



GRIEVANCE PROCEDURE FOR THE IMPLEMENTATION OF GAR'S Forest Conservation Policy and Social and Community Engagement Policy

1. BACKGROUND

Golden Agri Resources Ltd ("GAR") is a committed leader in producing sustainable palm oil. We do this by adopting best industry practices and standards, managing our environment responsibly, creating employment, empowering the communities where we operate in, while maximising long-term shareholder value.

Leading the industry to ensure long-term sustainable growth, GAR was the first palm oil producer to establish a zero-burning policy in 1997, and since February 2010 stopped developing peat-land, regardless of depth. In February 2011 GAR launched its Forest Conservation Policy becoming one of the first plantation companies to have a policy that removes deforestation from palm oil production. In November 2011 GAR launched its Social Community Engagement Policy which aims to ensure our operations benefit the communities where we operate in. In February 2014 GAR extended this commitment to its downstream supply chains.

GAR is committed to ensure multiple stakeholders play an integral part in the development of our sustainability strategy and related policies. As part of our focus in developing a multi-stakeholder approach, we are committed to establishing a Grievance Procedure to enable relevant stakeholders to raise a grievance with relevant GAR stakeholders. All grievances logged under the Grievance Procedure will be dealt with in a timely manner, and all investigations and findings will be reported transparently with full public disclosure.

Given our commitment to implement best practices, we will conduct an annual review to continuously improve the procedure and commit to prevent any future grievances and harm arising from our operations.

Whilst it is acknowledged that the RSPO maintains a grievance process to which GAR has an existing commitment, GAR's Policy will in some cases require a more dynamic and transparent approach in engaging with its stakeholders. In principle, if any particular grievance is raised in the RSPO grievance process, GAR will address these grievances in accordance with the RSPO process.

2. OBJECTIVES

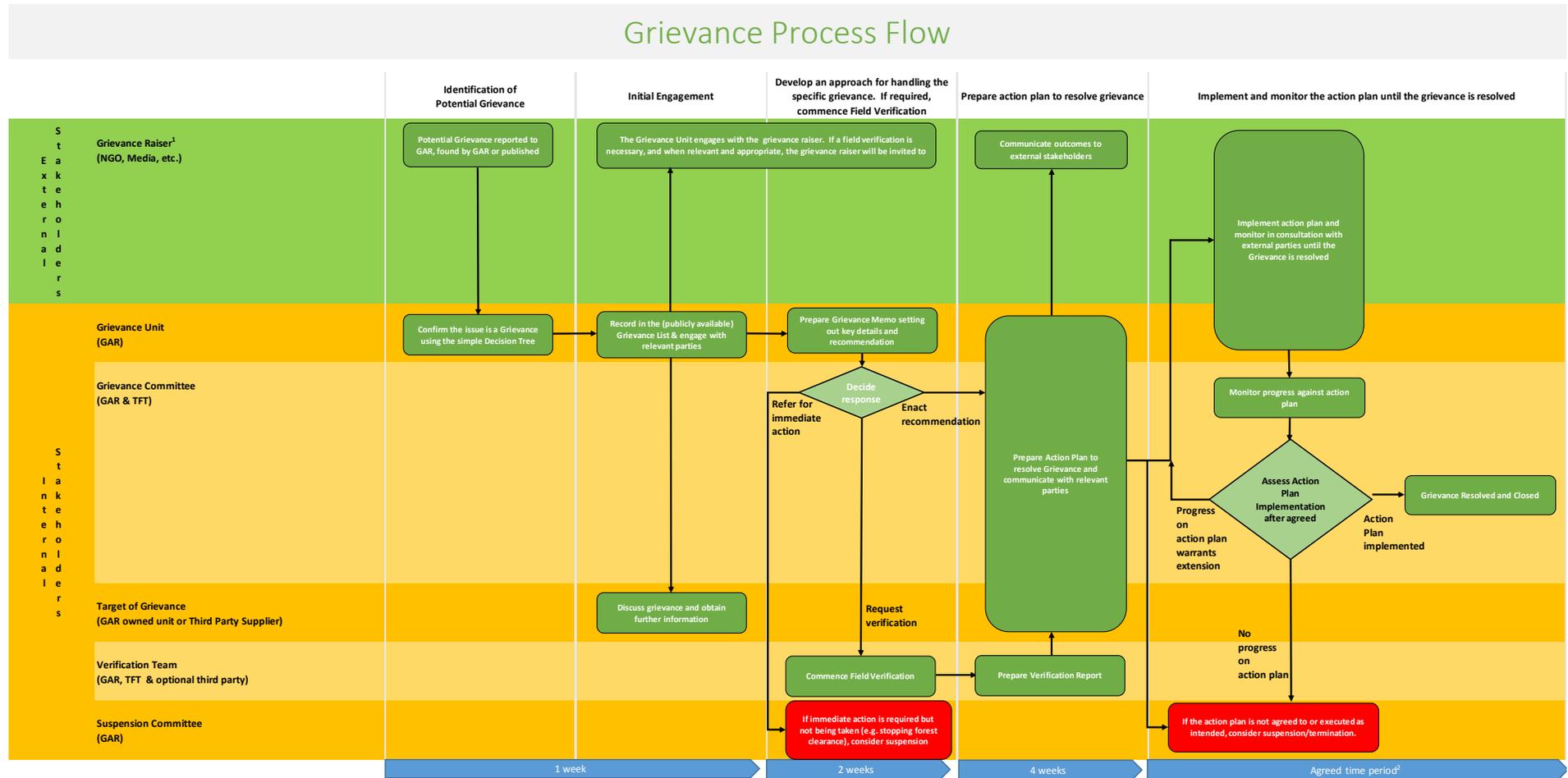
The objective of this procedure is to provide guidelines for GAR in the implementation of its policy by addressing stakeholders' grievances relating to GAR's operations and its suppliers. This procedure is a reference point for management and staff of GAR to handle any grievance from any external parties, including individuals, government organizations, media and non-governmental organizations, concerning the implementation of the Policy. Our multi-stakeholder approach recognises that feedback and input from stakeholders is valuable because it helps to enhance transparency in our supply chain and provides a means to monitor progress on the implementation of the Policy. In this respect, the Grievance Procedure favours open and inclusive dialogue with stakeholders over bureaucratic administrative processes.

