

Stakeholder Engagement Plan

for

PT Domas Agrounti Prima

1 INTRODUCTION

The Project Company, PT. Domas Agroiinti Prima (DAP), is a large and unique producer of top quality highly-refined oleochemical products. DAP is the oleochemical producing arm of PT Bakrie Sumatera Plantation Tbk (BSP), one of the oldest and largest Indonesian plantation conglomerates and a vertically integrated palm fruit plantation and processing operation. The project is currently mothballed, and the BSP management is working to fund and execute a restart of the existing operating equipment and a build-out of the partially-completed capabilities.

This document is a Stakeholder Engagement Plan (SEP) describing the planned stakeholder consultation and engagement process for the Project. It outlines a systematic approach to stakeholder engagement that will help develop and maintain over time a constructive relationship with their stakeholders throughout the duration of the Project. It also includes brief reporting forms in order to document frequency and content of stakeholder engagement.

The SEP is a living document and it will be regularly monitored, reviewed and updated by DAP throughout all stages of Project implementation.

Principles

Engagement with project stakeholders should occur early in the project lifecycle and include the following attributes:

- Regular and ongoing, so that relationships, communication channels and trust already exist should a crisis occur
- Reflect a long-term view so that short-term interests are not allowed to jeopardize broader social license to operate
- Commensurate to the risks and impacts faced by affected communities and other stakeholders
- Tailored to the characteristics and interests of the affected communities, or individuals and groups within those communities (such as those who are disadvantaged or vulnerable, or the different needs of each gender)
- Free, informed and prior to operational restart - seeking to enable the informed participation of affected communities and other stakeholders
- Be based on timely dissemination of relevant, transparent, objective, and meaningful project information in a manner that is accessible and understandable to the various
- segments of the community in ways appropriate for the community's understanding
- When the stakeholder engagement process relies on community representatives, makes every effort to verify their legitimacy of representation and reliability in communication with constituents (which may include training)
- Culturally appropriate – in language, timeframe, decision-making processes

Activities

Stakeholder engagement consists of a range of linked activities; they are:

- Stakeholder identification & analysis
- Information disclosure
- Consultation
- Negotiation & partnership
- Grievance management
- Stakeholder involvement in project monitoring
- Reporting to stakeholders

2 PROJECT DESCRIPTION

2.1 PROJECT LOCATION

The oleochemical processing facilities (the “Project”) of DAP are located on a land area of around 114 Ha within the PT Sarana Industri Perkasa industrial estate in Kuala Tanjung, North Sumatra, Indonesia. The manufacturing sites are easily accessible from the locations of BSP’s other plantations.

2.2 PROJECT CHARACTERISTICS

This plant is comprised of 6 key facilities:

1. Line 1 Fatty Acid and Fatty Alcohol (100% completed);
2. Line 2 Fatty Acid and Fatty Alcohol (50% completed);
3. Refinery ([50% completed);
4. Kernel Crushing Plant (50% completed);
5. Jetty (50% completed); and
6. Power Station (In design stage)



3 REGULATORY REQUIREMENTS

International and Industry Good Practice, Guidelines and Procedures Required

- IFC Policy on Environmental & Social Sustainability
- IFC Performance Standard 1: Assessment & Management of Environmental & Social Risks and Impact Requirements and Guidance Notes
- IFC PS & GN 1: Assessment & Management of Environmental & Social Risks and Impact Requirements
- IFC PS & GN 4: Community Health, Safety, & Security Requirements
- IFC Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets
- The Equator Principles

4 PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES AND MITIGANTS

Although the Project facility has been inactive, the caretaker staff has been engaging with local stakeholders through monthly informal engagement visits since July 2016. 26 different stakeholders were identified in the areas surrounding the facility and these stakeholders represent a diverse group of interests and risks in relation to the Project. The Project Company will continue to add more stakeholders to this list when and where appropriate.

These activities have included office calls and informal meetings with local government officials, religious leaders, local business leaders, NGO representatives, local labor leaders, fishing association members and other informal community leaders. The meetings were both to disclose information on the project's status and other project information as well as consult on any issues or concerns that were present in the communities. The main goal of this interaction was to develop and maintain strategic relationships while keeping channels of communication open. As part of this engagement, project management and staff regularly participated in community religious observances and cultural events. These were also used as forums for disclosure and consultation with the broader community.

Issues that were discussed were possible start up dates, plant activities, employment opportunities, potential project impacts and stakeholder perceptions of impacts. Given the dormant status of the project up to this point, another key objective in the discussions was the management of expectations regarding the timing of restart and related benefits.

