

COMMUNICATION ON PROGRESS REPORT

PT. SINGALAND ASETAMA

ACHIEVE THE GOALS OF THE GLOBAL COMPACT PRINCIPLES

Period covered

From:

January 2016

To:

January 2017

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1. INTRODUCTION

As a member of Global Compact Network, PT. Singaland Asetama committed to implement its 10 principles. In our activity, we promote those principles not only to internal party, but also external party such as our supplier, government and other related institutions.

Further, we also share our activity and progress in implementing the UNGC Principles at any forum such as Indonesia Global Compact Network forum, workshops, discussion groups, etc.

In year 2016, PT. Singaland Asetama carried out some program such as Education, Health Program to improve health quality and community development program to create additional income.

2. THE STATEMENT OF CONTINUED SUPPORT

Jakarta, 27 January, 2017

To our stakeholders:

I am pleased to confirm that PT. Singaland Asetama reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Henderi Djunaidi
Director

3. IMPLEMENTATIONS OF GLOBAL COMPACT PRINCIPLES

3.1 Human Right

a. Assessment, policy and goals

In line with the company's Vision, to be a dynamic plantation company of choice reputed for its distinct socio-economic and sustainability values, PT. Singaland Asetama is committed to be a socially responsible company, nourishing the people and the communities and caring for the environment.

It is clearly stated in the company's regulation that any human rights abuses will not be tolerated and there will be law implication for any human rights issues.

b. Implementation

Implement Key Performance Development Target. Our goals for future years:

1. Increase opportunities for potential worker, especially local community to joint with the company aligned with company's needs
2. Implement any Government regulation regarding Human Rights
3. Rolled out Training program for local labor
4. Make sure that no human rights issue

c. Actions implemented in the last year/planned for next year:

1. Continuing to socialize and implement the company's regulation regarding the Human Rights, Labor and Environmental Policies
2. New job position/required published on Newspaper/Job Consultant,
3. Carried out Training Program for local labor
4. Participating in religious and custom ceremonies
5. Facilitating income generating activities for local community,
6. Participating in improving local community's quality of life regarding education for children, improving environmental sanitation.

d. Measurement of outcome

Measurable Results or Outcomes:

1. Company's regulation already socialized and implemented to all employees,
2. No Human Rights issues – zero complain on Human Right issues,

3. Increased number of Local Community that joint the company,
4. Evaluate New Trainee assistant program periodically,
7. Facilitating various income generating activities in order to improve household income are as follows:
 - Duck farming
 - Fresh water fish farming
 - Chicken farming
 - Goat farming, etc.

3.2 Labour

a. Assessment, policy and goals

Whereby we committed to support the abolition of child labour by ensuring that there are no children on the plantation sites.

b. A brief description of our Processes or Systems. We have already identified:

1. Total workers and their children in the surrounding working area,
2. Number of School,
3. Resources required (Teachers & Childcare),
4. Paying attention on Regional Minimum Wage.

c. Implementation

1. To ensure fair payment for wages based on Regional Minimum Wage.
2. To ensure that there are no children on the plantation sites which will potentially lead to child labor, some actions have been taken, including:
 - Put more Sign Board/Warning Signs on the sites,
 - Clearly stated in our company regulations the minimum age for workers,
 - Intensively communication to local workers not to bring their children to work sites.
3. As part of our commitment to support children education, and at the same time eliminate child labor, we, in coordination with the Local Education Department conduct the followings:

- Scholarship Program
- Established Child Care Facility.
- Established Elementary School

d. Measurement of outcome

Our company facilitated some Elementary Schools, Junior High Schools and Senior High Schools in kind of teacher allowances and supported for school building maintenance and rehabilitation. Scholarship also awarded for students to get better education.

3.3 Environment

a. Assessment, policy and goals

it is clearly stated in the company's vision: "to be a dynamic plantation company of choice reputed for its distinct socio-economic and sustainability values" and as part of our paradigm that is *in harmony with nature*.

Plan for Next Year:

1. Continuous socialization of the company's regulation regarding Environment Policies to all employee,
2. Fulfilled the Indonesia Sustainable Palm Oil (ISPO) and Roundtable of Sustainable Palm Oil (RSPO) requirements,
3. Improve coordination with Environment Department.

b. Implementation

1. Socialized & implemented the company's regulation regarding Environmental Policies to the employee,
2. Fulfilled the ISPO and RSPO requirements regarding the environment issues,
3. Conservation Area/preservation on High Conservation Value (HCV) area, Water Way Buffer Zone already identified,
4. Planting Program,
5. Implementation of plantation best practice management,
6. No land utilization policy for High Stock Carbon area.

c. Measurement of outcome

Measurable Results or Outcomes:

1. Conservation area identified, allocated as High Conservation Value area,
2. Water way buffer zone (100 meter from riverside) has been complied with,
3. No peatland utilization.

3.4 Anti-Corruption

a. Assessment, policy and goals

It is clearly stated in the company's regulation that any corruption issues will not be tolerated and there will be law implication for any corruption activities.

1. Implement Performance Development Review (PDR)
2. Budget Monitoring Procedure
3. Internal Audit

b. Implementation

Actions implemented in the last year/planned for next year:

Socialized and implemented the Company's regulation regarding the corruption Policies to the employee and suppliers (third parties)

1. Performance Development Review has been implemented.
2. Implement Budget monitoring procedure
3. Open Tender
4. Applying Standard Operational Procedure for all aspects.

c. Measurement of outcome

1. Company's regulation has already socialized to all employees in year 2016,
2. Budget monitoring already implemented,
3. Internal Audit to process every 6 months,
4. Implemented Open Tender.