

Sustainability Journey

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Foreword

A year since the launch of our Sustainability Policy in May 2017, our performance has recently been evaluated and our Sustainability Policy Implementation Plan has been reviewed. Our implementation plan now includes a management framework incorporating the processes, procedures and requirements to guide site-specific management, which will be implemented in consideration of the outcomes of a number of assessments including:

- Routine internally conducted assessments
- Social and environmental assessments conducted as part of RSPO New Planting Procedures (NPP)
- Assessment of overall sustainability performance by Environmental Resources Management (ERM)
- Audits and assessments to assess compliance with standards including RSPO, ISO and OHSAS.

Core components of our Sustainability Management System include:
i) capacity building – focusing on engagement, training and development
ii) monitoring and evaluation, and iii) reporting.

Maintaining compliance with international standards such as ISO and OHSAS provides assurance that our operations apply effective management systems to support sustainable plantation practices.

In this issues of 'Sustainability Journey' we provide updates on recent activities that support our policy implementation.



Training on Best Management Practices for the Rehabilitation of Riparian Reserves

From 24th - 25th April 2018 Goodhope held a workshop on 'Best Practices for Rehabilitation of Riparian Reserves in Oil Palm Plantations' in cooperation with the Environmental Leadership and Training Initiative (ELTI) with invited speakers from RSPO, Tropenbos Indonesia and the Nature Conservation Technology Research Center (BALITEK KSDA) East Kalimantan.

The event was held at the Training Centre of PT Agro Indomas Central Kalimantan (AICK) with the aim to provide managers and operational staff with the knowledge and skills needed to facilitate the planning and implementation of effective forest rehabilitation.

The training program was designed to:

1. Promote and enhance understanding of the benefits of rehabilitating riparian reserves in oil palm plantations.
2. Provide information on the forest rehabilitation techniques and considerations for the development of management and monitoring plans.

The event was attended by 38 participants, including representatives from Citra Borneo Indah, Eagle High, Genting, IOI, Musim Mas, Musirawas, Triputra, Wilmar and Goodhope as the host.



The workshop on the rehabilitation of riparian reserves included practical training on techniques to establish seedbeds and nurseries.



Presentations delivered at the two-day workshop included the following topics by invited speakers:

- **Monitoring and Adaptive Management of Riparian Reserves in Oil Palm Plantations** by Djaka Riksanto, RSPO Technical Manager – Indonesia.
- **Nursery Techniques for Forest Rehabilitation** by Ujang Susep Irawan from Tropenbos Indonesia.
- **The effort to restore local tree species in synergy with nature** by Burhanuddin Adman from the Nature Conservation Technology Research Center (BALITEK KSDA) East Kalimantan.
- **The Environmental Leadership and Training Initiative (ELTI) Asia Program** by Arbainsyah from ELTI.



The second day of the workshop included ceremonial tree planting in a degraded area of the riparian zone of Lake Sembuluh.

The General Manager of PT AICK, Ganapathy Karpan, joined the workshop on 25th April 2018 and delivered a speech prior to the morning's field-based activities on riparian reserve rehabilitation. He expressed his appreciation of the initiation of forest restoration and rehabilitation programs and emphasized the need to maintain effective management and monitoring to achieve a successful outcome in the long-term.

During the workshop there were plenty of opportunities to discuss management strategies for forest rehabilitation projects. Group tasks, involving developing and presenting requirements of a management and monitoring plan for the rehabilitation of riparian reserves, highlighted the main considerations and approaches.

The information learnt from the event will be put into practice as we develop our proposal for rehabilitation of riparian reserves a PT AICK. We propose to initially establish a trial area for rehabilitation of a selected riparian buffer zones. Monitoring and evaluation of this trial area will aid in the identification of best practices for large scale rehabilitation efforts that will be undertaken at the time of replanting.

Commitments to the High Carbon Stock Approach

To meet the primary requirement for compliance with the approach, we will ensure that comprehensive HCS Assessments are carried out by accredited bodies before land clearing or new development, and that the assessments are subject to peer review as prescribed by the HCSA Steering Group – as stated in our Sustainability Policy (May 2017).

