

# Sustainability Journey

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## Foreword

In seeking ways to improve implementation of our Sustainability Policy, we have established a number of partnerships to facilitate the delivery of our implementation plan objectives. Such partnerships provide important expertise and resources to enable us to develop and implement appropriate action plans.

We are currently working with several organizations to facilitate the implementation of local community development and empowering programs with the aim to bring sustainable livelihood development to the communities in and around our operating locations.

By working in collaboration to develop carefully planned projects with community and local government participation, we are able to implement community development programs that support and enhance our conservation commitments. In this issue of Sustainability Journey, we introduce an integrated conservation and community development project that we are initiating at Bukit Santuai, Central Kalimantan. This project is carried out in cooperation with Swaraowa, a not for profit organization working on community-based conservation of primates habitat.

It is such a model that we aim to replicate elsewhere at our immature plantation locations in Papua and West Kalimantan. Recently completed HCV and HCS Assessments, along with ongoing Social Impact Assessments, are providing the information to develop appropriate conservation and land-use management plans in these areas.

It is coming up to a year since the launch of our Sustainability Policy in May 2017. As such we have appointed Environmental Resources Management (ERM) as independent third party to assess our performance in sustainability policy implementation and compliance with RSPO principles and criteria. The outcomes of the Sustainability Performance Assessment will be used to develop action plans to close any identified gaps in compliance for continuous improvement.

## Partnership to Support Conservation and Community Development Initiatives at Bukit Santuai

Goodhope has secured support and approval from key stakeholders 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 conservation of culture and biodiversity has been established 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). Approval from the East Kotawaringin Customary Assembly has been attained to protect Bukit Santuai and surrounding Panjang and Hawuk Hills as a Cultural Conservation Area, resulting in the establishment of an inaugural Conservation Committee in 2012, comprising local leaders and representatives from local communities, local government agencies, and the company. The project has progressed with collaborative workshops and a traditional ceremony to mark the area as a Cultural Conservation Area.

Based on High Conservation Value (HCV) assessment, there is a HCV area of 2,404 ha in the AWL/KMS concession and this area forms the focus of the conservation initiative. The network of rivers and steep slopes that are present makes the area important for the protection of ecosystem services. Furthermore, a number of rare threatened or endangered (RTE) birds, reptiles and mammals found in the habitat. Protection has been promoted by providing information to employees and local communities about the location of protected areas, RTE species, hunting prohibitions etc. and by HCV monitoring.

To advance the conservation efforts and strengthen the program, Goodhope has initiated a partnership with the conservation organization Swaraowa in order to deliver more effective management and monitoring of the HCV area based on scientific approaches and collaborative participation.

A Scoping visit conducted by a joint team of Swaraowa and Goodhope from 18<sup>th</sup>-24<sup>th</sup> May provided important information to develop an integrated cultural-based conservation project to better protect RTE species and other High Conservation Values in the area.



As part of the recent scoping visit, field surveys in and around PT AWL and PT KMS concessions were conducted relating to HCV status and species. The information acquired from preliminary primate vocalization studies, discussions with plantation workers, and direct observations of wildlife and habitat will be used to guide management decisions and prioritize activities for the long-term management and monitoring HCV area. The information will be evaluated and used to develop a strategic plan to enhance HCV management and monitoring and support improved sustainable livelihoods among the local communities.



Consultation meeting with local community of Tumbang Penyahuan, Tanah Haluan and Keminting villages, March 2018



Multistakeholders meeting with local government on designation of Bukit Santuai as customary forest, July 2013



Traditional ceremony on launching of the Bukit Santuai designation as customary forest in February 2015

The second part of the scoping visit for the development of an enhanced conservation and community development program at Bukit Santuai involved visits to some of the villages located around this area, including Tumbang Penyahuan, Tanah Haluan and Keminting.

Open and constructive discussions were held with local community leaders and representatives with the aim to get an overview of:

- Chronology of community-based initiatives to conserve Bukit Santuai by introducing customary and sacred forest status started in 2011. Bukit Santuai was recognized as customary forest by local government of Kotawaringin Timur in 2015.
- The recent history of community development through land-use and utilization of forest products both timber and non-timber.
- Some of the current economic activities of the communities and conditions of current markets in and surrounding the village
- The socio-cultural significance of the area and the importance of cultural preservation.
- People's perspectives on forests, environmental services, biodiversity richness and species found in the habitat.
- The potential market for the use of natural resources / non-timber products for socio-economic development.
- The potential market for the emergence of eco-tourism initiatives.

