

GRIEVANCE PROCEDURE FOR THE IMPLEMENTATION OF PROSPER'S NO DEFORESTATION, NO PEAT, NO EXPLOITATION POLICY

1. BACKGROUND

Prosper recognises that sustainable development is integral to the long-term viability and success of its business and launched its No Deforestation, No Peat, No Exploitation Policy ("Policy") to meet rising market demand for traceable, responsibly produced agricultural products.

Prosper believes stakeholders play important and constructive roles in the implementation of its Policy and related policies. The Policy included a commitment to establish a Grievance Procedure to enable any stakeholder to raise a grievance against any party. All grievances logged under the Grievance Procedure will be dealt with in a timely manner, and all investigations and findings will be reported transparently with full public disclosure.

Prosper will seek input from relevant stakeholders on the Grievance Procedure provisions and procedures to ensure an effective grievance mechanism.

2. OBJECTIVES

This procedure is a reference for management and staff of Prosper to handle any grievance from any external parties, including individuals, government organizations and non-governmental organizations concerning the implementation of the Policy. Prosper recognises that feedback and input from stakeholders is valuable because it helps to enhance transparency in our supply chain and provides a means to gauge progress on the implementation of the Policy. In this respect, the Grievance Procedure favours open and inclusive dialogues with stakeholders over complex administrative processes.

3. SCOPE

This procedure covers activities related to the handling of 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.

Prosper's Policy and this Grievance Procedure apply to all operations and all suppliers. For the purpose of this Grievance Procedure, the following definition apply.

Prosper's own operations include:

All Prosper's owned operations in all geographies where the Company operates. This includes Joint Ventures or any form of partnerships with other companies where Prosper can claim some degree of ownership or management control.

The term 'Suppliers' includes:

All palm oil suppliers (and associated materials, i.e. palm kernel) whether directly or indirectly supplying Prosper (indirect suppliers include trading partners and their third party suppliers).

Associated suppliers that may not supply directly or indirectly to Prosper but who are controlled by companies owning or controlling direct or indirect third party suppliers to Prosper's supply chain.

‘External Suppliers’ are defined as:

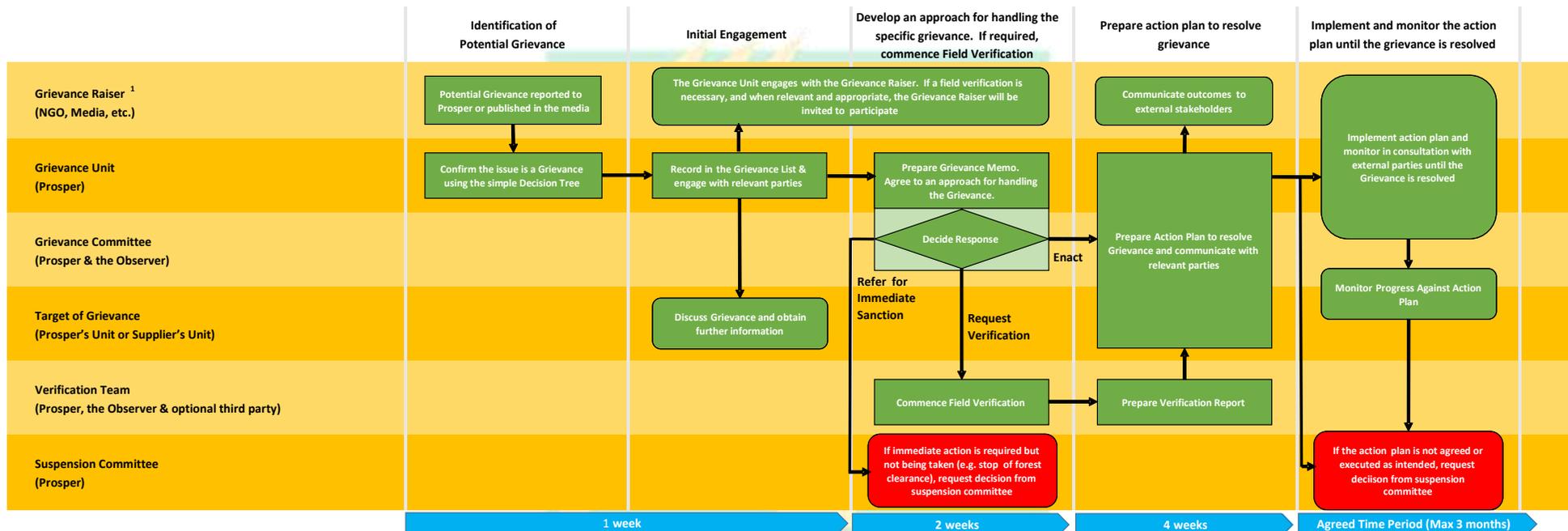
Suppliers (in accordance with the above definition) that are external to the ownership of Prosper, i.e. suppliers who are not owned by Prosper directly or through any form of joint venture or partnership.

