



New Britain Palm Oil Limited

SUSTAINABILITY & NEW BRITAIN PALM OIL Ltd

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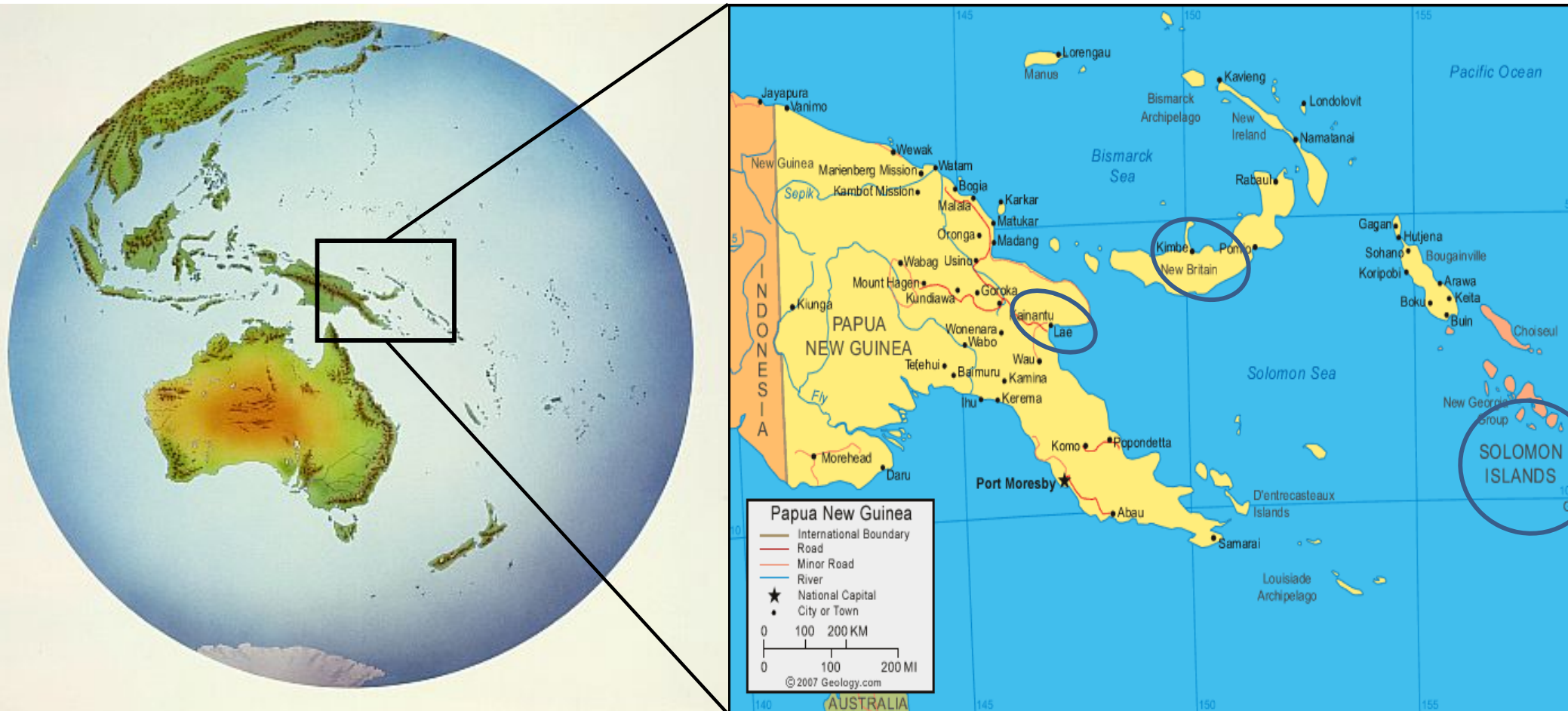


- ❑ What “sustainability” means to NBPOL and why we have considered it to be so important to the business ?
- ❑ What we think will be the implications for both NBPOL and the palm oil industry in general in the future ?



