

# Sustainability Journey

## Quarterly Report



## Foreword

More than six months into the COVID-19 pandemic, we continue to do all we can to sustain our business operations by maintaining safe and healthy workplaces and ensuring that the impacts of COVID-19 do not impede our efforts to uphold standards in sustainability.

We have had to adapt the way in which we work in response to COVID-19, implementing health protocols to protect our workforce, adopting remote engagement options and finding new solutions to ensure continued implementation of our commitments.

All locations monitor the health and wellbeing of employees and their families, and a task force is established to evaluate the risks due to COVID-19 and take swift decisions to prevent and control the disease. Such proactive action has helped all our operating units to be able to function without any business disruption. There are no recorded infections among employees and their families living in the company premises.

We continue to extend our support to local communities and local COVID-19 taskforces, providing assistance by donating face masks, basic needs packages and sets of Personal Protection Equipment (PPE).

Capacity building remains an important component of our sustainability programs and the use of digital platforms is proving to be an efficient and effective means of delivering capacity building and training activities.

Audits by RSPO accredited certification bodies have been performed both on site and remotely according to RSPO procedures as we continue our efforts to demonstrate verified compliance with RSPO standards for certification.

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Handwashing facilities and sanitizing stations at workplaces.



Rapid test for visitor to PT Agro Bukit Central Kalimantan.



Health and safety briefing to workers.



New light weight carbon fiber poles introduced for harvesting as part of efforts to continually improve safety.

## Maintaining Safe and Healthy Workplaces

It is our utmost priority to provide the necessary information, equipment and systems to protect our employees from hazards and prevent accidents, injuries and illness in the workplace. We do so by completing risk assessments to determine the risks of exposure to hazards and by ensuring that suitable preventive measures are implemented. Adopting this approach, we monitor the risks of COVID-19 throughout our operations and ensure that sufficient measures are taken to minimize the risk of the disease.

Our procedures to protect our employees from COVID-19 include:

1. Encouraging good hygiene, ensuring the availability of hand washing and hand sanitizing stations throughout our operations and regularly disinfecting workplaces and other commonly used areas in our estates.
2. The use of face masks, physical distancing practices and sufficient ventilation of indoor workspaces.
3. Health screenings, including regular checks of body temperature prior to entrance to estates and workplaces, controlled entrance and exit to and from estates and quarantine measures.
4. Monitoring the health and wellbeing of our employees and their families, provision of guidelines for employees that display symptoms and support to deal with any suspected case of COVID-19.

Adopting such precautions has enabled all our operating units to continue to function without any reported cases of COVID-19.

Further to addressing the risks of COVID-19, we continue to work towards improving safety performance as part of our Environmental and Occupational Health and Safety Systems.

Across all plantations and mills we routinely measure and evaluate key health and safety indicators (safety index) including the number of Lost Time Accidents; Lost Work Days; Total Reportable Incident Rate; Lost Time Accident Rate; Frequency Rate and Severity Rate.

We seek to maintain our fundamental target of zero fatalities and to achieve continued reduction in work-based accidents and illnesses. For the year 2019/20 we report a 12% reduction in the severity rate of work-based accidents when compared to 2018/19 while lost work days due to work-based injuries reduced by 17%.

Thorough evaluation of the causes of accidents allows us to ensure that appropriate actions are taken to address concerns and ensure the health and safety of our workforce. We are able to identify the main causes of All employees are encouraged to be aware of the hazards, attend safety trainings and briefings and take appropriate precautions to minimize risks. Safety awareness raising is also extended to employees' families and local community.



Inspection to check on environmental compliance at PT Nabire Baru Palm Oil Mill.



Training on good agricultural practices for independent smallholders.



Training on good agricultural practices for independent smallholders, 22<sup>nd</sup> September 2020 in Sampit.

## Mitigating Environmental Impacts

We work to ensure that measures to address and reduce the environmental impacts of our operations become increasingly embedded in our business activities. Our environmental management systems focus on reducing environmental impacts and improving of our environmental performance by:

1. Promoting environmental awareness;
2. Assessment and evaluation of environmental impacts;
3. Review of environmental objectives and targets;
4. Introduction of improved measures to address, reduce and remedy environmental impacts;
5. Monitoring performance against set indicators.

Our programs include:

- **Soil Conservation** measures to minimize soil erosion, prevent nutrient losses and mitigate peat subsidence.
- **Integrated Pest Management and Fertilizer Efficiency Programs** with targets to minimize and reduce the application of chemical pesticides and fertilizers.
- **Mitigation of Greenhouse Gas Emissions** with targets to decrease the intensity of emissions by 10% by 2022.
- **Waste Management** systems promoting reduce-reuse-recycle approaches including waste bank programs and plastic-free campaign.
- **Water Conservation** approaches to reduce water use and sustainably manage and protect water resources.
- **Energy Conservation** measures that improve energy efficiency and reduce energy use, waste and losses in all business operations.
- **Paperless Program** to reduce paper use by 76,162 pieces of paper/year.