3. SCOPE

This procedure covers activities related to the handling of stakeholders' grievances with respect to the operation of our business and implementation of the policy. This includes recording grievances, taking actions to verify claims, rectifying any confirmed issues, reporting the verification results and actions on the ground, delivering the response to stakeholders whilst managing, monitoring, and learning from any follow-up action.

GAR's Grievance Procedure covers all worldwide operations and all third-party suppliers. When a complaint against a supplier is submitted, GAR will pro-actively engage with the relevant supplier whether it is GAR owned, partially owned or third party to discuss the issues raised in accordance with this procedure, with the end objective of resolving the issues. In the event that the supplier does not want to engage in the process towards resolution and compliance with the policy, GAR will review its relationship with that supplier and may cease the relationship as a last resort.

4. GRIEVANCE PROCEDURE PROCESS FLOW



1 The Grievance Raiser may nominate a third party to act on their behalf.

2 Action plans will work to agreed timelines of no more than three months to reach resolution. However, where circumstances prevent resolution within that time - for example, where legal proceedings are involved - progress at three months will be reviewed to assess whether there is clear evidence of a resolution process being actively implemented.

5. REFERENCES

- a) Forest Conservation Policy

- b) Social Community & Engagement Policy

6. GENERAL TERMS

- a) A grievance is a complaint, concern or problem which an individual or a group is directing either directly at GAR or to companies in its supply chain, and requiring GAR or the relevant company to address and find solutions for.

- b) The Grievance Unit established by the Sustainability and Strategic Stakeholder Engagement Department will support the efficient and effective handling of grievances from third parties.

