

RSPO Annual Communication of Progress

1. Profile

Name of organization: New Britain palm Oil Ltd **Membership type (Ordinary)**

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2. Details of Progress

A. Current efforts /progress in producing, procuring, utilizing and/or promoting sustainable palm oil

New Britain Palm Oil Ltd (NBPOL) sees the group wide certification to ISO 14001 in 2004 as the beginning of its efforts to demonstrate the sustainability of its operations. Building on this success it has subsequently put in place a comprehensive plan to work towards sustainability within the framework of ISO 14001 but incorporating the RSPO principles and criteria (P&C). The group intends to position itself to take advantage of RSPO certification when the completed system is in place.

Plans to bring all areas of operations into line with the RSPO standard have benefiting from the total commitment of the board. Resources have been made available to seek help and to set in place programs which will carry NBPOL beyond compliance and establish the P&C of the RSPO as core business principles. A team of executives under a director have been tasked to progress this work.

B. Implementation of projects/initiatives that promote sustainable palm oil (including supporting activities like sponsorship)

A number of programs have been initiated under a comprehensive road map for continuous improvement dealing with the issues highlighted in the self assessment and a third party Baseline Survey. Launching the program with awareness sessions ensured that all managers in estates, mills and support functions were familiar with the group's commitment and requirements. Communication has been two way and change is evident. The smallholders of PNG are independent and with over

7000 the logistics of approaching each is daunting. Engaging the entire supply base, especially our smallholders, is difficult and a major focus.

NBPOL has a good understanding, awareness and control of environmental impacts. Realizing a gap in emission control an ambitious program to capture methane at all of its mills and use this as a source of power generation has started. The resulting electrification of the rural areas will further help in the development of West New Britain. The first Clean Development Mechanism (CDM) project will start in 2007. Smaller projects on biofuel utilization to minimize the reliance on fossil fuels continue as does work on utilization of by products. All NBPOL nurseries now use 100% compost made from EFB and POME is mixed with EFB as an alternative to inorganic fertilizer from Numundo which still remains a zero discharge mill.

NBPOL has struggled with launching OHS initiatives but is beginning to address these issues and bring them under control. All hazards have been identified and the risks associated with our operations brought under a hierarchy of control. Site specific operational plans are now being implemented and Allan Thomas consulting services are providing training in OHS implementation to all levels.

Dami Oil palm research station continues to provide first class planting material to the industry. The research stations agronomy dept is working with Syngenta to field trial safer versions of Paraquat whilst at the same time looking for substitutes for this and other toxic pesticides. IPM programs under the guidance of the Oil Palm research Association of PNG are well underway. Tissue Culture work continues with innovative projects in cell suspension and double haploid research.

Consultants have been engaged to assist with Habitat, biodiversity and social impact assessments in both our existing plantation and the proposed new developments. This SEIA team is helping us to come to terms with the RSPO implications in these areas. Long term plans to promote, protect and where necessary rehabilitate are underway. The existing cartography, GPS and GIS research compliments this work and all NBPOL plantations are now located within the wider context of the West New Britain environment and landscape.

Through a participatory approach the SEIA team is engaging our stakeholders, constructing a register of issues as the precursor for improvement plans. The work is challenging as the numbers involved are large and geographical dispersed.

The NBPOL foundation continues to be the practical vehicle for help to communities in West New

Britain whilst the company's strong performance ensures that the shares held in trust by the people of West New Britain generate wealth for the social and welfare aspects of the province.

C. Significant economic, social or environmental problems encountered in production, procurement and/or use of sustainable palm oil and efforts made to mitigate or resolve them

Although well resourced the scale of operations often leads to logistical problems. This is evident in our consultation with smallholders. Communications on the island are difficult and although local radio has had a part to play this still remains a challenge. The situation is compounded by the different attitudes of the multiple ethnic groups. The company operates within a country of very traditional values with limited cultural exposure. Resistance is often seen in out growers as new ideas and areas of concern are highlighted and introduced. NBPOL is working hard with both internal and external stakeholders to deal with these issues. The rise in urbanization as the company brings prosperity to the island also brings with it social change. As the company works through the demands of sustainability the main areas of difficulty will remain on the social and biodiversity issues. NBPOL welcomes advice and assistance in these areas.

D. Outlook/summary of planned activities to promote sustainable palm oil production, promotion and/or use in the next reporting period as well as action to address social or environmental problems encountered (under part C, if relevant).

NBPOL is still in the process of preparing documentation for RSPO auditing for estates and mills. We have conducted a pre audit and the results of these are further refining the group's continuous improvement program. Once completed NBPOL is willing to share its experiences.

NBPOL has assisted in facilitating the National Interpretation Working Group for PNG and will continue to support this group as it changes into a forum for national implementation. NBPOL has contributed resources and funding to all RSPO initiatives (technical group, CWG, VWG STF and EB). NBPOL's term on the EB will conclude in 2008 and it is already working with partners overseas to ensure continuity of representation for growers from "the rest of the world". NBPOL will continue to support these activities and seeks constantly to engage both the industry and a wider audience. A number of papers have been presented on the subject at conferences.

NBPOL will be attending RT5 this November whilst the parent group Kulim will be sponsoring. NBPOL along with Kulim will have an exhibition booth at the conference to provide a focus for exchange of ideas and dialog in the approaches taken in both countries.

E. Recent publications of environmental / social / sustainability reports or annual reports relating to the objectives and tasks of RSPO

NBPOL Annual Report 2006
Lord S and Clay J. (2006): Environmental Impacts of Oil Palm –practical considerations in defining sustainability for impacts on the air, land and water in (Incorporated Society of Planters)
Lord S (2006) Sustainable Oil palm (The Body Shop)
Lord S (2006) RSPO implementation (RT5)
Lord S and Betitis T (2007) EFB Composting in Oil palm Nurseries (PIPOC)
Lord S. and Ong K.P (2007) Delivering sustainability. MPOA public Forum road show Aug 2007

F. Recognition and awards for excellence in promoting sustainable palm oil

Recertification to ISO 14001 (2004) for all mills, estates and support services
Recertification to ISO 14001 and 9001 for Dami Seeds

G. Suggestions on how the RSPO can play an active role in enhancing your organization's sustainability performance, particularly in relation to promoting sustainable palm oil

The RSPO needs to identify clear alternatives to paraquat.
RSPO to provide a mechanism to fund certification for smallholders
RSPO secretariat to visit PNG
RSPO to assist PNG oil palm Plantation companies to enter into dialog with PNG social NGO's