When a complaint against an external supplier is submitted to Prosper, the Company will engage with the said external supplier to discuss the issues raised in accordance with this procedure, with the end-objective of resolving the issues. In the event that the supplier does not want to engage in the process towards resolution and compliance with the Company’s Policy, Prosper will review its relationship with that supplier and may cease the relationship as a last resort.



4. GRIEVANCE PROCEDURE PROCESS FLOW

Grievance Process Flow



¹ The Grievance Raiser may nominate a third party to act on their behalf.

5. REFERENCES

- a) Sustainable Palm Oil Policy

6. GENERAL TERMS

- a) A grievance is a complaint, concern or problem which an individual or a group wants the Company to address and find solutions for.
- b) The Grievance Unit established by Prosper will support the efficient and effective handling of grievances from third parties.

7. DUTIES AND RESPONSIBILITIES

- a) The Grievance Unit at Prosper's Head Office
 - i. The Grievance Unit is responsible for co-ordinating and performing all tasks necessary for the successful implementation of this Grievance Procedure, including engagement with the external parties who raise the grievances.
 - ii. A dedicated Grievance Coordinator will be appointed to manage the ongoing implementation of this Grievance Procedure and co-ordinate actions with Prosper's senior management. The Grievance Unit will also be responsible for drafting external communications including response letters to Grievance Raisers.
 - iii. The Grievance Unit will maintain an organisational chart recording the personnel nominated to fulfil the roles defined in this procedure.
 - iv. Duties of the Grievance Unit include: to receive, record, classify, and report the grievances to the Grievance Committee and Verification Team. The Grievance Unit will also monitor media (print and electronic) for news relating to Prosper and its suppliers in order to identify potential grievances. Potential grievances will be assessed by the Grievance Unit using the Grievance Decision Tree to determine if they qualify for further investigation or referral to the Grievance Committee. The Grievance Unit will maintain an up-to-date grievance list containing details of all grievances handled in accordance with this procedure. The grievance list will be circulated to the Grievance Committee and published on Prosper's website on a monthly basis.
 - v. The Grievance Unit will make contact with the Grievance Raiser at the earliest opportunity, and invite them to participate in the process to reach a resolution, where relevant.
 - vi. The Grievance Unit will be responsible for developing action plans to address any verified grievances with the assistance of the Verification Team. On a quarterly basis the Grievance Unit will review any outstanding time-bound action plans established for past grievances to ensure that progress has been made against the agreed plan. Where progress has not been made in accordance with the plan, the Grievance Unit will re-submit the grievance case for review by the Grievance Committee.
- 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 grievances and for approving official correspondence to external parties in relation to verified grievances. If Prosper verifies that one of its suppliers is in breach of the Policy, the Grievance Committee will refer the findings to Prosper's "Suspension Committee" and determine appropriate remedial actions which may include the suspension of business relationships with suppliers. The Grievance Unit will request the Grievance Committee to triage new grievances which do not directly qualify as grievances in accordance with the Grievance Decision Tree.
 - ii. Senior management representatives from Prosper will form the core of the Grievance Committee and where appropriate Prosper will invite third-party observers to participate.

