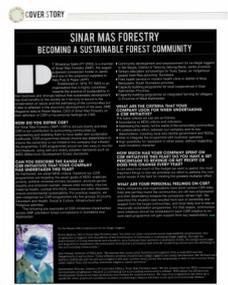


Headline	SINAR MAS FORESTRY		
MediaTitle	SME Entrepreneurship		
Date	08 Aug 2012	Color	Full Color
Section	NEWS	Circulation	
Page No	34	Readership	
Language	English	ArticleSize	414 cm ²
Journalist	N/A	AdValue	RM 3,245
Frequency	Monthly	PR Value	RM 9,735



SINAR MAS FORESTRY

BECOMING A SUSTAINABLE FOREST COMMUNITY

ID Wirakarya Sakti (PT WKS) is a member of Sinar Mas Forestry (SMF), the largest pulpwood concession holder in Jambi and one of the pulpwood suppliers to Asia Pulp & Paper (APP). Established in 1975, PT WKS is an organisation that is highly committed towards the practice of sustainability in their business and strongly believe that sustainable development has dual benefits to the society as it not only is bound to the conservation of nature and the well-being of the communities but it also is reflected in the economic development of the area. SME Magazine talks to Robin Mailoa, CEO of Sinar Mas Forestry on their definition of CSR to his personal feelings on CSR.

HOW DO YOU DEFINE CSR?

For Sinar Mas Forestry (SMF) CSR is not just charity activities. CSR is our contribution to surrounding communities by empowering and enabling them to have better and sustainable livelihoods. CSR programmes should involve key stakeholders to ensure the ownership is not limited to the company that initiated the programme. CSR programmes should be also easy to monitor and measure, using well and widely adopted standards such as MDG (Millennium Development Goals) standards.

CAN YOU DESCRIBE THE RANGE OF CSR INITIATIVES THAT YOUR COMPANY HAS UNDERTAKEN THIS YEAR?

As mentioned, we adopt MDG criteria; therefore our CSR programmes are targeting the seven goals of MDG: eradicate poverty, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability. For practical reasons, we also categorise our CSR programmes into five groups: Economy, Education and Health, Social & Culture, Infrastructure and Religious activities.

The following are examples of CSR initiatives implemented across SMF plantation forest concessions in Sumatera and Kalimantan:

- ▶ Community development and empowerment for ex-illegal loggers in Sei Bayas, District of Tanjung Jabung Barat, Jambi province.
- ▶ Tertiary education scholarships for Suku Sakai, an indigenous people from Riau province, Sumatera.
- ▶ Free health service in modern health clinic in district of Musi Banyuasin, South Sumatera province.
- ▶ Capacity building programme for local cooperatives in East Kalimantan Province.
- ▶ Capacity building programme on integrated farming for villagers in Province of West Kalimantan

WHAT ARE THE CRITERIA THAT YOUR COMPANY LOOK FOR WHEN UNDERTAKING A CSR INITIATIVE?

The basic criteria we use are as follows:

- ▶ Accordance to MDG criteria and indicators
- ▶ Addressing the needs, not the wants of the surrounding communities
- ▶ A collaborative effort, between our company and its key stakeholders, including local and central government and NGOs.
- ▶ Able to integrate the programme with business operation
- ▶ High possibility for replication in other areas, without neglecting each locations character.

HOW MUCH HAS YOUR COMPANY SPENT ON CSR INITIATIVES THIS YEAR? DO YOU HAVE A SET PERCENTAGE TO REVENUE OR NET PROFIT OR DOES THIS CHANGE EVERY YEAR?

Is not about how much of the budget we want to spend, the most important things is how we prioritise our effort to address the core social issues in the field for creating the greatest multiplier effect.

WHAT ARE YOUR PERSONAL FEELINGS ON CSR?

Many companies and organisations have done various CSR initiatives and yet they found the communities are still less empowered and their dependency towards the companies remain high. We assumed this situation was resulted from lack of ownership and support from the target communities, and most likely due to less or inaccurate socialisation programmes. For that reason, communications initiatives should be embedded in each CSR initiative to ensure each programme will gain support from key stakeholders. **SME**



On Sei Bayas CSR programme for ex-illegal loggers:

Robin Mailoa, CEO of Sinar Mas Forestry said: "As with our other corporate social responsibility programmes, this programme is aligned with the efforts of the Government of Indonesia in combating illegal logging, through the improvement of living standards and education. As a business that operates in plantation forest, we always encourage our suppliers to implement the sustainable development principles that include conserving nature and the wellbeing of the surrounding communities."

Sani Chang, Director of WKS said: "We started this community development together with a local NGO and the Department of Agriculture. Three different projects transformed illegal loggers into honey bee farmers, fish farmers and bamboo craftsman and we are encouraged to see that current result shows the community is able to have income three times higher than the monthly minimum wages in Jambi province."

Sandrawati Wibowo, Director of Corporate Affairs, Sinar Mas Forestry said: "We are pleased that the WKS community development programme resulted in increasing the surrounding community's welfare. WKS adopt the Millennium Development Goals as its basic guidelines and criteria for implementation. We hope this programme can serve as a model for other pulpwood concession holders in achieving a balance between social and environmental welfare."