7. DUTIES AND RESPONSIBILITIES

- a) The Grievance Unit at GAR's Sustainability and Strategic Stakeholders Engagement Department Office in Jakarta.
 - i. The Grievance Unit is responsible for co-ordinating and performing all tasks necessary for the successful implementation of this Grievance Procedure, including engagement with the external parties who raise the grievances.
 - ii. A dedicated Grievance Coordinator will be appointed to manage the ongoing implementation of this Grievance Procedure and co-ordinate actions with relevant stakeholders which includes GAR's senior management, TFT, and other third party service providers if needed.
 - iii. The Grievance Unit will maintain an organisational chart recording the personnel nominated to fulfil the roles defined in this procedure.
 - iv. Duties of the Grievance Unit include: to receive, record, assess and report the grievances to the Grievance Committee and Verification Team. The Grievance Unit will also monitor media (print and electronic) for news relating to GAR and its suppliers in order to identify potential grievances. The Grievance Unit will also be responsible for drafting external communications including response letters to Grievance Raisers. Potential grievances will be assessed by the Grievance Unit using the Grievance Decision Tree to determine if they qualify for further investigation or referral to the Grievance Committee. The Grievance Unit will maintain an up-to-date grievance list containing details of all grievances handled in accordance with this procedure. The grievance list will be circulated to the Grievance Committee and published on GAR's Dashboard. Grievance raisers may request their identity to remain confidential and in such cases GAR will not publish identities of grievance raisers on GAR's dashboard. The grievance list will be updated on a monthly basis.
 - v. The Grievance Unit will make contact with the Grievance Raiser at the earliest opportunity, to communicate the grievance process and invite them to participate in the process to reach a resolution, where relevant.
 - vi. The Grievance Unit will be responsible for developing action plans to address any verified grievances with the assistance of the Verification Team. On a quarterly basis the Grievance Unit will review any outstanding time-bound action plans established for past grievances to ensure that progress has been made against the agreed plan. Where progress has not been made in accordance with the plan, the Grievance Unit will establish an escalation mechanism prior to re-submitting the grievance case for review by the Grievance Committee.

- vii. The Grievance unit shall be responsible to record key learnings from the grievance outcomes and adopt strategies to prevent grievances in the future. These include training to build internal capacity, sharing information, development of policy statements and sharing periodic reports as appropriate.
- b) The Grievance Committee
- i. The Grievance Committee is responsible for making management decisions in relation to grievances. It is responsible for approving action plans designed to resolve grievances and for approving official correspondence to external parties in relation to verified grievances. If GAR verifies that one of its suppliers is in breach of the Policy, the Grievance Committee will refer the findings to the GAR "Suspension Committee" and determine appropriate remedial actions which may include the suspension of business relationships with suppliers. The Grievance Unit will request the Grievance Committee to triage new grievances which do not directly qualify as grievances in accordance with the Grievance Decision Tree.
 - ii. Senior management representatives from GAR and TFT will form the Grievance Committee and where appropriate GAR will invite third-party observers to participate.
 - iii. TFT role in the committee is advisory where TFT will provide advice to GAR on implementation on its sustainability policies.
 - iv. For cases where the grievance relates to companies which are under the ownership of GAR, the Grievance Committee will instruct the relevant operations to take the necessary actions to address the identified grievances. For cases where the grievance relates to GAR's third party or partially owned suppliers, GAR will engage with the suppliers' senior management to request for remedial action plan or for implementation of GAR's recommendations to achieve compliance with its Policy.
- c) The suspension committee
- i. The suspension committee is responsible for determining the suspension of business relationships with suppliers that are unequivocally breaching GAR's policy and refusing to follow recommended remedial action plans proposed from the Grievance Committee to bring them towards compliance.
 - ii. Members will consist of GAR's sustainability committee, Senior management representatives from GAR and where appropriate GAR will invite third-party observers to participate.
- d) The Verification Team
- i. The Verification Team is responsible for investigating grievances to confirm their validity and collecting information to enable the Grievance Committee to deliberate on and address the grievances.
 - ii. Members include GAR, TFT and/or other third-party service providers as required.
 - iii. Duties are to study and verify the grievance data/information provided by the external parties and, when necessary, to conduct field investigations to collect additional data to confirm the validity of the grievance.
 - iv. The Verification Team will work together with relevant GAR staff and independent GAR suppliers in carrying out its duty.
 - v. The Verification Team will develop report(s) outlining the result of its verification and recommended actions to address any confirmed issues that will be submitted to the Grievance Committee for approval before issuing to the said GAR operation or supplier.
 - vi. The Verification Team may include external parties, such as the Grievance Raiser or a representative of the claimant who has been given a clear mandate through a letter of assignment.
- e) Management of GAR's Operations

