

Public Report Sustainable Forest Management System

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ORGANIZATION NAME: PT MUSI HUTAN PERSADA

TOTAL HECTARES: 270,183.16

SCOPE OF REGISTRATION: Sustainable Forest Management of 270,183.16 hectares of Plantation Forest in South Sumatra Province

STANDARD/CRITERIA: IFCC SFM & ORGANIZATION DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 2

AUDIT START DATE: 14 January 2025

AUDIT END DATE: 20 January 2025

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: Andri Wibisono

SIGNATURE:

AUDIT TEAM: R Sigit Pamungkas

SIGNATURE:

Tata Sumitra

SIGNATURE:

MAJOR CARS :0

MINOR CARS: 0

SITE NAME (Legal Name):	ADDRESSES OF ORGANIZATION SITES VISITED including countries	DATE OF EACH SITE VISIT:
Head office	JL. Raya PT. TEL at Village of Banuayu, Sub-District of Empat Petulai Dangku, Muara Enim District, South Sumatra Province, Post Code 31172	14 January 2025
Region II Benakat	Unit 6 Lubuk Guci (PALI District), Unit 7 Baung Utara (PALI District), Unit 8 Tebing Indah (Musi Rawas District), Unit 9 Semangus (Musi Rawas District), Unit 11 Sialang (Musi Rawas District), South Sumatra Province.	17, 18, 20 January 2025
Region III Lematang	Unit 10 Keruh II (Musi Rawas District), Unit 13 Lantingan (Muara Enim District), Unit 14 Serai (Lahat District) dan Unit 15 Keruh I (Musi Rawas District), South Sumatra Province.	15 – 16 January 2025
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 I Subanjeriji	Unit 1 Martapura (OKU Timur District), Unit 2 Merbau (OKU District), Unit 3 Gemawang (Muara Enim District), Unit 4 Caban (Muara Enim District) dan Unit 5 Sodong (Muara Enim District), South Sumatra Province	

Brief Description of the concession

PT Musi Hutan Persada has the following forest management permits:

1. The IUPHHK-HT decree obtained based on the Decree of the Minister of Forestry Number: 038/Kpts-II/1996. dated January 29, 1996, concerning the Granting of Industrial Plantation Forest Business Rights over a Forest area of \pm 296,400 (Two Hundred Ninety Six Thousand Four Hundred) Hectares located in the Province of South Sumatra to PT. Musi Hutan Persada. The HPHTI Decree is valid for a period of 43 years.
2. Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number SK.799/MenLHK/Setjen/HPL.0/10/2019 dated October 15, 2019 concerning: "Amendment to the Decree of the Minister of Forestry Number 38/KPTS-II/1996 dated January 29 concerning the Granting of Industrial Plantation Forest Concession Rights over a forest area of 296,400 hectares located in South Sumatra Province to PT Musi Hutan Persada. Granting IUPHHK to PT Musi Hutan Persada covering an area of 287,333 ha. In Lahat Regency covering an area of 25,537 ha; Muara Enim covering an area of 114,753 ha; Musi Banyu Asin covering an area of 12,298 ha, Musi Rawas covering an area of 88,060 ha, OKU covering an area of 17,258 ha; OKU Timur covering an area of 7,985 ha; Penungkal Abab Lematang Ilir covering an area of 21,442 ha, South Sumatra Province
3. Decree 1509/MENLHK/SETJEN/HPL.0/12/2021 dated December 31, 2021 concerning the second amendment to Decree Number: 038/Kpts-II/1996. dated January 29, 1996, concerning the Granting of Industrial Plantation Forest Business Rights over a Forest area of \pm 296,400 (Two Hundred Ninety-Six Thousand Four Hundred) Hectares located in the Province of South Sumatra to PT. Musi Hutan Persada. There was a change in the nomenclature of IUPHHK-HTI to PBPH (Forest Utilization Business Permit).
4. Decree 548/MENLHK/SETJEN/PLA.2/6/2022 dated June 6, 2022 concerning the determination of the PT Musi Hutan Persada Licensing work area covering an area of 286,914.65 Ha in Muara Enim Regency, Musi Rawas Regency, Lahat Regency, Musi Banyuasin Regency, PALI Regency, OKU Regency, East OKU Regency, South Sumatra Province

PT Musi Hutan Persada has a forest management plan titled "Change of the Work Plan for Utilization of Results (RKUPH) for the Period 2020–2029," which was approved by the Decree of the Minister of Environment and Forestry Number: SK.5525/MenLHK-PHL/PUPH/HPL.1/5/2023 dated May 30, 2023.

