

Sustainability Journey

In this issue:

Fire Mitigation	2
Strengthening Capacity for Improved Performance	4
Advancing Education	5
Free Healthcare Events	5
Dispute Settlement Agreement with Yerisiam Community, Papua	6
Nabire Project Social Responsibility Programs	8
Towards Compliance with RSPO New Planting Procedures 2015	9



Foreword

With the dry season in Indonesia well underway, we continue to coordinate activities to strengthen capacity to deal with one of our most pressing concerns – the potential outbreak of fires in and around our concessions. Several recent fire awareness and training events have been held as we aim to ensure that the risk of an outbreak of fire is minimized and that effective responses are implemented.

Our efforts to strengthen capacity across company departments continue in order to meet our overall commitment to deliver improved performance in sustainability. Selected members of staff attended a training course on RSPO Principles and Criteria and Supply Chain Certification requirements hosted at the Goodhope Academy for Management Excellence (PT Agro Indomas, Central Kalimantan) and we continue to communicate and promote requirements across our operations.

On 7th August 2018, a landmark agreement was reached with the Yerisiam community in Papua regarding the resolution of complaints against PT Nabire Baru ([RSPO Case Tracker: PT Nabire Baru, April 2016](#)). The signing of the Dispute Settlement Agreement has been enabled following more than 2 years of efforts to address complaints and improve company operating procedures and relations with the local community. We are now working on meeting all requirements to close the complaints case according to advice from RSPO and are now looking to move forward with collaborative programs to support our commitments in Papua. As a supporting initiative, Goodhope has agreed terms for participation in a collaborative project facilitated by Daemeter and supported by IDH Sustainable Trade Initiative in order to assist in the identification of environmentally, socially, and economically beneficial development strategies.

Fire Mitigation

As a key component of our fire mitigation plans, we coordinate fire awareness campaigns and fire response training for employees working at our plantations and for nearby local communities. Through our fire awareness and training programs we aim to ensure that fully trained emergency fire fighting response teams are on hand in all plantation sites, that the employees and local communities are better prepared in the event of a fire, and that the risk of an outbreak of fire is minimized. This is particularly important during the dry season when Fire Hazard Indices are high.

At a recent fire awareness and training session by PT Nabire Baru (Papua province) participants were briefed on the risks and impacts of landfires, preventive actions, and fire emergency response plans. The training session, which was held on July 26th 2018, involved both employees and members of local communities and included practical training on the procedures for handling wildfire.

Several fire awareness and training sessions have been held over the past month at our sites in Central Kalimantan to help ensure the preparedness of employees in case of a fire. At each estate and mill, training activities included fire drill, emergency evacuation and medical emergency handling. These exercises are conducted to ensure that the procedures for handling emergency fire situations are fully understood and properly implemented. Sessions were held on 18th July, 21st July and 3rd August, with a total of more than 2000 participants.

A further fire awareness and training event was held at PT Agro Indomas (AICK) on 9th August 2018 in collaboration with the Seruyan District Fire Service. This event was attended by 76 participants, including representatives from company fire fighting teams (PT Agro Indomas Central Kalimantan, PT Rim Capital, PT Agro Wana Lestari, PT Karya Makmur Sejahtera, PT Agro Bukit Central Kalimantan); 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.



Fire response training by PT Nabire Baru, Papua province.



Fire drill, emergency evacuation and medical emergency handling training at our sites in Central Kalimantan.

Presentations delivered at the fire awareness and training event at PT AICK on 9th August 2018 covered the company's policy obligations and its expectations and hopes for synergy between companies, governments, communities and law enforcement in prevention efforts and fire prevention.

With attendees from the Seruyan District Fire Service, company fire fighting teams, representatives from local communities and local government offices, presenters reminded participants of the harm caused by forest fires and the consequences of burning for land conversion. The need for effective fire emergency response teams was highlighted, while emphasizing that the focus must be on prevention.

The event was an opportunity to express the company's ambitions and beliefs – that by cooperation between government, private sector, community, and law enforcement officials, we can achieve and maintain a healthy environment free from fire.



