

Sustainability Journey

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Foreword

Goodhope strives to continue to make positive progress towards sustainable development by identifying gaps in the implementation of our Sustainability Policy and by carrying out appropriate corrective action. Over the past month a number of assessments and audits have been conducted, including:

- A 'Sustainability Assessment' by Environmental Resources Management (ERM)
- Surveillance Audits to assess the operational capacity of Environmental Management Systems, Occupational Health and Safety Management Systems, and conformity to RSPO Principles and Criteria.

These assessments and audits identify areas of concern and provide suggestions and recommendations for continuous improvement. Action plans to address any gaps are in development and we have established an 'NDPE Self-Assessment' checklist as an improvement initiative which will ensure you have checked all the correct elements allow results and performance to improve on key aspects of our Sustainability Policy.

Seven of Goodhope's subsidiaries remain under Stop Work Order pending verification of compliance to RSPO New Planting Procedures (NPP 2015) and approval of corrective action plans to address non-conformities. Goodhope is committed to conduct all the necessary action to remediate and compensate for social or conservation liability and in order to do so we continue to:

- Use the RSPO Dispute Settlement Facility (DSF) to appropriately address complaints against PT Nabire Baru and settle grievances with the Yerisiam Community.
- Progress with the necessary processes for verification of HCV assessment by HCVRN and review of LUCA by RSPO. The outcomes of reviews by RSPO Compensation Panels will be used to develop appropriate remediation and compensation plans.
- Ensure that all requirements for compliance with RSPO New Planting Procedures (NPP 2015) will be met for the future posting of NPP reports.
- Pursue approaches for appropriate management and monitoring.

An exception to the Stop Work Order has been granted to allow for the development of a 'mini mill' (15MT capacity) at PT Nabire Baru. Importantly this mill will provide a means for local communities to gain income from the processing of fruit harvested from plasma. Mill development commenced at the end of January following a customary ground breaking ritual ceremony at the site and shall proceed in compliance with the terms of agreement as defined at community meetings held in August 2017.

Sustainability Assessment

The consultancy firm Environmental Resources Management (ERM) has been contracted to conduct a sustainability assessment in order to analyze and evaluate Goodhope's current performance relating to the implementation of sustainability commitments.

A kick-off meeting was held on January 22nd 2018 to discuss requirements and arrangements for a site visit to one of Goodhope's plantation units. Before the field audit at the selected plantation site, the ERM assessment team spent two days (1st-2nd February) at the regional office in Jakarta to review documents (policies, procedures). The site visit to PT Agro Indomas, Central Kalimantan was conducted from 5th- 9th February 2018 and included stakeholder interviews at villages. The aim of the field audit was to collect information in order to identify gaps between documents (e.g. policy) and implementation and then develop recommendations for corrective actions to address the gaps. A report on the findings of the assessment will be completed by April 2018.



Surveillance Audits

- Environmental Management System (ISO14001)
- Occupational Health and Safety Management System (OHSAS18001)
- RSPO Compliance

Surveillance audits were conducted from 14th - 25th January 2018 at PT Agro Wana Lestari and PT Karya Makmur Sejahtera (PT KMS) in Central Kalimantan. The audits were carried out by the Certification Body BSI to assess conformity to Environmental Management System (ISO14001) Occupational Health and Safety Management System (OHSAS18001) and RSPO standards. The audits determined an operational and effective EMS, compliance with OHSAS18001 and no major non-conformities against RSPO Principles and Criteria. Goodhope will use the outcomes of the surveillance audit to strive for further improvement.

Photos: Closing meeting of ISO 14001 and OHSAS 18001 audit at PT Agro Wana Lestari on 18th January 2018 (Upper); Opening meeting of RSPO surveillance audit at PT Agro Wana Lestari on 23rd January 2018 (Middle); Closing meeting of RSPO surveillance audit at PT Agro Wana Lestari on 25th January 2018 (Lower).



Social and Environmental Assessments

Goodhope has appointed consultants from Remark Asia to conduct Social Impact Assessments in the Ketapang region and consultants from Ekologika to complete Social Impact Assessments in the Nabire region. Field assessments were carried from 24th-30th January in Ketapang region and from 5th- 9th February 2018 in Nabire region.

A public consultation was held in Nabire on 8th February to present information on the Social Impact Assessment and enable discussions on perceptions of the two companies (PT Nabire Baru and PT Sariwana Adi Perkasa). Results were presented and discussed community perceptions, potential social impacts including external risks.

Four Focus Group Discussions were held with participants from:

- i. Sima Village
- ii. Wanggar Village
- iii. Wami Jaya, Yaro Makmur and Jaya Mukti
- iv. Government Organizations and other local stakeholders

Photos: Public consultation and Focus Group Discussions regarding the Social Impact of PT Nabire Baru and PT Sariwana Adi Perkasa (Nabire, 8th February 2018).



