

Public Report Sustainable Forest Management System

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PUBLIC AUDIT REPORT - SFM

TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



CLIENT NAME: PT TEBO MULTI AGRO

TOTAL HECTARES: 15,109 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 15,109 hectares of Plantation Forest in Jambi Province

STANDARD / CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1 (REMOTE)

AUDIT START DATE: July 27, 2020

In signing this document the Audit team confirms that they have had no involvement with the company under audit in terms of consultancy, training, direct employment etc. within the last 2 years and have no other involvement (financial, shareholding or commercial) that would constitute a Conflict of Interest

AUDIT END DATE: July 30, 2020

AUDITOR LEAD: Andri Wibisono

SIGNATURE:

AW

AUDIT TEAM: Riyadi Sigit Pamungkas

SIGNATURE:

RS

Agung Utama Lubis

SIGNATURE:

AL

MAJOR CARS: 0

MINOR CARS: 2

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
PT Tebo Multi Agro	Sei Abang Village, Koto VII District, Tebo Regency, Jambi Province, Republic of Indonesia	July 27 to 30, 2020
SITE NAME (Legal Name):	ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION INCLUDING COUNTRY - TO BE COMPLETED IF CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN	
NA		

Brief Description of the concession

PT Tebo Multi Agro obtained IUPHHK-HTI based on Minister of Environment and Forestry Decree No. SK.538 / MenLHK / Setjen / HPL.0 / 11/2018 dated November 26, 2018 concerning the Amendment to Minister of Forestry Decree No. SK.401 / Menhut-II / 2006 concerning Renewal of PT Tebo Multi Agro's IUPHHK-HT over Production Forest Areas of about 19,770 ha in Jambi Province. This Decision Letter was issued to change the area of PT Tebo Multi Agro from about 19,770 ha to 19,200 ha (First amendment).

There was conversion of 4,091 ha of natural forest to plantation forest after December 31, 2010, thus the area for IFCC certification is 19,200 ha - 4,091 ha = 15,109 ha

PT Tebo Multi Agro has a RKUPHHK-HTI document that was legalized based on SK 112 / MenLHK-PHPL / UHP / HPL.1 / 1/2018 dated January 18, 2018 concerning the Approval of Business Plan for Utilization of Timber Forest Products in Industrial Forest (RKUPHHK-HTI) for the 10-year period 2018 to 2027 on behalf of PT Tebo Multi Agro in Jambi Province.

Spatial planning for PT Tebo Multi Agro based on RKUPHHK-HTI documents are Local Protected Areas and Other Protected Areas of 3,117 ha (15.57%), Staple Plants Area of 11,981 ha (59.86%), Livelihood Plants Area of 4,918 ha (24.57 %) for a total of 20,016 ha. The total area of the spatial layout is in accordance with the results of the area boundary that has been compromised and was approved by the Directorate General of Forestry Planning and Environmental Management dated January 4, 2018.

Local Protection Areas and Other Protected Areas with an area of 3,117 ha (15.57%) consist of: KPPN of 188 ha (0.94%), KPSL of 1,703 ha (8.51%), Riparian Area of 1,165 ha (5.82 %), and Buffer Zone of 61 ha (0.30%).

PT Tebo Multi Agro based on government administration is located in the Koto VII District and VII Koto Ilir District, Tebo Regency, Jambi Province. Geographical location is at 00° 58' 00" to 01° 06' 18" South and 101° 51' 00" to 102° 06' 10" East. Work area boundaries:

- North: IUPHHK-HT PT Lestari Asri Jaya
- East: Ex BIOTROP Research Area
- West: Lansisip River, IUPHHK-HT PT Lestari Asri Jaya
- South: Lansisip River

Forest Group: Singkati Batanghari. Slope Class: B, Soil: Podsolcic, Geology: Alluvium, Muara Enim, Palembang, and Telisa. Climate: Type A, Q value = 0.05%, watershed: Batanghari. Forest Function: Production Forest.

The species developed for production are *Acacia mangium*, *Acacia crassicarpa* and *Eucalyptus sp.*

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

The people who live in the surrounding villages are local communities. Based on the PT Tebo Multi Agro RKUPHHK-HTI document for the 2018 to 2027 period, the economy of Tebo Regency is dominated by the agriculture, plantations, and forestry sector, which contribute 50% to Gross Regional Domestic Product.

Based on previous audits, there are tribal communities around the company's concession. In 2016, PT Tebo Multi Agro identified the existence of two groups of the Anak Dalam tribe. Based on the 2019 CSR Implementation Report, there are activities for the development of the Anak Dalam Tribe Community group. Based on the minutes of the company's CSR activities in 2020, PT Tebo Multi Agro has allocated several activities for Anak Dalam Tribe Community, including the socialization for the prevention of the corona pandemic.

Based on the 2019 audit report, the claim area was reduced by 63% from the existing claim area. Based on the Potential Mapping Report and Conflict Resolution Semester I of 2020, the area of the claim has also decreased compared to the previous period in 2019. Based on the conflict mapping report, the land claim settlement process is by

means of a livelihood agreement mechanism. Based on Bisnis.com news, June 13, 2019 under the title "Resolve Agrarian Conflict, Forestry Corporations Willing to Release 66,000 ha of Work Area", PT Tebo Multi Agro is one of 13 forestry companies that have released part of the concession area to resolve agrarian conflicts.

