



MONTHLY UPDATE – PROGRESS MADE UP TO 15TH JULY 2017 **Sustainability Journey**

This is the third monthly update on Goodhope's Sustainability Journey up to 15th July 2017 following the announcement of its sustainability policy on 5th May 2017. Goodhope is striving to implement policies and practices consistent with or exceeding the leading industry sustainability standards on No Deforestation, No Peat Development, No Human Exploitation and Supply Chain Traceability. Goodhope is committed to ensuring the full implementation of its new Sustainability Policy no later than May 2019.

Efforts to Address the RSPO's Precautionary Measures

Goodhope submitted two letters to the RSPO Complaints Panel on 26th May 2017. The first letter was pertaining to the timelines set for submission of NPP documents, and a request for the extension of the timelines. The second letter was regarding the request for an exception to build a mini palm oil mill in Nabire, Papua.

The company later informed RSPO that an extension of the timelines is not required as company managed to secure consultants to perform the assessments as required by RSPO. However, Goodhope continued to appeal for special exception under the Precautionary Approach to allow constructing a mini mill with the capacity of 15 MT/hour to be extended to 45 MT/hour.

The RSPO Complaints Panel responded in their letter dated 16 June 2017 with three conditions for an exception to be made, so Goodhope can begin construction of a mill at Nabire Baru.

These are:

1. Resolution to the Joint Comments received on the NPP Notification of PT Nabire Baru
2. Legal requirements, including licenses and permits required to construct the palm oil mill
3. Information on the planned dispatch of CPO.

On 21st June 2017, company sent a detailed response to RSPO secretariat on the above. However Complaints Panel (CP) is yet to meet and discuss on the response to this letter.

On 12 July 2017, a team from Goodhope accompanied by the consultant team met up with RSPO team in Kuala Lumpur to present the progress of Goodhope's efforts to fulfill the milestones as set by the RSPO's precautionary measures. During the meeting, the company also sought clarification on issues regarding the lifting of Precautionary Approach and the palm oil mill construction at PT Nabire Baru.



Consultation meeting with RSPO Secretariat

The meeting highlighted three action points:

- a. ***Requirements for the lifting of the precautionary approach.***
The RSPO Secretariat confirmed that the lifting is conditional on the actual completion of the milestones and timelines of respective company.
- b. ***Conditions relating to the construction of mill at Nabire Baru.***
The RSPO Secretariat reiterated the Complaints Panel's letter dated 16 June regarding the three conditions set and awaiting for the next CP meeting to submit our responses.
- c. ***Stakeholders engagement to lift the precautionary approach and resolve the complaints.***
Efforts are being made to build good rapport and mutual understanding with key stakeholders through a series of meetings and discussions to find a common ground and agreement on lifting the precautionary approach and complaints to the RSPO. Goodhope is advised to continue engaging the NGOs and document any communications and agreements.

Land Use Change Analysis, Re-Assessment of HCV & High Carbon Stock Assessment

Goodhope is working with credible independent parties to work on High Carbon Stock (HCS) assessment, Land Use Change Analysis (LUCA) and HCV re-assessment have been undertaken in Nabire, Papua and West Kalimantan (Ketapang Project and Sintang Project).

All concessions are expected to comply with the land clearing moratorium while credible assessments from reputable assessors such as Ata-Marie, Ekologika and Aksenta are underway.

Nabire: PT Nabire Baru & PT Sariwana Adi Perkasa (SAP)

Field assessments for LUCA and HCV re-assessment of PT Nabire Baru (NB) and PT Sariwana Adi Perkasa (SAP) in Nabire was conducted from the 1st to 20th of June 2017 by a team from Ekologika, a consulting firm in collaboration with Mr. Iwan Setiawan (a full licensed HCV Assessor) as the lead assessor, and Ata-Marie.

A coordination meeting was held on 5th July 2017 in Jakarta attended by Ekologika, Ata-Marie, Goodhope and Mr. Iwan Setiawan to reconcile all data and documents obtained from field assessment. The meeting discussed the framework on HCV and LUCA reporting for PT NB and PT SAP.