- i. Management of GAR's relevant operations unit will take the necessary actions to resolve and/or settle the grievance; and report the implementation and result to the Grievance Unit.
- f) GAR's Procurement, Sustainability Departments, & other relevant departments
 - i. GAR's Procurement Department and Sustainability Department personnel will take the lead to raise and address the grievance with its suppliers; and report the implementation and result to the Grievance Unit.
 - ii. Depending on the type of grievance identified, other departments within GAR could potentially be consulted to address the grievance in conjunction with GAR's procurement and sustainability department.
 - iii. The legal department should be involved if there is a possibility for the grievance to become a legal issue.

8. PROCEDURE

8.1 Workflows

- a) Grievances can be expressed via any of the following channels:

Via email to	grievance@goldenagri.com.sg
By telephone to	+62 21 50338899
By fax to	+62 21 503899989
In writing to	Grievance Manager Sinar Mas Land Plaza, Tower II, 4th Floor Jl. MH Thamrin No. 51, Jakarta 10350,Indonesia

GAR will make every effort to provide information in a manner and form that can be understood by the grievance raiser as well as other concerned stakeholders. This will include interpretation of the grievance process and other information into the language of the grievance raiser as well as relevant stakeholders, use of alternative communication techniques or aides for those who are hearing-or visually-impaired or taking other steps as needed to effectively allow stakeholders to communicate and raise their complaint to GAR.

- b) Grievances should include provision of the following information:

- Full Name
- Request for identity to remain confidential : Yes / No
- Name of Organization (if any)
- Address
- Phone No./Fax No./Email Address (at least one contact point)
- Description of the grievance in detail
- If available, evidences to support the grievance

Contact details are required to seek further clarification on the grievance. The party reporting the grievance (Grievance Raiser) may request that their identity remain confidential. GAR will strive to protect parties in the grievance handling process from retaliation by establishing an ethics investigation

mechanism governed separately from the policy. The ethics investigation mechanism will investigate accusations relating to grievance raisers submitting accusations of retaliation. Any party may appoint a third-party to submit their grievances provided that the third-party follows the procedure.

In addition to grievances submitted through the official channels above, issues raised through unofficial channels, such as the media and the internet, will be recorded as grievances on request by either TFT or GAR or other concerned stakeholders.

- c) All potential Policy breaches which come to the attention of the Grievance Unit will be assessed using a Grievance Decision Tree to determine if further investigation is required. The Grievance Unit records each grievance in the Grievance List and classifies the grievance scope by identifying the section(s) of the Policy which are relevant to the grievance. The Grievance Unit will establish contact with the Grievance Raiser to acknowledge receipt of grievance and engage in dialogue about the grievance and the process involved. The Grievance unit will then compile all available information about the grievance into a dossier which is then sent to the Grievance Committee for review. The Grievance Unit will maintain all the files and documents, including all the correspondences sent by the Grievance Committee to external parties.
- d) The Grievance Committee reviews the dossier from the Grievance Unit and determines whether a grievance investigation is required.
- e) If it is assessed that the grievance is unmerited or no field action is required, the Grievance Unit will submit a Response Letter to the Grievance Committee for approval before sending it to the Grievance Raiser and publishing it via the Grievance List on the dashboard.
- f) If the Grievance Committee assesses that the grievance is merited, the team will begin investigation by preparing a Grievance Terms of Reference (TOR) listing each stakeholder concern/ potential breach of Policy requiring investigation.
- g) The Grievance committee will consider inviting the concerned party to obtain a direct explanation and establish the facts related to the grievance. The grievance committee may consider using a third party mediator to facilitate the dialogue among all parties involved. Where possible, the grievance committee and the grievance raiser will establish some form of agreement on the facts to accompany the complaint's dossier.
- h) For cases related to GAR's own operations, the Grievance Unit will then establish contact with the relevant GAR operations unit to request a meeting and/or field visit to verify the validity of the issues raised in the grievance. If a field visit is conducted, the Verification Team will complete a verification report providing conclusions and recommended action plans.
- i) For cases relating to GAR's third-party suppliers, the Grievance Unit will work with the GAR procurement Department to engage directly with the suppliers. The Grievance Unit may undertake interviews and dialogues with relevant stakeholders; and where necessary collect additional data to substantiate the validity of the grievance. Where possible, GAR will encourage the independent supplier to engage directly with the grievance raiser and monitor the dialogue between those parties. The Grievance Unit will prepare a case file assessing the validity of the grievance and the third-party supplier's willingness to comply with GAR's Policy.
- j) If it is determined that a field action is necessary to resolve a grievance within GAR's operations, the Grievance Committee will authorise the Grievance Unit to send an official letter to the relevant Operations Manager requesting them to take the necessary steps/action in the field to resolve the grievance. If it is confirmed that an independent supplier or a partially-owned supplier has breached