With a Conservation Committee comprising local leaders and representatives from local communities, local government and the company already existing since 2012, there is already apparent support on our proposal to further advance a cultural-based conservation program at Bukit Santuai, particularly for a program that will aim to:

1. Develop livelihood strategies to provide long-term economic security enhanced marketing values.
2. Strengthen cultural identity and values, which have close links to the protection of the natural environment.

Further collaborations and evaluations will help to guide the best way forward for the program in order to develop and implement appropriate economic activities which may enhance efforts to conserve the habitat.

## Fire Safety Training

We aim to ensure that at each estate there is always sufficient fire prevention measures in place, and that there is an on-site fire-fighting team sufficiently prepared to respond safely and effectively in the case of a fire.

The preparedness for appropriate fire response is mediated by periodic training on fire safety procedures and regular routine checks to ensure the availability of fire-fighting equipment.

Specialized fire response training is conducted for our emergency teams to ensure that they have all the necessary information and skills they need to enable a safe and efficient response to any outbreak of fire. Such emergency response training was organized by EHS Departments from our concessions in Ketapang region at PT Batu Mas Sejahtera (BMS) in January 2018 and at PT Agrajaya Baktitama Perkasa (AJB) and PT SMS Sawit Makmur Sejahtera (SMS) in March 2018.

The training included theory on fire fighting; practical simulation for fire-fighting and evacuation training; and evaluation of response. These processes provided a means to assess the effectiveness of the implementation, leading to the development of improvement plans incorporating the need for reminders of procedures across each estate for all employees, regular drills and some revisions in the structure of the organization of fire-fighting teams.

With rains in Indonesia typically falling between October and April and the dry season spanning from May to September, we are fast approaching the time of the year with risk of wildfires, making it increasingly important for all our employees to understand the risks, preventative measures and emergency response procedures. During the dry season, we will also be implementing programs to raise awareness of the dangers of wildfires and preventative actions among communities around our plantations.



Fire Safety Training at PT Batu Mas Sejahtera (BMS), PT Agrajaya Baktitama Perkasa (AJB) and PT SMS Sawit Makmur Sejahtera (SMS)

A fire drill training involving employees and fire fighting team was conducted on 11 April 2018 in Bulking station, PT. Agro Indomas Central Kalimantan. This program is a part of fire drill training series that have been implemented regularly in different department and work areas.

PT. Agro Indomas has developed Emergency Response Procedure and has Emergency Response Team Structure with more than 150 personnel in the team. The team is closely linked to Manggala Agni of the Ministry of Forestry and Environment. The company also conducted a fire simulation to ensure that current fire fighting team are able to act according to their role in structure. Fire alarm, equipments and other emergency system was also tested during the simulation.

Previous fire drill conducted in PT. Agro Indomas and PT. Rim Capital:

- Fire drill in Terawan Estate: 11 August 2017
- Fire drill in Sungai Purun/Sungai Rungau Estate: 18 August 2017
- Fire drill in Teluk Ulin/Lanpasa: 21 August 2017



Fire Safety Training at bulking station PT Agro Indomas

## Cleaning the River

PT Agro Indomas organized a cleaning program of Rungau river and Sembuluh lake on 11 April 2018 involving both workers and villagers from Terawan. This initiative aims to clean the water bodies from water hyacinth (eceng gondok), an invasive species.

Water hyacinth is a free-floating perennial aquatic plant (or hydrophyte) native to tropical country. With broad, thick, glossy, ovate leaves, water hyacinth may rise above and cover the surface of the water.

Due to the rapid growth of water hyacinth, this plant can cover the entire surface of river/lake within few days. The adverse impacts of uncontrolled growth of water hyacinth have been felt by the villagers along Rungau river and Sembuluh lake. Such unintended impacts include reduced amount of sunlight penetrating into the water causes decreased oxygen solubility in the water (DO: Dissolved Oxygen) which directly affect freshwater organisms; restriction of water flow and transportation by water, i.e. boats; disruptions to economic livelihoods for local fishermen and people whose lives are still dependent from the river and lake; thriving habitat for human disease vector, such as mosquito and decrease aesthetic value of aquatic environment.