Coordination meeting of Ekologika, Aksenta, Ata-Marie and Goodhope on HCV re-assessment of PT Nabire Baru and PT Sariwana Adi Perkasa, Nabire on 5th July 2017

Ata-Marie has been working on HCS assessment of PT Nabire Baru and PT Sariwana Adi Perkasa in Nabire from 1st to 20th June 2017. Presently team is in the location completing their assessments.

A second public consultation on the outcome of HCS assessment and re-assessment of HCV of PT NB and PT SAP will be held in August 2017. The final report is scheduled to be completed in September 2017.

Following the completion of field verification on the soil survey and ground truthing, Ata-Marie and Ekologika met and discussed with Dr. Param, a reputed soil scientist, and Goodhope on 20th June 2017 in Jakarta to discuss the findings and analysis of soil data of PT Nabire Baru/PT SAP. Raw data and detail information of soil samples taken from the sites by Dr.Param were shared with Ata-Marie. The review report is scheduled to be completed in September 2017.



Coordination meeting of Ata-Marie, Ekologika, Param Agricultural Soil Surveys and Goodhope on detailed soil survey of PT Nabire Baru and PT Sariwana Adi Perkasa on 20th June 2017

Ketapang: PT Agrajaya Baktitama (AJB), Batu Mas Sejahtera (BMS) and Sawit Makmur Sejahtera (SMS)

Aksenta team led by the fully-licensed ALS lead assessor, Mr. Iwan Setiawan has been performing re-assessment of HCV and LUCA since June 11th in Ketapang Project covering three companies, namely PT Agrajaya Baktitama (AJB), Batu Mas Sejahtera (BMS) and Sawit Makmur Sejahtera (SMS).

The activities conducted in Ketapang Project consist of desktop study, focus group discussions, field observations, and public consultation.

The progress of assessments are highlighted below:

- Field assessment of HCV re-assessment at PT AJB was completed on 22nd June 2017.
- Public consultation is scheduled for early August 2017, which will be collectively held with PT BMS and SMS as the three plantations are located in the same region.
- HCV report of PT AJB will be finalized in September 2017, well ahead of the due date.
- Land Use Change Analysis of PT AJB is being finalized with the expected date of submission at end of July 2017.
- Field activities for re-assessment of HCV and LUCA of PT BMS and PT SMS commenced on 10th July 2017.



Opening meeting and Focus Group Discussion on 12th July 2017 in Sandai Village, Ketapang

- Ata-Marie is going to perform High Carbon Stock (HCS) assessment of PT AJB, PT SMS and PT. BMS in August 2017.

Sintang: PT Sumber Hasil Prima (SHP) & PT Sinar Sawit Andalan (SSA)

The initial plan to work with Daemeter in conducting the re-assessment of HCV, LUCA & HCS was cancelled due to their unavailability. Finally, Aksenta agrees to take up all assessments, including re-assessment of HCV, LUCA & HCS assessment of PT Sumber Hasil Prima (SHP) and PT Sinar Sawit Andalan (SSA) in Sintang, West Kalimantan.

Review of Legal Compliance and Conformity to NPP of PT Nabire Baru

Aidenvironment is conducting a thorough legal review of PT Nabire Baru which include gap assessment of permits and licenses, analysis on field operations and chronology of activities and compliance to applicable laws and industry standards. The report on the legal review is expected to be completed end of July 2017.



Second meeting with Aidenvironment to present the updates on compliance of PT Nabire Baru and landscape conservation in Ketapang on 23rd June 2017

A series of consultations with Aidenvironment as part of the legal compliance review and conformity to NPP of PT Nabire Baru have been undertaken since 22nd May 2017.

The second meeting was held on 23rd June 2017 with two main agenda. The first agenda is to update the progress of legal review of PT Nabire Baru. The second agenda is to present the progress of the landscape conservation plan in Ketapang and discuss programs which are relevant to the three Goodhope's companies in Ketapang, i.e., PT AJB, PT BMS and PT SMS.

Thank you,
Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Sanjaya Upasena', written over a horizontal line.

Sanjaya Upasena
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