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Where we operate





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What we do



- Seed Production & Research (Dami Oil Palm Research Station) & nurseries
- approx 50,000 ha of palm oil plantations
- 6 x Palm Oil Mills (+1 in 2009)
- 1 x Palm Kernel mill
- 1 x Refinery and Fractionation in PNG
- Own bulk tank farm installation

- around 7,000 ha of sugar plantations
- ethanol production
- integrated cattle



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Production Highlights in 2008 ~

- Palm & palmkernel oil approx. 320,000mt
- 36,000 mt of sugar
- around 15m seeds
- 2.4 million litres of ethanol
- 15,000 mt of molasses
- approx. 20,000 head of cattle

.....even integrated among the palms !



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Ensure children of all employees have access to primary school education



Continue to push the boundaries on yield per hectare and therefore need less land



Always striving for efficiency opportunities such as reducing our “costs-to-market”

“PEOPLE PLANET PROFIT”



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SUSTAINABILITY & NBPOL TODAY



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A 10 YEAR JOURNEY....so far !

Key milestones :

- ISO 14001 (Environmental Management)
- RSPO involvement and active participation
- NGO and stakeholder engagement
- RSPO certification
- NBPOL Sustainability Report 2007/08 @ www.nbpol.com.pg/reports



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COMMITMENT FROM MANAGEMENT

- ☐ Board level attention
- ☐ Sustainability KPI's reported quarterly at Board meetings
- ☐ Director of Sustainability reports directly to CEO



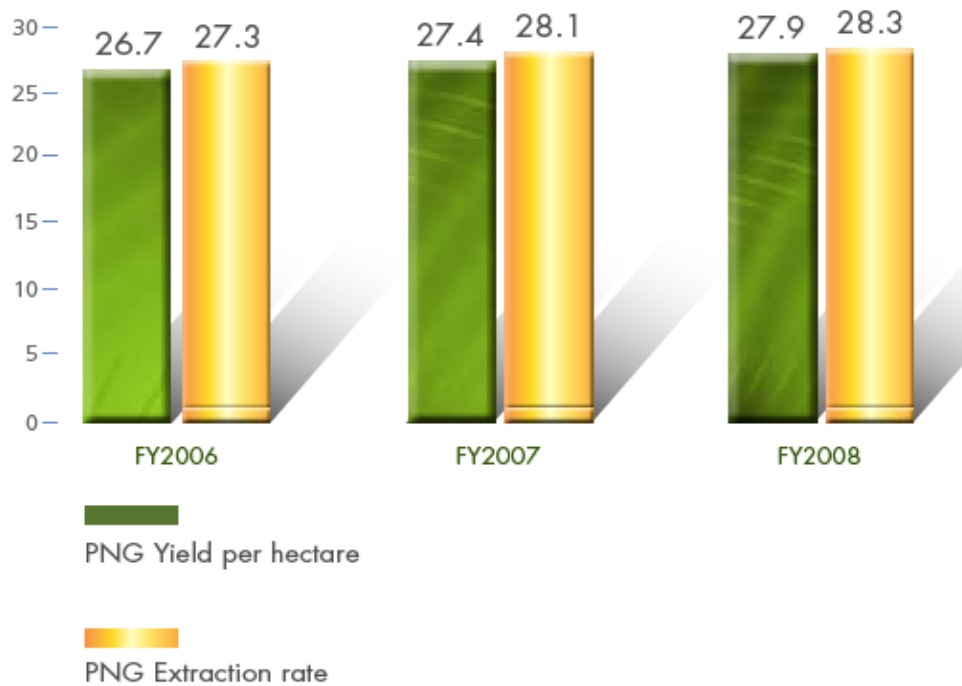
Nick Thompson (CEO) celebrating NBPOL's 40th anniversary



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A FOCUS ON YIELDS

Towards 30:30



- ✓ Total Palm product yield
- ✓ Decreasing vegetative vigour
- ✓ Resistance to disease



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NEVER WALK ALONE
ENGAGING WITH STAKEHOLDERS

- ☐ Meeting the interests of stakeholders
- ☐ Active engagement with NGO's
- ☐ Formal MOU's to integrate shared approach to issues
- ☐ Keen to expand our engagement with other social and conservation NGO's