A recent example of these engagement activities and the matters discussed can be found in Appendix B.

5 STAKEHOLDER IDENTIFICATION AND ANALYSIS

The Project Company recognizes the importance of actively developing and sustaining relationships with the neighboring communities and other stakeholders throughout the life of the Project. Stakeholder engagement is seen as a strategic channel for relationship building and risk mitigation. Engagement is a broad, inclusive and continuous process between the Project and those potentially impacted by the Project and will encompass a wide range of activities and approaches. These approaches include:

- Formal and informal engagements;
- Transparency and disclosure of information;
- Participatory development of CSR programs;
- Local development programs and grievance management processes;
- Stakeholder involvement in Project monitoring; and
- Reporting back to stakeholders.

The Project Company has identified stakeholder groups that may be affected by and/or interested in the implementation of the Project, as well as proposed communication methods and media for each group, presented in Table 1. The Stakeholder Engagement Log will be updated for every engagement with each stakeholder, and a more detailed Stakeholder Engagement Report will be filed either quarterly or immediately for material and urgently significant engagement. A sample of the Stakeholder Engagement Log is provided in Appendix A, and a sample of the Biweekly Stakeholder Engagement Report is provided in Appendix B.

Within each stakeholder group, the Project Company will identify a key individual or key individuals to engage with. These individuals will be selected according to the following criteria:

- Official title or leadership position within their stakeholder group;
- Influential and well respected within their stakeholder group;
- Well informed about the state and needs of their stakeholder group; and
- Representative of a key sub-group within a larger stakeholder group (such as women, the elderly, the especially poor or the especially disadvantaged).

The Project Company recognizes that whether or not an individual is supportive of the Project should not be considered as a selection criteria of stakeholder engagement activities. The most successful and informative engagement processes should include both individuals that support the Project and those who do not. The Project Company is committed to implementing such a plan. This ensures that individuals or stakeholder groups not in support of the Project are engaged with and, if they have suffer as a result of Project restart, any negative impacts can be addressed and mitigated.

The Project Company also recognizes the need to identify “backup” individuals within each stakeholder group to engage with in the event that the identified key individual is unavailable. This will be done as follows:

- When the key individual is an official or leader of a stakeholder group, the Project Company will use the next highest ranking official or deputy of that stakeholder group available;
- When the key individual is member of a local community without an official title or position, the Project Company will seek to engage with the key individual’s family or close friends that are also held in high regard by their community; and
- When the key individual is a member of a key sub-group within a larger stakeholder group, the Project Company will seek to engage with the key individual’s family, close friends or neighbors from the same sub-group.

Table 1 Project Stakeholders

Stakeholder Group	Description & Potential Impact	Mitigating Efforts and Facts	Means of Engagement & Measurements
<p><u>Five Local Villages (along the access road to and in the area immediately surrounding Project site)</u></p> <p><u>Villages include:</u></p> <p><u>Kuala Tanjung</u> <u>Kuala Indah</u> <u>Lalang</u> <u>Pakam</u> <u>Pakam Raya</u></p>	<p>a) Residential housing typically is required to be built 5 meters away from the main road</p> <p>b) Social aspects of temporary workers loitering or walking around town</p> <p>c) Potential inflation in retail price of certain consumer items with a surge in demand, and remote locations of small retailers in town, but local businesses supportive of any increase in business activities</p> <p>d) Potential crowding in local retail outlets, shops, other services</p> <p>e) Access to healthcare, utilities could be strained (walking distance to nearby clinic, and short driving distance to fully-equipped hospital)</p> <p>f) Dust and noise from trucks during both the</p> <p>g) construction and operations phases</p>	<p>Education of employees, contracted truck drivers and community members on road safety</p> <p>Implementation of a local hiring plan</p> <p>Onsite clinic to avoid overcrowding of nearby healthcare facilities</p> <p>Note: Existing rail and jetty construction projects have not resulted in retail price inflation or crowding-out of lower earning local residents, in fact more stock has been easily delivered from Medan to meet any increases in demand</p>	<p>Means of engagement will include:</p> <p>Scheduled public meetings Distributed information sheets Informal engagement with key stakeholders Newspapers and other local publications Information boards at municipal offices</p> <p>Project Impact on Group: Medium to Low</p> <p>Group Influence on Project: Low to Medium</p> <p>Support for Project: High</p>

