

Sustainability Journey

Quarterly Report



Foreword

In response to the COVID-19 pandemic, our priorities are to safeguard the wellbeing of our employees, their families and the communities living in and around our concessions and to play our part in mitigating the spread of the disease.

We are implementing preventative measures across all management units, ensuring that facilities are equipped with hand-washing/sanitizing stations; regularly cleaning and disinfecting frequently touched surfaces; performing temperature checks; and adopting social distancing procedures. Goodhope has developed its own COVID 19 protocol following the best practice guidelines of World Health Organization (WHO) and modified to suit the plantation conditions to ensure preparedness in case of any COVID-19 outbreak in and around our plantations. This has been rolled out into practice across all Goodhope subsidiaries.

Briefings among employees and local communities have been conducted to raise awareness and to encourage individuals to implement everyday prevention measures. Quarantine facilities have been prepared across all plantation locations and necessary Personal Protective Equipment (PPE) for medical staffs and first line operatives have been sourced. Large number of PPE required for staff and workers are being sourced at the moment. Company is in discussion with regional hospitals in regions where we operate to identify ways and means we could support the governments efforts to control this disease.

Our regional offices have been adopting work from home procedures; any activities which involve large groups have been suspended; and our schools closed. At this difficult time, we are doing our best to ensure that our operations continue to run as close as possible to normal and that we continue to work towards our sustainability commitments. In this issue of our Quarterly Report, Sustainability Journey, we bring to you updates on activities implemented in the first quarter of 2020.

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Participative Conservation Planning



Review of company CSR programs and the management of social impacts in collaboration with Earthworm's CSE internship program. 24th-25th February 2020.



Training on Participatory Conservation Planning (PCP) and Social Impact Management, Goodhope Training Center in collaboration with Earthworm's CSE internship program. 24th-25th February 2020.



Goodhope continues to work on strengthening forest conservation programs across its concessions through community engagement and participatory planning to develop improved approaches that provide economic opportunities and support conservation efforts.

We have been working in collaboration with Earthworm Foundation's Centre of Social Excellence (CSE) to conduct a review of sustainability programs and initiatives in Central Kalimantan and to build capacity among employees and local communities while supporting the CSE Internship program. The program was conducted from 6th January-28th February 2020 and included:

1. Monitoring of HCV areas and evaluation of land-use, vegetation, wildlife species and river quantity in and around concession areas.
2. Review of company CSR program and the management of social impacts to local stakeholders.
3. Training of Participatory Conservation Planning and Social Impact Management in order to improve employee knowledge and capability in implementing company environment and social commitment.
4. Conservation Awareness and education for teachers and students at schools on environmental issues such as pollution, GHG emission and deforestation.

Production-Protection-Inclusion (PPI)

PPI Compacts are being developed as an integrated approach to mitigate deforestation, while improving smallholder and community livelihoods and promoting economic security for businesses.



Supporting the implementation of PPI Compact Project in Ketapang District, West Kalimantan, Goodhope participated in a Coordination Meeting organized by the Ketapang District Government and the Ketapang Development Partners Association, including the main supporter Inisiatif Dagang Hijau (IDH). At the event held on 18th February 2020, participants contributed to the development of a joint PPI action plan.

Further to our involvement in the Ketapang District PPI Compact, we are looking to support application of the approach to optimize community based conservation and economic development in Papua.



Multi-stakeholder Meeting on Green Development in Papua and West Papua facilitated by IDH. 27th February 2020.

Development of an Integrated Forest Conservation and Rehabilitation Program, East Kalimantan

Goodhope is working to build on collaborative partnerships to strengthen forest conservation and rehabilitation efforts in and around its concession PT Agro Indomas East Kalimantan (AIEK).

With increasing engagement and conservation efforts, we aim to protect remaining forests and help to restore the ecological functions of mangrove forest. In doing so we will contribute to the protection of carbon stocks and help safeguard populations of Rare Threatened or Endangered species such as the proboscis monkey. To succeed in these efforts, it is clear that we must work together with multiple stakeholders to maximize potential for positive impact and effectively mitigate the threats of development.

The focus of our stakeholder engagement activities is on sharing information and building capacity for alternative income generating opportunities among local communities to promote livelihoods that support and do not negatively impact conservation efforts.

Existing partnerships with Environmental Leadership and Training Initiative (ELTI) and our ongoing smallholder engagement program provides a good foundation to build on with the delivery of socialization activities promoting forest conservation and rehabilitation. Additional stakeholders will be sought to support the program, including local champions to help promote the importance of mangrove conservation.

