

# Sustainability Journey

## In this issue:

**Foreword** 1

**Sustainability Policy Implementation** 2-4

**Resolution of disputes with Yerisiam Gua Community** 5

**Supporting a Jurisdictional Monitoring System for Sustainable Development** 6

**Collaboration for a Sustainable Management Landscape Program in West Kalimantan** 6

**Health and Safety** 7

**Upcoming Activities** 8

## Foreword

In this final monthly newsletter of 2017 we report on our progress in meeting our sustainability commitments.

Much of our attention throughout this year has been focused on our 'Nabire Project' as we make substantial efforts to address all the issues relating to complaints against our operations at the site.

We are determined to go beyond our boundaries and make this 'Nabire Project' a true turn-around case. With time and support, we are confident of making holistic transformation to a model for sustainable development, by fully integrating land-use and conservation objectives with community participation and consent.

Goodhope continues its CSR programs and initiatives in various companies with specific focus on three key areas, i.e., education advancement program in tandem with Yayasan Agro Harapan, fostering collaborative efforts on economic empowerment, and provision of primary public infrastructures and services in cooperation with local government agencies and NGOs.



## Sustainability Policy Implementation

Goodhope adopted a new Sustainability Policy on 5<sup>th</sup> May 2017 with commitments to No Deforestation of High Conservation Value areas, No Deforestation of High Carbon Stock Forest, No Peatland Development and No Exploitation of Human Rights.

Along with the policy we developed an implementation plan outlining our initial objectives in four key areas:

1. Integrating the policy into all Goodhope's operations
2. Assessment
3. Transparency
4. Monitoring and Evaluation

Here we provide an update on our progress towards meeting the targets set out in the implementation plan. A full update and a further policy implementation plan will be available in January 2018.

### Policy Integration

- A series of training sessions for management teams and staff have been conducted since June 2017 to ensure that our No Deforestation, No Peatland Development, No Exploitation (NDPE) Policy is understood by all employees.
- Management teams from Agronomy and Environmental Health and Safety departments continue to review Standard Operating Procedures in collaboration with our Sustainability department to ensure that relevant adjustments are made for full compliance.
- We have contracted technical support from consultants to help implement our policy and continue to strengthen our sustainability management framework by establishing improved systems to better integrate our objectives.
- From February 2018 we will begin to implement our Supplier Engagement Plan, which will involve the presentation of NDPE policy to suppliers and provide the opportunity for participants to provide feedback on their requirements for additional support in order to comply with the policy. We expect suppliers to be fully compliant with our policy by May 2019 and will implement improved traceability procedures to enable better monitoring and assessment of compliance.



Goodhope presented NDPE policies to local communities, suppliers, contractors and relevant local government authorities in the Nabire region in August 2017. The presentation for local communities, held in Sima village, was attended by 40 participants, including members of plasma Cooperatives and representatives of the Yeresiam Gua community.

Assessments

- To facilitate corrective action for the HCV assessments completed in 2010, Goodhope contracted consultants to conduct High Conservation Value (HCV) re-assessments and Land Use Change Analysis (LUCA) at all seven of its subsidiaries at development-stage plantations.
- Five HCV assessment reports have been completed and submitted to the HCV Resource Network (HCVRN) and we now await the availability of a panel for quality review.
- LUCA reports for all seven subsidiaries have been submitted to RSPO and shall be reviewed by the RSPO Compensation Panel to identify remediation and compensation requirements. Suitable remediation and compensation plans will then be developed and implemented.
- Goodhope is committed to protect all identified High Carbon Stock (HCS) Forest in its license areas and has applied to become a member of the HCS Approach Steering Group. HCS assessment reports for the Nabire region, Papua have been submitted to the HCSA Steering Group while the assessments and reports for our other concessions (in Ketapang and Sintang regions, West Kalimantan) remain in progress and will be submitted upon completion.

Region	Company	LUCA	HCV
Nabire	PT NB	31-Jul-17	31-Oct-17
	PT SAP		6-Nov-17
Ketapang	PT AJB	31-Jul-17	
	PT BMS	29-Aug-17	31-Oct-17
	PT SMS	29-Aug-17	
Sintang	PT SSA	28-Nov-17	To be submitted
	PT SHP	28-Nov-17	

Above: Table showing the dates of the submission of LUCA and HCV assessment reports for each subsidiary: PT NB: Nabire Baru; PT SAP: Sariwana Adi Perkasa; PT AJB: Agrajaya Baktitama; PT BMS: Batu Mas Sejahtera; PT SMS: Sawit Makmur Sejahtera; PT SSA: Sinar Sawit Andalan; PT SHP: Sumber Hasil Prima.



