



Goodhope

SUSTAINABILITY POLICY IMPLEMENTATION

2018/19



*Transforming
Policy into
Practice*

2nd Management
Report



Contents

List of Abbreviations	3
Executive Summary	4
Section I.....	5
Introduction	5
1.1 Sustainability Commitments.....	6
1.2 Sustainability Policy Implementation Plan.....	7
Section II.....	18
Review of Sustainability Policy Implementation.....	18
2.1 Outline.....	19
2.2 Safeguarding HCV and HCS.....	30
2.3 Protection of Peatland	34
2.4 Fire Mitigation	35
2.5 Reducing Our Environmental Impact.....	36
2.6 Respecting Community Rights.....	39
2.7 Handling of Complaints, Grievances and Conflict Resolution.....	40
2.8 Promoting Community Empowerment	43
2.9 Smallholder Support.....	47
2.10 Supporting Worker Rights, Health and Well-Being	49
2.11 Traceability and Supplier Compliance.....	54
2.12 Transparency and Continuous Improvement in Sustainability Performance.....	56
2.13 Contributions from Consultants and Partner Organizations	60
Section III.....	65
Sustainability Roadmap	65
3.1 Strengthened Sustainability Management Framework.....	66
3.2 Roadmap for Full NDPE Compliance	701

List of Abbreviations

ALS	Assessor Licensing Scheme
AMDAL	Analisis Mengenai Dampak Lingkungan (Environmental Impact Assessment)
CB	Certification Body
CRU	Conflict Resolution Unit
DSF	Dispute Settlement Facility
EIA	Environmental Investigation Agency
FGD	Focus Group Discussion
FPIC	Free, Prior and Informed Consent
FPP	Forest Peoples Program
GHG	Greenhouse Gas
HCS	High Carbon Stock
HCSA	High Carbon Stock Approach
HCV	High Conservation Value
HCVRN	High Conservation Value Resource Network
ICLUP	Integrated Conservation and Land Use Plans
NDPE	No Deforestation, No Peat, No Exploitation
NGO	Non-Governmental Organization
NPP	New Planting Procedure
P&C	Principles and Criteria
PPE	Personal Protective Equipment
PT ABCK	Agro Bukit Central Kalimantan
PT AICK	Agro Indomas Central Kalimantan
PT AIEK	Agro Indomas East Kalimantan
PT AJB	Agrajaya Baktitama
PT AWL	Agro Wana Lestari
PT BMS	Batu Mas Sejahtera
PT KMS	Karya Makmur Sejahtera
PT NB	Nabire Baru
PT RCCK	Rim Capital Central Kalimantan
PT SAP	Sariwana Adi Perkasa
PT SHP	Sumber Hasil Prima
PT SMS	Sawit Makmur Sejahtera
PT SSA	Sinar Sawit Andalan
RSPO	Roundtable on Sustainable Palm Oil
SIA	Social Impact Assessment

Executive Summary

Goodhope Asia Holdings Ltd. (Goodhope) operates in the oil palm plantation and processing industry and supports sustainable production and trade. The Group manages 130,700 hectares of oil palm concessions (69,244 hectares planted area) across four provinces in Indonesia (Central Kalimantan, East Kalimantan, West Kalimantan and Papua). Our six palm oil mills in Indonesia provide a total processing capacity of 450 tonnes of fresh fruit bunches (FFB) per hour for the production of Crude Palm Oil (CPO) and Palm Kernel. Palm kernel solvent extraction capabilities at the Group's manufacturing facilities in Malaysia allow for the production of specialty oils and fats.

The Group is committed to implementing sustainable management practices across its operations in compliance with Roundtable on Sustainable Palm Oil Principles and Criteria (RSPO P&C).

To guide actions towards the fulfilling our sustainability commitments, we have in place a Sustainability Management Framework that incorporate the aims and objectives of our Sustainability Policy Implementation Plan (SPIP).

This report provides an account of our Sustainability Policy implementation activities under the framework of our SPIP (June 2018). The report is divided into three sections:

Section I. Introduction - Background relating to Sustainability Policy Principles and Sustainability Policy Implementation Plan.

Section II. Review of Sustainability Policy Implementation - Summary of implementation activities that contribute towards meeting the aims of our SPIP and next steps in the development of our sustainability approach.

Section III. Sustainability Roadmap - Summary of our Strengthened Sustainability Management Framework and roadmap to achieving full compliance with .

Additional information can be found in our monthly reports 'Sustainability Journey' in which we provide relevant updates on the implementation of our sustainability commitments.

Furthermore, biannual Third Party Sustainability Assessments are completed by the consultancy firm Environmental Resources Management (ERM) providing an external evaluation of Goodhope's performance relating to the implementation of sustainability commitments.

Section I.

Introduction

1.1 Sustainability Commitments

Goodhope is committed to implement sustainable oil palm plantation management practices, including the principles of No Deforestation, No Peatland Development, and No Exploitation (NDPE). These commitments are outlined in the Group’s Sustainability Policy launched on 5th May 2017.

Table 1. Sustainability Policy Principles

Environmental Sustainability: Protecting Biodiversity	<ol style="list-style-type: none"> 1. No development on High Carbon Stock (HCS) areas 2. No development on High Conservation Value (HCV) areas 3. No development on peat 4. Zero burning and fire prevention 5. Reducing environmental impact and protecting biodiversity
Social Responsibility: Community Engagement	<ol style="list-style-type: none"> 6. Respect of land tenure rights and the requirement for FPIC 7. Handling of complaints, grievances & conflict resolution 8. Community empowerment through CSR programs 9. Actively support smallholders and facilitate their inclusion into the supply chain
Work Environment: Respecting Rights	<ol style="list-style-type: none"> 10. Supporting worker rights, health and well-being 11. Zero tolerance for child labor, forced labor, or bonded labor
Transparency Traceability and Supplier Engagement	<ol style="list-style-type: none"> 12. Creation of a fully transparent and traceable supply chain 13. Supplier due diligence and grievance mechanism 14. Continuous Improvement 15. Monitoring Evaluation and Reporting

The policy applies to all operations of Goodhope, including all of our mills, refineries and plantations as well as the associates and third party suppliers, with whom we work with. Since the launch of the policy in May 2017, we have been working towards its full implementation, including a fully transparent and traceable supply chain to the mill and plantation for all levels, subsidiaries, associates and third party buyers and suppliers (including smallholders).

1.2 Sustainability Policy Implementation Plan

To guide efforts to fulfill our commitments, we have in place a Sustainability Policy Implementation Plan (SPIP).

- Our first SPIP was published alongside our Sustainability Policy on 5th May 2017. This initial plan defined key aims and objectives for policy compliance and provided a framework for more detailed action plans to guide our activities.
- Our second SPIP was published in our Sustainability Policy Implementation Report June 2018. The aims and objectives (Table 2) were defined according to the terms of our policy statements and our progress towards meeting the aims set out in our first implementation plan. An implementation checklist (Table 3) was established as outlining the necessary assessments, management plans, procedures, capacity building activities, monitoring and evaluation processes and reporting requirements to meet the aims and objectives.

Under our Sustainability Management Framework we work to ensure that our operational procedures align with the highest standards in sustainability and will continue to develop and implement adaptive management plans, to continuously improve and enhance the way we undertake our business operations.

Table 2. Sustainability Policy Implementation Plan June 2018: Aims and Objectives

Commitments	Aims	Objectives
<p>Safeguarding HCV and HCS <i>Goodhope will ensure there is no conversion of High Carbon Stock (HCS) forest areas, and will conserve any HCS forests within its license areas. We will ensure that comprehensive HCS Assessments are carried out by accredited bodies before land clearing or new development, that the assessments are subject to peer review as prescribed by the HCS Steering Group, and that assessment results are made public. We will protect all forests and areas consistent with the HCS Approach or a successor approach whose standards and methodologies represent the highest industry standards for sustainability.</i></p> <p><i>Goodhope will ensure there is no conversion of High Conservation Value (HCV) land within its license areas. We will ensure that comprehensive HCV Assessments are carried out by accredited bodies before land clearing or new development, that the assessments are subject to peer review as prescribed by the High Conservation Value Resource Network (HCVRN), and that assessment results are made public.</i></p> <p><i>To achieve successful forest conservation, Goodhope will engage with local communities to safeguard HCV and HCS areas while recognizing the rights of local communities. We will take strong action to protect native animals and plants, especially threatened and endangered species. The poaching, hunting, capturing, extracting and trafficking of wild animals on our areas are prohibited. However, we will respect the rights of indigenous peoples to engage in traditional and customary forms of hunting which are sustainable and we will work with them to ensure there is a designated time, place and manner for such hunting and that it is legal, noncommercial, and does not threaten ecosystems or harm threatened and endangered species.</i></p>	<p>1. To develop integrated conservation and land use plans (ICLUP) for proposed new developments.</p> <p>2. To implement conservation management and monitoring programs to safeguard High Conservation values and High Carbon Stock Forest.</p>	<p>1.1 Conduct training on HCV, HCSA, ICLUP and management and monitoring approaches for employees, community representatives and local government officials as a capacity building initiative to enable effective implementation of the management and monitoring plans.</p> <p>1.2 Continue focus group discussions and participatory mapping with local communities to finalize conservation and land-use plans and establish participatory management and monitoring agreements that are developed collaboratively and formally agreed with communities.</p> <p>2.1 Disseminate information on specific HCVs, e.g. cultural values and protected species) and communicate agreed regulations and prohibitions for HCV protection.</p> <p>2.2 Establish monitoring teams and routines to monitor flora and fauna, to better enforce regulations and record illegal activities and to monitor the cultural / recreational values identified in HCV assessments.</p> <p>2.3 Implement initiatives to mitigate conflict between humans and wildlife where necessary (according to monitoring and evaluating the occurrence of human-wildlife conflict).</p>

Table 2. Sustainability Policy Implementation Plan June 2018: Aims and Objectives

Commitments	Aims	Objectives
<p>Protection of Peatland <i>Goodhope will not conduct any new development on peat land and will utilize best management practices for existing plantations on peat. We will work with experts, stakeholders, and communities to assess existing plantations on peat and ensure that the best management practices as defined by the RSPO and peat experts are adopted. For these purposes, we define peat soil as having more than 65% organic matter.</i></p>	<p>3. To evaluate the management of existing plantations on peat and review and revise our procedures to ensure that best management practices as defined by the RSPO and peat experts are adopted.</p>	<p>3.1 Appoint assessors / personnel to map peatland areas where boundaries are not yet clear. 3.2 Review and revise the procedures implemented for management of oil palm on peatland to ensure alignment with best management practices (implementation of water management and monitoring system). 3.3 Develop responsible replanting plans.</p>
<p>Fire Mitigation <i>Goodhope will maintain its strict zero burning policy, which is enforced without exception, across all operations including subsidiaries, associates and third party suppliers. Goodhope will thus strive to maintain best practices to mitigate the risk of fires by providing adequate firefighting resources on site; developing and strengthening firefighting capacity; and conducting drills and exercises on a regular basis to ensure the preparedness of employees. We will also work with surrounding villages to raise awareness of the dangers of wildfires and develop response and emergency plans.</i></p>	<p>4. To implement Fire Awareness Programs for employees and local communities to mitigate the outbreak of fires and to improve fire response and emergency plans.</p>	<p>4.1 Ensure regular inspection of fire-fighting equipment 4.2 Conduct timely fire-fighting training / fire awareness programs including regular drills for employees. 4.3 Review our fire-fighting response procedures and introduce improved processes, including establishing and maintaining emergency fire response teams. 4.4 Deliver community fire awareness programs (annually during the dry season). 4.5 Produce annual reports on the occurrence of fire hotspots and firefighting response.</p>
<p>Reducing Our Environmental Impact <i>Goodhope will progressively moderate the environmental impact of plantation operations, including actions that reduce greenhouse gas emissions. We will utilize best agronomic practices on soil, waste, and pest management and promote these practices within our supply chain and the broader industry. We prohibit the use of paraquat and pesticides with similar negative ecological impacts, and will utilize integrated pest management systems that do not rely on pesticides with significant adverse classifications by the World Health Organization, Stockholm Convention, or Rotterdam Conventions. In the rare instances when there is a specific and urgent need to use such pesticide, we will disclose its application and work with stakeholders and experts to identify ways to avoid future applications</i></p>	<p>5. To implement mitigation plans to progressively reduce the environmental impact of our operations, and maintain a comprehensive system for the monitoring and evaluation of environmental impacts.</p>	<p>5.1 Complete GHG assessments and develop GHG emissions mitigation plans incorporating reducing the use of inorganic fertilisers, reducing fuel consumption, carbon sequestration, waste reduction and recycling, and methane capture plans. 5.2 Emphasize waste reduction measures in all procedures and promote the reduce, reuse and recycle philosophy among employees by communication of the campaign. 5.3 Map where restoration / rehabilitation is required and establish habitat restoration / rehabilitation plans. 5.4 Ensure that key measurements for environmental monitoring (such as BOD, COD, TSS, air ambience) are regularly conducted by third party. 5.5 Develop an integrated monitoring database for recording key indicators relating to soil quality, emissions and water quality.</p>

Table 2. Sustainability Policy Implementation Plan June 2018: Aims and Objectives

Commitments	Aims	Objectives
<p>Respecting Community Rights <i>Goodhope will fully respect land tenure rights and the rights of indigenous peoples and local communities to give or withhold their Free, Prior, and Informed Consent (FPIC) to operations on lands to which they hold legal, communal or customary rights. Prior to commencing a new operation, we will implement the international best practices for FPIC and ensure full conformity with the law. We respect and support the Universal Declaration of Human Rights, the UN Declaration on the Rights of Indigenous Peoples, the UN Guiding Principles on Business and Human Rights, the International Labour Organization Conventions, the UN Food and Agriculture Organization’s Voluntary Guidelines on the Responsible Governance of Tenure, and all relevant national and local laws.</i></p>	<p>6. To meet our obligations to respect the rights of local communities and to implement adequate community engagement processes to enable communities to either give or withhold their consent to integrated conservation and land-use plans.</p>	<p>6.1 Deliver adequate information in a language which is easily understood by the public including providing informative material in hardcopy and enable sufficient opportunities for inputs and questions together with clarification and corporate answers. 6.2 Maintain regular scheduled meetings between community representatives and company personnel and implement a ‘Community Communication System’ for additional communications and information exchange. 6.3 Conduct stakeholder engagement and Participatory Mapping to obtain further information on the social profiles of local communities, the use and potential use of natural resources, and the extent of social risks. 6.4 Develop and implement plans to meet plasma obligations. 6.5 Conduct training on FPIC, the HCSA Social Requirements and relevant guidelines on Human Rights for staff, community representatives and local government officials to promote implementation of these requirements. 6.6 Ensure the availability of SOPs for FPIC and stakeholder engagement on site in a language that can be easily understood by employees and conduct a measurable evaluation and monitoring of the implementation of SOPs.</p>
<p>Handling of Complaints, Grievances and Conflict Resolution <i>Goodhope will promote and support responsible and amicable resolution of conflicts with all parties. We will work with relevant stakeholders to ensure fair and mutually agreed settlement is reached with the complaint, grievance and/or the conflict. We will make adequate documentary evidence of the settlement reached and that will be accessible to all the stakeholders. We will establish a grievance panel and procedure consisting of corporate’s representative that has authority to settle disputes, engage and address concerns raised by NGOs, local communities, government and RSPO.</i></p>	<p>7. To further improve our capacity to handle complaints and to work with relevant stakeholders to ensure fair and mutually agreed settlement is reached to resolve grievances.</p> <p>8. To improve transparency relating to grievances, including providing up-to-date information on the complaint and resolution processes and progress.</p>	<p>7.1 Investigate each complaint independently with the involvement of relevant stakeholders, and develop roadmaps that set out in detail how the issues that have been raised will be addressed and resolved fairly, involving stakeholders in decision-making processes. 7.2 Monitor grievances and dispute resolution and to allow evaluation and review. 7.3 Develop mediation skills for relevant members of staff involved in handling grievances. 7.4 Invite candidates to serve as independent actors for any grievance-related investigations when necessary.</p> <p>8.1 Maintain a Grievance Database. 8.2 Provide regular updates on the status of grievances that can be accessed publicly.</p>

Table 2. Sustainability Policy Implementation Plan June 2018: Aims and Objectives