During the 2020–2029 RKUPH period, the total PBPH area is 286,914.65 hectares, consisting of 6,984.00 ha LOA, 203,487.05 ha HT, and 76,443.60 ha NH. As this whole area also divided into Protected Areas and Conservation of Flora and Fauna and Cultivation Areas. Protected Areas and Conservation of Flora and Fauna cover 15.04% (43,147.84 ha), including river boundaries (13,279.41 ha), KPPN (6,940.62 ha), KPSL (22,926.81 ha), and a cultural heritage area (1.00 ha). These areas are distributed across three regions: Subanjeriji (13,106.32 ha), Benakat (16,132.34 ha), and Lematang (13,909.18 ha). Cultivation Areas dominate with 84.96% (243,766.81 ha), consisting of HHK Plantation Forests Utilization (128,109.00 ha), forestry partnerships (83,291.19 ha), PPKH (16,664.97 ha), facilities and infrastructure (5,119.65 ha), and palm oil plantations (10,582.00 ha).

In the PBPH area of PT Musi Hutan Persada there was no conversion of natural forest into plantation forest after 31 December 2010. In Surveillance 2 Audit, the certified area for PT Musi Hutan Persada was revised from the previously 259,667.68 hectares to 270,183.16 hectares following changes in the scope. Thus, in this Surveillance 2 Audit:

- Area based on permit (Decree) from KLHK or area after boundary delineation = 286,914.65 Ha,
- Forest Area (forest area) = 270,183.16 Ha,

- Certified Area (certified area) = 270,183.16 Ha.

The total working area of PT Musi Hutan Persada spans across three regions: Subanjeriji, Benakat, and Lematang.

1. Region 1: Subanjeriji, the geographical coordinates are 03°31'40" - 04°16'55" S and 103°50'35" - 104°24'45" E. The area is bordered to the north by Trans Tulhas Village, Trans Sawah 40, Trans Batumarta, and Marta V Jaya Village; to the south by Batang Hari Village, Bukit Harjo Village, and Sungai Durian Village; to the west by PT Bukit Asam and Pulau Mas Hamlet; and to the east by PT Perkebunan Nusantara and Lutih Hamlet. The certified area for Subanjeriji is 94,060.63 hectares, and the total area is 110,032.13 hectares.
2. Region 2: Benakat, the coordinates are 03°00'03" - 03°29'01" S and 103°24'42" - 103°59'34" E. The boundaries are defined to the north by Trans SP III, Trans SP VII, and PT Proteksindo; to the south by SP 1 Hidup Baru PT Bara Enim Energi, and PT PBJ; to the west by SP IX Harapan Makmur, Keruh River, Trans Bumi Lampung, and PT Bina Sains; and to the east by Talang Ubi Village, Pendopo, PT SBAL, and PT CIFU oil palm plantations. The certified area for Benakat is 96,114.90 hectares, and the total area is 96,686.07 hectares.
3. Region 3: Lematang, the coordinates are 03°09'02" - 03°40'23" S and 103°22'19" - 103°43'05" E. The region is bordered to the north by SP VII Mukti Karya and the Way Cacahan River; to the south by Senabing Village; to the west by Batu Urip Village, Trans SP IV, and the Way Gilas River; and to the east by SP VI Bumi Makmur, SP V Tri Anggun Jaya, and Sungai Tuha. The certified area for Lematang is 80,007.63 hectares, and the total area is 80,196.45 hectares.

