

RSPO

Roundtable on Sustainable Palm Oil

Success story of Musim Mas achieving 100% RSPO certification in Indonesia

31st October, 2012

Presented by Dr Gan Lian Tiong, Musim Mas Group Head of Sustainability



10 Years Of Driving Sustainability.
A Business Model For The Future.



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Roundtable on Sustainable Palm Oil

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Musim Mas – Introduction



CORPORATE VISION

A fully integrated palm oil corporation renowned for quality people and products

MUSIM MAS GROUP A FULLY INTEGRATED PALM OIL CORPORATION



Musim Mas – Introduction

- Musim Mas is a fully integrated palm oil corporation with operations spanning the entire palm oil value chain from upstream to midstream and downstream operations.
- Musim Mas' operations spans over 11 countries: Indonesia (base), Singapore, Malaysia, Myanmar, India, China, Germany, Italy, Spain, UK and USA.
- The Group's upstream oil palm plantations are located in North Sumatra, Riau, South Sumatra, West Sumatra, Central Kalimantan and West Kalimantan.
- The mid and down stream operations are kernel crushing, refining and manufacturing of specialty fats, biodiesel, oleochemicals including fatty acids, fatty alcohol and glycerine, soap, palm wax and fine chemicals.



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MUSIM MAS GROUP A FULLY INTEGRATED PALM OIL CORPORATION



Musim Mas – Introduction

- The Group's supply chain is managed through strategically located bulking installations and transportation assets to provide efficient logistics solutions.
- Musim Mas Group employs 28,500 people.
- Musim Mas is the 1st Indonesian member of RSPO.
- The Group's palm oil mills with directly managed estates and scheme smallholders are 100% RSPO certified.



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Supportive Member of RSPO



Presentation at RT5



Presentation at RT6



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Supportive Member of RSPO



Presentation at RT9



Presentation at RT10



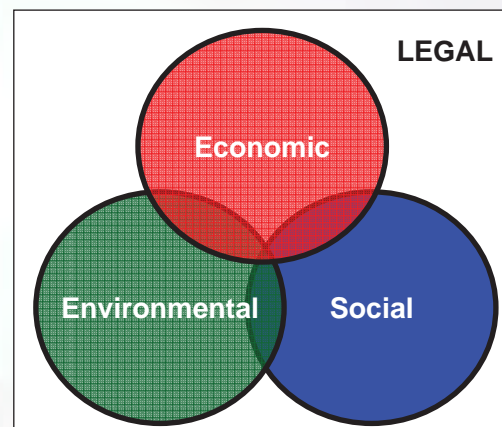
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RSPO Sustainable Standards

SUSTAINABLE PALM OIL PRODUCTION ENTAILS:

“legally compliant,
economically viable,
environmentally appropriate, and
socially beneficial
management and operations.”



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RSPO P&C Certification

- This is delivered through the application of the RSPO Principles and Criteria for Sustainable Palm Oil Production, and the accompanying indicators and guidance.
- Verification of compliance with this standard is through certification by accredited certification body. The unit of certification shall be the mill and its supply base:
 - The unit of certification must include both directly managed land (or estates) and associated smallholders and outgrowers, where estates have been legally established with proportion of lands allocated to each.
 - All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards.
 - The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years.

<http://www.rspo.org/sites/default/files/RSPOcertification-systems.pdf>



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RSPO Certification – P&C



Musim Mas is especially proud of being the **FIRST** Indonesian plantation to be certified.



