

Sustainability Journey

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Foreword

We ended the year on a positive note with a number of achievements in December 2017:

- High Conservation Value (HCV) assessments of the Sintang region were completed and the assessment report was submitted to HCV Resource Network (HCVRN) for Quality Review. With this, we have completed all HCV assessments for 7 subsidiaries, subject to HCVRN review.
- PT Agro Wana Lestari passed all requirements for the Indonesian Sustainable Palm Oil (ISPO) standard and was awarded ISPO certification on 10th December 2017.
- PT Agro Indomas, PT Agro Bukit, PT RIM capital and PT Agro Wana Lestari successfully retained RSPO certification.
- Our medical team in Agro Indomas, Central Kalimantan received an award from the Central Kalimantan Family planning agency in recognition of contributions to a national family planning program.

We are now looking forward to making 2018 a successful year by continuing to make further positive progress in implementing our Sustainability Policy.

We continue to review and update our Sustainability Policy Implementation Plan and have developed aims and objectives in order to fulfil our commitments. In this edition of our monthly report, we provide updates on recent progress and planned activities.





Internal Sustainability Audit at PT Agro Wana Lestari and PT Karya Makmur Sejahtera (5th - 11th January 2018).

Audits

An internal Sustainability Audit was conducted from 5th - 11th January 2018 at PT Agro Wana Lestari (PT AWL) and PT Karya Makmur Sejahtera (PT KMS) in Central Kalimantan. This internal audit incorporated assessments against environmental management criteria (ISO14001), occupational health and safety standards (OHSAS 18001), as well as criteria for RSPO and ISPO compliance.

An ISO14001 Surveillance Audit by BSI is now underway (from 14th - 19th January 2018).

Assessments

In 2017, Goodhope appointed accredited independent parties to conduct Land Use Change Analysis (LUCA), High Conservation Value (HCV) assessments and High Carbon Stock (HCS) assessments at 7 subsidiaries.

The assessments were conducted in order to meet requirements for RSPO New Planting Procedures and to apply appropriate corrective action following previous HCV assessments in 2010 - 2011.

The outcomes of verified assessments will be used to guide future land-use and conservation management and to develop remediation and compensation plans.

Social Impact Assessments

Remark Asia conducted a Social Impact Assessment in the Sintang region from 14th - 22nd December 2017.

Further Social Impact Assessments are scheduled as follows:

- Ketapang region (23rd - 30th January)
- by Remark Asia.
- Nabire region (22nd - 27th January)
- by Ekologika.

An update on the current status of assessment reports is provided in the table below:

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.
	PT Agrajaya Baktitama	31 July 2017	
	PT Batu Mas Sejahtera	29 Aug 2017	Team from Aksenta are verifying the final reports by site visit (15-25 January 2018).
	PT Sawit Makmur Sejahtera	29 Aug 2017	Final verified reports will be submitted in February 2018.
	PT Sinar Sawit Andalan	28 Nov 2017	
HCV Assessment	PT Sumber Hasil Prima	28 Nov 2017	
	PT Nabire Baru	31 Oct 2017	Report evaluation by Quality Panel is underway.
	PT Sariwana Adi Perkasa	6 Nov 2017	Report evaluation by Quality Panel is underway.
	Ketapang Region: PT Agrajaya Baktitama; PT Batu Mas Sejahtera; PT Sawit Makmur Sejahtera	31 Oct 2017	First resubmission is being evaluated by the Quality Panel.
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	Submission for peer review is complete – pending peer review.
	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.

Management and Monitoring of High Conservation Values and High Carbon Stock Forest

This month from 5th-13th January 2018, routine biodiversity monitoring was conducted at PT Agro Wana Lestari (PT AWL). Representatives from our Sustainability department and site Environmental Health and Safety department carried out surveys of flora and fauna in HCV areas.



HCV Monitoring at PT Agro Wana Lestari (5th - 13th January 2018).

We are committed to developing and implementing comprehensive conservation management plans at each of our plantation regions by working together with consultants, communities, NGOs and local governments, and by strengthening our internal capacity to conduct HCV and HCS management and monitoring. Representatives from Goodhope are undergoing further training in conservation management and are making progress in establishing and developing collaborative projects.