Types of plants developed are *Eucalyptus pellita*, *Eucalyptus brassiana*, *Acacia mangium*, *Acacia aulacocarpa* and *Hevea brasiliensis*. The concession area of PT Musi Hutan Persada lies at an elevation ranging from 5 to 310 meters above sea level, based on the 1996 AMDAL report. The topography is predominantly flat, with 285,587 hectares (99.39%) having a slope of 0–8%. Areas with gentle slopes (8–15%) cover 1,695 hectares (0.59%), and slightly steep slopes (15–25%) account for only 52 hectares (0.02%). There are no areas classified as steep (25–40%) or very steep (>40%). According to PT Musi Hutan Persada's 1996 AMDAL document, the PBPH area comprises 10 geological formations, including various types of clay, sandstone, tuff, lava, and alluvium deposits, such as the Gumai, Air Benakat, Muara Enim, and Talang Akar formations. The soil types across the area show varying erosion sensitivity, with the majority (73.34%) categorized as sensitive, followed by slightly sensitive (24.15%), and smaller portions being very sensitive. Hydrologically, the area falls within the Musi Watershed, covering sub-watersheds like Lematang, Semangus, and Keruh. The region experiences a tropical climate with an average annual rainfall of 2,769.2 mm, a mean temperature of 27.4°C, relative humidity of 83.1%, wind speed of 3 knots, and about 52% average sunlight exposure.

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

The work area of PT Musi Hutan Persada is located in six districts, namely Muara Enim Regency, Musi Banyuasin, Musi Rawas, Panukal Adab Lematang Ilir, Ogan Komring Ulu, Ogan Komring Ulu Timur, South Sumatra Province. There are 90 villages assisted by PT Musi Hutan Persada, spread across 18 sub-districts and 6 districts covering 3 regions: namely: Region I Subanjeriji (around 42 villages), Region II Benakat (11 villages) and Region III Lematang (37 villages).

In general, the community around the PT Musi Hutan Persada concession is a local community. There is no customary law community established based on government regulations, although there are claims of clan land claimed as the customary land of the local community, but the criteria do not match the criteria of a customary law community. In addition, there is the Suku Anak Dalam community, however, this community is also not classified as a customary law community.



According to the PT Musi Hutan Persada Annual Work Plan Document for 2024/2025, the majority of the local population's livelihoods are centered around agriculture, with 62.38% of residents working as rubber farmers. Other livelihoods include palm oil farming (9.54%), field farming (8%), home industry (3.08%), government/military service (6.46%), business (0.73%), PT Musi Hutan Persada's workers (2.69%), trading (2.35%), laboring/artisan work (0.62%), and other occupations (4.15%).

PT Musi Hutan Persada has taken several steps to resolve conflicts with the surrounding community. These efforts include conducting boundary demarcation of the PBPH work area. A 2024 conflict report identified 19 claimants and a conflict area of 29,397.25 hectares. Of this, 22,880.89 hectares have been resolved, leaving 6,634.26 hectares under a "controlled" conflict status (37.58% of the total).

The Organization also monitors migration-related population growth, engages in routine forest patrols, and promotes communication through community programs like PS-KK Management and CSR/CD partnerships. A conflict resolution structure is in place at multiple levels, involving local and government stakeholders. The 2024 budget for conflict management was significant, with most of the funds used for security, environmental management, and community outreach.

Interviews with local leaders confirmed that PT Musi Hutan Persada maintains positive relations with surrounding communities, with conflicts being resolved through dialogue and consensus. The company continues to engage in social forestry programs, aiming to resolve tenure conflicts through collaboration with local governments, NGOs, and community leaders. PT Musi Hutan Persada is committed to resolving tenurial conflicts and fostering community collaboration through its Social Forestry Program. The company has been working with local communities, government agencies, and NGOs to implement the PS-KK (Social Forestry Partnership) and MHBM (Joint Forest Management) initiatives. In 2024, the company aims to expand its forest management efforts and provide technical support to forest farmer groups, with agreements already in place for several areas. The Organization is also focused on community engagement, preventing forest fires, and managing land conflicts, with an emphasis on long-term ecological, social, and economic benefits.

In addition to forest management, PT Musi Hutan Persada has invested in local development through its CSR programs. In 2024, the company implemented various community projects, including infrastructure development, education, and health services. These efforts benefited 82 villages in six regencies. The company also provides employment opportunities, prioritizing local workers, with 92% of its workforce being from the surrounding areas. PT Musi Hutan Persada's community-based initiatives aim to support long-term growth and prosperity for local populations while fostering good relations with surrounding villages.