Commitments	Aims	Objectives
<p>Promoting Community Empowerment <i>Goodhope will continue to develop and implement local community development and empowering programmes in and around our operating locations. We will develop these programmes through open, constructive and collaborative discussions with local communities and relevant government authorities. We aim to bring in sustainable livelihood development to the communities around us.</i></p>	<p>9. To develop collaborative and integrated community empowerment programs that support our environmental stewardship commitments and that aim to improve the education, welfare and wellbeing of people living in and around our operating locations.</p>	<p>9.1 To ensure adequate infrastructure and teaching support for schools within and surrounding plantation areas (hiring of teachers and admin assistants; teacher and admin training; education materials and improved facilities for schools: new kindergartens; new classrooms / school improvements; new school buses). 9.2 Accreditation of schools. 9.3 To 'educate for sustainability' by working with teachers and relevant organisations to promote sustainability initiatives in schools: conservation; reduce, reuse and recycle programs; 'Health and Safety goes to Schools' program; health and nutrition; sustainable livelihood approaches. 9.4 Communicate with local communities and governments to contribute to maintaining and enhancing community infrastructure and facilities (e.g. road improvement and water systems etc). 9.5 Introduce renewable energy initiatives where possible (solar panels and hydropower). 9.6 Extend employee health services to also serve nearby local communities and implement appropriate programs (family planning, HIV-AIDS, anti-drugs, eyecare, TB prevention, malaria prevention). 9.7 Develop plans with partner organisations to deliver community education and awareness programs on sustainable agriculture, recycling and re-use, alternative income generating activities). 9.8 Collect and analyse information on key socio-economic indicators through a combination of participatory community meetings and an open-ended survey based on semi-structured interviews (welfare impact assessment) to attain insight into the actual impacts of the company's operations on the welfare of local communities. 9.9 Develop and implement adaptive management plans according to the evaluation of welfare impact assessments.</p>

Table 2. Sustainability Policy Implementation Plan June 2018: Aims and Objectives

Commitments	Aims	Objectives
<p>Smallholder Support <i>Goodhope actively supports smallholders by sharing best practices, providing educational and technical assistance, and facilitating their inclusion into our supply chain. We engage with smallholders in a fair, transparent and accountable manner to improve yields and increase the sustainability of our supply chain. We will form greater partnerships with them in order to effectively implement this policy and find ways to increase the productivity, profitability, and sustainability of smallholder supplied commodities.</i></p>	<p>10. To develop and implement a Smallholder Support Program to actively support smallholders and facilitate their inclusion into our supply chain by capacity building.</p>	<p>10.1 Develop informative material for smallholders including yield improvement and best practice techniques. 10.2 Develop and implement a smallholder engagement plan to include dissemination of information and smallholder evaluation. 10.3 Seek opportunities for collaboration to support Smallholder programs.</p>
<p>Supporting Worker Rights, Health and Well-Being <i>Goodhope recognizes and respects the rights of all workers, including contract, temporary and migrant workers. Goodhope and its suppliers will fully comply with all national and local laws and standards including those on health and safety, working hours, minimum wage and overtime. We will protect workers from exposure to occupational health and safety hazards that pose a risk of illness, injury or death. We will also maintain consistent and accessible records of worker hours and wages. Further, Goodhope respects the rights of all workers to collectively bargain and create or join trade unions of their choice and accordingly Goodhope will not resort to any measure of union busting and intervention or threat to trade union that would put the independence of such unions at risk. In instances where laws limit the rights of workers to freely associate and collectively bargain, we will work to identify and provide comparable means of associating and bargaining consistent with the law. Goodhope is committed to nonviolence and has a zero tolerance policy for child labor, forced labor, or bonded labor throughout our operations. We allow workers to maintain control over their identity documents. We strive to conduct business in a fair and ethical manner and promote a safe and healthy working environment. We do not tolerate corruption or bribery and discourage all forms of conflicts of interest that could undermine this policy.</i></p>	<p>11. To continue to set clear standards for occupational health and safety performance and to ensure that appropriate actions are taken to mitigate risks.</p>	<p>11.1 Establish a comprehensive induction program for all new employees and to provide adequate briefings and training sessions to ensure that each individual has the necessary information and skills they need to safely carry out their tasks at work. 11.2 Ensure the provision of proper personal protective equipment (PPE) for all employees and visitors, and ensure all contractors workers also use their own PPE. 11.3 Promote improved health and safety check systems and improved systems for accident reporting and investigation incorporating an Accident / Near Miss Hotline. 11.4 Continue to evaluate performance by Safety Index measurements and stakeholder monitoring, and continue to implement relevant action plans for health and safety improvement.</p>
	<p>12. To promote the application of relevant guidelines on Human Rights.</p>	<p>12.1 Conduct training on Human Rights guidelines and regulations for management staff and worker representatives to promote implementation of these requirements. 12.2 Develop and implement action plans to promote human rights, including better addressing the rights of women workers and their children:- maternity protection, breastfeeding and childcare, health and nutrition, WASH, living conditions, childcare centres, and child protection.</p>

Table 2. Sustainability Policy Implementation Plan June 2018: Aims and Objectives

Commitments	Aims	Objectives
<p>Supplier Traceability and Compliance <i>Goodhope will create a fully transparent and traceable supply chain down to the level of plantation and inclusive of the smallholders. The company commits to demonstrate full traceability for all commodities to the mill and plantation level, including from all subsidiaries, associates and third party suppliers before 4th May 2019.</i></p> <p><i>All Goodhope's direct operations, subsidiaries and associates will implement this policy immediately, and for our third-party suppliers we will enforce this policy with immediate effect, however to be compliant progressively but no later than 4th May 2019. We understand some suppliers may take time to comply with our policies and we are committed to help them implement our policies in accordance with clear timelines.</i></p> <p><i>Goodhope will not source from suppliers who do not take immediate action to comply with this policy, will cease to do business with suppliers found to be in serious violation of this policy at any time, and will under no circumstances source from suppliers who have not fully complied with this policy by 4th May 2019.</i></p> <p><i>We will develop new engagement policies and robust procedures to ensure that Goodhope, its subsidiaries and its third-party suppliers comply with this procedure in future. Complaints and conflicts in relation to this policy will be resolved through an open, transparent, and accountable grievance mechanism.</i></p>	<p>13. To develop improved monitoring systems to trace the supply of FFB.</p> <p>14. To implement a comprehensive supplier engagement plan, delivering awareness and training sessions to ensure that all suppliers have sufficient understanding of NDPE policy, and facilitating supplier reviews to evaluate compliance.</p>	<p>13.1 Review and where appropriate revise our procedures for monitoring FFB supply to our mills. 13.2 Provide information and training on new monitoring systems.</p> <p>14.1 Maintain full lists of all suppliers. 14.2 Establish a supplier engagement plan and produce informative material for communicating the policy. 14.3 Establish a system for conducting supplier evaluations by working with credible independent third parties to audit / verify compliance of our suppliers. 14.4 Provide feedback and guidance to suppliers as relevant, including guidance on how to improve sustainability practices and compliance (providing informative material and training).</p>

Table 2. Sustainability Policy Implementation Plan June 2018: Aims and Objectives

Commitments	Aims	Objectives
<p>Transparency and Continuous Improvement in Sustainability Performance <i>We will consult, collaborate and build stronger partnerships with governments, communities, industry partners and other stakeholders on the implementation of these policies. We will actively support efforts to integrate these policies into government policies and laws. We welcome feedback from stakeholders and opportunities to advance these policies in a more collaborative and impactful manner.</i></p> <p><i>We commit to evaluate and report our performance regularly against this policy in a transparent manner. We will communicate and report on progress under this policy once a year.</i></p>	<p>15. To continue to monitor and evaluate policy implementation, communicate our performance and progress, and invite independent and credible experts to peer-review our sustainability performance.</p>	<p>15.1 Improve integration of sustainability commitments by better organisation of the sustainability department and distribution of management roles and responsibilities.</p> <p>15.2 Maintain regular Sustainability Management Review Meetings.</p> <p>15.3 Maintain a record of activities and status updates on policy implementation.</p> <p>15.4 Maintain an Integrated Sustainability Monitoring System for key indicators and use this for our Sustainability Dashboard.</p> <p>15.5 Finalize the design and content for a new website and continue to maintain and improve the website for better communication with public.</p> <p>15.6 Implement a stakeholder engagement program on policy commitments and report on performance and progress with regards to policy implementation.</p> <p>15.7 Maintain an organized and integrated document control system comprising a document / data storage system and designated person responsible in the SPU office and in the Regional Office.</p> <p>15.8 Maintain a document review system and keep up-to-date on relevant standards, RSPO P&C etc. to identify updates that will need to be incorporated into our Sustainability Policy and related operational policies, procedures and management plans.</p> <p>15.9 Work with credible independent third party (ERM) to assess the implementation and performance of our sustainability policy.</p> <p>15.10 Ensure evaluation of performance assessments and monitoring results to develop and implement adaptive management plans and corrective action plans to address risks and close any gaps in compliance.</p> <p>15.11 Develop and implement a Certification Plan (incorporating RSPO; ISPO; OHSAS 180001; ISO 14001; PROPER; PUP).</p>

Table 3. Sustainability Policy Implementation Checklist

	Assessments prior to new plantings	Management Plans	Procedures	Capacity Building	Monitoring and Evaluation	Reporting
Safeguarding HCV-HCS	<ul style="list-style-type: none"> • HCV Assessment. • HCS / HCSA Assessment. 	<ul style="list-style-type: none"> • Stakeholder Engagement Program for the development of land-use and conservation plans. • Conservation and Land-Use Plan (map of HCV and HCS areas and list of the HCVs). • Participatory Management and Monitoring Agreements. • HCV-HCS Management and Monitoring Plan. 	<ul style="list-style-type: none"> • Conservation management and monitoring procedures. 	<ul style="list-style-type: none"> • Training and Development Program on Conservation Management. • HCV signboards and other informative material for conservation education and awareness. • Conservation initiatives for schools. 	<ul style="list-style-type: none"> • Records of public consultations including participatory mapping. • Records of HCV-HCS management and monitoring activities. • Monitoring data for HCV, HCS: biodiversity, illegal activities, social and cultural values, carbon stock. 	<ul style="list-style-type: none"> • HCV Assessment Report. • HCS / HCSA Assessment Report. • Regular updates at the local and site-wide level. • Annual HCV-HCS Management and Monitoring Reports based on the analysis of monitoring data.
Protection of Peatland	<ul style="list-style-type: none"> • Soil survey. 	<ul style="list-style-type: none"> • Map of peatland. • Peatland Management and Monitoring Plan. • Responsible Replanting Plan. 	<ul style="list-style-type: none"> • Procedures for management of oil palm on peat. 	<ul style="list-style-type: none"> • Management Training on Best Management Practices for Existing Oil Palm Cultivation on Peat. • Informative material for conservation education and awareness. 	<ul style="list-style-type: none"> • Planting data. • Record of peat management activities. • Monitoring data for peatland. 	<ul style="list-style-type: none"> • Soil Survey Report. • Peatland Protection Report: management reports with monitoring results.
Zero Burning and Fire Prevention	<ul style="list-style-type: none"> • Historical Fire Hotspot Assessment (HCV Assessment). 	<ul style="list-style-type: none"> • Fire Mitigation Plan. 	<ul style="list-style-type: none"> • Fire mitigation procedures. 	<ul style="list-style-type: none"> • Employee Fire Awareness and Training Program. • Community Fire Awareness and Training Program. • Fire Awareness Posters. 	<ul style="list-style-type: none"> • Record of fire awareness activities and training sessions held. • Fire hotspot monitoring. • Fire equipment check. • Monitoring fire response. 	<ul style="list-style-type: none"> • Report on fire occurrence and response.

Table 3. Sustainability Policy Implementation Checklist

	Assessments prior to new plantings	Management Plans	Procedures	Capacity Building	Monitoring and Evaluation	Reporting
Reducing our Environmental Impact	<ul style="list-style-type: none"> • GHG Assessment. • Environmental Impact Assessment. 	<ul style="list-style-type: none"> • GHG Emissions Management and Mitigation Plan. • Fertilizer Efficiency Plan. • Integrated Pest Management Plan. • Waste Reuse-Reduce Recycle Plan. • Management Plan for the Rehabilitation of Riparian Reserves. • Environmental Compliance and Certification Plan (including ISO 14001 and PROPER). 	<ul style="list-style-type: none"> • Environmental monitoring procedures. • Agronomy procedures. • Steps for the mitigation of environmental impact incorporated into all procedures as relevant. 	<ul style="list-style-type: none"> • Staff Training and Development Program on Mitigating Environmental Impacts and Environmental Compliance. • Environmental Campaigns at schools: Natural Resources Conservation, Energy Conservation, Waste Reuse-Reduce Recycle. • Signs and posters: Natural Resources Conservation Campaign, Energy Conservation Campaign, Waste Reuse-Reduce Recycle Campaign. 	<ul style="list-style-type: none"> • Calculation of GHG emissions using RSPO PalmGHG Calculator. • Record of fertilizer, pesticide and herbicide application. • Integrated Environmental Monitoring and Evaluation System for recording key indicators relating to soil quality, emissions, water quality (river, ground water, waste water and treated water). 	<ul style="list-style-type: none"> • GHG assessment for new plantings. • Environmental Impact Report. • GHG emissions annual audit summary report. • Environmental monitoring report.
Respecting Community Rights	<ul style="list-style-type: none"> • Social Impact Assessment. • Land Tenure Study: Maps showing the extent of recognized legal, customary or user rights developed through participatory mapping. • Legal Compliance Assessment. 	<ul style="list-style-type: none"> • Social Impact Management Plan. • Community Engagement Program for the development of land-use and conservation plans. • Plan for the Realization of the Plasma Program. • Land Legal Compliance Plan. 	<ul style="list-style-type: none"> • Land acquisition procedures, including land compensation procedure, following FPIC processes. • Stakeholder engagement and stakeholder analysis procedures, including participatory mapping. • Recognition of the need to respect community rights incorporated into all procedures as relevant. • Procedures for monitoring social impacts. 	<ul style="list-style-type: none"> • Sustainability commitments leaflet. • Training on FPIC, the HCSA Social Requirements and relevant guidelines on Human Rights for staff, community representatives and local government officials. • Community forum. 	<ul style="list-style-type: none"> • Community welfare / Social Impact monitoring and evaluation. • Documentation of socialization activities and records of feedback / questions and answers. • Records of FPIC processes and copies of negotiated agreements. • Monitoring of plasma development. • Record of land acquisition processes and evidence of compliance with relevant legal requirements. 	<ul style="list-style-type: none"> • Social Impact Assessment Report. • Report on the implementation of HCSA Social Requirements. • Regular updates on Realization of the Plasma Program.

Table 3. Sustainability Policy Implementation Checklist

	Assessments prior to new plantings	Management Plans	Procedures	Capacity Building	Monitoring and Evaluation	Reporting
Handling of Complaints, Grievances & Conflict Resolution		<ul style="list-style-type: none"> Management Plan for Improved Grievance Handling and Dispute Settlement. 	<ul style="list-style-type: none"> Negotiation procedures. Grievance Handling and Dispute Settlement Procedures. 	<ul style="list-style-type: none"> Employee training in mediation. Dissemination of revised grievance procedure statements. 	<ul style="list-style-type: none"> Minutes of Meetings and other information and documentation on grievances inputted into Grievance Database. Evaluation of grievances, including causes and solutions. 	<ul style="list-style-type: none"> Monthly updates on the status of grievances.
Community Empowerment (CSR)	<ul style="list-style-type: none"> Social Impact Assessment. 	<ul style="list-style-type: none"> Education Strategy. Community Economic Empowerment Plan. Management Plan for Community Health Program. Management Plan for Community Infrastructure Support Program. 	<ul style="list-style-type: none"> CSR Handbook. 	<ul style="list-style-type: none"> Educational programs to promote sustainability initiatives at schools. Health Awareness Program. Information and training promoting alternative sustainable livelihoods. 	<ul style="list-style-type: none"> Community welfare / Social Impact monitoring and evaluation. Monitoring of education programs: teachers, students, school facilities. 	<ul style="list-style-type: none"> Monthly CSR Reports. Welfare Impact Assessment Report with scores, analysis and adaptive management implications.
Smallholder Support		<ul style="list-style-type: none"> Smallholder Engagement Plan (support program). 	<ul style="list-style-type: none"> Smallholder engagement procedures. 	<ul style="list-style-type: none"> Dissemination of information and training to support smallholders, including yield improvement, best practice techniques. 	<ul style="list-style-type: none"> Record of smallholder engagement. Results of smallholder surveys. 	<ul style="list-style-type: none"> Report on smallholder support program.
Worker Rights, Health and Well-Being	<ul style="list-style-type: none"> Social Impact Assessment. Environmental Impact Assessment. 	<ul style="list-style-type: none"> Occupational health and safety improvement plan. Occupational health and safety certification plan (OHSAS 180001). Action plan to promote labor rights. 	<ul style="list-style-type: none"> Ethical Employment procedures and procedures to protect human rights in the workplace, including procedures to prevent child labour, forced and trafficked labour, non-discrimination and protection from sexual harassment. Safety precautions incorporated in all procedures. 	<ul style="list-style-type: none"> Health and Safety Signboards. Health and Safety Training for employees. Promote system for health and safety checks, and accident reporting and investigation. Dissemination of information promoting labor rights. Training on relevant guidelines on Human Rights. 	<ul style="list-style-type: none"> Social Impact monitoring and evaluation. Labor management documents. Record of employee training. Monitoring and Evaluation of Safety Performance Index. Employee survey. Health and safety risk assessment. 	<ul style="list-style-type: none"> Safety Performance Report. Report on promoting human rights in the workplace.

