

### Sustainability Journey

#### MONTHLY UPDATE - PROGRESS MADE UP TO SEPTEMBER 15<sup>th</sup> 2017

This is the fifth issue of our monthly report 'Sustainability Journey' in which we outline our actions in addressing grievances and our progress in improving our sustainability practices. Key achievements over the past month include:

- Completion of Land Use Change Analysis (LUCA) of PT Batu Mas Sejahtera (BMS) and PT Sawit Makmur Sejahtera (SMS) in Ketapang and timely submission of reports to the RSPO Secretariat.
- Completion of HCV and HCS assessments at PT Nabire Baru and PT Sariwana Adi Perkasa in Papua and public consultations on the results.
- Commencement of HCV and HCS assessments at PT Sumber Harapan Prima and PT Sinar Sawit Andalan in Sintang.
- Progress in using the RSPO Dispute Settlement Facility (DSF) as a means to conclusively resolve the complaint by Yayasan Pusaka to RSPO.
- Completion of the review of the Legal Compliance of PT Nabire Baru.
- Participation in collaborative projects that aim to improve practices, including the UNICEF Children Rights and Business Principles Palm Oil Program.

#### 1. Policy Implementation

Goodhope is committed to ensure the full and proper implementation of its No Deforestation, No Peat and No Human Exploitation (NOPE) policy and is making good progress in reviewing all policies and standard operating procedures (SOPs) to ensure full compliance.

#### 2. Environmental Assessments

In adherence to the conditions of the precautionary measures (outlined in a letter received from the RSPO Secretariat on 28<sup>th</sup> April 2017) Goodhope has committed to complete HCV re-assessments and a full Land Use Change Analysis (LUCA) for each of the following sites: PT Nabire Baru (NB), PT Sariwana Adi Perkasa (SAP.), PT Agrajaya Baktitama (AJB), PT Batu Mas Sejahtera (BMS), PT Sawit Makmur Sejahtera (SMS), PT Sinar Sawit Andalan (SSA) and PT Sumber Hasil Prima (SHP).

To conduct these assessments, Goodhope contracted reputable assessors from the consultancy firms Ata-Marie, Ekologika and Aksenta, to lead HCV re-assessments. Good progress is being made: LUCA reports of PT NB and PT SAP (Papua) and of PT AJB (Ketapang Regency) were submitted to the RSPO Secretariat at the end of July 2017 and LUCA reports of PT BMS and PT SMS were submitted on 28<sup>th</sup> of August 2017. It is expected that all required assessments will be completed by November 2017, ahead of the set deadlines.

## 2.1 Environmental Assessments at PT Sumber Harapan Prima and PT Sinar Sawit Andalan (Sintang)

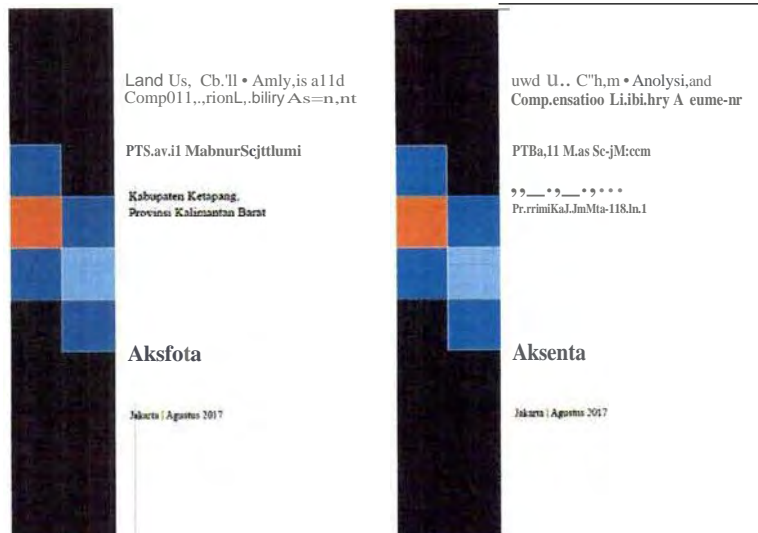
HCS and HCV field assessments are being carried out by Aksenta at the sites of PT Sumber Hasil Prima (SHP) and PT Sinar Sawit Andalan (SSA) in Sintang. An opening meeting was held on 6<sup>th</sup> September after which field assessments commenced. The field assessments are due to be completed by 19<sup>th</sup> September.