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RSPO Certification – P&C

Our Smallholders Scheme in West Sumatra received RSPO Certification on 17th June 2010

FIRST in Indonesia



RT8 11 November 2010
Celebration for attaining RSPO smallholders certification



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RSPO Certification – P&C and SCCS

Upstream	Midstream	Downstream
<p>RSPO P&C Certified</p> <p>2009 Jan – PT Musim Mas</p> <p>2010 April – PT Berkat Sawit Sejati June – PT Agrowiratama / plasma Aug – PT Sukajadi Sawit Mekar 1</p> <p>2011 Mar – PT Musim Mas plasma June – PT Maju Aneka Sawit & PT Globalindo Alam Perkasa</p> <p>2012 Feb – PT Sukajadi Sawit Mekar 2 Sept – PT Unggul Lestari</p> <p>Note: All POMs have been SCCS verified</p>	<p>RSPO SCCS Certified</p> <p>2010 Mar – PT Intibenua Perkasatama July – PT Megasurya Mas Nov – PT Wira Inno Mas Refinery Dec – PT MM Belawan Refinery</p> <p>2011 July – PT Berkat Sawit Sejati July – PT Musim Mas KIM I July – PT Indokarya Internusa Refinery</p>	<p>RSPO SCCS Certified</p> <p>2010 Jan – PT Mikie Oleo Nabati Industry Dec – PT Musim Mas KIM II Plant Dec – PT MM Batam</p>



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RSPO Certification – P&C

Musim Mas Group RSPO Certified Management Units

No.	Management Units	Date of Certification	Production Area (Ha)	Certified Area - Own Plantation (Ha)	Certified Area - Scheme Smallholders (Ha)	CSPO Production Capacity (mt)	CSPK Production Capacity (mt)
1	PT Musim Mas		23822	24011	1683	151531	36707
	Batang Kulim POM	06 th January 2009	10863	11052	876*	74353	17760
	Pangkalan Lesung POM	06 th January 2009	12959	12959	807*	77178	18947
2	PT Berkat Sawit Sejati		10796	10862	NA	80142	17486
	Berkat Sawit Sejati POM	08 th April 2010	10796	10862		80142	17486
3	PT Agrowiratama		35462	37108	1534	258467	60404
	Agrowiratama POM	17 th June 2010	6056	6056	1534**	52848	13762
	Sukajadi Sawit Mekar 1 POM	28 th August 2010	11290	11307		86533	20031
	Maju Aneka Sawit & GAP POM	17 th June 2011	7944	8524		51573	10983
	Sukajadi Sawit Mekar 2 POM	16 th February 2012	10172	11221		67513	15628
4	PT Unggul Lestari		7947	10838	NA	54161	11978
	Unggul Lestari POM	04 th September 2012	7947	10838		54161	11978
Total			78027	82819	3217	544301	126575

* RSPO certified on 2nd March, 2011
 ** RSPO certified on 17th June, 2010



Managing for Sustainability

- ▶ Musim Mas believes that a holistic and integrated approach needs to be taken to achieve sustainability by the whole company.
- ▶ RSPO P&C should be the basis for managing the enterprise and not just a means to certification.
- ▶ Management of sustainability at Musim Mas involves:
 - ▶ A new management structure.
 - ▶ Management system based on RSPO P&C.
 - ▶ Phased implementation of activities.

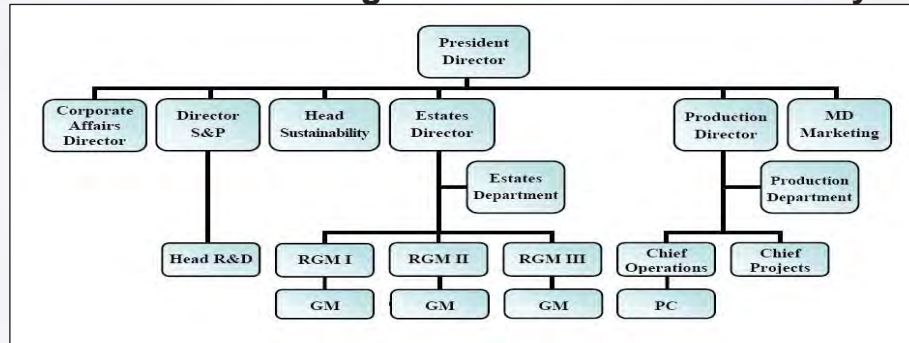


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Managing for Sustainability

Musim Mas Steering Committee on Sustainability



To drive and support Musim Mas commitment to the production of sustainable palm oil