To date, Goodhope has registered three projects with the HCSA Steering Group – Nabire Region, Ketapang Region and Sintang Region.

- We are pleased to report that our **Nabire Region HCS Assessment Report** has now entered the final round of the Peer Review process.
- Our **Ketapang Region HCS Assessment Report** is currently being finalized by the HCSA Registered Practitioner Organization Ata-Marie and once completed will be submitted to the HCS Approach Secretariat to organize a peer review.
- Similarly our **Sintang Region HCS Assessment Report** shall be finalized by the HCSA Registered Practitioner Organization Aksenta and once completed will be submitted to the HCS Approach Secretariat to organize a peer review.



We are now seeking to extend our commitments to HCSA by implementing the approach in the region of **PT Agro Wana Lestari (AWL) and PT Karya Makmur Sejahtera (KMS) in Central Kalimantan**.

A consultancy team from Ata-Marie visited the site from 16th-27th April 2018 as part of the initial scoping study of HCS, which included focus group discussions and participatory mapping (photo above).



Signing of the Memorandum of Understanding between Perbanas Institute and Goodhope, 7th May 2018.

Partnership to enhance the sustainability of CSR programs

Goodhope has partnered with Perbanas Institute, Indonesian National Bank Association to support our education programs and community economic empowerment initiatives.

A research team from Perbanas Institute visited PT Agro Indomas Central Kalimantan (AICK) from 12th - 15th February 2018 to gather information from the plantation site, including evaluation of the training and teaching facilities at the concession. The visit provided opportunities for discussions with stakeholders to help identify strengths and weaknesses in current CSR programs.

Evaluation of the information that was gathered upon the field visit has been used to develop a proposal for capacity building programs. The proposal was presented to Goodhope on 4th March 2018.

Partnership agreements were formally finalized and signed at a ceremony held at Jakarta Convention Centre on 7th May 2018.

The main aims of the partnership are to:

- 1. Promote the development of sustainable small business enterprises among local communities.**
 - Topics of training for this program will include Entrepreneurship, Marketing and Sales, and Finance.
- 2. Enhance school management, administration and teaching quality.**
 - This program will focus on delivering training on Financial Management for school administrative staff and providing teacher training on teaching methods.
- 3. Promote self-management and sustainability of plasma cooperatives.**
 - This program will be delivered by providing training on Entrepreneurship, Management of Cooperatives, Tax and Financial Management, Marketing and Sales.

Awards in Education



Agus Maryanto – Social Science Teacher of one of our Junior High Schools (SMP Tunas Agro at PT AICK) was awarded second prize in a National ‘Teacher Olympics’ competition event held in Lombok, Nusa Tenggara in April 2018. He was among the selected finalists to compete in the annual event organized by the Ministry of Education and Culture.

Nopiar Rahman, SMP Tunas Agro librarian was awarded the Central Kalimantan Province ‘Librarian of the Year’. The award was presented in Palangkaraya on 9th May 2018 as part of an annual event organized by the Library and Archives authority of Central Kalimantan.

Plantation Business Assessment

For operating plantations, the Plantation Business Assessment or PUP (Penilaian Usaha Perkebunan) is conducted at least every three years according to government regulations (implemented by the Ministry of Agriculture).

The objective of the assessment is to evaluate the performance of the plantation business, to determine the level of compliance with applicable rules and regulations, and to encourage improvements.

The scope of the Plantation Business Assessment includes issues relating to legality, business management, plantation development and productivity, social and environmental responsibility.

Following evaluation of the assessment, the company is assigned a classification based on compliance and performance. The results of the assessment at the operational stage are categorized as Class I, II, III, IV, or V.

Plantation Business Assessments have been conducted for all our plantations in Central Kalimantan. This month, from 8-9th May 2018, our plantation in East Kalimantan (PTAIEK) was assessed.



Plantation Business Assessment or PUP (Penilaian Usaha Perkebunan) was conducted in PT Agro Indomas East Kalimantan (AIEK) from 8 - 9th May 2018.



