

Public Report Sustainable Forest Management System

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ORGANIZATION NAME: PT MUSI HUTAN PERSADA

TOTAL HECTARES: 259,667.68

SCOPE OF REGISTRATION: Sustainable Forest Management of 259,667.68 hectares of Plantation Forest in South Sumatra Province

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Transition to IFCC ST 1001:2021 + Surveillance 1

AUDIT START DATE: January 16, 2024

AUDIT END DATE: January 23, 2024

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: Abdullah Mujahid

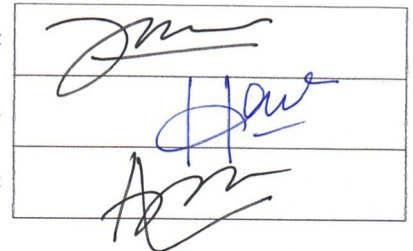
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AUDIT TEAM: Ence Hedi Hasan Zubaedi

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Agung Utama Lubis

SIGNATURE:



MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED including countries	DATE OF EACH SITE VISIT:
Head office	Jl. Raya PT TEL, Desa Banuayu, Kecamatan Empat Petulai Dangku, Kabupaten Muara Enim, 31172, Provinsi Sumatera Selatan, Indonesia	January 16, 2024
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	January 17 to 19, 2024
Region III Lematang	Unit 10 Keruh 2 (Kabupaten Musi Rawas), Unit 13 Lantingan (Kabupaten Muara Enim), Unit 14 Serai (Kabupaten Lahat), Unit 15 Keruh 1 (Kabupaten Musi Rawas), dan Provinsi Sumatera Selatan, Indonesia	January 20, 22, 23, 2024
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 II Benakat	Unit 6 Lubuk Guci (Kabupaten PALI), Unit 7 Baung Utara (Kabupaten PALI), Unit 8 Tebing Indah (Kabupaten Muara Enim), Unit 9 Kemangus (Kabupaten Musi Rawas) dan Unit 11 Sialang (Kabupaten Musi), Provinsi Sumatera Selatan, Indonesia;	

Brief Description of the concession

PT Musi Hutan Persada has the initial permit of its concession by SK IUPHHK-HT based on Decree of the Minister of Forestry Number: 038/Kpts-II/1996. dated January 29, 1996, concerning the Granting of Industrial Plantation Forest Concession Rights over a Forest area of approximately 296,400 (Two Hundred Ninety Six Thousand Four Hundred) Hectares located in the Level I Regional Province of South Sumatra to PT. Musi Hutan Persada. The HPHTI decision is valid for a period of 43 years. The latest decree obtained by the Organization was the 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. There are three management areas in the Organization, namely Region 1 Subanjeriji, Region 2 Benakat, Region 3 Lematang.

PT Musi Hutan Persada has a management plan document, namely the Amendment to the Results Utilization Business Work Plan (RKUPH) for the 10 (Ten) Years Period of 2020 to 2029 which was approved through the Decree of the Minister of Environment and Forestry Number: SK.5525/MenLHK-PHL /PUPH/HPL.1/5/2023 dated 30 May 2023. There are some changes in the spatial layout. Protected Areas and Conservation of Wild Plants and Animals of 43,147.84 ha (15.04%), which consists of River Border of 13,279.41 ha (4.63%), KPPN of 6,940.62 ha (2.42%), KPSL of 22,926.81 ha (7.99%), Cultural Heritage Area of 1.00 ha, Cultivation Area of 243,766.81 ha (84.96%), consisting of Utilization of HHK Plantation Forests of 128,109.00 ha (44.65%), Forestry Partnership Patterns of 83,291.19 ha (29.03%), PPKH of 16,664.97 ha (5.81%), Infrastructure of 5,119.65 ha (1.78%), and Palm oil plantation of 10,582.00 ha (3.69%), with a total of 286,914.65 ha (100%).