- iii. For cases where the grievance relates to companies which are under the ownership of Prosper, the Grievance Committee will instruct the relevant operations to take the necessary actions to address the identified grievances. For cases where the grievance relates to Prosper's suppliers for which Prosper does not have ownership, Prosper will engage with the suppliers' senior management to request for remedial action plan or for implementation of Prosper's recommendations to achieve compliance with its Policy.
- c) The Verification Team
- i. The Verification Team is responsible for investigating grievances to confirm their validity and collecting information to enable the Grievance Committee to deliberate on and address the grievances.
 - ii. Members include Prosper, and/or other third-party service providers as required.
 - iii. Duties are to study and verify the grievance data/information provided by the external parties and, when necessary, to conduct field investigations to collect additional data to confirm the validity of the grievance.
 - iv. The Verification Team will work together with relevant Prosper staff and independent Prosper suppliers in carrying out its duty.
 - v. The Verification Team will develop report(s) outlining the result of its verification and recommended actions to address any confirmed issues that will be submitted to the Grievance Committee for approval before issuing to the said Prosper operation or supplier.
 - vi. The Verification Team may include external parties, such as the Grievance Raiser or a representative of the claimant who has been given a clear mandate through a letter of assignment.
- d) Management of Prosper's Operations
- i. Management of Prosper's relevant operations unit will take the necessary actions to resolve and/or settle the grievance; and report the implementation and result to the Grievance Unit.
- e) Prosper's Procurement & Compliance Departments
- i. Prosper's Procurement Department and Compliance Department personnel will take the necessary actions to raise and address the grievance with its suppliers; and report the implementation and result to the Grievance Unit.

8. PROCEDURE

8.1 Workflows

- a) Grievances can be expressed via any of the following channels:

Via email to	grievances@prosper.com.my
By telephone to	03-7804 4036
By fax to	03-7804 4032
In writing to	Unit 901, Level 9, Wisma Prosper, Block B, Kelana Centre Point, No. 3, Jalan SS 7/19, Kelana Jaya, 47301, Petaling Jaya, Selangor, Malaysia.

b) Grievances should include provision of the following information:

- Full Name
- Name of Organization (if any)
- Address
- Phone No./Fax No./Email Address (at least one contact point)
- Description of the 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. Any party may appoint a third-party to submit their grievances provided that the third-party follows the procedure.

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 Prosper.

- c) All potential Policy breaches which come to the attention of the Grievance Unit will be assessed using a simple Grievance Decision Tree to determine if further investigation is required. The Grievance Unit records each grievance in the Grievance List and classifies the grievance scope by identifying the section(s) of the Policy which are relevant to the grievance. The Grievance Unit will establish contact with the Grievance Raiser and formally extend an offer to engage in dialogue about the grievance; it will then compile all available information about the grievance into a dossier which is then sent to the Grievance Committee for review. The Grievance Unit will maintain all the files and documents, including all the correspondences sent by the Grievance Committee to external parties.
- d) The Grievance Committee reviews the dossier from the Grievance Unit and determines whether a grievance investigation is required.
- e) If it is assessed that the grievance is unmerited or no field action is required, the Grievance Unit will submit a Response Letter to the Grievance Committee for approval before sending it to the Grievance Raiser.
- f) If the Grievance Committee assesses that the grievance is merited, the team will begin investigation by preparing a Grievance Terms of Reference (TOR) listing each stakeholder concern/ potential breach of Policy requiring investigation.
- g) For cases related to Prosper's own operations, the Grievance Unit will contact the relevant Prosper operations unit to request a meeting and/or field visit to verify the validity of the issues raised in the grievance. If a field visit is conducted, the Verification Team will complete a verification report providing conclusions and recommended action plans.
- h) For cases relating to Prosper's external suppliers, the Grievance Unit will work with Prosper's Procurement Department to engage directly with the suppliers. The Grievance Unit may undertake interviews and dialogues with relevant stakeholders; and where necessary collect additional data to substantiate the validity of the grievance. Where possible, Prosper will encourage the independent supplier to engage directly with the grievance raiser and monitor the dialogue between those parties. The Grievance Unit will prepare a case file assessing the validity of the grievance and the external supplier's willingness to comply with Prosper's Policy.