Above: HCV and Social Impact Assessments were completed in the Sintang Region by Remark Asia at the end of November 2017.

In order to fulfill our commitment to safeguard HCV and HCS, we endeavor to develop and implement comprehensive conservation management plans in accordance with the results and recommendations provided by assessments and in association with stakeholders, including local communities, government institutions, NGOs and consultants.

We continue to seek to develop further communications and potential collaborations to enhance the development and implementation of conservation and land-use management plans in order to protect all identified HCS and HCV within our license areas

In order to deliver effective conservation management and monitoring programs in Nabire, we are looking to appoint reputable consultants to continue negotiations with the indigenous Yerisiam Community toward building mutual agreements. Information dissemination among the communities and the development of suitable sustainable livelihood programs will form vital components of our management plans.

Transparency

- We are in the process of developing a new website to facilitate improved communications with the public. The new website will include information on grievances, as well as quality-verified assessment reports and other documents that shall be accessible to the public.
- Our Stakeholder Engagement Plan will be further reviewed and revised to provide an improved framework for communication with stakeholders.
- We have been updating our stakeholders on the progress we have made to date monthly basis via a monthly “Sustainability Journey”.

Monitoring & Evaluation

- We aim to initiate the development of an effective and efficient monitoring system for our operations that will involve tracking data against key performance indicators to enable reliable assessment of performance. Initial discussions have been held with consultants and a proposal will be developed for adopting a specific system to meet our requirements.
- Draft Conservation Management and Monitoring Plans have been developed based on the results and recommendations provided by HCV and HCS assessments. These plans will be advanced by collaboration with consultants and with input from local communities.
- We have improved our grievance handling procedures and established an internal Grievance Handling Team to handle, monitor and evaluate grievances. We propose that our current framework is further strengthened by establishing an external Grievance Panel to ensure a fair dispute settlement process is utilized for any grievances arising from our operations. We have begun to approach candidates for the panel.

As a supplier, we facilitate site visits to our mills and plantations to allow companies to review our operations and monitor compliance with the buyer’s policy.

Over the period 19<sup>th</sup> - 24<sup>th</sup> November 2017, PT Agro Bukit in Central Kalimantan (ABCK), was visited by a team from Apical Group as part of their Supplier Engagement Program.

The visiting team focused on reviewing the following aspects relating to our operations:

- Legality
- No deforestation of HCV and no new development on peatland
- Environment (waste management)
- Social aspects (workers and local community)
- Creation of shared value
- Traceability of FFB sources

Such visits complement our own internal review processes by identifying opportunities for improvement and help us to further improve our operations.



Photos Right: Visit by a team from Apical Group to PT Agro Bukit, 19<sup>th</sup> - 24<sup>th</sup> November 2017.



## Resolution of Disputes with Yerisiam Gua Community

In accordance with the RSPO Dispute Settlement Facility (DSF) mechanism and supported by the Conflict Resolution Unit (CRU), a stakeholder-selected assessor team has now completed its ground assessment on issues relating to conflicts over land and natural resources between the indigenous Yerisiam Gua Community and PT Nabire Baru. The aim of the assessment was to improve understanding of the nature of the conflicts and to identify opportunities for dispute resolution.

The assessor team gathered information relating to complaints against PT Nabire Baru using data collection methods that included in-depth stakeholder interviews, field observations of Sago grown areas and Focus Group Discussions. Information was gathered over the period 16<sup>th</sup> - 26<sup>th</sup> October 2017, and outcomes of the assessment were presented from 17<sup>th</sup>-20<sup>th</sup> November 2017.

### Dispute Settlement Process in 2017

April - It was agreed that the initial assessment will be conducted by an independent third party mandated by the Conflict Resolution Unit (CRU)

June - A meeting was conducted between Yayasan Pusaka, Goodhope, CRU and RSPO on the preparation of a field visit to communicate the DSF process to the community.

