

Public Report Sustainable Forest Management System

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CLIENT NAME: PT MUSI HUTAN PERSADA

TOTAL HECTARES: 271,799.27

SCOPE OF REGISTRATION: Sustainable Forest Management of 271,799.27 Hectares of Plantation Forests in South Sumatra Province, Indonesia

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Recertification

AUDIT START DATE: December 7, 2022
 AUDIT END DATE: December 14, 2022

In signing this document the Audit team confirmed that they 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: Andri Wibisono

SIGNATURE:

AUDIT TEAM: Abdullah Mujahid

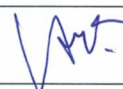

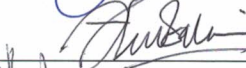

SIGNATURE:

Abdul Salam

SIGNATURE:

AUDITOR IN TRAINING: Qodly Zaka Syahtriawan

SIGNATURE:

MAJOR CARS : 0

MINOR CARS : 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head Office	Jl. Raya PT TEL, Desa Banuayu, Kecamatan Empat Petulai Dangku, Kabupaten Muara Enim, Provinsi Sumatera Selatan, 31172	December 7 and 14, 2022
Region I Subanjeriji	Unit 1 Martapura Kabupaten OKU Timur, Unit 2 Merbau Kabupaten OKU, Unit 3 Gemawang Kabupaten Muara Enim, Unit 4 Caban Kabupaten Muara Enim dan Unit 5 Sodong Kabupaten Muara Enim, Provinsi Sumatera Selatan, Indonesia	December 8 to 10, 2022
Region II Benakat	Unit 6 Lubuk Guci Kabupaten PALI, Unit 7 Baung Utara Kabupaten PALI, Unit 8 Tebing Indah Kabupaten Musi Rawas, Unit 9 Semangus Kabupaten Musi Rawas, Unit 11 Sialang Kabupaten Musi Rawas, Provinsi Sumatera Selatan, Indonesia	December 12 to 14, 2022
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	
Region III Lematang	Unit 10 Keruh II Kabupaten Musi Rawas, Unit 13 Lantingan Kabupaten Muara Enim, Unit 14 Serai Kabupaten Lahat dan Unit 15 Keruh I Kabupeten Musi Rawas, Provinsi Sumatera Selatan, Indonesia	

Brief Description of the concession

PT Musi Hutan Persada forest concession permit was obtained based on the Decree of the Minister of Forestry Number: 038/Kpts-II/1996 dated January 29, 1996, regarding the Granting of Industrial Plantation Forest Concession Rights over a Forest area of approximately 296,400 (Two Hundred Ninety Six Thousand Four Hundred) hectares in South Sumatra Province Region I to PT Musi Hutan Persada. The concession decree is valid for a period of 43 years.

There are some decrees issued related to PT Musi Hutan Persada:

- Decree Number SK.799/MenLHK/Setjen/HPL.0/10/2019 dated 15 October 2019 concerning the change of the area from 296,400 hectares to 287,333 hectares.
- Decree Number SK 1509/MENLHK/SETJEN/HPL.0/12/2021 dated December 31, 2021 concerning the amendment of IUPHHK-HTI nomenclature to PBPH (Forest Utilization Business Permit).
- Decree Number SK 548/MENLHK/SETJEN/PLA.2/6/2022 dated June 6, 2022 concerning the determination of the work area for PT Musi Hutan Persada Forest Utilization Business Permit (PBPH) covering an area of 286,914.65 hectares in Muara Enim Regency, Musi Rawas Regency, Lahat Regency, Musi Banyuasin Regency, Pali Regency, OKU Regency, East OKU Regency, South Sumatra Province.

In the Management Unit work area, there is no conversion of natural forest to plantation forest after December 31, 2010. In this recertification audit, the certified area changes to 271,799.27 ha due to some area reductions after the approval of the following Use of Forest Areas (PPKH) on behalf of:

- PT Bara Sumatera Energi (SK 6890/MenLHK-PKTL/REN/PLA.0/8/2019)
- PT Bukit Asam Tbk (SK 7643/MenLHK-PKTL/REN/PLA.0/12/2020)
- PT PLN (SK 1714/MenLHK-PKTL/REN/PLA.0/3/2019)

PT Musi Hutan Persada has a management plan document, namely the Work Plan for Timber Forest Product Utilization Business in Industrial Plantation Forest (RKUPHHK-HTI) for a period of 10 (ten) years for the 2020 to 2029 period which has been ratified through Decree of the Minister of Environment and Forestry Number: SK.9778//MENLHK-PHPL/UHP.1/11/2019 dated November 25, 2019. In this Recertification audit, the Management Unit had already revised RKUPH document and submitted the draft revision through Letter Number 2870/MHP/PD/NIRU/XI/2022 dated November 28, 2022 concerning the Submission of PT Musi Hutan Persada RKUPH Proposal Amendments.