- i) If it is determined that a field action is necessary to resolve a grievance within Prosper's operations, the Grievance Committee will authorise the Grievance Unit to send an official letter to the relevant Operations Manager requesting them to take the necessary steps/action in the field to resolve the grievance. If it is confirmed that an independent supplier or a partially-owned supplier has breached the Policy, the Grievance Committee will authorise the Grievance Unit to send an official letter to the relevant supplier requesting them to take steps to resolve the issues raised.
- j) Following completion of the verification report, the Grievance Unit will contact the Grievance Raiser and formally extend an offer to engage in dialogue about the grievance findings. The Grievance Unit will confirm whether the Grievance Raiser wants to engage in dialogue about the grievance findings and, if required, schedule a meeting/teleconference.
- k) For grievance relating to external suppliers, Prosper will monitor the dialogue between the Grievance Raiser and the external supplier. In cases where a legitimate grievance exists and the external supplier does not demonstrate a willingness to comply with Prosper's Policy through real actions to resolve the grievance, the Grievance Unit will submit a report to the Grievance Committee recommending that Prosper suspend its relationship with the supplier.
- l) For grievances relating to Prosper's operations, the relevant Operations Manager will conduct steps/action in the field to resolve the grievance and report the result to the Verification Team and the Grievance Committee. 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 Unit and Grievance Committee.
- m) Immediately after obtaining the Field Action Report from relevant Operations Manager, the Grievance Unit will study the report and make a draft written response on behalf of the Grievance Committee to the party that reported the grievance and dissatisfaction. This Draft Response Letter will be reviewed and approved by the Grievance Committee before being sent.
- n) Any party that reported a grievance and is unsatisfied with the written response from the Grievance Committee can send its complaint to the Grievance Committee providing information on the issues that they consider to be insufficiently addressed. If deemed necessary, the Grievance Committee, with the assistance of the Verification Team, can conduct the following:
- Invite the concerned party to obtain a direct explanation.
 - Where appropriate and relevant, provide opportunity and access to the concerned party to conduct a cross-check in the field and submit its result to the Grievance Committee.
 - Together discuss other options that may be undertaken to resolve the remaining grievance.
 - Involve external independent observers (e.g. relevant experts or important stakeholders) in the verification process.
- o) For cases related to media reports (print and electronic) the verification will be handled according to the Grievance Procedure. The decision to respond to the media will be decided by the Grievance Committee.

8.2 Timelines for handling complaints and grievances

This Grievance Procedure is intended to be used to address a wide range of stakeholder concerns which will often involve numerous parties with conflicting interests. As such, the resolution of such grievances will at times involve lengthy processes of enquiry and mediation between various stakeholders and it will be necessary to apply a flexible approach in order to resolve such complex issues. However, it is important that grievances are addressed in a timely manner in order to demonstrate the credibility of Prosper's Policy. In this context, the following timelines are provided for the key stages of this procedure:

For all Grievances:

- a) Within five working days of receiving the grievance the grievance unit will prepare a grievance dossier and contact with the Grievance Raiser.
- b) If it is assessed that the grievance is unmerited or no field action is required, the Grievance Unit will submit a Response Letter to the Grievance raiser within ten working days of Prosper receiving the grievance.

For cases relating to Prosper's own operations:

- c) Within one month of receiving the grievance the Grievance Unit will send an official letter to the relevant Operations Manager requesting them to take the necessary steps/action in the field to resolve the grievance.

For cases relating to Prosper's external suppliers:

- d) Within three weeks of receiving the grievance, the Grievance Unit will prepare a case file assessing the validity of the grievance and assessing the external supplier's willingness to comply with the Prosper Policy.
- e) Within two months of receiving the grievance, the Grievance Unit will submit an action plan agreed with the external supplier for resolution of the grievance or make a recommendation to the Grievance Committee that Prosper should suspend its relationship with the supplier.

8.3 Monitoring mechanisms for handling grievances

- a) The Grievance Unit is responsible for overseeing all grievances and the relevant Operations Managers will monitor the progress in handling the grievance in their respective areas. In cases relating to external suppliers, the Grievance Unit is responsible for ensuring that the Procurement Department manages Prosper's relationships with external suppliers in accordance with the Policy.
- b) The Grievance Unit, with the help of the Verification Team, will monitor the progress on handling the grievance in all the regional offices of Prosper's operations. In cases relating to external suppliers, the Grievance Unit is responsible for monitoring the external supplier's progress on handling the grievance in coordination with the Procurement Department.

9. ATTACHMENTS

- Grievance Decision Tree
- Grievance List Template (Recording and Classification)
- Grievance Terms of Reference
- Verification Report Template