Section II.

Review of Sustainability Policy Implementation

2.1 Outline

Our Summary of Sustainability Policy Implementation 2018/19 (Table 4, Pages 20-28) provides a brief summary of implementation activities aligned with our SPIP objectives.

Brief Implementation Reports (pages 29-54) provide an additional overview of the advances made over the period June 2018/19. We provide reports for each of our commitments as follows:

Safeguarding HCV and HCS.....	Error! Bookmark not defined.
Protection of Peatland.....	Error! Bookmark not defined.
Fire Mitigation	Error! Bookmark not defined.
Reducing Our Environmental Impact	Error! Bookmark not defined.
Respecting Community Rights.....	40
Handling of Complaints, Grievances and Conflict Resolution	41
Promoting Community Empowerment	Error! Bookmark not defined. 4
Smallholder Support	Error! Bookmark not defined.
Supporting Worker Rights, Health and Well-Being	50
Traceability and Supplier Compliance.....	Error! Bookmark not defined.
Transparency and Continuous Improvement in Sustainability Performance.....	Error! Bookmark not defined.

Additional information can be found in our regular reports 'Sustainability Journey' in which we provide relevant updates on the implementation of our sustainability commitments.

Furthermore, biannual Third Party Sustainability Assessments are completed by the consultancy firm Environmental Resources Management (ERM) providing an external evaluation of Goodhope's performance relating to the implementation of sustainability commitments.

Table 4. Summary of Sustainability Policy Implementation 2018/19

Commitments	Aims	Objectives	Implementation Activities	
Safeguarding HCV and HCS	1. To develop integrated conservation and land use plans (ICLUP) for proposed new developments.	1.1 Conduct training on HCV, HCSA, ICLUP and management and monitoring approaches for employees, community representatives and local government officials as a capacity building initiative to enable effective implementation of the management and monitoring plans.	1.1. In progress Training and socialization activities for employees and local communities related with High Conservation Values and High Carbon Stock Forest conducted by both company and consultants.	
		1.2 Continue focus group discussions and participatory mapping with local communities to finalize conservation and land-use plans and establish participatory management and monitoring agreements that are developed collaboratively and formally agreed with communities.	1.2 In progress FPIC FGD regarding ICLUP conducted by consultants as part of HCSA assessments. Further collaborative partnerships have been formed with consultants to continue engagement with the local communities to develop participatory conservation management and monitoring plans.	
	2. To implement conservation management and monitoring programs to safeguard High Conservation values and High Carbon Stock Forest.	2.1 Disseminate information on specific HCVs, e.g. cultural values and protected species) and communicate agreed regulations and prohibitions for HCV protection.	2.1 In progress a. Sozialisation HCV/HCS area to the worker, contractor, and staff b. Consultation with Local Government (Dinas LH, BKSDA, etc) c. Awareness to the local school/students related with HCV/HCS	b. Installation and Maintenance Signboard and Poles of HCV/HCS Area
			2.2 Establish monitoring teams and routines to monitor flora and fauna, to better enforce regulations and record illegal activities and to monitor the cultural / recreational values identified in HCV assessments.	2.2 In progress a. Identification and Deliniation of HCV/HCS Area b. Threat Identification to HCV/HCS Area c. Monitoring Biodiversity include Key Species d. Landcover/Deforestation Monitoring
		2.3 Implement initiatives to mitigate conflict between humans and wildlife where necessary (according to monitoring and evaluating the occurrence of human-wildlife conflict).	2.3 In progress Engagement with communities and regular inspections/monitoring as a means to prohibit any interaactions between humans and wildlife that result in a negative impact on wildlife populations.	
Protection of Peatland	3. To evaluate the management of existing plantations on peat and review and revise our procedures to ensure that best management practices as defined by the RSPO and peat experts are adopted.	3.1 Appoint assessors / personnel to map peatland areas where boundaries are not yet clear.	3.1 Completed Soil surveys completed by third party consultants for identification and delineation of peatland areas.	
		3.2 Review and revise the procedures implemented for management of oil palm on peatland to ensure alignment with best management practices (implementation of water management and monitoring system).	3.2 In progress a. In depth study of existing plantation on peat and plan for improvement to maintain water level. b. Hydrology study for getting accurate hydrology data and relocation of “ombro” meter at precise location to capture representative rain data.	

Commitments	Aims	Objectives	Implementation Activities
			<p>c. Installation of conventional water level monitoring in adequate location and set a plan to install data logger.</p> <p>d. Agronomy procedures were revised to adopt the newest standards.</p>
		3.3 Develop responsible replanting plans.	<p>3.3 In progress</p> <p>PT AICK Replanting plan has been drafted.</p>
Fire Mitigation	4. To implement Fire Awareness Programs for employees and local communities to mitigate the outbreak of fires and to improve fire response and emergency plans.	4.1 Ensure regular inspection of fire-fighting equipment.	4.1 Routinely implemented Inspection of fire equipment continues regularly at each location/PT on a monthly basis. This periodically inspection is organized by EHS unit.
		4.2 Conduct timely fire-fighting training / fire awareness programs including regular drills for employees.	4.2 and 4.3 Routinely implemented with capacity for improvement a. Employee fire awareness as well as fire drill is implemented twice in a year according to corporate procedure. b. Evaluation of processes for dealing with landfires.
		4.3 Review our fire-fighting response procedures and introduce improved processes, including establishing and maintaining emergency fire response teams.	
		4.4 Deliver community fire awareness programs (annually during the dry season).	4.4 Routinely implemented with capacity for improvement Community fire awareness is scheduled annually and fire awareness programs have been expanded to schools, teachers and emplacements.
		4.5 Produce annual reports on the occurrence of fire hotspots and firefighting response.	4.5 In progress Hotspot occurrence is continually monitored and reported during the dry season: Agro Harapan Lestari Sustainability Team manages the monitoring and reporting, making communications to sites in case of hotspot happening in their area. Individual incident reports are routinely completed. We plan to produce collated annual reports to allow evaluation for improvement.

Commitments	Aims	Objectives	Implementation Activities
Reducing Our Environmental Impact	5. To implement mitigation plans to progressively reduce the environmental impact of our operations, and maintain a comprehensive system for the monitoring and evaluation of environmental impacts.	5.1 Complete GHG assessments and develop GHG emissions mitigation plans incorporating reducing the use of inorganic fertilisers, reducing fuel consumption, carbon sequestration, waste reduction and recycling, and methane capture plans.	5.1 In progress a. GHG management monitoring in all units. b. LUCA-GHG assessment in all immature units by third parties c. Remediation plan of immature sites d. Regular monitoring on AMDAL indicator
		5.2 Emphasize waste reduction measures in all procedures and promote the reduce, reuse and recycle philosophy among employees by communication of the campaign.	5.2 In progress a. Implement Waste Bank Program b. Promote the environmental awareness in emplacement area c. Review and revision of Procedures
		5.3 Map where restoration / rehabilitation is required and establish habitat restoration / rehabilitation plans.	5.3 In progress Assessments and engagement with stakeholders to identify and map the areas in need of rehabilitation. Implementation of best practice in rehabilitationsareas.
		5.4 Ensure that key measurements for environmental monitoring (such as BOD, COD, TSS, air ambiance) are regularly conducted by third party.	5.4 Routinely implemented a. Regular data taken by UNILAB Environment Engineer b. Regular reporting to local government
		5.5 Develop an integrated monitoring database for recording key indicators relating to soil quality, emissions and water quality.	5.5 In progress Systems are in place to monitor soil, emissions and water quality with aims for review and revision to develop improved integrated systems.
Respecting Community Rights	6. To meet our obligations to respect the rights of local communities and to implement adequate community engagement processes to enable communities to either give or withhold their consent to integrated conservation and land-use plans.	6.1 Deliver adequate information in a language which is easily understood by the public including providing informative material in hardcopy and enable sufficient opportunities for inputs and questions together with clarification and corporate answers.	6.1 In progress We have improved our communication log book through a new grievance mechanism, which will able to record and accomodate all correspondencies with community.
		6.2 Maintain regular scheduled meetings between community representatives and company personnel and implement a 'Community Communication System' for additional communications and information	6.2 In progress Ad hoc and regular meetings have been held by our site team, including socialization and dissemination activities, monthly plasma cooperatives meeting, and meetings with community

Commitments	Aims	Objectives	Implementation Activities
		exchange.	representatives. We aim to develop an improved 'Community Communication System' through the introduction of Community Forums.
		6.3 Conduct stakeholder engagement and Participatory Mapping to obtain further information on the social profiles of local communities, the use and potential use of natural resources, and the extent of social risks.	6.3 In progress Stakeholder engagement and Participatory Mapping has been conducted as part of HCS assessments, HCV assessments and SIA. Further scoping studies are planned at landscape level.
		6.4 Develop and implement plans to meet plasma obligations.	6.4 In progress Plasma partnership agreements have been negotiated and established; the company continues to seek solutions to meet plasma obligations.
		6.5 Conduct training on FPIC, the HCSA Social Requirements and relevant guidelines on Human Rights for staff, community representatives and local government officials to promote implementation of these requirements.	6.5 In progress Goodhope has participated in a number of stakeholder meetings and forums by the UN Global Compact Network to gain further understanding and insight into how to implement Business and Human Rights Principles. Internal trainings are scheduled and issues will further be communicated with the introduction of an improved 'Community Communication System' / Community Forums.
		6.6 Ensure the availability of SOPs for FPIC and stakeholder engagement on site in a language that can be easily understood by employees and conduct a measurable evaluation and monitoring of the implementation of SOPs.	6.6 In progress SOPs are available and are assessed upon third party audits. Improvements in internal monitoring and evaluation.
Handling of Complaints, Grievances and Conflict Resolution	7. To further improve our capacity to handle complaints and to work with relevant stakeholders to ensure fair and mutually agreed settlement is reached to resolve	7.1 Investigate each complaint independently with the involvement of relevant stakeholders, and develop roadmaps that set out in detail how the issues that have been raised will be addressed and resolved fairly, involving stakeholders in decision-making processes.	7.1 In progress Goodhope has continued to follow appropriate steps to resolve exdisting grievances. We have improved our Grievance mechanism process and continue to introduce further improvements by closely working with Daemeter Consulting, particularly on how to better involve stakeholders in decision-making processes.

Commitments	Aims	Objectives	Implementation Activities
	grievances.	7.2 Monitor grievances and dispute resolution and to allow evaluation and review.	7.2 In progress Communication Log Books have been used to record cases of grievances and improved monitoring processes have been introduced as part of the revised Grievance handling SOP. We continue to seek ways to implement a strengthened Grievance Monitoring mechanism.
		7.3 Develop mediation skills for relevant members of staff involved in handling grievances.	7.3 Completed Individuals from Goodhope Sustainability Team have been involved and participated at Mediation training and workshop organized by the CRU and Pusat Mediasi Nasional (PMN).
		7.4 Invite candidates to serve as independent actors for any grievance-related investigations when necessary.	7.4 In progress Independent experts and social practitioners in our External Independent Grievance Committee Unit provide advice on conflict resolution. Furthermore, our updated grievance handling procedures shall include improved procedure for the introduction of third party intervention in grievance resolution.
	8. To improve transparency relating to grievances, including providing up-to-date information on the complaint and resolution processes and progress.	8.1 Maintain a Grievance Database.	8.1 In progress We continue to seek ways to implement a strengthened Grievance Monitoring mechanism.
		8.2 Provide regular updates on the status of grievances that can be accessed publicly.	8.2 In progress We have provided monthly updates on the progress in resolving our public RSPO complaints and moving forward will provide a public list of grievance cases.
	Promoting Community Empowerment	9. To develop collaborative and integrated community empowerment programs that support our environmental stewardship commitments	9.1 To ensure adequate infrastructure and teaching support for schools within and surrounding plantation areas (hiring of teachers and admin assistants; teacher and admin training; education materials and improved facilities for schools: new kindergartens; new classrooms / school improvements; new school buses)

Commitments	Aims	Objectives	Implementation Activities
	and that aim to improve the education, welfare and wellbeing of people living in and around our operating locations.	9.2 Accreditation of schools.	9.2 Routinely implemented Managed by Agro Harapan Foundation in cooperation with the local Education Institution.
		9.3 To 'educate for sustainability' by working with teachers and relevant organisations to promote sustainability initiatives in schools: conservation; reduce, reuse and recycle programs; 'Health and Safety goes to Schools' program; health and nutrition; sustainable livelihood approaches.	9.3 In progress We have started to promote the sustainability and safety lifestyle perspective to our children as part of their lessons at school.
		9.4 Communicate with local communities and governments to contribute to maintaining and enhancing community infrastructure and facilities (e.g. road improvement and water systems etc).	9.4 Routinely implemented We have cooperated with community on several joint programs, such as road improvements and Clean Water development.
		9.5 Introduce renewable energy initiatives where possible (solar panels and hydropower).	9.5 Not yet started The introduction of renewable energy initiatives among surrounding communities will be encouraged by the company.
		9.6 Extend employee health services to also serve nearby local communities and implement appropriate programs (family planning, HIV-AIDS, anti-drugs, eyecare, TB prevention, malaria prevention).	9.6 In progress We have established medical clinics and collaborations with community health centres. Contributions include the provision of free health check ups and family planning assistance. We continue to make efforts to extend the reach of our programs.
		9.7 Develop plans with partner organisations to deliver community education and awareness programs on sustainable agriculture, recycling and re-use, alternative income generating activities).	9.7 In progress We have developed partnerships with organisations such as Perbanas University, IDH Sustainable Trade Initiative and Swara Owa to promote sustainable livelihood initiatives.
		9.8 Collect and analyse information on key socio-economic indicators through a combination of participatory community meetings and an open-ended survey based on semi-structured interviews (welfare	9.8 Not yet started Efforts in the assessment and monitoring of community welfare are to be revived with an updated set of community welfare indicators for assessment and monitoring.

Commitments	Aims	Objectives	Implementation Activities
		impact assessment) to attain insight into the actual impacts of the company's operations on the welfare of local communities.	
		9.9 Develop and implement adaptive management plans according to the evaluation of welfare impact assessments.	9.9 Not yet started We intend to develop and implement adaptive management plans according to the evaluation of welfare impact assessments.
Smallholder Support	10. To develop and implement a Smallholder Support Program to actively support smallholders and facilitate their inclusion into our supply chain by capacity building.	10.1 Develop informative material for smallholders including yield improvement and best practice techniques.	10.1 In progress Goodhope is in the process of considerably expanding training opportunities provided to independent smallholders. This is made possible through our collaboration with Daemeter and increased engagement with smallholders. Our regular trainings for plasma cooperatives continue to support administration and sustainable economic empowerment.
		10.2 Develop and implement a smallholder engagement plan to include dissemination of information and smallholder evaluation.	10.2 In progress As above. Smallholder evaluations will be conducted in coordination with engagement processes including the dissemination of relevant information.
		10.3 Seek opportunities for collaboration to support Smallholder programs.	10.3 Completed Goodhope has partnered with Daemeter to support our smallholder engagement programs and smallholder certification plans are supported by RSPO.
Supporting Worker Rights, Health and Well-Being	11. To continue to set clear standards for occupational health and safety performance and to ensure that appropriate actions are taken to mitigate risks.	11.1 Establish a comprehensive induction program for all new employees and to provide adequate briefings and training sessions to ensure that each individual has the necessary information and skills they need to safely carry out their tasks at work.	11.1 In progress Improved integrated induction for new worker in plantation units including Environment, Health and Safety Aspects.
		11.2 Ensure the provision of proper personal protective equipment (PPE) for all employees and visitors, and ensure all contractors also use their own PPE.	11.2 Routinely implemented with capacity for improvements We continue to promote improvements in the supply and regulation of the use of PPE.

