

Sustainability Journey

Quarterly Report



Foreword

April marks the start of a new fiscal year for Goodhope and is the time to set new goals and performance targets as we continue to work towards fulfilling our sustainability commitments. The results of Environmental Health and Safety monitoring programs have been presented in our Annual Management Reviews and the performance evaluation has been used to set new targets for 2021/22.

As we enter the second year of the COVID-19 pandemic, we are looking to build on our achievements, learn from our setbacks and continue to improve our sustainability performance and make ever increasing progress towards realizing our vision: 1. Healthy Workforce; 2. Fully Engaged and Traceable Supply Chain; 3. Functioning Environmental Ecosystems; 4. Positive Impacts on Community Welfare.

Amid the constraints brought about by COVID-19, we have been able to sustain our business operations by adapting the way in which we work. We have stepped up to address the additional challenges, integrating precautionary measures to curb COVID-19 with the implementation of activities to uphold standards in sustainability.

In this issue of Sustainability Journey, we report on several key topics: 1. The implementation of measures to protect the health and wellbeing of our workers and maintain safe and healthy working environments, free from violence and harassment; 2. Contributions to community health; 3. Advancements in our education programs; 4. Efforts to promote diversified livelihoods to support income security and forest conservation; 5. Smallholder engagement to support the livelihoods of smallholder farmers and fulfil responsible sourcing commitments; 6. Fire preparedness ahead of the upcoming dry season in Indonesia; 7. Efforts relating to our commitment to transparency and accountability.

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Workplace Health and Safety



Spraying Team and Fertilizer Team Safety Inspection for the safe use of chemicals.



Employee COVID-19 rapid test.



Employee health exercises to provide motivation for the importance of maintaining health amid the COVID-19 pandemic.



New signboards serve as reminder for aspects of company policy and code of conduct, including the prohibition of bringing children to work, prohibition of sexual harassment, prohibition of domestic violence, and anti-corruption. A hotline number is publicized for reporting issues of concern.

Looking after the health and wellbeing of our staff is paramount, particularly with the continued risk of COVID-19.

We have in place well-established health and safety policies and procedures that align with industry, national and international standards and ensure that these are implemented consistently throughout our operations.

One of the most fundamental aspects of our health and safety programs is the implementation of regular safety briefings and inspections. In the first quarter of 2021, this has included:

1. Occupational Health and Safety Induction for new workers at our plantations.
2. Routine safety briefings and inspections to ensure that safe working methods are implemented. For example, our Environmental Health and Safety Teams provide direction to ensure sufficient protection for Harvesters, Spraying and Fertilizer Teams.
3. Driving Safety Briefing to CPO Drivers.
4. Emergency response training for mill workers.

To mitigate the risk of COVID-19, we continue to implement measures to prevent the disease and protect our workforce. This includes COVID-19 testing and quarantine compliance.

During the pandemic, we have placed additional emphasis on promoting and supporting healthy lifestyles, for example by the distribution of vitamins and coordinating exercises.

We are taking active measures to fulfill our commitments to maintain safe and healthy working environments, free from violence and harassment. In the first quarter of 2021 policies on the prohibition of bringing children to work, prohibition of sexual harassment, prohibition of domestic violence, and anti-corruption were re-socialized to workers. In parallel, we introduced improved procedures for the reporting of internal grievances.

The hotline number for reporting issues of concern is publicized on signboards around the plantations. Through this system, workers can report grievances with confidence that the report will be handled in a confidential, and timely manner without any form of retaliation.



Emergency Response Training at Sungai Binti Palm Oil Mill. February 2021.

Digital Library to Support Learning

A digital library has been developed by our Junior High School SMP Tunas Agro to support learning and the achievement of school goals. The searchable library provides digital resources such as e-books and serves as a source of teaching and learning activities.

The e-library enables access to up-to-date and relevant learning materials to support the education and teaching program in accordance with the objectives contained in the curriculum. It is intended to expand learning opportunities for students and facilitate enhanced knowledge in each field of study.

The library collection includes audio and video materials as well as fictional and factual books, magazine and newspaper publications. With the range of materials available, we hope to promote interest in reading and facilitate a culture of teaching and learning that encourages children to develop their talents and follow their interests.

