

**Grievance Resolution Procedure**

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## **1.0 BACKGROUND**

APRIL Group (“APRIL”) announced new measures to ensure that deforestation is completely eliminated from its supply chain in its Sustainable Forest Management Policy (SFMP) 2.0 (the “Policy”), published in June 2015. The Policy represents a major milestone in the company’s long-standing commitment to conservation.

APRIL believes the next challenge is to ensure that its Policy commitments are implemented on the ground. SFMP 2.0 consolidates measures for the monitoring and verification of Policy adherence, including regular progress reports and third party review of implementation. In order to enable external parties to air any grievances should they arise, APRIL has developed the present Grievance Resolution Procedure, which will be managed in a timely and transparent manner, involving independent evaluators and investigators.

All aspects of grievance handling will be documented for future reference and process improvement, and will be made publicly available through APRIL’s Sustainability Dashboard (the “Dashboard”).

## **2.0 OBJECTIVES**

The objective of this Grievance Resolution Procedure is to ensure that local communities and other relevant stakeholders understand the process for raising any issues related to APRIL’s operations and those of its Suppliers. The Procedure includes guidance for APRIL on how to handle grievances from external parties, including individuals, government organizations and non-governmental organizations, concerning the implementation of APRIL’s SFMP 2.0.

In resolving grievances, APRIL will prioritize consultative methods centered on dialogue. APRIL appreciates that any effective grievance handling must resolve or settle grievances in an efficient, timely and appropriate manner through a fair and transparent process to achieve consensual agreement between parties.

## **3.0 SCOPE**

This Procedure applies to the settlement or resolution of grievances relating to the implementation of SFMP 2.0 within APRIL’s operations and those of its Suppliers, recognizing the principle of Free, Prior, Informed and Consent (FPIC) as a starting point.

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Once a potential grievance has been received and assessed, further action may be taken to verify the claims. Once the grievance is confirmed, an Action Plan will be designed in consultation with concerned parties to resolve/settle it, and proper implementation will be monitored. APRIL will provide progress updates to relevant stakeholders and manage any follow-up action where necessary.

This Procedure applies entirely and exclusively to APRIL, its current and future Suppliers as well as any future acquisitions or partnerships. The relationship with existing Suppliers who do not engage in this Procedure will be reviewed and may be suspended.

**4.0 RELATED DOCUMENTATION AND/OR REFERENCES**

- a) Sustainable Forest Management Policy 2.0 (APRIL SFMP 2.0)
- b) SOP Land Dispute Resolution **RPF/SGR-0002-PR**

**5.0 RELATED FORMS AND/OR ATTACHMENTS**

- a) Grievance Submission Form **AGRO/SFM-001-FM**

**6.0 GENERAL TERMS**

- a) A grievance is a complaint, concern or resentment which an individual or group wants APRIL to address and find solutions to.
- b) SFMP 2.0 is the Sustainable Forest Management Policy launched by APRIL on 3 June 2015.
- c) Procedure **RPF/SGR-0002-PR** on land dispute resolution provides a framework for the handling of disputes specifically related to land claims and encroachment.
- d) A land dispute is a disagreement over the ownership, tenure, management and use of a specific area inside a company's concession area.

**7.0 DUTIES AND RESPONSIBILITIES**

- a) The Grievance Processing Unit (GPU) at APRIL Office
  - i) The GPU is responsible for coordinating and performing all tasks necessary for the successful implementation of this Grievance Resolution Procedure, including engagement with external parties who raise grievances.
  - ii) The GPU consists of representatives from the Sustainability Department and Social Capital Team, assisted by the Corporate Communications team if need be.