Stakeholder Group	Description & Potential Impact	Mitigating Efforts and Facts	Means of Engagement & Measurements
<p><u>Fence Community</u></p> <p>(houses located just outside the gate of the Project site and a key sub-group within the five villages)</p>	<ul style="list-style-type: none"> a) Community residing closest to Project site b) Increased risk of traffic accident due to proximity to Project site c) Excessive dust and dirt, reduced air quality from trucks and construction works d) Increased risk in the event of accident or waste management issue due to proximity to Project site 	<p>Use of a crossing guard and signage at entrance to Project site</p> <p>Constructed a wall surrounding the Project site to prevent noise and dust pollution</p> <p>Pour water on roads on Project site during dry months to reduce dust</p> <p>Educate community about road safety, dust reduction strategies and waste management plans of the Project</p>	<p>Means of engagement will include:</p> <p>Informal engagement</p> <p>Small group meetings and discussions</p> <p>Project Impact on Group: Medium to High</p> <p>Group Influence on Project: Low</p>
<p><u>Local Fishing Community</u></p> <p>(one of the key sub-groups within the five villages due to the it being one of the poorest communities)</p>	<ul style="list-style-type: none"> a) Fishing community is the poorest in the area b) Fishing is a long held staple of the local economy and food supply c) Water quality is important for sustaining the resource, and degradation of sea water through discharge from the plant is important to note d) Water temperature from various discharges from plant as well as activity around jetty must be monitored for positive or negative impact on fish population and movement/migration e) Fishing population is shrinking in the area due to the lack of interest from the educated younger generation to succeed their parent's occupation f) Project could potentially provide new employment opportunities for the shrinking fishing/maritime community 	<p>Implementation of stringent waste management standards</p> <p>Target community with CSR programs and local hiring initiatives</p> <p>Perform regular testing of sea water at Project site and research actual impact of released water and water temperatures on the surrounding fishing grounds</p> <p>Train members of fishing community to identify potential impacts on their fishing grounds</p>	<p>Means of engagement will include:</p> <p>Informal engagement</p> <p>Small group meetings and discussions</p> <p>Project Impact on Group: Medium to High</p> <p>Group Influence on Project: Low</p> <p>Support for Project: High</p>

Stakeholder Group	Description & Potential Impact	Mitigating Efforts and Facts	Means of Engagement & Measurements
<p><u>Small Palm Plantation Owners</u></p> <p>(located just upstream from water intake approximately seven kilometers away from Project site)</p>	<p>a) Depletion of water supply for irrigation should not be a concern due to water intake being downstream from plantation</p> <p>b) Perception of water degradation from water intake</p>	<p>Perform regular testing of water at intake</p> <p>Educate plantation owners about Project waste water management system</p> <p>Training plantation owners on how to detect possible degradation of water supply in terms of volume, temperature and chemical contents</p>	<p>Means of engagement will include:</p> <p>Informal individual and small group meetings and discussions</p> <p>Project Impact on Group: Low</p> <p>Group Influence on Project: Low</p> <p>Support for Project: High</p>
<p><u>Small and Medium-Sized Enterprises</u></p>	<p>a) New economic activity provides special challenges to SME's</p> <p>b) The opportunity of a growing demand base as well as increased incomes is the opportunity to increase business done</p> <p>c) Managing the growth cycle with the ebbs & flows of construction workers followed by plant workers is a critical part of planning and management.</p> <p>d) Also, with new economic activity, entry of regional and national chain stores can crowd out small businesses</p>	<p>Support SMEs around the Project site that provide services to Project employees</p> <p>Stimulate economic growth in the area through job creation</p> <p>Experience with jetty and rail workers is that chain store introduction is a limited risk due to the small size of population and minimal spending power</p>	<p>Means of engagement will include:</p> <p>Meetings with local business owners</p> <p>Individual and small group discussion</p> <p>Project Impact on Group: Low</p> <p>Group Influence on Project: Medium</p> <p>Support for Project: High</p>