July - Field visit attended by representatives from NGO Pusaka and FPP, Goodhope and CRU. During which the CRU delivered process DSF will follow to the community.

August - Community awareness workshop held by the CRU

September - Selection of assessor team

October - The assessor team conducted the ground assessment

November - The results of assessments were presented by the CRU assessment team in Nabire on 20<sup>th</sup> November 2017

### Dispute Assessment Outcomes

Assessor and CRU teams presented assessment reports to the parties on November 17<sup>th</sup> 2017 (community) and November 18<sup>th</sup>, 2017 (the company) to get responses to the assessment results and recommendations on how to solve them. On November 20<sup>th</sup> 2017, the assessor team and CRU presented the reporting results at a meeting attended by the parties to get the parties' decisions on how to solve each conflict issue. After discussing the proposed remedies by the assessor team, the parties agreed to resolve three issues by negotiation and two issues through mediation :

Land dispute	- Mediation
Destruction of sago and sacred forests	- Mediation
The use of violence by security personnel	- Negotiation
Deforestation and environmental damage	- Negotiation
Lack of information transparency	- Negotiation

Both company and community express an open willingness to negotiate to agree on appropriate solutions and to follow the mediation process to fully resolve disputes.

January 2018	- Selection of mediator
February 2018	- Mediation process
April 2018	- Conclusive settlement expected to be reached.

## Supporting a Jurisdictional Monitoring System for Sustainable Development

Goodhope is supporting a jurisdictional certification approach established by the Seruyan District Government in Central Kalimantan. The certification initiative, endorsed by the Roundtable on Sustainable Palm Oil (RSPO), is a jurisdictional monitoring system to support sustainable development.

With participation initiated by Institute Penelitian Inovasi Bumi (INOBU), Goodhope shares information to facilitate the progress of the initiative as part of a Working Group that includes representatives from district government departments and other oil palm plantation companies that operate in the Seruyan district.

In 2018 we will work with INOBU to implement a system for monitoring the legality of smallholder suppliers at PT Agro Indomas, Central Kalimantan. The electronic system will provide information for both the company and the local government.

Goodhope participates as a member of a Working Group for the Jurisdictional Certification of Palm Oil established by the Seruyan District Government in Central Kalimantan.



Representatives from Goodhope have now participated in three Working Group meetings, held on 11<sup>th</sup> September and 24<sup>th</sup> October 2017 in Jakarta, and on 21<sup>st</sup> November 2017 in Sampit, Central Kalimantan.

## Collaboration for a Sustainable Management Landscape Program in West Kalimantan

Goodhope is working with Aidenvironment with the aim of developing and implementing an integrated conservation and land-use landscape management plan in the Ketapang district, West Kalimantan. The management plan will be based on a review of HCV, HCS and Social Impact Assessments and Community Baseline Surveys incorporating Focus Group Discussions inclusive of all local communities. The aim is to work together with local communities and the West Kalimantan Provincial Government to develop spatial management plans for sustainable alternative livelihood programs that are in line with community aspirations.



Initial meeting with Aidenvironment on the proposal for an integrated land-use management plan in the Ketapang district, West Kalimantan. The meeting was held at Goodhope Office on 15<sup>th</sup> September 2017.

### Workshop on Legalization of Conservation Areas and Acceleration of Agrarian Reform in Ketapang District

Goodhope was among the private sector companies to participate in a workshop on the importance of land legalization, provision of forest management rights and management of conservation in the Ketapang district, West Kalimantan. The two-day workshop was held in Bogor, on December 5<sup>th</sup> - 6<sup>th</sup> 2017 and was coordinated by Aidenvironment. Key issues were presented and discussed relating to the Ketapang district government plans to implement the priorities of the agrarian reform policy, which aims to provide economic equity for all people. The meeting included representatives from The Ministry of Environment and Forestry and The Ministry of Agrarian Affairs and Spatial Planning, from the Ketapang district.

## Health and Safety

We aim to prevent exposure to hazards and risks in the workplace and to avoid accidents at work by implementing effective Health and Safety management plans incorporating thorough procedures to maximize workplace safety in all of our operations.

Our Health and Safety improvement plan includes initiatives to deliver in-depth training for management staff and workers including comprehensive induction programs for all new employees.