Integrated Management System Surveillance Audits

From 16th - 20th April 2018 three of Goodhope subsidiary companies in Central Kalimantan underwent surveillance audits for Integrated Management System (IMS) incorporating the international standards ISO 14001 Environment Management System and OHSAS 18001 Occupational Health and Safety Management System. The audits were conducted at PT Agro Bukit (ABCK), PT Agro Indomas (AICK) and PT Rim Capital (RCCK) by auditors from the certification body British Standard Institute (BSI). A total of five opportunities for improvement and six minor observations were identified, which have been dealt with by the development and implementation of immediate action plans.



Integrated Management System (IMS) surveillance audit meeting at PT ABCK.



'Healthy Emplacements'

As an initiative to promote high standards of living, PT Agro Bukit, Central Kalimantan (ABCK) holds a competition for employees that awards commitments to maintain healthy living conditions. Each year, site locations are judged based on criteria including cleanliness, tidiness, domestic waste management and sanitation, and awards are presented to the 'healthiest emplacements'. The program encourages each employee to help create and sustain high standards and drives improved performance, especially in relation to Environmental Health and Safety standards. Winners were presented with awards on 11th May.



Responsible Labor Practices

Goodhope was invited to a workshop by Wilmar International Limited in collaboration with the NGO, Business for Social Responsibility (BSR) to promote improved labor practices in the palm oil industry. The workshop was held in Jakarta on 3rd May 2018 and explained the expectations relating to working conditions, including salary, employment contract status and grievance mechanisms.

We thank the organizers for engaging with us to drive the implementation of extra action that will further improve the working conditions and livelihoods of workers.

Our participation in the Unicef **Children's Rights and Business Principles Palm Oil Program** has identified ways to improve the labor practices for mothers working in our plantations as a means to enhance the rights of children.



At every estate in each of our plantations, a morning briefing is held on each working day. The meeting is attended by all plantation workers prior to beginning their specific jobs. The regular meeting is an ideal opportunity to make important announcements and provide guidance to the workforce, particularly on environmental, occupational health and safety matters.

Photo: The General Manager, Plantation Manager, Medical Team and representatives from HR Department were among those joining the morning muster to address around 150 new harvesters at PT AICK in April 2018.

RSPO Compliance and Certification

RSPO Supply Chain Certification System (SCCS)

PT ABCK passed SCCS audit on 7th May 2018. The certification is expected to be received by the end of May.

Annual Communications of Progress (ACOP)

Our ACOP report for the Goodhope Group has been submitted to the RSPO.

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

For all subsidiaries pending approval of proposed new plantings, we continue to make progress towards ensuring that all relevant assessments (including High Conservation Value (HCV) assessments, Land Use Change Analysis (LUCA), Social Impact Assessment (SIA) and Greenhouse Gas (GHG) assessments) are completed in compliance with RSPO New Planting Procedures (NPP 2015).

- LUCA reports have been submitted for review by RSPO Compensation Panel in order to determine any remediation and compensation liabilities.
- HCV assessments have been submitted to HCVRN and are undergoing the quality control process involving review by a Quality Panel to ensure that HCV assessments meet the expected standards.
- Social Impact Assessment (SIA).
- Greenhouse Gas (GHG) assessments are now in the final stages of completion.

All deadlines set by the RSPO have been met with the timely submission of LUCA reports and HCV assessment reports in line with the deadlines set by the RSPO Complaints Panel. Suitable management and monitoring plans and remediation and compensation plans will be developed and implemented following review and verification of quality.

High Conservation Value (HCV) Assessments

The HCV assessments for PT NB and PT SAP (Nabire Region), Ketapang Region (PT AJB, BMS, and SMS) and Sintang Region (PT SMS and SHP) remain under various stages of the HCVRN Quality Review process. We acknowledge the notification from HCVRN that the report evaluation process for each submission has increased from 90 calendar days to 90 working days. We continue to keep track of the report progress for each of our submissions to ensure that deadlines for any revisions are met.

