

To: the Dutch financiers of GAR/ GVL
ABN AMRO, ACTIAM, Rabobank, and Robeco

February 5, 2019, Amsterdam

Dear Sir, Madam,

Since July 2018, we have brought to your attention a set of serious environmental, social and governance concerns regarding Golden Veroleum Liberia (GVL), an agribusiness company active in Sinoe County, Liberia that is owned (through a series of shell companies) by and operated under the purview of your client/ investee company, Golden Agri Resources (GAR). We are writing to update you (once more) on the case and to seek clarification regarding your engagement. As we will detail below, GVL has continued to act against the RSPO complaint panel decision (February 2018) and has not properly consulted civil society and impacted communities, and therefore continues to constitute a substantive risk to your portfolios.

Ongoing non-compliance with RSPO requirements

In February 2018, the Roundtable on Sustainable Palm Oil (RSPO) found GVL in violation of a number of its Principles and Criteria, including the use of coercion and intimidation to pressure villagers to sign agreements with the company, destruction of community sacred sites, and continued development on disputed lands. GVL appealed the RSPO decision, but its appeal was denied. The company then voluntarily suspended its membership in the sustainability body¹, raising serious concerns about its commitment to producing conflict-free palm oil.

Subsequently GVL attempted to re-establish its RSPO membership, but it is currently unclear whether the RSPO has accepted the return of GVL. According to the RSPO complaints tracker, the RSPO confirmed the company's suspension, but GVL is still listed as an RSPO member.² The RSPO is undertaking "deliberations and actions by the Complaints Panel, subject to the membership status of GVL," and is apparently reviewing GVL's action plan and planning investigations into the company's failure to comply with a stop work order³ issued on 14 February 2018. All evidence suggests that GVL has ignored the stop work order and continued operations on disputed lands, in open and flagrant violation of the RSPO mandate.

Ongoing failure to consult civil society stakeholders

On 3 September 2018 GVL management met with its sustainability implementation partner, The Forest Trust, and with the Liberian civil society Palm Oil Working Group (POWG). At that meeting, GVL promised to consult the POWG regarding the development of its sustainability action plan and its plantation expansion plans. However, GVL failed to consult with the POWG and published its action plan in final form on its website on 5 November 2018, with no input from civil society. In December 2018, affected communities in Sinoe County reported that they were wholly unaware of the plan. This action by GVL constitutes a fundamental violation of communities' right to consultation.

Especially with the new Land Rights Law in place that formalizes legal ownership of customary lands, it is crucial for communities to understand the status of their customary land. For example to know whether their customary land lies outside or inside the concession boundaries with potentially huge impacts on their rights to manage the land. Documentation of the company's plans is also essential for affected communities and civil

1 <http://goldenveroleumliberia.com/index.php/in-the-media/press-releases/407-new-action-plan-to-review-golden-veroleum-s-sustainability-journey-as-company-voluntarily-withdraws-from-rspo-membership>

2 <https://rspo.org/members/944/Golden-Veroleum-Liberia-Inc.-GVL>

3 <https://askrspo.force.com/Complaint/s/case/50090000028ErzuAAC/detail>

society stakeholders to monitor the company as mandated under Liberia's 2018 Land Rights Law.⁴ GVL has failed to make public its concession borders and expansion plans, and must do so immediately, with full documentation including clear coordinates and maps, in order for stakeholders, including the RSPO, business partners, and investors, to have an understanding of the company's approach to sustainability, its future plans, and its current and future value.

The POWG has issued letters to GVL, and to investors, concerning these and other grievances on rights violations in the GVL plantations, on November 12 and again on November 21 2018. We did not receive any answer to the 21 November letter (copy in Annex).

Ongoing threats to HCV areas and HCS forests and chimpanzee habitat

In our July 2018 report, *High Risk in the Rainforest*,⁵ we provided evidence that GVL had cleared both High Conservation Value (HCV) and High Carbon Stock (HCS) forests, in contravention of its policies. At the time, we contacted the High Carbon Stock Assessment (HCSA) steering group, the body responsible for peer reviewing HCS assessments across the industry. In August 2018 the HCSA group informed us that it had asked GVL to review its HCS assessment, and that the HCSA group itself would conduct an expedited peer review no later than October 2018 to verify the evidence provided by Friends of the Earth. To our knowledge, no such review has yet been conducted, either by GVL or by the HCSA group, despite being named as an action item again in GVL's November 2018 action plan. Our field visits have confirmed that GVL has continued operations in the areas where HCS forests and HCV areas were cleared – again, in flagrant and open violation of RSPO requirements, company policies. Damage to these forests is irreversible, and all evidence points to ongoing destruction. Our concerns are further exacerbated by frequent reports from community members that they have sighted chimpanzees foraging for food on the plantations.

Ongoing coercion of affected communities and non-compliance with FPIC

In December 2018, during fieldwork in Sinoe County, SDI/FoE Liberia heard from individuals in the community of Numopoh that GVL had recently rushed them through a brief negotiation process in order to develop a renewed Memorandum of Understanding in keeping with the RSPO Complaints Panel requirements. Community members testified that they were given no legal support, were not accompanied by technical experts from civil society, and could not self-identify their community and representation as part of a proper FPIC process. Also noted during this same community visit were security posts on the GVL plantation posted with signs prohibiting the entrance of SDI/FoE Liberia onto plantation grounds. Each of these concerns goes against GVL's own policies, agreements with Liberian civil society and constitutes a clear violation of the right to Free, Prior and Informed Consent, as mandated by the RSPO and by Liberian law as international norms and best practices.

SDI met with GVL field staff at the time to urge the company to resolve and redress these ongoing grievances. GVL staff promised to schedule a meeting for January. Unfortunately, despite several reminders from SDI in December 2018 and January 2019, GVL management has never followed up.

Ongoing failure of investor engagement

Six months after our initial report and a full year after the RSPO Complaints Panel findings of non-compliance, it is clear that efforts by the RSPO, the HCSA Steering Group, civil society stakeholders and investors have again not resulted in improved practices by GVL. GVL clearly continues to mislead civil society and to violate the rights of affected communities. **We therefore urge you once again to take immediate action regarding GAR/GVL's ongoing abuses, and to communicate to us, as key stakeholders, what efforts you have made to**

4 <http://iredd-lr.org/wp-content/uploads/2018/10/Signed-Land-Rights-Act.pdf>

5 <https://sdiliberia.org/sites/default/files/publications/High%20Risk%20in%20the%20Rainforest.pdf>

date. Failure to disclose details of engagement steps is not acceptable in light of international commitments and the OECD Guidelines on Responsible Business Conduct for Institutional Investors.⁶

The abuses in the GVL plantations have been reported (officially through RSPO complaints) since at least 2012. After more than 6 years of empty promises by GAR/GVL, it is clear there is no significant progress. **Engagement processes have not led to significant results and we therefore urge you to halt your financial ties with GAR/ GVL and the industrial palm oil sector as a whole. If investments are held through index funds, your firm should take steps to withdraw from funds exposed to deforestation and human rights risks and increase exposure to funds aligned with long-term sustainability.**

We are interested to hear back from you and discuss in case you are willing to take proper measures to stop the continuous rights violations and environmental destruction.

Best wishes,

Daniëlle van Oijen and Miriam Vreman / Milieudefensie – Friends of the Earth Netherlands
James Otto / Sustainable Development Institute (SDI) – Friends of the Earth Liberia
Jeff Conant / Friends of the Earth US

⁶ <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>