Description of the Ecological conditions of the concession

PT Musi Hutan Persada is dedicated to sustainable forest management, as demonstrated by its extensive environmental assessments and plans. The company has conducted an Environmental Impact Assessment (AMDAL) in line with the Ministry of Forestry's regulations. This assessment is complemented by a comprehensive Environmental Management and Monitoring Plan, ensuring that the environmental impact of its operations is carefully monitored. Additionally, PT Musi Hutan Persada holds an environmental feasibility decree for timber forest product utilization in South Sumatra.

In 2024, the Organization set significant goals for forest rehabilitation, aiming to restore 1,498.72 hectares in protected areas and 77.11 hectares through partnerships. By the first half of the year, the company had planted 8,514.01 hectares of *Eucalyptus* sp. and completed 814.43 hectares of rehabilitation with local plant species in protected areas. These efforts reflect the organization's dedication to improving forest ecosystems while adhering to sustainability guidelines. Furthermore, The Organization follows national and international standards for pesticide use, ensuring that only herbicides classified as safe under regulatory frameworks are applied.

Forest protection is a key priority for PT Musi Hutan Persada, with a focus on preventing and mitigating pests, diseases, and forest fires. The company has implemented an integrated approach to pest and disease management, including seed selection, nursery practices, and training for field officers. For fire prevention, PT Musi Hutan Persada maintains a well-structured network of core and support teams, which include over 2,600 personnel. Additionally, the company ensures the proper maintenance of patrol roads and fire breaks to minimize the risk of forest fires, which are a significant threat to forest health.

The company also follows strict protocols for managing hazardous and toxic materials. PT Musi Hutan Persada adheres to government regulations such as the Regulation of the Minister of Environment and Forestry, ensuring the safe handling, storage, and disposal of hazardous waste. These practices align with global standards, including those set by the Rotterdam and Stockholm Conventions, and the organization's internal guidelines for managing hazardous materials in a responsible manner. This commitment to environmental safety is a critical part of its sustainability strategy.

The operations are situated in areas of high conservation value, supporting a wide range of flora and fauna. Several species within the region are listed as vulnerable, endangered, or critically endangered on the IUCN Red List. These include the sumatran tiger, the peusing pangolin, and several rare plant species such as the White Gaharu and Black Gaharu. The organization's efforts to protect these species, along with its initiatives to conserve biodiversity and restore ecosystems, underscore PT Musi Hutan Persada's dedication to maintaining ecological balance while promoting responsible forest management.

Results of the Public Consultation

Prior to carrying out the Surveillance 2 Audit, PT ACube TIC International conducted a public consultation starting 7 December 2024, 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 270,183.16 hectares.

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

The results of the Transition to IFCC ST 1001:2021 + Surveillance 1 Audit showed one non-conformity in the Minor category, which has since been addressed and closed.

No.	Non-Conformities	Corrective Action Performed in Surveillance 1	Closed Out at Surveillance 2
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	<ol style="list-style-type: none"> Preparing an organizational structure responsible for wood traceability and administration. Preparing a traceability and wood administration flow from planning to selling wood products to buyers. Revising the Timber Administration procedure (SPO-PMN-006 Revision 5) into the Timber Traceability and Administration procedure (SPO-PMN-006 Revision 6) with updated regulations and requirements in the IFCC ST 1001:2021 certification standard in Clause 7.3.6. Implementing the revised Timber Traceability and Administration procedure (SPO-PMN-006 Revision 6). 	<p>PT Musi Hutan Persada has effectively implemented its updated SOP (SPO-PMN-006 Revision 6, dated May 1, 2024) for traceability and wood product administration, covering all stages from harvesting, measurement, inventory, transportation, to sales, while integrating with national forestry systems (SIPUHH-SIGANISHUT and SILK).</p> <p>Field verifications at key locations in Regions II and III confirmed that procedures are properly followed, ensuring legal compliance and transparent documentation. Based on document checks and site visits, the organization's improvements are functioning well, and the related non-conformity has been officially closed.</p>

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

The results of Surveillance Audit 2 show that there are no discrepancies. PT Musi Hutan Persada has met the required standards and is implementing its management systems effectively.



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 maintains its Recertification schedule and does not have potential major non-conformity at the next Recertification.