Opening meeting on HCV and HCS assessments in Sintang, 6<sup>th</sup> September

## 2.2 Environmental Assessments at PT Agrajaya Baktitama, PT Batu Mas Sejahtera and PT Sawit Makmur Sejahtera (Ketapang)

Goodhope submitted Landuse Change Analysis (LUCA) reports of PT Batu Mas Sejahtera (BMS) and PT Sawit Makmur Sejahtera (SMS). These reports were completed by the ecological consultancy firm Aksenta and were submitted to the RSPO Secretariat on 28<sup>th</sup> August, well ahead of the due date set by the RSPO Complaints Panel.



The HCV Assessment for Ketapang will be reported in an integrated report to include the three companies, i.e. PT AJB, PT BMS and PT SMS. The HCV field assessments have already been completed and public consultations on the results were held last month (as reported previously in the 4<sup>th</sup> issue of our sustainability progress report). Results will be delivered at a public consultation in Jakarta at the end of September.

### 2.3 Environmental Assessments at PT Nabire Baru and PT Sariwana Adi Perkasa (Nabire)

Goodhope has facilitated a number of public consultations on the results of HCV and HCS assessments at the sites of PT Nabire Baru (NB) and PT Sariwana Adi Perkasa (SAP).

Participatory mapping with representatives of the communities at the villages of Sima, Wanggar, Wami and Yaro Makmur allowed information to be gathered on land-use perspectives. At a number of focal group meetings, commencing from 22<sup>nd</sup> August, communities expressed their wish for plasma obligations to be met and for plantings to go ahead, irrespective of conservation status. The one exception regards an area in the designated plasma area of Co-operative Akaba where there is a sizable Sago plantation and it is widely agreed that this area should be left for Sago palms.



Focal group discussions and participatory mapping

A stakeholder consultation on HCV and HCS was held on 30<sup>th</sup> and 31<sup>st</sup> August. At these meetings participants had the opportunity to express their views regarding the operations of PT NB and PT SAP.







Stakeholder consultations held on 30<sup>th</sup> - 31<sup>st</sup> August

On 8<sup>th</sup> September, Alex Thorpe from Ata Marie presented the final results of HCV and HCS assessments to the Goodhope team in Jakarta. The need to conduct further, more detailed, peat assessments was highlighted, in order to identify peatland boundaries. Discussions however focused on the concerns regarding the presence of HCV areas, HCS forest and sporadic peatland in areas already licensed for plasma plantations. There is a pressing need to address this problem as communities have expressed their will to proceed with plantings and plasma obligations.

#### **2.4 Verification of Field Assessments**

Recent concern has been raised regarding the license status of one of the assessors appointed by Goodhope to lead HCV assessments. The ALS license has recently been revoked. To clarify the situation and discuss issues, Goodhope met with Salahudin Yacob, RSPO Technical Director. At the meeting it was agreed that RSPO shall check on the status of ALS licensed assessor and will advise Goodhope how to proceed in order to ensure that assessments are all completed according to standards. Since agreement and activities of HCV assessment have been underway prior to the withdrawal of the license, RSPO recommended that the assessments are to proceed until completion, and that assessments are peer reviewed.

#### **2.5 High Carbon Stock Approach**

The site at Nabire is in consideration to become a pilot case study for the High Carbon Stock (HCS) Approach, which may provide additional options to provide the communities with incentives to support forest conservation. HCS assessments at Papua (PT NB and PT SAP) and West Kalimantan (PT AJB PT BMS, PT SMS, PT SHP and PTSSA) have all been registered with the HCS Approach Steering Group.

