Sustainability Journey

MONTHLY UPDATE - PROGRESS MADE UP TO OCTOBER 15th 2017

We are pleased to report that significant progress has been made towards completing assessments of all seven of our new development sites and we are set to meet all the requirements and deadlines for assessments set out by the RSPO Complaints Panel.

With assessments near completion, we are now working on applying the information that has been gathered in order to develop strong management plans. In all our plantation locations, we strive to maintain safe, healthy and prosperous environments and to conserve natural resources. In order to attain our targets, we continue to review our performance and improve our operational procedures accordingly.

Our plantations are audited by a number of regulatory initiatives, and this month we were pleased to receive a letter of announcement from the Ministry of Environment and Forestry listing three of Goodhope’s Mills as eligible ‘Green’ level candidates under Indonesia’s Program for Pollution Control, Evaluation and Rating (PROPER). The eligibility for ‘Green’ level nomination highlights consistent respectable performance in environmental management and full compliance with environmental regulations, including those related to emissions, waste management and pollution control. We continue to explore opportunities to adopt more innovative practices contributing to “clean technology” and aim to integrate such approaches into our environmental management plans.

In this 6th issue of our monthly sustainability report we include an overview on some of our activities over the last four weeks, focusing on the following areas:

- **Engagement and Training**
- **Completion of Assessments**
- **Verification of the Legal Compliance of PT Nabire Baru**
- **High Carbon Stock Approach for High Forest Landscape Project Proposal**
- **Yerisiam Gua Community Grievance Settlement Procedures**
1. Engagement and Training

Engagement is a key component of our sustainability policy implementation plan and we endeavor to build on our existing collaborations and initiate new projects in collaboration with NGOs, Consultants, Government agencies and local communities. This month we welcomed LINKS (Forum Lingkar Komunitas Sawit) to two of our plantation sites to conduct training sessions at as part of the UNICEF Children’s Rights and Business Principles Palm Oil Program, which aims to promote Children’s Rights in the palm oil industry.

Training on factors impacting children in the palm oil sector

Training sessions were held from 2nd to 6th October at PT Agro Indomas Central Kalimantan (AICK) and PT Agro Wana Lestari (AWL) and covered key impact areas (maternity protection, breastfeeding and childcare, health and nutrition, child labour and young workers, water, sanitation and hygiene, living conditions, childcare centres, and child protection). It was an excellent opportunity for our Managers and worker representatives (Gender Committee and Agro Woman) to learn about the purpose of the study, while the LINKS team had the chance visit some of the facilities provided by the company, including schools, health clinics, child care centres and workers’ housing at the plantation sites. We thank all trainers and facilitators and very much look forward to welcoming LINKS and UNICEF teams back for the next phase of the project – baseline surveys, which are scheduled to be conducted next month. The results will form the foundation of the development of action plans and best management practices to address issues affecting children in the palm oil sector.

Teacher Training

Goodhope takes pride in the educational programs that it delivers to advance and strengthen the quality of education available to children living in and around our estates. Our educational programs are managed by the Agro Harapan Foundation (established in 2008) and include assisting teachers by providing training to improve teaching skills. Earlier this year, Panji Irfan (the Principal of our Junior High School SMP Tunas Agro) was awarded a National School Principal Prize (4th place) in recognition of his dedication as School Principal and we are delighted that he is sharing his expertise by delivering training sessions to encourage improved teaching methods. Recently he travelled to PT AWL to train teachers at our school SD Tunas Agro 2.
2. Completion of Assessments

A number of field assessments have been completed this month and final reports are in preparation:

- Land Use Change Analysis (LUCA) and High Conservation Value (HCV) assessments were completed in Sintang region (PT Sumber Harapan Prima and PT Sinar Sawit Andalan) and public consultations on the results were held.
- The final HCV assessment report for PT Nabire Baru (NB) and PT Sariwana Adi Perkasa (SAP) has been completed and is being reviewed for submission to the High Conservation Value Resource Network (HCVRN).
- Verification of HCV assessments at PT Agrajaya Baktitama (AUB), PT Batu Mas Sejahtera (BMS) and PT Sawit Makmur Sejahtera (SMS) in Ketapang region is underway and the final report will be completed and submitted to the HCVRN at the end of October.
- High Carbon Stock (HCS) assessments were conducted in Ketapang region (PT AUB, PT BMS and PT SMS).
- A draft HCS assessment report for PT NB and PT SAP has been received and HCS assessment results have been presented to the HCS Approach Steering Committee.