Commitments	Aims	Objectives	Implementation Activities
		11.3 Promote improved health and safety check systems and improved systems for accident reporting and investigation incorporating an Accident / Near Miss Hotline.	11.3 In progress We conduct regular safety briefings, safety inspection, and near miss reporting and continue to promote improvements to the systems.
		11.4 Continue to evaluate performance by Safety Index measurements and stakeholder monitoring, and continue to implement relevant action plans for health and safety improvement.	11.4 Routinely implemented Safety Monitoring is routinely conducted, calculating Accident Frequency rate, Severity Rate and Safety index reported and presented each month in EHS Monitoring Report and Presentation.
	12. To promote the application of relevant guidelines on Human Rights.	12.1 Conduct training on Human Rights guidelines and regulations for management staff and worker representatives to promote implementation of these requirements.	12.1 In progress Goodhope has participated in a number of stakeholder meetings and forums by the UN Global Compact Network to gain further understanding and insight into how to implement Business and Human Rights Principles. Internal trainings are scheduled.
		12.2 Develop and implement action plans to promote human rights, including better addressing the rights of women workers and their children:- maternity protection, breastfeeding and childcare, health and nutrition, WASH, living conditions, childcare centres, and child protection.	12.2 In progress We continue to promote human rights in policies and procedures and have gained understanding and insight into how to better addressing the rights of women workers and their children through projects and forums by Unicef and UN Global Compact Network.
Supply Chain Traceability and Third Party Compliance	13. To develop improved monitoring systems to trace the supply of FFB.	13.1 Review and where appropriate revise our procedures for monitoring FFB supply to our mills.	13.1 In progress Revisions to SOP of Acceptance and Monitoring Responsible Fresh Fruit Bunches (FFB) suppliers.
		13.2 Provide information and training on new monitoring systems.	13.2 In progress Goodhope is using the Cadasta platform for mapping smallholders. Training on the use of Cadasta 2.0 platform was conducted in March 2019 and further training will be delivered for Traceability Teams.
	14. To implement a comprehensive supplier engagement plan,	14.1 Maintain full lists of all suppliers.	14.1 In progress List of all suppliers has been maintained by PVO refinery and FFB procurement teams. We are working to ensure that we maintain full

Commitments	Aims	Objectives	Implementation Activities
	delivering awareness and training sessions to ensure that all suppliers have sufficient understanding of NDPE policy, and facilitating supplier reviews to evaluate compliance.	<p>14.2 Establish a supplier engagement plan and produce informative material for communicating the policy.</p> <p>14.3 Establish a system for conducting supplier evaluations by working with credible independent third parties to audit / verify compliance of our suppliers.</p> <p>14.4 Provide feedback and guidance to suppliers as relevant, including guidance on how to improve sustainability practices and compliance (providing informative material and training).</p>	<p>datasets including locations of mills and plantations.</p> <p>14.2 In progress Supplier engagement continues in collaboration with Daemeter Consulting.</p> <p>14.3 and 14.4 Not yet implemented Our collaboration with Daemeter Consulting will provide assistance for developing a system for conducting supplier evaluations against the requirements of NDPE.</p>
Verification and Continuous Improvement in Sustainability Performance	15. To continue to monitor and evaluate policy implementation, communicate our performance and progress, and invite independent and credible experts to peer-review our sustainability performance.	<p>15.1 Improve integration of sustainability commitments by better organisation of the sustainability department and distribution of management roles and responsibilities.</p> <p>15.2 Maintain regular Sustainability Management Review Meetings.</p> <p>15.3 Maintain a record of activities and status updates on policy implementation.</p> <p>15.4 Maintain an Integrated Sustainability Monitoring System for key indicators and use this for our Sustainability Dashboard.</p>	<p>15.1 In progress Goodhope continues to work on re-structuring and re-defining roles and responsibilities and developing new systems and processes to support integration and implementation of sustainability commitments.</p> <p>15.2 Routinely implemented a. Annual management review meetings b. Quarterly board meetings c. Regional Office Sustainability meetings at least once a month.</p> <p>15.3 In progress Records are maintained with plans to improve our monitoring and reporting systems.</p> <p>15.4 In progress We continue to seek ways to make use of improved integrated monitoring systems with the aim to track performance against set indicators aligned with our sustainability goals.</p>

Commitments	Aims	Objectives	Implementation Activities
		15.5 Finalize the design and content for a new website and continue to maintain and improve the website for better communication with public.	15.5 Implementation of alternative objective in progress Decision has been made by Goodhope Board of Directors to retain the existing website and to progressively introduce improvements into the existing framework.
		15.6 Implement a stakeholder engagement program on policy commitments and report on performance and progress with regards to policy implementation.	15.6 In progress a. Monthly and annual reports on the progress of policy implementation have been produced. b. Plans to implement improved 'Community Communication Systems' are underway.
		15.7 Maintain an organized and integrated document control system comprising a document / data storage system and designated person responsible in the SPU office and in the Regional Office.	15.7 In progress Control of record procedure has been revised with the introduction of Site Document Controllers and Regional Data Controller.
		15.8 Maintain a document review system and keep up-to-date on relevant standards, RSPO P&C etc. to identify updates that will need to be incorporated into our Sustainability Policy and related operational policies, procedures and management plans.	15.8 Routinely implemented Document review system is yet to be incorporated into SOP but is routinely conducted by Agro Harapan Lestari Sustainability Team.
		15.9 Work with credible independent third party to assess the implementation and performance of our sustainability policy.	15.9 Routinely implemented ERM have been contracted to conduct biannual reviews of performance in Goodhope Sustainability Policy implementation.
		15.10 Ensure evaluation of performance assessments and monitoring results to develop and implement adaptive management plans and corrective action plans to address risks and close any gaps in compliance.	15.10 Routinely implemented Audit results and performance results are used for continuous improvement.
		15.11 Develop and implement a Certification Plan (incorporating RSPO; ISPO; OHSAS 18001; ISO 14001; PROPER; PUP).	15.11 Routinely implemented Certification Plan is in place, implemented and updated.

2.2 Safeguarding HCV and HCS

Aims:

- To develop integrated conservation and land use plans (ICLUP) for proposed new developments.
- To implement conservation management and monitoring programs to safeguard High Conservation values and High Carbon Stock Forest.

Implementation Report 2018/19

Draft conservation and land-use plans along with HCV/HCS management and monitoring recommendations are available as a result of HCV and HCSA assessments. The relevant assessments have been conducted by accredited consultants at each of our new development sites: PT Nabire Baru (NB), PT Sariwana Adi Perkasa (SAP), PT Agrajaya Baktitama (AJB), PT Batu Mas Sejahtera (BMS), PT Sawit Makmur Sejahtera (SMS), PT Sinar Sawit Andalan (SSA) and PT Sumber Hasil Prima (SHP). HCV assessments were completed by HCVRN ALS registered assessors as per our commitment to use only HCVRN ALS registered assessors. Each assessment has passed the HCVRN Quality Panel Review process with satisfactory status and assessments are publicly available.

Public HCV Assessment Reports (available on [HCVRN website](#)):

- [PT Nabire Baru HCV Assessment Report](#)
- [PT Sariwana Adi Perkasa HCV Assessment](#)
- [PT Sinar Sawit Andalan and PT Sumber Hasil Prima HCV Assessment Report](#)
- [PT Agrajaya Baktitama, PT Batu Mas Sejahtera and PT Sawit Makmur Sejahtera HCV Assessment Report](#)

Public HCS Assessment Reports (available on [HCSA website](#)):

- [PT Nabire Baru and Sariwana Adi Perkasa HCSA Assessment Report](#)
- [PT Agrajaya Baktitama, PT Batu Mas Sejahtera and PT Sawit Makmur Sejahtera HCSA Assessment Report](#)

Training and socialization activities relating to HCV, HCSA, ICLUP and management and monitoring approaches have been delivered, communicating our commitments to promote understanding among stakeholders.

- In June 2018, more than 170 employees of PT Nabire Baru (NB) and PT Sariwana Adi Perkasa (SAP) attended socialization activities to promote the protection of High Carbon Stock forest. The material presented to participants included the company's commitments to environmental stewardship with a focus on the protection of High Carbon Stock. The

socialization activities were delivered to improve employee understanding regarding what is meant by High Carbon Stock, and to convey the required management and monitoring approaches. Socialization activities were also held to promote community involvement for improved conservation management and monitoring at Goodhope's concessions in Ketapang district, West Kalimantan province – subsidiaries PT Agrajaya Baktitama (PT AJB), PT Batu Mas Sejahtera (PT BMS) and PT Sawit Makmur Sejahtera (PT SMS).

- All new employees and contractors attend an introductory Environmental Health and Safety (EHS) briefing explaining our policy commitments and expectations relating to code of conduct.
- As a basic way to raise awareness, signs have been installed to communicate regulations to prevent fires and logging and promote the protection of wildlife.
- Goodhope hosted a series of collaborative training events on conservation and forest rehabilitation in and around oil palm concessions in cooperation with the Environmental Leadership and Training Initiative (ELTI) with invited speakers from RSPO, NGOs (Birdpacker organization, Borneo Nature Foundation, Swaraowa and Tropenbos Indonesia, Indonesian Environmental Information Center (PILI).

Socialization and training activities were conducted with the aim to:

- Promote and enhance understanding of the benefits of conservation and forest rehabilitation
- Provide information on techniques and considerations for the development of management and monitoring plans.
- Present information on the current status of HCV areas, including pressures or threats.
- Communicate the company's HCV management plan and Sustainability Policy.
- Promote community involvement in conducting HCV Management and Monitoring activities.
- Attain important feedback to evaluate the implementation of conservation management and monitoring activities, including the review of Standard Operating Procedures.
- Provide sufficient understanding to facilitate negotiation, participation and compliance with our policies and effective implementation of the management and monitoring plans.

Through community participation and collaboration with consultants and NGOs, we have made progress in continuing FGDs and participatory mapping with local communities to establish agreements with local communities and governments in our concession areas. This will form the basis for effective implementation of participative management and monitoring plans involving relevant stakeholders.

Ketapang Landscape Project

The outcomes of the HCV Assessment in Ketapang Region has supported preliminary participatory mapping by Aidenvironment to facilitate the development of a spatial plan for sustainable landscape activities. The plan includes social forestry and smallholder agriculture to empower and improve the livelihoods of local communities in line with the National Agrarian Reform Initiative adopted by the West Kalimantan Provinces.

Two villages located within the wider landscape of Goodhope's concessions in Ketapang region were included in initial engagement activities. Through further engagement with the local government and communities, the program aims to coordinate social and environmental planning and management in a manner that aligns with government policy. Further engagement with local partner organizations will foster sustainable forest management and company CSR programs will be aligned to compliment and support the conservation and land-use plan.

As part of the strategy, it is intended that conservation corridors will be established to re-connect isolated forest patches. Potential connectivity between company conservation areas and larger forest blocks has already been mapped. The next step is to verify the potential for connectivity between the HCV/HCS areas and larger external forest blocks through further field visits and evaluation.

Nabire Conservation Project

Goodhope has established a partnership with the NGO Pusat Informasi Lingkungan Indonesia (PILI) to assist in the processes of negotiation with local communities in order to reach agreements that support conservation and community welfare.

In accordance with stakeholder feedback and assessment recommendations, we aim to implement collaborative integrated projects with the involvement of local communities, NGOs and government agencies to establish suitable alternative livelihood programs and to develop and implement an integrated landscape management approach to protect HCV, HCS forest and local coastal resources.

The aims of the project will be supported by considering viable interventions in the wider landscape that will support sustainable livelihood development and equitable economic opportunities. Initial efforts towards this aim are being made in collaboration with IDH, the Sustainable Trade Initiative.

Bukit Santuai Conservation Project

Goodhope secured community-backed support to develop a framework for collaborative community-based conservation management at Bukit Santuai (Santuai Hill) in the sub-district of Mentaya Hulu, East Kotawaringin, Central Kalimantan, Indonesia. The initiative to integrate the conservation of culture and biodiversity has been established since 2012 by an agreement between the local community at Bukit Santuai district and the companies PT Agro Wana Lestari (AWL) and PT Karya Makmur Sejahtera (KMS). The Conservation Committee comprises local leaders and representatives from local communities, local government agencies, and the company. The HCV area of 2,404 ha in the AWL/KMS concession forms the focus of the conservation initiative.

To advance the conservation efforts and strengthen the program, Goodhope has initiated a partnership with the conservation organization Swaraowa. Following an initial scoping visit to the AWL and KMS concessions, representatives from Goodhope and Swaraowa worked on the development of a strategic plan to improve the implementation and impact of conservation efforts. Our aim is to implement an integrated cultural-based conservation project to better protect RTE species and other High Conservation Values in the area.

Application of the HCS Approach is expected to further improve conservation management and monitoring in the area by guiding conservation and rehabilitation practices in a manner that ensures the rights and livelihoods of local people are respected.

Conservation Monitoring Program

Our routine Conservation Area Monitoring incorporates biodiversity monitoring of wildlife and vegetation; checks of Conservation Poles and Signboards; and monitoring areas of sacred and social values within our concessions. Furthermore, regular inspections of housing emplacements in concessions are conducted to check that animals are not held captive by workers or their families.

Over time we plan to increasingly make use of software applications and automated electronic devices to more effectively collect, store, and evaluate data on biodiversity, threats, and conservation efforts. This will include continued and increased use of satellite imagery recording and Land Cover assessment on a routine basis and monitoring through Global Forest Watch.

We continue to conduct capacity building initiatives to strengthen conservation management and monitoring routines, to improve conservation awareness, and to promote action to safeguard wildlife species and their habitats. Focus has been on promoting the protection of endemic and rare, threatened and endangered (RTE) species in our concessions, particularly primates.

Our first training on primate monitoring was held in September 2018 at PT AICK and AWL (Central Kalimantan). From 4th-6th September 2018, Goodhope hosted a workshop and training to promote the conservation of primate populations in and around HCV areas of oil palm concessions. The 3-day event was organized and delivered in collaboration with our conservation partners Swaraowa Foundation with the overall aims to:

- Promote the development of conservation management teams with the knowledge and skills needed to conduct monitoring and primate conservation program in HCV Areas.
- Encourage palm oil growers to take more action for implementing primate conservation programs in their concessions.
- Set up multi-stakeholder networking to take a collaborative action for primate conservation in oil palm concessions.

Furthermore, our partnership with the NGO Pusat Informasi Lingkungan Indonesia (PILI) will improve the capacity to implement environmental and biodiversity monitoring plans in PT NB and SAP.

2.3 Protection of Peatland

Aim:

- **To evaluate the management of existing plantations on peat and review and revise our procedures to ensure that best management practices as defined by the RSPO and peat experts are adopted.**

Implementation Report 2018/19

Goodhope manages four sites with areas of peatland identified within the concessions: PT Agro Bukit and PT Rim Capital in Central Kalimantan and PT NB and PT SAP in Papua (total of 8,787 hectares of oil palm planted on peatland). In accordance with the RSPO Manual on Best Management Practices for Existing Oil Palm Cultivation on Peat (2012) we aim to prevent the degradation of peatland and associated carbon loss in existing planted areas by the implementation of water and soil management and monitoring systems. A water management and monitoring program for areas planted on peat has been established and is being implemented at PT ABCK and RCCK while our program at PT NB and SAP is in development and capacity building activities have been conducted to promote best management practices.

Our procedures have been reviewed and we continue to improve the implementation of our peatland management and monitoring programs by keeping up to date on current best practices. Together with other oil palm plantation companies, Goodhope participated in a series of workshops, meetings and seminars related to peat management held in November and December 2018. Since then we have continued to engage with the Ministry of Environment and Forestry (KLHK) in a series of meetings, visits and discussions in relation to our commitment to develop roadmaps for peatland restoration in applicable areas in accordance with the Environmental Regulation LHK P.16 / 2017 concerning technical guidelines for restoring peat ecosystem functions.