Stakeholder Group	Description & Potential Impact	Mitigating Efforts and Facts	Means of Engagement & Measurements
<u>Interested NGOs</u>	<p>a) NGO's are extremely important interests groups to consult and communicate with for both the capital providers for this project as well as the key buyers of the plant's offtake</p> <p>b) By abiding by environmental concerns (both at plant level and upstream in the Feedstock supply) the most sensitive issue for NGO management can be addressed</p> <p>c) Project management has identified only one active NGO in the area that is focused on environmental concerns</p>	<p>Key buyers impose stringent social and environmental standards on the Project Company</p> <p>Implementation of stringent waste management and environmental systems</p> <p>Educate staff, suppliers and community about environmentally and socially friendly practices in palm farming and processing</p> <p>Monitoring of social media and international social and environmental standards relating to palm oil to keep policies up to date and keep aware of potential issues</p> <p>Firm commitment by Project Company to socially appropriate CSR programs and practices</p>	<p>Means of engagement will include:</p> <p>Informal small group meetings and discussions with NGO leadership</p> <p>Project Impact on Group: Low</p> <p>Group Influence on Project: Medium</p> <p>Support for Project: Neutral</p>
<u>Religious Groups and Leaders</u>	<p>a) Religious groups and leaders have strong influence on the community opinions</p> <p>b) Religious centers are a major meeting place for local communities</p> <p>c) Religion is a major part of local community members' lives and needs to be recognized, respected and supported</p>	<p>Support religious events and charities through monetary contributions</p> <p>Construction of religious facilities on Project site for employee use</p> <p>Engagement with community religious leaders and broader religious community to determine any possible issues before they become significant problems</p>	<p>Means of engagement will include:</p> <p>Informal individual and small group meetings</p> <p>Participation in religious events and ceremonies</p> <p>Project Impact on Group: Low</p> <p>Group Influence on Project: Medium to high</p> <p>Support for Project: High</p>

Stakeholder Group	Description & Potential Impact	Mitigating Efforts and Facts	Means of Engagement & Measurements
<u>Local Government</u>	<p>a) Renewed activity at plant provides a new strain on local governmental resources and services (general administration, police, healthcare, emergency services)</p> <p>b) Potential for social disruptions, between local inhabitants unhappy with developments at plant as well as entry of new working population migrating into the area creates a potential for social disruption</p> <p>c) Strain on politicians to assure that new economic activity in area is seen as benefiting existing population is clearly strong from our meetings with community leaders</p>	<p>Share information and conduct education seminars on road safety in coordination with the local government</p> <p>Establish recruiting centers at local government offices to prioritize local hiring</p> <p>Coordinate with local government in CSR efforts to address government concerns about community wellbeing and project impacts</p> <p>Conduct basic job training for local communities to make them as employable as possible</p>	<p>Means of engagement will include:</p> <p>Informal office calls and meetings with local officials</p> <p>Project Impact on Group: Medium</p> <p>Group Influence on Project: High</p> <p>Support for Project: High</p>
<p><u>Other Key Disadvantaged Groups</u></p> <p>(typically the elderly, the especially poor, female run households)</p>	<p>a) These groups often are often the most impacted and marginalized</p> <p>b) Focus of Stakeholder Engagement and CSR programs need to be directed towards them</p> <p>c) Need to be further identified within other Stakeholder Groups</p>	<p>Prioritize these groups when possible for local hiring and CSR activities</p> <p>Traditional family structures and religious leaders and centers help to support these high risk individuals</p> <p>Reinforcement of traditional family values so that income creation is shared with these disadvantaged groups</p>	<p>Project Impact on Group: Medium (perception could be high)</p> <p>Group Influence on Project: Low</p> <p>Support for Project: High</p>

6 STAKEHOLDER ENGAGEMENT

The Project Company recognizes that the key goals of the stakeholder engagement process are to develop strong and lasting relationships with the neighboring communities and other key stakeholder groups, as well as gather as much information about these communities and the benefits and potential impacts of the Project on them. Stakeholder engagement is seen as a strategic channel for relationship building, risk mitigation and business growth. Engagement is a broad, inclusive and continuous process between the Project and those potentially impacted by the Project and will encompass a wide range of activities and approaches. These approaches include formal and informal engagements, transparency and disclosure of information, participatory development of CSR programs, local development programs and grievance management processes, stakeholder involvement in Project monitoring and reporting back to stakeholders. Most importantly, stakeholder engagement is a method to improve chances of commercial success by aligning interests of stakeholders and the Project Company.

Characteristics of an effective stakeholder engagement process are:

- Intelligence gathering;
- Targeted at those most likely to be affected by the project;
- Early enough to gauge key issues and have an effect on the Project decisions to which they relate;
- Ensure stakeholders are informed through the advanced dissemination of information prior to their participation in consultation activities that shape Company policies affecting these stakeholders;
- Meaningful to those consulted: presented in a readily understandable and culturally appropriate format;
- Interactive, allowing both sides to have the opportunity to exchange views and information, to listen, and to have their concerns heard;
- Participatory, so that solutions to the issues raised do not solely lie with the holders of economic power;
- Gender-inclusive: designed with awareness that men and women often have differing views and needs and may require different tactics to engage (a particular concern in an Islamic community);
- Localized to reflect appropriate timeframes, context, and languages;
- Free from manipulation or coercion (which should not be confused with realistic needs for process design and needs for community persuasion);
- Documented to keep track of who has been consulted and the key issues raised;
- Include a process for reporting back on actions taken as a result of consultation in a timely way to those consulted, with clarification of next steps; and
- Ongoing as required during the life of the project.

