

Local Hiring Action 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 facility is currently mothballed, and the BSP management is working to fund and execute a restart of the existing operating equipment, as well as a buildout of the partially completed capabilities.]

This document is a Local Hiring Action Plan (LHAP) describing the planned local hiring goals and initiatives for the Project. It outlines a systematic approach to local hiring that will help to ensure that members of local communities will be given every opportunity to find gainful employment at the facility.

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

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 Industama Perkasa industrial estate in Kuala Tanjung, North Sumatra, Indonesia. The Project is located approximately 120km (between two and four hours drive depending on traffic) from Medan City. A majority of the route between Medan City and the Project is made up of relatively narrow two-lane roads, with residences and constant human activity on either side of the road.

2.2 KUALA TANJUNG DESCRIPTION

Kuala Tanjung is a coastal village in the Sei Suka District of Batubara Regency. Kuala Tanjung has a population of approximately [10-30],000 people. As a rural village, Kuala Tanjung remains relatively undeveloped, though the smelting and refinery industries have been present there for over [40] years. Due to its location on the busy waters of the Malacca Strait, Kuala Tanjung was chosen as the site for a new port, one that will be Indonesia's largest transit hub once finished.



2.3 KUALA TANJUNG EMPLOYMENT

Due to its small population and rural nature, the people of Kuala Tanjung have typically been farmers, fishermen or small business owners. Other sources of employment have been the few industrial projects in the area, as there is an Inalum aluminum smelting plant, a Wilmar palm oil refinery, [other industrial project] and the Project. The younger generations in Kuala Tanjung have been moving away from fishing and farming, instead seeking out better paying and more stable careers in modern industries. This has resulted in a high and unmet demand for jobs in Kuala Tanjung, as well as the loss of young capable workers to larger cities.

2.4 PROJECT EMPLOYMENT NEEDS

DAP is committed to improving the lives of members of the local community. While DAP will engage in numerous CSR activities, a public consultation with stakeholders around the Project site showed that, more than anything else, the local community looks to DAP as a source of stable and substantial jobs. As such, DAP will provide large numbers of employment opportunities for members of the local community in two distinct phases: first during the construction phase and second during the operations phase.

Construction Phase

Within the construction phase, DAP will have varying needs for employees depending on the level of skill and experience required to perform the work in question. For civil works, such as laying foundations at the Project site and the steel and concrete buildout of the jetty, the Project uses mostly workers from Kuala Tanjung (approximately [90]%). For more sophisticated construction works that often require previous training, the Project will bring in workers from the nearest large city, Medan, where the construction industry is significantly more advanced. In terms of skilled workers, roughly [half] of the required amount will be brought in from Medan while the other [half] will be sourced locally.

Phase	Number of Workers	Number of Local Hires
Civil Works (already completed)	[500]	[500]
Technical and Mechanical Works	[200]	[100]
Jetty Works	[150]	[120]

Operations Phase

Although the Project is currently mothballed, it still employs 256 people in various managerial, skilled professional and technical and unskilled laborer capacities.

Role	Number of Workers	Number of Local Hires
Managerial	8	0
Professional/Technical	99	50
Unskilled Labor	149	149

Once construction is complete and all of the Project facilities are operational, DAP anticipates that it will have approximately 700 employees. Of these employees, 16 will be in managerial roles, 222 will be in skilled professional and technical roles and 462 will be unskilled laborers.

Role	Number of Workers	Number of Local Hires
Managerial	16	0
Professional/Technical	222	111
Unskilled Labor	462	462

3. ACTION PLAN

Public Consultation

In December 2015, during a visit to Kuala Tanjung with environmental and social consultants, local residents were asked for their opinions on and expectations for the Project. The residents were generally positive about the recommissioning of the Project and their expectations were high because the prospect of a large number of industrial jobs coming to the area was extremely attractive.

Notice

One of the most important aspects to this Action Plan is the dissemination of essential information to the local community. This essential information includes the number and types of jobs available at the Project; the basic requirements for the different positions; and how to apply for a job at the Project. DAP will use multiple avenues to convey this information to the local community. These include:

1. Meetings with local community heads;
2. Meetings with local religious heads;
3. Meetings with local government officials and information postings at local government offices;
4. Postings of job openings in local newspapers and other local publications; and
5. A recruitment office where a recruiting officer will be able to answer questions and help interested parties through the job application process.

Basic Training and Education

As even the unskilled labor positions will require some training to ensure safe and efficient operations once the Project is operational, DAP will also hold skills training sessions for parties interested in working on the Project. These sessions will provide basic technical skills and educate attendees on the oleochemical refining process. Information will also be made available at the recruitment office and local government offices. These sessions will also increase transparency in the hiring process as applicants come to understand the specific demands of the various jobs on offer. During the public consultation, transparency was a concern of the people that were uncertain of how the hiring process was handled when the plant was operational in the past and how it would be handled once operating again. DAP will also use the job training sessions for possible advancement of qualified applicants.

3 CONTACT DETAILS

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