

**GRIEVANCE PROCEDURE FOR THE IMPLEMENTATION OF SUSTAINABLE PALM OIL POLICY**

**1. BACKGROUND**

BLD Plantation Bhd. Group of Companies (BLDP) recognises sustainable development is integral to the long-term viability and success of its business and launched its Sustainable Palm Oil Policy ("Policy") to meet rising market demand of producing palm oil in a sustainable manner.

BLDP believes stakeholders play important and constructive roles in the implementation of its Policy. The Policy included a commitment to develop a Grievance Procedure to enable the stakeholder to raise a grievance and ensure that breaches of the Policy are addressed in a systematic and timely way. All grievances logged under the Grievance Procedure will be dealt with in a fair manner, and the findings will be reported transparently.

**2. OBJECTIVES**

This procedure is a reference for management and staff of BLDP to handle any grievance from any external stakeholders, including individuals, government organizations and non-governmental organizations concerning the implementation of the Policy. BLDP recognises that feedback and input from external stakeholders is valuable for BLDP on monitoring and reviewing the implementation of the Policy.

**3. SCOPE**

This procedure covers activities related to the handling of external stakeholders' grievances with respect to the 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 and managing and monitoring any follow-up action.

BLDP's Policy and this Grievance Procedure apply to all BLDP's own operations and all our third-party suppliers and their associated parent companies and subsidiaries. For the purpose of this Grievance Procedure, the following definition apply.

'BLDP's own operations' include:

All BLDP's owned oil palm operations in all geographies where the Group operates which includes Joint Ventures or any form of partnerships with other companies where BLDP can claim some substantial degree of ownership or management control.

'Third-party suppliers and their associated parent companies and subsidiaries' include:

All palm oil suppliers that are external to the ownership of BLDP, and their associated parent companies and subsidiaries that may not supply directly or indirectly to BLDP but who are controlled by companies owning third-party suppliers or who are direct or indirect controlling third-party suppliers to BLDP's palm oil supply chain.

When a complaint against a third-party supplier or their associated parent companies or subsidiaries is submitted to BLDP, BLDP will engage with the said third-party supplier to discuss the issues raised in accordance with this procedure, with the end-objective of resolving the issues.

