



GOODHOPE SUSTAINABILITY POLICY

5th May 2017

INTRODUCTION

Agricultural development is necessary for sustaining and improving livelihoods but has to be balanced within the larger ecosystems whose existence is vital for maintaining life on earth. With this belief, Goodhope is committed to providing a path for agricultural commodities that is environmentally sustainable, socially responsible, and economically viable. Goodhope is eager to build stronger partnerships with governments, communities, industry partners and other stakeholders to promote policies and actions that will make sustainably and responsibly produced goods and services the norm.

SCOPE

Goodhope is committed to implementation of industry best practices and standards for environmental sustainability and social responsibility. Since 2014 Goodhope (subsidiaries since 2006) has been a proud member of the Roundtable of Sustainable Palm Oil (RSPO) and has applied RSPO's new planting procedures as a guideline to determine appropriate areas for development.

This new policy strengthens and expands upon our existing policies and commitments to position Goodhope as a leading environmentally sustainable and socially responsible company. The provisions of this policy apply immediately to all operations of Goodhope globally including all of our mills, refineries and plantations as well as our subsidiaries, associates and third party suppliers, with whom we work with.

Key Principles Covered by Our Updated Sustainability Policy:

ENVIRONMENTAL SUSTAINABILITY: PROTECTING THE DIVERSITY OF LIFE ON EARTH

1. No Development on High Carbon Stock (HCS) Forests
2. No Development on High Conservation Value (HCV) Areas
3. No Development on Peat
4. Zero Burning and Fire Prevention.
5. Reducing our environmental impact and protecting biodiversity

SOCIAL RESPONSIBILITY : COMMUNITY ENGAGEMENT

6. Respect of land tenure rights and the requirement for Free, Prior, and Informed Consent (FPIC)
7. Handling of complaints, grievances & conflict resolution
8. Community Empowerment through Corporate Social Responsibility (CSR) programmes
9. Actively support smallholders and facilitate their inclusion into our supply chain

WORK ENVIRONMENT: RESPECTING RIGHTS

10. Supporting Worker Rights, Health and Well-Being
11. Zero tolerance for child labor, forced labor, or bonded labor

POLICY IMPLEMENTATION

12. Creation of a fully transparent and traceable supply chain
13. Supplier due diligence and grievance mechanism
14. Continuous Improvement
15. Monitoring Evaluation and Reporting

COMMITMENTS

ENVIRONMENTAL SUSTAINABILITY: PROTECTING THE DIVERSITY OF LIFE ON EARTH

No Development on High Carbon Stock (HCS) Forests

Goodhope will ensure there is no conversion of High Carbon Stock (HCS) forest areas, and will conserve any HCS forests within its license areas.

We will ensure that comprehensive HCS Assessments are carried out by accredited bodies before land clearing or new development, that the assessments are subject to peer review as prescribed by the HCS Steering Group, and that assessment results are made public.

We will protect all forests and areas consistent with the HCS Approach or a successor approach whose standards and methodologies represent the highest industry standards for sustainability.

No Development on High Conservation Value (HCV) Areas

Goodhope will ensure there is no conversion of High Conservation Value (HCV) land within its license areas.

We will ensure that comprehensive HCV Assessments are carried out by accredited bodies before land clearing or new development, that the assessments are subject to peer review as prescribed by the High Conservation Value Resource Network (HCVRN), and that assessment results are made public. HCV areas will be managed following the prevailing HCV toolkit as recommended by the HCVRN.

To achieve successful forest conservation, Goodhope will engage with local communities to safeguard HCV and HCS areas while recognizing the rights of local communities

No Development on Peat

Goodhope will not conduct any new development on peat land and will utilize best management practices for existing plantations on peat. We will work with experts, stakeholders, and communities to assess existing plantations on peat and ensure that the best management practices as defined by the RSPO and peat experts are adopted. For these purposes, we define peat soil as having more than 65% organic matter.

Zero Burning and Fire Prevention

Goodhope will maintain its strict zero burning policy, which is enforced without exception, across all operations including subsidiaries, associates and third party suppliers. Goodhope will thus strive to maintain best practices to mitigate the risk of fires by providing adequate firefighting resources on site; developing and strengthening firefighting capacity; and conducting drills and exercises on a regular basis to ensure the preparedness of employees. We will also work with surrounding villages to raise awareness of the dangers of wildfires and develop response and emergency plans.

Reducing Our Environmental Impact and Protecting Biodiversity

Goodhope will progressively moderate the environmental impact of plantation operations, including actions that reduce greenhouse gas emissions. We will utilize best agronomic practices on soil, waste, and pest management and promote these practices within our supply chain and the broader industry. We prohibit the use of paraquat and pesticides with similar negative ecological impacts,

and will utilize integrated pest management systems that do not rely on pesticides with significant adverse classifications by the World Health Organization, Stockholm Convention, or Rotterdam Conventions. In the rare instances when there is a specific and urgent need to use such pesticide, we will disclose its application and work with stakeholders and experts to identify ways to avoid future applications.

We will take strong action to protect native animals and plants, especially threatened and endangered species. The poaching, hunting, capturing, extracting and trafficking of wild animals on our areas are prohibited. However, we will respect the rights of indigenous peoples to engage in traditional and customary forms of hunting which are sustainable and we will work with them to ensure there is a designated time, place and manner for such hunting and that it is legal, non-commercial, and does not threaten ecosystems or harm threatened and endangered species.