The spatial layout of PT Musi Hutan Persada is Protected Area of 42,999 ha (14.97%), consisting of River Border of 12,837 ha (4.47%), KPPN and KPSL of 30,161 ha (10.50%), and Cultural Heritage Area of 1 ha; Cultivation Area of 244,334 ha (85.03%), consisting of Self-Management Pattern Area of 151,542 ha (52.74%), Partnership Pattern Area of 83,453 ha (29.04%), and Infrastructure of 9,339 ha (3.25%), with a total of 287,333 ha (100%).

The location of the PT Musi Hutan Persada area according to the geographic coordinates of each Management Area is as follows:

- Region 1 Subanjeriji at 3°31' 40" to 4°16' 55" South and 103°50' 35" to 104°24' 45" East
- Region 2 Benakat at 3°00' 03" to 3°29' 01" South and 103°24' 42" to 103°59' 34" East
- Region 3 Lematang at 3°09' 02" to 3°40' 23" South and 103°22' 19" to 103°43' 05" East

The boundaries of the PT Musi Hutan Persada area are based on the Management Area as follows:

- Region 1 Subanjeriji (and Martapura):
 - North side: Trans Tulhas, Trans Sawah 40, Trans Batumarta, and Marta V Jaya Villages
 - South side: Batang Hari, Bukit Harjo, and Sungai Durian Villages
 - West side: PT Bukit Asam and Pulau Mas Hamlet
 - East side: PT Perkebunan Nusantara and Lutih Hamlet
- Region 2 Benakat

- North side: Trans SP III, Trans SP VII, PT Proteksindo Palm Oil Plantation
- South side: SP 1 Hidup Baru and PT Bara Enim Energi, PT PBJ Palm Oil Plantation
- West side: SP IX Harapan Makmur, Keruh River, Trans Bumi Lampung and PT Bina Sains Palm Oil Plantation
- East side: Talang Ubi, Pendopo, PT SBAL and PT CIFU Palm Oil Plantations
- Region 3 Lematang
 - North side: SP VII Mukti Karya, Way Cacahan River
 - South side: Senabing Village
 - West side: Batu Urip Village, Trans SP IV, Way Gilas River
 - East side: SP VI Bumi Makmur, SP V Tri Anggun Jaya, Tuha River

PT Musi Hutan Persada concession area is located at an altitude of 5 to 310 meters above sea level (Amdal 1996), and the topography is as follows: Class A (Flat 0-8% slope) 285,587 ha; Class B (Sloping 8-15% slope) 1,695 ha; and Class C (Slightly Steep 15-25% slope) 52 ha. Hydrology is part of Musi watershed with sub-watersheds of Lematang, Semangus, and Keruh. Climate conditions with annual rainfall of 2,769.2 mm/year, rain intensity of 12.05 mm/day with the driest month being July and the wettest month March. The temperature ranges from 23.7°C to 33.3°C with humidity of 83.1%, average wind speed of 3 knots and average sunshine of 52%. The species being developed are *Acacia mangium*, *Acacia aulacocarpa*, *Eucalyptus pellita*, *Eucalyptus brassiana*, and *Hevea brasiliensis*.

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

PT Musi Hutan Persada has recognized and respected the rights of the surrounding community. The residents around the concession area are local people. The main livelihoods of the residents are farming and gardening (rubber, palm oil, paddy) or labour. There are indigenous peoples recognized by the state which are classified as Remote Indigenous Communities.

PT Musi Hutan Persada has made efforts to resolve conflicts with the surrounding community. The company has a conflict resolution mechanism. The land claims and encroachment in the concession area were decreased since last year audit.

PT Musi Hutan Persada has collaborated with the surrounding community. The collaboration are establishment of Community with Fire Awareness (MPA) and Community Forest Management Program (MHBM and MHR). In the MHBM and MHR collaboration, the community is given the widest possible opportunity to play an active role in carrying out each stage of activities, starting from seeding, planting, rearing, harvesting and transportation.

PT Musi Hutan Persada has implemented corporate social responsibility program to the surrounding community. According to the Report on the Plan and Realization of the CSR Program for the period of January to December 2022, the realization of activities is 93%. The activities carried out include Forest Farming Community Development; Development of Isolated Tribal Communities; Education Development; Community Economic Development; Community Health Development; Community Assistance; Facility and Infrastructure Assistance; and Provision of local manpower.

