



# Corporate Presentation

June 2024



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01

# About Us



About Musim Mas

# Our History



Started the first palm oil refinery in Indonesia

**1970**



Started oleochemicals plant

**2003**



**1932**

Started the Nam Cheong Soap Factory



**1988**

Started plantation in Rantau Prapat, North Sumatra



**2012**

Fully integrated palm oil corporation across 13 countries

About Musim Mas


# Musim Mas at a Glance



**Singapore**  
Headquarters



**>38,000**  
Worldwide Employees



**13 Countries**  
Operational presence



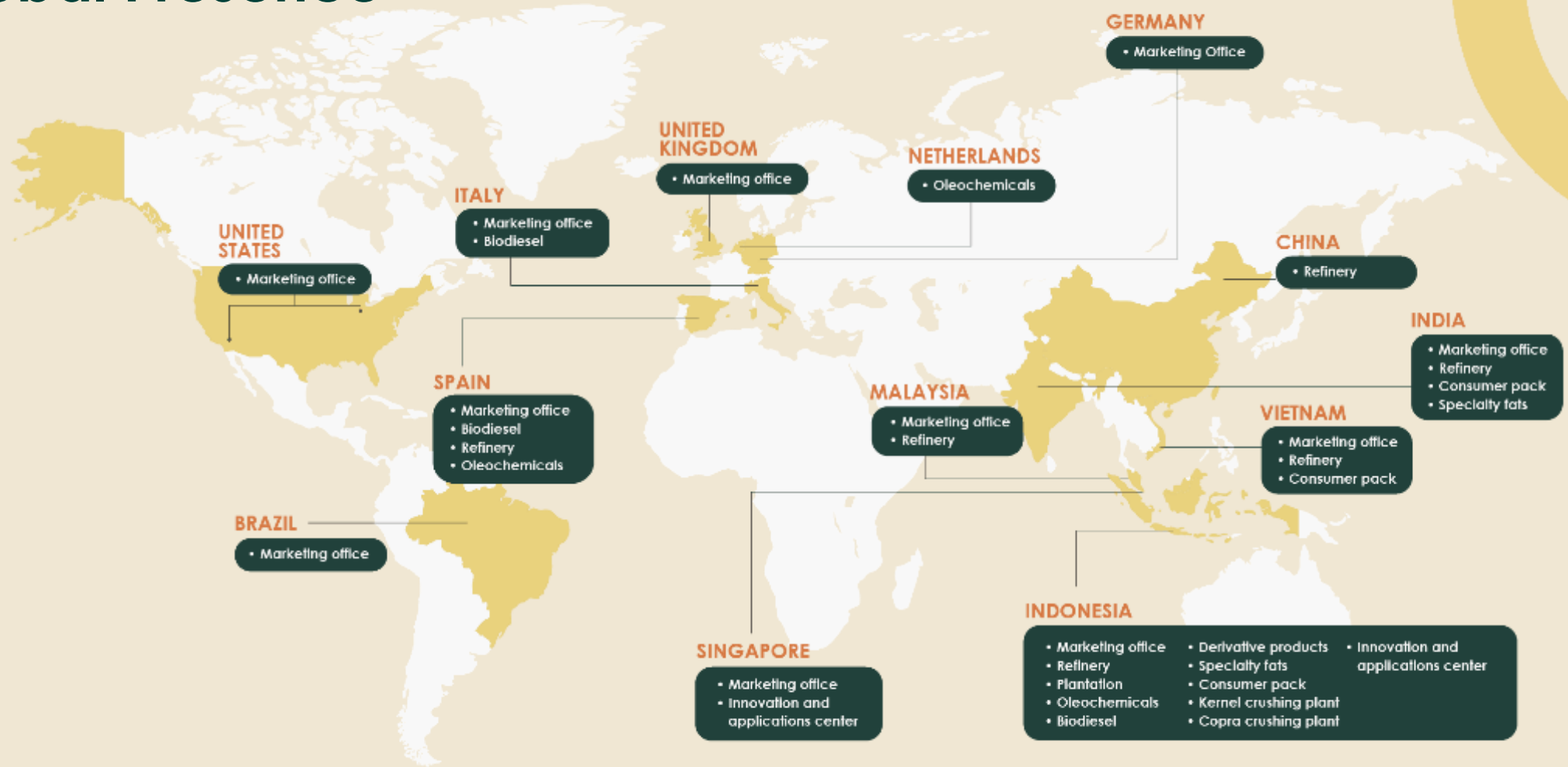
**Products sold globally**



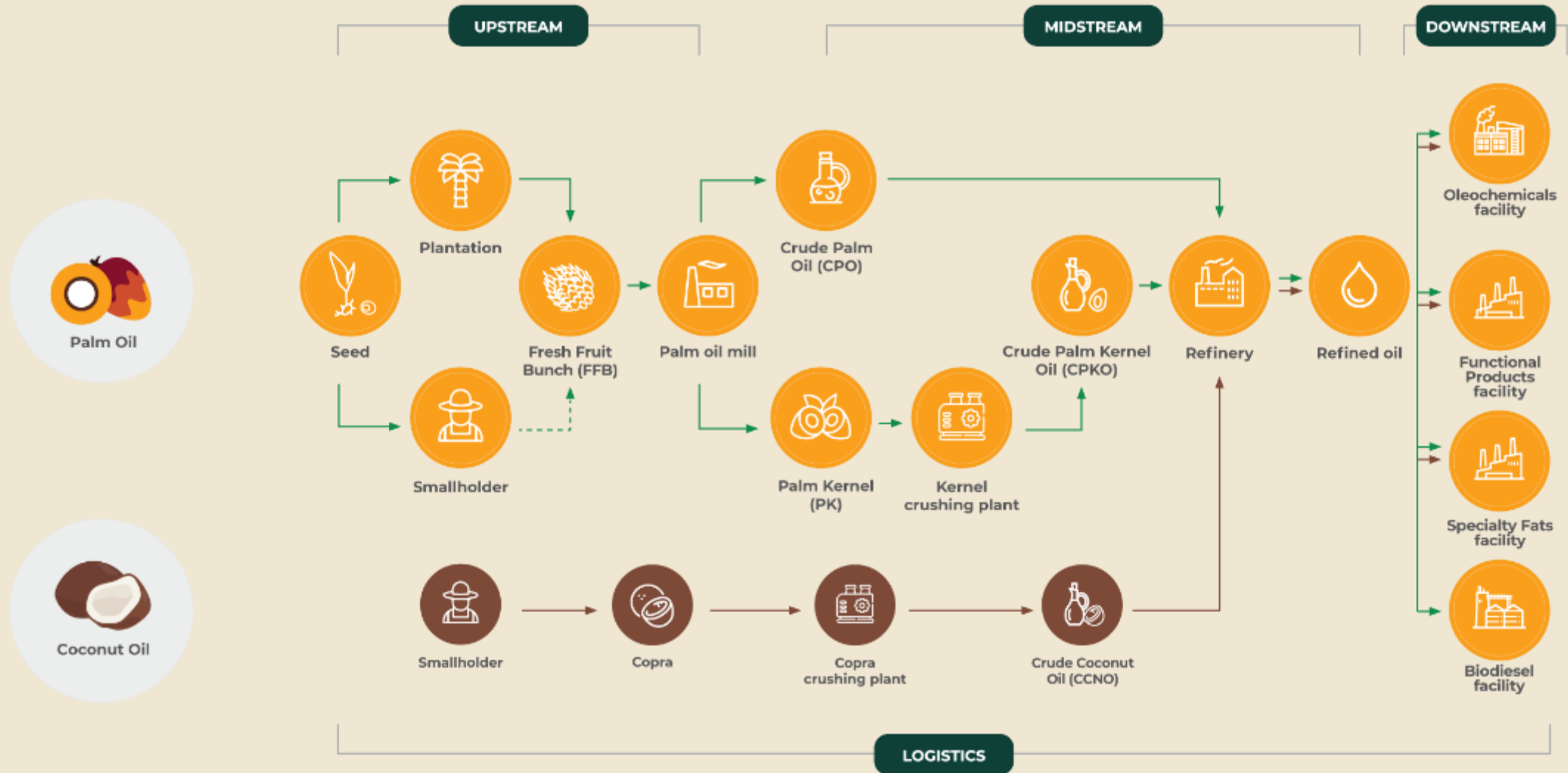
**USD 8.9 billion**  
Total sales (FY2023)



# Global Presence



# Integrated Business





About Musim Mas

# Product Applications



**Animal Nutrition**



**Biofuels**



**Commodities**



**Consumer Products**



**Food & Beverage**



**Healthy & Dietary  
Supplements**



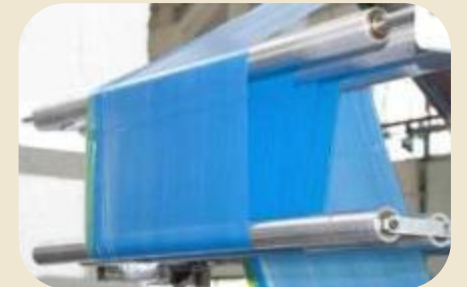
**Home Care, Personal  
Care & Cosmetics**