We are also introducing improved safety inspection and monitoring systems incorporating daily safety checks, monthly Environmental Health and Safety inspections and biannual Occupational Health and Safety Audits.

Medical Clinics at our plantation locations are established to deal with the treatment of injuries, illnesses and medical emergencies and provide employees with services such as medical tests, immunizations and family planning. Furthermore, we collaborate with community health centres to improve the quality of medical services available to local communities. We aim to integrate employee health services with community health services so that local communities have access to affordable and better health services.

### Awards in Healthcare

Our Primary Medical Clinic at PT Agro Bukit in Central Kalimantan has been awarded a Certificate of Merit by Badan Penyelenggara Jaminan Sosial (BPJS) Kesehatan, a government institution for health insurance. The clinic was recognized as one of the 12 best performing primary clinics of 2017. The result was shared at an event in Balikpapan from 29<sup>th</sup> - 31<sup>st</sup> August 2017.



On 6<sup>th</sup> December 2017 it was announced that Pak Rizki Muhammad, EHS Manager at Goodhope, passed the RSPO Lead Auditor examination. The training course delivered by Proforest and Daemeter in July 2017.



Health and Safety briefing to workers at PT Agro Bukit Central Kalimantan (ABCK) on 10<sup>th</sup> December 2017 as part of NDPE policy socialisation activities.



'Safety Goes to School' program was launched at PT Agro Wana Lestari (AWL).



## Upcoming Activities

<b>Resolution of Disputes with Yersiam Gua Community</b>	<ul style="list-style-type: none"> <li>We will continue to follow the Dispute Settlement Facility (DSF) processes for the resolution of grievances with the Yersiam Gua community, following the agreed mechanisms for resolution as defined upon the outcome of the dispute assessment.</li> <li>The selection of mediator is due to take place in January 2018, after which the process of mediation will begin. Settlement of disputes is expected to be reached in April 2018.</li> </ul>
<b>HCV-HCS Conservation Management and Monitoring Plans</b>	<ul style="list-style-type: none"> <li>We plan to work with consultants on the development of draft environmental management plans for seven subsidiaries that have recently undergone HCV and HCS assessments.</li> <li>We shall appoint reputable consultants to continue negotiations with the indigenous Yersiam Community and develop management plans accordingly to establish plans that are backed by community support.</li> <li>We hope that there will be opportunities to establish multi-stakeholder forums that will allow third parties to provide input into the management and monitoring plans.</li> </ul>
<b>Enhanced Education and Healthcare Programs</b>	<ul style="list-style-type: none"> <li>Our 'Safety goes to School' program will continue in January 2018 with safety awareness training for students at two high schools in Sandai, Ketapang.</li> <li>Improved capacity for enhanced education programs</li> <li>Establish partnerships for provision of healthcare services</li> </ul>
<b>Collaborative Conservation and Land-Use Projects</b>	<ul style="list-style-type: none"> <li>HCV assessments will be used by Aidenvironment as the basis for developing plans for our collaborative integrated land-use project in the Ketapang region.</li> <li>We have established a collaboration to develop our proposal for the Bukit Santui Conservation Project at PT Agro Wana Lestari. Field assessments will begin in February 2018 following desk-based research.</li> <li>We continue to explore possibilities for developing a collaborative conservation project in the Nabire region – extending beyond the boundaries of our license area. Potential opportunities will be further pursued by with and by engagement with local government authorities.</li> </ul>
<b>Stakeholder Engagement – NDPE Policy</b>	<ul style="list-style-type: none"> <li>Presentation of our NDPE policy to workers at our plantations will continue throughout January 2018.</li> <li>Supplier engagement activities are scheduled in February 2018.</li> </ul>
<b>Website Development</b>	<ul style="list-style-type: none"> <li>We will continue to work on content for our new website, which we aim to launch in January 2018.</li> </ul>
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>A surveillance audit on Integrated Management System (ISO 14001 + OHSAS) at PT Agro Wana Lestari is scheduled in January 2018.</li> </ul>
<b>Sustainability Policy Implementation Plan Update</b>	<ul style="list-style-type: none"> <li>Our updated Sustainability Policy Implementation Plan will be finalized in January 2018.</li> <li>We intend to present our progress and plans to interested third parties in February or March 2018 to provide an opportunity for delivering feedback.</li> </ul>



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