Representatives from Goodhope attended an HCV management and monitoring training session for oil palm growers with the aim to improve understandings of the requirements for HCV management and monitoring. The training session was facilitated by RSPO and delivered by HCVRN and Proforest in Medan on 13th December 2017.

Regional Focus

Nabire	We seek to appoint a leading consultant who could develop a management plan in consultation with the indigenous Yerisiam Community to establish plans that are backed by community support. For this, we continue to meet with consultants to negotiate an agreement. Our aim is to sustainably manage one of the most successful plantations developed in high forest cover landscape and we pursue the opportunity to establish a pilot project supported by the HCS Approach Steering Group. Furthermore, we continue to explore opportunities for establishing a collaborative conservation project in the region in association with NGOs.
Central Kalimantan	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.
West Kalimantan	HCV assessments will be used by Aidenvironment as the basis for developing plans for our collaborative integrated land-use project in the Ketapang region.

NDPE Socialisation Program

Among the primary aims of our Sustainability Policy Implementation Plan is to integrate the policy into all Goodhope's operations. Hence, a key objective is to communicate and disseminate the Sustainability Policy to all employees in each concession, as well as to third party suppliers.

In June 2017 we began a series of training sessions for management teams and staff to ensure that our No Deforestation, No Peatland Development, No Exploitation (NDPE) Policy is understood by all employees.

Presentation of our NDPE policy to workers at our plantations will continue throughout 2018, and from February 2018 we will begin to implement our Supplier Engagement Plan in order to extend policy integration throughout our supply chain.

We are in the process of producing a leaflet summarizing NDPE requirements, which will be distributed to support our NDPE Policy Integration Program.



Health and Safety

Safety Training sessions are among the key ways by which we prevent exposure to hazards and risks in the workplace and to avoid accidents at work. During the period April – December 2017, a total of 449 training sessions were delivered to workers (a total of 8,289 participants).

The Goodhope Group Safety Performance Index currently stands at 2.55, maintaining a declining trend, indicative of a lower number of accidents and reduced frequency and severity of incidents.

Medical checkups are provided for all workers that may potentially be exposed to high levels of chemicals. In December 2017, medical checkups were conducted in collaboration with the organisation 'Perusahaan Jasa K3' (PJK3) West Kalimantan.



Resolution of Disputes with Yerisiam Gua Community

A team from the Conflict Resolution Unit (CRU) visited the Nabire region from 8th - 10th January 2018 to gain feedback from the community and make further progress in developing opportunities for dispute resolution with full community support. The team sought additional feedback from the community on issues relating to conflicts over land and natural resources between the indigenous Yerisiam Gua Community and PT Nabire Baru and the potential mechanisms for dispute resolution (as were presented and discussed at a stakeholder meeting on November 20th 2017). The community will now review and make a decision. We await information from the community .



Construction of a Mini Mill at PT Nabire Baru

Timeline regarding the process of mill development at PT Nabire Baru

26 th May 2017	- Goodhope appealed to the RSPO Complaints Panel to allow the construction of a mini mill with the capacity of 15MT/hr expandable to 45MT/hr.
16 th June 2017	- RSPO Complaints Panel defined the three conditions for an exception to be made so Goodhope can begin the construction of a mini mill at PT Nabire Baru: <ol style="list-style-type: none"> 1. Resolution to the Joint Comments received on the NPP notification of PT Nabire Baru 2. Legal Requirements, including licenses and permits required to construct the palm oil mill 3. Information on the planned dispatch of CPO
20 th June 2017	- Goodhope provided information on the licenses and permits and the plans for the dispatch of CPO.
30 th July 2017	- Yerisiam Gua community affirmed their understanding and agreement of the terms by signing a Statement of Support for the construction of a mill.
11 th August 2017	- Goodhope provided evidence of efforts to address outstanding issues raised in NPP comments.
29 th August 2017	- RSPO Complaints Panel granted Goodhope the exception to the Stop Work Order to enable the construction of a mini mill at PT Nabire Baru.
29 th October 2017	- RSPO coordinated an independent verification exercise to ascertain whether or not the construction of the mini mill is indeed a necessary requirement to sustain the local communities in the region.