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- iii) The GPU will appoint a Grievance Coordinator to manage the ongoing implementation of the Grievance Resolution Procedure and coordinate progress and actions. The Grievance Coordinator will be the point of liaison among all relevant stakeholders, including APRIL Management, the Complainant, the Grievance Committee, the Verification Team, APRIL's Operational Teams and Suppliers.
  - iv) The duties of the GPU include to receive, record, classify potential grievances and report to the Grievance Committee. The GPU will maintain an up-to-date Grievance List providing details on the grievances handled in accordance with this Procedure. The Grievance List will be periodically circulated to the Grievance Committee and updated in the Dashboard. The GPU will also be responsible for preparing external communications, including Response Letters to Complainants. The GPU will maintain all files and documentation, including all correspondence between the Grievance Committee and external parties.
  - v) For grievances related to land disputes, the GPU will refer to the process outlined in APRIL's SOP **RPF/SGR-0002-PR** on land dispute resolution.
  - vi) The GPU will make contact with the Complainant at the earliest opportunity and invite them to participate in the process to reach a settlement or resolution to their issues. Dialogue with the Complainant will be maintained throughout the process to ensure that the grievance handling is fair and accountable, and it will be documented by the GPU.
  - vii) The GPU will be responsible for developing Action Plans with the Complainant and the Subject of the Grievance to address any confirmed grievances (on the basis of the findings and recommendations by the Verification Team if a verification mission is conducted). On a quarterly basis the GPU will review any outstanding time-bound Action Plans established for ongoing grievances to ensure that progress has been made against the agreed Action Plan. Where progress has not been made in accordance with the Action Plan, the GPU will report to the Grievance Committee for any necessary further actions.
  - viii) The GPU will periodically update the Stakeholder Advisory Committee (SAC) regarding ongoing grievance processes and if necessary request its input and recommendations.
- 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/settle confirmed grievances.
  - ii) In case a verification mission needs to be conducted, the Grievance Committee will be in charge of approving the Grievance Verification Terms of Reference.

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- iii) Senior Management from APRIL will establish the Grievance Committee, which will include representatives from APRIL and independent parties (e.g. SAC).
  - iv) In cases where confirmed grievances relate to companies that are under the ownership of APRIL, the Grievance Committee will instruct APRIL's relevant Operations Teams to implement the Action Plan.
  - v) In cases where confirmed grievances relate to an APRIL Supplier and where APRIL does not have ownership, the Grievance Committee will advise the Suppliers' Senior Management to implement the Action Plan.
  - vi) The Grievance Committee will be responsible for approving notifications to the Complainant concerning the outcome of any grievance processes.
- c) The Verification Team
- i) The Verification Team is responsible for investigating potential grievances and collecting information to confirm their validity.
  - ii) The composition of the Verification Team will be determined by the GPU. Members of the team will include APRIL technical experts, consultants and/or other independent third party service providers as required, the Complainant if requested (or a representative of the Complainant who has a clear mandate through a letter of assignment), the Subject of the Grievance, as well as the Grievance Coordinator.
  - iii) The duties of the Verification Team will be specified in an agreed Grievance Verification Terms of Reference consolidated by the Grievance Committee, which may include studying and verifying data/information provided by external parties on the potential grievance and, as necessary, conducting field investigations to collect additional data to determine the validity of the potential grievance.
  - iv) The Verification Team will work with relevant APRIL Operations Teams and Suppliers in carrying out its duty.
  - v) The Verification Team will prepare a Grievance Verification Report outlining the result of its verification process and recommending actions to address any confirmed grievances. This Report will be submitted to the Grievance Committee for review before being issued to the relevant APRIL Operations Team or Supplier. A copy will be made available to the Complainant.
- d) The Subject of the Grievance (APRIL or Suppliers)
- i) APRIL's relevant Operations Team will take the necessary actions to resolve/settle any confirmed grievances and report on the implementation and outcome of the Action Plan to the GPU, which will duly inform the Grievance Committee and the Complainant.
  - ii) The Supplier's Senior Management will take the necessary action to resolve/settle any confirmed grievances and report on the implementation and outcome of the

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Action Plan to the GPU, which will duly inform the Grievance Committee and the Complainant.

## 8.0 PROCEDURE

### 8.1 Workflow

- a) Potential grievances can be raised through any of the following channels:
- Via email to : [grievance\\_response@aprilasia.com](mailto:grievance_response@aprilasia.com)
  - Via telephone to : +62 21 3193 0134
  - In writing to : APRIL Group, *Jalan* MH. Thamrin No. 31, Jakarta 10230, Indonesia  
Attention: Sustainability Department (Grievance Coordinator)
  - Online at : <http://sustainability.aprilasia.com/category/raise-a-grievance>
- b) When possible, potential grievances should be lodged using the standard template **AGRO/SFM-001-FM**. The Complainant should provide the following information:
- i) Full name
  - ii) Name of organisation (if applicable)
  - iii) Address
  - iv) Phone No./Email Address (at least one contact point)
  - v) Description of the potential grievance in detail
  - vi) Evidence to support the potential grievance

Potential grievances can be lodged in English and/or *Bahasa* Indonesia.

Contact details are required to seek further clarification regarding potential grievances. The Complainant may request that their identity remain confidential. The Complainant may appoint a third party to submit their potential grievances provided that the third party follows the Procedure outlined.

The Complainant is entitled to seek expert advice during the grievance settlement/resolution process, which APRIL will consider supporting on the Complainant's request.