**Industrial**



**Pharmaceutical**



**Polymers & Plastics**



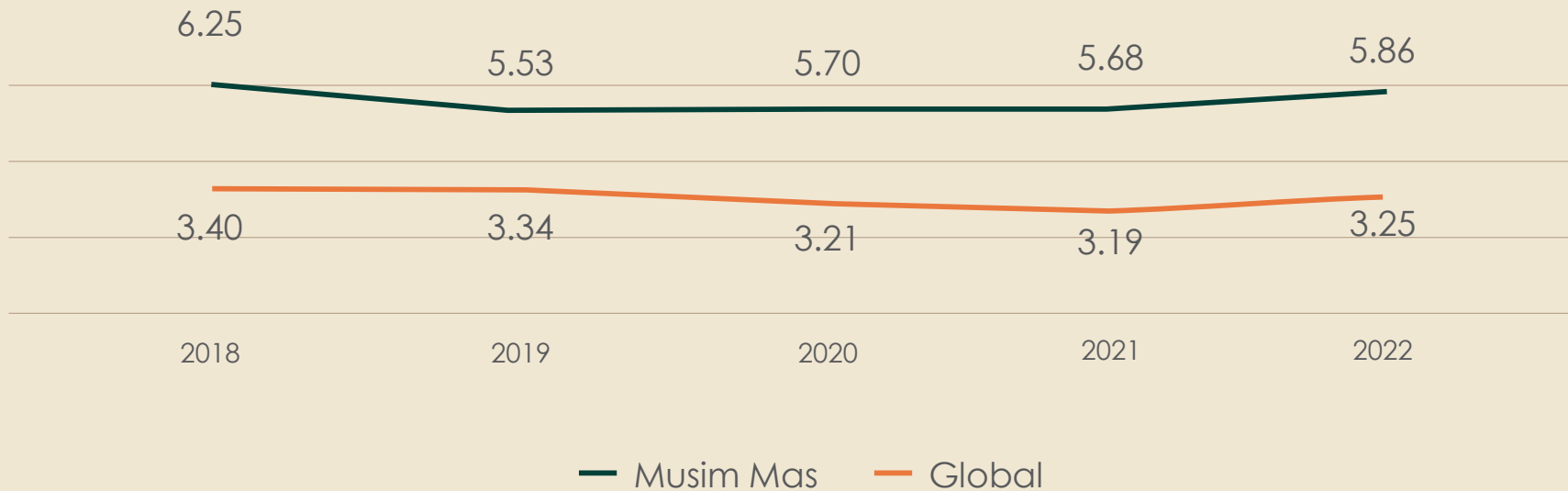
About Musim Mas

# Group Oil Yield per Hectare

\* In tonnes per Ha

Musim Mas CPO yield vs. global average 2018-2022

(MT CPO/ha)





02

# Sustainability Milestones & Highlights



# Our Sustainability Milestones



First in Indonesia to join RSPO<sup>1</sup>



First smallholder scheme in Indonesia to attain RSPO<sup>1</sup> certification



Published comprehensive sustainability policy extended to third-party suppliers



- Updated Sustainability Policy
- Integrated independent smallholders into the sustainable palm oil supply chain



Signed Agricultural Sector Roadmap to 1.5°C at COP27 to reduce emissions from land use change

2004

2009

2010

2012

2014

2019

2020

2021

2022

2023



First plantation in Indonesia to attain RSPO<sup>1</sup> certification



First plantation in Indonesia to attain ISPO certification



- First Southeast Asian palm oil major to be POIG<sup>3</sup>-verified
- First palm oil mill in the world to be certified against RSPO<sup>1</sup> Principles and Criteria 2018



- Launched Social Impact Report
- Achieved 100% RSPO<sup>1</sup> Certification for integrated mills



- 100% of PTs ISPO-certified
- Launched Sustainable Sourcing Strategy for coconut operations

<sup>1</sup> Roundtable on Sustainable Palm Oil

<sup>2</sup> Indonesian Sustainable Palm Oil

<sup>3</sup> Palm Oil Innovation Group

# Achieving Higher Standards Across our Operations



## RSPO Certification

- 100% of integrated mills
- 83% of total mills
- 77% of our plantations
- 100% of Kernel Crushers, Refineries, Oleochemical plants & Specialty Fat plants in Indonesia



**More than 755,780 MT CSPO\*** and **188,930 MT CSPK\*\***

\*Crude Sustainable Palm Oil  
\*\* Crude Sustainable Palm Kernel



PT. Multipersada Gatramegah: **first mill in the world** to be audited against **RSPO Principles & Criteria 2018 standards**



**First POIG<sup>^</sup>-verified palm oil major in Southeast Asia**

<sup>^</sup>Palm Oil Innovation Group



**NDPE# IRF## profiles for 20 facilities, covering Refineries and Kernel Crushers**

NDPE: [www.ndpe-irf.net/](http://www.ndpe-irf.net/)

#No Deforestation, No Peat, No Exploitation

##Implementation Reporting Framework



Indonesian Sustainable Palm Oil

**100% PTs are ISPO-certified as of July 2023**



03

# Musim Mas Sustainability Policy



# Musim Mas Sustainability Pillars



## Pillar 1



Improve  
the Lives of  
**Smallholders,  
Workers, and  
Communities**

## Pillar 2



Deliver  
**Positive  
Environmental  
Impacts**

## Pillar 3



Maintain Responsible  
and Enduring  
**Relationships**  
with **Suppliers,  
Customers, and  
Stakeholders**

## Pillar 4



Drive **Innovation**  
in **Sustainable  
Practices**



# 2022 Sustainability Report

- Musim Mas publishes annual Sustainability Reports.
- Affirms the Group's commitment towards sustainable palm oil.
- The current one for calendar year 2022 can be found on our website.