The librarian of SMP Tunas Agro, Mr. Nopiar Rahman, has been named the number one school librarian of Central Kalimantan Province. He has introduced the e-library to adapt with new ways of learning.

The e-library was first introduced in 2020 using the customized library management system and later upgraded into a website. It can be accessed [here](#) or through the App Ganeca Digital.

Workshops on library management are being carried out to roll out new systems, including the e-Library, in our other schools.



Teacher visits allow teaching for small groups in designated public facilities (mosque, church, and playground).

Amid the COVID-19 pandemic, our schools have adopted remote learning as a delivery method for teaching. However, online learning is very hard for many students due to a number of reasons, such as lack of access to the appropriate gadgets and poor internet connection.

In the interest of ensuring equal learning opportunities for children, we have been combining online learning with limited face-to-face sessions conducted under COVID-19 protocols. Teachers have been visiting students and conducting teaching in small groups at a designated space. This has significantly helped students who are unable to reach their potential through online study programs.

As we enter the second year of the COVID-19 pandemic, we are pleased that the crisis has not impacted the number of the students enrolled at our schools and we look forwards to welcoming our students back to school when conditions allow.



e-Library from SMP Tunas Agro.



Teacher visits support online teaching during the COVID-19 pandemic.

Promoting the Diversification of Livelihoods

Goodhope continues to promote the diversification of livelihoods among the villages located in and around its concessions. By facilitating training programs on income-generating opportunities, we encourage households to adopt and maintain diverse livelihood portfolios. This diversification of livelihoods provides alternative income streams, other than relying on earnings from oil palm production. It is important both in the pathway to income security and to reduce the threats of encroachment on forest areas.

Goodhope has been influential in encouraging and supporting community interest in adopting with honey cultivation as an alternative stream of income (reported in previous issues of Goodhope's Sustainability Journey).

Following on from the success of the honey cultivation program, we recently presented another alternative livelihood opportunity - fungiculture.

Two of the most common species of mushroom in Indonesia are Oyster and Straw mushrooms. Oil palm plantations are a good location for mushroom production given the prevalence of organic materials that can serve as a growing medium for the mushrooms.

Through our established collaboration with Environmental Leadership and Training Initiative (ELTI) and Tropenbos Indonesia Program (TBI), we conducted online training to provide participants with all of the knowledge, skills, and techniques needed to engage in mushroom cultivation.



Oyster mushrooms.

The course provided information on cultivation techniques for Straw mushroom and Oyster mushroom, as well as marketing and distribution strategies. A reference booklet, entitled *"Introducing Oyster and Straw Mushroom Cultivation Techniques"*, was made available to participants.

A total of 53 participants attended the online training, the majority of which represented palm oil companies. The training was also attended by representatives from government institutions (SMKN 1 Bukit Santuai and SMKN 1 Danau Sembuluh), a community group (Desa Terawan), NGOs and consultants (PILI-Green Network, Ecotrop, Tropenbos Indonesia and Daemeter).

A WhatsApp group has been established so that participants can actively follow up with each other, as well as with the organizers. Some participants have already started practicing Oyster and Straw mushroom cultivation techniques. We will follow up the initial online training with further capacity building and monitoring activities as part of our alternative livelihood programs.



Introducing Oyster and Straw Mushroom cultivation techniques for communities around oil palm plantations: An online course co-organized by: Environmental Leadership & Training Initiative (ELTI), Tropenbos Indonesia Program (TBI), and Goodhope. 17th-18th February 2021.

Smallholder Engagement



Smallholder survey and mapping.



Locations of smallholder oil palm production areas mapped using Cadasta Platform 2.0.



Smallholder training (Farmer Field School).



Regular meeting with representatives of Cooperatives at PT Agro Bukit, Central Kalimantan.

We actively support independent smallholders by facilitating their inclusion into our supply chain and by promoting the implementation of practices to increase the productivity, profitability, and sustainability of smallholder supplied commodities. In doing so, we play an important role in supporting the livelihoods of smallholder farmers that supply FFB to our palm oil mills.