Though there was no conversion of natural forest to plantation forest after December 31, 2010, there are changes in the scope of IFCC certification of PT Musi Hutan Persada from 271,922.27 to 259,667.68 ha. These changes are based on data developments as follows:

1. PBPH Decree (second amendment of Decree Number: 038/Kpts-II/1996. January 29, 1996) area of 296,400 hectares.
2. The latest Decree of Determining the work area (SK 548/MENLHK/SETJEN/PLA.2/6/2022 dated 6 June 2022) the area becomes 286,914.65 hectares.
3. Reduced by the updated PPKH data for 2023 of 16,664.97 Ha.
4. Reduced by the cultivation area which contains an oil palm plantation of 10,582 Ha as per IFCC Standard ST 1001:2021.

The location of 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 most of the topography has a flat slope (0-8%). Types of plants developed are *Eucalyptus pellita*, *Eucalyptus brassiana*, *Acacia mangium*, *Acacia aulacocarpa* and *Hevea brasiliensis*. Based on the AMDAL Document of PT. Musi Hutan Persada in 1996, the geological formation found in the organization consists of 10 (ten) rock formations, namely Gumai Formation, Air Benakat Formation, Kasai, Muara Enim Formation, Ranau Tuf Formation, Gunung Api Muda Formation, Andesit Terobosan Formation, Paseumah Tuf Formation, Kwartir Endapan Aluvium, and Talang Akar Formation.

Hydrology lies in the watershed of Musi with sub-watersheds of Lematang, Semangus, Keruh. Climatic conditions with annual rainfall of 2,769.2 mm/year. Rain intensity of 12.05 mm/day with the driest month in July and wettest month in March. The average air temperature is 27.4°C with air humidity of 83.1% and average wind speed of 3 knots and average solar radiation of 52%.

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

The communities around the PT Musi Hutan Persada concession are local communities. There are no customary law communities established based on government regulations, although there are clan land claims which are claimed as ulayat of local communities, but the criteria do not match the criteria of customary law communities. Apart from that, there is the Anak Dalam Tribe community, however, this community is also not classified as a customary law community.

Based on the PT Musi Hutan Persada Annual Work Plan Document for 2024, the livelihoods of the population are dominated by rubber farmers (62.38%), palm oil farmers (9.54%), paddy fields/field farmers (8%), and police (6.46%).

PT Musi Hutan Persada has made efforts to resolve complaints from the community and workers. There is a Potential Mapping and Conflict Resolution Report for Semester I of 2023. PT Musi Hutan Persada's Potential Conflict Status is Controlled. Based on interviews with organizational staff, within the PT Musi Hutan Persada concession there are three Forest Areas, namely the Martapura Forest Area, Subanjeriji Forest Area, and Benakat Forest Area. The Martapura Forest Area and Subanjeriji Forest Area are included in Region I Subanjeriji at PT Musi Hutan Persada, while the Benakat forest area is Region II Benakat and Region III Lematang at PT Musi Hutan Persada.

PT Musi Hutan Persada has utilized relevant local knowledge and experience. Based on the Group Data Report on Managing Forests with Active Communities Per Region in 2024, the number of MHBM agreements with surrounding communities are Region I Subanjeriji with 41 Villages (47,472.93 ha); Region II Benakat with 7 Villages (7,893.97 ha) and Region III with 36 Villages (43,518.57 ha).

Description of the Ecological conditions of the concession

The organization has carried out forest ecosystem and hydrological function management through the following activities:

- Identify forest management activities that have important impacts and carry out environmental impact assessments through RKL and RPL AMDAL documents, March 1996 approved by the Ministry of Forestry of AMDAL Commission No. 51/DJ-VI/AMDAL/1996 dated 12-4-1996.
- Reduced Impact Logging is performed before, during and after logging activities.
- Identify areas that function for soil and water protection which then being designated as local protected areas and other protected areas.
- Monitoring of the negative impacts of forest management activities in concession areas is carried out in accordance with the AMDAL, RKL and RPL, and documented procedures that serve as guidelines for carrying out activities to monitor negative impacts resulting from forest management activities, namely SOP for Monitoring Protected Areas, SOP for Monitoring Discharge and Water Quality and SOP for Monitoring Soil Erosion.
- PT Musi Hutan Persada has documented procedures for the controlled use of B3 (Hazardous and Toxic Materials), namely SOP for Management of Hazardous and Toxic Waste (B3), SOP for Handling Spills of Fuel, Lubricants and Chemicals, SOP for Weed Control, and SOP for Pest Management and Integrated Diseases.