the Policy, the Grievance Committee will authorise the Grievance Unit to send an official letter to the relevant GAR supplier requesting them to take steps to resolve the issues raised.

- k) Following completion of the verification report, the Grievance Unit will contact the Grievance Raiser and formally extend an offer to engage in dialogue about the grievance findings. The Grievance Unit will confirm whether the Grievance Raiser wants to engage in dialogue about the grievance findings and, if required, schedule a meeting/teleconference.
- l) For grievances relating to third-party suppliers, GAR will bring the grievance into the third-party suppliers and monitor the dialogue between the Grievance Raiser and the third-party or partially owned supplier. In cases where a legitimate grievance exists and the third-party supplier does not demonstrate a willingness to comply with GAR policy through real actions to resolve the grievance, the Grievance Unit will submit a report to the Grievance Committee recommending that third party or partially owned supplier is escalated to the suspension committee to deliberate on potentially suspending GAR's business relationship with the supplier.
- m) For grievances relating to GAR owned suppliers, the relevant operations manager will conduct steps/action in the field to resolve the grievance and report the result to the Verification Team and the Grievance Committee. Actions in the field to resolve the grievance shall commence immediately and the relevant Operations Manager shall provide an implementation status and result report to the Grievance Unit and Grievance Committee.
- n) Immediately after obtaining the Field Action Report from a relevant operations manager, the Grievance Unit will study the report and make a draft written response on behalf of the Grievance Committee to the party that reported the grievance. This Draft Response Letter will be reviewed and approved by the Grievance Committee before being sent.
- o) The grievance unit will deliver the response letter to the complaint and engage in a discussion on the outcomes from the field action report. The grievance unit should work towards a mutually acceptable resolution with the grievance raiser that is based on informed decisions and respects human rights. If an agreement is reached it should be documented. Grievance raisers may also choose to acknowledge the close out of the grievance. Any form of agreement or acknowledgement should be documented.
- p) Any party that reported a grievance and is unsatisfied with the written response from the Grievance Committee can send its complaint to the Grievance Committee providing information on the issues that they consider to be insufficiently addressed. If deemed necessary, the Grievance Committee, with the assistance of the Verification Team, can conduct the following:
 - Where appropriate and relevant, provide opportunity and access to the concerned party to conduct a cross-check in the field and submit its result to the Grievance Committee.
 - Together explore alternative dispute resolution options that may be undertaken to resolve the remaining grievance.
 - Involve external independent observers(e.g. relevant experts or important stakeholders) in the verification process.
- q) For cases related to media reports (print and electronic) the verification will be handled according to the Grievance Procedure. The decision to respond to the media will be decided by the Grievance Committee.