Land Use Change Analysis (LUCA)

First review of the LUCA report for PT NB and PT SAP has been completed. The first review report of was received on 30th April 2018 and assessors are now working on addressing the comments. The revised report is expected by 18th May 2018. LUCA reports for PT AJB, PT BMS, PT SMS (Ketapang Region), PT SSA and PT SHP (Sintang Region) remain under review by RSPO.

Social Impact Assessments (SIA)

Final SIA reports have been prepared for Ketapang and Sintang Regions by Re-Mark Asia and for Nabire Region by Ekologika. Once received report or Nabire Region will be submitted to RSPO as agreed.

Greenhouse Gas (GHG) Assessments

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 report is expected to be completed in May 2018. 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. Each report estimating carbon stocks and major potential sources of emissions due to each company's operations and will include a plan to minimise net emissions.

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

We expect the final Peer Review Report for the HCSA assessment of PT NB and PT SAP to be released following review by the panel. Meanwhile, 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. Research on the social and environmental impact of RSPO certification

Following an initial field site visit to PT AICK, Goodhope continues to facilitate data collection as part of a PhD research project: 'Comparative study on the social and environmental impact of RSPO certification in Indonesia'.

4. Developing a strategic plan for cultural-based conservation and community development initiatives at Bukit Santuai

Goodhope will meet with the conservation organization Swaraowa, to discuss the collaborative and integrated plan to manage and monitor the conservation area of Bukit Santuai-Bukit Hawuk at PT AWL.

5. Developing an operational plan for rehabilitation of riparian buffer zones

We propose to establish a trial area for rehabilitation of riparian buffer zones at PT AICK. Monitoring and evaluation of this trial area will aid in the identification of best practices for large scale rehabilitation efforts that will be undertaken at the time of replanting.

6. HCS assessments

HCSA assessments at PT AWL/KMS will be conducted by a team from Ata-Marie. The field assessment is scheduled to be conducted from 21st May - 8th June.

7. Ketapang Region Landscape Management Plan

Goodhope will work in collaboration with Aidenvironment to enable fieldwork to be conducted to produce land-use maps for three villages in the region. The data will be used to indicate land-use scenarios and the potential for connecting HCV and HCS conservation areas.

8. Program for Pollution Control, Evaluation and Rating (PROPER)

Annual audits for the Program for Pollution Control, Evaluation and Rating (PROPER) will start at PT AICK and PT ABCK palm oil mills on 23rd April.

9. 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.

10. Evaluation for Identity Preserved Supply Chain Certification System

Business consultants Tuv Rheinland will conduct a gap assessment by review of procedures and facilities to determine what changes are required to implement a switch from Mass Balance to Identity Preserved Supply Chain System for PT AICK. The consultancy team will visit the mills and bulking station from 21st - 24th May.

11. Health Campaigns

Presentations will be delivered on improving sanitation standards and enhancing child health as part of our commitments to deliver integrated health programs.

12. 'Help Teachers to See the World'

Panji Irfan, the Principal of one of our Junior High Schools (SMP Tunas Agro) at PT AICK will participate in Overseas Indonesian Students' Association Alliance (OISAA) program 'Bantu Guru Melihat Dunia' (BGMD) or 'Help Teachers to See the World'. The program supports teachers to learn about education systems and teaching practices in other countries. Mr. Irfan will join one of the program's events from 28th May to 1st June in Melbourne, Australia.

Key Principles of Goodhope

Environmental Sustainability: Protecting Biodiversity

- No development on High Carbon Stock (HCS) areas
- No development on High Conservation Value (HCV) areas
- No development on peat
- Zero burning and fire prevention
- Reducing environmental impact and protecting biodiversity

Social Responsibility: Community Engagement

- Respect of land tenure rights and the requirement for FPIC
- Handling of complaints, grievances & conflict resolution
- Community empowerment through CSR programs
- Actively support smallholders and facilitate their inclusion into the supply chain

Work Environment: Respecting Rights

- Supporting worker rights, health and well-being
- Zero tolerance for child labor, forced labor, or bonded labor

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