**4. REFERENCES**

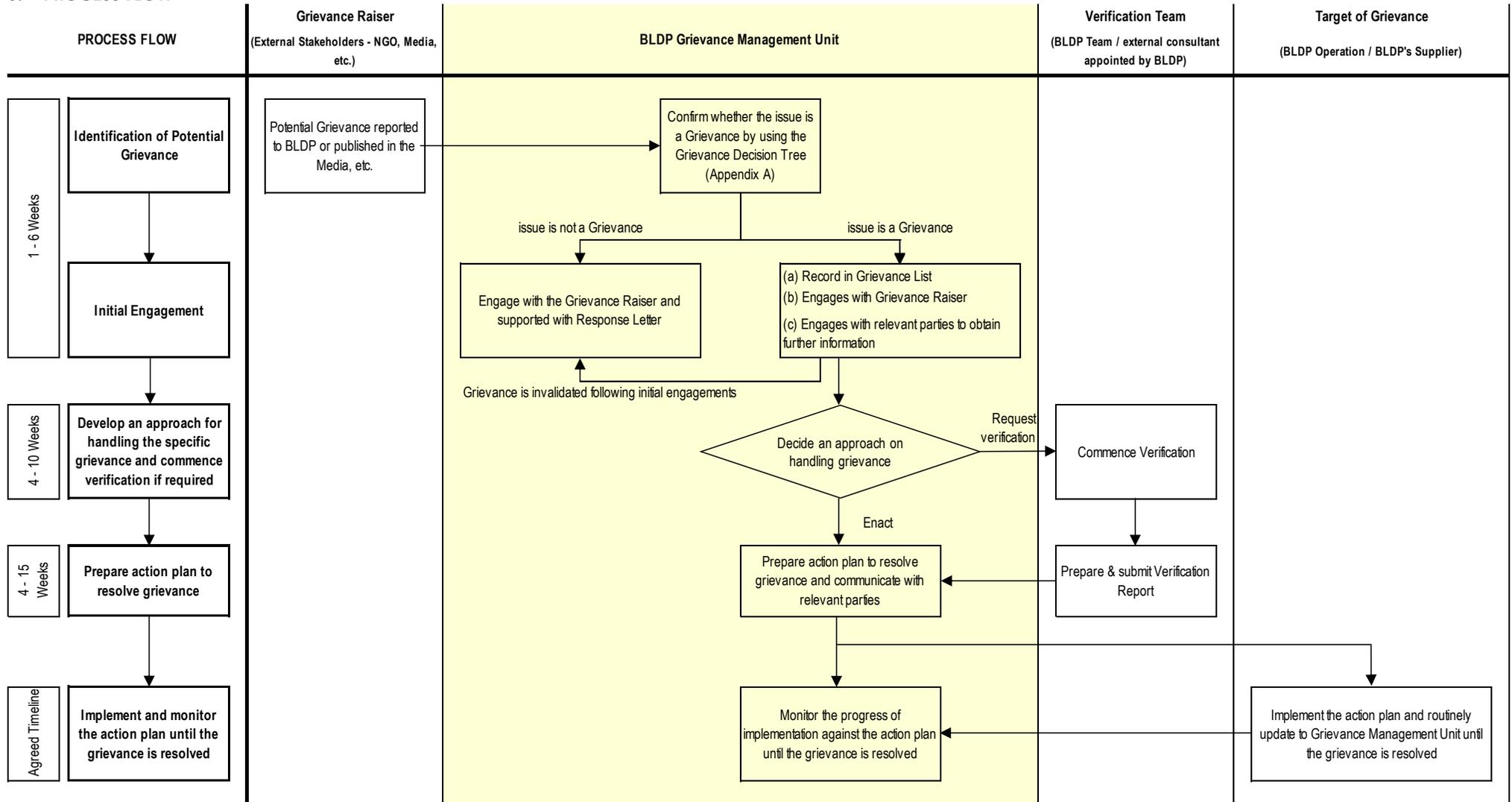
Sustainable Palm Oil Policy

**5. GENERAL TERMS**

- a) A grievance is a complaint, concern or problem which an individual or a group wants BLDP to address and find solutions for.
- b) The Grievance Management Unit established by BLDP will support the efficient and effective handling of grievances from external stakeholders, including individuals, government organizations and non-governmental organizations concerning the implementation of the Policy.

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**6. PROCESS FLOW**



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a) Identification of Potential Grievance

The external stakeholders can submit a potential grievance via any of the following channels:

Via email to: gsmc@bldpb.com.my  
By telephone to: +6082-335311  
By fax to: +6082-348311  
In writing to: BLD Plantation Bhd.  
Level 6, Crown Towers,  
88, Jalan Pending, 93450 Kuching, Sarawak, Malaysia.  
Attention: Grievance Coordinator

Grievances should include provision of the following information:

- Full Name of Grievance Raiser
- Name of Organization (if any) of Grievance Raiser
- Address of Grievance Raiser
- Phone No./Fax No./Email Address (at least one contact point) of Grievance Raiser
- Description of the potential grievance in detail
- 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.

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 external stakeholders or BLDP.

All potential grievances which come to the attention of the Grievance Management Unit will be assessed using a simple Grievance Decision Tree to determine if further investigation is required. The Grievance Management Unit will record each confirmed grievance in the Grievance List (Appendix B) and published on BLDP's website.

b) Initial Engagement

The Grievance Management Unit will lead the engagement and start engaging with the Grievance Raiser. If it is assessed that the grievance is unmerited or no field action is required, the Grievance Management Unit will engage with the Grievance Raiser and respond accordingly based on the result of the assessment. In such cases, the grievances will thus be dismissed. If it is assessed that the grievance is merited, the Grievance Management Unit will begin engagement with the Grievance Raiser to compile all available information about the grievance. The Grievance Management Unit will also engage with the relevant parties (BLDP's own operations or third party suppliers) for further investigation. When necessary, the Group Sustainability Manager as the representative of BLDP Group Sustainability Management Committee, or the Procurement Department will provide support to Grievance Management Unit on complex engagements.

c) Develop an Approach for handling the Specific Grievance; and, Commence Verification if required

Based on the information compiled about the grievance, The Grievance Management Unit will develop an approach for handling the grievance which shall be reviewed by the Group Sustainability Manager prior to any further actions. If it is decided that further verification is needed after the initial engagement process with the relevant parties, the Grievance Management Unit will seek assistance from Verification Team (led by BLDP Internal team and any external consultant appointed by BLDP when necessary) to conduct field visit and/or verification study.