8.2 Timelines for handling complaints and grievances

This Grievance Procedure is intended to be used to address a wide range of stakeholder concerns which will often involve numerous parties with conflicting interests. As such, the resolution of such grievances will at times involve lengthy processes of enquiry and mediation between various stakeholders and it will be necessary to apply a flexible approach in order to resolve such complex issues. However, it is important that stakeholders are aware of the outcomes of the grievance process and grievances are addressed in a timely manner in order to demonstrate the credibility of GAR's Policy. In this context, the following timelines and outcomes are provided for the key stages of this procedure:

For all Grievances:

- a) Within five working days of receiving the grievance the grievance unit will prepare a grievance dossier and establish contact with the Grievance Raiser.
- b) If it is assessed that the grievance is unmerited or no field action is required, the Grievance Unit will submit a response letter to the Grievance raiser within ten working days of GAR receiving the grievance. Response letter to the grievance raiser will also be published on the dashboard.
- c) The grievance unit shall provide regular updates to the grievance raiser relating to any progress or changes occurred through the grievance handling process.

For cases relating to GAR's own operations:

- d) Within ten working days of receiving the grievance the Grievance Unit will send an official letter to the relevant Operations Manager requesting them to take the necessary steps/action in the field to resolve the grievance.

For cases relating to GAR's partially owned or third-party suppliers:

- e) Within fifteen working days of receiving the grievance, the Grievance Unit will prepare a case file assessing the validity of the grievance and assessing the partially owned or third-party supplier's willingness to comply with the GAR's Policy.
- f) Within thirty working days of receiving the grievance, the Grievance Unit will submit an action plan agreed with the third party supplier for resolution of the grievance or make a recommendation to the Grievance Committee that GAR should suspend its relationship with the supplier.
- g) Action plan to be accompanied with predetermined time-bound towards resolution of grievance. The maximum period recommended is 3 months however when circumstances warrant it, a longer period can be set. A review of progress on the action plan shall take place at the end of this predetermined period where the assessment on the progress and success of the action plan to be done on following possible outcomes :
 - g.1. Action Plan results in resolution of grievance and grievance is closed.
 - g.2. Action Plan has progressed well yet grievance not resolved where circumstances warrant an extension of time-bound. Any action plan extension shall be justified and explained in a grievance report.
 - g.3. Action Plan has not been satisfactorily implemented, the case shall be referred to the Suspension Committee.

For cases relating to units not responsive to time frames allocated for investigation, an escalation mechanism is put in place:

- h) The grievance unit sends a reminder to the unit in question two days before the end of the allotted investigation time.
- i) Two days after the allotted investigation timeframe, a reminder is sent to a senior manager in the operations/department responsible under the investigation.
- j) If no feedback is given after two days, the grievance unit will escalate this matter to senior management.

8.3 Monitoring mechanisms for handling grievances

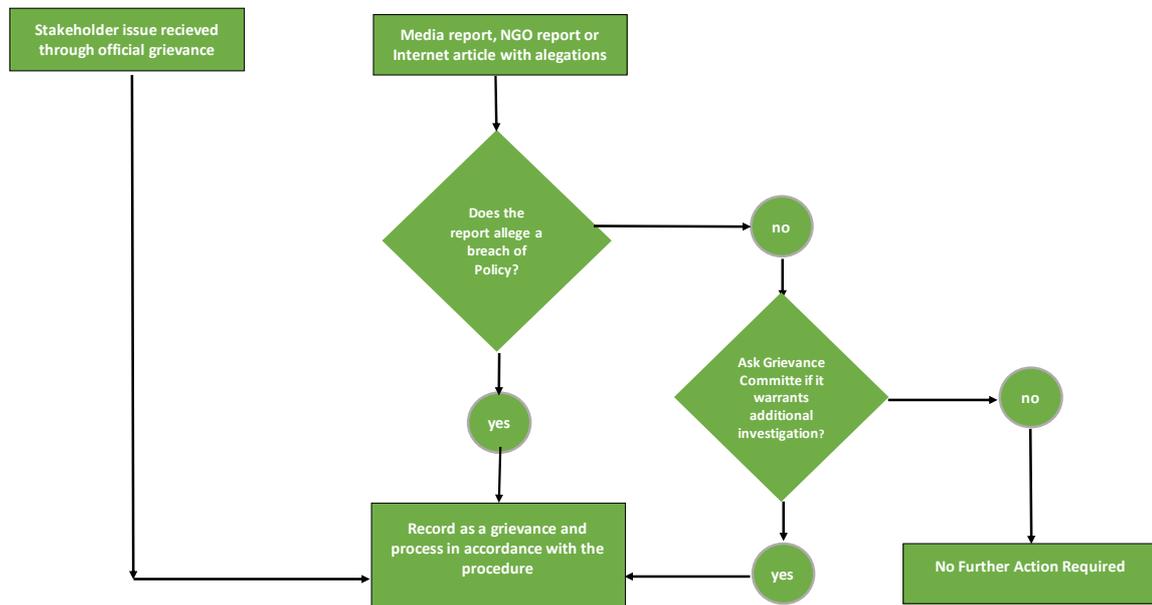
- a) The Grievance Unit is responsible for overseeing all grievances and the relevant Operations Managers will monitor the progress in handling the grievance in their respective areas. In cases relating to partially owned or third-party suppliers, the Grievance Unit is responsible for ensuring that the Procurement Department manages GAR relationships with third-party suppliers in accordance with the Policy.
- b) The Grievance Unit, with the help of the Verification Team, will monitor the progress on handling the grievance across all of GAR's operations. In cases relating to partially-owned or third-party suppliers, the Grievance Unit is responsible for monitoring the progress of these suppliers on handling the grievance in co-ordination with the Procurement Department.
- c) The Grievance unit shall continuously adopt a learning process from the grievance outcomes and develop strategies aimed at preventing grievances. These include training, information, development of policy statements and periodic reports as appropriate.

