



Roundtable on Sustainable Palm Oil

# RSPO Annual Communication of Progress New Britain Palm Oil Ltd

## 1. Profile

Name of organization: New Britain Palm Oil Ltd Membership type (Ordinary/Affiliate)

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## 2. Details of Progress

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

On the 23 April 2004 New Britain Palm Oil Ltd (NBPOL) achieved certification of its entire operation to AS/NZS 1SO 14001:1996. This was the culmination of over 2 years work to implement an environmental management system that would meet the aims of the company's environmental policy. NBPOL has integrate its best practices in Occupational health and Safety, crop management and environmental protection under one unified approach and used the structure and discipline of the ISO 14001 standard as a means to achieve this. The result was a comprehensive Environmental Management System (EMS) that was applicable through all levels of the organization.

NBPOL believes its current practices for the production of palm oil to be sustainable and accepts that to maintain these each individual operation must be regularly scrutinized. Internal audits of all 3 aspects of NBPOL program (people, planet and profit) ensure that current procedures not only meet our strict guidelines but also incorporate improvements in both thinking and technology. These company audits occur through all layers. Group plantation managers (upper management) estates visits are supplemented by additional audits by the Plantation inspector and the Company environmental officer who focus on quality and environment respectively. This overlapping approach is mirrored in the mills by the Mill management, Chief Engineer and Environmental officer inspections.

These company audits are in turn audited by a third party under the ISO 14001 standard. Third party surveillance audits by SGS (the accredited body who certified NBPOL to ISO 14001) ensure that NBPOL system meets the international standard in respect to pollution prevention and legal requirements and that there is a commitment to continuous improvement built into the system. To date there has been 2 such third party audits (9 month intervals) and no major corrective actions have been incurred. In addition to this voluntary certification, NBPOL has been working closely with the Department of Environment and Conservation to ensure operations and new developments proceed within government guidelines. Compliance visit by the department are a regular occurrence and the good working relationships exist between government and the industry.

In view of the importance that the Company places on protection of the environment and the establishment of the best procedures to ensure this the Board has created an Environmental Committee to ensure full compliance with the Environmental laws and regulations affecting the company and to scrutinize the effectiveness of the EMS.

The company continues its work on utilizing “ECO –D” decanting systems at the mill to reduce liquid effluent and is pioneering the direct application of EFB mixed with solids direct to the field. The newest mill (Numundo) has had zero effluent discharge status since 2000. In addition composting of EFB for nursery potting mix has extended to 2 of the 3 group nurseries and the third will be operational by the end of the year. Work continues on characterization of the planted company hectareage utilizing GPS/GIS technology, establishing benchmarks in soil chemistry (e.g. Organic C), compaction and erosion indicators and maintaining records of fertiliser and pesticide applications through the OMP agronomic database.

The smallholder are a vital part of the company’s strategy and supply a third of its crop, Fruit payments for 2004 reached a record 61.9 million kina and the company continues to assist smallholders by providing credit facilities for the smallholders at its own expense, as well as voluntarily funding half of the Oil Palm Industry Corporation’s smallholder extension programmes.

The company has made successful use of the tax credit arrangements whereby an allowance of 0.75% of the company’s taxable revenue can be spent on public infrastructure maintenance and construction. The company has concentrated its tax credit expenditure so far on the maintenance of major highways and village feeder roads. A total of 2.6 million kina was spent on tax credit projects in the year 2004. In addition the company has continued, at its own expense, to undertake road maintenance to allow continued access to villages and settlements.

B. Implementation and/or sponsorship of projects/initiatives that promote sustainable palm oil

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

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- D. Outlook of planned activities to promote sustainable palm oil production, promotion and/or use in the next reporting period

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

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

- 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

- H. Other activities

The company assists the local community through the New Britain Palm Oil Foundation, which is a charitable body set up to make funds available for the betterment of health and education and the relief of poverty for the people of West New Britain Province. Practical assistance in the form of provision of potable water and septic systems for villages, schools and health centres have been provided together with the building of hospital wards, classroom and school housing. The Foundation continues to fund infrastructure for education, health and most recently policing.

NBPOL is currently working on a number of initiatives within the PNG environment. It has jointly sponsored the habitat and species initiative to protect the Dugong by RARE, The Nature Conservancy and the West New Britain Provincial Government under the campaign "I Du love my Dugong Du you" and is currently working with The Nature Conservancy on a report on the status of the reefs in the Kimbe Bay area.