

**Annex 3-1 (Grievance Mechanism and Procedure)**



*One Step  
Ahead* 

# **Korindo Indigenous Report**

Korindo Commitments & Contribution to Indigenous People

June 30, 2020 Jakarta, Indonesia  
Korindo Group

## **5. Grievance Mechanism and Procedure**

### **BACKGROUND**

KG is committed to ensuring effective and sustainable oil palm plantation management, supporting sustainable timber production through sustainable forest management certification process, and actively participating in improving community welfare.

During its 50 years of existence, KG has proven its commitment and dedication in its compliance with the applicable laws and regulations in the Republic of Indonesia, showing concern in environmental conservation, upholding human rights and contributing to the development of the national and regional economy.

Such high commitment and dedication have become a culture in all of KG's business units, including oil palm plantation, timber, and wind tower businesses. KG seeks new ways that can be used to improve environmental standards and social responsibility to uphold our commitment.

Good governance is the crucial foundation of a company's existence. To support this, KG, through the Environmental, Social and Governance (ESG) Charter, has established long-term policies and management systems from the central level to the technical implementer level in all operational activities. One of the company's strategic policies is the establishment of Grievance Procedure. With the enactment of this policy, the handling of grievance reports from stakeholders is expected to be resolved properly, within an appropriate time frame, and the investigation process and the findings are openly disclosed.

### **OBJECTIVE**

KG acknowledges that feedback and suggestions from the stakeholders are significantly required to increase transparency and efficiency in every company's supply chain. Based on that, this Grievance Procedure has several purposes, such as:

- a. Provide guidelines for handling grievance reports submitted by stakeholders relating to Korindo's operational activities and their suppliers
- b. Become a reference material for Korindo's management and staff in handling grievances from various parties including individuals (Korindo workers), government agencies, the media and non-governmental organizations (NGOs), in relation to the implementation of company policies and operations.
- c. Support productive dialogue between the company and its stakeholders, rather than through a complicated administrative process

- d. Ensure the continuity of the Company's sustainability program and commitment to the community in accordance with the plans prepared previously.

## **SCOPE**

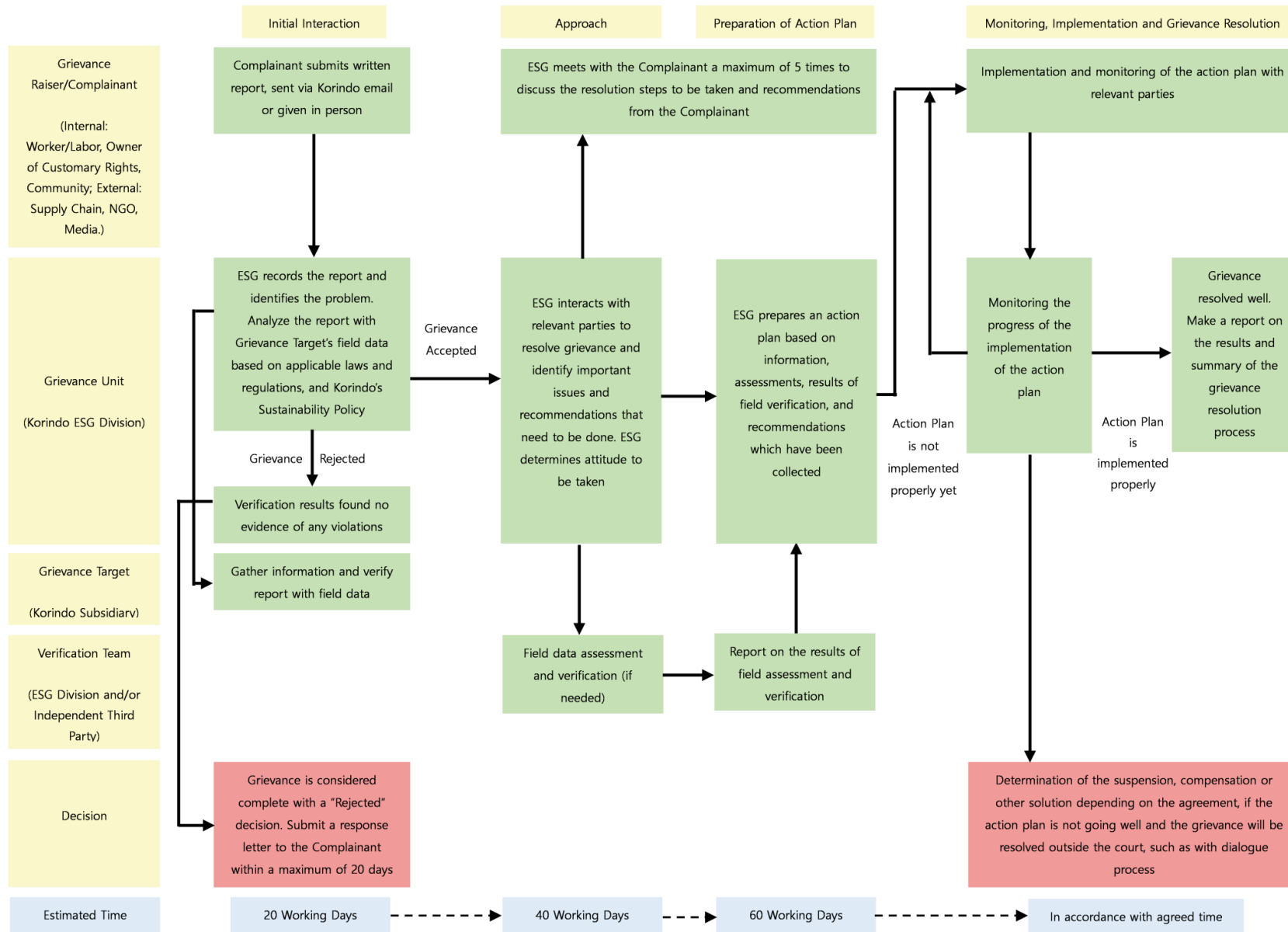
This Grievance Procedure includes the handling of grievances by the stakeholders regarding operational activities and the implementation of company policies. This includes recording grievances in writing either by email or in person, taking steps needed for the grievance verification process, improving verified problems, reporting verification results and actions taken in the field, and delivering responses to stakeholders. The next step is to monitor, therefore, the actions taken can proceed as planned.