In May 2019, Goodhope attended Best Practice Sharing with Ministry of Environment and Forestry regarding water management on peatland area to review commitments and practices and get further recommendation from the key stakeholders to improve current practice to prevent peat subsidence.

2.4 Fire Mitigation

Aim:

- **To implement Fire Awareness Programs for employees and local communities to mitigate the outbreak of fires and to improve fire response and emergency plans.**

Implementation Report 2018/19

As basic components of our fire mitigation plans, we ensure regular inspection of fire-fighting equipment to ensure that adequate fire-fighting equipment is available, and we coordinate fire awareness campaigns and fire response training for employees working at our plantations. Through our fire awareness and training programs we aim to make sure that fully trained emergency fire fighting response teams are on hand in all plantation sites, that the employees are better prepared in the event of a fire, and that the risk of an outbreak of fire is minimized. Training activities include fire drill, emergency evacuation and medical emergency handling to ensure that the procedures for handling emergency fire situations are fully understood and properly implemented. It is also an opportunity to review our fire-fighting response procedures and introduce improved processes, including establishing and maintaining emergency fire response teams.

Community Fire Awareness Programs

Community fire awareness programs are held annually during the dry season when Fire Hazard Indices can be high. A fire awareness and training event in collaboration with the Seruyan District Fire Service was held at PT Agro Indomas (AICK) in August 2018 with participants from company fire fighting teams (AICK, RIM, AWL, KMS, ABCK) local communities (Lanpasa, Terawan, and Salonok) and local government offices. The event was an opportunity to promote our commitments to prevent and tackle fires, to improve awareness and understanding of fire prevention and management procedures, and to enhance the skills of fire response teams. In Papua province, PT Nabire Baru briefed both employees and local communities on the risks and impacts of landfires, preventive actions, and fire emergency response plans. The training session, which was held on July 26th 2018, included practical training on the procedures for handling wildfire. Similar engagement activities are scheduled in August 2019.

Goodhope uses the Global Forest Watch information system to monitor hotspot data in order to determine the location of any potential fires within or nearby our concessions. This system uses satellite imagery to map areas that have significantly higher temperature, indicating a high possibility of forest / land fire. The hotspot map acquired from the WebGIS site is downloaded and overlaid with maps of Goodhope's concession areas to identify whether there is a hotspot within or in the proximity of a concession area. We also check information from the ASEAN Specialized Meteorological Centre (ASMC), which provides regional data on wind direction, wind speed and hotspot as well as data of hotspot area from the Indonesian Ministry of Environment. A daily hotspot report is submitted to the management of each of our concessions and if there is any hotspot identified within

or in the proximity, a field team is sent to verify the information.

Desk-based monitoring is complemented by regular patrols conducted in and around plantation sites during the dry season and we foster close collaboration with relevant government agencies and local communities to extinguish fires that occur within or near our concessions.

2.5 Reducing Our Environmental Impact

Aim:

- **To implement mitigation plans to progressively reduce the environmental impact of our operations, and maintain a comprehensive system for the monitoring and evaluation of environmental impacts.**

Implementation Report 2018/19

Goodhope is working to increasingly implement approaches to avoid and minimize negative impacts on biodiversity and ecosystem services.

We have set the following targets to reduce the intensity and extent of environmental impacts:

- 30% reduction in the Biological and Chemical Oxygen Demand (BOD and COD levels) of treated palm oil mill effluent (POME) by 2024 (in relation to 2017 levels).
- Progressive reduction in the use of chemical pesticides and fertilizers per hectare of oil palm planted.
- Increased percentage of recycled and reused waste and reduced percentage of waste to land-fill.
- 40% reduction in total water use (litres per tonne of FFB processed) by 2024 (in relation to 2017 levels).
- Annual reduction in energy use per tonne of CPO (for mill) and per tonne FFB (for non mill).

To enhance employee understanding and widen the implementation of best management practices for sustainable agriculture, a series of training sessions have been conducted by Goodhope's Agronomy Department. Training sessions were held for employees from PT Nabire Baru (NB) and PT Sariwana Adi Perkasa (SAP) in Papua in July 2018; and for employees from PT Agrajaya Baktitama (AJB) PT Sawit Makmur Sejahtera (SMS) and PT Batu Mas Sejahtera (BMS) in Ketapang Region, West Kalimantan, in August 2018. The training sessions focused on approaches to reduce the environmental impact of our plantation operations while attaining optimal crop productivity and ensuring safe working conditions. Key topics included Integrated Pest Management, water management and soil conservation techniques.

We ensure that key measurements for environmental monitoring are regularly conducted, providing data to evaluate performance and to implement mitigation plans to progressively moderate the environmental impact of our operations. Routine environmental monitoring activities at our plantations include: air emission measurements, ambient noise levels and water sampling (including river, ground and treated water).

Environmental management at our refineries is monitored in accordance with the requirements of the Malaysian Department of Environment (DOE) in accordance with the Environment Quality Act (EQA). We regularly monitor parameters as per the EQA's requirements, including ambient air monitoring, isokinetic stack monitoring of particulate matter, local exhaust ventilation monitoring and effluent monitoring.

As an approach for environmental remediation, Goodhope is in the process of developing forest rehabilitation initiatives to strengthen the resilience of sites where forest has been lost or degraded. We are working to map where restoration or rehabilitation is required, develop project plans and establish the capacity for adaptive management and monitoring. Local planting is undertaken in areas where restoration or rehabilitation is required, supported by protective measures to mitigate threats and promote regeneration. Goodhope is also in the process of developing full conservation compensation plans as a means to compensate for any potential loss of HCVs that may have occurred due to substandard HCV assessments in seven subsidiaries. Comprehensive reviews of HCV assessments and LUCA reports identify remediation requirements and compensation liabilities.

Mitigation of Greenhouse Gas Emissions

Our efforts to reduce our carbon footprint are developed based on the evaluation of carbon stock assessments and calculation of greenhouse gas (GHG) emissions, which provide the necessary framework and guidance for the company to implement actions to reduce the impact of its operations on climate change.

Estimations of GHG emissions in 2018/19 using RSPO Palm GHG Calculator shows that the majority of emissions result from land conversion (61.44% of total emissions) and particularly the past conversion of peatland (it is estimated that peat oxidation accounts for 24.64% of total emissions).

Our initiatives to mitigate emissions focus on addressing these main sources of emissions to conserve and enhance carbon sinks and minimize emissions of greenhouse gases.

Table 5. Greenhouse Gas Emissions from Management units in Central Kalimantan, East Kalimantan and Papua (RSPO GHG Calculator)

Total Emissions (tCO₂e)	1,355,192
Emissions from land conversion (tCO₂e)	832,670
Total Sequestration (tCO₂e)	-724,036
Crop Sequestration (tCO₂e)	-621,509
Conservation Area Sequestration (tCO₂e)	-102,528
Net Emissions (tCO₂e)	631,156
Total Emissions / tonne CPO produced (tCO ₂ e/MT)	4.5
Net Emissions / tonne CPO produced (tCO ₂ e/MT)	2.1

Forest Conservation: We began to adopt the High Carbon Stock (HCS) Approach with the launch of our Sustainability Policy in May 2017. Areas of forest that contain rich carbon stocks are avoided for any new plantation development by adhering to principles of the HCS Approach. The conservation areas within our concessions retain carbon and are managed to prevent degradation and ensure carbon sequestration. A total of 27,691.6 hectares of conservation set asides (HCV/HCS areas) are identified in our concessions.

Peatland Management and Monitoring: For our existing plantations on peat, we aim to apply best management practices to maintain the capacity of soil carbon sequestration. The principal way we do this is by minimizing peat subsidence through good water management. We manage a total of 8,787 hectares of oil palm planted on peatland. We are monitoring peat subsidence and ground water levels in sampling locations with the aim to maintain optimal levels to prevent subsidence and the release of carbon dioxide. We do not undertake any new developments on peatland of any depth.

In addition to these approaches, our Fertilizer Efficiency Programs; Waste Reduction, Recycling, and Energy From Waste Initiatives; and Energy Efficiency Programs contribute further to reduced emissions. Through the implementation of these programs we are able to reduce nitrous oxide emissions generated from nitrogen fertilizer, curb greenhouse gas emissions by avoiding the need to send waste to landfill, by avoiding incineration, by reducing fuel consumption and by providing renewable energy sources.

2.6 Respecting Community Rights

Aim:

- **To meet our obligations to respect the rights of local communities and to implement adequate community engagement processes to enable communities to either give or withhold their consent to integrated conservation and land-use plans.**

Implementation Report 2018/19

Community engagement activities have been carried out to seek community consent and participation for HCS and HCV assessment related activities; to seek information and knowledge on land-use and land tenure systems for preparation of the HCV, HCS and Integrated Conservation and Land-Use Plans; to share information about the HCS and HCV assessment processes with communities; and to seek community informed consent to the final draft boundaries of conservation areas.

Goodhope continues to work on coming to a compromise to meet the requests of Plasma Plantation Co-operatives to continue development of plasma areas by PT NB and SAP.

The case has been submitted to the HCSA as a “legacy application” and will be considered by the HCSA High Forest Landscape working group with the aim of seeking a solution by enabling limited development for plasma in a high forest cover landscape.

Alternative development plans for the co-operatives have been produced by our consultant, Ata-Marie.

Furthermore, Goodhope has been working to establish collaborative initiatives to promote alternative livelihood opportunities.

As part of efforts to improve the way we deal with stakeholder concerns we will be reinitiating plans to develop an improved ‘Community Communication System’ through the introduction of Community Forums. This will help to better involve stakeholders in decision-making processes and will provide a means for the better communication and addressing of community concerns.

2.7 Handling of Complaints, Grievances and Conflict Resolution

Aims:

- To further improve our capacity to handle complaints and to work with relevant stakeholders to ensure fair and mutually agreed settlement is reached to resolve grievances.
- To improve transparency relating to grievances, including providing up-to-date information on the complaint and resolution processes and progress.

Implementation Report 2018/19

Goodhope has continued to work with stakeholders to investigate, address and resolve complaints fairly. In June 2018, Goodhope had three active complaints lodged in the [RSPO Complaints System](#). This number has now reduced to one ([RSPO Complaints Portal- Goodhope Asia Holdings](#)).

Complaints filed through the RSPO complaint process have been dealt with in accordance with RSPO procedures and remaining issues relating to this outstanding case are well on the way to being fully resolved.

We continue to work on ways to prevent issues escalating into public complaints by developing a Group Grievance Approach in collaboration with Daemeter Consulting. As part of efforts to improve the way we deal with stakeholder concerns we will be reinitiating plans to develop an improved 'Community Communication System' through the introduction of Community Forums. This will help to better involve stakeholders in decision-making processes and will provide a means for the better communication and addressing of community concerns.

Grievance procedures have been reviewed and a draft revised SOP for handling communication requests and grievances has been developed by closely working with Daemeter Consulting. A first draft of the grievance mechanism was developed and socialized with plantation and mill management as well as some local community members. Community was happy about company outreach and socialization of initial grievance approach.

We will continue to introduce improvements with support from Daemeter Consulting, focusing on making the grievance mechanism more participatory and linked to community engagement activities. We also continue to work on developing improved systems and processes to ensure that requests for information, company responses, stakeholder engagement activities, negotiation and resolution processes etc. are all effectively monitored and recorded.

Our framework for handling grievances has been further strengthened by establishing an external Grievance Panel (established in July 2018) to ensure a fair dispute settlement process is utilized for any grievances arising from our operations.

Independent experts and social practitioners in the Independent Grievance Committee provide advice on grievance and conflict resolution. Furthermore, our updated grievance handling procedures shall include improved procedures for the introduction of third party involvement in grievance resolution.

We have provided relevant updates on the progress in resolving public RSPO complaints in our monthly report Sustainability Journey and moving forward we shall maintain a list of public grievance cases on our website.

RSPO Complaint Against Goodhope and Lifting of the Stop Work Order

Date complaint filed: April 2017

Complainant: RSPO Secretariat

Key issues: Inadequate HCV Assessments

The complaint was raised by the RSPO Secretariat in response to [RSPO NPP Report Comments re. Proposed New Plantings by PT Nabire Baru](#) (Commenters: EIA, Forest Peoples Programme, Greenpeace and Yayasan PUSAKA).

Resultingly a [Precautionary Approach \(Stop Work Order\)](#) was issued on PT Nabire Baru and six other subsidiaries of the Goodhope Group (PT SAP in Papua and PT AJB, BMS, SMS, SHP and SSA in West Kalimantan).

Meeting the conditions defined by the RSPO Complaints Panel, Goodhope committed to:

- i) Ensure the completion of new HCV Assessments to a satisfactory status according to HCVRN requirements.
- ii) Complete full LUCA reports and determine remediation and compensation requirements.

Stop Work Orders have now all been lifted stated by Complaints Panel decisions:

- [Lifting of the Stop Work Order for PT NB and SAP](#) (December 2018)
- [Lifting of the Stop Work Order for PT SHP and SSA](#) (June 2019)
- [Lifting of the Stop Work Order for PT AJB, BMS and SMS](#) (July 2019)

The decision to lift the Stop Work Order for PT AJB, BMS and SMS was made upon consideration of a request and appeal by Goodhope and is dependent on adherence to defined conditions as stated in the letter.

Lifting of the Stop Work Order allows each company to proceed with RSPO New Planting Procedure (NPP). The NPP 2015 process must be completed in line with the requirements in RSPO P&C 2018 and associated document to allow for approval of proposed new plantings.

Goodhope commits to develop and ensure the implementation of an approved Compensation Plan according to Final Conservation Liabilities.

Resolution of the Complaint Against PT Nabire Baru

Date complaint filed: April 2016.

Complainant: Yayasan Pusaka on behalf of the indigenous Yerisiam Gua community.

Key issues: development without a collective decision-making process or consent given by local communities; land disputes; destruction of Sago groves; violence by state security forces; deforestation implicated with flooding.

Status of Complaint: Closed.

Goodhope responded to allegations by the implementation of appropriate corrective actions to address the issues raised.

1. Goodhope announced the halt of all land development activities. The moratorium on land clearance activities has been implemented since November 2016.
2. Goodhope appointed an independent consultant to assess the SIA report and the implementation of Free, Prior, Informed Consent (FPIC) processes. FPIC review was completed in December 2016.
3. Goodhope reviewed its security procedures and Brimob were withdrawn.
4. An investigation into the occurrence of flooding in the area of Sima village was conducted. Based on public data it is very clear many other parts of Nabire was flooded during this period and it is widely accepted that the cause was excessive rain of 1693mm over two months period.
5. Goodhope reached an agreement to use the RSPO Dispute Settlement Facility (DSF) and followed the grievance resolution process set by the DSF until withdrawal at the request of the community.
6. PT. Nabire Baru prepared an area of 10 hectares of land for Sago planting for use by the community, especially in Wanggar village. Sago planting commenced on 8th December 2016 and the company continues to monitor the development of the trees growth every 3 months.
7. Goodhope appointed a third party consultant (AidEnvironment) to conduct a legal review of PT Nabire Baru. This review was completed in August 2017 and determined that the delay in the issuance of the necessary permits and the commencement of oil palm plantation development prior to AMDAL approval was indeed endorsed by the local government in Papua province.
8. To ensure that the issues are appropriately addressed and verified. To conclusively address the comments and feedback on the outcome of the first legal review completed by Aidenvironment in September 2017, Goodhope agreed for a second legal review to be conducted by an Environmental Law Firm endorsed by the RSPO Complaints Panel. The second legal review was completed in August 2018.
9. Goodhope commissioned an independent soil survey in March 2017 by a reputable soil scientist and to verify the findings, further sampling and analyses were completed by consultants (Ata-Marie and Ekologika) in August 2017.
10. Goodhope sought support in policy implementation and environmental consultants EcoNusantara were assigned as Technical Advisors in February 2017.
11. Goodhope published a strengthened policy - its new Sustainability Policy - on 5th May 2017.
12. Completion of new HCV assessment and LUCA.
13. The Dispute Resolution Agreement was signed in August 2018, following the community's wish to have the complaint withdrawn and Bilateral Engagement process.
14. Negotiations resulted in the development of a Memorandum of Understanding for community engagement and empowerment. The Memorandum of Understanding: Corporate Social Responsibility (CSR) PT Nabire Baru (NB) was signed by representatives from company and community on 17th January 2019.
15. A letter confirming the closure of the case was sent to the complainant (Yayasan Pusaka) and respondent.