The stakeholder engagement process will occur in three phases as follows:

- **The Introductory Phase:** This phase will begin immediately and will continue until Project financing has been secured. In this phase, engagement activities will be conducted with each key individual at least once per month and the focus will be entirely on relationship building rather than Project specifics, so as not to create false expectations and unrest in the event that Project financing is not secured.
- **The Ramp Up Phase:** This phase will begin once financing has been secured and will focus on the dissemination of Project specific information such as:
 - Scheduled restart date;
 - Benefits and potential impacts;
 - Job opportunities and requirements;
 - Hiring policies; and
 - How and where to apply for a job.
- **The Operational Phase:** This phase will begin once hiring has been completed and Project operations have restarted. The focus during this phase will be:
 - Further strengthening relationships;
 - Seeking information on any unforeseen impacts on stakeholder groups; and
 - CSR programs directed at the most affected or disadvantaged stakeholder groups.

Disclosure of Information

Information disclosure helps to address stakeholder fears of the unknown, and help them prepare for changes they may encounter during construction and when the project becomes operational. It will also allow both the stakeholders and the Project Company to anticipate potential concerns that could otherwise lead to grievances. To be effective, disclosure must occur in advance of the start of any construction activities and production start.

The project will take a three-fold approach to effective information disclosure:

- General disclosure of project activities, potential impacts (both positive and negative) and mitigation measures;
- This general approach will then be further refined based on the stakeholder category (i.e. farmer, local government official, fisher, religious leader, etc), geographical location and potential types of impacts they may experience; and
- Delivery of messages in a transparent manner that is not seen as an excuse for the company to be required to eliminate persuasive elements of communications that emphasize business benefits of potentially unpopular actions.

Topics for disclosure include:

- Project activity, impacts, benefits and mitigation measures, in particular:
- Project status and start up timeline
- Environmental impacts and mitigation measures;
- Social impacts and mitigation measures;
- Employment and procurement opportunities; and
- Community development CSR activities.
- Community health and safety;
- Traffic safety;
- Pedestrian safety;
- Emergency procedures; and
- The ongoing need for Company training and the education of community members with regard to basic health and safety issues, both at the plant and plantation levels.
- Stakeholder engagement;
- Consultation program;
- Grievance mechanism; and
- Action committees within the Project Company.

Disclosure formats and methods include (may vary according to target audience):

- Poster / information board at village chiefs' office (five local villages);
- Distribution of information sheets in the community (five local villages)
- Public meetings (in each of the five local villages);
- Individual and small group meetings (local government officials, community leaders and in fence community and fishing community, religious leaders, NGOs); and
- Use of television, social media and the internet to communicate important information.

After each disclosure event stakeholders will have the opportunity to respond to the information that they will receive. Through their submission of comments, questions, complaints and feedback the project will be able to determine whether disclosure activities have been successful in delivering the messages and whether the information was disclosed in a manner that is easily understandable to the specific stakeholder group.

Consultation and Dialogue

Consultation is not a once off event, but rather an iterative process of gaining an understanding of stakeholders' views and knowledge of the project, any risks associated with it, its impacts, opportunities and mitigation measures. Information disclosure and consultation are mutually supportive processes and tend to occur together naturally within engagement situations. However, it is important for the community Relations Team to create opportunities for stakeholders in which consultation is encouraged. During a disclosure activity, stakeholders should be encouraged to

confirm their understanding, to ask questions to support understanding and clarification. Community Relations staff can encourage a consultative environment through:

- Active listening;
- Adopting an attitude of learning from stakeholders;
- Being open to ideas and opinions of stakeholders; and
- Being honest about the information available or not available.

Topics to be emphasized and methods of consultation with each key stakeholder group are:

Five Local Villages Along Access Road

Method of consultation

- Scheduled public meetings
- Informal meetings with select key stakeholders (community leaders)
- Small group meetings and discussions

Focus topics for consultation

- Employment opportunities including number and types of jobs available, job requirements, hiring policies, how to apply and when applications are due
- Potential impacts and mitigation efforts, in particular environmental and traffic related impacts and mitigation
- Grievance mechanism purpose and process
- CSR programs
- Training and education on environmental impacts and mitigation methods, as well as safe “defensive” driving, pedestrian practices and child care.

Fence Community

Method of consultation

- Informal meetings with select key stakeholders (community leaders)
- Small group meetings and discussions

Focus topics for consultation

- Possible impacts of remaining construction work
- Environmental and waste management policies
- Increased traffic along access road upon Project restart and mitigating efforts
- Training and education on environmental impacts and mitigation methods, as well as safe “defensive” driving, pedestrian practices and child care.

