PT Indonesia Fibreboard Industry	SMB Kenzai Co Ltd, Noda Corporation.
PT Harjohn Timber	Daiken Corporation, Itochu Kenzai Corporation, Noda, Omni Tusda, SMB Kenzai, Sumitomo Forestry, Yuasa Lumber

- Among PT Harjohn Timber's Japanese importers, Sumitomo Forestry Co Limited ranked highest, with a recorded total of 6,600 tonnes of net weight imported between January and September 2021.

Note: In an email sent to JATAN on March 14, 2024, Sumitomo Forestry stated, "Three companies (PT. Wana Subur Lestari, PT. Mayangkara Tanaman Industri, and PT. Kubu Mulia Forestry) are 100% owned by our group from June 2021, and our joint venture relationship with Alas Kusuma has already been terminated. In addition, for transactional reasons, no new contracts for the procurement of plywood have been signed since January 2023."

# FSC Complaint – Progress and Development

FSC has accepted a complaint against Alas Kusuma, see this webpage for further information  
<https://tinyurl.com/FSCComplaintMP>



FSC Connect

Certification

Innovation

System Integrity

Engagement

Participate



Sign In



EN

## Alas Kusuma

Process - Assessment

Case Status - Open

Location - Indonesia

Concerns - Deforestation | Destruction of HCVs  
| Human/Traditional rights violations | Illegal  
logging/timber trade



# Alas Kusuma has lost two FSC certificates

- Dec 2023
  - Sari Bumi Kusuma- suspended
  - Harjohn Timber- terminated



**Certificate Detail**

Certificate Code: NC-FM/CDC-002645  
Former Certificate Code: RA-FM/CDC-002645  
Licence Code: FSC-C021870

**MAIN ADDRESS**

Name: PT Sari Bumi Kusuma  
Local Name: ...  
Address: J. Balikpapan Raya No. 14  
10130  
Jakarta Pusat Jakarta  
Indonesia  
Website: www.sarbumikusuma.net

**CERTIFICATE DATA**

Status: Suspended  
First Issue Date: 2007-09-26  
Last Issue Date: 2022-11-24  
Expiry Date: 2027-11-23  
Suspension Date: 2023-12-08  
Standard: ...  
Certified Area (ha): 147,600.00

**GROUP MEMBER/SITES**

Site Code	Organization Name	Street	Town / City	State	Valid To	Role	Country/Area
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**Certificate Detail**

Certificate Code: NC-CDC-001618  
Former Certificate Code: RA-CDC-001618  
Licence Code: FSC-C018883

**MAIN ADDRESS**

Name: PT Harjohn Timber  
Local Name: ...  
Address: Desa Kuala Dua, Kecamatan Sungai Raya  
78111  
Kabupaten Kubu Raya West Kalimantan  
Indonesia  
Website: ...

**CERTIFICATE DATA**

Status: Terminated  
First Issue Date: ...  
Termination Date: 2023-12-06  
Expiry Date: ...  
Suspension Date: ...  
Standard: FSC-STD-40-004 V3-1  
Certified Area (ha): 0.00


**GROUP MEMBER/SITES**

Site Code	Organization Name	Street	Town / City	State	Valid To	Role	Country/Area
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# Supply chain suspensions

- In 2023, several palm oil traders have suspended Alas Kusuma through their supplier KPN
- In 2022, a palm oil mill selling to the international market place suspended Alas Kusuma





## RAPID RESPONSE Palm Oil Report

Report 43  
February 2024

**New Case**

**Group: Alas Kusuma**  
PT Kusuma Alam Sari

Concession location: (-0.18497, 109.79446)

Deforestation and/or peat development					
Report	Forest Loss/Clearance Preparation (ha)	Peat development inc forest areas (ha)	Peat forest development (ha)	Clearance prep/Stacking lines (ha)	Time period
Report 43	—	-1,300	—	—	Jan 2016- Dec 2022
	—	107	—	—	Dec 2022- Apr 2023

Satellite imagery (see below) shows that between December 2016 and December 2022 there was a total of ~1,300 ha of peat development (inc forest areas) in the PT Kusuma Alam Sari concession (Source: Planet Inc. 2016-2022)

Satellite imagery (see below) shows that between December 2022 and April 2023 there was a total of 107 ha of peat development (inc forest areas) in the PT Kusuma Alam Sari concession (Source: Planet Inc. 2022-23)

# Why is it important for companies to have NDPE policies?

- Relying solely on the certification may undermine situation like Mayawana Persada.
- Companies should pursue an active effort on due diligence.
- NDPE policies create a system where companies should be transparent about suppliers and grievance mechanism.
- “Lessons learned from palm oil sector”:

how the NDPE policy has created an NDPE market with the goal of zero deforestation. If the NDPE market was created, an NDPE system will also be formed which requires companies to be open about supplier information (traceability) and have a grievance mechanism.

**Wood buyers in Japan who get supplies from Alas Kusuma need to rethink their practices, because this means you are contributing to the destruction of Indonesia's and the world's forests.**





[satyabumi.org](https://satyabumi.org)



[@satyabumi](https://twitter.com/satyabumi)



[@satya.bumi](https://www.instagram.com/satya.bumi)



[@satya.bumi](https://www.tiktok.com/@satya.bumi)



[Satya Bumi](https://www.linkedin.com/company/satya-bumi)



[Satya Bumi](https://www.youtube.com/SatyaBumi)



[Satya Bumi](https://www.facebook.com/SatyaBumi)