2.8 Promoting Community Empowerment

Aim:

- **To develop collaborative and integrated community empowerment programs that support our environmental stewardship commitments and that aim to improve the education, welfare and wellbeing of people living in and around our operating locations.**

Implementation Report 2018/19

Education

Our education programs are delivered with the aim to provide access to education and to equip students with the knowledge and skills needed for their future careers and endeavours. To support preparations for attaining national accreditation targets, and to encourage advanced performance at our internally-operated schools, our Agro Harapan Foundation has organized training on key aspects of education management and administration. In July 2018, training session on Quality Assurance and Financial Management provided the opportunity to share teaching and management methods, and to learn about approaches for replicating best management practices. Training was provided on financial budgeting processes and administrative requirements to improve school accountability, school enrollment process, and quality assurance related to attain school accreditation.

Having used the SMP Tunas Agro as a model for performance management, top grade national school accreditation has now been achieved for two of our internal elementary schools:

- SDS Tunas Agro 2 at PT Agro Wana Lestari (AWL): Score of 98 / A grade.
- SD Tunas Agro 1 at PT Agro Indomas (AICK) score of 91 / A grade
- TK Tunas Agro 4, one of our internal kindergartens at Agro Bukit Central Kalimantan (ABCK) has received national accreditation at "B" grade.

Our vision is to not only support the standard learning of subjects, but to promote educational activities that provide opportunities for students to creatively solve problems through critically thinking, collaborative working and effective communication. Our Junior High School at PT Agro Indomas (SMP Tunas Agro) is involved in an educational research project by Monash University to promote and support the integration of digital learning to support teaching. In this case study, three teachers at SMP Tunas Agro have been selected to be involved as key participants. The project will provide important feedback in order to make positive use of the digital revolution and to provide innovative learning opportunities.

In the reporting period June 2018/19, the Agro Harapan Foundation managed 13 of its own schools, and supported a further 17 Community Schools. A total of 3,492 students attended the schools in our concessions.

As part of ongoing teacher training in November 2018, teachers from schools at all Goodhope plantation locations in Central Kalimantan, as well as auxiliary teachers assigned to teach in government schools under assistance from the Agro Harapan Foundation. The event was endorsed by the local education official of the Seruyan Raya district and was supported by the University Pendidikan Indonesia, providing expertise in creative teaching methods. Furthermore, the PT AICK EHS team delivered basic safety training as part of the 2-day program. The combination of training in creative methods in education, as well as general safety awareness, provided the teachers with the opportunity to develop and enhance a range of skills applicable in their roles in order to further advance the quality of education delivered.

Among the objectives of our Sustainability Policy Implementation Plan is to 'educate for sustainability' by working with teachers and relevant organisations to embed sustainability into the teaching curriculum and to promote sustainability initiatives in schools. We aim to build awareness and knowledge on environmental, economic, and social components of sustainability, providing motivation to take action and encouraging values such as critical thinking and innovation, thereby empowering students to contribute to solutions for more sustainable ways of living.

Key activities as part of our Sustainability Education Program have included presentations from guest speakers on topics about conservation, including primate conservation, avian conservation, and the application of geography and mapping.

Contributions to Community Infrastructure

As a means to enhance community welfare, Goodhope contributes to improve basic community facilities and services, including providing better and safer access to and from villages, support for clean water projects, and improved health and education facilities. Our aim is to support and enhance the basic needs and welfare of individuals, families and groups. Improving the physical infrastructure of villages in and around our concessions is an important pre-requisite for sustainable livelihood development.

Projects over the last year have included:

- Development of an improved sewage system in Wanggar village;
- Road repairs and improvements project at Tumbang Keminting village, Central Kalimantan commissioned by PT Agro Wana Lestari (AWL); in Serawai sub-district, PT Sumber Hasil Prima (West Kalimantan);
- Road maintenance at Wami Jaya village (Nabire region, Papua)

Community Healthcare Services

We ensure that medical facilities and services are available on site within the concession areas of our plantations and contribute to improved health services for local communities by working with Community Health Centers (PUSKESMAS). In

doing so we invest in the health of local communities, particularly maternal, newborn and child health.

PT Nabire Baru is commissioning an ambulance unit for the local communities to provide improved emergency healthcare that will be used to provide emergency access to health services for employees, families of employees and local communities from the nearby villages. In order for the Ambulance service to fulfil applicable regulations, meetings were held with the closest Community Health Centers in Wami Village and Yaro Makmur Village in order to discuss the designated use of the Ambulance. In accordance with the outcomes of the meetings, the Community Health Centers will act as special service partners for services outside the company's concession area. Our collaborations with Community Health Centres provide a means to integrate company health services with community health services so that local communities have access to affordable and better health services.

Free healthcare events are organized by PT ABCK Medical Centre in collaboration with nurses and assistants from Penyang Village Community Health Center and Rongkang Village Community Health Center, East Kotawaringin Regency, Central Kalimantan. Events include free health consultations, immunization services and dental hygiene campaign.

Economic Empowerment Programs

Goodhope is collaborating with a team of researcher from Perbanas Institute to support our community economic empowerment initiatives. The main aims of the partnership are to:

- Promote the development of sustainable small business enterprises among local communities: Topics of training for this program will include Entrepreneurship, Marketing and Sales, and Finance).
- Enhance school management, administration and teaching quality: This program will focus on delivering training on Financial Management for school administrative staff and providing teacher training on teaching methods.
- Promote self-management and sustainability of plasma cooperatives: This program will be delivered by providing training on Entrepreneurship, Management of Cooperatives, Tax and Financial Management, Marketing and Sales.

Training was delivered by representatives from Perbanas Institute in collaboration with Goodhope's CSR team at the Training Center of PT Agro Indomas (AICK) in September 2018. Participants included school teachers, local enterprises and AICK credit union. The capacity building program will continue with further opportunities for stakeholders to strengthen skills in entrepreneurship and sustainable management of finances.

The Women's Empowerment Program through Community Self-Help Groups is a program to build the independence of women among local communities near our plantations in Papua. Since July 2015, monthly Savings and Loans Cooperative Meetings have been routinely held at Wanggar village, for savings and borrowing activities, and to encourage initiatives for improved economic income and enhanced welfare. Currently 23 members benefit from the program. It is intended that the initiative will become an independent program, fully handed over to the board and its members, with the company only monitoring the progress of the group.

Yerisiam Community Participation and Empowerment Agreement

After a period of negotiation, PT Nabire Baru and Yerisiam Community agreed terms for community empowerment and increased community involvement in operations of the company. This agreement (Memorandum of Understanding) on Yerisiam Community Participation and Empowerment was signed in January 2019.

Alternative Income Generating Activities

Goodhope has partnered with organizations including Perbanas Instituts, Swaraowa and IDH (The Sustainable Trade Initiative) to promote opportunities for alternative income generating activities in the local communities in and around our concessions.

Our partnership with the conservation organization Swaraowa supports efforts to promote sustainable livelihoods for local communities in the area of Bukit Santuai, PT Agro Wana Lestari. Meanwhile, a number of meetings and discussions have been undertaken with IDH (The Sustainable Trade Initiative) to explore possibilities for an appropriate Landscape Management Program in the development and implementation of a Collaborative Landscape Management Program that aims to provide suitable opportunities for sustainable community development in Nabire Region, Papua. Following a series of meetings in Jakarta, three representative from IDH participated completed an initial scoping visit to the PT Nabire Baru concession area. The site visit in January 2019 included meetings with representatives from the local community of Sima Village, the PT Nabire Baru team and local government authorities. A consultant has been selected to conduct a study that aims to identify opportunities to strengthen community-based social development and conservation programs.

By supporting programs and activities aimed at promoting sustainable livelihoods we aim to enhance the capacity of local communities to participate in, contribute to, and benefit from sustainable income opportunities. We seek to ensure that the right programs are delivered to meet the aspirations of local communities and that the communities are sufficiently equipped with the necessary skills and infrastructure to support and facilitate sustainable development and long-term welfare and wellbeing.

2.9 Smallholder Support

Aim:

- **To develop and implement a Smallholder Support Program to actively support smallholders and facilitate their inclusion into our supply chain by capacity building.**

Implementation Report 2018/19

Goodhope implements smallholder support programs to enable independent smallholders to benefit from inclusion in our supply chain and commits to supporting the government initiative to empower local communities through the development of cooperative-owned plantations (plasma). The plasma program provides local communities with a productive plantation area, which will be managed by the company as a reliable approach to maintain high yields.

As a smallholder scheme, cooperative-owned plantations managed by the company provide local communities with a productive plantation area as an effective way to support sustainable development among the local communities. Under this type of smallholder scheme, the company manages cooperative-owned plantations, and in this way is able to generate above average returns for the cooperative members.

For each cooperative, we aim to provide training to promote financial awareness and financial planning skills, encourage and support entrepreneurship and to enhance the abilities of members to effectively manage their funds from the shares of profit in such way it can sustain additional income and contribute to long-term improvements in community welfare.

Our initiatives have included training in financial management and administrative activities, and encourage sustainable livelihoods by providing opportunities and training in activities that have the potential to support livelihoods, e.g. farming and small business development.

Seeking to expand on the delivery of these capacity building initiatives, Goodhope has established a collaborative partnership agreement with Perbanas Institute with the aim to promote self-management and sustainable livelihoods, in particular by providing training on topics such as Entrepreneurship, Management of Cooperatives, Tax and Financial Management, Marketing and Sales.

Monthly meetings are held between Cooperative Committees and company representatives to discuss financial reports, agronomy, and planning for the following months and years. Furthermore, an Annual Members Meeting is held each year for stakeholders.

Information on the implementation of best management practices for sustainable palm oil standards was shared with smallholders / plasma cooperative members at the Training Center of PT Agro Indomas (AICK) in September 2018. This capacity building initiative for local communities involved 35 participants including head community representatives, smallholders and plasma cooperative members from Terawan and Lanpasa villages. In October 2018, representatives from PT AICK visited neighbouring independent smallholders from Terawan village and Lanpasa village to share information on best practices in agricultural management. Information was delivered by PT AICK General Manager, Plantation Manager, Agronomy Department, and Sustainability Department to assist smallholder suppliers by promoting practises to improve FFB production and minimize environmental impact.

We are working on expanding our smallholder support program to achieve:

- Progressive increase in the number of smallholders engaged.
- Progressive increase in the number of training hours for smallholders.
- Growth in the agricultural productivity of small-scale producers.

To help meet our targets, Goodhope is working in collaboration with Daemeter Consulting to develop and implement a more comprehensive smalholder support program with planned capacity building activities for suppliers to include roadshow/socialization about harvesting criteria and preparation of Farmer Field School.

2.10 Supporting Worker Rights, Health and Well-Being

Aims:

- To continue to set clear standards for occupational health and safety performance and to ensure that appropriate actions are taken to mitigate risks.
- To promote the application of relevant guidelines on Human Rights.

Implementation Report 2018/19

Our Workforce

Our people play a fundamental role in leading change come from a diverse range of countries, cultures and ethnicities and we are committed to nurturing and growing their talent and providing them equal opportunities to further enhance their knowledge and outlook.

Table 6. Workforce Statistics (oil palm plantations, 2018)

	Age					Total
	< 20	20 - 30	31 - 40	41 - 50	> 50	
Male	286	3072	3168	2105	441	9072
Female	32	632	1130	821	134	2749
Total	318	3704	4298	2926	575	11821
% Female	10.06%	17.06%	26.29%	28.06%	23.30%	23.26%

Table 7. Minimum Wages (oil palm plantations, 2018)

Area	Minimum Wage	Entry Level Wage*	Ratio*
DKI Jakarta	Rp 3.648.035	Rp 3.648.035	1:1
Central Kalimantan - Seruyan (AICK, RIM)	Rp 2.675.500	Rp 2.675.500	1:1
Central Kalimantan - Kotim (ABCK, AWL, KMS)	Rp 2.570.082	Rp 2.570.082	1:1
East Kalimantan - Penajam (AIEK)	Rp 2.789.924	Rp 2.789.924	1:1
West Kalimantan - Ketapang (AJB, BMS, SMS)	Rp 2.562.000	Rp 2.562.000	1:1
West Kalimantan - Sintang (SHP, SSA)	Rp 2.215.000	Rp 2.215.000	1:1
Nabire (NB, SAP)	Rp 3.000.000	Rp 3.000.000	1:1

*Entry level wage and ratio for male and female employees.

Promoting Safety Culture

Our efforts to promote safety culture must stem from a good understanding of environmental and occupational health and safety standards among our management. The understanding is extended to all workers through a set of Safety Rules applicable to all employees with general requirements, including the need to:

- Complete risk assessments
- Exercise safe driving practices
- Ensure correct use of Personal Protective Equipment
- Maintain clean and tidy work environments
- Report all accidents and near misses
- Attend safety trainings and briefings
- Attain valid work permits when required

The installation of new safety signs aims to remind employees of 'safety first' principles, promote good practices, and advertise accident hotlines for the reporting of unsafe action, unsafe conditions and near misses. In addition, further reminders and updates are provided at daily safety briefings for our plantation workers.

Our safety induction and training programs are conducted to ensure that each individual has the necessary information and skills they need to safely carry out their tasks at work. Training programs are implemented across all our departments and operations with a central training center based at PT AICK, Central Kalimantan. Topics of training include orientation, skills development, workplace safety, management requirements / standards and leadership training.

Topics of training are delivered according to identified risks and needs. In order to more effectively monitor and evaluate the training, we are looking to implement an improved system for the maintenance of training records with annual reviews. This will allow us to better evaluate trainings and identify training needs.

Our accident / near miss hotline provides the means for employees to report any observed hazards and risky behavior or conditions, supplementing the systematic checks for possible hazards that are carried out through regular health and safety inspections of operational units and activities. By improving risk identification through these two channels – near miss hotline and routine health and safety inspections – we can reduce the accident occurrence by implementing appropriate corrective actions according to risk evaluation.

To encourage the reporting of unsafe acts, unsafe conditions and near miss accidents, a reward program has been established to provide employee awards for the best contributions to near miss accident reporting. We hope that by introducing this reward system we will encourage increased reporting of hazards to better prevent accidents through mitigation plans.

Monitoring and Evaluation of Health and Safety Performance

We routinely measure and evaluate key health and safety indicators including the number of Near Misses; Minor Incidents; Major Incidents; of Fatality; No of Lost Time Accident; No of Lost Work Day; Reportable Injury/Illness Frequency Rate; Disabling Frequency Rate; Severity Rate and Safety Index.

It is our utmost priority to ensure the safety of all employees, visitors and contractors and so it is with great regret that we report two fatalities in the year 2018/19. Both incidents were fully investigated and action plans have been put in place to address risks and prevent repeat occurrences.

Improved systems are in development to better monitor and evaluate key indicators that may impact health and safety, including working hours, enforcement of safety standards and training.

Table 8. Health and Safety Performance Indicators

Indicator	Year		
	2016/17	2017/18	2018/19
Number of Near Miss	523	1426	2931
Number of First Aid	413	365	316
Number of Minor Accidents	236	162	173
Number of Major Accidents	16	12	18
Number of Fatalities	0	0	2
Total Lost work days	341	252	620
Total Reportable Incident Rate	4.46	4.09	3.65
Disabling Accident Frequency Rate	1.71	1.31	1.32
Accident Severity Rate	2.27	1.89	3.79
Safety Index	2.76	2.23	2.70

Promoting Respect of Human Rights

To help emphasize the respect of human rights at the forefront of our practices, Goodhope is engaging with the Indonesian UN Global Compact Network to learn how to better align our strategies and operations with the UN Guiding Principles on Business and Human Rights, UN Convention on the Rights of the Child (UNRC) and the Children's Rights and Business Principles.

Guidance and case examples developed by the UN Global Compact and its partners provide direction to support the continuous improvement of our business practices in line with corporate commitments and global Sustainable Development Goals (SDGs). The framework complements the various certification systems implemented to meet commitments and improve performance.

Endorsed by the UN Human Rights Council in 2011, the UNGPs provide a global framework 'Protect, Respect and Remedy' to help businesses prevent and mitigate adverse human rights impacts linked to business activity.

At the "Business and Human Rights Forum 2019" held in Jakarta in February 2019, representatives from Goodhope (Agro Harapan Lestari) had the opportunity to learn from experiences, case stories and action plans relating to the implementation of the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Our Sustainability Management Team has been working together with HR Management to fully integrate Human Rights Principles meeting the latest standards defined in RSPO P&C 2018.

