



## Procedure for Grievance Handling

### 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 which GAR/SMART compiled with inputs from TFT and launched in November 2011, it is important to address grievances from our stakeholders in a responsible and timely manner. This procedure for grievance handling is written and prepared as a reference for the receipt, processing, and monitoring of all complaints and grievances. This procedure details the steps for managing stakeholders' grievances at the local, national and international levels.

### Purpose

This procedure serves as an outline for the Company to manage any grievances from stakeholders, including individuals, government agencies, and the relevant non-governmental organisations. Recommended methods of resolving grievances at the local, national and international levels in a responsible manner are also outlined.

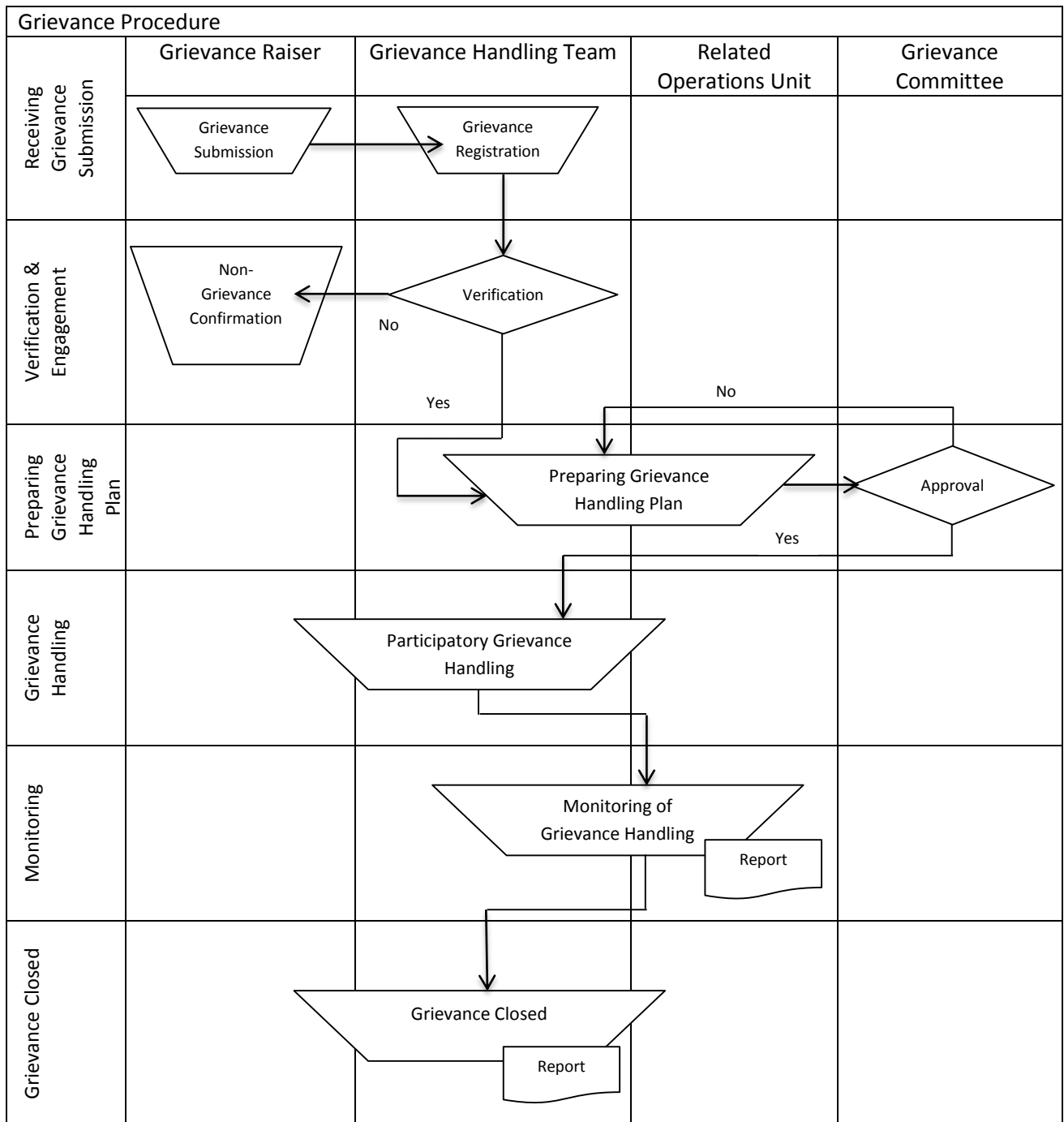
### Scope

This procedure for grievance handling is prepared for all activities related to the Company's policies for sustainable palm oil production. Given GAR/SMART's broad area of operations, and to accommodate the interests of all the stakeholders particularly around the estates where we operate, this procedure is for two levels – local; and national and international levels. This procedure also details the workflow for receiving and verifying a grievance, developing a response plan, execution as well as monitoring the outcome.