RESPECTING AND CONSERVING BIODIVERSITY

Wildlife in the eco-region - New Britain and New Ireland (IUCN Red List status in brackets)

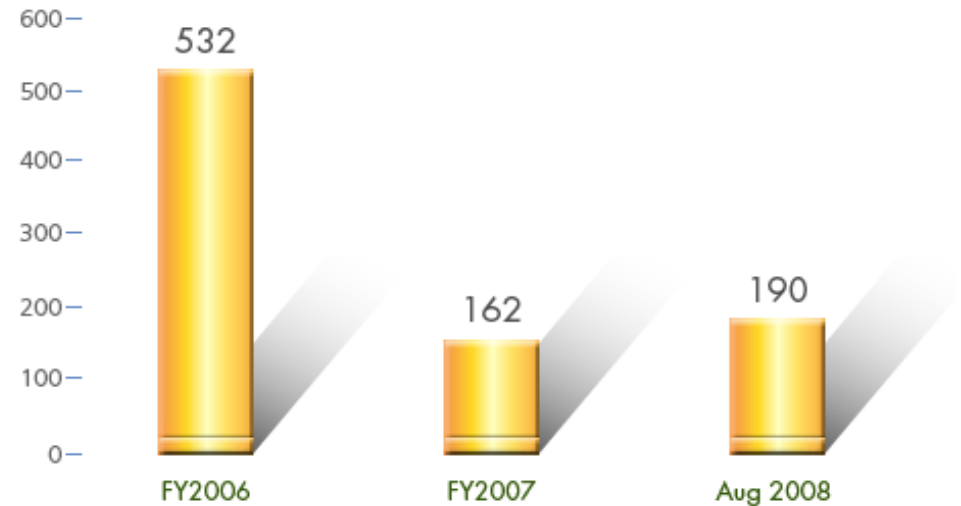
Threatened endemic bird species	New Britain sparrow hawk (Vulnerable) Yellow-legged pigeon (Endangered) Bismarck owl (Data deficient)
Threatened mammal species (None are endemic)	New Guinea pademelon (Vulnerable) Gillard's flying fox (Vulnerable) Large-eared sheath-tail bat (Vulnerable) Bismarck trumpet-eared bat (Vulnerable) New Britain water-rat (Vulnerable)
Number of mammal species	47
Endemic and near-endemic wildlife	7 bat species 2 rodent species 55 bird species

- ✓ responsibility to protect vulnerable species
- ✓ conservation of HCVF
- ✓ selective expansion
- ✓ independent assessment of HCVF
- ✓ benefits of engaging with local conservation partners



- ✓ Good land management
- ✓ Mill poses risk to local water
- ✓ Recycling wastes
- ✓ Mill waste composted for nurseries

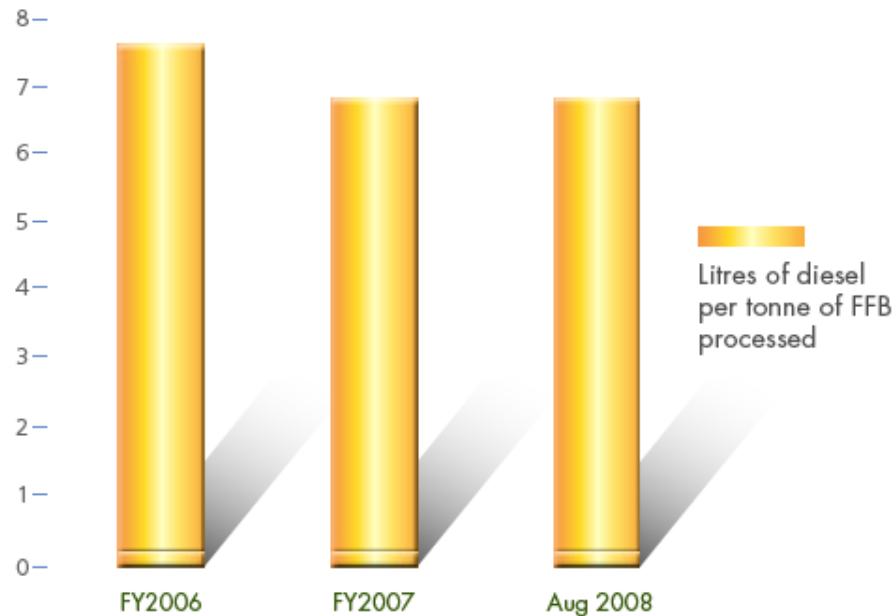
BOD Discharge (average ppm)