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# Smallholder Initiatives





## Who Are the Smallholder Farmers?

Smallholders are small-scale farmers who own **up to 20 hectares of planted oil palm**. There are broadly two types in Indonesia.

In Indonesia, oil palm smallholders are classified into **two groups**: **Scheme** and **Independent Smallholders**.



Scheme smallholders operate under a government-initiated program with support from plantation companies.

Independent smallholders are self-financed, self-managed, self-equipped, and not bound to any one mill.

## Why Smallholders are Key to Sustainable Palm Oil

Smallholders manage 41% of planted palm, this represents **6.4 million hectares** in Indonesia.

Independent ones particularly face great challenges including:



Limited  
Expertise



Limited  
Access to  
Financing



Lack of  
Market  
Access



Poor Yields

As a result, **smallholders require support** to discourage deforestation and slash-and-burn agriculture.



# Scheme Smallholder Initiatives

In 1996, Musim Mas initiated a primary cooperative credit scheme (KKPA) to assist smallholders. This program became mandatory in Indonesia only in 2007.

In 2000, Musim Mas launched a second initiative - the Village Development Program (VDP).

**Smallholders Oil Palm  
Development Programs  
(KKPA)**

**4,159 Smallholders  
6,992 Hectares**

## SCHEME SMALLHOLDERS

**Village Oil Palm  
Development Program  
(KKD/VDP)**

**32 Villages  
242 Hectares**



- KKPA (Kredit Koperasi Primer Anggota)
- KKD / VDP (Koperasi Kas Desa/ Village Development Program)

\* Data as of December 2023

# Indonesia's Largest Independent Smallholders Program



Training on Good Agricultural Practices



Preventing Deforestation



Improving Farm Productivity



Gaining Market Access Through Certification



more than  
**44,000**  
Smallholders trained by Musim Mas

more than  
**36,900** Under Training for Smallholders  
more than  
**7,100** Under Training for Trainers