Assessment results for the Sintang region were communicated to local communities at a public consultation held at Serawai Public Hall. The meeting was attended by around 100 participants from 31 Villages. A second public consultation was held for local Government and NGOs in Sintang City on 18th September 2017.

New Lead Assessors

Over the past month we have mediated the process of appointing new lead assessors for HCV assessments due to revocation of the license of our previous lead assessor. The timeline below shows an overview of the process undertaken.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>23rd Aug</td>
<td>License of lead assessor revoked.</td>
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<tr>
<td>25th Aug</td>
<td>Meeting with RSPO to discuss issues: Secretariat requested procedures from the HCVRN.</td>
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<td>19th Sep</td>
<td>Guidelines on 'Next steps for companies when the license of a lead assessor of an ongoing assessment is revoked' were released by the HCVRN.</td>
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<td>20th Sep</td>
<td>Goodhope reported back to RSPO for advice regarding the processes to be undertaken.</td>
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<td>24th Sep</td>
<td>New lead Assessors “Remark Asia” was appointed.</td>
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<td>29th Sep</td>
<td>Meeting on the results and status of HCV assessments attended by RSPO and Assessors.</td>
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<tr>
<td>5th Oct</td>
<td>Agreement / Handover meeting between Aksenta and Remark Asia</td>
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In accordance with the HCVRN guidelines 'Next steps for companies when the license of a lead assessor of an ongoing assessment is revoked', and as agreed by RSPO, Goodhope has engaged new licensed assessors (provisionally licensed) to take the lead of the HCV assessments. Field assessments have already been completed in each site. The new licensed assessor shall finalize the ongoing assessment using the information gathered by the previous assessor to prepare the report, and finalize the HCV assessment report for submission to HCVRN.

### Summary Table of HCV assessment and LUCA report completion and submission

<table>
<thead>
<tr>
<th>Region</th>
<th>Company</th>
<th>Start date</th>
<th>LUCA</th>
<th>HCV Interim / Draft Report</th>
<th>Final Report</th>
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<tbody>
<tr>
<td></td>
<td>PT Sariwana Adi Perkasa (SAP)</td>
<td>April-17</td>
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<tr>
<td>Ketapang</td>
<td>PT Agrajaya Baktitama (AJB)</td>
<td>28-May-17</td>
<td>Aksenta 31-Jul-17</td>
<td>Aksenta 19-Jun-17 Lead Assessor: Iwan Setiawan</td>
<td>Aksenta and Remark Asia Oct-17 Lead Assessor: Dwi Rahmad Muhtaman</td>
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<td></td>
<td>PT Batu Mas Sejahtera (BMS)</td>
<td>28-May-17</td>
<td>Aksenta 29-Aug-17</td>
<td>Aksenta 18-Jul-17 Lead Assessor: Iwan Setiawan</td>
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<tr>
<td></td>
<td>PT Sawit Makmur Sejahtera (SMS)</td>
<td>28-May-17</td>
<td>Aksenta 29-Aug-17</td>
<td>Aksenta 18-Jul-17 Lead Assessor: Iwan Setiawan</td>
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<td>Sintang</td>
<td>PT Sinar Sawit Andalan (SSA)</td>
<td>20-July-17</td>
<td>Planned submission in November 2017</td>
<td>Aksenta 16-Sept-17 Lead Assessor: Iwan Setiawan</td>
<td>Aksenta and Remark Asia Nov-17 Lead Assessor: Dwi Rahmad Muhtaman</td>
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<tr>
<td></td>
<td>PT Sumber Hasil Prima (SHP)</td>
<td>20-July-17</td>
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HCV Assessment results for all seven subsidiaries were presented and discussed at a meeting in Jakarta on 29th September. Participants included assessors and representatives from RSPO, Ekologika, Aksenta and Remark Asia. RSPO Technical Director Salahudin Yaacob, provided advice on how to proceed with the transfer of lead assessors in compliance with RSPO and HCVRN requirements.

