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1. OBJECTIVE

The objective of the document is to establish procedures for dealing with external conflicts that may arise between parties and plantations.

2. SCOPE

The SOP applies to all Plantations and Mills of TSH Resources Berhad only.

3. RESPONSIBILITIES

It is the responsibility of the Head of Departments that these procedures are followed.


4. REFERENCE

FPIC Guide for RSPO Members

- ST-SOP01 - Information Request SOP
- ST-SOP13-00 - Document Master List SOP
- PMA-SOP02 - Land Dispute SOP

5. DEFINITION

- CD - Community Development
- FPIC - Free, Prior and Informed Consent
- RSPO - Roundtable on Sustainable Palm Oil
- SOP - Standard Operating Procedure

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6. PROCEDURES

6.1 Identification of External Conflicts

6.1.1 In each case of conflict, the form of conflict must be identified.

Types of conflict include:


- a) Conflicts with land-owners and land-ownership
- b) Disputes between resource users and access to resources
- c) Disputes over land boundaries
- d) Conflicts over cultural or religious differences and infringement of customary rights
- e) Conflicts between different community groups
- f) Unfair or lack of representation of community groups
- g) Lack of transparency or understanding in negotiated agreements
- h) Unfair distribution in economic development and contribution
- i) Disputes due to state politics
- j) Contested legal authorizations

6.1.2 All the stakeholders involved must be identified and may be from one or more of the groups listed below:

- a) The company or plantation involved
- b) Local communities
- c) Land owners
- d) Community self-chosen representatives or lawyers
- e) Village and cultural elders
- f) Community associations
- g) Women's groups
- h) Youth groups
- i) Minority groups (migrants, landless communities, etc.)
- j) Non-governmental organizations and third party observers
- k) Religious and customary Institutions
- l) District heads
- m) Government Institutions
- n) Neighbouring concessions

6.1.3 Identify the specificities of the cause(s) within the type that has resulted in the conflict. For example; Type of conflict is "Conflicts over cultural or religious differences and infringement of customary rights" and the cause of the conflict is "Subsidiary company 'A' has done 'B' which has anger community 'C' and is against their customary rights. The stakeholders involved are "Subsidiary company A", "Local community C", and "Cultural Leader D".

6.1.4 If the conflict type is of between land owners and that of land ownership, then procedures from a separate and more focused SOP is used, which is the Land Dispute SOP (PMA-SOP02). Use this SOP for dealing with all other external conflicts (except for conflicts involving land disputes.

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6.2 Verification of Conflicts


- 6.2.1 Each conflict case identified, must be verified of its legitimacy, either by a desktop verification process or if required, verification in the field.
- 6.2.2 Verification is done by contacting the complainant(s) and parties involved in the conflict (collectively or individually) and listening. Important issues from the conversation(s) must be in written form. Refrain from making any suggestions or giving any advice at this stage of the conflict resolution process.
- 6.2.3 The verification must be done by a neutral department such as the CD Department or the Sustainability department or a department from another subsidiary company that is not directly involved in the conflict.
- 6.2.4 DO NOT intimidate or impose intimidation tactics onto complainant(s). This is against TSH practices. Ensure that the complainant(s) are at all times comfortable in aiding the verification process and that it is up to the complainant(s) can halt the process anytime.
- 6.2.5 If the conflict is falsified or has been previously solved, then the conflict case is deemed resolved.
- 6.2.6 If details of the conflict has changed since identification or is part or continuation of a previous case then the conflict must be re-identified to include new details.
- 6.2.7 If the conflict case has been verified and is legitimate, then the case goes through a conflict analysis.

6.3 Conflict Analysis

- 6.3.1 A conflict analysis starts from the identification process to the prioritization of conflicts and must be done in order to investigate and compile all evidence to make proper decisions in managing the conflict. The investigation is begun by meeting and communicating with all complainants and stakeholders involved as well as collecting documentary and photographic evidence of the dispute.
- 6.3.2 Investigation must be done by a non-bias department such as the CD Department or Sustainability Department or a neutral third party consultant will be appointed to aid in the investigation process.
- 6.3.3 The investigation must be written in a report with references to evidence and documentation obtained.