Promoting enhanced fire prevention at PT Agro Indomas (AICK) in collaboration with the Seruyan District Fire Service. This event held on 9th August 2018 was attended by including representatives from company fire fighting teams, local communities and local government offices.

Fire Detection

Goodhope uses the Global Forestwatch 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 Kementrian Lingkungan Hidup dan Kehutanan (KLHK).

Furthermore, the RSPO fire monitoring system provides alerts to support members.

Desk-based monitoring is complemented by regular patrols conducted in and around plantation sites during the dry season, including checks from fire towers.

Verification, Response and Reporting

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. Any fires identified by patrol teams are fully investigated.

The outcome of ground verification is recorded, including with a report of any action taken is produced. The data collected may be used to evaluate the causes and responses.

Strengthening Capacity for Improved Performance

In order to strengthen our capacity to meet the highest standards in sustainability, it is essential that our management teams fully understand the requirements and that regular assessments are conducted to identify gaps in performance for the development and implementation of improvement plans. As such, our initiatives for improving compliance include:

- Participation in training events on RSPO standards;
- Socialization of relevant information to operational teams;
- Internal assessment of performance to determine the efficacy of operational processes and to identify areas for improvement.

RSPO Lead Auditor Certification Training

In our first collaborative program with CheckMark Training, an RSPO Lead Auditor Certification Training course was held at the Training Center of PT Agro Indomas, Goodhope Academy for Management Excellence (GAME, AICK). The course was led by David Ogg of CheckMark Training from 16th-20th July 2018. Endorsed by RSPO, the course 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.



Socialization of Standards and Requirements

On 28th July 2018, representatives from our finance, logistic, mill and agronomy teams at PT Agro Indomas (AICK) attended training on Standard Operating Procedures for monitoring incoming Fresh Fruit Bunches (FFB).

At a meeting on 6th July 2018, RSPO and Environmental Health and Safety standards were communicated to personnel involved in managing the transportation of FFB and our key products, Palm Kernel and Crude Palm Oil.



Internal Assessments and Management Reviews

Recent internal assessments and management reviews have focused on the evaluation of progress towards attaining compliance for Identity Preserved Supply Chain Certification at Terawan Mill, PT AICK.



Training on Quality Assurance and Financial Management for School Principals and Vice Principals at the Goodhope Academy for Management Excellence, PT Agro Indomas, 24th-26th July

Advancing Education

The Agro Harapan Foundation continues to organize training for School Principals and Vice Principals at the Goodhope Academy for Management Excellence, PT Agro Indomas. A recent training session on Quality Assurance and Financial Management was held from 24th-26th July 2018. The training was led by the Foundation's Education Consultant and was attended by 28 participants (Principals and Vice Principals from schools under our Foundation).

The event 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.

Free Healthcare Events

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.

Two recent free healthcare events were organized by PT Agro Bukit (ABCK) on 16th July in Penyang Village Hall and on 27th July in Rongkang Village Community Health Center, East Kotawaringin Regency, Central Kalimantan.

More than 180 participants from the local communities attended the events, which included free health consultations for adults and free vaccine and immunization services for infants.

The healthcare services were delivered by medical staff from PT ABCK Medical Centre in collaboration with nurses and assistants from Penyang Village Community Health Centre. Patients were provided free-of-charge medication according to the prescriptions made upon health consultations. Medical records were maintained by the Community Health Centre.



Dispute Settlement Agreement with Yerisiam Community, Papua

Having been assisted by the RSPO Dispute Settlement Facility (DSF) to handle issues relating to the resolution of grievances lodged on behalf of the indigenous Yerisiam Community, the company PT Nabire Baru has made tangible progress in improving community relations. In conjunction with continued improved community engagement, there has been mutual consensus among concerned parties on the need to speed up grievance resolution processes to reach conclusive settlements for the resolution of disputes.

On 18th July 2018, the Yerisiam Community leaders organized a community meeting to discuss the progress made towards settlement of the five complaints: land disputes; excessive force by state security; deforestation implicated with flooding; land clearing on Sago groves; and lack of transparency resulting in failure to obtain Free, Prior and Informed Consent (FPIC) from communities prior to development.