## Grievance Handling Process

### 1. National and International Levels

#### 1.1. Workflow of Grievance Handling at National and International Levels



## **1.2. Explanation of the Workflow Process for Grievance Handling at National and International Levels**

### **1. Grievance Submission**

Grievances can be submitted to:

a. PT SMART Tbk

E-mail: [grievance.ptsmart@sinarmas-agri.com](mailto:grievance.ptsmart@sinarmas-agri.com)

Addressed to:

Grievance Handling Team

PT SMART Tbk. Indonesia

Sinarmas Land Plaza Tower 2, 4th Floor

Jl. MH Thamrin No.51

Jakarta Pusat - 10350

Indonesia

b. Grievances submitted must be supplied with the following information:

1. Full Name

2. Organisation's Name (if any)

3. Address

4. Telephone No.

5. Email Address

6. Detailed explanation of the grievance

7. Supporting evidence of the grievance

### **2. Registration**

Grievance Handling Team will register the grievances submitted by the Grievance Raiser.

### **3. Verification and Engagement**

Grievance Handling Team verifies the grievance received. In doing the verification, the Grievance Handling Team will communicate with the Grievance Raiser to obtain evidence and further information.

### **4. Establishing the Status of Grievance**

Grievance Handling Team ascertains if the complaint submitted falls into the category of a grievance. If classified as a grievance, the team will follow up with grievance planning. If not classified as a grievance, the team will write a reply to the Grievance Raiser stating that the complaint submitted does not qualify as a grievance.

### **5. Preparing Grievance Handling Plan**

The team and the relevant operations unit will formulate the plan for grievance handling. The Grievance Team will identify the relevant operations unit for involvement in the planning.

### **6. Application for the Grievance Committee Approval of the Grievance Handling Plan**

The Grievance Team along with the relevant operations unit will seek the approval of the Grievance Committee of Grievance Handling Plan that has been prepared.

7. Approval of the Grievance Handling Plan

The Grievance Committee will review and approve the Grievance Handling Plan submitted by the Grievance Team. If approved, the plan will be used as basis for grievance handling. If not, the Grievance Committee will return the planning document to the Grievance Team to be discussed further and revised.

8. Participatory Grievance Handling

The Grievance Team and the relevant operations unit perform grievance handling in a participatory manner involving the Grievance Raiser until an agreement on the grievance is reached.

9. Monitoring and Evaluation

The Grievance Team will conduct monitoring and evaluation activities on the on-going grievance handling. Monitoring and evaluation report is submitted to the Grievance Committee.

10. Grievance Closed

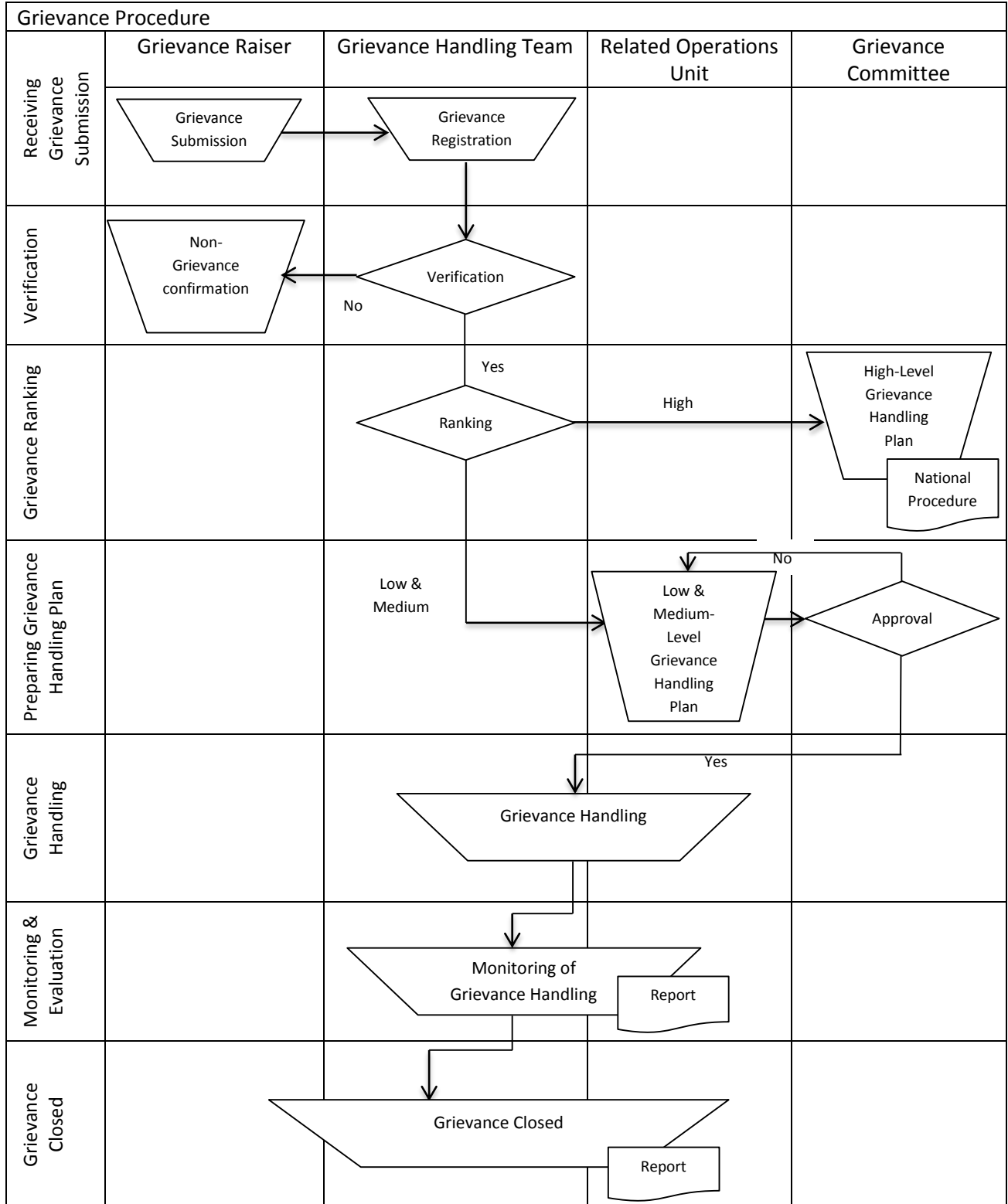
There is a written agreement between the Grievance Raiser and the Grievance Team as well as the relevant operations unit that the grievance handling is completed.