To progress with this opportunity, Goodhope invited Grant Roseman (HCS Approach Steering Group Co-Chair and Forest Campaign Solutions Coordinator, Greenpeace Southeast Asia) and Aida Greenbury (HCS Approach Steering Group Co-Chair) to a meeting on 11<sup>th</sup> September for a presentation on the results of HCV, HCS and peat land assessments at PT NB and PT SAP. The presentation was delivered by Alex Thorpe from Ata Marie.

In light of the results, discussions focused on the dilemma of how to protect HCV / HCS areas while obliging to the wishes of the communities who hold customary land rights over the entire license area. The HCS Approach could provide some solutions by providing communities with additional benefits in return for conservation agreements. Goodhope will attend an HCS Approach working group meeting to be held in Kulala Lumpar on 25<sup>th</sup> September and this matter to be further discussed.



Presentation on the results of HCV, HCS and peatland assessments and discussions relating to the HCS Approach

### **3. Review of the Legal Compliance of PT Nabire Baru**

A legal review of the PT Nabire Baru operation is being conducted by a third party assessor (Aidenvironment). The first draft of the report on the legal compliance of PT Nabire Baru has been completed by AidEnvironment and shared with Goodhope. At a meeting on 24<sup>th</sup> August, AidEnvironment clarified the conclusions made in the report and recommended the remaining steps that should be taken to finalize the case. As agreed, Goodhope sought written confirmation verifying the governmental decisions made regarding the AMDAL/EIA process of PT. Nabire Baru. A letter of confirmation has now been received from the Ministry of Environment, Kementeriaan lingkungan Hidup (LHK) in Papua. We await the final report on the legal review of PT Nabire Baru by AidEnvironment. Once received, this report will be shared with the concerned stakeholders.

### **4. Verisiam Gua Community Grievance Settlement Procedures**

According to the agreed schedule for grievance settlement procedures via the RSPO Dispute Settlement Facility (DSF), candidates for the position of assessor to mediate dispute settlement agreements were announced; applications were reviewed and three candidates were shortlisted. A final decision is due to be made this month and subsequently a work plan for dispute settlement will be agreed at stakeholder meetings on September 21<sup>st</sup> - 22<sup>nd</sup> 2017.

### **5. RSPO Complaints Panel Response on the Request for the Construction of a Mini Mill at PT Nabire Baru**

Suspension of all development activities at PT Nabire Baru has created repercussions as it has prevented the local community from earning income from crops harvest from their Plasma plantations. Local communities and stakeholders have mounted increasing pressure on the company to construct a mill. To resolve issues, Goodhope has appealed to the RSPO Complaints Panel to allow the construction of a mini mill with the capacity of 10 to ISMT/hr expandable to 45mt/hr.

A letter dated 29<sup>th</sup> August 2017, from the RSPO Grievance Manager Wathshlah Naidu on behalf of the RSPO Complaints Panel stated recognition of the commitments made by Goodhope to meet the requirements of the RSPO, and noted the actions already initiated. Although it is recorded that there are still pending issues on joint comments received on the NPP Notification of PT Nabire Baru, the RSPO stated its recognition that Goodhope has attempted to complete all conditions that were outlined as requirements in order to permit the construction of a mill at PT Nabire Baru.

The letter dated 29<sup>th</sup> August 2017, from the RSPO Grievance Manager Wathshlah Naidu on behalf of the RSPO Complaints Panel states that:

"Due considerations have been given to the status of the Complaints against Goodhope. Following extensive deliberation, the RSPO Complaints Panel has decided the following:

Giving due consideration to the response from Goodhope (dated 11 August 2017) and in the best interest of the community, including plasma smallholders, the Complaints Panel hereby grant Goodhope the exception to the Stop Work Order, and allow Goodhope to proceed with the construction of the mini mill at PT Nabire Baru.