Cleaning up river and lake free from water hyacinth has been agreed by the company and local community of neighboring villages of Terawan and Lampasa to be carried out periodically in order to maintain the aquatic environment.

Further, the company is planning to turn the invasive pest into organic fertilizer by processing water hyacinth using chopping machine. The water hyacinth will be collected, chopped and dried for organic fertilizer or animal feeds. The products will be sold to local poultry or fish farmer in the village. Technical assistance will be provided by the third party to help community manage the machine and market the products.



River condition before cleaning

River condition after cleaning



Training on School Accreditation and Accountability held at PT Agro Indomas Training Center in Central Kalimantan

Our Junior High School at PT Agro Indomas Central Kalimantan (AICK) has attained the highest accreditation rating level, setting a benchmark for all our other schools.

It is expected that the recent training on quality assurance will provide educational managers and administrators with improved ability to promote the develop effective strategies for utilizing the funding to advance performance.

Compliance with the national curriculum and standards set by the government is assessed by local education officials and reach our targets to achieve at least B level national accreditation rating at each internally operated school by 2020.

## Agro Harapan Foundation School Accreditation and Accountability Training

Our education programs, delivered by the Agro Harapan Foundation, are designed to provide the necessary education facilities and services to ensure that our operations enhance - and do not in any way compromise - the social and intellectual development of future generations and their potential for earning a livelihood. Our aim is to ensure that every child living in or around our oil palm concessions has access to quality education.

The Foundation currently assists a total of 69 schools, attended by more than 7,700 students in three provinces in Kalimantan and Nabire.

Internally operated schools, located inside Goodhope concessions are developed according to requirements as identified by social impact assessments carried out at the location. In Central Kalimantan, the foundation manages 12 internal schools.

To support preparations for attaining national accreditation targets, and to encourage advanced performance at these internally-operated schools, our Agro Harapan Foundation has organized training on key aspects of education management and administration.

The training held on 20<sup>th</sup> and 21<sup>st</sup> March 2018 at PT Agro Indomas Training Center, was attended by School Principals, Treasurers and Administrative staff from our schools in Central Kalimantan. Around 30 participants actively took part in the training, which was guided and supervised by Prof. Dr. Ari Widodo, educational consultant of the Agro Harapan Foundation.

The event provided training on the processes of evaluating school performance, school administration, procedures for planning annual school budgets, the requirements for producing financial reports, and the necessary preparations that must be made in order to meet national accreditation standards. Emphasis was on the importance of maintaining solid financial management and good teaching/education governance as criteria for the provision of quality education.

## Respecting Human Rights

To ensure that our commitments to human rights are sufficiently fulfilled, we aim to always follow appropriate procedures and processes in a manner consistent with relevant guidelines and principles. These include a number of declarations and documents established by the United Nations (UN):

- Universal Declaration of Human Rights (UDHR)
- UN Declaration on the Rights of Indigenous People (UNDRIP)
- UN Guiding Principles on Business and Human Rights (UNGPs)
- UN Convention on the Rights of the Child (UNRC)
- Food and Agriculture Organization (FAO) of the UN Voluntary Guidelines on the Responsible Governance of Tenure

Through multiple exercises, the training helped to enhance understanding and application of the UNGPs and provided insight into how to better implement the guiding principles across our operations. Key concepts on the framework will be communicated to relevant departments in the company to advance our capacity to implement the guiding principles and to enable the development of action plans to improve implementation of the principles.

In recognition of our commitment to support the UNGPs, representatives from Goodhope attended a Business and Human Rights training event by Indonesia Global Compact Network (IGCN) in Collaboration with APINDO (the Employers' Association Indonesia). The two representatives from Goodhope (Akhyar Rizki and Harold Wenno) were among around 60 participants from various industries attending the 2-day event held in Jakarta on 28<sup>th</sup> and 29<sup>th</sup> March 2018.



**Business and Human Rights (BHR) Training for Managers**

by Indonesia Global Compact Network (IGCN) in collaboration with APINDO (The Employers' Association Indonesia).