We are working towards raising awareness of the importance of forest conservation in and around AIEK concession (among AIEK employees, local communities and local businesses). Importantly, our engagement and capacity building activities focus not only on the importance of the forest as habitat for the endangered and endemic proboscis monkey, but also on: i) the benefits that it can provide to human wellbeing and economic growth, and ii) the significance of animals such as the proboscis monkey in contributing to the health of a forest ecosystem.

Social, land-use, habitat and biodiversity assessments will provide the information needed to identify the areas at greatest risk of degradation, potential for forest rehabilitation and priorities for addressing the main threats.

Improving the quality of the habitat by rehabilitation projects in selected areas would be a positive move to help secure accessibility to key food sources to ensure the population stability of proboscis monkeys in the area. Botanical expertise from ELTI will be utilized to provide recommendations and procedures for rehabilitation projects and to lead trainings.



Mangrove forest, Balikpapan Bay holds high carbon stock / high levels of biodiversity and that provides habitats for Rare Threatened or Endangered species.



Biodiversity Survey undertaken by the company supported by ELTI and Balitek team along Sepaku River and Riparian Area, Balikpapan Bay. 14th January 2020.



Discussion on conservation approaches and planning at Balitek KSDA (Agency for Natural Resource Conservation Research), Samboja, East Kalimantan. 14th January 2020.



Re-vegetation of forest areas destroyed by landfires by planting local tree species sourced from Goodhope's nursery and local forestry agency



PT Rim Capital Forest Rehabilitation Program

PT Rim Capital was among the companies that stepped up capacity to respond to landfires in 2019, working together with local authorities and communities on the conservation of forest areas and mitigation of threats. Efforts included community fire awareness training; ensuring full preparedness for effective response; and emergency action to directly extinguish identified fires.

Despite the joint efforts to prevent and mitigate landfires, an estimated 39 ha of forest cover was lost at three locations.

Goodhope is now working on developing a forest rehabilitation program to restore the ecological functions of forest degraded by fires in 2019. PT. Rim capital is developing the program in association with the local government and community.

A pilot project is underway to restore the degraded area by planting local forest tree species sourced from the company-owned nursery and other sources. The rehabilitation program was initiated with building awareness and participation of local community in re-vegetation efforts in Teluk Hanau village in January 2020.

RIM Capital continues to work with the government to source seedlings to extend the reach of the project. This initiative is conducted in tandem with public awareness efforts to further prevent fire threats in the future.

Alternative Income Generating Opportunities

A core element of Conservation involves promoting Alternative Income Generating Opportunities that allow communities to earn an income without disturbing forests ecosystems.

Goodhope has been working with a number of partner organizations, i.e., ELTI, Swara Owa, IDH, Al Azhar, Perbanas, UNICEF, UPI and CSE on supporting the development of livelihood programmes including fruit and vegetable farming and the cultivation of stingless bees for honey production.

These projects aim to bring sustainable ways of earning incomes for local communities without use of chemical fertilisers and pesticides and more importantly, without the use of fire to clear land.



Beekeeping represents a good economic opportunity for communities who live around oil palm plantations and is being adopted by local communities living close by to our concessions in Central Kalimantan.

Management of Stakeholder Relations

In order to proactively manage and address key issues and appropriately engage stakeholders, our stakeholder engagement processes aim to:

1. Provide stakeholders with information about our business activities and allocate sufficient time for appropriate consultations.
2. Enable the receipt of stakeholder feedback and providing opportunities for stakeholders to express their perceptions and opinions towards creating a common understanding.
3. Facilitate the development of reciprocal relations and collaborations for the implementation of projects to fulfill our commitments.
4. Ensure that stakeholder information is taken into consideration when making project decisions and when implementing resolution mechanisms.

We recognize a stakeholder as any individual, group or organization that may be affected by Goodhope operations, may have interests in the company or a project and/or have the ability to influence its outcome. Goodhope has forged numerous joint programs and partnerships with social and environmental NGOs, UN agencies, development agencies, buyers and supply chains.

Goodhope representatives actively attended various workshops and events organized by our partners during this quarter.

At a 2-day workshop on Government and Digital Media Relations, organized by APINDO (an Independent Indonesian Entrepreneur Association) in February 2020, CSR Manager shared Goodhope's experience in implementing stakeholder engagement programs which are intertwined with the CSR initiatives towards creating the fundamentals for securing long-term conducive business environments.

The focus was on the importance of livelihood development and capacity building as instruments to secure long-term social license to operate in oil palm plantations and to facilitate improvements in community welfare and wellbeing.