Children's Rights in the Palm Oil Sector

Since 2017, Goodhope has participated in the Children's Rights and Business Principles (CRBP) palm oil program. The CRBP study on oil palm plantation companies has been conducted as a collaborative project between UNICEF, Lingkar Komunitas Sawit (LINKS), RSPO and participating companies. Outcomes of the program to date include an overview of best practices observed to address the key areas of impact on children's rights on oil palm plantations: Maternity and breastfeeding rights; Childcare; Nutrition and health services; Housing conditions, water, sanitation, and cleanliness; Access to education; Child protection; Child labor and young workers.

Goodhope is acting on the results of the study to mitigate risks and promote positive impacts at our own plantation sites. Furthermore, to assist in the wider implementation of CRBP, Goodhope has joined the Business and Children's Rights Working Group, a learning platform supported by UNICEF, the UN Global Compact and Save the Children (the three organizations that developed the principles). The Group serves as a learning platform for business to understand and implement the CRBP with the aim to identify priorities and work towards developing and implementing business sector workplans.

At the First Business and Children’s Rights Working Group Learning Session (25th February 2019) participants discussed what it means for businesses to respect and support children’s rights by considering children as important stakeholders that could be future employees and that could make significant contributions to business innovation. Various business scenarios were considered with the aim of identifying how business activities could potentially impact children (both positively and negatively) as family members of employees, impacted by work conditions of parents, as consumers of products, and as community members.

Children’s Rights and Business Principles (CRBP)

Established by UN Global Compact, Save the Children and UNICEF:

1. Meet their responsibility to respect children’s rights and commit to supporting the human rights of children
2. Contribute to the elimination of child labour, including in all business activities and business relationships.
3. Provide decent work for young workers, parents and caregivers.
4. Ensure the protection and safety of children in all business activities and facilities.
5. Ensure that products and services are safe and seek to support children’s rights through them.
6. Use marketing and advertising that respect and support children’s rights.
7. Respect and support children’s rights in relation to the environment and to land acquisition and use.
8. Respect and support children’s rights in security arrangements.
9. Help protect children affected by emergencies.
10. Reinforce community and government efforts to protect and fulfil children’s rights.

Gender Equality

Goodhope has established gender committees to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women. It is expected that the committees will help to:

- Encourage leadership to promote gender equality.
- Promote the full integration of non-discrimination and equal opportunity policy to prohibit discrimination based on gender and promote gender balance in the workforce.
- Prevent gender-based harassment and violence.
- Close gender gaps relating to education, salary and managerial positions.
- Encourage the implementation of systems that protect the reproductive rights of all.
- Ensure that the needs of new mothers are considered and that actions are taken to address the needs.
- Enhance the impact of women’s empowerment programs.
- Integrate gender equality concepts into our education programs and avoid gender bias and the introduction of stereotyping.
- Promote UN Women and UN Global Compact Women’s Empowerment Principles.

2.11 Traceability and Supplier Compliance

Aim:

- **To implement a comprehensive supplier engagement plan, delivering awareness and training sessions to ensure that all suppliers have sufficient understanding of NDPE policy, and facilitating supplier reviews to evaluate compliance.**

Implementation Report 2018/19

Goodhope is working in collaboration with Daemeter Consultancy to implement an improved Traceability and Responsible Sourcing Framework.

Risk assessments relating to FFB sourcing by our mills in Kalimantan (Bumi Jaya, Bukit Santuai Mill, Sungai Purun Mill, Terawan Mill and Sungai Binti Mill) have been completed to enable the prioritization of our efforts, focusing on parts of our supply chain which pose the greatest risk, and where improvements will make the most impact.

Through supplier engagement and mapping by survey teams, we have attained considerably improved understanding of the complex network of farmers and intermediaries that are involved in supplying FFB to our mills. We are now making steady progress in the process of smallholder mapping.

A Data Management Platform for Smallholder Mapping provided by Cadasta organization is being used as a tool for data collection and mapping of suppliers. Digital data collection forms are used to collect supplier data using GPS-enabled smartphones for field visits. Training on the use of Cadasta 2.0 platform was delivered in March 2019 and since then survey teams have been working on collecting data using the platform.

In order to demonstrate full traceability to the plantation, we aim to identify all the plantations from which FFB is sourced, including ownership details and exact geographic location (coordinates or polygon). Survey teams have been collecting data by engaging with suppliers (farmers and intermediaries). The mapping and data collection process involves visiting each individual smallholder, gathering information on the smallholders and plantation, including the coordinates / polygons of the supplier's plantation.

In our Sustainability Policy May 2017, we set the ambitious target of demonstrating full traceability for all commodities to the mill and plantation, including from all subsidiaries, associates and third party suppliers before 4th May 2019. Towards fulfilling our commitment, we have made considerable progress in establishing, verifying and maintaining lists of suppliers, and in conducting supplier engagement

programs.

As we strive to ensure that our efforts align with 2020 zero deforestation commitments, we will be continuing to work on developing responsible sourcing solutions through the processes of engagement, evaluation and intervention to address the sourcing of FFB and to advocate the implementation of sustainable business practices by our suppliers. We plan to:

- Accelerate the collection of initial information on the number of farmers from each supplier.
- Establish designated Traceability Teams and specific work plans for engagement and data collection.
- Socialize Core Supplier Requirements
- Continue to prioritize areas that are at high risk.
- Monitor compliance of suppliers that present most risk of non-compliance with our policy.

During engagement with smallholders we aim to promote the benefits of sustainable land management, provide support for certification, and capacity for livelihood improvement programs. Furthermore, through the continuation of smallholder support programs, we aim to help smallholder farmers to improve crop quantity and quality through the provision of technical support, promoting the long-term productive potential of plantations and improve yields, while encouraging the reduced and responsible use of chemical fertilizer and pesticides.

2.12 Transparency and Continuous Improvement in Sustainability Performance

Aim:

- **To continue to monitor and evaluate policy implementation, communicate our performance and progress, and invite independent and credible experts to peer-review our sustainability performance.**

Implementation Report 2018/19

Goodhope adopts Integrated Sustainability Management Systems across the Group's operations incorporating multiple standards to strengthen regulatory compliance, to work more efficiently and effectively, to reduce risk, and to improve performance in sustainability.

- Premium Vegetable Oils Sdn Bhd operates an Integrated Management System including the Quality Management System (QMS) ISO9001: 2015; the Food Safety Management Systems FSSC 22000 and HACCP; and RSPO Supply Chain Certification System (SCCS).
- Premium Fats Sdn Bhd operates an integrated management system encompassing QMS ISO9001: 2015; Food Safety Management Systems ISO22000:2005 and MS 1480:2007; and RSPO SCCS.
- Plantation Management Units that have already achieved RSPO certification operate Integrated Management Systems encompassing OHSAS 18001 Occupational Health and Safety Management System; ISO 14001 Environmental Management System, RSPO Principles and Criteria (P&C) and RSPO SCCS.
- Integrated Management Systems incorporating OHSAS 18001 and ISO 14001 have been implemented at five of the Group's oil palm plantation units as mechanisms to help provide safe and healthy workplaces and to improve the management and monitoring of our environmental performance.

Implementation of the standards drives change and continuous improvement, particularly as the standards evolve.

Training on Sustainability Standards

We engage and motivate employees in the implementation of sustainability standards, and ensure that our management teams fully understand the requirements by participation in training events on sustainability standards and socialization of relevant information:

- To ensure that we have the capacity to assess compliance against ISPO criteria, two representatives from Goodhope's Upstream Management Company (PT Agro Harapan Lestari) participated in an ISPO auditor training course in February 2019.
- Annual employee training is conducted on Food Safety and Quality Management systems so all levels of employees are trained on hygienic ways to handle the food ingredients that produced for food application.
- In order to prepare for the switch from OHSAS 18001 to ISO 45001: 2018, training on the new standard has been provided for Environmental Health and Safety representatives from plantation management units and the Regional Office PT Agro Harapan Lestari. Training was provided by BSI at Goodhope Training Center, PT AICK, in February 2019. Understanding the ISO 45001: 2018 standard will help our EHS staff to perform regular internal audits, encourage continuous improvement in performance, and maintain certifications for the management of occupational health and safety. Encouraging greater involvement and responsibilities at all levels will facilitate optimized performance across operations.
- An RSPO Lead Auditor Certification Training course held at the Training Center of PT AICK in July 2018 RSPO provided training on the requirements of RSPO Principles and Criteria (P&C) and Supply Chain Certification. Participants, including representatives from palm oil companies and certification bodies, were able to gain a practical and in-depth understanding of the RSPO SCC standard, including practical advice on how to implement Supply Chain Models in compliance with RSPO standards.
- Representatives from Goodhope's Regional Office in Jakarta attended various forums on Sustainability Reporting delivered by the Global Reporting Initiative (GRI), the Indonesia Global Compact Network (IGCN) and Shift UK.

Performance Assessments

Regular assessments are conducted to allow us to evaluate our performance and compliance with various standards and regulations, and to identify actions for improvements.

Internal Assessments:

Our sustainability management systems are monitored by regular inspections in order to identify gaps and to put in place action plans to close those gaps. Internal assessments are conducted to measure and evaluate compliance against company policies, standard operating procedures and criteria defined by RSPO, ISO 14001 Environmental Management System, OHSAS 18001 Occupational Health and Safety Management System and Indonesian Sustainable Palm Oil (ISPO) standards. The internal assessment process at plantations includes document review, field observation and interviews and is conducted by our Sustainability Team, General Manager, Plantation Manager and Heads of Department as a means to identify risks and promote better management.

Third Party Sustainability Assessment:

Goodhope also commissions third party assessments of sustainability performance by the consultancy firm Environmental Resources Management (ERM). These assessments are conducted on a biannual basis, reporting the performance against the statements of our Sustainability Policy:

- 1st Assessment: April 2018
- 2nd Assessment: October 2018
- 3rd Assessment: April 2019
- 4th Assessment: due October 2019

Verification and Certification Audits:

Compliance with sustainability standards shall be verified Plan incorporating by accredited Certification Bodies according to our Certification Plan PUP) that includes targets to achieve 100% RSPO certification by 2020.

Sustainability Management Reviews

Annual Sustainability Management meetings were held in March 2019 to review our performance according to set indicators and to develop new targets for the year. Participants at each meeting included the General Manager, Plantation Manager, Heads of Departments and representatives from Regional Office Sustainability Team. Topics for review and discussion included: Review of objectives, targets and management programs for FY2018/19; Results of Internal Audits and Status of Corrective and Preventive actions; Environmental and occupational Health and safety performance; Changing circumstances, including revisions in legislation and standards; Setting of objectives, targets and management programs for FY2019/20.

The processes of review and evaluation provides important feedback to identify strengths, weaknesses, opportunities and threats, to develop adaptive management plans and corrective action plans to address risks and close any gaps in compliance and to develop new targets for the year.

Sustainability Reporting

Since May 2017, we have reported activities each month in our report 'Sustainability Journey', providing largely qualitative updates on complaint resolution and as well as activities relating to sustainability policy implementation and progress towards meeting our commitments. We are now seeking to build on and further improve this reporting framework by providing performance reports and by making better use of our website as a channel for reporting. We continue to work on developing a new and improved website that will provide a framework to publicly disclose key quantifiable indicators to provide an insightful overview of the status of important aspects relating to sustainability performance. To commit the necessary resources towards these efforts, we propose a restructuring of our monitoring and reporting processes, publishing 'Sustainability Journey' on a quarterly basis.

Revised Sustainability Policy

In line with our commitments to policy review and revision, we have drafted an updated Sustainability Policy with proposed revisions as outlined in the points below:

- Introduction of a clear policy scope.
- Incorporation of the requirements for protection of Human Rights Defenders and whistleblowers.
- Strengthened requirements for fair, transparent and participatory engagement approaches in accordance with Free, Prior and Informed Consent (FPIC) principles.
- Integration of our Social Policy statements including Equal Opportunities and No Discrimination.
- Incorporation of statements from our Environmental Health and Safety Policy.
- Incorporation of policy on the respect of reproductive rights and recognition of the critical link to sustainability.
- Introduction of community welfare commitments.
- Strengthened commitment to no development on peat in alignment with RSPO P&C 2018.
- Strengthened commitment to conservation management and monitoring, incorporating the definition of Rare Threatened and Endangered species and the implementation of plans to restore or rehabilitate degraded habitats.
- Introduction of a specific statement defining our commitment to peat management.
- Introduction of supply chain mapping commitments.
- Introduction of core requirements for third party compliance and responsible sourcing.

The proposed policy revisions were announced to stakeholders in our monthly report Sustainability Journey Issue May 2019. A draft policy is available and the new policy will be launched following further stakeholder feedback.

2.13 Contributions from Consultants and Partner Organizations

The implementation of our Sustainability Policy is facilitated and enhanced by expertise from different institutions and sectors to ensure compliance with standards and regulations and to assist the delivery of sustainable initiatives. We work hard to develop and maintain strong partnerships with various parties in order to improve practices, increase efficiency, attain higher standards and resolve complex and challenging issues.

The appointment of reputable consultants has been essential in order to ensure the completion of assessments required for compliance with RSPO NPP. Four environmental consultancy firms with the relevant expertise were contracted for this purpose: Ata-Marie, Ekologika, Aksenta and Re.Mark Asia.

Consultants have also been enrolled to act as provide assistance with key aspects of policy implementation: Goodhope appointed EcoNusantara as technical advisors to provide recommendations on policy content and implementation of sustainability commitments and is now working in close partnership with Daemeter Consulting to develop and implement improved Responsible Sourcing and Traceability Systems.

Several further initiatives have been implemented in partnership with various organizations in order to enhance the effectiveness of our community development programs and environmental management and protection efforts. Collaborative projects involve partnerships with the finance and informatics institute Perbanas, the conservation organization Swaraowa, the corporate sustainability firm Aidenvironment and IDH, the Sustainable Trade Initiative.

Table 9. Contributions from Consultants and Partner Organizations (May 2017 – 2019)

Organization		Projects
	<p>Ata Marie provides a broad range of services for the forestry, agribusiness and bio-energy sectors including remote sensing and resource mapping, natural resource assessments, resource due diligence and valuation, carbon and production modelling, and product marketing.</p>	<p>Goodhope appointed Ata-Marie to conduct the following assessments:</p> <ul style="list-style-type: none"> • LUCA Assessment PT NB and PT SAP (Nabire Region) • HCS Assessment PT NB and PT SAP (Nabire Region) • HCS Assessment Ketapang Region • Soil Survey PT NB and PT SAP (Nabire Region) • GHG Assessments: <ul style="list-style-type: none"> - PT NB and PT SAP (Nabire Region) - Ketapang Region
	<p>EcoNusantara is an independent mission-driven organization providing expert services and advice on the most vital issues of the day to partners and clients committed to environmental and social responsibility. EcoNusantara’s experts have more than 75 years combined experience working on forest, climate, ocean, and livelihood issues in Southeast Asia.</p>	<p>Goodhope appointed EcoNusantara as technical advisors to provide recommendations on policy content and implementation of sustainability commitments. The consultants also provided specific advice on Nabire Project.</p>
	<p>Ekologika provides high quality biodiversity, environmental, socio-economic and cultural assessment services and helps corporations, non-profits and governments embed environmental and social ethics into their systems to support sustainable development.</p>	<p>Goodhope appointed Ekologika to conduct the following assessments:</p> <ul style="list-style-type: none"> • HCV Assessment PT PT NB and PT SAP (Nabire Region) • Soil Survey PT Nabire Baru and PT Sariwana Adi Perkasa • Social Impact Assessment PT NB and PT SAP (Nabire Region)
	<p>Aksenta provides socio-enviro management consulting services and Focuses on guiding and assisting companies in social management, environmental management, and meeting sustainability standards.</p>	<p>Goodhope appointed Aksenta to conduct the following assessments:</p> <ul style="list-style-type: none"> • LUCA for Ketapang and Sintang Regions • HCS Sintang • GHG Sintang <p>Aksenta also contributed to the HCV assessments in West Kalimantan (Ketapang and Sintang Regions).</p>

Table 9. Contributions from Consultants and Partner Organizations (May 2017 – 2019)