## Unicef Children's Rights and Business Principles Palm Oil Program

This month we continued our participation in the collaborative Children's Rights and Business Principles Palm Oil Program to promote Children's Rights in the palm oil industry. Following on from the training on factors impacting children in the palm oil sector – held in October 2017 – a consultancy team from Forum Lingkar Komunitas Sawit (LINKS) returned to two of our plantation sites – PT Agro Indomas Central Kalimantan (AICK) and PT Agro Wana Lestari (AWL) – to conduct baseline surveys assessing key child welfare and wellbeing indicators.

The surveys were conducted over the period 9<sup>th</sup> – 13<sup>th</sup> April with closing meetings held on 14<sup>th</sup> April. Evaluation of the results of baseline surveys, will contribute the development action plans and best management practices to address issues affecting children in the palm oil sector.

## Update on the status of assessments for compliance with RSPO New Planting Procedures 2015

For all subsidiaries pending approval of proposed new plantings, we continue to make progress towards ensuring that all relevant assessments (including High Conservation Value (HCV) assessments, Land Use Change Analysis (LUCA), Social Impact Assessment (SIA) and Greenhouse Gas (GHG) assessments) are completed in compliance with RSPO New Planting Procedures (NPP 2015).

All deadlines set by the RSPO have been met with the timely submission of LUCA reports and HCV assessments and reports all remain under the relevant review processes:

- LUCA reports have been submitted for review by RSPO Compensation Panel in order to determine any remediation and compensation liabilities.
- HCV assessments have been submitted to HCVRN and are undergoing the quality control process involving review by a Quality Panel to ensure that HCV assessments meet the expected standards.

Social Impact Assessment (SIA) and Greenhouse Gas (GHG) assessments are now in the final stages of completion.

<p><b>High Conservation Value (HCV) assessments</b></p>	<p>HCV assessments have been completed for seven subsidiaries and were submitted to HCVRN and RSPO as four reports in line with the deadlines set by the RSPO Complaints Panel:</p> <ul style="list-style-type: none"> <li>• PT NB HCV assessment report was submitted on 31<sup>st</sup> October 2017</li> <li>• PT SAP HCV assessment report was submitted on 6<sup>th</sup> November 2017</li> <li>• HCV assessment for the Ketapang Region (PT AJB, BMS, SMS) was submitted on 31<sup>st</sup> October 2017.</li> <li>• HCV assessment for the Sintang Region (PT SMS and SHP) was submitted on 28<sup>th</sup> December 2017</li> </ul> <p>The assessments remain under the process of review by members of HCVRN Quality Panels.</p>
<p><b>Land use change analysis (LUCA)</b></p>	<p>Goodhope has committed to disclose any non-complaint land clearance and submit a full land use change analysis (LUCA). LUCA reports were submitted to RSPO in line with the deadlines set by the RSPO Complaints Panel:</p> <ul style="list-style-type: none"> <li>• PT NB, PT SAP and PT AJB on 31<sup>st</sup> July 2017.</li> <li>• PT BMS and PT SMS on 29<sup>th</sup> August 2017.</li> <li>• PT SSA and PT SHP on 28<sup>th</sup> November 2017.</li> </ul> <p>LUCA reports were revised, extending the cut-off-date, as requested by RSPO and further site visits to Ketapang and Sintang regions were conducted in January 2018 to verify results. All final revised reports have now been submitted to RSPO:</p> <ul style="list-style-type: none"> <li>• PT NB and PT SAP on 18<sup>th</sup> December 2017.</li> <li>• PT BMS on 15<sup>th</sup> March 2018.</li> <li>• PT AJB and PT SMS on 27<sup>th</sup> March 2018.</li> <li>• PT SSA on 5<sup>th</sup> April 2018 and PT SHP on 13<sup>th</sup> April 2018.</li> </ul> <p>LUCA reports shall be reviewed by an RSPO Compensation Panel to identify remediation and compensation requirements. Suitable remediation and compensation plans will then be developed and implemented.</p>
<p><b>Social Impact Assessment</b></p>	<p>Field assessments have been completed at each site and reports are in the final stages of completion. Draft reports have been received and are expected to be completed in April 2018.</p>
<p><b>Greenhouse Gas (GHG) Assessments</b></p>	<p>The GHG assessments shall identify and estimate carbon stocks and major potential sources of emissions due to each company's operations and will include a plan to minimise net GHG emissions. Assessments are expected to be completed in April 2018.</p>



## Upcoming Activities

### 1. Review of HCV assessment reports

We shall continue our engagement with the lead assessors of the HCV assessments that are currently in the quality review process of HCVRN to ensure that appropriate actions are taken according to the outcomes of reviews.