On 5th October, Goodhope facilitated a meeting between Aksenta and Remark Asia to mediate the handover of work and transfer of responsibilities. Remark Asia have since visited sites in the Ketapang region to verify the HCV assessments conducted by teams from Aksenta and remain on track to complete assessments and submit the final HCV assessment report to HCVRN at the end of October.

![Presentations and discussions on HCV assessment results and progress - 29th September](image1)

![Agreement / Handover meeting between Aksenta and Remark Asia - 5th October](image2)

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3. Verification of the Legal Compliance of PT Nabire Baru

A legal review entitled ‘Compliance of PT Nabire Baru with Environmental Permits’ was completed by Aidenvironment in September 2017 and the report has been circulated to concerned stakeholders. As agreed, Goodhope sought written confirmation verifying the governmental decisions made regarding the AMDAL/EIA (environmental permit) process of PT NB. A letter of confirmation has now been received from the Natural Resource and Environmental Management Agency (BAPSDALH) in Papua.

4. High Carbon Stock Approach for High Forest Landscape Project Proposal

Following a meeting with High Carbon Stock Approach (HCSA) Steering Group Co-Chairs last month, results of assessments at PT NB and PT SAP were presented at the HCSA Working Group Meeting in Kuala Lumpur, Malaysia on 25th September. The presentation – delivered by Alex Thorpe from Ata Marie – formed part of the proposal process for the consideration of a HCSA High Forest Landscape Project at PT NB and PT SAP.

Goodhope has clearly communicated to the Yerisiam Gua community who hold customary land rights over the license area that the company will not develop in any HCS, HCV, peat or Sago grown areas. However, Plasma Plantation Co-operatives request complete development of plasma areas irrespective of the outcome of the assessments. Clearly a compromise needs to be found.

The HCSA may assist the Company/Co-operatives to address key issues at the site and we hope that the site will be selected for a HCSA High Forest Landscape Project. The proposal will be considered by the HCSA Steering Group.

5. Yerisiam Gua Community Grievance Settlement Procedures

According to the agreed schedule for grievance settlement procedures via the RSPO Dispute Settlement Facility (DSF), a number of community and committee meetings were held to choose the Assessor to mediate Yerisiam Gua Community dispute settlement agreements. Following a series of meetings and discussions, the final decision on the selection of the assessors was announced on 22nd September. The selected assessor team comprises four experts and two indigenous local facilitators and is led by Mr. Mora Dingin who has extensive experience in mediation of customary land rights in West Sumatra and other regions in Indonesia. Ongoing grievance settlements will follow the agreed work plan for dispute settlement, employing two approaches: Rapid Land Tenure Assessment (RATA) and Dispute Pattern Analysis or Analisis Gaya Bersengket (AGATA). Further consultations and field verifications are due to commence from 23rd-26th October.
6. Upcoming Activities

Here we provide an outline of planned upcoming activities:

- Remark Asia will complete the verification of HCV assessments in the Ketapang region and the final HCV assessment report will be submitted to the RSPO Secretariat and to HCVRN.
- Final review of the HCV assessment report of PT NB and PT SAP will be completed for submission to the RSPO Secretariat and to HCVRN.
- Goodhope will present a review of policy requirements to suppliers, contractors and local communities at its operations in Central Kalimantan.
- We will continue to review assessments and our performance to identify priorities for improvements and to develop renewed management plans.
- Baseline assessments as part of the UNICEF Children Rights and Business Principles Palm Oil Program will be conducted at PT AICK and PT AWL.
- Yerisiam Gua Community Grievance Settlement Procedures will follow the agreed work plan for dispute settlement, with consultations and field verifications commencing from 23rd-26th October.

Next month, we look forward to presenting our activities in a new format with the launch of our Sustainability Journey Newsletter.

We look forward to continued engagement.

Thank you.

Yours Sincerely,

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