At the meeting held at the Customary Village Hall in Sima village, 56 representatives of four sub-tribes (Akaba, Waoha, Sarakwari and Koroba) discussed among themselves the possible approaches for the amicable settlements of complaints and the terms of agreement. The community representatives agreed at the meeting to directly negotiate with the company PT Nabire Baru in order to amicably resolve the five complaints by reaching a mutual agreement.

The community submitted the minutes of meeting and their collective decision to PT Nabire Baru, RSPO, Yayasan Pusaka and other key stakeholders. The letter, sent on 23rd July 2018, expressed the aspirations of the community to withdraw complaints and discontinue the dispute resolution process facilitated by the Conflict Resolution Unit (CRU) provided that the company meets defined terms and conditions.

The community's requests from the company include maintaining openness and transparency and seeking community consent prior to any new development; the delivery of compensation; and obligations to form a mutual agreement for the delivery of CSR programs and community participation in the operation of the company oil palm plantations. Requesting a response from the company, PT Nabire Baru engaged with the Yerisiam Community and sent a letter of response on 24th July 2018 to negotiate the terms.



The 7th anniversary of PT. Sariwana Adi Perkasa was celebrated in Sima village with a Sports Competition. There were 70 participants in the competition held on 24th March 2018 - mostly from the villages of Sima and Wanggar.



Progress in land development for the construction of PT Nabire Baru Mini Palm Oil Mill was commemorated at a ceremony on 1st April 2018.



Ceremonious meeting on 7th August at the Customary Community Hall in Sima village, including signing of the Dispute Settlement Agreement by representatives of the Yerisiam Community and the company. PT Nabire Baru.

The Yerisiam Gua community reconvened to discuss the response letter from PT Nabire Baru, dated 24th July 2018, in which the company proposed a counter-offer regarding compensation and proposed that the signing of a Memorandum of Understanding regarding CSR programs and participatory roles of the Yerisiam Community shall be postponed until matters are fully negotiated and agreed.

On 27th July 2018, at the Customary Community Hall in Sima village, 67 representatives of the Yerisiam Community met to discuss and prepare an agreement with defined terms and conditions, including negotiated compensation agreements.

Key stakeholders – RSPO, Yayasan Pusaka, GoodHope /PT Nabire Baru, Greenpeace Papua, Walhi Papua, and local communities (sub-tribes Akaba, Waoha, Koroba and Sarakwari) – were invited by the Chief of the Yerisiam Community to participate in a ceremonious meeting and to witness the presentation and signing of the Dispute Settlement Agreement and delivery of compensation payments by the company.

On 7th August 2018, at the Customary Community Hall in Sima village, stakeholders gathered for the presentation of compensation payments and signing of the Dispute Settlement Agreement. The agreement was signed by community representatives: the Chief of the Yerisiam Community and the Heads of the four sub-tribes, Akaba, Koroba, Sarakwari, Waoha, while PT Nabire Baru was represented by Sanjaya Upasena, President Director and Kipli Anak Ayom, General Manager. The Dispute Settlement Agreement has since been officially legalized in front of a notary registered in Nabire.

Matters which are not sufficiently regulated in the signed agreement will be decided jointly by the parties through deliberation in accordance with the obligations of the agreement. The parties agree to prepare a Memorandum of Understanding for community empowerment and increased community involvement in operations of the company. This agreement on the Yerisiam Community Participation and Empowerment will be negotiated and agreed and signed in October 2018.

In response to the wishes of the community, the CRU has withdrawn its involvement in the dispute resolution process.

Goodhope is now seeking advice from RSPO regarding the request for the withdrawal of the complaint.



Sago palm at 14 months – planted for the restoration of sago groves.



Donation of books for children around the plantation.



Women's Empowerment Program Savings and Loans Cooperative Meeting.



Donation of soccer equipment to the local community in Wanggar village.

Nabire Project Social Responsibility Programs

Sago Palm Restoration

PT Nabire Baru commenced a Sago Palm Restoration Project with the planting of sago palms beginning on 8th December 2016. The Restoration Project covers an area of 10 hectares and is intended to serve as a source of staple food, especially for the local community in Wanggar village. The company continues to monitor the development of the palms, collecting data on growth every 3 months.