For cases relating to BLDP's own operations, the Grievance Management Unit will send an official letter to the relevant Operations Manager requesting them to take the necessary steps in the field to resolve the grievance. For cases relating to BLDP's third party supplier, the Grievance Management Unit will prepare a case file assessing the validity of the grievance and assessing the third party supplier's willingness to comply with BLDP Policy. Where possible, BLDP will encourage the third party supplier to engage directly with the Grievance Raiser and monitor the dialogue between those parties.

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d) Prepare Action Plan to resolve Grievance

The Grievance Management Unit will prepare an action plan based on the inputs from the relevant parties and the verification report and submit to Group Sustainability Manager for the approval of Group Sustainability Management Committee. The Grievance Management Unit will record the action plan and published on BLDP's website.

e) Implement and Monitor the Action Plan until the Grievance is resolved

For cases relating to BLDP's own operations, the Grievance Management Unit will send an official letter to the relevant Operations Manager requesting them to implement the actions as listed in the Action Plan. 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 Management Unit. The Grievance Management Unit will monitor the progress on handling the grievance in all the regional offices of BLDP's operations until the grievance is resolved.

For cases relating to BLDP's third party supplier, the supplier will report progress on the implementation status of the Action Plan to the Grievance Management Unit and the Grievance Unit will monitor the reported progress in co-ordination with the Procurement Department until the grievance is resolved. In case where a legitimate grievance exists and the third party supplier does not demonstrate their willingness to cooperate with BLDP on handling the grievance, the Grievance Management Unit will report to BLDP Management recommending to assess the commercial relationship with the third party supplier.

**7. DUTIES AND RESPONSIBILITIES**



- a) The Group Sustainability Management Committee
- Recommending to the Board sustainability related policy for adoption and monitoring the implementation of the policy.
  - Monitoring Group's sustainability performance and the implementation of sustainability strategy as approved by Board.
  - Resolve critical or major sustainability issues affected the Group.
  - Inform Board on the status of sustainability implementation of the Group.
- b) The Grievance Management Unit
- The Grievance Management Unit is responsible for co-ordinating and performing all tasks necessary for the successful implementation of this Grievance Procedure.
  - The Grievance Management Unit is led by the Grievance Coordinator who is supported by three teams: Grievance Recording Team, Engagement Team, and Planning & Monitoring Team.
  - The Grievance Management Unit shall report to Group Sustainability Manager.

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Grievance Coordinator

- A Grievance Coordinator will be appointed to lead the Grievance Management Unit and manage the ongoing implementation of this Grievance Procedure and co-ordinate with the BLDP Group Sustainability Management Committee through the Group Sustainability Manager.
- Engagement with the external stakeholders who raise the grievances and the relevant external stakeholder including the third party suppliers on the grievances received.

Grievance Recording Team

- Grievance Recording Team is functioning under the supervision of the Grievance Coordinator.
- Duties of the Grievance Recording Team include: to receive, record, classify, and report the grievances to the Grievance Coordinator. The Grievance Recording Team will also monitor media (print and electronic) for news relating to BLDP and its third party suppliers in order to identify potential grievances. Potential grievances will be assessed by the Grievance Management Unit using the Grievance Decision Tree to determine if they qualify for further investigation.
- The Grievance Recording Team will maintain an up-to-date grievance list containing details of all grievances handled in accordance with the Grievance Procedure. The grievance list will be circulated to the relevant parties in accordance to the instruction of Grievance Coordinator and published on BLDP's Website / Dashboard on quarterly basis.

Engagement Team

- Engagement Team is functioning under the supervision of the Grievance Coordinator.
- Duties of the Engagement Team include:
  - Engagement with BLDP internal operations to collect information to enable further deliberation or investigation of the grievances for cases relating to BLDP's own operations.
  - Engagement with BLDP internal operations by sending official letter to the relevant Operations Manager requesting them to take the necessary steps in the field to resolve the grievance.
  - Assisting Grievance Coordinator on drafting external communications including response letters to Grievance Raisers, third party suppliers, etc.

Planning & Monitoring Team

- Planning & Monitoring Team is functioning under the supervision of the Grievance Coordinator.
- Duties of the Planning & Monitoring Team include:
  - Planning and developing action plans to address any verified grievances with the Grievance Coordinator.
  - Review any outstanding plans established for past grievances to ensure that progress has been made against the agreed plan.