The meeting provided valuable information and exchanges on how to handle media and government relations as a means to build stakeholder relations and achieve favourable social environment for our business activities.



APINDO Workshop on Government and Media Relations. 27th-28th February 2020.



Participation in a Workshop on the Private Partnership for Biodiversity Conservation organized by Company-Community Partnerships for Health Indonesia (CCPHI), a not-for profit organization in February 2020



Multi Stakeholder Partnerships and events that bring stakeholders together to participate in dialogue, decision-making and planning, play an important part in facilitating capacity building and driving positive change.

We are increasingly looking to apply Multi Stakeholder Partnerships and participative planning for conservation and sustainable development, incorporating landscape level planning and involvement of local communities and relevant stakeholders.

At this time we are increasingly relying on digital communication to keep in touch with stakeholders while we implement work from home procedures and comply with restrictions on meetings involving large groups.

Smallholder Engagement & Support

Based on the information we received through the interview with farmers during collecting data and mapping smallholders, we are implementing training activities for smallholder farmers to promote the benefits of sustainable land management and build capacity for livelihood improvement programs.

In collaboration with Daemeter Consulting, our Farmer Field School (FFS) program undertaken in the area of PT Agro Wana Lestari (AWL) Central Kalimantan has involved 111 independent smallholders-farmers from 3 villages neighboring to Sangai Estate (Batu Agung village, Tribuana village and Bukit Indah village), Telaga Antang Sub-District.

Following up on the implementation of the training program, there is big expectation to continue support programs for farmers who need to diversify their income, secure land rights, access to financial and technical support on best agricultural practices and strengthen their position in supply chains.

There remains much for the FFS participants still to learn to fully understand Good Agricultural Practices (GAP) topics and the farmers ask for further training or mentoring support from AWL agronomic staff. with the aim to help smallholder farmers to be eligible for sustainability certification (ISPO and RSPO), improve crop productivity, adopt good agronomy practices while encouraging the reduced and responsible use of chemical fertilizer and pesticides.

We are looking to further strengthen partnerships with smallholders supplying crops to AWL by supporting efforts to empower the farmers which will enable them to adopt the company's sustainability policy.

Capacity building program under FFS will be continued for FFS participants and expanded to reach more smallholders who have not yet had the opportunity to join the training program.



FFS speech delivered by Head of Bukit Indah village. during farmers' training on 20th January 2020



FFS participants at Batu Agung village, 28th January 2020.



FFS Participants at Tribuana Village. 29th January 2020.



FFS participants at Bukit Indah Village, 30th January 2020.



FFS Participants at Batu Agung village. 28th January 2020

Continued Progress in Smallholder Mapping

Number of smallholders surveyed and mapped	1.279
Area (Hectares)	4.331
FFB volume (tonnes /year)	47.837

Awards in Education and CSR



PT AICK Tunas Agro Primary School 1 (SD Tunas Agro 1) participated at the Seruyan Raya Sub District Science Olympiad Competition.

The success of our education programs continues to be recognized by stakeholders and shown through the achievements of our students. In February 2020, PT AICK Tunas Agro Primary School 1 (SD Tunas Agro 1) participated at the Seruyan Raya Sub District Science Olympiad Competition (KSN: Kompetisi Sains Nasional) and achieved 3rd place in the category Natural Science and Mathematics.



Goodhope's PT Sumber Hasil Prima and PT Sinar Sawit Andalan (PT SHP and PT SSA) in Sintang, West Kalimantan have been granted 2018-2019 CSR Awards by Bupati of Sintang in recognition of the companies' CSR programs and contributions to education, health, village infrastructure, social development and support of cultural activities to the local community in the region.

PT Agro Bukit has followed direction of BKKBN - Central Kalimantan Province to support government program on Family Planning and reproduction Health. The government granted the company an award on family planning commitment. This is the third time PT Agro Bukit has received the family planning award.



PT Agro Bukit was awarded for its contributions to Family Planning and Health programs. 25th - 26th February 2020.

Goodhope will continue its effort in supporting and promoting "healthier life" program and improved household's "social economy" of the employees and local communities. This program was applied to internal employees and local communities at around PT Agro Bukit reaching a total of 1168 participants.

Management Support for Scheme Smallholders



CSR Awards from Sintang Head of Regent, awarded to PT Sumber Hasil Prima and PT Sinar Sawit Andalan. 16th December 2019.

PT AIEK facilitated a training on the organizational strengthening with specific focus on financial and administrative management for members and the Boards of Koperasi Misale, a Village Unit and Plasma Cooperative during the Annual Members Meeting of the Cooperative in February 2020 in Sepaku, PPU, East Kalimantan.



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