The Value of RSPO for a State-Owned Company

I. Company Identification

Name : PT Perkebunan Nusantara III (Persero)  
Owner : Government of Indonesia  
(State Owned Enterprise Plantation)  
Address : Jl. Sei Batanghari No.2, PO Box 91, Medan 20122, INDONESIA  
Phone : +6261 8452244, 8453100  
Facsimile : +6261 8454728, 8455177  
Homepage : www.ptpn3.co.id  
Email : kandir@ptpn3.co.id
II. Range of Business

II.1. Oil Palm

Plantation:
1. Area = 105,530,75 ha<sup>2010</sup> (Indonesia = 7,824,623 ha)
2. Yield = 1,711,868 ton fresh fruit bunch<sup>2010</sup>

Factory:
1. POM = 11 units of 510 ton FFB/h capacity
   produce:
   - CPO = 413,433 ton<sup>2010</sup> (Indonesia = 19,884,901 ton)
   - Kernel = 84,452 ton<sup>2010</sup>

Go Green!
### III. Marketing

#### 2010:

- **CPO**
  - **Export:** 50%
  - **Local:** 50%

<table>
<thead>
<tr>
<th>Year</th>
<th>Production Plan</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>35,130,492</td>
<td>Derived from a palm oil mill</td>
</tr>
<tr>
<td>2011</td>
<td>51,671,776</td>
<td>Derived from five palm oil mills</td>
</tr>
<tr>
<td>2012</td>
<td>195,798,146</td>
<td>Derived from seven palm oil mills</td>
</tr>
<tr>
<td>2013</td>
<td>492,030,256</td>
<td>Derived from eleven palm oil mills</td>
</tr>
<tr>
<td>2014</td>
<td>545,509,594</td>
<td>Derived from ten palm oil mills</td>
</tr>
</tbody>
</table>
V. Business Development

1. Upstream industry
   - Increase in productivity & quality
   - Increase in efficiency & GAP/GMP
   - Improve in environment & social performance
   - Comply P&C NI RSPO

2. Downstream industry
   - Establishment of Sei Mangkei – Integrated Sustainable Palm Oil Industrial Cluster (SM-ISPOIC)

RAW MATERIALS FROM 100% CSPO & CSPK
Industrial clusters, as postulated by Porter (1990), are concentrations of expertise among closely-linked industries and companies, in which extensive investment in specialized factors of production triggers a positive growth. The focus is on the mutual connections and interaction between individual industries.

Feature of SM-ISPOIC:

- It is on oil palm plantation area and surrounded by (less than 70 km):
  - PTPN III Palm Oil Mills of 165 ton FFB/h
  - Other PTPN’s Palm Oil Mills of 300 ton FFB/h
  - Private company Palm Oil Mills of 104 ton FFB/h

- Natural features for good port
  - Deep water (draught >12 m)
  - Near town centre

- Access to infrastructure
  - Water & electricity supplies
  - Trunk road networks
  - Able to form clusters
  - Give confidence to new investors
PTPN-III is a Green Company

Conservation Plan
(by HCV Identification)

PTPN-III is a Friendly Company

CSR
(Based SIA & PRA)
Consistency of Implementation Management Systems

PTPN-III MANAGEMENT SYSTEM

- Malcolm Baldrige
- ISO 9001 : 2008
- RSPO
- SNI
- ISO 14001 : 2004
- CBHRM
- GCG
- SMK3/ OHSAS
- ISO 31000

Programs Related to Greenhouse Gas Reduction

Biomass Power Plant Oil (PLTBS)
Capacity (2 x 3.5) MW in Industrial Area Mangkei Sei.
Fuel PLTBS:
- Empty Fruit Bunches (EFB)
- Shell (Shell)

The Compost Factory In Sel Daun
Raw Materials:
- Empty Fruit Bunch (EFB)

Thermal Oil Heater (TOH)
In Gunung Para estate & Membang Muda estate.
Raw Materials:
- Shell
Mission to Build Independent Smallholder and Independent Out Growers

In 2012 PTPN-III will build farmers to meet NI RSPO P&C for Independent Out Growers in stage - I of ± 8000 ha spread on two main locations in the area of Kabupaten Simalungun and Kabupaten Labuhan Batu Selatan.

Time Bound for Independent Out Growers

- Team Building
- Identification and Data Independent Out Growers
- Awareness Program, P&C RSPO
- Form an organization of independent Out Growers (Manager group)
- Initial Review (Gap Assessment)
- Training Best Practice (GAP, P&C, Legal, Documentation System, etc)
- Mentoring Program for Implementation P&C NI RSPO (for independent Out Grower)
- Self Assessment
- Certification