

Sustainability Journey

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Foreword

In this issue of our monthly report 'Sustainability Journey' we focus our attention on the recognition of World Environment Day, 5th June, and report on some of our recent efforts to encourage awareness and action with the aim to: protect remaining biodiversity and rare, endangered and threatened species; safeguard ecosystem services; and minimize our environmental impact.

We provide reports on recent activities that have been conducted at our plantations in Central Kalimantan, West Kalimantan and in Nabire region, Papua (page 2-5).

At a recent audit against the criteria set by the Indonesian Ministry of Environment Program for Pollution Control, Evaluation and Rating (PROPER) our palm oil mill in East Kalimantan was awarded 'Blue Rating'. This level of compliance has been consistently attained by our four other mills in Central Kalimantan, and demonstrates the implementation of effective environmental management in compliance with applicable environmental regulations. We aim to build on this solid performance and continue to seek ways to further improve our performance and to promote efforts to minimize negative environmental impacts.

The completion of assessments and audits is an essential means by which we act to continually improve our management practices. We are therefore pleased to report the completion of two important assessments that will form the basis for conservation management and monitoring at our concessions in Nabire region, Papua:

- the High Carbon Stock (HCS) Approach peer review process for PT Nabire Baru (NB) and PT Sariwarna Adi Perkasa (SAP) is now complete (see [HCSA website](#));
- and the High Conservation Value (HCV) Assessment PT SAP has passed the HCV Resource Network (HCVRN) Quality Panel Review process (see [HCVRN Assessor Licensing Scheme website](#)).



Celebrating World Environment Day PT Agro Indomas Central Kalimantan.

Reinforcing Environmental Commitments – Nabire Region

Ongoing socialization activities are delivered with the aim of ensuring that our sustainability commitments are well-communicated in order to be recognized and understood by stakeholders to facilitate compliance with policies and regulations.

From 4th - 5th June 2018, more than 170 employees of PT Nabire Baru (NB) and PT Sariwarna Adi Perkasa (SAP) attended socialization activities to promote the protection of High Carbon Stock forest. The material presented to participants included the company's commitments to environmental stewardship with a focus on the protection of High Carbon Stock. The socialization activities were delivered to improve employee understanding regarding what is meant by High Carbon Stock and conservation areas, and to convey the required management and monitoring approaches.

All new employees attend an introductory Environmental Health and Safety (EHS) briefing for new workers, and with the ongoing development of PT NB Mini Mill, EHS briefings have been delivered to contractors appointed by the company to conduct development activities. These initial briefings incorporate our policy commitments and expectations relating to code of conduct.

As a basic way to raise awareness, signs have been installed to communicate regulations to prevent fires and logging and promote the protection of wildlife.



High Carbon Stock Socialization to employees at Bukit Nuhgojaje Estate and Kali Bambu Estate, PT Nabire Baru and PT Sariwarna Adi Perkasa (4th - 5th June 2018).



Environmental Health and Safety briefing new workers at PT Nabire Baru and PT Sariwarna Adi Perkasa (25th May 2018).



Fire prohibition sign at PT NB



HCV riparian zone sign at PT NB.



Environmental Health and Safety briefing to contractors prior to their work on development activities for the construction of PT Nabire Baru Mini Mill (14th May 2018).



Promoting Reduce - Reuse - Recycle Initiatives

On 6th June 2018, PT Agro Indomas commemorated World Environment Day by engaging the communities at Terawan Village and Lanpasa Village, with focus on promoting Reduce-Reuse-Recycle initiatives in recognition of the theme for World Environment Day 2018: Beating Plastic Pollution.

The main aim was to increase awareness among employees and local communities to reduce domestic waste generation (especially plastic) and promote increased participation in improved waste management strategies including waste segregation and Waste Bank Programs.

Specific activities included:

- The presentation of information on the processes and importance of waste segregation and recycling.
- The donation of segregated trash cans.
- Waste collection work.

The focus was on promoting action for environmental protection.



Participants in World Environment Day waste management activities at PT AICK.

Waste Bank Programs

Our first Waste Bank Program was established at PT Agro Indomas in 2013. Waste Bank programs have since been replicated across our sites in Central Kalimantan.

Each program provides a Waste Recycle Center set up at a designated area within the plantation for use by villagers and employees.

For the year 2017/2018, the waste collected and sent for recycling totaled 20,100 kg in weight: 36% was plastic.

Planting Community Fruit Trees



World Environment Day was also celebrated by the contribution of tropical fruit plants such as mango and durian to the community.

By 11th June 2018, 200 seedlings had been planted to commemorate the day.

Approximately 30 participants were involved from local villages to join the World Environment Day presentations and activities organized by PT AICK.

Strengthening Conservation Management & Monitoring at Agro Wana Lestari and Karya Makmur Sejahtera - Central Kalimantan

HCS Approach

A consultancy team from Ata-Marie conducted HCS field assessments for PT Agro Wana Lestari (AWL) and PT Karya Makmur Sejahtera (KMS) in Central Kalimantan from 21st May - 8th June.