The organization has 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 habitat in accordance with applicable regulations/regulations. There is a distribution map of flora and fauna.
- Protected Area Management is carried out in accordance with the RKL/RPL Implementation Report each semester as well as the SOP for Determining Protected Areas and SOP for Monitoring Protected Areas.
- Identify key protected and threatened/endangered species, as well as their habitats and migration patterns.
- Has carried out an environmental impact assessment of the potential impact on protected, endemic, rare flora and fauna and threatened/endangered species.
- The types of staple crops cultivated are not genetically modified tree species.

The organization has carried out forest protection through the following activities:

- Identify and monitor disturbances in Sustainable Forest Management.
- Having documented procedures to prevent and handle pest attacks, namely SOPs for Integrated Pest and Disease Management.
- Regulate the management of chemical pesticides in the field using documented procedures, namely SOP for Weed Control, SOP for Integrated Pest and Disease Management, SOP for Handling Spills of Fuel, Lubricants and Chemicals and SOP for Management of Hazardous and Toxic Waste.
- Has implemented forest protection measures against fire hazards.
- Prohibition of livestock grazing activities by the community.

Results of the Public Consultation

Prior to carrying out the Transition to IFCC ST 1001:2021 + Surveillance 1 Audit, PT ACube TIC International conducted a public consultation starting December 26, 2023, asking stakeholders to provide feedback and information about PT Musi Hutan Persada. The public consultation was uploaded to the PT ACube TIC International website (www.ajaindonesia.com), sent to parties by email or postal mail, and published in local newspapers. There was no input from the stakeholders.

The audit team also collected information from the mass media about PT Musi Hutan Persada. The reported cases are considered part of the PT ACube TIC International audit process.



The Organization has identified all the requirements necessary for this certification process, which consists of legal aspects that include compliance with regulations and international rules and conventions. The management system has been built to cover all activities in the field of certification, which are registered for certification covering an area of 259,667.68 hectares.

Organization progress record related to corrective action on findings of nonconformities in previous audit

The result of Recertification Audit was 1 (one) non-conformity in Minor categories (closed).

No	Non-Conformities	Corrective Action Performed	Categories
1	There are some discrepancies found during the field visits on harvesting and production progress in Region I and Region II such as the skid trail is not well drawn, production supervisors do not have tools/worksheets to carry out daily supervision, workers not wearing complete PPE, there are wood waste spill, there are inconsistencies in field practices with wood production procedures, etc. Indicator I.4.4	The organization has made improvements to the discrepancies in the Recertification audit results, such as: - have described the skid trail and TPN location on the map, - have created a worksheet in the form for monitoring wood production activities and it has been implemented, - implementation logging and skidding operators and workers wear complete PPE, - revising the SOPs.	Minor

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

The result of Transition to IFCC ST 1001:2021 + Surveillance 1 Audit was 1 (one) non-conformity in Minor categories.

No	Non-Conformities	Corrective Action Performed	Categories
1	PT Musi Hutan Persada has procedures regarding Timber Production (SPO-PMN-001) and Timber Administration (SOP-PMN-006) but has not been able to demonstrate procedures regarding tracking of timber forest products and NTFPs. Indicator 7.3.6	The organization has revised the SOP of Wood Administration which contains three requirements in accordance with Clause 7.3.6.	Minor

Conditions under which the certificate is issued

Certificate number AJA/IFCC-PEFC/FMC-HT/00037/III/2017 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 EUROPE is able to perform a closeout visit.