Local Fishing Community

Method of consultation

- Informal meetings with select key stakeholders (community leaders)
- Small group meetings and discussions

Focus topics for consultation

- Impacts on water quality and waste water treatment policy
- Poverty alleviation through job creation and CSR activities
- Education on how to detect degradation of fishing waters and emergency response to industrial accidents and chemical or waste leakages

Small Palm Plantation Owners

Method of consultation

- Informal individual and small group discussions

Focus topics for consultation

- Possible impacts on river water quality near Project water intake

- Education on acceptable environmental and social behavior required to become an approved feedstock vendor to Project Company

Small and Medium-Sized Enterprises

Method of consultation

- Meetings with local chamber of commerce
- Individual and small group meetings and discussions

Focus topics for consultation

- New business opportunities and impacts on local economy
- Education regarding dealing with potential business volatility

Interested NGOs

Method of consultation

- Informal small group meetings and discussions with NGO leadership

Focus topics for consultation

- Potential environmental impacts, environmental management plans and mitigation efforts
- Invitation to pre-emptive meetings and communications before any public communication of grievances

Religious Groups and Leaders

Method of consultation

- Informal individual and small group meetings and discussions
- Participation in religious events and ceremonies

Focus topics for consultation

- CSR programs, particularly in terms of participation and sponsorship of religious ceremonies, events and charities
- `Safety Net` activities related to women heads of households and elderly as beneficiaries of economic growth from Project

Local Government

Method of consultation

- Informal office calls and meetings with local officials

Focus topics for consultation

- Potential environmental and traffic related impacts and mitigation efforts
- Grievance mechanism purpose and process
- CSR programs
- Reports by Project Company on progress of plant restart and potential job creation

Other Key Disadvantaged Groups

Method of consultation

- Informal individual and small group meetings and discussions

Focus topics for consultation

- Employment opportunities including number and types of jobs available, job requirements, hiring policies, how to apply and when applications are due
- Potential environmental and traffic related impacts and mitigation efforts
- Grievance mechanism purpose and process
- CSR programs

- Articulation by key disadvantaged groups regarding specific needs or concerns
- Company commitment to follow-up on potential contribution to solutions

Women and the disadvantaged

The project will make a special effort to include women in the engagement activities. It will engage them (a women HR staff member will work with the community relations team on this task) both through community women's organizations and through informal engagement with those local women identified as key stakeholders. The initial focus will be on the communities closest to the plant (fence communities) and the fishing community.

During early engagement activities the Community Relations team will also identify any other groups in these communities that may be disadvantaged such as single parent families, the disabled or those in reduced economic circumstances (in this category, members of the fishing community may be particularly vulnerable). Special activities will be planned to reach out to these groups and if appropriate reach them through CSR activities.

Message Development

DAP will ensure that information and messaging provided to the stakeholders during engagement will be accurate and consistent. The project will use a systematic process to develop and approve messages for information disclosure well in advance of presentation. The process will maximize the knowledge of the CRO team to ensure that the messages are appropriate for the various stakeholder groups identified. The process for message development is:

- Message content identification – CRO team and HR Manager
- Message content development – Department content owner (as relevant), HR Manager and CRO team.
- Message content sign off – HR Manager
- Material Development – HR administrative staff
- Social Media Strategy – CRO team

Disclosure messages or presentations that will be developed during this planning period are:

- Project status and activities (project knowledge);
- Project impacts (both positive and negative) and mitigation measures;
- Employment opportunities, timetables and processes;
- Grievance mechanism

7 CSR / PRAKARSA program

STAKEHOLDER CONSULTATION

The Project Company will also engage in Stakeholder Consultation throughout the Engagement process. This consultation will occur during all Engagement activities as Stakeholder Groups will be invited to provide feedback on existing policies and practices and recommendations for future policies and practices, seek additional information on any Project related matters or make requests for CSR targets. The formal Grievance Mechanism will also constitute a form of Stakeholder Consultation.

8 GRIEVANCE MECHANISM

The Project Company has put in place a formal Grievance Mechanism that is described in detail in the Grievance Mechanism plan.

9 STAFF AND RESOURCES

The Community Relations Officer and CSR officer will be responsible for almost all engagement activities. The HR Manager will occasionally assist with Stakeholder Engagement. Prior to Project restart and the resumption of hiring activities, the Project Company plans on having members from other departments participate in engagement activities. Once hiring has resumed, these positions will be filled by full time employees.

The HR Manager will have overall responsibility for the implementation of this Plan. He will also produce the information sheets and brochures used during engagement activities.