Application of the HCS Approach will help to strengthen conservation management and monitoring in the area by distinguishing forest areas with high carbon content from degraded lands to guide conservation and rehabilitation practices while ensuring the rights and livelihoods of local peoples are respected.



Developing a Strategic Plan for Cultural-Based Conservation and Community Development Initiatives at Bukit Santuai

Representatives from Goodhope and the conservation organization Swaraowa met from 4th - 5th June to discuss the collaborative and integrated plan to manage and monitor the conservation area of Bukit Santuai-Bukit Hawuk at PT AWL.

The 2-day meeting included:

- Presentation on the results of the scoping visit to AWL last March 2018.
- Discussions on the important aspects of the strategic action plan:
 1. Capacity building priorities for monitoring, including a detailed training plan.
 2. Plans to collate and evaluate sufficient social, cultural, economic information from local communities.
 3. Approaches to strengthen the organization of Bukit Santuai conservation initiative.
- A field visit to Jatimulyo Village in Kulon Progo to attain insight from effective community development programs implemented at the site.



Promoting Community Involvement for Improved Conservation Management and Monitoring - Ketapang District, West Kalimantan



HCV socialization for community representatives from villages nearby Goodhope's concessions in Ketapang district, West Kalimantan: The rehabilitation of riparian reserves (6th June 2018).

Ketapang Region Landscape Management Plan



Goodhope is working in collaboration with Aidenvironment to enable fieldwork to be conducted to produce a community land-use management plan for three villages neighbouring Goodhope concessions in the Ketapang region. The data will be used to indicate land-use scenarios and the potential for connecting HCV and HCS conservation areas. It is proposed that social forestry initiatives will form a main component of the project. On 12th June 2018, representatives from Goodhope and Aidenvironment met to discuss future work plans (photo above).

On 6th June 2018, socialization activities were held to promote community involvement for improved conservation management and monitoring at Goodhope's concessions in Ketapang district, West Kalimantan province – subsidiaries PT. Agrajaya Baktitama (PT AJB), PT Batu Mas Sejahtera (PT BMS) and PT Sawit Makmur Sejahtera (PT SMS).

Socialization activities were conducted in two villages - Petati Patah and Rantau Jungkal with the aim to:

- Increase understanding of the importance of conservation areas by promoting the benefits and functions of conservation areas in the concessions.
- Present information on the current status of HCV areas, including pressures or threats.
- Communicate the company's HCV management plan and NDPE Policy.
- Promote community involvement in conducting HCV Management and Monitoring activities.

The focus was on the rehabilitation and conservation of riparian reserves, conveying important information that was learnt from the prior training on Best Management Practices for Rehabilitation, which was held at PTAICK Training Center in April 2018.

The event also provided important feedback to evaluate the implementation of conservation management and monitoring activities, including the review of Standard Operating Procedures.



Presentation and Focus Group Discussion on HCV management for community representatives.

Innovative Education

Our education programs at our schools are delivered with the aim to equip students with the knowledge and skills needed for their future careers and endeavours. Our vision is to not only support the standard learning of subjects, but to promote educational activities that provide opportunities for students to creatively solve problems through critically thinking, collaborative working and effective communication.

Recognizing the importance of transferable skills such as critical thinking, creativity, collaboration, and communication (popularly known as 4C's) our Junior High School SMP Tunas Agro at PT AICK is selected as a pilot school for implementing an innovative and integrated education program known as convergence education which is being promoted in Indonesia by the Universitas Pendidikan, Bandung.

On 4th and 5th May 2018, the principal of SMP Tunas Agro attended a workshop on Convergence Education organized by Universitas Pendidikan Indonesia, Bandung. The workshop was delivered by two experts on the education system, Prof. Seoung-Hey Paik from Korea National University of Education (KNUE) and Prof. Minsu Ha from Kangwon National University (KNU).

The event provided the opportunity to discuss the experience of SMP Tunas Agro and suggestions to improve the implementation of convergence education at SMP Tunas Agro (photo below).

Workshops and Training Programs provide exceptional opportunities to encourage improved performance of our education program.



Discussions during the workshop on Convergence Education (4th-5th May 2018).

Skills and knowledge attained will be applied to promote the implementation of adopt enhanced education systems and practices by our schools, promoting the integration of sustainability and environmental protection.



Our Junior High School SMP Tunas Agro at PT AICK.



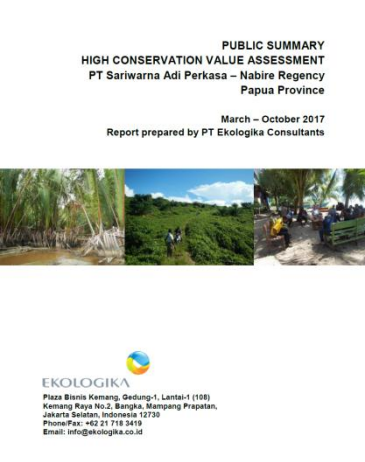
'Help Teachers to See the World'

Mr. Panji Irfan, the Principal of SMP Tunas Agro was invited to visit and learn Australia education system at Bacchus Marsh College from 28th May to 1st June in Melbourne, Australia.