more than  
**89,000** Hectares covered



more than  
**4,586** RSPO-certified Smallholders



more than  
**1,959** ISPO-certified Smallholders



### Independent Smallholders

- Training for Smallholders
- Training for Trainers: Smallholders Hub

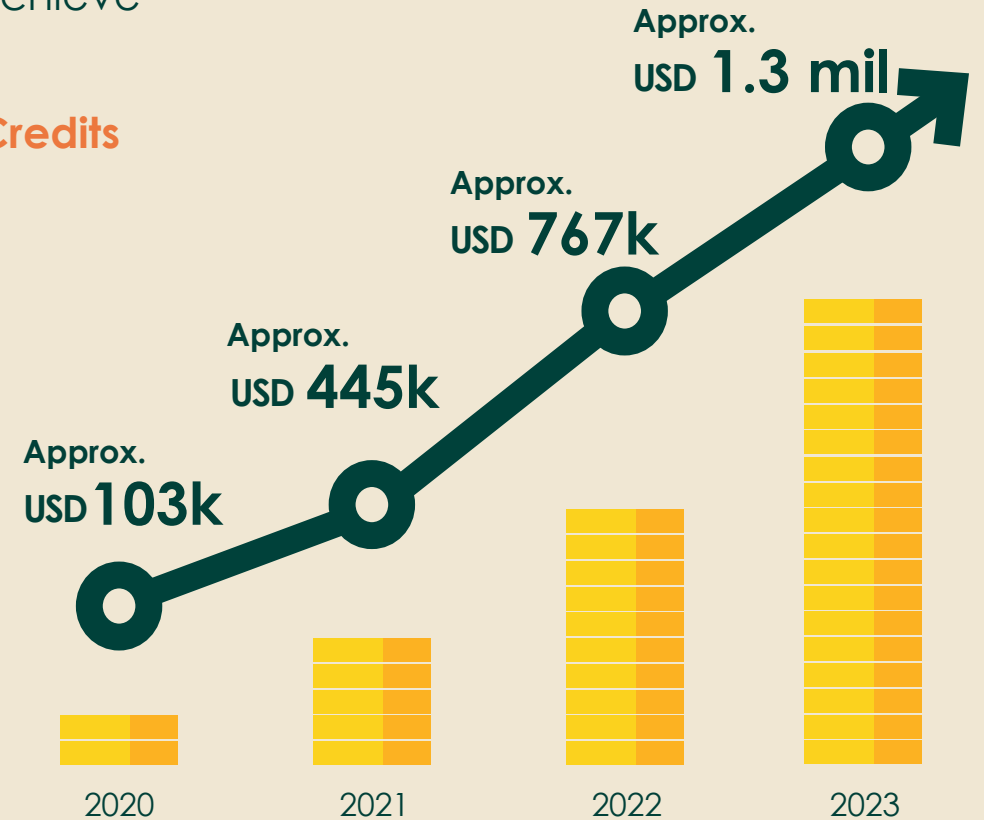
\* Data as of March 2024



# Helping Smallholders Gain Market Access

As a vertically integrated company, Musim Mas has been helping smallholders gain access to the international sustainable palm markets by working with companies using palm oil and helping smallholders achieve sustainability through the RSPO Credits scheme.

**Musim Mas has helped independent smallholders achieve RSPO Credits a combined total of more than USD 2.6 million.**



\* Data as of December 2023



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# Landscape Projects & Collaborations



# Our Collaborations

We believe in collaborating with governments, NGOs, academia, developmental funds and downstream players such as consumer goods companies to achieve palm oil sustainability.



## Academia and developmental funds



## Downstream Collaborations



## Collaborations for Livelihoods: General Mills

Collaboration is the key to achieve oil palm sustainability. Not just with governments and NGOs, but with downstream players like General Mills which we began collaborating with in 2020.

### Highlights of General Mills' support:

- **Three years** of funding
- Experienced in **Regenerative Agriculture Experience**
- **Sustainable** sourcing innovations

 **more than 1,300** Smallholders Trained

 **75** VEOs Trained



\* Data as of June 2023





# Addressing Deforestation: Nestle and AAK



Aceh is a priority landscape as 87% of the Leuser Ecosystem lies within the province. As of 2021, Musim Mas is **leading a five-year program to train village extension officers (VEOs)** on sustainability.

## Highlights:

- **5-year project** on VEO training
- **2 years** of funding from Nestle and AAK
- Nestle and AAK to **buy RSPO Smallholder Credits**
- To engage **approximately 1,000** smallholders

# Improving Smallholders' Market Access: Unilever, PepsiCo, Nestle



To help smallholders gain international market access through RSPO credits, in 2021, Musim Mas launched a partnership with downstream consumer goods companies.

## Highlights:

- Deals for smallholders **worth USD 445,000** were made in 2021
- Benefited smallholders across **four farmers' associations**





# Supply Chain Sustainability: ETHZ

## **ETH** zürich

Launched in 2021, this collaboration aims to investigate the conditions under which supply chain sustainability initiatives can lead to reduced deforestation, while maintaining livelihoods.

### Highlights:

- An unprecedented **5-year longitudinal study**
- ETHZ Zurich will measure how Musim Mas' Smallholders Hubs approach can **contribute to sustainability goals**
- Up to **1,600 non-industrial palm producers** will be surveyed over a 5-year timeframe



# Supply Chain Sustainability: Livelihoods Funds, SNV, Danone, L'Oréal, Mars, Incorporated



L'ORÉAL

MARS

To improve smallholder livelihoods and explore innovations such as regenerative agriculture, Musim Mas in 2021 launched a collaboration with Livelihoods Funds, SNV and downstream players.

## Highlights:

- A **10-year in-depth project** to improve smallholders yield and livelihoods
- **First** major agroforestry/intercropping project in Indonesia
- Over **8,000 hectares** of degraded land to be regenerated
- **2,500 smallholder farmers** to benefit
- The **findings** will benefit the industry at large



# Improving Biodiversity: SEARRP



In 2021, we partnered with a research facility SEARRP and University of Oxford scientists, to determine the effectiveness of our conservation efforts.

## Highlights:

- A study on **up to 12 years'** worth of HCV monitoring data
- SEARRP assessed the **effectiveness** of Musim Mas' conservation efforts
- SEARRP provided **recommendations that will support in the improvement of our conservation practices**
- **We shared our findings with the RSPO**



## Aceh Leuser Landscape

Aceh is a priority landscape as **87% of the Leuser Ecosystem lies in the Aceh province.**

The Leuser Ecosystem is **one of the largest rainforests** in the world-renowned for its high biodiversity.

Despite only making up 5 to 10% of our supply base, we **contribute our NDPE expertise** to the local mills and smallholders.

Since 2019, we began publishing our **annual Aceh Progress Report** to communicate our progress in the Aceh Province.