Organization		Projects
	<p>Re.Mark Asia provides consultancy services in sustainable natural resource management for business activities in forestry, agriculture, mining and other new developing sectors.</p>	<p>Goodhope appointed Re.Mark Asia to complete HCV assessments in West Kalimantan (Ketapang and Sintang Regions).</p> <p>Re.Mark Asia also conducted Social Impact Assessments in West Kalimantan (Ketapang and Sintang Regions).</p>
	<p>Swaraowa is a non-governmental organization with a mission to conserve Indonesian primates and their habitats, through active contributions in research activities, awareness and promotion of primate conservation and by strengthening economic opportunities for local communities.</p>	<p>Goodhope has formed a partnership with the conservation organization Swaraowa to support conservation and sustainable community development initiatives. The main focus of the partnership is to support the development and implementation of a cultural-based conservation project in the area of Bukit Santuai, PT Agro Wana Lestari, promoting sustainable economic opportunities among the local communities.</p>
	<p>Aidenvironment provides services and research on sustainable production and trade by creating social, environmental and economic value through strategic capacity, extensive on the ground experience, and transparent methods.</p>	<p>Goodhope is collaborating with Aidenvironment to facilitate the development and implementation of a Landscape Conservation and Land-Use Management Plan in Ketapang Region, West Kalimantan. The proposal involves working together with local communities and the West Kalimantan Provincial Government to develop spatial management plans integrating sustainable livelihood programs and conservation initiatives.</p>
	<p>Perbanas Institute is a leading higher education institution providing education in finance-banking and informatics.</p>	<p>Goodhope is working with researchers from Perbanas Institute with the aim to enhance the Community Development Programs delivered. A team from Perbanas Institute will provide capacity building opportunities focusing on entrepreneurship development for local communities.</p>

Table 9. Contributions from Consultants and Partner Organizations (May 2017 – 2019)

Organization		Projects
 	<p>UNICEF works in 190 countries and territories to improve the policies and services that protect children, fighting to save children’s lives, to defend their rights, and to help them fulfil their potential.</p> <p>LINKS creates equal partnerships in the activity of social research, facilitating the settlement of social conflicts, and promoting education programs to provide added values for the stakeholders in the palm oil sector in Indonesia.</p>	<p>Goodhope is participating in the Children’s Rights and Business Principles Palm Oil Program, a collaborative project in cooperation with UNICEF and LINKS. The pilot project aims to promote Children’s Rights in the palm oil industry and address issues affecting children in the Palm Oil sector.</p>
 	<p>IBCSD provides a platform for businesses to share and promote best practice in tackling risks. The Conflict Resolution Unit (CRU) of the IBCSD was established to provide services to support the mediation of land use and natural resource management conflict and provides a range of support services for mediation processes to ensure the application of best practices. Services include initial assessment, support for facilitation and mediation, and the monitoring and implementation of stakeholder agreements.</p>	<p>Supported by the RSPO Dispute Settlement Facility (DSF), the Conflict Resolution Unit (CRU) of the IBCSD has been appointed to conduct on issues relating to conflicts over land and natural resources between the indigenous Yerisiam Gua Community and PT Nabire Baru and to facilitate mediation for the settlement of disputes.</p>
	<p>Environmental Resources Management (ERM) is a leading global provider of environmental, health, safety, risk and social consulting services.</p>	<p>Environmental Resources Management (ERM) has been contracted to conduct regular sustainability audits in order to analyze and evaluate Goodhope’s performance relating to the implementation of sustainability commitments. The first third party report was completed in April 2018 and includes a gap analysis and recommendations for corrective actions.</p>

Table 9. Contributions from Consultants and Partner Organizations (May 2017 – 2019)

Organization		Projects
	<p>Daemeter is a leading independent consulting firm promoting sustainable development.</p>	<p>Daemeter provides support towards Goodhope’s social and environmental objectives, in particular by assisting with responsible sourcing commitments and our approach for handling grievances.</p>
	<p>PILI Green Network is a non-governmental organization whose programs and activities are oriented towards nature and environmental conservation. Its institutional network focuses on gathering and exchanging information about biodiversity and protecting natural resources and environmental issues.</p>	<p>Supports our on the ground conservation activities, including support for surveys, capacity building, the development of conservation management plans, and facilitation of conservation activities.</p>
	<p>IDH the Sustainable Trade Initiative drives the collaborative design of new approaches to realize sustainable growth in commodity sectors and sourcing areas.</p>	<p>Our collaboration with IDH aims to support sustainable livelihood development and equitable economic opportunities in the landscape surrounding our concessions in Papua.</p>

Section III.

Sustainability Roadmap

3.1 Strengthened Sustainability Management Framework

Our strengthened Sustainability Management Framework (outlined in Table 9) comprises the systems and processes to encourage improved performance in environmental, social and economic sustainability. It aims to ensure that all appropriate measures are put in place to facilitate the implementation of sustainable business practices in compliance with applicable legislation and standards in a way that responsibly manages resource use, reduces environmental footprint, and enhances employee and community welfare and well-being.

Overall Sustainability Goals and Sustainability Action Principles will help create momentum to encourage collective action towards set targets through shared values. We have set six overall Sustainability Goals to drive improved performance. Each goal has associated targets that provide the basis for strategic planning and shall be further defined such that there are specific time-bound plans for each management unit.

Six Sustainability Action Principles "Engage; Respect; Support; Empower; Conserve; and Adapt" shall guide the way that we perform as a Group. These principles compliment our Group's Philosophy "Exceeding expectations through operational excellence, management expertise, responsible stewardship of resources and a willingness to apply proven skills to new challenges" and the values and expectations in our Code of Business Conduct.

Our Policy, Procedures and Working Instructions will continue to be strengthened by:

- Integration of new principles and criteria;
- Introduction of improved stakeholder engagement processes;
- Improved systems and procedures for monitoring, evaluation and reporting.

We will continue to keep a close eye on new updates and guidelines from RSPO and shall proceed to integrate new requirements into our business processes.

In striving to meet our aim of ensuring that all third parties whom which we work with, shall adhere to the principles of no deforestation, no development on peat and no exploitation, we will be communicating Core Requirements that will encompass key commitments. We will develop new supplier engagement procedures to promote our policy commitments and to encourage our suppliers to comply with our policy requirements. Risk assessment tools such as spatial data and remote sensing information will be used to determine the risk of each third-party palm oil mill in our supply chain and shall establish priorities and strategies to ensure that appropriate monitoring and evaluation activities are carried out to assess and verify compliance.

For our own management units, various assessments will continue to be conducted to attain the necessary information for the development of adaptive management and monitoring plans, and to monitor impacts and performance. Site management plans shall be developed and adapted according to the outcomes of assessments and monitoring activities.

Capacity building through engagement and training activities will continue to be fundamental in order to communicate our policies, disseminate information and provide learning opportunities to enable and enhance policy implementation and compliance.

Improved Monitoring Systems will be used to more efficiently track performance, particularly in terms of environmental performance, labor practices and working conditions, and community welfare. To do so we need improved tools to maintain records across different departments, companies, regions and countries. This will better allow us to demonstrate measurable improvements in our practices and both quantitative and qualitative progress towards our Sustainability Goals.

We shall monitor performance against key indicators by regular data collection (surveys, inspections, assessments and audits) including stakeholder feedback. Results shall be used to assess our progress towards meeting targeted milestones, to identify gaps in compliance and to develop adaptive management and monitoring plans / corrective action plans.

Alignment with the framework of the United Nations Sustainable Development Goals (SDGs) links our strategy to global targets to enable indication of contributions to several of the Global Goals. Making use of guidance such as the "Practical Guide to business reporting on the SDGs" we intend to integrate key SDGs into our sustainability monitoring evaluation and reporting system, using relevant indicators to determine correlations and contributions towards select SDG targets.

Through improved transparency and reporting systems we will continue to report on our progress and performance as an important means to fulfil our commitment to accountability, to allow stakeholder feedback and to promote continuous improvement. Our reporting framework shall now include a quarterly report 'Sustainability Journey' and an annual Sustainability Report to demonstrate and communicate progress and performance.

Compliance against our commitments and sustainability standards shall be verified, contracting reputable third parties to complete validation assessments.

In recognition of the need to better prevent the escalation of grievances, we are in the process of developing a new Grievance Approach in collaboration with Daemeter Consulting. The Approach is intended to be a systematic way to prevent and respond to grievances, promoting the need for well-monitored processes.

Table 10. Core Components of Our Sustainability Management Framework

Sustainability Policy	Goodhope’s Sustainability Policy defines our commitments to sustainable development.
SPIP Objectives	The objectives of our Policy Implementation Plan (SPIP) are defined according to the terms of our policy statements and evaluation of our performance.
Sustainability Goals and Targets	We have set six overall Sustainability Goals with related targets to drive improved performance.
Key Principles	Six key principles “Engage; Respect; Support; Empower; Conserve; and Adapt” will be promoted to encourage way that we perform as a company.
Code of Business Conduct	Our Code of Business Conduct sets the expectations and values to guide ethical conduct and provide support when making decisions and taking actions.
Procedures and Working Instructions	Standard Operating Procedures and Working Instructions define the operational processes that must be completed to fulfil our commitments. These documents shall be updated as necessary to maintain consistency with our Sustainability Policy, legislation and standards.
Standards and Guidelines	The criteria of standards in sustainability define the requirements that must be met in order to fulfil our commitments. Endorsed Guidelines provide information to support our management processes and operational procedures.
Third Party Core Requirements	We will communicate Third Party Core Requirements with the aim of ensuring that all third parties whom which we work with, shall adhere to the principles of no deforestation, no development on peat and no exploitation.
Assessments	Assessments are essential to establish baseline data, to attain the necessary information for the development of management and monitoring plans, and to monitor impacts and performance.
Adaptive Management Plans	Site Management Plans shall be developed and adapted according to the outcomes of assessments and monitoring activities. They will define time-bound objectives and person responsible.
Capacity Building Programs	Engagement and training activities (for employees, local communities, suppliers and other stakeholders) to communicate our policies and plans and to provide learning opportunities to enable and enhance policy implementation and compliance.
Monitoring and Evaluation Systems	We shall monitor performance against key indicators by regular data collection (surveys, inspections, assessments and audits) including stakeholder feedback. Results shall be used to identify gaps in compliance and to develop adaptive management and monitoring plans / corrective action plans.
Transparency and Reporting Systems	We report on our progress and performance to fulfil our commitment to transparency, to allow stakeholder feedback and to drive continuous improvements.
Verification Systems	Compliance with our commitments and sustainability standards shall be verified by accredited third party auditors in line with our Certification Plan.
Grievance Approach	Our new Grievance Approach will be a systematic way to prevent and respond to grievances, promoting the need for well-monitored processes.

Table 11. Sustainability Action Principles

1. Engage	Maintain open, balanced and constructive channels of communication with stakeholders, providing stakeholders with accurate data and information on matters that affect their interests, and facilitating the exchange of information to promote collaborations and continuous improvement in sustainability performance.
2. Respect	Adopt fair and ethical business practices acknowledging the rights of our stakeholders and apply the UN Guiding Principles on Business and Human Rights to prevent, address and remedy human rights issues
3. Support	Support the provision of systems, processes, infrastructure, facilities and services to help enhance the welfare and wellbeing of employees and communities.
4. Empower	Deliver and support programs and opportunities to empower employees, local communities, women and children, as a means to enhance socio-economic development.
5. Conserve	Promote the optimal and responsible use of resources and make contributions to help protect forests, water sources, land fertility and energy sources and to reduce carbon footprints.
6. Adapt	Convert gaps and obstacles in performance into ideas and actions, incorporating new approaches to overcome issues and remedy errors through the framework identify, plan, implement, monitor and review.

3.2 Roadmap for Full NDPE Compliance

As we continue to implement our Sustainability Policy, we will progressively ensure that compliance to the principles of No Deforestation, No development on Peatland, and No Exploitation (NDPE) is extended throughout our entire supply chain. All third parties, including associates, suppliers, and contractors who work with us, shall adhere to Core Requirements will be communicated during third party engagement processes.

In line with our Sustainability Policy, our responsible sourcing commitments require that our suppliers are compliant with the applicable laws and regulations; are not involved in forest clearance; do not use fire for land clearance; do not develop on peatland of any depth; commit to identify and mitigate social and environmental impacts; respect human rights and operate using ethical labor practices including the prohibition of child labor and all types of discrimination.

Towards ensuring full compliance, we will increasingly engage with suppliers to promote and evaluate compliance with our responsible sourcing commitments consistent with our Sustainability Policy. We are rolling out robust responsible sourcing criteria and procedures, and improving our monitoring systems to trace the supply of FFB and improve supply chain transparency.

Through our engagement processes we will encourage the implementation of improved practices across our entire supply chain in line with industry standards for the production of sustainable palm oil. We aim to provide constructive feedback and guidance to suppliers and to support them in the implementation of improved practices in order to build compliance with our policy commitments.

We will use risk assessment tools such as spatial data and remote sensing information to determine the risk of each third-party palm oil mill and plantation in our supply chain. This will enable the prioritization of our efforts, focusing on parts of our supply chain which pose the greatest risk, and where improvements will make the most impact.

Monitoring and evaluation activities will be carried out to assess and verify compliance. All existing and prospective suppliers are expected to provide documentation to demonstrate compliance to allow for verification of their working practices and their own supply chain. We will review our business dealings with suppliers who refuse to comply with NDPE commitments or who fail to satisfactorily demonstrate a genuine willingness to work towards meeting agreed milestones. Any complaints that involve third party suppliers will be handled in accordance with our grievance approach.

To provide direction for our ongoing efforts we have established a Traceability and Responsible Sourcing Roadmap for Full NDPE Compliance (Table 11) outlining the key goals, objectives and targets.

Table 12. Traceability and Responsible Sourcing Roadmap for Full NDPE Compliance

Goals	Objectives	Targets	
		By end 2020	By end 2024
100% of FFB supply to our own mills is traceable to plantation.	Apply Data Management Platform provided by Cadasta organization as a tool for data collection and mapping of the plantations from which FFB supplying to our mills is sourced.	90% of FFB supply to our own mills is traceable to plantation.	100% of FFB supply to our own mills is traceable to plantation.
100% of FFB supply to third party supplying mills is traceable to plantation.	Engagement with third party supplying mills to determine % traceability to plantations.	Receive information from 100% of supplying mills.	100% of FFB supply to third party supplying mills is traceable to plantation.
Risk assessments enable prioritization of our efforts, focusing on parts of our supply chain which pose the greatest risk.	Conduct supplier evaluations to assess the risk of non-compliances and develop risk management plans.	Level of risk (low, medium, high) is determined for 100% of first tier suppliers.	Level of risk (low, medium, high) is determined for 100% of first tier suppliers.
Third parties with whom we work commit to compliance with NDPE principles.	Dissemination of our Sustainability Policy; NDPE socialisation for suppliers and contractors; Contractual agreements specifying NDPE requirements.	Receive commitment by 100% of first tier suppliers to abide by NDPE principles.	Receive commitment by 100% of first tier suppliers to abide by NDPE principles.
Third party suppliers operate in full compliance with our responsible sourcing requirements.	Complete evaluations of the commitments and management systems of third party suppliers.	30% of first tier suppliers are verified as compliant with our Responsible Sourcing Commitments.	100% of first tier suppliers are verified as compliant with our Responsible Sourcing Commitments.
Issues of non-compliance involving third party suppliers are identified and resolved.	We will deal with any complaints that involve third party suppliers in accordance with our grievance approach.	Procedures for dealing with issues of non-compliance involving third party suppliers are fully implemented.	Zero issues of non-compliance involving third party suppliers: all are effectively resolved.
Independent smallholders are supported to enable inclusion in our supply chain.	Engage with independent smallholders providing training and encouraging certification.	Provide training for 500 independent smallholders.	Provide training for 1,500 independent smallholders. Certification of 100 independent smallholders.

Goodhope Asia Holdings Ltd.

No. 1, Kim Seng Promenade
#15-04 Great World City

East Tower

Singapore 237994

Tel: +65 66900120

Email: reachus@goodhope.co

PT Agro Harapan Lestari

Upstream Management Company

Menara Global Building

5th Floor

Jl, Jend. Gatot Subroto Kav. 27

Jakarta, 12950

Indonesia

Tel: +62 2152892260

Email: reachus@goodhope.co

Premium Oils & Fats Sdn Bhd

Downstream Management Company

Suite 6.03, Level 6

Wisma UOA Damansara II

6 Changkat Semantan

Damansara Heights

50490 Kuala Lumpur

Malaysia

Tel: +60 320826200

Email: premiumenquiry@goodhope.co

www.goodhopeholdings.com

