

Edi Suhardi
Director of Sustainability

Goodhope Asia Holdings Ltd.
1, Robinson Road,
#17-00 AIA Tower,
Singapore 048542

28 April 2017

Dear Bpk. Edi Suhardi,

Goodhope Asia Holdings Ltd. – Precautionary Measures (*Stop Work Order*) Adopted by the RSPO Complaints Panel

The Complaints Panel received an official letter from the RSPO Secretariat on the basis of the General Assembly 12 Resolution 6(H), which requires the Secretariat to, “*Monitor RSPO members’ adherence to required procedures and report all members that omit submitting NPP notifications before clearing lands to the Complaints Panel.*”

Reference is made to Goodhope Asia Holdings Ltd.’s submission of the New Planting Procedures (NPP) documents for the following proposed new developments:

1. **PT Nabire Baru**
2. **PT Agrajaya Baktitama**
3. **PT Sariwana Adi Perkasa**
4. **PT Batu Mas Sejahtera**
5. **PT Sawit Makmur Sejahtera**
6. **PT Sinar Sawit Andalan**
7. **PT Sumber Hasil Prima**

All seven (7) HCV Assessments were conducted by the same assessor. The RSPO Secretariat had conducted External Independent Peer Review of the HCV Assessments related to PT Nabire Baru and PT Agrajaya Baktitama. The External Independent Peer Reviews, by a licenced assessor under the Assessor Licencing Scheme (ALS) registered with the HCV Resource Network (HCVRN), found these two HCV Assessments to be of poor-quality. Goodhope Asia Holdings Ltd. was requested to re-do its HCV Assessments to meet the required RSPO standards in-line with the GA 12 Resolution 6 (H).

The results of the External Independent Peer Review of the HCV Assessments related to PT Nabire Baru and PT Agrajaya Baktitama were communicated to Goodhope Asia Holdings Ltd on 7 March 2017. The following are several common findings, identified through the External Independent Peer Review, which demonstrates the poor quality of the HCV Assessments:

- Misinterpretation of the HCV Toolkit;
- Lack of evidence of public or stakeholder consultations;

- Shape and size of the HCV areas are inadequate to preserve the HCVs that are present on the sites;
- Lack of information on land ownerships in the identified areas, including on how the company has negotiated rights to the use of land in the related areas.

The Company was also informed that the remaining NPP submissions are on hold due to incomplete documentations, including lack of LUCA and GHG assessments. The HCV Assessments are also considered unsatisfactory due to the lack of LUCA, which is required to determine changes in vegetation since November 2005 (P & C 7.3.2).

Despite the request by the Secretariat, Goodhope Asia Holdings Ltd. had refused to re-do its HCV Assessments and persisted in posting the PT Nabire Baru NPP notification on the RSPO website on 9 March 2017.

The notification of PT Nabire Baru's NPP on the RSPO website triggered official joint objections from Environmental Investigation Agency (EIA), Forest Peoples' Programme (FPP), Greenpeace and PUSAKA, critiquing the poor quality of the HCV Assessment, amongst others.

The posting of the latter six (6) NPPs remain on hold based on the external independent peer review, and the initial review by the Secretariat which have highlighted the HCV Assessment supporting these NPPs and the NPP reports itself are of poor-quality.

The Complaints Panel, within its mandate, has deliberated on this case on the basis of the i) *RSPO Secretariat's letter*; ii) *official joint objections on PT Nabire Baru by EIA, FPP, Greenpeace and PUSAKA*; iii) *external independent review of HCV Assessments*; iv) *internal reviews of the NPP submissions*; v) *the fundamental objectives of the RSPO Complaints System*¹; and vi) *GA 12 Resolution 6(H)*.

The Complaints Panel, in adopting a precautionary approach², determines the following:

1. Both the HCV Assessments related to PT Nabire Baru and PT Agrajaya Baktitama are found to be of poor quality and inadequate in establishing that potential HCV Areas have been set aside for management, monitoring and conservation. This is deemed to be a breach of RSPO Principles of Criteria (P & C) 7.3;
2. Goodhope Asia Holdings Ltd. is required to submit a full Land Use Change Analysis (LUCA), since November 2005, for PT Nabire Baru and PT Agrajaya Baktitama;
3. Goodhope Asia Holdings Ltd. is required to re-do its HCV Assessment for PT Nabire Baru and PT Agrajaya Baktitama for the entire management unit;

¹ RSPO Complaints System, Para. 1.3:

Objectives of Complaints System:

- a. Provide a framework for RSPO to address complaints against any RSPO Member or the RSPO system itself;
- b. To ensure that any alleged breaches of specified RSPO Statutes, By-laws, motions approved by the General Assembly, or any other approved articles, including the Principles & Criteria for Sustainable Palm Oil Production, Certification System and RSPO Code of Conduct are fairly, impartially and transparently resolved;
- c. To protect RSPO's integrity.

² As referenced in the *RSPO New Planting Procedure Document*, endorsed by the RSPO Board of Governors on 20 November 2015.

4. Goodhope Asia Holdings Ltd. is also required to submit a full Land Use Change Analysis (LUCA) and re-do its HCV Assessments on the basis of its completed LUCA, for the other five (5) subsidiaries listed above.

Goodhope Asia Holdings is required to meet the following milestone and timeline, without any delay:

| # | Activities | Allocated time | Month |
|---|--|------------------------------------|---------------------|
| 1 | Complete its Land Use Change Analysis for: 1. PT Nabire Baru PT Agrajaya Baktitama | 3 months from CP's decision letter | By end-July 2017 |
| 2 | Re-do its HCV Assessments for: 1. PT Nabire Baru 2. PT Agrajaya Baktitama | 6 months from CP's decision letter | By end-October 2017 |
| 3 | Complete its Land Use Change Analysis for: 1. PT Sariwana Adi Perkasa 2. PT Batu Mas Sejahtera 3. PT Sawit Makmur Sejahtera 4. PT Sinar Sawit Andalan 5. PT Sumber Hasil Prima | 9 months from CP's decision letter | By end-January 2018 |
| 4 | On the basis of the LUCA, to re-do its HCV Assessments for: 1. PT Sariwana Adi Perkasa 2. PT Batu Mas Sejahtera 3. PT Sawit Makmur Sejahtera 4. PT Sinar Sawit Andalan 5. PT Sumber Hasil Prima | 12 months from the CP's letter | By end-April 2018 |

5. Goodhope Asia Holdings Ltd. is required to contract a full licensed HCV assessor from the Assessor Licensing Scheme (ALS) registered with HCVRN **and pass the HCVRN Quality Control with satisfactory status.**;
6. Accordingly, a **stop-work order** is issued against Goodhope Asia Holding Ltd. in relation to the above seven (7) subsidiaries until the above milestones and timelines are met satisfactorily and in line with RSPO standards, GA 12 Resolution 6 (H) and key documents;
7. Any deviation from the above-mentioned milestones, timelines and conditions will be viewed severely and may lead to suspension and eventual termination of membership;

In line with RSPO Code of Conduct we call on Goodhope Asia Holdings Ltd. to act in good faith in implementing the above decision of the Complaints Panel. We look forward to our continued engagement and collaborative efforts to seek a constructive resolution to this matter.

Yours sincerely,



Oi Soo Chin
Impacts and Evaluation Director
On behalf of RSPO Complaints Panel