### Highlights:

- **Landscape-based approach** across different stakeholders including government, NGOs and smallholders
- **Established supply chain** for sustainable sourcing through collaborations





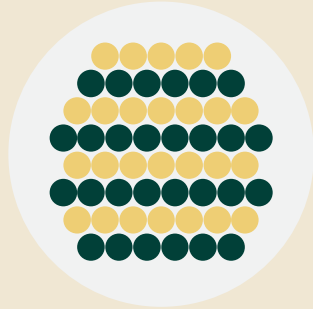
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# Environmental Efforts





# Zero-Waste Mills: Our Sustainable Production



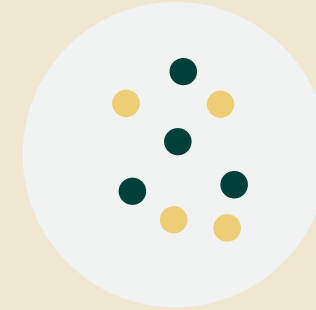
## Solid

- Press cake fiber, empty fruit bunch fiber and kernel shells used as fuel
- Decanter solid from **Palm Oil Mill Effluent (POME)** used as fertilizer



## Liquid

- POME undergoes anaerobic digestion to produce methane gas
- Treated POME use as organic fertilizer in plantation



## Gaseous

- Methane gas produced by anaerobic digestion of POME is captured as biogas to power the palm oil mill and housing complex
- Boiler chimney discharge to the atmosphere is smoke-free

**These features are not commonly found in the industry**



# Reduction of Emissions



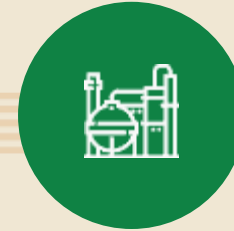
## Plantation

- No development on primary forest, HCV and HCS forest
- No new development on peatland
- Zero burning



## Mill

- Use biomass as energy feedstock
- Capture methane gas and produce electricity
- Net positive energy balance



## Refinery

- Use biomass as energy feedstock



## Processing Plant

- Use biomass as energy feedstock
- Some of the processing plants are 100% powered by biomass

### Targets

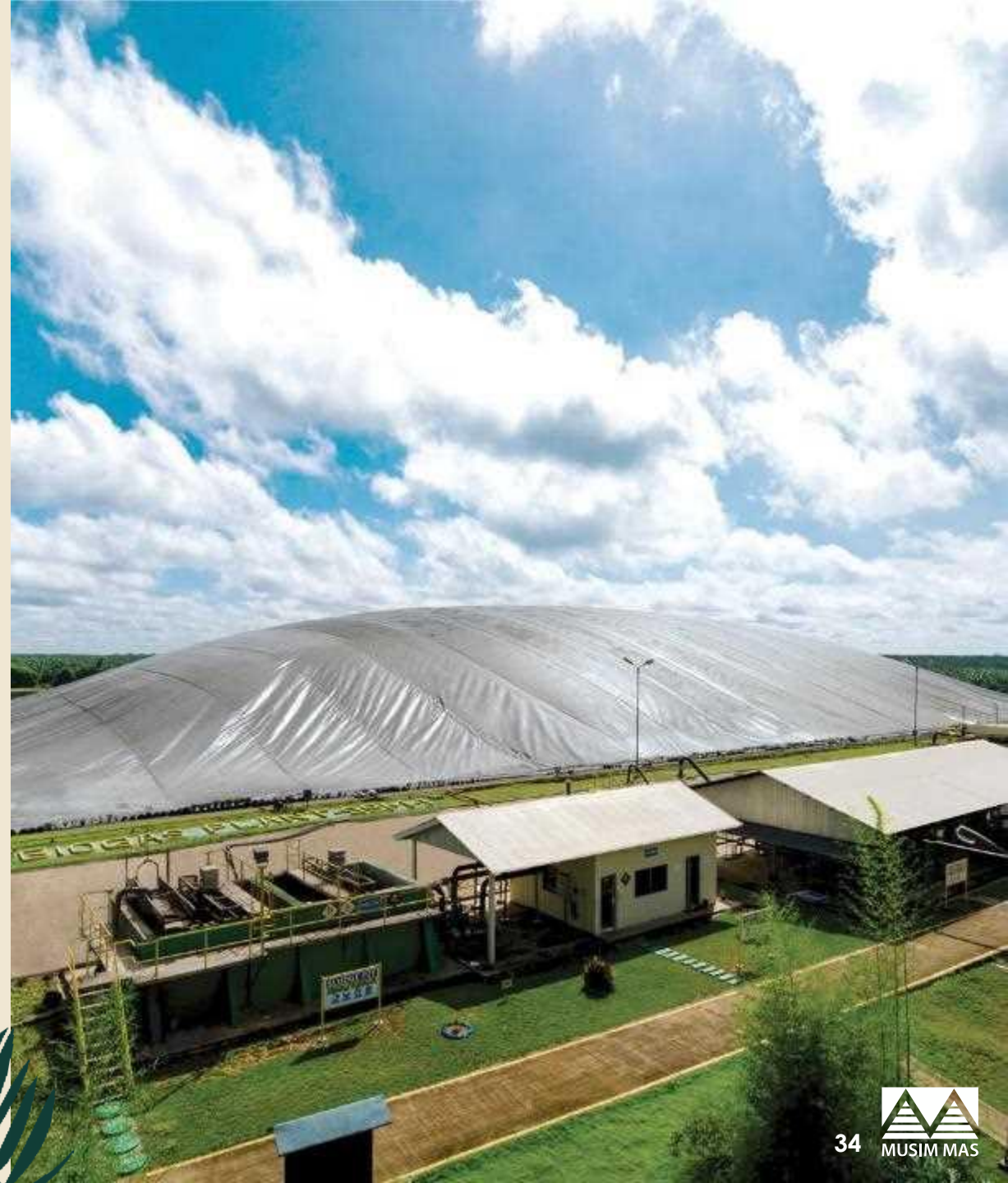
*55% reduction (by 2025, 2006 baseline)*

