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|  | STANDARD<br>OPERATING PROCEDURE                           | Doc. No       | : AEP/SP/02/10/3.4 |
|   |   | Issuance date | : 2 December 2011  |
|   | SETTLEMENT OF GRIEVANCES<br>AND<br>STAKEHOLDER COMPLAINTS | Revision      | : -                |
|   |   | Revision date | : -                |

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#### A. PURPOSE

This procedure aims to regulate the handling of grievances and complaints that come from the internal and external community of the company in order to achieve proper and fast problem solving in an effort to achieve continuous corrective action as well as effective and efficient problem prevention.

#### B. SCOPE

This procedure is applied in the activities of handling grievances and complaints that come from the company's internal and external communities starting from its submission, identification of backgrounds, considering the solution approach, implementing solutions and problem solving as a whole.

#### C. DEFINITION

**Grievances** : is a statement or expression of dissatisfaction regarding the performance of the company that is conveyed orally or in writing from an external or internal party of the company.

**Complaints** : is an objection to an event deemed inappropriate which is conveyed orally or in writing from an external or internal party of the company.

**Complainants**: are company stakeholders, including company employees (individuals and labor unions), communities around the plantation / mills (individuals or groups), non-governmental organizations, contractors, smallholders or outgrowers and government agencies.


**Management Representative** is a person appointed or assigned on behalf of the company to communicate, such as Public Relations or KTU (if the management unit does not have special staff for this matter).

#### D. REFERENCES

- Law No. 5 of 1960 concerning the Basic Agrarian Law
- Law No. 13 of 2003 concerning Manpower
- Law No. 2 of 2004 concerning the Settlement of Industrial Relations Disputes
- Law No. 18 of 2004 concerning Plantation
- Law No. 4 of 1997 concerning Partnership

#### E. WORK PROCEDURES

1. The complainants submit grievances or complaints by coming in person or in writing (by letter) to the Company.
2. In receiving complaints, the management takes the following steps :
  - 2.2 when complaints are submitted by the complainant by him / her self, then the complainant is well received, verified his / her identity, made an inquiry on his / her purpose and then asked him/her to fill out the grievances and complaint form.


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2.3 If the complaint or complainant is submitted by the complainant by letter, after the letter is received, the person in charge should write into the Grievances and Complaints Form which includes the identity of the sender (name of the individual, organization or institution), and the purpose of the complaint letter. After the completion, the letters should be kept in External Inbox Folder.

3. The Management Representative immediately submits the Grievance and Complaint Forms to the Estate / Mill Manager.
4. Estate/ Mill Manager will ask the Management Representative to investigate the truth of the case that caused the grievances or complaints, and immediately report the results no later than 7 days after the grievances or complaints are reported.
5. If the identification and investigation of grievances or complaints reported are valid, the Estate / Mill Manager immediately takes settlement action in accordance with the Grievances and Complaints Resolution Mechanism (Attached).
6. If needed, the Estate / Factory Manager can contact the External Affairs Department - Head office to ask for suggestions, input or assistance to resolve problems from grievances or complaints.
7. All resolutions of grievances and complaints should be resolved by prioritizing the principle of deliberation to reach a consensus (win win solution).
8. If the settlement of grievances and complaints must be carried out through legal affairs, it must be coordinated in advance with the External Affairs Department - Head Office.
9. All grievances and complaints resolution processes must be properly documented and kept by the Management Representative. One set of copies of these documents must be sent to the External Affair Department - Head Office.

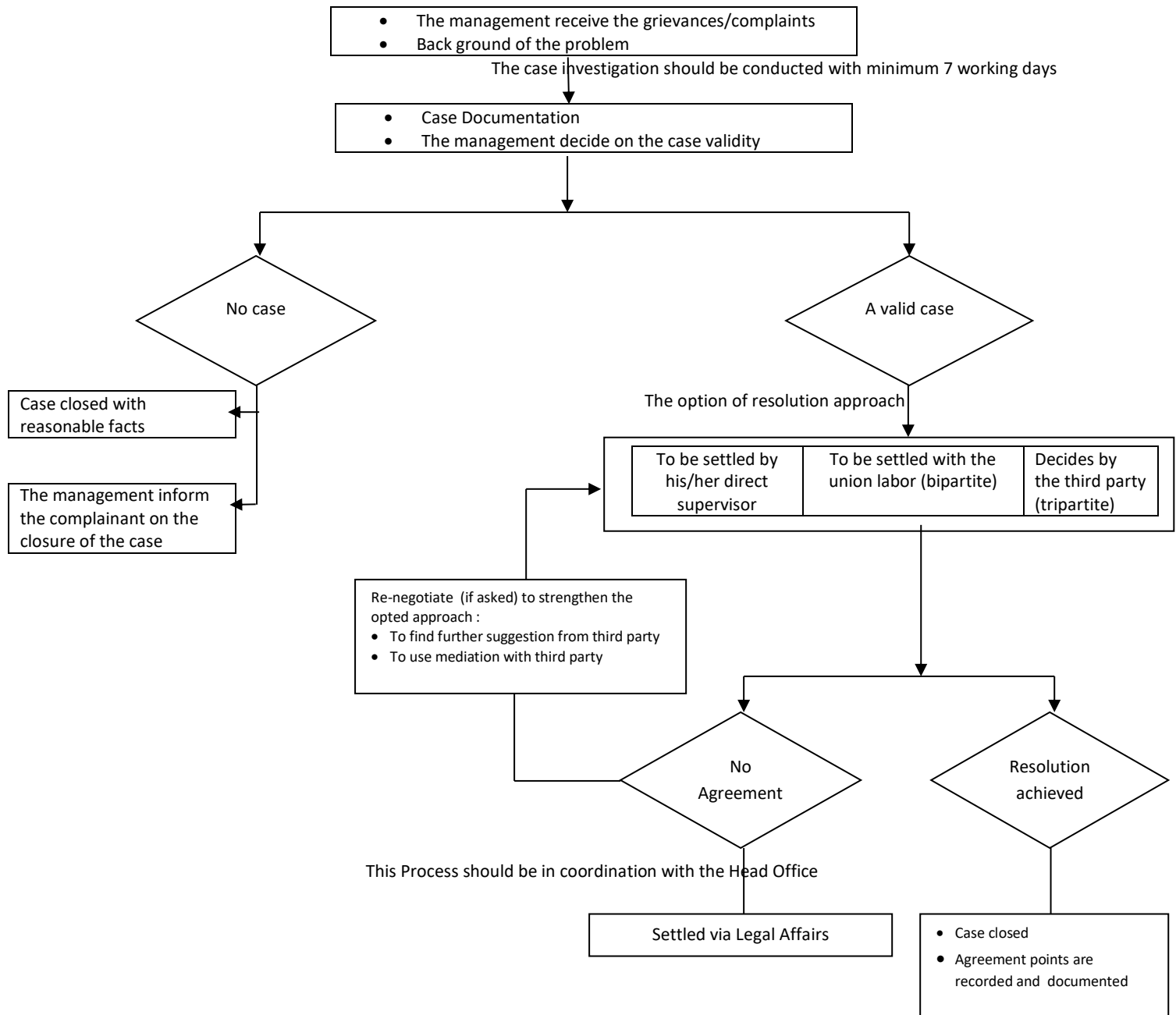
#### **F. ATTACHMENT**


1. Form of Grievances and Complaints

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## Attachment

### MECHANISM OF RESOLUTION OF GRIEVANCES AND INTERNAL COMPLAINTS



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## Attachment

### MECHANISM OF RESOLUTION OF GRIEVANCES AND EXTERNAL COMPLAINTS