Our smallholder engagement program currently comprises two main objectives:

1. Smallholder survey and mapping to understand where the source of FFB is coming from.
2. Smallholder training to conduct training in Good Agricultural Practices (GAP).

In the first quarter of 2021, our efforts have focused on the supply to Sungai Binti Mill, PT Agro Bukit, Central Kalimantan. During smallholder survey and mapping, we work with collection centres, agents, or other intermediaries and engage with smallholders to attain geographical coordinates of FFB origins and other information about the land owned. We utilize Cadasta Platform 2.0, as an information management system for smallholder data collection.

Smallholder training continues to be conducted through the Farmer Field School (FFS) to provide information on basic agricultural practices. In the first quarter of 2021, the FFS program was conducted for suppliers to Sungai Binti Mill, Agro Bukit, Central Kalimantan. Responses from the participants were excellent and there are keen interests in joining the next phase of the program.

Our smallholder engagement activities are the starting point to form and strengthen collaboration with independent smallholders. We will adjust and update training materials as appropriate in the continuation of the FFS program to further encourage the adoption of better management practices for oil palm cultivation. This is fundamental to our commitment to maintaining a traceable and sustainable FFB supply chain.

Through our efforts, we work towards promoting increased FFB productivity and increased compliance to sustainability requirements. Furthermore, we support the potential for certification of independent smallholders (ISPO / RSPO).



Participants of Farmer Field School smallholder training, PT Agro Bukit, .

Fire Preparedness

Each dry season in Indonesia brings the threat of fires. To mitigate the risks, all plantation management units conduct engagement, capacity building, monitoring activities to ensure full preparedness to address the threat of land-fires.

One of the key elements for fire preparedness is having an effective early warning system. The use of satellite technology allows us to monitor hotspots and deploy staff for response on the ground to verify hotspots and control any fire. In 2021 we will be implementing a customized fire alert system to automatically deliver information on the location of hotspots.

Satellite monitoring is complimented by regular ground patrols and the use of fire towers and drones to check for fires. Trained teams are ready to respond to any fire outbreaks within and in the vicinity of concessions.

To prepare for effective fire prevention and control, we are fostering multi-stakeholder cooperation with local communities and government agencies and have participated in a number of coordination meetings in preparation for the upcoming dry season.



Visit by local government (Apel Siaga Kebakaran) to promote fire preparedness by PT SHP and PT SSA, Sintang Regency, West Kalimantan.

In February 2021, our companies in West Kalimantan cooperated with local authorities to prepare for the upcoming threat of land fires in the province. Annual coordination meeting with Seruyan Raya Subdistrict Fire Brigade Team and companies in the Seruyan Regency, Central Kalimantan, was held in March 2021 to promote collaborative action to prevent land fires. Awareness among those living and working in our concessions has been further promoted by socialization and appropriate signboards and banners.

In April 2021, representatives from Goodhope attended an event on fire monitoring and response led by regional police and local authorities in Balikpapan, East Kalimantan.



Cooperation between the Subdistrict Fire Brigade Team and Companies to prevent land fires in Seruyan Raya Subdistrict, Seruyan Regency, Central Kalimantan Province. March 2021.



Banners installed in PT AWL and PT KMS concessions, promoting collaborative action to address the threat of fires. March 2021.



Socialization and appeal to prevent forest and land fires, Sandai and Laur regional police. February 2021.



Participation in fire mitigation and response trainings organized by regional police. February 2021.



Coordination meeting in Balikpapan, East Kalimantan, on fire preparedness in the region and launching of hotspot monitoring and fire reporting. April 2021.

In cooperation with concerned local authorities, we have commenced community awareness training on early fire detection and response.

Our engagement with Manggala Agni (Forest Fire Response Team), Central Kalimantan in Palangkaraya has resulted in agreement on mutual partnership in fire response in our concessions. We also coordinate with community fire care teams (Masyarakat Peduli Api) for improved collaborative handling of the threat of land fires.

Our participation in joint training with village and sub-district government and local communities helps to ensure the availability of trained teams to respond to any fire outbreaks within and in the vicinity of concessions.