PT Tebo Multi Agro has collaborated with local communities. Based on the results of the 2019 audit, there were three villages that have collaborated on livelihood plants with the company, an agreement that is still valid. Based on interviews with residents, PT Tebo Multi Agro and the community have collaborated in the fields of agriculture and animal husbandry, namely in the form of horticulture and goat raising.

PT Tebo Multi Agro has implemented a corporate social responsibility (CSR) program for the surrounding community. Based on the 2019 CSR Implementation Report, it provided assistance to nine villages. Broadly speaking, PT Tebo Multi Agro's CSR program consists of five aspects, namely economy, socio-culture, religion, education, health. Based on the plan and realization of the CSR program in 2019, the realization was 110.3% of that budgeted.

Description of the ecological conditions of the concession

PT Tebo Multi Agro has identified forest management activities with significant impacts and conducted environmental impact assessments to analyze these potential impacts on the environment, particularly on biodiversity, protected and endangered species, protection of soil and water, and the health and vitality of forest resources, as contained in the EIA, UKL and UPL documents.

PT Tebo Multi Agro has a Documented Reduced Impact Logging (RIL) Procedure to minimize the negative impacts of harvesting, transportation and infrastructure development on the environment, soil, water, forest regeneration and standing (logged-over forest).

PT Tebo Multi Agro has identified protected areas (including protection of land) as stated in several documents:

PT Tebo Multi Agro, has carried out activities that can protect the land from the dangers of erosion, landslides, etc. due to the impact of forest management, through:

- The management unit has allocated a protected area consisting of a Germplasm Conservation Area and a Riparian Area.
- The protected areas are 100 percent demarcated and patrolled.

Implementation reports of RKL / RPL (environmental permits) on the results of monitoring and evaluation are prepared each semester.

PT. Tebo Multi Agro has an inventory document that identifies the distribution and mapping of protected flora and fauna. The vegetation consists of species of secondary forest, burnt area, swamp and scrub vegetation, the diverse form of which functions as a microclimate regulator.

For the observation of wildlife in the concession area, PT. Tebo Multi Agro relies on direct and indirect encounters, as well as information from employees. Thus the data obtained is only general and not specific in regard to the number of animals of each species. Among the species of animals identified are: the wild boar (*Sus scrofa*), southern pig-tailed macaque (*Macaca nemestrina*), plantain squirrel (*Callosciurus notatus*), Sumatran tiger (*Panthera tigris sumatrae*) and Sumatran elephant (*Elephas maximus sumatranus*).

PT. Tebo Multi Agro has calculated the intensity of pest and disease attacks per plot and carries out routine monitoring on a monthly basis. The types of disease pests that exist are; leafworm, root rot, ambrosia and grasshoppers. Pest control measures are carried out for helopeltis beetles (shoot suckers with the fungus *Beuveria bassiana*) and root rot control with trichoderma.

PT. Tebo Multi Agro has established and implemented documented procedures related to the use of chemicals, oil spills and lubricants. Plus is also has standard procedures for the use and temporary storage of hazardous and toxic materials and their waste (B3).

PT. Tebo Multi Agro carries out Forest Protection activities in an effort to prevent illegal logging, forest encroachment,

forest fires, hunting and other unauthorized activities. Area security is also able to prevent and deal with criminal acts and theft of property belonging to Management Unit or contracting companies. Regular patrols are carried out by security officers, which are intensified in the work area during the fire prone months

Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing July 09, 2020, asking stakeholders to provide feedback and information about PT. Tebo Multi Agro. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties via email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia did not receive any input from the Public Consultation.

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

The Management Unit has identified all the necessary requirements for this certification process, which consist of legal aspects that include compliance with international rules and regulations and conventions. A management system has been built to cover all activities in the field of certification, which is registered for an area of 15,109 ha.

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

The results of Surveillance 1 Audit of PT. Tebo Multi Agro identified two (2) Non-Conformities of a Minor nature.

Number	Non-Conformities	Corrective Action Performed	Category
1	Based on the documentation, harvesting field supervisors have not carried out an effective evaluation of the activity and the evaluation results are not documented. Indicator I.3.1	<ol style="list-style-type: none"> 1. Conducting periodic outreach and training to harvesting supervisors and contractors to improve understanding of Harvesting SOPs 2. Ensure monitoring and evaluation is carried out optimally and effectively according to procedures so that errors will not occur 3. Ensure that monitoring and evaluation documentation is carried out properly 	Minor
2	The auditor found a mismatch regarding the placement of measuring gauges in the river for environmental monitoring to measure discharge and sedimentation. During the dry season, the current measuring gauge location cannot be used because it is above the lowest water level. Indicator I.6.5	<ol style="list-style-type: none"> 1. Monitoring and evaluate periodically to ensure that Peilschall Pipe can observe environmental impacts according to its function. 2. Working closely with the security team to ensure the existence and condition of the Peilschall Pipe as a means of monitoring environmental impact continues to function properly. 	Minor

Conditions under which the certificate is issued

Certificate is valid until October 31, 2022, provided that PT Tebo Multi Agro completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same problems at the next Surveillance visit. If the non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time as AJA is able to perform a closeout visit.