c) Group Sustainability Manager

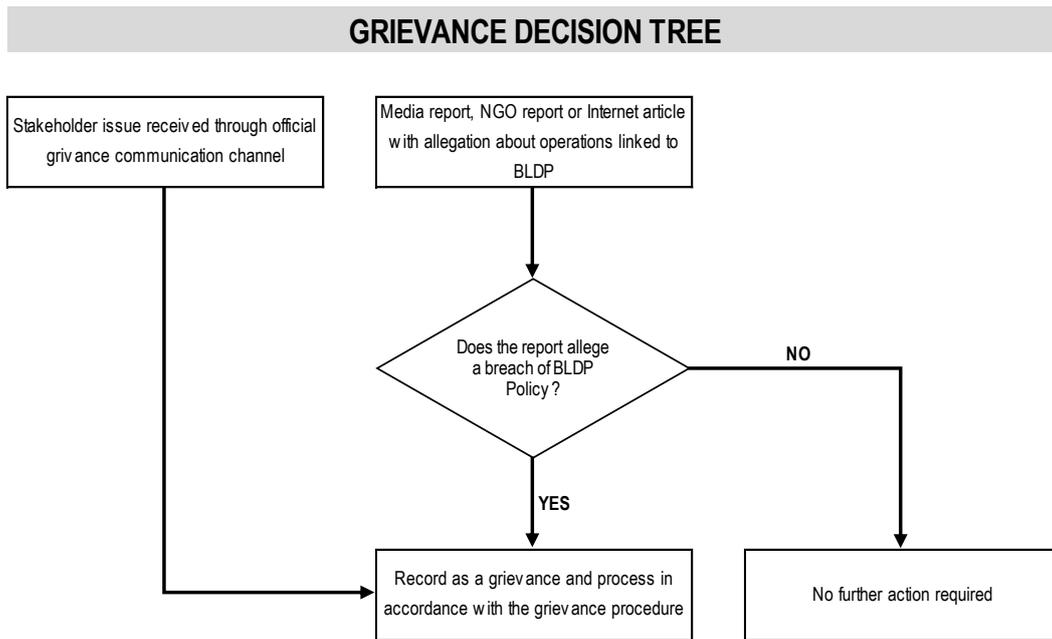
- The Group Sustainability Manager, as the representative of BLDP Group Sustainability Management Committee, shall supervise the functioning of Grievance Management Unit and responsible for submitting the action plan to resolve grievance to BLDP Group Sustainability Management Committee for approval prior to implementation of the plan.
- The Group Sustainability Manager will provide support to Grievance Management Unit when necessary.
- The Group Sustainability Manager or the Grievance Coordinator is responsible to engage with the third party supplier, external key stakeholders, and external Grievance Raiser.

**8. APPENDICES**

- APPENDIX A: Grievance Decision Tree
- APPENDIX B: Grievance List Template (Recording & Classification)
- APPENDIX C: Grievance List Classification

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**APPENDIX A:**



**APPENDIX B: Grievance List Template (Recording & Classification)**

Reference Number	Group Company	Entities Involved (named in grievance)	Location	Date Received	Means of Delivery	Supply Chain Connection	Grievance details	Progress update	Grievance resolution process
	Name of Group/ Parent company associated	Name of entity as stated in grievance		Grievance raised / published	Name of report/ means of grievance raised	*Type of connection to entity named			**Status of resolution

**APPENDIX C: Grievance List Classification**

**\*Type of connection to entity named**

Type of Classification	Details of supply chain connection
Own Operations	BLDP's own operations' including refinery, mills or plantations <i>(refers to scope section)</i>
Direct Suppliers	Palm Oil third party suppliers with direct supply chain connections with BLDP's own operations <i>(refers to scope section)</i>
Indirect Suppliers	Palm Oil third party suppliers with supply chain connections with BLDP's direct suppliers <i>(refers to scope section)</i>
Associated Suppliers	Palm Oil producing entity with no physical connection with BLDP's supply chain - Group level association only <i>(refers to scope section)</i>
No Trading	The entity did not supply to BLDP
Non PO Suppliers	The activity of the involved entity is not related to Palm Oil development or Palm Oil production

**\*\*Status of Resolution**

Status of Resolution	Details
N/A- Not yet recognized	Initial engagement has not yet allowed to confirm if the issue is a valid grievance or not
Engaging Supplier	In the process of engaging with suppliers
Moratorium / SWO	Moratorium or Stop Work Order in place
SPOP Commitments	In line with BLDP's Sustainable Palm Oil Policy
NDPE Commitments	In line with NDPE commitment
LUCA	Carrying out analysis to understand the Land Use Change Analysis(LUCA) for the area
Action Plan	An action plan is in place and being carried out to address the issue/ grievance
Verification	Confirmation on action plan or findings provided by suppliers being carried out
Grievance closed	Issue has been addressed, verified and closed.