- **Fire Mitigation** to control the occurrence of land fires in and around the vicinity of our concessions.
- **Forest Rehabilitation** to progressively restore the ecological functions of degraded habitats within our concessions when and where it is necessary and viable to do so.

### Promoting Positive Action by Suppliers

We aim to promote environmental sustainability and the avoided depletion of natural resources throughout our supply chain. As part of our efforts we regularly conduct training for independent smallholders. These trainings are very important to promote understanding and commitments to implement good agricultural practices.

Due to limited access to resources to facilitate a virtual meeting, and considering suggestions from independent smallholders, we recently conducted training for our partner smallholders in Sampit, Kotawaringin Timur. Topics of training included:

1. Mechanical land clearing and development (no burning)
2. Safe use of pesticide
3. Efficient use of fertilizers
4. Best practices to enhance agricultural productivity and increase crops yields.

## Remote Engagement Amid COVID-19 Pandemic

As the COVID-19 pandemic progresses, we are increasingly turning to remote engagement options whereby teaching, learning, discussions and even auditing is undertaken remotely and on digital platforms.

Through digital media we have been able to maintain engagement in dialogues with multiple stakeholders and participate in webinars as part of capacity building efforts to support continuous improvement of our practices. Such engagement is a very useful way to help identify solutions and support the implementation of new approaches to address challenges and promote improvements.

The use of digital technology is proving to be an efficient and effective means of delivering capacity building and training activities. The approach can take less time, save costs and cut carbon footprint from travel.

Regular online communication with stakeholders provides the means to reinforce expectations and requirements, build capacity, develop and implement coordinated management systems and maintain compliance. By promoting principles, values, commitments, goals and targets we drive collective action and co-operation in working towards the implementation of time-bound plans.

Goodhope continues to participate in multi-stakeholder meetings by the use of online systems.



Participants engage with trainers during our online course "Beekeeping as an alternative livelihood program". The course was co-organized by Environmental Leadership & Training Initiative (ELTI), Tropenbos Indonesia Program (TBI), Swaraowa and Goodhope.



RSPO Audit at PT Agro Indomas, Central Kalimantan, 26<sup>th</sup> July - 8<sup>th</sup> August 2020.



Sustainability Training for PT Agro Bukit team, 24<sup>th</sup> August 2020.



## Capacity Building for Beekeeping as an Alternative Livelihood Opportunity

Goodhope has partnered Environmental Leadership and Training Initiative (ELTI), Tropenbos Indonesia Program (TBI) and Swaraowa to promote beekeeping as an alternative livelihood opportunity among local communities around its plantations.

Following on from scoping visits to PT Agro Wana Lestari back in March 2018, the potential for beekeeping opportunities has been further explored as a community livelihood initiative with potential to support and contribute to conservation efforts. Initial capacity building activities conducted in 2019 introduced the cultivation of stingless bees as an opportunity to help build resilient livelihoods and support forest conservation efforts.

The knowledge gained from our initial training program has since been applied in several villages around Goodhope plantations. Desa Lanpasa, a village in Central Kalimantan has been particularly successful in adopting stingless bee cultivation techniques.

The cultivation of stingless bees is proving to be a simple way to provide an additional stream of income by the sale of honey. To further promote meliponiculture as a sustainable livelihood opportunity we have continued capacity building activities with an online training program.

The program was designed to provide managers of oil palm plantations and members of adjacent communities with the knowledge and skills needed to promote the cultivation of stingless bees and engage in meliponiculture.

The course was delivered by experts, Mr. Sidik Harjanto and Mr. Meiardhy Mujianto (both from Swaraowa) facilitated by (ELTI and Goodhope). The program comprised four thematic modules delivered over four weeks: Module 1: The basics of meliponiculture. Module 2: Stingless bee cultivation techniques. Module 3: Products and services. Module 4: Simulation of stingless bee farming.

A reference manual, entitled "Beekeeping of Stingless Bees to Strengthen Community Livelihoods," was also produced and made available to participants.

A total of 55 participants attended the online training including representatives from palm oil companies, local government (Seruyan Raya Subdistrict) and community groups. Many of the participants have since started practicing meliponiculture techniques at their respective home locations.

Our next collaborative training with ELTI and partner NGOs will be on nursery establishment and seedling propagation for forest restoration and rehabilitation. The training is designed for employees from oil palm plantations working on forest rehabilitation. Initially intended to be a field course, the event will be conducted online instead due to the COVID-19 pandemic. The training is scheduled for 14<sup>th</sup>-15<sup>th</sup> October 2020. Further details are available at [ELTI Events](#).



Online course "Beekeeping as an alternative livelihood program".



Cultivation of stingless bees around Goodhope's plantations.