**Time Line for Responding to Grievance**

- a. Response will be given in five (5) working days, along with the verification and engagement by GAR/SMART, after the Grievance Team receives grievance submission.
- b. Participatory Grievance Handling will be performed within twenty one (21) working days after receipt of the grievance submission.

## 2. Local Level

### 2.1. Workflow of Grievance Handling at Local Level



## **2.2. Explanation of the Workflow Process for Grievance Handling at Local Level**

### **1. Grievance Submission**

A. Grievance can be submitted to the relevant unit in GAR/SMART estate management .

B. Grievances submitted must be supplied with the following information:

- Full Name
- Organisation's Name (if any)
- Address
- Telephone No.
- Email Address
- Detailed explanation of the grievance
- Supporting evidence of the grievance

### **2. Registration**

The Grievance Handling Team will record the grievances submitted by the Grievance Raiser.

### **3. Verification and Engagement**

The Grievance Handling Team verifies the grievance received. In doing so, Grievance Handling Team will communicate with the Grievance Raiser to obtain evidence and further information.

### **4. Establishing the Status of Grievance**

Grievance Handling Team determines whether the complaint submitted falls into the category of a grievance. If classified as a grievance, the team will follow up with a grievance ranking. If not classified as a grievance, the team will write a reply to the Grievance Raiser stating that the grievance submitted does not belong to the category of a grievance.

### **5. Grievance Ranking**

The Grievance Team assigns a ranking to the grievance submitted to produce a grievance categorisation. If the grievance falls under the category of low or moderate, the related operations unit prepares a plan of handling low and medium-level grievance. If the grievance belongs to the high category, the high-level grievance handling plan is submitted to the Grievance Committee in compliance with the national grievance procedure.

### **6. Preparing Plan of Handling Low and Medium-Level Grievance**

The relevant operations unit formulates the plan for low and medium-level grievance handling.

### **7. Application for the Grievance Committee Approval of Grievance Handling Plan**

The relevant operations unit will seek the approval of the Grievance Committee of the grievance handling plan that has been prepared for low and medium-level grievance.

### **8. Approval of the Grievance Handling Plan**

The Grievance Committee will review and approve the low and medium-level grievance handling plan submitted by the Grievance Team. If approved, the plan will be used as a basis for handling low and medium-level grievance. If not, the Grievance Committee will return the low and medium-level grievance handling plan to the Grievance Team for further discussions and revision.

9. Grievance Handling

The Grievance Team and the relevant operations unit will handle low and medium-level grievance.

10. Monitoring and Evaluation

The Grievance Team will perform monitoring and evaluation over the on-going activities in grievance handling. Monitoring and evaluation reports will be submitted to the Grievance Committee.

11. Grievance Closed

There is a written agreement between the Grievance Raiser and the Grievance Team as well as the relevant operations unit that the grievance handling is completed.

**Time Line for Responding to Grievance**

- a. Response will be given in five (5) working days, along with the verification and engagement by GAR/SMART, after the Grievance Team receives grievance submission.
- b. Grievance Handling will be performed within twenty one (21) working days upon receipt of the grievance submission.