



## **MONTHLY UPDATE – PROGRESS MADE UP TO 15<sup>TH</sup> JUNE 2017 Sustainability Journey**

### **Implementation of New Sustainability Policy**

Following the launch of Goodhope's new Sustainability Policy with No Deforestation, No Peat and No Human Exploitation policy on 5th May 2017, all Goodhope's direct operations have commenced implementing the policy with immediate effect.

The initial step in the implementation is to publicize and familiarize the policy to all plantation units. Training and awareness raising have been done in all plantations as shown below.



Training and familiarization of New Sustainability policy to all employees and management teams. Trainings have been conducted in West Kalimantan, East Kalimantan, Central Kalimantan and Papua. We will commence conducting Sustainability Policy Socialization to our suppliers in stages.

### **Response to the RSPO Complaints Panel's letter**

Further to the issuance of the letter from RSPO Secretariat on 28th April 2017 re Precautionary Measures (Stop Work Order) by the RSPO Complaints Panel regarding the New Planting Procedures (NPP) documents, the company has taken the letter seriously and is committed to undertake all required measures to meet the milestones and timelines as set by the RSPO Complaints Panel.

Goodhope submitted two letters to the RSPO Complaints Panel on 26th May 2017. The first letter pertaining to the timelines set for submission of NPP documents. Goodhope is requesting the Complaints Panel to extend the timelines by two months due to the unavailability of credible assessor(s) to immediately re-do the HCV assessment as they have prior engagements/commitments, and challenges in performing field assessment, particularly community consultation during the holy month of Ramadhan and Eid Mubarak in June 2017. However, we are doing our best to complete all these assessments timely as per the RSPO requirement.

The second letter is requesting provisional exceptions to allow the construction of a palm oil mill at PT Nabire Baru. Suspension of all development activities in this location has created unintended repercussions with growing grievances and pressures from local community and stakeholders to the company to construct the mill and development of Plasma. Their complaints are legitimate as the suspension of a mill construction have prevented them to earn the income from crops harvest from their Plasma plantations and missed employment and business opportunities. Due to the remotely isolated location, there is neither palm oil mill or other viable income generating activities in the region. Palm oil mill at PT Nabire Baru is the



only viable way for enriching the household income and improve quality of life of local indigenous community in Nabire.

Goodhope is requesting the RSPO Complaints Panel to allow the construction of a mill at PT Nabire Baru initially a mini mill with the capacity of 15MT/hr, which would be built within a shorter time period (estimated 6 to 9 months) to manage this growing social pressure. Simultaneously the company will commence the construction of 45 MT/hr mill which will take 22-24 months as there are additional civil work and logistics related issues will take longer time to construct the main mill.

We are now waiting for the response and decisions from the RSPO Complaints Panel.

**Land Use Change Analysis (LUCA) and High Conservation Value Area Assessment of PT Nabire Baru and PT Sariwana Adi Perkasa**

Following up on the meeting between Goodhope’s officer with RSPO Secretariat’s team on 11th May 2017 at RSPO Secretariat in Kuala Lumpur, the LUCA of PT Nabire Baru will use the cut-off date as of 2011 in accordance with the first HCV assessment conducted prior to developments.

Land Use Change Analysis and HCV re-assessment of PT Nabire Baru (NB) and PT Sariwana Adi Perkasa (SAP) in Nabire is being conducted since 1st June 2017 until this reporting date by a team from Ekologika, a consulting firm in collaboration with Mr. Iwan Setiawan (a full licensed HCV Assessor) as the lead assessor, and Ata-Marie.

On June 8th 2017, Goodhope in cooperation with Ata-Marie and Ekologika organized a public consultation on High Carbon Stock and High Conservation Value. This consultation was attended by 45 participants from various stakeholders such as government bodies, NGOs, media, university, customary body, religious body, and others.



Public Consultation in Nabire, Papua (PT. Nabire Baru & PT. Sariwana Adi Perkasa) on HCV & HCS Assessment

<b>Participants of the HCV &amp; HCS Assessment in Nabire on 8th June 2017</b>	
<b>NGOs</b>	6 NGOs (Sawit Watch, Kompak, Primary, Kasih Papua, WWF, Yayasan Pusaka)
<b>University</b>	Universitas Satya Wiyata Mandala
<b>Government Body</b>	8 bodies including Badan Lingkungan Hidup (BLH)
<b>Village Head</b>	Sima and Wanggar Pantai Villages
<b>Cooperative Body</b>	3 cooperatives (Waoha, Sarakwari Koroba, Wate)
<b>Customary Body</b>	Dewan Adat Papua Kab. Nabire
<b>Representatives from Ethnic Group</b>	2 ethnic groups (Yeresiam and Wate)
<b>Media</b>	Papua pos, Tabloid Jubi
<b>Others</b>	PT. Jati Dharma Indah

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## **Land Use Change Analysis (LUCA) and High Conservation Value Area Assessment in Ketapang and Sintang West Kalimantan**

LUCA and HCV re-assessment of PT Agra Jaya Baktitama (AJB) in Ketapang is underway since 12th June 2017 until this reporting date by a team from Aksenta led by Mr. Iwan Setiawan (a full licensed HCV Assessor) as the lead assessor.

We have appointed Aksenta led by Mr. Iwan Setiawan, full licensed HCV assessor to undertake LUCA and HCV re-assessment of two other companies in Ketapang commencing mid July after Eid Mubarak. Previously we engaged Ekologika for this assignment. However this change has been made at the request of RSPO secretariat to engage full licensed HCV assessors for this re-assessment.