Advancing Education

The Agro Harapan Foundation continues to contribute to enhancing the teaching and learning processes at Wami Inpres Elementary School by providing teaching support and education materials. A school bus will be provided as a transportation service.

Women's Empowerment Program

The Women's Empowerment Program through Community Self-Help Groups is a program to build the independence of women among local communities. 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.

Infrastructure and Facilities

Goodhope contributes to improving the infrastructure and facilities available to local communities in accordance with community aspirations. Recent projects have included the development of an improved sewage system in Wanggar village; road repairs and improvements; the preparation of a sports field in Sima village; and the donation of soccer equipment to the local community in Wanggar village. Furthermore, to provide improved emergency healthcare, PT Nabire Baru is commissioning an ambulance service for the local communities.

Towards 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).

Nabire

- Papua

PT Nabire Baru (NB)

PT Sariwana Adi Perkasa (SAP)

- HCV Report for NB was submitted to HCVRN on 31st October 2017 and has been declared satisfactory having passed the Quality Panel Review process on 10th July 2018.
- HCV Report for SAP was submitted to HCVRN on 6th November 2017 and has been declared satisfactory having passed the Quality Panel Review process on 6th June 2018.
- Full LUCA Report for NB and SAP was first submitted to RSPO on 31st July 2017. The report remains under the status of review.
- HCS assessment report for PT NB and PT SAP has been completed and has undergone peer review in accordance with the HCS Approach.
- GHG assessments have been completed by Ata-Marie.
- SIA has been completed by Ekologika.
- A second Legal Review has been conducted by an Environmental Law Firm.
- Dispute Resolution Agreement has been signed and agreed by representatives from the company and local communities and notarized by Nabire Regency government officials on 9th August 2018.

Ketapang

- West Kalimantan

PT Agrijaya Baktitama (AJB)

PT Batu Mas Sejahtera (BMS)

PT Sawit Makmur Sejahtera (SMS)

- HCV Report for PT AJB, PT BMS and PT SMS was submitted to HCVRN on 31st October 2017 and is currently undergoing review. We continue our engagement with the assessors to ensure that appropriate actions are taken according to the outcomes of reviews.
- RSPO will initiate the review of LUCA reports for PT AJB, PT BMS and PT SMS.
- The HCS Assessment Report for PT AJB, PT BMS and PT SMS has been completed by Ata-Marie and submitted to the HCS Approach Secretariat to organize peer reviews.
- GHG assessments shall be completed by Ata-Marie.
- SIA has been conducted by Re.Mark Asia.

Sintang

- West Kalimantan

PT Sinar Sawit Andalan (SSA)

PT Sumber Hasil Prima (SHP)

- HCV Report for PT SSA and PT SHP was submitted to HCVRN on 28th December 2017 and is currently undergoing review. We continue our engagement with the assessors to ensure that appropriate actions are taken according to the outcomes of reviews.
- RSPO will initiate the review of LUCA reports for PT SSA and PT SHP.
- The HCS Assessment Report for PT SSA and PT SHP is expected to be finalized by Aksenta and submitted to the HCSA Secretariat to organize peer reviews.
- GHG assessments shall be completed by Aksenta.
- SIA has been completed by Re.Mark Asia.

Upcoming Activities

Ketapang District Landscape Management

We continue to work with Aidenvironment to facilitate the development and implementation of a landscape level conservation and land-use plan in Ketapang District, West Kalimantan. Upcoming activities include:

- 1) Continuation of participatory spatial village planning and stakeholder participation in sustainable landscape management to establish a detailed Spatial Plan Sustainable Development program for rural areas.
- 2) Legalization of conservation area agreements and coordinate social and environmental planning with government policy.
- 3) Participatory HCS and HCV management and monitoring.
- 4) Promoting the connectivity of conservation areas.
- 5) Identification of local partners and provision of support to assist in the implementation of forest management and / or business model development.
- 6) Aligning CSR programs to provide support for the sustainable development program, government policies and programs, and conservation management.