- c) Potential grievances will be processed by the GPU. The GPU will record each potential grievance in the Grievance List and classify its scope by identifying the section(s) of APRIL's Policy that is/are relevant to the grievance. The GPU will establish contact with the Complainant and formally extend an offer to engage in dialogue. The GPU will then compile all available information about the potential grievance (including a recommendation on the need to conduct further investigation)

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in a Grievance File that will be submitted to the Grievance Committee for review and decision.

- d) For potential grievances related to land disputes, the GPU will refer to the process outlined in APRIL's SOP **RPF/SGR-0002-PR** on land dispute resolution.
- e) The Grievance Committee will review the Grievance File from the GPU. The Grievance Committee may request the provision of additional evidence from the Subject of the Grievance.
- f) Several scenarios could ensue, as follows:
  - i) If the Grievance Committee assesses that the grievance has no merit, the GPU will notify the Complainant and update its status in the Grievance List, with prior approval from the Grievance Committee.
  - ii) If the Grievance Committee assesses that the grievance is confirmed and no further investigation is needed to verify it, the GPU will notify the Complainant and proceed to draft an Action Plan (see **section i** onwards).
  - iii) If the Grievance Committee assesses that the grievance may have merit but determines that further investigation is required to verify it, the Grievance Committee will prepare a Grievance Verification Terms of Reference and proceed with the verification efforts as detailed in **section g** and **h**.
- g) For potential grievances relating to APRIL's own operations, the Verification Team will contact the relevant APRIL Operations Team to request meetings and/or field visit to confirm the validity of the grievance. The Verification Team will complete a Grievance Verification Report providing findings and recommendations for the Action Plan.
- h) For potential grievances relating to APRIL's Suppliers, the Verification Team will engage directly with the Subject of the Grievance. The Verification Team may undertake interviews and dialogue with relevant stakeholders, and where necessary collect additional data to confirm the validity of the grievance. The Verification Team will complete a Grievance Verification Report providing findings and recommendations for the Action Plan.
- i) The GPU will draft an Action Plan outlining the steps to resolve/settle the confirmed grievance (on the basis of the Grievance Verification Report if there is one). The Complainant and the Subject of the Grievance will be consulted at this stage. The Action Plan will be subsequently submitted to the Grievance Committee for approval.
- j) For confirmed grievances relating to APRIL's operations, after receiving the Action Plan, the relevant Operations Team will conduct steps/action in the field to resolve/settle the grievance. The Operations Team will report on the implementation status of the Action Plan and will communicate the final outcome through a Field

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Action Report to the GPU. The GPU will update the Grievance Committee and the Complainant.

- k) For confirmed grievances relating to APRIL's Suppliers, the relevant Supplier will report on the implementation status of the Action Plan and will communicate the final outcome through a Field Action Report to the GPU. The GPU will update the Grievance Committee and the Complainant. If the Supplier does not demonstrate a willingness to comply with APRIL's Policy through real actions to resolve/settle the grievance, the GPU will submit a report to the Grievance Committee which can recommend that APRIL undertake disciplinary actions, including suspension of relationship if necessary, against the Supplier.
- l) After obtaining the Field Action Report from the relevant Subjects of the Grievance, the GPU will prepare an initial Response Letter on behalf of the Grievance Committee to the Complainant. This Response Letter will be reviewed and approved by the Grievance Committee.

## **8.2 Timelines for Handling Complaints and Grievances**

This Grievance Resolution Procedure is intended to address a wide range of stakeholders' concerns which will often involve numerous parties with potentially conflicting interests. Hence the settlement or resolution of such grievances will at times involve lengthy processes of enquiry and mediation among various stakeholders, and will require the application of a flexible approach. However, it is important that grievances are addressed in a timely manner in accordance with APRIL's Policy. In this context, the following timelines are provided for the key stages of this Procedure:

- a) Within **5 working days** of receiving the potential grievance, the GPU will acknowledge receipt to the Complainant and prepare the Grievance File, with additional inputs from the Complainant if necessary.
- b) On the basis of the Grievance File, within **10 working days** of receiving the potential grievance, the Grievance Committee will assess whether it is confirmed or it is unmerited, or decide on the need to conduct further investigation.
- c) If the potential grievance is assessed to have no merit, the GPU will notify the Complainant prior approval from the Grievance Committee within **10 working days** of receiving the potential grievance.
- d) In case the grievance is confirmed and no further investigation is needed, the GPU will acknowledge to the Complainant within **10 working days** of receiving the grievance.
- e) In case further investigation is needed, within **10 working days** of receiving the potential grievance, the Grievance Committee will consolidate the Grievance Verification Terms of Reference. Within **20 working days** of receiving the potential

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grievance, the verification mission will be conducted and the Grievance Verification Report will be completed.

