

Procedure for the Implementation of Free, Prior, and Informed Consent (FPIC)

Background

As an integrated palm oil company, GAR/SMART is aware that it is important to implement the principles of Sustainable Palm Oil production. Therefore, GAR/SMART is committed to no deforestation footprint; implementing best industry practices and standards; responsible environmental management; respecting the rights of indigenous people and local communities; and community development for the people living around its operations while maximising long-term value for shareholders.

As part of the implementation of the Social and Community Engagement Policy that GAR/SMART compiled with inputs from TFT, it is important to implement the Free, Prior, Informed & Consent (FPIC). This is to ensure a decision-making process by the indigenous people and local communities is done without pressure and intimidation (*free*), performed before an activity that has impact on the surrounding communities is carried out (*prior*), and with sufficient knowledge about the activity and its impact on the surrounding communities (*informed*), so they may express agreement or disagreement to such activity (*consent*).

This procedure consists of the methods of preparing, implementing, and monitoring FPIC implementation, and a flowchart that describes in detail the steps to conducting each activity.

Purpose

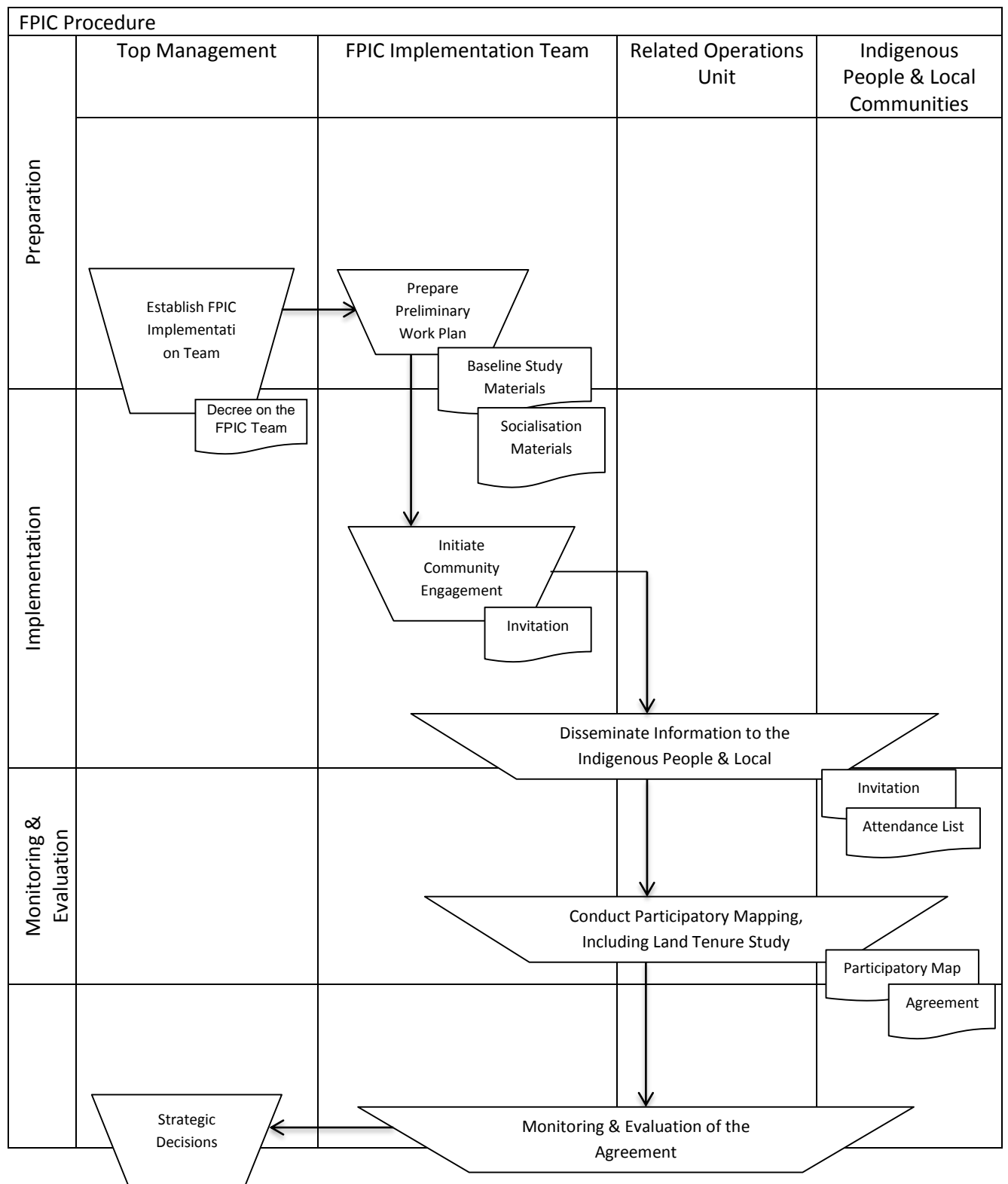
This procedure is written as a reference for the Company in implementing FPIC prior to commencing operations that potentially has impact on the indigenous people and local communities.

Scope

This procedure covers activities related to the preparation; interaction and decision-making processes; implementation, monitoring, and reporting of FPIC activities. This FPIC procedure will be used for:

- i. Development of oil palm plantation estates and / or construction of mills in areas covered by a new Location Permit; and
- ii. Expansion of oil palm plantation estates and / or construction of mills in areas covered by an existing Location Permit.

Workflow of FPIC Procedure



Explanation of the FPIC Procedure

1. Preparation
 - a. Top Management establishes a FPIC Implementation Team to carry out the FPIC processes in areas of operations.
 - b. The FPIC Implementation Team prepares a FPIC Implementation Work Plan by conducting reviews of the baseline study materials such as AMDAL EIA, SIA, and HCV. The FPIC Implementation Team also prepares socialisation materials to be disseminated.
 - c. The FPIC Implementation Team initiates engagement with the community by sharing information or inviting them to meetings.
2. Implementation
 - a. The FPIC Implementation Team disseminates information to the indigenous people and local communities regarding the Plantation Operations Planning. The FPIC Implementation Team shares information about the positive and negative impacts of the Plantation Operations Planning to the indigenous people and local communities. The Implementation Team needs to ensure representation of the indigenous people and local communities in the socialisation sessions.
 - b. The FPIC Implementation Team together with the indigenous people and local communities conducts participatory mapping activities, including a land tenure study, and makes the necessary agreements. These activities will result in participatory map, land tenure study report, and agreement on the operations plan that will be implemented.
3. Monitoring and Evaluation
 - a. The FPIC Implementation Team together with the indigenous people and local communities monitors and evaluates the implementation of the agreements related to the operations planning.
 - b. The results of the monitoring and evaluation of the implementation of the agreements related to the operations planning will be escalated to Top Management if strategic decisions by Top Management are required.