

Golden Agri-Resources Ltd
108 Pasir Panjang Road,
#06-00 Golden Agri Plaza
Singapore, 118535

Attn : Mr Andrew Kluth/ Peter Heng

6 May 2015

Dear Mr Kluth/Heng

RE: Complaint - PT Kartika Prima Cipta/Golden Agri resources Ltd

With reference to our letter dated 4 March 2014 on the preliminary decision.

The Complaints Panel (the Panel) has reviewed both the responses from GAR and FPP on 15 April 2015.

Our decision is as follows:

1. on Free Informed Prior Consent (FPIC):

GAR has maintained that FPIC was implemented as per RSPO rules.

The Panel however, feels there is a need for GAR to demonstrate that it has complied with the full rigours of the RSPO Principles and Criteria as required by Principle 2.2 and 2.3. as described in the Indicators.

In doing so, GAR must ensure that Principle 7.5 and 7.6 have also been complied with.

GAR must also take remedial steps to correct any shortcomings in its land acquisition process with the affected communities.

2. on the lack of legal permits and other licenses as required under Indonesian laws:

While GAR asserts that it has complied with the relevant laws when it acquired the lands of the community prior to establishing the plantation

The Panel hereby instructs that GAR must demonstrate that it possesses legal documents as required under Indonesian laws, which authorizes them to carry out the land development work that they have carried out thus far in all the 18 subsidiaries. Copies of these documents must be submitted to the RSPO for verification

3. on the issue of GAR having exceeded the maximum land holding for plantations under Indonesian laws:

The Panel believes that this is an issue to be pursued by the relevant authorities of the Ministry of Agriculture.

4. on the HCV assessments:

The Panel hereby instructs that all the HCV assessments done for the 18 subsidiaries shall be subject to 'peer review' and the results shall be assessed by the Technical Director of the RSPO. In event that there are inadequacies, it shall be remedied via the compensation process.

5. on land for smallholders (plasma):

GAR must honor its commitment to allocate 20 % of the land for the smallholders as it has promised to do. Documents to substantiate this will have to be submitted to the RSPO for verification.

6. on New Planting Procedure (NPP):

The Panel also instructs that GAR declare all land that has been cleared and/or planted since 1st January 2010 and 3rd of November 2014, without NPP notification to the RSPO. GAR also needs to clarify on the late submission of NPP for some of the 18 subsidiaries.

7. on new land development:

The Panel hereby prohibits GAR from acquiring or developing any new areas until this complaint has been dealt with to the satisfaction of the Complaints Panel.

The Panel believes that there are reasonable grounds that GAR has breached the RSPO Principles and Criteria namely:

1. Principle 2 - Compliance with National laws and regulations by not possessing Hak Guna Usaha for 16 of the 18 subsidiaries for which an NPP notification has been submitted.
2. Principle 7 - Responsible Development of New Planting ; notably :
Principle 7.3.2 (M) - A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting.
3. The HCV assessments submitted for PT Kartika Prima Cipta has also been found to be inadequate and potentially misleading.
4. Principle 7.5 - No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.

GAR/PTKPC has not got the full consent of the communities on the concession to utilize their land for the purposes of oil palm development.

As such, the Panel would like GAR/KCP to do the following:

- i. Confirm that all development on the properties have been halted pending the resolution of the issues that are the subject matter of the complaint.
- ii. Furnish a detailed reply to the Panel on each of the allegations.

We look forward to your response by May 20th 2015.

Yours sincerely,



Ravin Krishnan

Complaints Coordinator

On behalf of the Complaints Panel of the Roundtable on Sustainable Palm Oil

c.c. Marcus Colchester - Forest People Programme