Current Status of Assessment Reports

Report	Date of first submission	Status	
Land Use Change Analysis	PT Nabire Baru and PT Sariwana Adi Perkasa	31 July 2017	Pending Review by RSPO. Final reports are being completed by Aksenta and will be submitted to RSPO in February 2018.
	PT Agrajaya Baktitama	31 July 2017	
	PT Batu Mas Sejahtera	29 Aug 2017	
	PT Sawit Makmur Sejahtera	29 Aug 2017	
	PT Sinar Sawit Andalan	28 Nov 2017	
HCV Assessment	PT Sumber Hasil Prima	28 Nov 2017	Report evaluation by Quality Panel is underway. First review by the Quality Panel has been completed with unsatisfactory outcome and the assessor is now making the necessary revisions. First review by the Quality Panel has been completed with unsatisfactory outcome and the assessor is now making the necessary revisions.
	PT Nabire Baru	31 Oct 2017	
	PT Sariwana Adi Perkasa	6 Nov 2017	
	Ketapang Region: PT Agrajaya Baktitama; PT Batu Mas Sejahtera; PT Sawit Makmur Sejahtera	31 Oct 2017	
HCS Assessment	Sintang Region: PT Sawit Makmur Sejahtera; PT Sumber Hasil Prima	28 Dec 2017	Report submitted but incomplete.
	PT Nabire Baru and PT Sariwana Adi Perkasa	20 Nov 2017	Peer review is underway.
	Ketapang Region: PT Agrajaya Baktitama; PT Batu Mas Sejahtera; PT Sawit Makmur Sejahtera	-	Final draft is being completed – pending submission for peer review.
	Sintang Region: PT Sawit Makmur Sejahtera; PT Sumber Hasil Prima	-	Final draft is being completed – pending submission for peer review.

Forest Rehabilitation

Goodhope is in the process of developing forest rehabilitation initiatives to strengthen the resilience of sites where forest has been lost.

Main objectives are to accelerate and assist the recovery of degraded land, for example by planting seedlings and by implementing appropriate protective measures to mitigate threats and enable regeneration. Such endeavors have the potential to enhance levels of biodiversity, safeguard ecosystem services and help contribute to mitigating climate change.

In order to ensure sufficient expertise to facilitate the implementation of appropriate objectives and effective methods, Goodhope's Regional Assistant Manager of Conservation attended a field-based training program on reclamation and revegetation techniques in post-mining areas. The training was organized by the Environmental Leadership and Training Initiative (ELTI) Tropenbos-Indonesia Programme, BALITEK-KSDA and Balai Diklat Samarinda and was held in in Bukit Bangkirai, East Kalimantan from 15th - 18th January 2018. It provided the opportunity to establish a good understanding of the subject of forest rehabilitation / revegetation, including techniques and considerations for the development of management and monitoring plans.

Following on from the training session we have developed a Proposal for the Rehabilitation of Riparian Zones at PT Agro Indomas, Central Kalimantan (AICK). The initial phase of our proposal is a capacity building initiative and for this purpose we have applied for further training to be delivered by ELTI to strengthen operational capacity at the site. The training program on Best Management Practices will advance the skills of operational staff to help facilitate the planning and implementation of an effective program for adaptive management and monitoring of riparian reserves.



Training on reclamation and revegetation techniques in post-mining areas (15th - 18th January 2018, Bukit Bangkirai, East Kalimantan). Topics of training included species selection, nursery techniques, and land and preparation.

Commencing the development of PT Nabire Baru 'Mini Mill'

The development of PT. Nabire Baru palm oil mill is intended to enable the processing of fresh fruit bunches (FFB) up to a capacity of 15 tonnes. As part of mill development plan, Goodhope organized a public consultation on mill construction on 26th January 2018 following a customary ground breaking ritual on the inception of land preparation at PT Nabire Baru on 24th January 2018, attended by representatives of indigenous communities and concerned stakeholders.

Customary Ritual Ceremony

The customary ritual ceremony was held on 24th January 2018 at the site of the proposed mill. The event was held to fulfil the customary traditions in the region and to verify community support for the establishment of a mill. Approximately 200 people attended the event, including representatives from local government agencies, local communities and religious leaders. following by land clearing on location after ritual ceremony

Stakeholder Consultation

A stakeholder consultation was conducted on January 26th 2018 at PT Nabire Baru to provide stakeholders with information on mill construction, the processing of FFB and the environment and social issues related to mill activity. 176 participants attended the meeting including community representatives and other concerned stakeholders.

Mill construction will proceed in compliance with the Yerisiam Community terms of agreement (page 6) and is expected to be completed in October 2018.



Customary ritual ceremony and land preparation at the site of the proposed mill (PT Nabire Baru, 24th January 2018).



Public consultation to inform stakeholders on issues regarding mill construction PT Nabire Baru, 26th January 2018).