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Managing for Sustainability

ROLES & RESPONSIBILITIES OF STEERING COMMITTEE

- Formulate policies to meet RSPO P&C (environmental, social and economic)
- Establish processes for identifying opportunities for improvement
- Provide support and resources (people, time, funds).
- Establish measures (KPIs).
- Monitor and review progress of performance against KPIs.
- Provide Reward and Recognition system.
- Establish processes for effective engagement of stakeholders (NGOs etc).
- Communicate Musim Mas commitment and progress on sustainability.



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Managing for Sustainability



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Managing for Sustainability



MUSIM MAS POLICY ON SUSTAINABILITY

We at Musim Mas are committed to conduct our businesses in an environmentally appropriate, socially responsible & economically viable manner while meeting the quality expectations of our customers.

In our pursuit of corporate excellence, we shall:

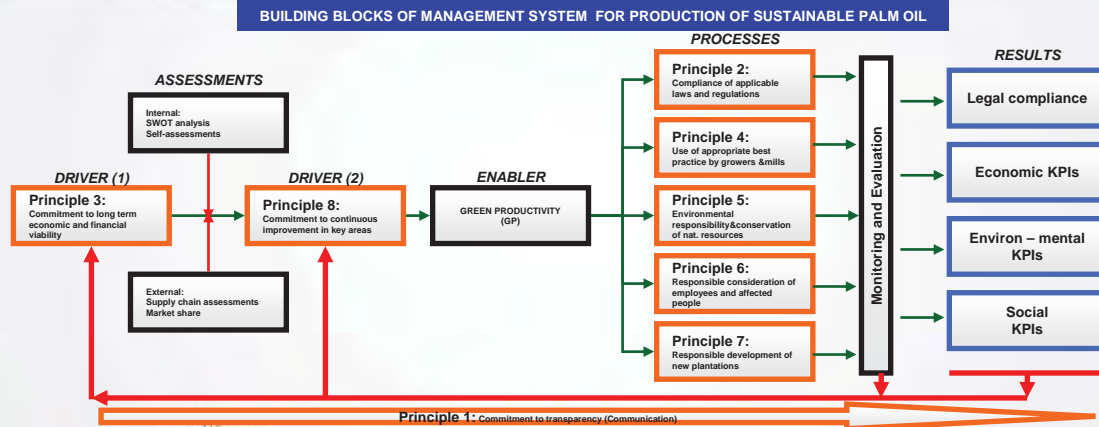
- Abide by RSPO Code Of Conduct
- Comply with all applicable laws and legal requirements
- Ensure occupational safety and health in the work place
- Contribute and actively involve in community development
- Develop, implement and improve environmentally responsible practices
- Communicate our effort on sustainability to our internal and external stakeholders