SOCIAL RESPONSIBILITY: COMMUNITY ENGAGEMENT

Respecting Land Tenure Rights and Free, Prior, and Informed Consent (FPIC)

Goodhope will fully respect land tenure rights and the rights of indigenous peoples and local communities to give or withhold their Free, Prior, and Informed Consent (FPIC) to operations on lands to which they hold legal, communal or customary rights. Prior to commencing a new operation, we will implement the international best practices for FPIC and ensure full conformity with the law. We respect and support the Universal Declaration of Human Rights, the UN Declaration on the Rights of Indigenous Peoples, the UN Guiding Principles on Business and Human Rights, the International Labour Organization Conventions, the UN Food and Agriculture Organization's Voluntary Guidelines on the Responsible Governance of Tenure, and all relevant national and local laws.

Handling of complaints, grievances & conflict resolution

Goodhope will promote and support responsible and amicable resolution of conflicts with all parties. We will work with relevant stakeholders to ensure fair and mutually agreed settlement is reached with the complaint, grievance and/or the conflict. We will make adequate documentary evidence of the settlement reached and that will be accessible to all the stakeholders.

We will not endorse and will reject any form of violence in any dispute by parties.

We will establish a grievance panel and procedure consisting of corporate's representative that has authority to settle disputes, engage and address concerns raised by NGOs, local communities, government and RSPO.

Community Empowerment through Corporate Social Responsibility (CSR) Programmes

Goodhope will continue to develop and implement local community development and empowering programmes in and around our operating locations. We will develop these programmes through open, constructive and collaborative discussions with local communities and relevant government authorities. We aim to bring in sustainable livelihood development to the communities around us.

Actively support smallholders and facilitate their inclusion into our supply chain

Goodhope actively supports smallholders by sharing best practices, providing educational and technical assistance, and facilitating their inclusion into our supply chain. We engage with smallholders in a fair, transparent and accountable manner to improve yields and increase the sustainability of our supply chain. We will form greater partnerships with them in order to effectively implement this policy and find ways to increase the productivity, profitability, and sustainability of smallholder supplied commodities.

WORK ENVIRONMENT: RESPECTING RIGHTS

Supporting Worker Rights, Health and Well-Being

Goodhope recognizes and respects the rights of all workers, including contract, temporary and migrant workers. Goodhope and its suppliers will fully comply with all national and local laws and standards including those on health and safety, working hours, minimum wage and overtime. We will protect workers from exposure to occupational health and safety hazards that pose a risk of illness, injury or death. We will also maintain consistent and accessible records of worker hours and wages. Further, Goodhope respects the rights of all workers to collectively bargain and create or join trade unions of their choice and accordingly Goodhope will not resort to any measure of union busting and intervention or threat to trade union that would put the independence of such unions at risk. In instances where laws limit the rights of workers to freely associate and collectively bargain, we will work to identify and provide comparable means of associating and bargaining consistent with the law.

Zero Tolerance of Child Labor, Forced Labor, or Bonded Labor

Goodhope is committed to nonviolence and has a zero tolerance policy for child labor, forced labor, or bonded labor throughout our operations. We allow workers to maintain control over their identity documents. We strive to conduct business in a fair and ethical manner and promote a safe and healthy working environment.

We do not tolerate corruption or bribery and discourage all forms of conflicts of interest that could undermine this policy.

POLICY IMPLEMENTATION

Creation of a fully transparent and traceable supply chain

Goodhope will create a fully transparent and traceable supply chain down to the level of plantation and inclusive of the smallholders. The company commits to demonstrate full traceability for all commodities to the mill and plantation level, including from all subsidiaries, associates and third party suppliers before 4th May 2019.

All Goodhope's direct operations, subsidiaries and associates will implement this policy immediately, and for our third-party suppliers we will enforce this policy with immediate effect, however to be compliant progressively but no later than 4th May 2019. We understand some suppliers may take time to comply with our policies and we are committed to help them implement our policies in accordance with clear timelines.

Therefore, Goodhope will not source from suppliers who do not take immediate action to comply with this policy, will cease to do business with suppliers found to be in serious violation of this policy at any time, and will under no circumstances source from suppliers who have not fully complied with this policy by 4th May 2019.

Supplier due diligence and grievance mechanism

For the implementation of this policy, we will develop new engagement policies and robust procedures to ensure that Goodhope, its subsidiaries and its third-party suppliers comply with this procedure in future.

Complaints and conflicts in relation to this policy will be resolved through an open, transparent, and accountable grievance mechanism.

Continuous Improvement

This policy will be continuously interpreted and implemented in a consistent manner in line with or exceeding the best management standards and practices of industry leaders in environmental sustainability and social responsibility. We will continuously analyze and review this policy and monitor and evaluate its implementation and effect. We will update it as needed in order to maintain the highest industry standards for sustainably and responsibly produced commodities.

We will consult, collaborate and build stronger partnerships with governments, communities, industry partners and other stakeholders on the implementation of these policies. We will actively support efforts to integrate these policies into government policies and laws. We welcome feedback from stakeholders and opportunities to advance these policies in a more collaborative and impactful manner.

MONITORING EVALUATION AND REPORTING

We commit to evaluate and report our performance regularly against this policy in a transparent manner. We will communicate and report on progress under this policy once a year.

We commit to maintain an open learning approach to manage and respond to new issues arising from the monitoring and evaluation processes.

We will work with credible independent third parties to verify compliance of our suppliers as well as to audit and evaluate the implementation and performance of this policy.