Goodhope is still waiting for the signing up of the agreement with Daemeter to conduct Land Use Change analysis, redo assessment of HCV and HCS assessment of PT Sumber Hasil Prima and PT Sinar Sawit Andalan in Sintang, West Kalimantan.

## **High Carbon Stock (HCS) Assessment of PT Nabire Baru, PT Sariwana Adi Perkasa and PT Agrajaya Baktitama, PT Batu mas Sejahtera and Sawit Makmur Sejahtera.**

Ata-Marie has been working on HCS assessment and undertaking field verification and review of soil survey report of PT Nabire Baru and PT Sariwana Adi Perkasa in Nabire since 1st June 2017. The field work is expected for completion on 21st June 2017. The report is scheduled to be completed in September 2017. Same consultant will also perform HCS assessment for three companies in Ketapang, namely PT Agra Jaya Baktitama, PT Batu Mas Sejahtera and PT Sawit Makmur Sejahtera in July 2017.

## **Review of Legal Compliance and Conformity to NPP**

Aidenvironment has been performing review of legal compliance and conformity to NPP of PT Nabire Baru since 22nd May 2017. The report is expected to be completed end of July 2017.



Aidenvironment conducts review of legal compliance and conformity to NPP procedures of PT. Nabire Baru. The review commenced on 22nd May 2017 and is expected for completion by the end of July 2017.

## **Meeting with Yayasan Pusaka and Forest People Programme (FPP)**

Goodhope team met with Yayasan Pusaka and FPP, proponents of two complaints against Goodhope filed to the RSPO, at Goodhope's office in Jakarta. The meeting was attended by among others Mr. Marcus Colchester, Mr Patrick Anderson, Mr. Franky Samperante and Mr. Emil Kleden.





Goodhope Management Meeting with Yayasan Pusaka and Forest People Programmes (FPP), on 18th May 2017

The meeting focused on two topics of complaints which are currently managed by the Complaints Panel of the RSPO. The first complaint is the ongoing complaint which was filed in April 2016 by Yayasan Pusaka regarding social issues on Yerisiam community with PT Nabire Baru. The second complaint is the new complaint filed by Forest Peoples Programmes (FPP), Greenpeace, EIA and Yayasan Pusaka regarding the New Planting Procedure (NPP) and subsequent Precautionary Measures letter from RSPO.

Mr. Colchester elaborates on the importance of dealing with two complaints implicating PT Nabire Baru separately. The two complaints are currently being dealt with separately by the Complaints Panel. He said that the RSPO and Complaint Panel (CP) have recourse to the Dispute Settlement Facility (DSF) as the mechanism to expedite the settlement of the first complaint, which is already an active case with commitments from disputing parties to find solutions. While the NPP related complaint should remain with the CP and indeed has already been addressed by the RSPO CP with the issuance of letter on Precautionary Measures. On the second complaints regarding the NPP related issues of the seven companies of Goodhope, which also implicates PT Nabire Baru, the meeting agreed to focus on two aspects, namely NPP documents and credibility of HCV assessments.

Goodhope requests for opinion on how to expedite process and proceed with mill construction despite the current complaints settlement. The mill is urgently needed as it is the most viable way to improve livelihood and quality of life of the local community, and the local community has also demanded PT Nabire Baru to expedite the construction of the mill. Presently palm fruits are cut and dumped due to no mill in the region and consequently the community miss the opportunity to earn incomes. Mr. Colchester asserts that learning from the past experiences with other companies, the RSPO and NGOs may give special privileges to the company to develop Plasma land and construct the mill provided it is supported and requested by the local community. It is noted that the decision has to be made by the Complaints Panel.

#### **Meeting with Yayasan Pusaka and Conflict Resolution Unit (CRU) at the RSPO Indonesia Liaison Office (RILO), Jakarta**

As a follow-up on the agreement of using the Dispute Settlement Facility (DSF) in March 2017, RILO organized a meeting with Yayasan Pusaka, the complainant, Goodhope, complainee and CRU from the Indonesian Business Council on Sustainable Development (IBCSD) on 7th May 2017 at RILO office in Jakarta.

In the efforts for amicable resolutions of the Yerisiam issues through Dispute Settlement Facility (DSF), the RSPO proposed to employ CRU of the IBCSD with two functions, i.e., conducting the initial assessment of the five pending allegations as further verified by Yayasan Pusaka and then assisting the mediation. The allegations are land grabbing, security approach by Brimob, Deforestation, Conversion of Dusun Sago and Transparency.

The initial assessment by CRU is to determine which elements of the Pusaka complaint are amenable to resolution by mediation. Upon completion of the assessment it is proposed by RSPO that the CRU will continue to assist with the mediation process, which would involve professional mediators who will be jointly selected by Yayasan Pusaka, Yerisiam and PT Nabire Baru. RSPO will be monitoring this process through the DSF.

The overall process of preparatory stage of mediation will commence from preparation of draft Terms of Reference scheduled for next week; review of proposal submitted by candidate assessors and selection of assessor; approval from all concerned stakeholders, scheduled to be obtained during field visit on 16-23 July 2017, particularly the complainants from local community of Yerisiam; undertaking pre-assessment of the disputes, scheduled to commence in August 2017; submission of pre-assessment report and follow-up to mediation, including selection of mediator.

### **Application of HCSA Membership**

Goodhope has submitted the application for membership of High Carbon Stock Approach Steering Group (HCSA) on 22nd May 2017. The Executive Committee of the HCSA is going to decide on the status of membership application during its meeting on 21st June 2017.

In the spirit of openness, transparency and constructive engagement, Goodhope remains open to key stakeholders providing their input to all initiatives in addressing the above concerns.

Thank you,  
Yours Sincerely,



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