

24 October 2018

Attention: Mr. Daniel Marbun

Konsulat Cabang Federasi Serikat Pekerja Metal Indonesia (FSPMI)

Labuhan Baru Raya

Dear Sir,

Subject: Complaints Panel decision on Complaint against PT Hari Sawit Jaya (Subsidiary of PT Inti Indosawit Subur)

We refer to the Complaints filed by the Konsulat Cabang Federasi Serikat Pekerja Metal Indonesia (FSPMI) (Branch Consulate of the Federation of Indonesian Metal Workers' Union) on 25 September 2017 against PT Hari Sawit Jaya (PT HSJ) in Labuhan Batu, North Sumatera. We wish to advise that the Complaints Panel has conducted an investigation to determine the well-foundedness of the following allegations against PT HSJ as a Respondent:

1. A worker was forced to bring his wife and kids as helpers/ "gerdang" to help him reach his target as a harvester;
2. Impositions of penalties/wage deductions to the worker;
3. The machine to record workers absenteeism was broken, thus impacting calculation of wages;
4. Irregular bonus deductions;
5. Discrimination against casual workers.

It is determined that PT HSJ is a RSPO certified unit. The certificate was issued on 23 December 2015 and shall expire on 22 December 2020. In accordance to RSPO Complaints and Appeals Procedure (CAP) 2017, Clause 5.9, the Secretariat had referred the Complaint to the Certification Body for a response.

The Certification Body had provided the following response on the basis of their last Annual Surveillance Audit (conducted on 19 – 22 December 2017) and a Special Audit (10 – 12 January 2018). On the basis of the response from the Certification Body, the Complaints Panel concludes the following:

1. On the allegation related to a worker forced to bring his wife and children as helpers to meet the target as a harvester;

The Certification Body, on the basis of evidence that there were indeed children found to be assisting workers during harvesting, had issued a Non-Conformance (NC) against the Company. The NC was closed during follow up audit on 12 March 2018.

2. On Impositions of penalties/wage deductions to the worker; breakdown of the machine to record workers absenteeism impacting calculation of wages; irregular bonus deductions; and discrimination against casual workers.

A bilateral agreement was reached between the workers and the Respondent on 16 January 2018 to confirm that the above have been settled through bilateral negotiations. The agreement dated 13 February 2018 was submitted to the Secretariat by the Respondent.

On 19 March 2018 the Secretariat received confirmation from the Complainant that all the allegations have been settled through bilateral negotiation with the Respondent.

Based on the aforesaid, the Complaints Panel has decided to dismiss the Complaint against PT HSJ as both parties ^{ve} ~~has~~ settled the issue during bilateral negotiation.

Please be informed that either party to this Complaint, who wishes to appeal against this decision, shall have the right to submit a notice of appeal, no later than sixty (60) working days from the date of this decision. Thereafter, the Complaint shall be closed.

Your sincerely,



Henry Barlow

Chair Person of RSPO Complaints Panel

Copy to: Ivan Novrizaldie– *Certification & Traceability Sr. Manager.*