At the end of August 2017, the RSPO Complaints Panel granted exception to the Stop Work Order, to allow Goodhope to proceed with the construction of a mini mill at PT Nabire Baru.

The exception was granted in view of community support for the construction of a mill at the site, which would enable the local community to begin earning income from crops harvest from their Plasma plantations.

A schedule for a ritual ceremony at the proposed mill site and further socialisation activities on the plans for mill construction has been drafted, with activities planned to take place during the last two weeks in January 2018.

Dependent on community support, contractors for mill construction will potentially start work at the site in February 2018.

Terms of Agreement for the Construction of a Mini Mill at PT Nabire Baru

- The endorsement of mill construction will not abort the ongoing Dispute Settlement Facility (DSF) process: The conflict resolution process between PT. Nabire Baru and Yerisiam Gua community must continue.
- 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.
- 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.
- 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.
- An appropriate waste management system must be put in place such that harmful waste does not enter the river or other important environments.



Sustainability Policy Implementation Plan 2018

The purpose of our Sustainability Policy Implementation Plan (SPIP) is to define the steps that will be taken in order to ensure full compliance with our Sustainability Policy. An initial plan (published alongside our Sustainability Policy launched on 5th May 2017) provided a framework for more detailed plans to guide our activities in 2017.

A number of assessments, audits and reviews were conducted during 2017, providing important information and feedback to identify gaps and establish objectives for policy implementation and to undertake appropriate corrective action:

- Independent assessors conducted HCV assessments and Land Use Change Analysis and Goodhope is going to implement all corrective actions based on the results of these new assessments. Suitable remediation and compensation plans will be developed and implemented, as well as integrated conservation management and monitoring plans.
- Reviews of our policies and Standard Operating Procedures have resulted in revisions to improve the processes and procedures that underline our operations and identified gaps that shall be addressed.
- Evaluation of performance in aspects of environmental health and safety has identified actions to improve key activities in order to enhance the delivery of our commitments.

Our Sustainability Policy Implementation Plan 2018 has been developed based on the monitoring and review of our progress in 2017 and on the outcomes of assessments and reviews that were conducted. It articulates further requirements and targets that shall be met to ensure the delivery of our sustainability commitments and incorporates the following programs:

- HCV and HCS Conservation
- Peatland Conservation
- NDPE Policy Integration
- Fire Mitigation
- Greenhouse Gas Mitigation
- Sustainable Agriculture
- Waste Reduction
- Integrated Monitoring and Reporting
- Human Rights
- Grievance Handling and Dispute Settlement
- Community Health and Livelihoods
- Education
- Supplier Sustainability
- Occupational Health and Safety
- Website Improvement
- Certification and Compliance

Improved monitoring and evaluation processes will provide results-based feedback, upon which we will act to adjust and improve plans, policies and procedures. In this way we will continue to develop and implement adaptive management plans, based on assessments and monitoring results.

We are committed to provide regular updates on our progress, facilitated and supported by our integrated monitoring and reporting and website improvement programs.

Upcoming Activities

HCV and HCS Conservation	<ul style="list-style-type: none">• 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.• 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.
NDPE Policy Integration	<ul style="list-style-type: none">• Supplier engagement activities are scheduled in February 2018.
Integrated Monitoring and Reporting	<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.
Grievance Handling and Dispute Settlement	<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.
Community Health and Livelihoods	<ul style="list-style-type: none">• We continue our commitment to the ongoing process of bridge and road improvement of Jalan Poros Kecamatan Serawai, crossing Melape River at Gurung Sengiang Village in Kecamatan Ambalau, Sintang region.
Website Improvement	<ul style="list-style-type: none">• We will continue to work on content for our new website, which we aim to launch at the end of January 2018.
Certification and Compliance	<ul style="list-style-type: none">• ISO14001 Surveillance Audit by BSI will continue (from 14th - 19th January 2018).• RSPO Surveillance Audit by BSI is scheduled at PT Agro Wana Lestari (PT AWL), Central Kalimantan (22nd - 26th January 2018).• Social Impact Assessments are scheduled to be conducted in the Ketapang and Nabire regions to comply with RSPO New Planting Procedures.

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