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Managing for Sustainability

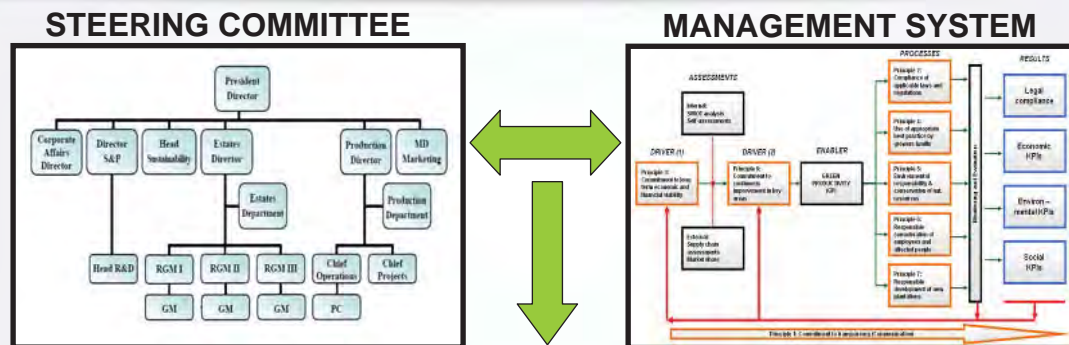


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Managing for Sustainability



Inculcate Sustainability Culture



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Managing for Sustainability

PHASED IMPLEMENTATION

Management Units		2007		2008		2009			2010				2011		2012		
		Feb	Dec	Jun	Jan	Apr	Jun	Apr	May	Jun	Aug	Dec	Mar	Jun	Feb	May	Sep
PT Musim Mas	Gap Analysis	█															
	Pre Audit		█														
	Main Audit			█													
	Certified				█												
PT Berkasawit Sejati	Gap Analysis	█															
	Pre Audit					█											
	Main Audit						█										
	Certified							█									
PT Agrowiratama	Gap Analysis	█															
	Pre Audit					█											
	Main Audit						█										
	Certified							█									
PT Sukajadi Sawit Mekar	Gap Analysis	█															
	Pre Audit							█									
	Main Audit								█								
	Certified									█							
PT Maju Aneka Sawit & PT Globalindo Alam Perkasa	Gap Analysis	█															
	Pre Audit																
	Main Audit																
	Certified																
PT Unggul Lestari	Gap Analysis	█															
	Pre Audit																
	Main Audit																
	Certified																

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Social Impact Assessment & Management




RT10
 Resorts World Singapore
 AN EVENT BY **RSPO**

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HCV Assessment & Management



HCV Identification



HCV Management Training



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HCV Assessment & Management



HCV Monitoring



Peer Review



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Stakeholders Consultation



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Documentation



REALIGNMENT TO MEET RSPO P&C REQUIREMENTS:

1. GROUP POLICIES
2. SOPs
3. VERIFIERS
4. INTERNAL AUDITS
5. HCV/SIA STUDIES
6. SOCIALIZATION



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Training



Senior Management



Management



Executives & Field Supervisors



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Training



Mill Staff & Workers



Field Workers & Sprayers



Artisans and Drivers



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Improvement Projects

CONTINUOUS IMPROVEMENT THROUGH GREEN PRODUCTIVITY

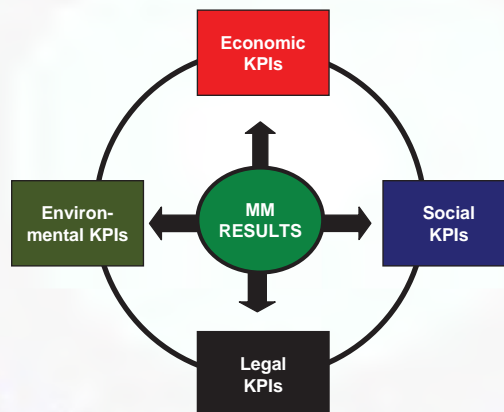


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Measurement & Monitoring

MUSIM MAS RESULTS SCORECARD



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Conclusions

- **TOP MANAGEMENT COMMITMENT IS A PREREQUISITE TO DRIVE SUSTAINABILITY THROUGHOUT THE COMPANY.**
- **A WELL STRUCTURED TRAINING PROGRAMME IS CRUCIAL TO CASCADE THE REQUIREMENTS OF THE P&C AND TO DEVELOP SUSTAINABILITY CULTURE ACROSS ALL LEVELS OF STAFF AND WORKERS.**
- **PRACTICAL AND REALISTIC SOPs AND MONITORS MUST BE USED TO EXTRACT MAXIMUM SOCIAL, ENVIRONMENTAL, LEGAL AND ECONOMIC BENEFITS.**
- **REGULAR REVIEW OF ALL PROCESSES AND DOCUMENTATION IS NECESSARY TO ENSURE CONTINUOUS IMPROVEMENT.**
- **ATTENTION TO DETAILS WILL ENSURE A SUCCESSFUL SUSTAINABILITY CULTURE AND CERTIFICATION TO RSPO P&C**



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