*Committed to Net-Zero by 2050, by aligning with climate science per the Science Based Targets Initiative (SBTi)*

# Zero-Waste Mills: Methane Capture Projects

Musim Mas is the first major plantation group to install the facility for all its mills

- Effluent account for **99% of mill operation's emission.**
- Methane capture can **reduce significantly the total emission** of Estate and Mill operation but requires substantial capital expenditure.
- Musim Mas has invested **USD 60 million** to equip all its mills with methane capture system.





# Supply Chain Transformation



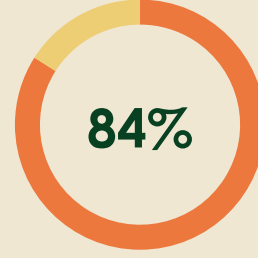
Traceable to mills since 2015



Traceable to Plantation



Suppliers have attended NDPE workshops



Supplying Mills have completed Self-Assessment Tools



Suppliers monitored for deforestation and peat (Mills with Concessions)

>9.8 Million Ha

Being monitored across Indonesia, Malaysia and Thailand

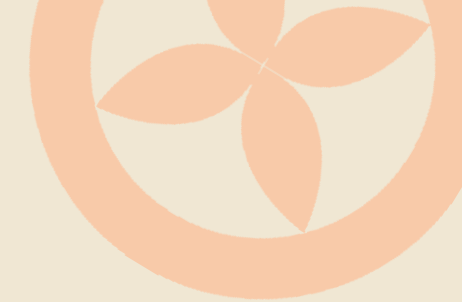


Suppliers committed to NDPE principles



# Leading Supplier Engagement

As over 80% of Musim Mas CPO comes from external suppliers, we factor in and engage suppliers on sustainability



**Extension Services Program for Smallholders from 3<sup>rd</sup> Party Mills**



**97% Suppliers Submitted NDPE Commitments**



**97% Traceability to Plantation for Supply Chain**



**Deforestation monitoring: Satellite-based with Earthqualizer**



**Deforestation monitoring: Radar-based with RADD**



# Commitment to transparency



Received 11 Green awards,  
and 9 Blue awards



91.8%, ranked 7<sup>th</sup> of 100  
out of 100 palm oil companies



**ASD**  
ACTION FOR SUSTAINABLE DERIVATIVES

Score 86 (2023)



PT. Musim Mas –  
Gold Medal  
(2023)



Forests 2023 (A)  
Climate change 2023 (B)  
Water security 2023 (A)