### 2. HCS Approach peer review process

We shall continue our engagement with the assessors of The HCS assessment report of PT Nabire Baru and PT Sariwana Adi Perkasa to ensure the submission of revised and additional documents according to the first draft of the Peer Review Report. Meanwhile, the HCS report for Ketapang region is expected to be completed and submitted to the HCS Approach Secretariat to organize a peer review.

### 3. Training on rehabilitation in riparian reserves

Goodhope will hold a training on "Best Practices for Rehabilitation of Riparian Reserves in Oil Palm Plantations" in cooperation with the Environmental Leadership and Training Initiative (ELTI) with invited speakers from RSPO and Tropenbos International. The event will be held at the Training Centre of PT Agro Indomas Central Kalimantan (AICK) and is expected to include representatives from local communities and government agencies as well as operational staff working on the management of oil palm plantations.

### 4. Scoping study for research on the social and environmental impact of RSPO certification

Goodhope is facilitating an initial field site visit to allow for data collection as part of a PhD research project: 'Comparative study on the social and environmental impact of RSPO certification in Indonesia. The preliminary visit to AICK is scheduled from 13<sup>th</sup> April 2018.

### 5. Developing a strategic plan for cultural-based conservation and community development initiatives at Bukit Santuai

Goodhope will facilitate further collaboration and communication with the conservation organization Swaraowa, representatives of local communities and company employees at PT Agro Wana Lestari (AWL) and will develop a strategic collaborative and integrated plan to manage the conservation area of Bukit Santuai-Bukit Hawuk at PT AWL.

### 6. HCS assessments

HCS assessment at AWL-KMS has commenced with the scoping study in ten villages by Ata-Marie in April 2018.

### 7. Ketapang Region Landscape Management Plan

Goodhope will work in collaboration with Aidenvironment to enable fieldwork to be conducted to produce land-use maps for three villages in the region. The data will be used to indicate land-use scenarios and the potential for connecting HCV and HCS conservation areas.

### 8. Developing an action plan to improve the welfare and wellbeing of children living in oil palm plantations

Goodhope will maintain communications with Unicef regarding the next steps for the Children's Rights and Business Principles Palm Oil Program, and meanwhile will immediately take on board the most important recommendations made by Forum Lingkar Komunitas Sawit (LINKS) during the baseline surveys at PT AICK and PT AWL.

### 9. Legal review

A second legal review of the legal status of PT Nabire Baru will be conducted by an independent third party nominated by the RSPO. The new Terms of Reference (TOR) of the legal review prepared by the RSPO is awaited.

### 10. Dispute settlement

Upon approval from the RSPO Complaints Panel on the assessment report, Conflict Resolution Unit (CRU) is going to organize a meeting in Nabire to follow up the assessment findings and select the mediator(s) based on agreement by both the complainants and PT Nabire Baru.

### 11. Developing community development programs in collaboration with Perbanas Institute

A MOU will be signed between Goodhope with Perbanas (National Bank Association Institute) on a collaborative CSR programs on a series of community empowerment and capacity building exercises on entrepreneurship and financial management for local community and cooperatives in Agro Indomas

### 12. Completion of third party Sustainability Performance Assessments

Sustainability Performance Assessments by ERM has been completed. The scope of assessment focuses on Goodhope compliance with sustainability (NDPE) policy and RSPO standards. Goodhope will review and evaluate the outcomes of the assessment and will use the information to develop and improve action plans that will be incorporated into our Sustainability Policy Implementation Plan.

**PT Agro Harapan Lestari**

Menara Global Building  
16th Floor, Unit C - D  
JI, Jend. Gatot Subroto Kav. 27  
Jakarta, 12950  
Indonesia

Telephone  
+62 2152892260

Fax  
+62 21 52892259

Email  
[reachus@goodhope-id.com](mailto:reachus@goodhope-id.com)

Website  
[www.goodhopeholdings.com](http://www.goodhopeholdings.com)