The Project General Manager will have oversight responsibilities that include budgeting and resources for training, public meetings and production of informational materials.

All department managers will undergo training on the Grievance Mechanism and grievance resolution.

The CSR Manager from the Project's parent company will be responsible for providing the Project CSR and Community Relations teams with training in August 2016.

9 TIMELINE

Stakeholder Engagement will begin immediately and will continue throughout the life of the Project. Members of the Community Relations team will meet with each key stakeholder at least twice a month.

A summary of engagement activities and findings will be presented during monthly Project management meetings. Upon restart of the Project, engagement summary and findings will be presented at the weekly management meetings. Additional findings presented at these meetings will be a summary of any grievances that have been filed within the period and hiring statistics.

Three months before Project restart, an additional one or two (depending on need) CSR staff members will be hired. Training of the new staff will occur during the three months prior to restart and they will begin engagement activities after one month of training.

CSR staff will also issue quarterly updates to community leaders and government officials regarding the progress of the Project on hiring, road traffic safety, CSR activities and any other areas where company sanctioned promises have been made and expectations have been created within the community.

10 MONITORING AND REPORTING

The Community Relations team and grievance process coordinator will report on the progress and effectiveness of the stakeholder engagement program by providing the scheduled reports shown below to the HR manager and senior management:

Biweekly reports:

- Summary of engagement activities over the past two weeks to include:
 - Key contact meetings and formal group meetings (includes informal engagement, disclosure presentations and consultation);
 - Issues, comments and questions that arose;
 - Any actions or commitments that need to be addressed;
 - Number and status of grievances;
 - Potential risks.

Monthly reports:

- Level and analysis of types of grievances;
- Actions to reduce grievances;
- Unresolved issues;
- Updated stakeholder group and key stakeholder analysis matrixes;
- Brief analysis of any recent developments in the communities;
- Status of any ongoing CSR / PRAKARSA (a welfare initiative designed to nurture and enhance welfare ideas and initiatives through active stakeholder participation) activities or programs

As production begins, the Project Company will consider incorporating select community stakeholders into environmental and safety impact and mitigation monitoring processes. Specifically:

- Water quality monitoring – the fishing community; and
- Traffic safety monitoring – road communities

The Community Relations team will report back to the community and key stakeholders (local government) with updates on the information shown below. This will be done on at least a quarterly basis or at the onset of any new impact or change in level of impact that may affect them. This will be integrated into normal engagement activities and will be assisted with other department subject matter experts as appropriate. Key issues to be reported on include:

- Any impacts in their area and the projects actions to address them;
- Type of grievances received and status of resolution; and
- Local hiring program status

11 MANAGEMENT FUNCTIONS

The reporting line for the stakeholder engagement program flows from the Community Relations – CSR team directly to the HR Manager who then reports to the Project Company general manager. The HR Manager has overall responsibility for the implementation of stakeholder engagement and other social programs, although more senior management personnel from the Project Company and the parent company in Jakarta may be involved in these processes as needed. The HR Manager will develop key performance indicators for this plan and other associated social management plans. The HR Manager will also insure that program monitoring is systematically reported in senior management meetings with the GM ensuring that oversight of the stakeholder engagement effort is fully integrated into overall project management process and systems.

As part of this the HR Manager will include an orientation on the stakeholder engagement and other social programs in new employee induction training and ensure that updates on program activities are included in general employee briefings and newsletters.

The Community Relations – CSR team will establish and maintain a stakeholder database consisting of:

- The Stakeholder Group information and analysis matrix
- Individual key stakeholder group information matrix
- Formal Stakeholder public or group forum meeting rosters and minutes
- Weekly engagement activity and issues summaries

The Community Relations – CSR team will also establish and maintain a database that includes any requests from, concerns of or Project Company sanctioned commitments made to the local communities or stakeholder groups or key individuals within them, including follow-up or resolution. The Community Relations – CSR team should have remit as to what they can promise to stakeholders at their level and what

issues need to be elevated to more senior management personnel at the Project Company or the parent company in Jakarta.