9 ATTACHMENTS

- Grievance Decision Tree
- Grievance List Template (Recording and Classification)
- Grievance Investigation Terms of Reference
- Verification Report Template

Grievance Decision Tree

GRIEVANCE TRIAGE DECISION TREE



Grievance List Template (Recording and Classification)

Grievance Summary List

Last updated: DD Month, Year

Reference Number	Means of Delivery	Date Received	Grievance's Subject	Grievance Scope	Stakeholder	Progress	Status	Verification Report
...	<i>Email to "Recipient" Or Letter to "Recipient" Or Phone Call to "Recipient" Or Public Report</i>	<i>DD/MM/YY</i>	<i>Short description of grievance.</i>	<i>Forest/Peat Clearance And/Or Social Exploitation Issue And/Or Other</i>	<i>Stakeholder Name</i>	<i>Short description of progress to date.</i>	<i>Ongoing Or Complete</i>	<i>Not required Or Under Preparation Or Date Completed and Link to report</i>
3								
2								
1								

Grievance Investigation Terms of Reference

GRIEVANCE INVESTIGATION TERMS OF REFERENCE TEMPLATE

1. BACKGROUND

Relevant background information collected by the Grievance Unit which might help inform the Grievance Verification Team.

2. OBJECTIVE

Clearly describe the issue to be investigated.

3. Expected Outcomes

List the expected outcomes from the investigation.

4. Verification Plan

4.1 Verification Location

Define the locations to be visited during the verification.

4.2 Verification Timeline

Specify the timeline for the verification work.

4.3 Verification Method& Techniques

Specify the methods techniques to be applied during the verification.

5. Reporting

Specify the method and structure of reporting the results of the field investigation.

6. Verification Team

Specify the personnel and areas of expertise necessary to conduct the verification.

Verification Report Template

GRIEVANCE VERIFICATION REPORT TEMPLATE**1. BACKGROUND**

Background information relevant to the Grievance and the Verification Findings.

2. VERIFICATION PROCESS

Details of the steps that were taken to investigate the grievance and collect information necessary to complete the verification. Include locations and dates of any site visits.

3. CONCLUSIONS

Provide a conclusion to each of the issues identified for verification in the TOR. Relevant information used to reach the conclusion should also be provided here.

4. RECOMMENDATIONS

Where issues raised through the grievance have been verified to be legitimate, a concrete time bound action plan should be developed to address each of the issues. Methods/processes for monitoring implementation of the action plan should also be recorded here.

APPENDIX 1: VERIFICATION RESULTS (FIELD FINDINGS & DOCUMENT REVIEW)