6.4 Conflict Prioritization

- 6.4.1 Identify the urgency of the conflict.
- 6.4.2 Identify significance and degree of severity of the conflict.
- 6.4.3 Identify finite resources needed to resolve the conflict.
- 6.4.4 Cross reference with existing or past cases if any.

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6.4.5 The justification of why the conflict is prioritized must be documented in the conflict management plan.

6.5 Conflict Management

6.5.1 There are 4 main types of conflict management and should be used in order before going on to the subsequent method:

- a) Negotiation
- b) Mediation
- c) Arbitration
- d) Adjudication

6.5.2 In negotiations, the company must appoint a negotiator from the company to engage in a participatory meeting involving all parties.

6.5.3 Negotiators must:

- a) Be able to represent the company and make certain decisions regarding the company's position of the conflict
- b) Apply the ethics of equality, justice and honesty when representing the company
- c) Listen attentively and proactively
- d) Respect complainant and parties involved
- e) Try to find the common ground
- f) Be clear about the company's objective
- g) Focus on facts
- h) Never use force or threatening statements
- i) Accept and tolerate differences
- j) Be prepared to compromise

6.5.4 All communications exchanged in the negotiation meetings must be documented.

6.5.5 If conflict can't be solved through negotiations, then mediation must be explored.


6.5.6 Mediation serves to satisfy the needs of the two disputing partners, while at the same time preserving or strengthening their future relationship. A mediator is appointed and agreed upon by both sides of the conflict and representatives that can make decisions based on the conflict must be present.

6.5.7 If the conflict can't be resolved through mediation, then arbitration should be the next step explored. The advantages of arbitration as oppose to adjudication that disputes would be rendered a final binding decision while discussion remain confidential and preserving the relationship between parties is still possible.

6.5.8 If Arbitration is not a viable option, then the conflict must be resolved through the least preferred option, which is adjudication.

6.6 Capacity Building


6.6.1 Past resolved cases could be used as references for future dispute handling.

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- 6.6.2 The positive effects and impressionable outcomes of previous cases could be studied and the negative impressions made a lesson upon on how to improve when dealing with similar disputes.
- 6.6.3 Socialization on resolving conflicts through the conflict resolution process should be given to communities and other relevant stakeholders so that relevant parties are informed and are able to manage expectations of the process.

6.7 Evaluation

- 6.7.1 The sustainability department is required to monitor and evaluate on resolution of the conflict following the criteria below (except for resolutions through adjudication):
- a) The outcome was accepted by the company
 - b) The outcome was accepted by the disputed parties
 - c) The outcome was recognized by the local government
 - d) The outcome cannot be contested by other parties
- 6.7.2 For resolutions through adjudication, a copy of the court papers for the verdict must be in the sustainability department's filing and the respective estate document controller.