This Grievance Procedure applies to all KG's activities worldwide and all third-party suppliers. When grievances are received from third party suppliers, KG will engage intensively with these suppliers to discuss problems to resolve existing problems. If the supplier does not wish to be involved in the resolution process and compliance with KG's procedure, KG will review the relationship with the supplier and the relationship will be terminated.

## **DEFINITION**

- a. A grievance is a formal complaint that is raised both by individuals or groups to KG.
- b. Grievance Procedure is a resolution procedure established by KG to the complaint through a clear process and procedure.
- c. Grievance Unit is a unit established by Environmental, Social and Governance (ESG) Division to support the handling of third parties' grievances effectively and efficiently.

# GRIEVANCE PROCEDURE FLOW



**Annex 3-2 (Stakeholder Engagement and Dispute Resolution)**



*One Step  
Ahead* 

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## **4. Stakeholder Engagement and Dispute Resolution**

KG has been doing business in the field of palm oil and forestry, providing proper and just compensation to indigenous people in accordance with Indonesian government regulations. We have tried to continue to provide support and maintained communication to show our respect for the culture of the indigenous people and to develop together economically.

KG signed a consulting agreement with the Indonesian Palm Oil Farmers' Association (Serikat Petani Kelapa Sawit) to create a Grievance Channel that transparently handles complaints raised by stakeholders, including indigenous peoples and NGOs. This Grievance Channel system was announced on the KG homepage in May 2020 to disclose the status of the application process and complaint cases.

KG has analyzed potential conflicts with stakeholders in Korindo's current palm oil, forestry and all other business sectors, as well as complaints raised through the Grievance System. We have also been searching for the right consultancy for Stakeholder Engagement.

The result was more specific talks with three stakeholder engagement experts and consultancies, and we retained AZ Conflict Resolution Center.

By working with the AZ Conflict Resolution Center, we will create a system for stakeholder communication and engagement and will identify the potential difficulties that each member firm within KG. The elements identified through this process will be resolved by communicating with the relevant stakeholders according to the stakeholder communication and engagement protocol that we will have established.

All of these actions will be made public through the Korindo website.