Once the HCV assessment has passed quality panel review and HCS assessment has been peer reviewed, participatory HCS and HCV management and monitoring agreements can be reached. Furthermore, conservation areas can be verified in the field and the connectivity between the HCV/HCS areas and forested areas outside of the concession can be evaluated.

Assessment of Sustainability Performance

Environmental Resources Management (ERM) continue to work on producing a 2nd report on Goodhope's sustainability performance.

HCS Assessment for PT Agro Wana Lestari and Karya Makmur Sejahtera

Ata-Marie will work on producing the HCS assessment report for PT Agro Wana Lestari and Karya Makmur Sejahtera following completion of the third site visit.

New Partnership to support HCV and HCS Management and Monitoring

We are continuing discussions to agree the scope of work for a partnership with the NGO Pusat Informasi Lingkungan Indonesia (PILI) which will include:

- 1) Consultation and processes of negotiation in order to reach agreements to support conservation and community welfare
- 2) Training to improve the capacity to implement environmental monitoring plans
- 3) Implementation of biodiversity monitoring.

Collaboration on the identification of environmentally, socially, and economically beneficial development strategies in Papua

Goodhope will be participating in a collaborative project facilitated by Daemeter and supported by IDH Sustainable Trade Initiative in order to assist in the identification of environmentally, socially, and economically beneficial development strategies in Papua.

Training in Primate Monitoring Techniques

Goodhope is hosting a workshop and training to promote the conservation of primate populations in and around HCV areas of oil palm concessions. The event will be delivered with support from our conservation partners Swaraowa and will be held from 4th - 6th September 2018.

Towards Compliance with RSPO New Planting Procedures 2015

We continue our engagement with HCV assessors regarding the Quality Panel Review process for HCV assessments, while the HCS assessment reports for Ketapang region and Sintang region are expected to be completed and submitted to the HCSA Secretariat to organize peer reviews. RSPO will coordinate further progress towards the completion of LUCA reviews and we await advice regarding the next steps to enable closing of the complaint case against PT Nabire Baru and lifting of the precautionary measures (Stop Work Order).

Acknowledgements

We greatly appreciate the ongoing support from Consultants and Partner Organizations for contributions towards achieving our sustainability targets.

- **Aidenvironment:** Landscape conservation and land-use project in Ketapang Region, West Kalimantan.
- **Al-Azhar Foundation:** Community development program at PT Agro Indomas and PT Rim Capital.
- **Ata-Marie:** HCS assessments for Goodhope subsidiaries in Papua; Ketapang Region; and for PT Agro Wana Lestari in Central Kalimantan.
- **Conflict Resolution Unit (CRU) of the Indonesian Business Council for Sustainable Development (IBCSD):** Facilitation of conflict resolution under Dispute Settlement Facility of the RSPO.
- **Daemeter:** Collaboration on the identification of environmentally, socially and economically beneficial development strategies in Papua.
- **Environmental Leadership Training Initiative (ELTI):** Capacity building for forest restoration and rehabilitation programs.
- **Ekologika:** Completion of HCV assessments and Social Impact Assessments for Goodhope subsidiaries in Papua.
- **Environmental Resources Management (ERM):** Assessment of sustainability performance.
- **Perbanas Institute:** Research and capacity building to enhance the sustainability and reach of CSR programs.
- **Pusat Informasi Lingkungan Indonesia (PILI):** Proposal for capacity building and monitoring programs to support biodiversity conservation.
- **Re.Mark Asia:** HCV assessments and Social Impact Assessments for Goodhope subsidiaries in Ketapang and Sintang Regions.
- **Swarawa:** Support for primate monitoring and cultural-based conservation project promoting sustainable livelihoods.
- **UNICEF and Lingkar Komunitas Sawit (LINKS):** Collaborative project addressing issues affecting children in the Palm Oil sector.

We look forward to continued communications and collaboration.

PT Agro Harapan Lestari
Menara Global Building
5th Floor
JI, Jend. Gatot Subroto Kav. 27
Jakarta, 12950
Indonesia

Telephone: +62 2152892260

Email: reachus@goodhope-id.com

Website: www.goodhopeholdings.com