(Biological Oxygen Demand of water discharged from mill ponds)



**Diesel usage for operations
(mills, bulking terminal and refineries)**



- ☐ reducing impact from expansion and land use conversion
- ☐ zero burn policy
- ☐ methane capture at mills
- ☐ replacing diesel use for power rather than flaring to atmosphere
- ☐ grid supply / local cooking fuel

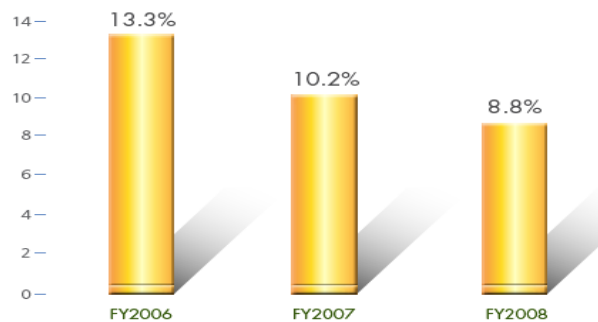


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A COMMITMENT TO BASIC RIGHTS

LABOUR STANDARDS

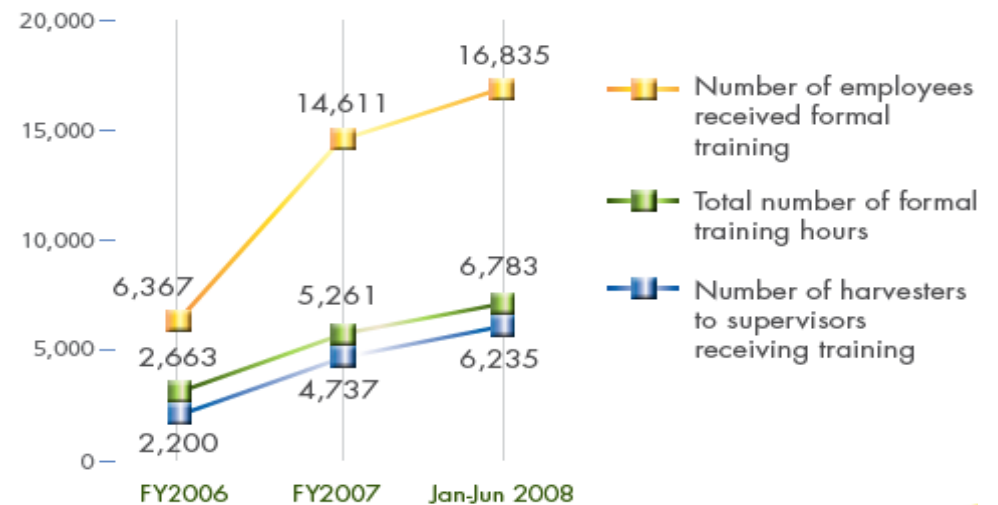
PNG employee turnover



- NBPOL's minimum "starting" wage nearly double the national minimum wage
- The Living Wage Project
- Safe & Adequate Housing
- No labour under 15 years of age