The grievance process coordinator will establish and maintain a database consisting of:

- Grievance submission forms
- Grievance tracking log
- Monthly grievance analysis reports

10 CONTACT DETAILS

PT Domas Agroiinti Prima

Contact person: []

Tel: []

E-mail: []

APPENDIX B

STAKEHOLDER WEEKLY REPORT

Business Unit : BSP Unit Oleo
Kuala Tanjung
Address : Jl. Access Road Inalum Kuala Tanjung Km. 15, Desa Lalang - Kab.
Batu Bara
Factory Name : Oleo Chemical
Kuala Tanjung

**Week : 43 - 46 (15 May
 2017 - 16 June 2017)**

No.	Activities (Who to meet / where)	Message Conveyed (Output)	Issues (Information Gathered)	Necessary Actions
1	Sulaiman	Informal visit to talk about the recent plan by BSP to hire more workers	BSP has hired 50% of the required labor from the surrounding areas, and the public figures are very appreciative of this	Focus Group Discussion / One on One Meeting / Informal Visits
2	Ruslan			
3	Ahmad Uban	Informal visit to talk about the condition of BSP	The fishermen group is delighted to hear that the plant will be operational soon, and hoping that assistance from BSP to the fishermen group will come soon	Focus Group Discussion / One on One Meeting / Informal Visits
4	Syamsul B. Tanjung			
5	Wartini (Women's Representative)			
6	Awaluddin	Informal visit to talk about how the cooperation between the contractor group and BSP has been formed	BSP hopes that the contractors will work according to the specifications and time which has been scheduled by BSP	Focus Group Discussion / One on One Meeting / Informal Visits
7	Muhammad Isa			
8	Effendi KS			

9	Chaidir	Informal visit to talk about the recent plan by BSP to hire more workers	BSP has hired 50% of the required labor from the surrounding areas, and the public figures are very appreciative of this	Focus Group Discussion / One on One Meeting / Informal Visits
10	Sahlan Yahdin			
11	Syarifuddin	Informal visit to talk about preaching during the holy month of Ramadhan	Proposed to give preaching at the plant during breaks. The religious leaders advised the employees to give out charities to the poor	One on One Meeting / Informal Visits
12	Usman	Informal visit to talk about the recent plan by BSP to hire more workers	BSP has hired 50% of the required labor from the surrounding areas, and the public figures are very appreciative of this	Focus Group Discussion / One on One Meeting / Informal Visits
13	Darmi			
14	Khairul SH	Informal visit to talk about how the cooperation between the contractor group and BSP has been formed	BSP hopes that the contractors will work according to the specifications and time which has been scheduled by BSP	One on One Meeting / Informal Visits
15	Jaya Tarigan	Informal visit to talk about the recent plan by BSP to hire more workers	BSP has hired 50% of the required labor from the surrounding areas, and the public figures are very appreciative of this	One on One Meeting / Informal Visits

16	Mat Syah	Informal visit to talk about the recent plan by BSP to hire more workers	BSP has hired 50% of the required labor from the surrounding areas, and the public figures are very appreciative of this	Focus Group Discussion / One on One Meeting / Informal Visits
17	Muhammad Ziat			
18	Basrah	Informal visit to talk about the recent plan by BSP to hire more workers	BSP has hired 50% of the required labor from the surrounding areas, and the public figures are very appreciative of this	One on One Meeting / Informal Visits
19	Abd. Aziz	Informal visit to talk about how the cooperation between the contractor group and BSP has been formed	APINDO (Indonesian Entrepreneur Association) is grateful that some of its members are now partners of BSP	Focus Group Discussion / One on One Meeting / Informal Visits
20	Nur Ainun (Religious Group - Women's Rep)	Informal visit to talk about the activities leading up to Eid	Preparing for Eid	Focus Group Discussion / One on One Meeting / Informal Visits
21	TIURLAN NAPITUPULU	Informal visit to talk about BSP's recruiting plan	The Regional People's Representative (DPRD) is appreciative of BSP's effort to hire 50% of their labor needs locally and for forming an alliance with the contractor group	Focus Group Discussion / One on One Meeting / Informal Visits
22	UDIN RANGKUTI			Focus Group Discussion / One on One Meeting / Informal Visits
23	JUNITA	Informal visit to talk about the recent plan by BSP to hire more workers	BSP has hired 50% of the required labor from the surrounding areas, and the public figures are very appreciative of this	Focus Group Discussion / One on One Meeting / Informal Visits
24	BADRI	Informal visit to talk about the recent plan by BSP to hire more workers	The youth community hopes that they can also be employed by BSP	Focus Group Discussion / One on One Meeting / Informal Visits

25	ZULKIFLI	Informal visit to talk about the recent plan by BSP to hire more workers	The media group is sympathetic of BSP's move to hire 50% of the required labor locally	Focus Group Discussion / One on One Meeting / Informal Visits
26	AISYAH	Informal visit to talk about the upcoming long holiday	Schools are preparing for the upcoming long holiday	Focus Group Discussion / One on One Meeting / Informal Visits

Prepared by	Reviewed by
Ermis Tanjung	I n d r a

Approved by
Soeseno Suparman