

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

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2 (REMOTE)

AUDIT START DATE: July 21, 2021

AUDIT END DATE: July 24, 2021

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

LEAD AUDITOR: Riyadi Sigit Pamungkas

AUDIT TEAM: Amin Kadeni

Taryanto Wijaya

SIGNATURE:

SIGNATURE:

SIGNATURE:

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, VII Koto District, Tebo Regency, Jambi Province – Republic of Indonesia	July 21 to 24, 2021
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 Timber Forest Product Utilization Business Permit began since the issuance of Tebo Regent Decree No. 522.11/282/DINHUT/2001 dated September 29, 2001 regarding the granting of IUPHHK to PD. Tebo Holding Company of approximately 20,000 Ha in the Langsisip Forest Group, Tebo Regency, Jambi Province. After the first permit issuance, there were three amendment decrees from the Minister of Forestry. The latest is the Minister of Environment and Forestry Decree No. SK.538/MenLHK/Setjen/HPL.0/11/2018 dated November 26, 2018, which changed the area of PT Tebo Multi Agro from approximately 19,770 Ha to 19,200 Ha. The issued Production Forest area of 816 ha was handed over to the Regional Government and subsequently allocated entirely to the local community through the TORA (Agrarian Reform Object Land) or Social Forestry scheme. After a conversion of natural forest occurred in 2011 and 2012 of 4,091 ha, the area of PT Tebo Multi Agro certified by IFCC is being 19,200 ha - 4,091 Ha = 15,109 ha because the converted area can not be certified by IFCC.

Spatial planning for PT Tebo Multi Agro based on RKUPHHK-HTI of 2018 to 2027 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.

The concession area of PT Tebo Multi Agro is in the Langsisip Forest Group and part of the Forest Management Unit (KPH) Region IX Tebo Barat. Geographically, it located between 00° 58' 00" to 01° 06' 18" South and 101° 51' 00" to 102° 06' 10" East. Meanwhile, administratively, the government is included in the VII Koto District, Tebo Regency, Jambi Province. The climate in the area of PT Tebo Multi Agro is A (very wet) according to the Schmidt Fergusson classification. The geological formations are alluvium (40.57%), Muara Enim (7.45%), Palembang (51.83%) and Telisa (0.13%). The type of soil in the PT Tebo Multi Agro area is entirely podzolic. The topography is dominated by flat (95.26%), the rest is gentle (4.21%) and rather steep (0.03%). 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

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

Located in three districts of Tebo Regency, there are nine assisted villages located around the company, namely Village of Aur Cino, Sei Abang, Teluk Kayu Putih, Kuamang, Tanjung in VII Koto District, Villages of Balai Rajo, Sei Karang, Teluk Kepayang Pulau Indah in Koto Ilir District, and Pelayungan Village in Sumay District.

There is an indigenous tribe called *Suku Anak Dalam* community group within the concession. PT Tebo Multi Agro has identified the *Suku Anak Dalam* community groups around the work area in 2016. Based on the identification, there are two groups of *Suku Anak Dalam* community namely the Jalil group and the Bujang Rimbo group. The Management Unit respected the presence of *Suku Anak Dalam* as the community are allowed to occupy the concession area and utilize non-timber forest product.

PT Tebo Multi Agro has made efforts to resolve conflicts with the surrounding community. The Management Unit has made a Report on Potential Mapping and Conflict Resolution in Semester I of 2021. From the total claim area, half of the area has been successfully settled. The process of settling land claims is by collaboration in Livelihood Plant agreement.

PT Tebo Multi Agro also is a part of the thirteen forestry companies who relinquish part of their concession area for agrarian conflict resolution (TORA scheme).

The Livelihood Plant agreement also implemented with the surrounding villages as conflict prevention and to rise community participation in forest protection. There are three villages that have collaborated with the company in the Livelihood Plant agreement. PT Tebo Multi Agro given access to the communities to utilize non-timber forest products. It is in the form of honey and gum resin utilization. The honey-seeking group is the local community, while the resin-seeking group is the *Suku Anak Dalam*, one of the indigenous community groups fostered by PT Tebo Multi Agro. The Management Unit conducted integrated socialization to villages around the concession in early 2021 which contained plans for harvesting and planting as well as maintenance, monitoring of protected areas to minimize the negative impact of forest management.

According to a Village Head, PT Tebo Multi Agro has aided the village community including goat livestock assistance, agricultural assistance, and assistance for the corona pandemic such as disinfectant masks, necessities, personal protective equipment to the surrounding community.

PT Tebo Multi Agro has given priority to local people to work for the company. Based on labor data, 78% of the total employees are local workers. There are two from eight contractor partners which are local business from the districts around the concession area.

