

GOODHOPE'S RESPONSE TO GREENPEACE PALM OIL ALERT BULLETIN

We appreciate Greenpeace's Palm Oil alert released recently. We are taking seriously all the concerns and input from stakeholders including Greenpeace. In addressing those concerns Goodhope have had several meetings with stakeholders including number of NGOs, our panel of consultants and Yayasan Pusaka in previous month. We would like to inform you about the progress we made in relation to concerns from highlighted in this bulletin:

1. With the help of EcoNusantara we are currently developing a new No Deforestation, No Peat-Land Development, No Human Exploitation (NDPE) Policies. The new policy will be published on April 17th 2017. Originally we were to publish this policy on or before 31st March 2017 but however we delayed as some NGOs wanted more time to comment due to their busy schedule. We have shared the draft policy with Greenpeace to get input and request a meeting with them. But, unfortunately Greenpeace decided to publish their bulletin and refused to meet us just one day before the bulletin was sent to traders and buyers. Please find the policy draft attached for your perusal. We also welcome your feedback on this draft.
2. Starting this April, we have commenced a collaboration with Ata Marie to do a full integrated assessment of HCS and HCV in our concession in Nabire. We will make sure that all the process in this assessment will fully comply with the HCSA standards. Presently they are carrying out their assessment in Nabire.
3. Prior to this publication we came to an agreement with Yayasan Pusaka and the Yeresiam local communities in Nabire that we are going to settle the dispute through the Dispute Settlement Facility (DSF) process in RSPO to find the fairest solutions for all parties.

We would like to make sure that we are doing our best to address our stakeholders' concerns in a transparent way to engage with other stakeholders.

The Greenpeace Palm Oil Alert 01/March 2017 implicates Goodhope Asia Holdings Ltd. (Carson Cumberbatch Group) by alleging that the company engaged in illegality, deforestation, peatland development and exploitation. Goodhope is very concerned by these allegations and has reached out to Greenpeace to address them. Here we outline some of the activities we have already undertaken as well as those in process, and Greenpeace was aware of some of them prior to publishing its report.

The allegation of illegality rests upon the timing of the issuance of the environmental impact assessment permit (AMDAL). Goodhope sought an AMDAL prior to commencing any activities in the PT Nabire area and regrets that the issuance of the permit was unnecessarily delayed. This process error, however unfortunate, does not constitute an illegal action as we subsequently received the delayed AMDAL which retroactively supported Goodhope's legal actions in the area. Goodhope would not be operating in the area had it not received a legally approved AMDAL. If Goodhope is presented with any evidence of illegality we will of course take prompt action to correct it. In relation with this allegation of illegality we will work with an independent third party to review the entire legal documents that we have obtained. We have requested feedback from concerned parties to recommend a suitable third party as we do not want this report again to be criticized.

The information in the bulletin, claiming conflicts with communities in Yerisiam, is out of date. The FPIC assessment that was conducted by LINKS found that both PT Nabire Baru and PT Sariwana Adi Perkasa were in line with the FPIC Guidelines 2008 applicable at the time. In addition, we also are in the process of recruiting an independent and credible consultant to carry out a peer-review on the FPIC assessment done by LINKS and, if needed, to conduct a more thorough FPIC assessment. Nonetheless, Goodhope has recently reached a voluntary agreement with Yayasan Pusaka to settle its complaint through a Dispute Settlement Facility (DSF), and currently awaiting appointment of an independent mediator by the RSPO Secretariat to be agreed by all concerned parties, in order to conclusively resolve any remaining issues in the area and avoid misunderstandings in the future.

Finally, with regard to deforestation, Goodhope is developing a new Sustainability Policy that we hope will set a new industry standard for No Deforestation, No Peatland Development, No Human Exploitation (NDPE) Policies. We are also in the process of establishing an action plan as a tool for stakeholders to monitor our commitment. This will be our action plan in conjunction with the publication of the policy NDPE on April 17th 2017. We have requested and are receiving feedback from business and civil society stakeholders, including Greenpeace, that eventually decided to publish the bulletin without accommodating our responses as formerly requested.

As highlighted before we have halted all of our land development activities for considerable time, however we have continued housing development for workers and some road development work. In light of this new sustainability commitment we have instructed the location to halt all activities until all these allegations are clarified. We have hired an independent and credible soil surveyor (Param Agricultural Soil Surveyors (M) Sdn. Bhd.) to conduct a soil survey in the area and are awaiting the final report. Field work of the soil surveyor has been completed. We will invite an independent peat expert to review the result of this study and will take all corrective actions, if needed as recommended by these consultants and over panel of sustainability experts.

Goodhope agrees with Greenpeace that while policies are important, implementation is more important than paperwork. We expect in the coming weeks, months, and years that our policies and actions shall establish Goodhope as a sustainability leader in palm oil and other commodities. We hope that Greenpeace and others work with us to ensure that our

Sustainability commitments are properly implemented.

We will continue to meet and discuss the Nabire project with local communities and other concerned stakeholders such as businesses, government agencies, the RSPO, and civil society organizations, including Greenpeace.

Should you wish to schedule a time to obtain more information from us, kindly contact: Edi Suhardi +62 81280268137 or email: edis@goodhope-id.com

Jakarta, 5th April 2017

A handwritten signature in black ink, appearing to read 'Edi Suhardi', with a stylized flourish at the end.

Edi Suhardi
Director Sustainability