Employee training

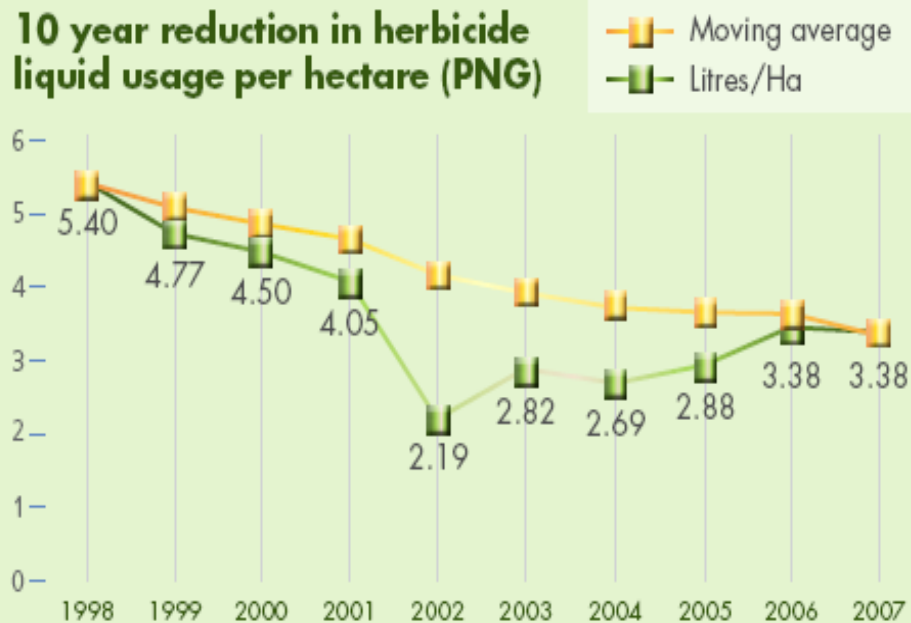




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A SAFE WORKING ENVIRONMENT AND A HEALTHY COMMUNITY

10 year reduction in herbicide liquid usage per hectare (PNG)



- ☐ OHSAS 18000 standard
- ☐ Full time OHS Manager
- ☐ Chemicals stewardship programme
- ☐ Health care provision
- ☐ Security



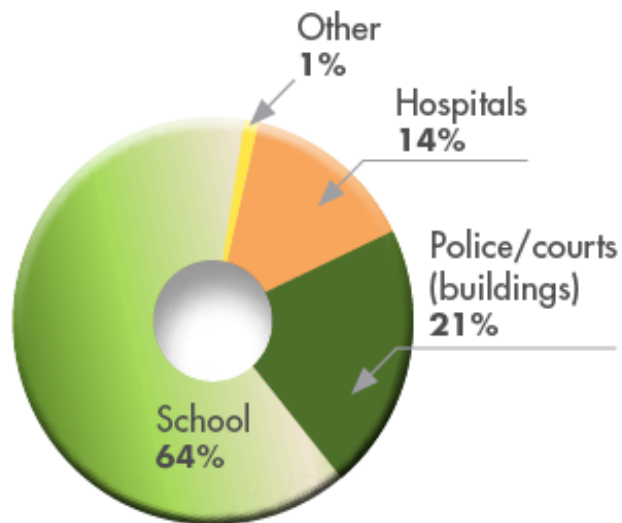
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SHARING THE LEARNINGS

SMALLHOLDERS AND SUPPLY CHAIN

NBPOL Foundation donations by type 2007

(Total 2.09 million PNG Kina)



- ✓ importance of smallholders
- ✓ sharing the benefits of RSPO
- ✓ The NBPOL Foundation



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WHAT SUSTAINABILITY MEANS TO NBPOL

An evolving attitude & culture towards “sustainability” ~

- ✓ delivering real & tangible benefits
- ✓ commitment to transparency and engagement
- ✓ an engine for growth and opportunity
- ✓ THE WAY WE DO BUSINESS