Description of the Ecological conditions of the concession

PT Tebo Multi Agro has identified forest management activities that have significant impacts, and carried out an environmental impact assessment that analyzes these potential impacts on the environment, in particular on biodiversity, protected and endangered species, protection of soil and water, and health and safety, the vitality of forest resources as stated in the AMDAL, UKL and UPL documents.

The Reduced Impact Logging (RIL) Documented Procedure are implemented to minimize the negative impacts of harvesting, transportation and infrastructure development on the environment, soil, water, forest regeneration and logged forest. The RIL methods are accompanied with the allocation and demarcation of protected area to protect the soil from the hazard of erosion, landslides, etc. due to the impact of forest management. The implementation of environmental protection efforts is stated in the RKL/RPL (Environmental Permit) Reports per semester as monitoring and evaluation material. The allocation of protected area is called Local Protection Areas and Other Protected Areas with an area of 3,117 ha (15.57%) consisting 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 manages Hazardous and Toxic Waste (B3) by providing a temporary storage area (TPS) according to the permit granted. The TPS functions to minimize the negative impact on the use of B3 waste by collecting waste packaging and temporarily storing it before handing it over to a B3 waste management contractors.

PT. Tebo Multi Agro has an inventory document, identification and mapping of the distribution of protected flora and fauna. The concession area is composed by secondary forest vegetation, burnt area, swamp and scrub vegetation. This diverse form of vegetation serves as a microclimate regulator of the hydrological cycle and the function of biodiversity and habitat for wildlife. The results of field observations show that the composition of plant species that make up the vegetation, especially in the protected area of the Germplasm Conservation Area, is quite diverse, in the seedling vegetation strata. Based on the survey results in the protected area, the Sumatran elephant (*Elephas maximus sumatrensis*) is the key species which habitat's in buffer zone of Bukit Tigapuluh National Park and migrates to the area of PT Tebo Multi Agro (TMA) and PT Wirakarya Sakti (WKS). A known group of elephants, called Freda, consists of five adults and a calf. There was a conflict between humans and this elephant group, because of the damage to plants and community huts which the elephants passes through. The resolutions taken by the Management Unit are:

- Outreach to the community about elephant protection,
- Installation of elephant warning and protection boards,
- The task force team for handling wildlife and human conflicts,
- Management of elephant presence,
- Monitoring elephant grass (food),
- Elephant corridor,
- Installation of elephant corridor signs,
- Elephant GPS Collar replacement participation.

PT. Tebo Multi Agro has calculated the intensity of pest and disease attacks per plot and implement routine monitoring for the staple plant health. Types of potential pests and diseases are leaf caterpillar, helopeltis, root rot, ambrosia, grasshopper.

The activity of securing the concession area is an effort to prevent illegal logging activities, forest encroachment, forest fires, hunting and other activities without permits. Area security is also to prevent and deal with criminal acts and theft of property belonging to the Management Unit and contractor companies. Patrol activities are carried out by security officers and will be intensified in the work area during fire-prone months.

Results of the Public Consultation

Prior to carrying out the Surveillance 2 Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing June 21, 2021, 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 result of Surveillance 2 Audit of PT Tebo Multi Agro are two Minor Non-conformities, as follows:

No.	Non-Conformities	Corrective Action performed	Category
1.	As of June 2021, only 9 out of 53 operators have SIO and 6 out of 31 heavy equipment operating at PT Tebo Multi Agro have SILO. The number of operators and heavy equipment used are not monitored to have adequate competence as required by IFCC standards. Indicator I.1.13	PT Tebo Multi Agro has performed corrective actions through the following activities: <ul style="list-style-type: none"> • Evaluate contractors to ensure compliance with requirements according to standards, • Communicating and coordinating regarding the registration of SIO and SILO of harvesting contractors to the Manpower Office, • Assisting in the registration of SIO and SILO of harvesting contractors to the Manpower Office, 	Minor

		<ul style="list-style-type: none"> Monitoring progress in fulfilling SIO and SILO of harvesting contractors. 	
2.	<p>There are 115 out of 153 workers who have not been registered their participation in the BPJS Health. This is due to a slow process of fulfillment of the health social security of by the contractor company and the control of its fulfillment by PT Tebo Multi Agro in 2020 until the first semester of 2021.</p> <p>Indicator I.12.1</p>	<p>PT Tebo Multi Agro has sent a letter of reprimand to the Director of four (4) contractors who employ the workers. The Management Unit has implemented following activities:</p> <ul style="list-style-type: none"> Evaluate contractors to ensure compliance with requirements according to standards, Communicating and coordinating to all contractors related to BPJS health registration, Assisting in the registration of BPJS health for harvesting and plantation contractors, Monitoring progress for the fulfillment of BPJS Health for each contractor. 	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.