Terms of Agreement for Mill Development at PT Nabire Baru

Terms of Agreement	Status
<p>1. The endorsement of mill construction will not abort the ongoing Dispute Settlement Facility (DSF) process.</p>	<p>Goodhope continues to follow the RSPO Dispute Settlement Facility (DSF) process for conflict resolution between PT. Nabire Baru and the Yerisiam Gua community.</p>
<p>2. During the ongoing DSF process and throughout proposed mill construction, PT Nabire Baru is prohibited to commence any land expansion and land clearing related activities on Yerisiam Gua community customary land.</p>	<p>Goodhope will not conduct any further land clearing until approval from of New Planting Procedures and consent from local communities. Goodhope is committed to facilitate continued and improved consultation with the indigenous Yerisiam Community to ensure that processes of Free, Prior and Informed Consent (FPIC) are fully implemented and that management is backed by community approval.</p>
<p>3. PT Nabire Baru shall deliver and maintain Corporate Social Responsibility (CSR) activities and actively consult openly with the Yerisiam Gua community in Sima Village to implement the CSR programs.</p>	<p>Goodhope has facilitated consultations and Focus Group Discussions with the Yerisiam Community to identify community perceptions and priorities for the development of CSR programs. According to community requests, plans are in place to make improvements to the provision of primary health care, to provide extra support for education, and to support the improvement of public facilities. These initiatives will be delivered commencing from April 2018.</p>
<p>4. Any future developments of a mill that exceeds the size of that currently agreed will need to be discussed and approved by the Yerisiam Gua community.</p>	<p>Goodhope understands that the Agreement applies only to the construction of the Mini Mil Factory with a capacity of 15 tonnes / hour and will not seek to develop a larger mill without NPP approval and implementation of FPIC processes.</p>
<p>5. An appropriate waste management system must be put in place such that harmful waste does not enter the river or other important environments.</p>	<p>Goodhope is aware of the need to implement extra measures to prevent pollution from any operational activities, particularly by ensuring that harmful waste does not enter waterways. These measures shall be executed through the implementation of our Environmental Health and Safety policies and procedures that are focused on minimizing environmental impact management. Minimizing any risk of water pollution is a top priority and shall be attained by maintaining riparian buffer zones, regulating chemical application and waste management, and by enforcing regulated development and construction procedures to prevent sedimentation and pollution of waterways.</p>

Upcoming Activities

<p>HCV and HCS Conservation</p>	<ul style="list-style-type: none"> • Review of HCV assessment reports are ongoing and the finalized LUCA reports for Ketapang and Sintang regions will be submitted to RSPO for review by a Compensation Panel. • The HCS assessment report of Nabire Region (PT Nabire Baru and PT Sariwana Adi Perkasa), Papua is being expected to be reviewed by HCSA Quality Assurance Panel. • Subject to successful application regarding our proposal, Goodhope intends to organize a training on "Rehabilitation Best Practice of Riparian Reserves in Oil Palm Estates" in April 2018 in cooperation with the Environmental Leadership and Training Initiative (ELTI) of Yale University. • We will continue to explore opportunities for developing proposals and plans to assist HCV and HCS management and monitoring in the Nabire region. 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. • Field assessments for the Bukit Santui Conservation Project at PT Agro Wana Lestari will begin in March 2018.
<p>NDPE Policy Integration</p>	<ul style="list-style-type: none"> • A series of public awareness and socialization of Sustainability (NDPE) policy to all Goodhope's stakeholders, including government officials, NGOs, media, and business partners are to be conducted in three sites in Sampit, PT Agro Indomas and PT Agro Wana Lestari.
<p>Integrated Monitoring and Reporting</p>	<ul style="list-style-type: none"> • We have considered approaches for developing an integrated monitoring and reporting system and will begin to introduce improved processes to strengthen our current monitoring framework.
<p>Grievance Handling and Dispute Settlement</p>	<ul style="list-style-type: none"> • We will continue to follow the RSPO Dispute Settlement Facility (DSF) processes for the resolution of grievances with the Yersiam Gua community. Once the proposed mechanisms for the resolution of grievances have been agreed by the community, there will be a review by the RSPO Complaints Panel. • The selection of mediator and the process of mediation will begin in due course following the review. • Our Grievance Handling Team including field-based managers will finalize revised grievance protocols and procedures.
<p>Community Health and Livelihoods</p>	<ul style="list-style-type: none"> • Goodhope has partnered with Perbanas to assess economic advancement potentials and perform community empowerment focusing on entrepreneurship development for local community in February 2018 at PT Agro Indomas, Central Kalimantan.
<p>Certification and Compliance</p>	<ul style="list-style-type: none"> • Plantation business assessments (PUP) will be conducted for all plantations in Central Kalimantan. • Internal audit and management review of sustainability standards compliance will be performed in all plantations in Central Kalimantan. • In cooperation with consultants, Social Impact Assessments for Nabire, Ketapang and Sintang regions will be carried out to evaluate community concerns and aspirations.

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