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SUSTAINABILITY & THE FUTURE



OUR COMMITMENTS AND TARGETS

Target	2007-8 status	Target date (year-end)*	Target	2007-8 status	Target date (year-end)*
RSPO Principle 1 – Commitment to transparency			RSPO Principle 6 – Responsible consideration of employees and of individuals and communities affected by growers and mills		
Include GPPOL (Solomons) in sustainability report	Not started	2009	All employees paid above living wage	In progress	2009
Include Ramu (PNG) in sustainability report	Not started	2009	Maximum 4 people on average per living quarter	5.8 per living quarter	2013
Develop and roll out business ethics guidelines	Not started	2009	No employees work more than 12 hours overtime per week	To be reported in 2009	2009
RSPO Principle 2 – Compliance with applicable laws and regulations			All employees have minimum 1 day off per 7 days	To be reported in 2009	2009
No legal non-compliances	0 legal non-compliances	2009	Ensure all children of employees have access to primary school education	In progress	2013
RSPO Principle 3 – Commitment to long-term economic and financial viability			RSPO Principle 7 – Responsible development of new plantings		
Achieve average annual yield of 28 tonnes of FFB per hectare	27.95 tonnes	2013	No expansion without FPIC	To be reported in 2009	2009
Achieve average annual yield of 30 tonnes of FFB per hectare		2017	No expansion into HCVF	To be reported in 2009	2009
Achieve average total palm product extraction rate of 30%	28.46%	2017	RSPO Principle 8 – Commitment to continuous improvement in key areas of activity		
RSPO Principle 4 – Use of appropriate best practice by growers and millers			All smallholders complying with RSPO certification requirements	88% estimated compliance	2010
Reduce herbicide usage per hectare by 10%	3.25 litres per hectare	2013	100% of RSPO premium paid to smallholders for their palm oil	To be reported in 2009	2009
Reduce lost time accident rate to below 3 per 200,000 working hours	4.4	2009	Ramu certified to RSPO Standard	Not certified	2010
No work-related fatalities	2 fatalities	2009	GPPOL certified to RSPO Standard	Not certified	2009
RSPO Principle 5 – Environmental responsibility and conservation of natural resources and biodiversity			Develop and report on sediment and nitrate loading of major rivers	Not started	2009
Reduce CO tonnes equivalent from mills by 90%	To be reported in 2009**	2010	Develop and report on a comprehensive carbon reduction strategy	Not started	2010
No land development on peat	400 hectares peat	2009			
BOD levels below 90ppm for all existing mills	190 ppm	2009			
BOD levels below 20ppm for new mills	Under construction	2009			
Reduce smoke density to less than 40% for 20% of the operating period for all four mills (Ringlemann index)	20.2%	2009			
	21.1%				
	20.16%				
	2.4%				



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WORLD needs sustainable palm oil

World Supply Growth is gathering pace.....

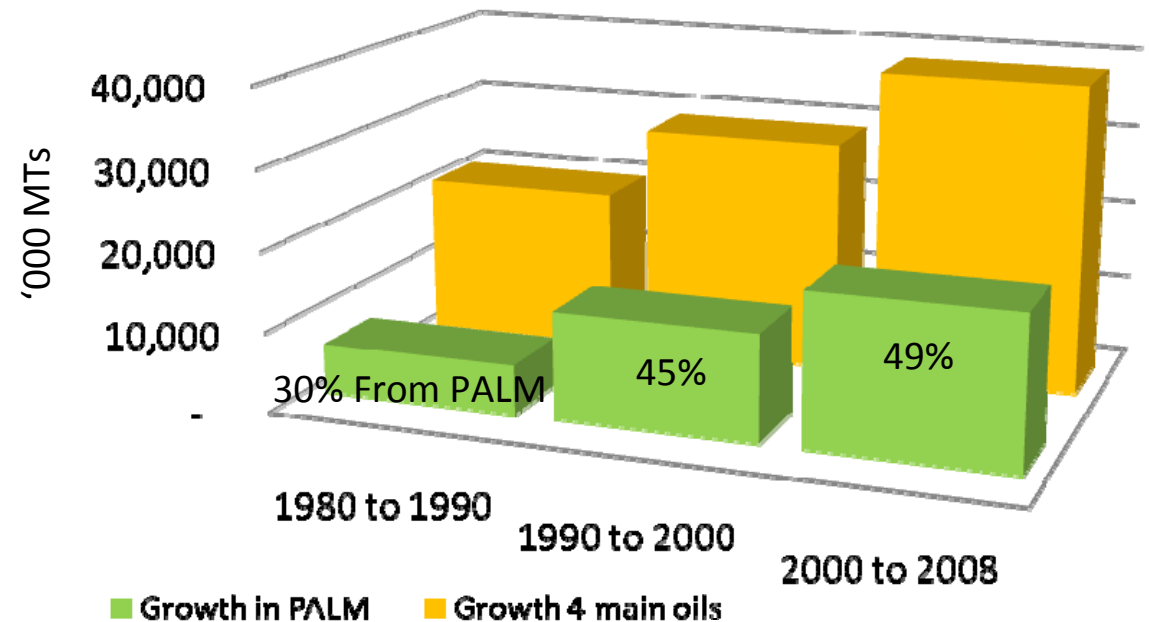
For the 4 main oils (soya, rape, sun, palm) :