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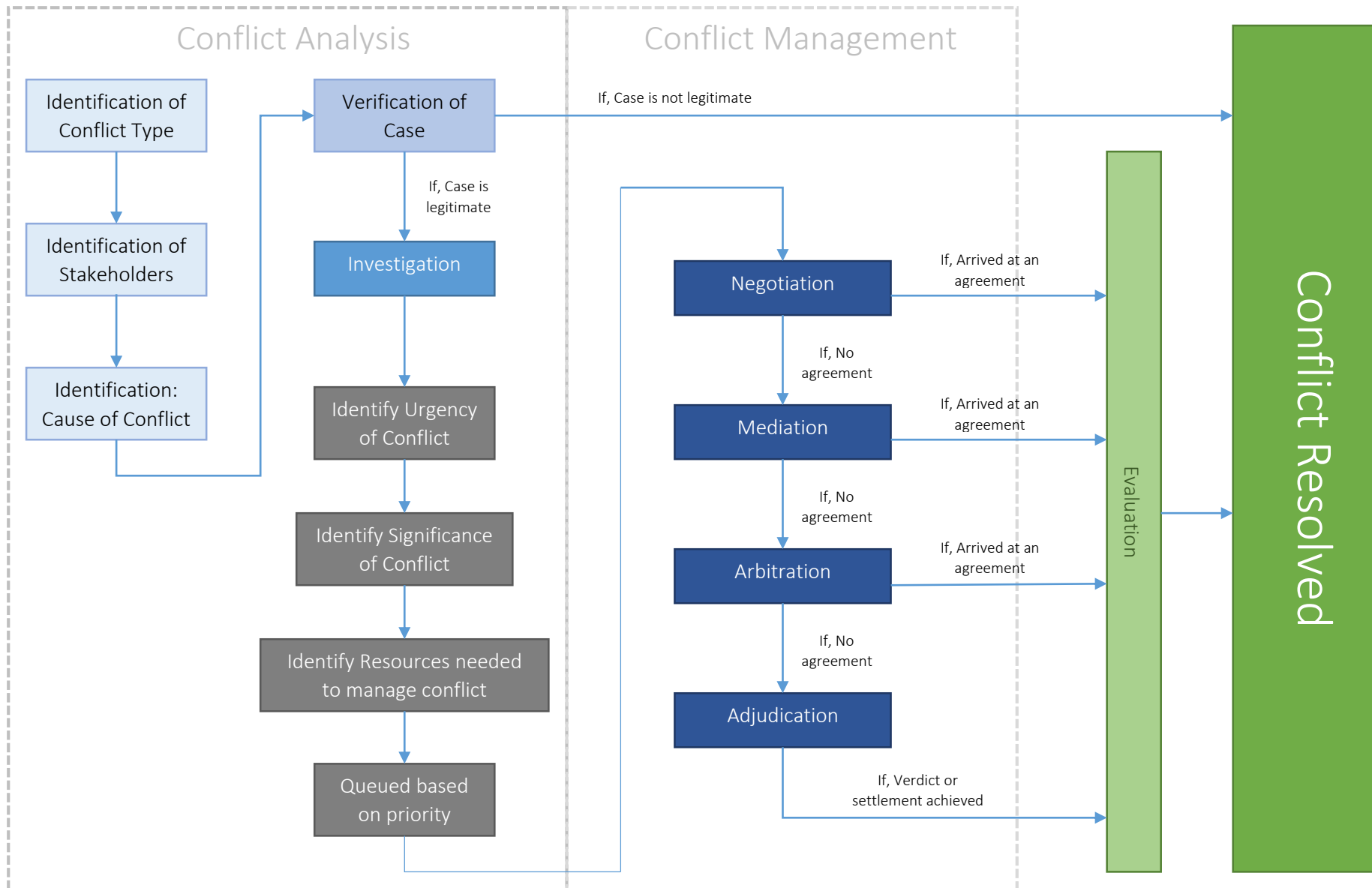
7. ATTACHMENTS

7.1 : Table

- 7.1.1 Conflict Resolution Flow Chart
- 7.1.2 Conflict Prioritization Table

7.2 : Form

- 7.2.1 Conflict Identification and Verification Form



Conflict (PT. TSH)	Urgency ¹	Significance ²	Resource Availability ³	References ⁴
Conflict Type: Disputes between resource users				
1. Stakeholder: Desa "A", Desa "C", Desa "E". Cause: Usage of water from River "K" for Mill "L" reducing availability of fresh water for the adjacent communities.	5	3	5	
Conflict Type: Unfair distribution in economic contribution				
1. Stakeholder: Desa "B", Camat "D", NGO "J". Cause: Donation for cultural conservation not distributed fairly among targetted community groups in Desa "B".	3	4	5	

¹ From a scale of 1 to 5, as in five (5) describes the highest urgency level while one (1) describes the lowest urgency level.

² From a scale of 1 to 5, as in five (5) describes the highest significance level while one (1) describes the lowest significance level.

³ From a scale of 1 to 5, as in five (5) describes the highest amount of resources available while one (1) describes the lowest amount of resources available.

⁴ Any references between existing and past conflict cases.

CONFLICT IDENTIFICATION & VERIFICATION FORM

Employee Name:		Date of Reporting:	
Title:			
Supervisor:		Department:	
Title			

TYPE OF EXTERNAL CONFLICT

-
-
-

STAKEHOLDERS INVOLVED

•	•	•
•	•	•
•	•	•

CAUSE OF CONFLICT

-

VERIFICATION

•	LEGITIMATE? (V OR X)
•	
•	
•	
•	
•	

IDENTIFIER'S SIGNATURE	VERIFIER'S SIGNATURE
<i>Date</i>	<i>Date</i>