Community Fire Care Team (Masyarakat Peduli Api), Kecamatan Sepaku, East Kalimantan.



Participation in fire mitigation and response trainings to prevent land fires in Seruyan Raya Subdistrict, Seruyan Regency, Central Kalimantan Province.

Contributions to Community Health

Goodhope continues to invest in programs to improve the health of local communities around its concessions. Contributions include efforts to strengthen food security; continued improvement of public facilities and infrastructure; and campaigns to combat diseases.

We actively engage with community health services to more effectively address the health needs of local communities. Emphasis is on disease prevention and improving access to health care. In collaboration with local community health centres, we support the provision of immunization services and multivitamin supplements for children to promote the health and development of children.

In coordination with local governments, local COVID-19 taskforces and local communities, we support efforts to prevent and control COVID-19. This includes supporting and assisting the vital role of health workers in fighting COVID-19; donating medical equipment; personal protective equipment; and providing support for COVID-19 testing.

Our infrastructure projects support community health by improving public facilities and allowing better access to and from villages. Furthermore, we have long-term projects to strengthen food security. A collaborative program between Al-Azhar, PT Agro Indomas and PT RIM Capital, Central Kalimantan, teaches residents how to make use of the land around their house by growing fruits, herbs and vegetables. The program supports food security and self-sufficiency for families, and helps to promote healthy lifestyles with adequate nutrition.



Collaboration with community health services to provide multivitamins and vaccines for children.



Child immunization services at Tunas Agro 2 in collaboration with local community health centre.



Monitoring programs provide crucial data for transparency and continuous improvement.



Sustainable Palm Oil Transparency Toolkit (SPOTT assessment conducted by Zoological Society of London (ZSL)) scores the transparency of companies based on public disclosures of company organization, policies and practices related to environmental, social and governance (ESG) issues.

The SPOTT platform is a useful tool to monitor our ESG performance and drive continuous improvement.

In 2020, Goodhope scored 75.1% (ranking 17th out of 100 palm oil companies). The Goodhope SPOTT assessment can be accessed [here](#).

Year	Score	Rank
2018	67.2	#24 out of 70
2019	64.1	#20 out of 96
2020	75.1	#17 out of 100

Transparency and Accountability

A corporate culture of transparency and accountability is promoted to drive the implementation of sustainability programs through risk management, enhanced compliance, and continuous improvements.

In recent years, significant progress has been made towards making Goodhope a more effective, accountable and transparent Group through the public disclosure of information. We make efforts to report on our activities and performance in a timely way, providing accurate and complete information so that others can see and understand how we operate.

Fulfilling our commitment to transparency is essential to maintain our reputation as a well-respected and trusted company. It is important to meet the information needs of various stakeholders and provide opportunities for stakeholder feedback. It helps to drive ethical standards and is a pre-requisite for ensuring accountability for our actions. It also encourages more careful monitoring, evaluation and reporting, which in turn facilitates more effective coordination of on-ground actions.

Our monitoring, evaluation and reporting framework is fundamental to fulfilling our transparency commitments and is critical for making informed decisions regarding project management. We use various tools to monitor key indicators by regular data collection (through surveys, inspections, assessments and audits). This enables us to track progress by monitoring the resources, outputs and outcomes achieved.

Through the review and evaluation of monitoring results, we are able to identify gaps in existing practices and define actions and targets for continuous improvement.

As part of our good corporate commitments to be accountable, we provide information about our actions to align with and meet specific expectations. Furthermore, we recognize and accept sanctions for failing to meet these expectations.

Integral to upholding our commitments to transparency and accountability is our commitment to ethical standards in business practices and policies, including prohibition of corruption and bribery in all corporate conducts.

Our employees undergo mandatory training for understanding and following our anti-corruption and signing up to compliance statement with anti-bribery policies and expect them to report any instances they encounter.

Updated anti-bribery and anti-corruption policies were disseminated in February 2021 to provide information and guidance for our employees on how to recognize and prevent corruption or bribery issues and discourage all forms of conflicts of interest, manipulation, interference, coercion or intimidation.

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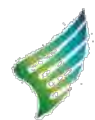
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