1980 – '90 @ average growth 2m mt/yr

1990 – '00 = 2.9m mt/yr

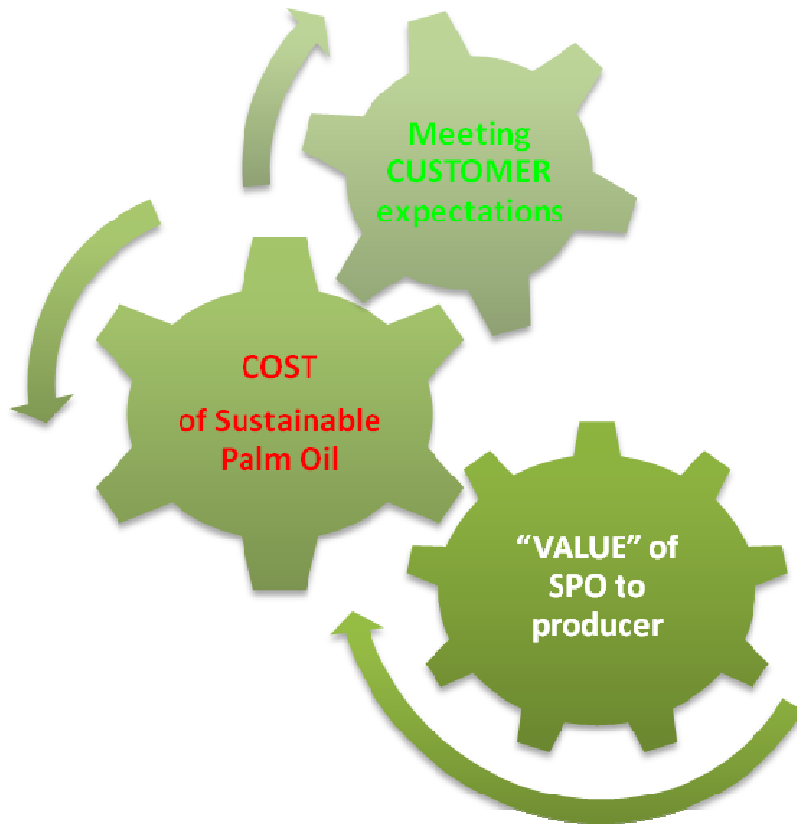
2000 – '08 = 5.8m mt /yr !!!!!

**PALM OIL represents an increasing share of Global
Vegoil supply growth (USDA data)**





The reputation of the industry remains “at risk”



- “Sustainable Oil” is now available
- Criticism of the palm industry still very vocal

Global adoption needs the right balance between

- ✓ what the supplier gets out of it
- ✓ giving the customer what they want
- ✓ the cost



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INVESTING IN SUSTAINABILITY

- ❑ Increasing transparency & accountability for commodity supply chains
- ❑ Demand for additional reporting (CO2 / GHGs / Food miles)
- ❑ Therefore increasing TRACEABILITY if it can be affordable !!!!



New Britain Oils UK site, March 5th 2009



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**SUSTAINABILITY
&
NEW BRITAIN PALM OIL Ltd**

Andy Worrall
Director

Pacific Rim Plantation Services Pte (Singapore)

Thank You.