Description of the Ecological conditions of the concession

The Management Unit conducted Forest Ecosystem and Hydrological Function Management through the following activities:

- Identification of forest management activities that have significant impacts and conduct environmental impact assessments through AMDAL, RKL and RPL documents of PT Musi Hutan Persada, March 1996 (approved by the Ministry of Forestry AMDAL Commission No. 51/DJ-VI/AMDAL/1996 dated April 12, 1996), Environmental Permit Implementation Report (RKL and RPL) each semester of 2022,
- Reduced Impact Logging activities are carried out in stages before, during, and after logging activities,

- Identification of areas that function for soil and water protection which are designated as a Protected Areas, consisting of:
 1. Region I Subanjeriji: Protected Area of 13,110 ha consisting of: KPPN and KPSL of 7,885 ha, River Border of 5,254 ha and Cultural Heritage Area of 1 ha,
 2. Region II Benakat: Protected Area of 15,977 ha consisting of: KPPN and KPSL of 11,883 ha and River Border of 4,095 ha.
- Monitoring of the negative impacts of forest management activities in the concession area in accordance with the AMDAL, RKL and RPL Documents and documented procedures that serve as guidelines, namely SOP for Monitoring Protected Areas, SOP for Monitoring Debit and Water Quality and SOP for Monitoring Soil Erosion. As well as for the controlled use of B3 (Hazardous and Toxic Materials), namely SOP for Management of Hazardous and Toxic Materials (B3) Waste, SOP for Management of Spills of Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP for Pest Management and Integrated Disease.

The Management Unit carried out biodiversity management through the following activities:

- Identification and inventory of protected, endemic, rare and threatened/endangered flora and fauna as well as their habitats and migration patterns in the IUPHHK-HTI area in accordance with applicable regulations through inventory activities. There are key species namely Sumatran tiger (*Panthera tigris sumatrae*) and Sumatran elephant (*Elephas maximus sumatranus*). The results of the identification and inventory can be found in the AMDAL, RKL & RPL documents, RKUPHHK-HTI 2020 to 2029, RKL and RPL Implementation Report, and flora and fauna distribution map. Related to the flora and fauna, the Management Unit also carried out the environmental impact assessment from the operational activities,
- Management of Protected Areas in accordance with the RKL and RPL Implementation Report each semester as well as SOP for Determination of Protected Areas and SOP for Monitoring Protected Areas,
- The staple plants species cultivated are not genetically modified tree species, being *Acacia mangium*, *Acacia aulacocarpa*, *Eucalyptus pellita*, *Eucalyptus brassiana*, and *Hevea brasiliensis*.

The Management Unit implemented Forest Protection through the following activities:

- Identification and monitoring of disturbances in Sustainable Forest Management. The potential disturbance are land fires, plant pests and diseases and area occupation. The results can be found in the AMDAL, RKL & RPL documents, RKUPHHK-HTI 2020 to 2029, RKL and RPL Implementation Report,
- Prevention handling of pest attacks, as well as regulations of chemical pesticides management, referred to documented procedure such as SOP for Integrated Pest and Disease Management, SOP for Weed Control, SOP for Integrated Pest and Disease Control, SOP for Handling Spills of Fuel, Lubricants and Chemicals and SOP for Hazardous and Toxic Materials Waste Management,
- Implementation of forest protection measures against fire hazards,
- Implementation of participatory steps for livestock grazing activity in the work area,
- Implementation of appropriate steps in forest protection activities.

Results of the Public Consultation

Prior to carrying out the Recertification Audit, PT AJA Sertifikasi Indonesia conducted a public consultation starting October 19, 2022, asking stakeholders to provide feedback and information about PT Musi Hutan Persada. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website (www.ajaindonesia.com), sent to parties by email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia does not receive input from the public consultation.

The audit team also collected information from the mass media about PT Musi Hutan Persada. The reported cases are considered as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal

aspects which include compliance with international regulations and rules and conventions. The management system has been built to cover all activities in the field of certification, registered for certification covering an area of 271,799.27 hectares.

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

The result of this Recertification Audit is 1 (one) non-conformity in Minor category. The Management Unit has made improvements. No critical issues occur.

No	Non-Conformity	Corrective Action Performed	Category
1	<p>There are non-conformities in harvesting activities related to the lack of information on the SPK Attachment Map, monitoring worksheets, differences in the length of wood sortiment, management of wood waste, and less updated Timber Production Procedure.</p> <p>Indicator I.4.4</p>	<p>The Management Unit has:</p> <ul style="list-style-type: none"> - Included topographical information, landing positions, landing coordinates, skid trail plans, timber transport road plans, to the SPK Attachment Map - Recorded the results of daily monitoring on the Daily Logging Report Form and the Heavy Equipment Journal Form - Revised Timber Production Procedure - Conducted outreach and supervision to ensure production work according to procedures. 	Minor

Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00037/IV/2016 is valid until March 13, 2026, provided that PT Musi Hutan Persada 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 close-out visit.