The complexity of each grievance will vary greatly across specific cases and, as such, it will be necessary to adjust the timeline to every scenario. When adjustment to the timeline is required, the GPU will communicate it to the Complainant.

### **8.3 Monitoring Mechanisms for Handling Grievances**

- a) The GPU is responsible for overseeing all grievance processes. In addition, the Verification Team will lead any necessary verification missions and the relevant Operations Team will monitor the progress of the implementation of the Action Plans.
- b) In cases relating to APRIL Suppliers, the GPU is responsible for monitoring the Supplier's progress in handling the grievance.

### **9.0 Appeal Process**

If a Complainant is dissatisfied with the outcome of a grievance assessment, they may lodge an appeal including an explanation of the reasons. Appeals should be submitted through the communications channels outlined in **section 8.1** above.

If deemed necessary, the Grievance Committee, with the assistance of the GPU, can do the following:

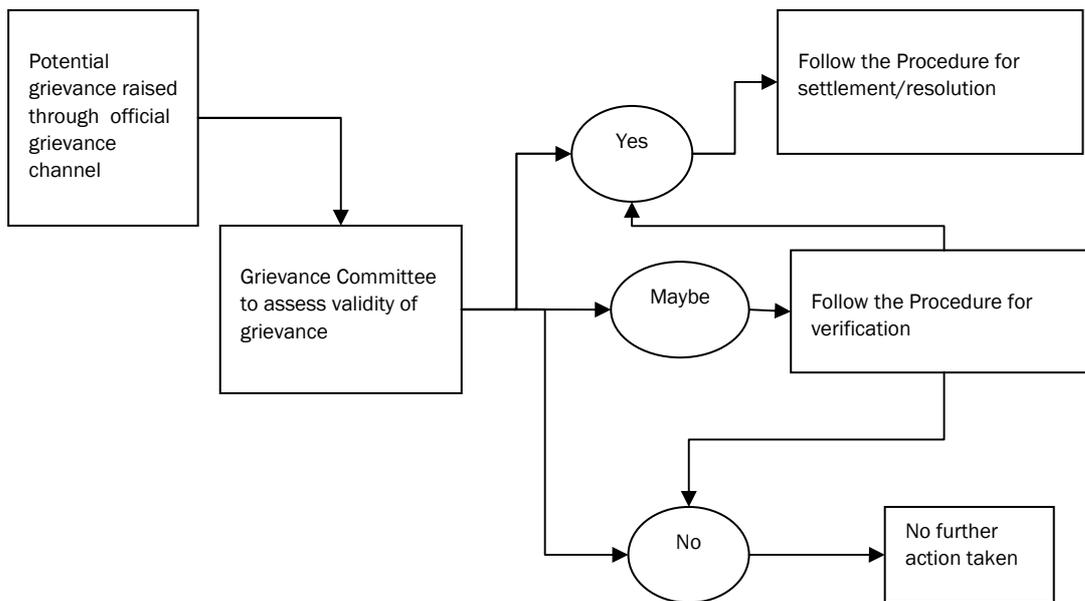
- a) Invite the Complainant to provide a direct explanation.
- b) Together discuss other options that may be undertaken to resolve/settle the grievance.
- c) Where appropriate and relevant, involve other external independent observers (e.g. relevant experts or important stakeholders) in a second verification process.

The GPU will contact the Complainant to acknowledge the lodgment of an appeal within **5 working days** of its submission. The outcome of the appeal review will be submitted to the Complainant within **25 working days** of its submission.

**10.0 APPENDICES**

**10.1 Appendix-1 Grievance Triage**

- a) Potential grievances submitted through APRIL’s formal grievance communications channels will be logged by APRIL’s GPU.
- b) The Grievance Committee will make an informed decision on whether any potential grievances constitute an actual breach of the Policy.
- c) If the decision is positive, the confirmed grievance will follow the Procedure for settlement or resolution.
- d) If the decision is negative, no further action will be taken and the Complainant will be duly notified.
- e) If the Grievance Committee requests further investigation, the potential grievance will follow the Procedure for verification.



# STANDARD OPERATING PROCEDURE SUSTAINABILITY

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### 10.2 Appendix-2

### GRIEVANCE RESOLUTION PROCEDURE WORKFLOW