He was selected as participant to join the program 'Bantu Guru Melihat Dunia' (BGMD) or 'Help Teachers to See the World'. This International Short Course initiated by Overseas Indonesia Students' Association Alliance (OISAA) or Perhimpunan Pelajar Indonesia se-Dunia (PPI Dunia) which supports selected teachers from Indonesia to learn about education systems and teaching practices in other countries.

This phase of the BGMD program in Melbourne, Australia, was supported by The Consulate General of The Republic of Indonesia in Melbourne and Victorian Indonesian Language Teachers Association (VILTA), an organization under Victorian Department of Education and Training.

Update on the status of assessments for compliance with RSPO New Planting Procedures (NPP) 2015

<p>High Conservation Value (HCV) Assessments</p>	 <p>The quality review process for the HCV Assessment PT SAP - Nabire, Papua Province – has been completed. The report was declared as satisfactory at first resubmission on 6th June 2018. The Public Summary is published on the HCV Resource Network Assessor Licensing Scheme website.</p> <p>The HCV assessments for PT Nabire Baru, Ketapang Region (PT AJB, BMS, and SMS) and Sintang Region (PT SMS and SHP) remain under the HCVRN Quality Review process. We continue to keep track of the report progress for each of our submissions to ensure that deadlines for any revisions are met.</p>
<p>Land Use Change Analysis (LUCA)</p>	<p>LUCA reports have been submitted for review by RSPO Compensation Panel in order to determine any remediation and compensation liabilities.</p> <p>First review of the LUCA report for PT NB and PT SAP has been completed. Assessors and the company have addressed the comments and the revised report along with comments have been submitted to RSPO.</p> <p>LUCA reports for PT AJB, PT BMS, PT SMS (Ketapang Region), PT SSA and PT SHP (Sintang Region) remain under review by RSPO.</p>
<p>Social Impact Assessments (SIA)</p>	<p>Final SIA reports have been prepared for Ketapang and Sintang Regions by Re-Mark Asia. A draft final report has been prepared for Nabire Region by Ekologika.</p>
<p>Greenhouse Gas (GHG) Assessments</p>	<p>Greenhouse Gas (GHG) assessments are in the final stages of completion. The first draft of GHG Assessment Reports for PT SSA and PT SHP (Sintang Region) has been received and the final report is being prepared by Aksenta. The GHG Assessment Reports for PT NB and PT SAP (Nabire Region) and PT AJB, PT BMS, PT SMS (Ketapang Region) are being prepared by Ata-Marie.</p>

PT NB: Nabire Baru, PT SAP: Sariwana Adi Perkasa, PT AJB: Agrajaya Baktitama Perkasa, PT BMS: Batu Mas Sejahtera, PT SMS: Sawit Makmur Sejahtera, PT SSA: Sinar Sawit Andalan and PT SHP: Sumber Hasil Prima.

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

The HCSA assessment reports for Ketapang region and Sintang region are expected to be completed and submitted to the HCSA Secretariat to organize peer reviews.

3. LUCA Review

RSPO will coordinate the completion of the LUCA review for PT NB and PT SAP (Nabire Region, Papua) and will initiate the review of LUCA reports for Ketapang and Sintang Regions (PT AJB, PT BMS, PT SMS, PT SSA and PT SHP).

4. NPP Verification

The Certification Body TUV Rheinland will conduct a review of NPP documents for PT SAP as part of the NPP Verification process. The review is scheduled at the end of June.

5. Legal review of PT Nabire Baru

A second legal review of the legal status of PT Nabire Baru will be conducted by a RSPO-selected independent third party.

6. Towards an Identity Preserved Supply Chain Certification System

We will address the issues identified in the gap assessment conducted by TUV Rheinland in order to progress towards an Identity Preserved Supply Chain Certification System for PT AICK.

7. Fire-fighting Preparations

We will continue to progress with our fire mitigation plans, including the establishment of new community fire-fighting teams by the provision of training and fire-fighting equipment.

8. Ketapang Region Landscape Management Plan

Fieldwork will be conducted by a team from Aidenvironment to produce land-use maps.



9. RSPO Lead Auditor Course at PT AICK Training Center

Our Training Center at PT AICK has been selected by CheckMark Training as the site for the RSPO Principles and Criteria 5-day Lead Auditor course that will take place in Central Kalimantan from 16th-20th July 2018. The course will include lectures and workshops, a mock audit in oil palm plantation and mill, and written exam. It will be led by David Ogg (Managing Director of CheckMark Training, an RSPO-endorsed training provider based in the UK). For more information and event registration, please see [CheckMark Training Courses](#).



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