Modified learning for students facing difficulties in accessing online learning systems.



Weekly home visit by teachers for students facing difficulties in accessing online learning systems.



Donation of face masks to communities and sets of Personal Protection Equipment (PPE) to the Ambalau local Covid-19 Task Force.



Basic food packages donated to support communities impacted by floods.

## Facilitating Continued Education

As schools remain closed, our students and teachers have adapted to new learning and teaching mechanisms as the internet, smartphones and laptops are being widely used to support distance learning for students during the COVID-19 pandemic.

Online methods of teaching have been introduced to replace teaching and learning activities from class, allowing students to continue their education through online learning and via video calls with their teachers.

However, the disruption of traditional education systems puts students from low-income families and rural areas at a disadvantage due to inequality in access to the necessary technology. Some students without reliable internet access and/or technology struggle to participate in digital learning.

Goodhope, via the Agro Harapan Foundation is doing all that it can to provide access to resources education with all available means and resources. For Junior High School students who are having difficulties in accessing online learning, we have introduced learning opportunities in small study groups outside of classrooms, in public areas with good air circulation, applying physical distancing protocols.

For those students who are having difficulties in accessing online learning, activities are conducted through weekly home visits. Our teachers are conducting weekly visits to the homes of several students to provide necessary updates and educational materials to facilitate continued learning.

## Contributions to Local Communities

During the COVID-19 pandemic, Goodhope continues to provide support to local communities and local COVID-19 taskforces by:

- Donations including face masks, basic food packages and sets of Personal Protection Equipment (PPE).
- Continued engagement to promote awareness relating to COVID-19 and the need for preventative measures.

Our programs help to support the basic needs of communities living in and around our concessions and mitigate impacts of the pandemic. During this difficult time, some of our local communities have faced dual challenges as they have become

victim to floods due to high intensity of rainfall in August and September 2020. In cooperation with local government and stakeholders, we have extended our support to assist local communities impacted by floods. Goodhope delivered basic food packages to the flood-impacted communities in a number of affected villages surrounding our companies in Central Kalimantan.

Despite subdued celebrations this year, Goodhope supported local villagers in commemorating Eid al-Adha Islamic holiday, distributing 700 gift packages to local communities from seven nearby villages.



Fire Awareness Training involving company workers, local communities and Village Government Officials.



Fire Drill and Fire Awareness with Local Communities and Officials.



Coordination with Manggala Agni to conduct fire patrol and fire awareness.

## Fire Mitigation Efforts

Goodhope has enforced its strict zero burning policy since 2010 and all plantation management units take measures to prevent and mitigate the threat of land-fires.

Our management procedures for land fire mitigation include stakeholder engagement, capacity building, monitoring and response protocols:

- We are fostering multi-stakeholder cooperation with government agencies, local communities, including establishment of KTPA (Kelompok Tani Peduli Api).
- Regular inspection of fire-fighting equipment is conducted to ensure that adequate fire-fighting equipment is available to extinguish fires.
- We make sure that fully trained emergency fire fighting response teams are on hand in all plantation sites and to ensure that the procedures for handling emergency fire situations are fully understood and properly implemented.
- Information from the ASEAN Specialized Meteorological Centre (ASMC) and Global Forest Watch (GFW) is used monitor the risk of potential wildfire and identify hotspots.
- Trained teams respond to any fire outbreaks within and in the vicinity of concessions.

Although the dry season in Indonesia is far less severe than that of 2019, we are facing pressing issues in West Kalimantan where the risk of land fire is heightened due to legalization of limited and controlled burning for traditional shifting cultivation (slash and burn farming).

The Governor of West Kalimantan has issued a Governor Decree No. 103, 2020 on Land Development for Farming to allow limited and controlled burning on up to 2 hectares of land per household. The Governor of Central Kalimantan issued similar decree on 4<sup>th</sup> August which allows burning of 1 ha per household and max 20 ha for a village in a day.

Slash-and-burn is a technique that has been long practiced by farmers in Indonesia to clear patches of land for agriculture. The farmers cut down part of the vegetation on a patch of land and then set fire to the remainder. The technique is an easy and cost-effective way for farmers to clear their land and the burning process also helps to get rid of any disease that may affect the future crops.

Given the legality of the practice, farmers in and around our West Kalimantan concessions have been increasingly taking advantage of dry conditions to clear vegetation by limited and controlled burning using the slash-and-burn method.

We have recorded 28 hotspots in August 2020 and 51 in September 2020 in and around our five West Kalimantan concessions. A considerable increase on the six fires that occurred last year in the same area and a direct result of the Government decree to allow limited and controlled burning. All fires in West Kalimantan were deliberately started by local farmers on their own land as part of slash and burn practices. We continue to engage with local stakeholders, closely monitor hotspots and fires, and ensure that any burning is kept under control.

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