Notwithstanding, the Complaints Panel has also directed the Secretariat to initiate an independent verification exercise to ascertain that the construction of the mini mill is indeed a necessary requirement to sustain the community in Nabire Baru, as stated by Goodhope. An independent verification exercise, through a stakeholder meeting, is now in the planning. Any varying findings, as a result of the independent verification exercise, may compel the Complaints Panel to initiate sanctions against Goodhope".

## 6. Children Rights and Business Principles Palm Oil Program

Goodhope has joined a collaborative project with UNICEF, agreeing to be one of the pilot companies that will be involved in Children Rights and Business Principles (CRBP) studies. This project follows on from the UNICEF palm oil and children assessment study. Main aims are to collect baseline data and develop and implement an action plan for improvements. The studies will address key impact areas: maternity protection; breastfeeding and childcare; health and nutrition; child labour and young workers; water; sanitation and hygiene; living conditions; childcare centres;, and child protection.

A workshop for participating companies was held on August 31<sup>st</sup> at the UNICEF premises in Jakarta to outline the key child rights considerations in the palm oil plantations, introduce the training topics and material that will be delivered in the plantations, clarify the objectives of the baseline study, and discuss plans for plantation visits.



UNICEF Kick-Off Workshop on Children Rights and Business Principles (CRBP) studies.



Two of Goodhope's plantation sites will be among the pilot locations for the CRBP Palm Oil Program: PT Agro Indomas Central Kalimantan (AICK) and PT Agro Wana Lestari (AWL). Plantation visits are scheduled for the beginning of October and will comprise:

1. Information dissemination activities on the rights of children and female workers in oil palm plantations. This two-day training will be attended by management, plantation assistant and workers representatives.
2. Collection of baseline data via worker surveys, observations of worker housing complexes and focal group discussions.

The training and baseline surveys will be conducted by LINKS.

## 7. Updating Corporate Stakeholders and Maintaining Business Relations

Goodhope pledges to keep all stakeholders regularly updated on the progress that is being made to ensure that sustainability requirements are met. To enable discussion, recent meetings were held with:

- Mr. Ravin Krishnan from Musim Mas on 1<sup>st</sup> August 2017
- Golden Agri-Resources (GAR) on 29<sup>th</sup> August 2017
- Kuala Lumpur Kepong (KLK) 4<sup>th</sup> September 2017

At each meeting discussions covered the corrective actions that are being undertaken by Goodhope to address grievances and meet the requirements of the RSPO Complaints Panel.

All parties expressed their recognition of the positive actions being taken by Goodhope in compliance with the decisions of the RSPO Complaints Panel.



Meetings with Musim Mas (left) and KLK(right)



Meeting with GAR

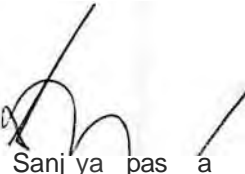
## 8. Upcoming Activities

Here we provide an outline of planned upcoming activities:

- HCS assessment of PT Agrajaya Baktitama, PT Batu Mas Sejahtera and PT Sawit Makmur Sejahtera in Ketapang will be conducted by Ata-Marie at the end of September.
- Stakeholder meetings to agree upon the workplans to address grievances against PT Nabire Baru will be held over the period September 21<sup>st</sup> - 22<sup>nd</sup> 2017.
- A Public Consultation in Jakarta on the results of HCV assessments at all sites in Ketapang and Sintang will be delivered by Aksenta.
- Representative of Goodhope will attend an HCS Approach workshop on 25<sup>th</sup> September.
- Completed HCV assessment reports will be submitted to the RSPO Secretariat and to HCVRN for verification.
- Plantation site trainings and baseline assessments as part of the Children Rights and Business Principles Palm Oil Program are due to be conducted at the beginning of October.

We look forward to continued engagement.

Thank you,  
Yours Sincerely,



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