8.7 of 10, ranked 2<sup>nd</sup>  
In the Agricultural Products industry

07

# CSR Efforts

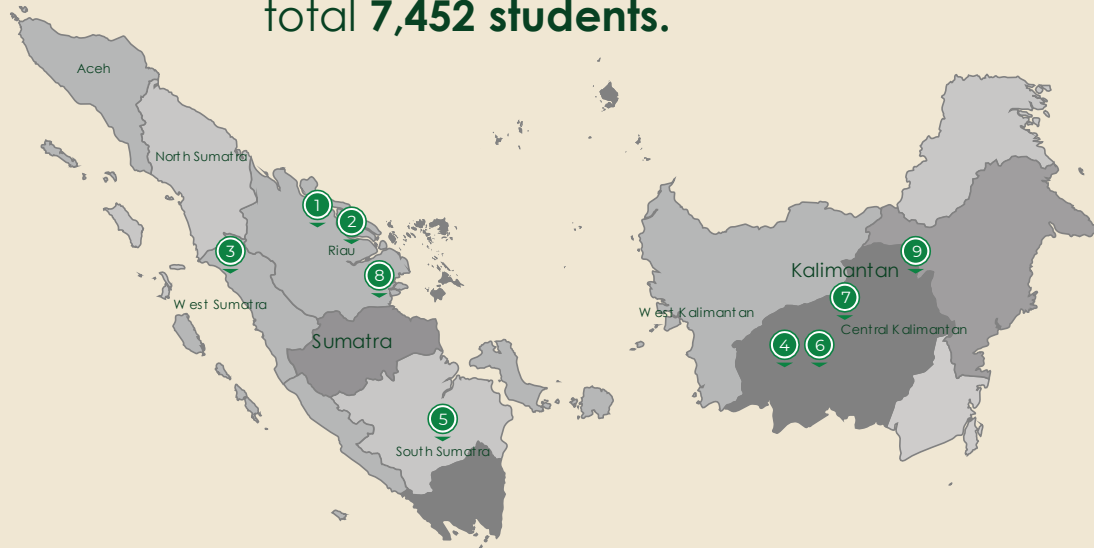


# Providing free Primary Education



**Free education** for children of plantations workers.

**11 primary schools** and **3 secondary schools** have been established with total **7,452 students**.



# Support for Tertiary Education



Library

Tanri Abeng  
University (TAU)  
South Jakarta



Auditorium

Bogor Agricultural  
University, Bogor, West  
Java Province



Multi-purpose  
building

Faculty of Economics,  
University of North Sumatra,  
Medan, North Sumatra



Musim Mas  
Professorship in  
Sustainability Program

National University of  
Singapore, Singapore





# Donations

Musim Mas operates a long-standing outreach initiative through The Anwar Karim Foundation, or Yayasan Anwar Karim (YAK), which runs programs that address needs like economic development, community facilities, education, and infrastructure.

In 2022, our CSR contributions through the Foundation amounted to IDR 30,243 million, of which 58% was allocated to our YAK schools.



**IDR 30,243 million\***

**2022 CSR Contributions**

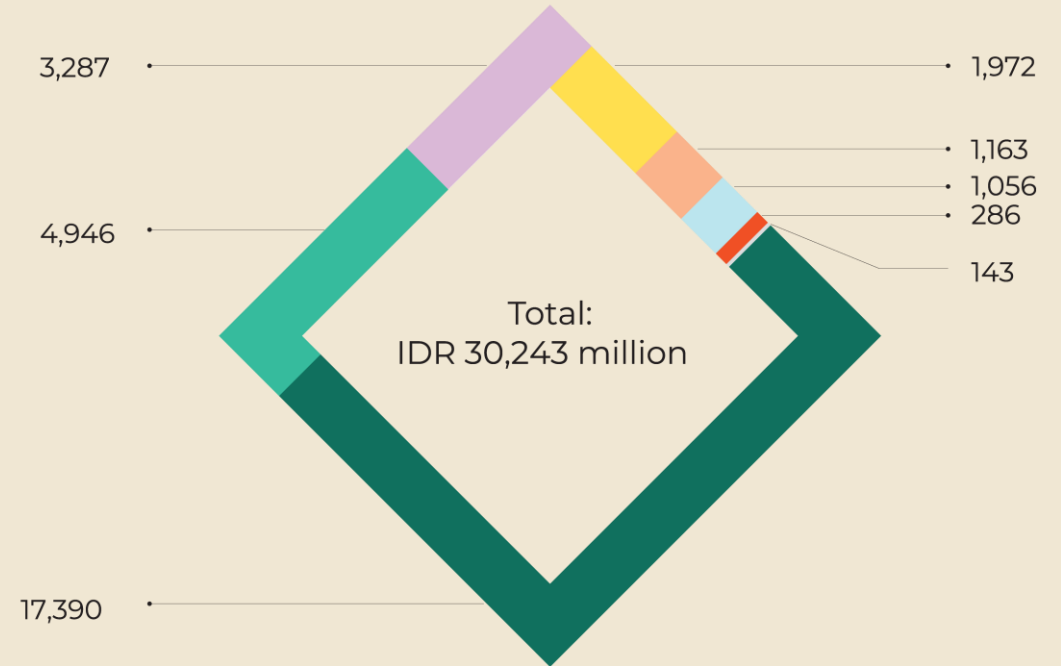
*\*Approx. USD 1.9 million*



**58%** **Allocated to YAK schools**

Note: Musim Mas operates **10 primary schools** and **3 secondary schools**

**CSR contributions 2022 (IDR million (%))**



- ◆ YAK schools
- ◆ Infrastructure
- ◆ Religion, social, cultural
- ◆ Other
- ◆ Environment
- ◆ Education
- ◆ Economic development
- ◆ Community health facilities

# Conclusion

**Musim Mas will continue to engage stakeholders to incorporate their feedback into the sustainability strategy.**

**Musim Mas firmly believes that palm oil industry should keep moving ahead, balancing the needs of social development and environment protection.**

**Musim Mas will continue its sustainability journey to produce palm oil in an environmentally friendly, socially acceptable and economically viable manner.**





# Thank You!

June 2024