



PUBLIC SUMMARY REPORT

THIRD RSPO SURVEILLANCE ASSESSMENT

NEW BRITAIN PALM OIL LIMITED

Mosa, West New Britain, Papua New Guinea

Report Author

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SUMMARY

BSi has conducted a surveillance assessment of the NBPOL operations in West New Britain comprising 4 mills, supply base, support services and infrastructure. BSi concludes that NBPOL operations comply with the requirements of RSPO Principles & Criteria: 2007 and PNG NIWG Indicators and Guidance March 2008 for the following scope:

Sustainable production of palm oil from Jan-Dec 2010 (290,830 tonnes CPO and 65,176 tonnes of PK).

BSI RECOMMENDS THAT NBPOL BE APPROVED AS A PRODUCER OF RSPO CERTIFIED SUSTAINABLE PALM OIL.

ABBREVIATIONS USED

BOD	Biological Oxygen Demand
CC	Cover Crop
CIP	Continuous Improvement Plan
CLUA	Clan Land Useage Agreement
DEC	Department of Environment & Conservation
DLPP	Dept of Lands & Physical Planning
DLQ	Type of housing provided
DOH	Dept of Health
DOL	Department of Lands
EB	Executive Board OPIC
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior and Informed Consent
GHG	Green House Gas
IE	Independent Estate (a class of Smallholder)
ILG	Incorporated Land Group
IPM	Integrated Pest Management
IRCA	International Registration of Certified Auditors
ISO	International Standards Organisation
LLB	Lease-Lease Back
LSS	Land Settlement Scheme (a class of Smallholder)
LTI	Lost Time Injuries
KBT	Kimbe Bulk Terminal
MG	Management Guidelines
MTL	Mosa Transport Limited
NBPOL	New Britain Oil Palm Limited
NLDD	Native Land Dealing Document
OD	Company Out Grower (Smallholder), Department
OHS	Occupational Health & Safety
OMP8	Oil Palm Management Program used by the company
OPIC	Oil Palm Industry Corporation
OPRA	Oil Palm Research Association
PCD	Pollution Control Device
PMP	Pest Management Plan
PNG NIWG	Papua New Guinea National Interpretation Working Group
POME	Palm Oil Mill Effluent

POPA	Palm Oil Producers Association
PPE	Personal Protective Equipment
RAB-QSA	Internal Auditor Accreditation Body
SADP	Smallholder Agriculture Development Project
SABL	Special Agriculture Business Lease
SEIA	Social and Environmental Impact Assessment
SG	Smallholder Grower
SIA	Social Impact Assessment
SM	Company Sustainability Manager
SOP	Standing Operating Procedure
TRP	Timber Rights Purchase
TSS	total Suspended Solids
VOP	Village Oil Palm (a class of Smallholder)
VWS	Vehicle Workshop
WNBP	West New Britain Province

1.0 SCOPE OF CERTIFICATION ASSESSMENT**1.1 National Interpretation Used**

The operations of the mills and their supply bases of FFB were assessed against the PNG NI : March 2008 of the RSPO Principles and Criteria : 2007.

1.2 Certification Scope

This certification assessment includes the production from four (4) Palm Oil Mills and 12 company owned plantations, 10 company managed "Mini Estates" and Smallholders.

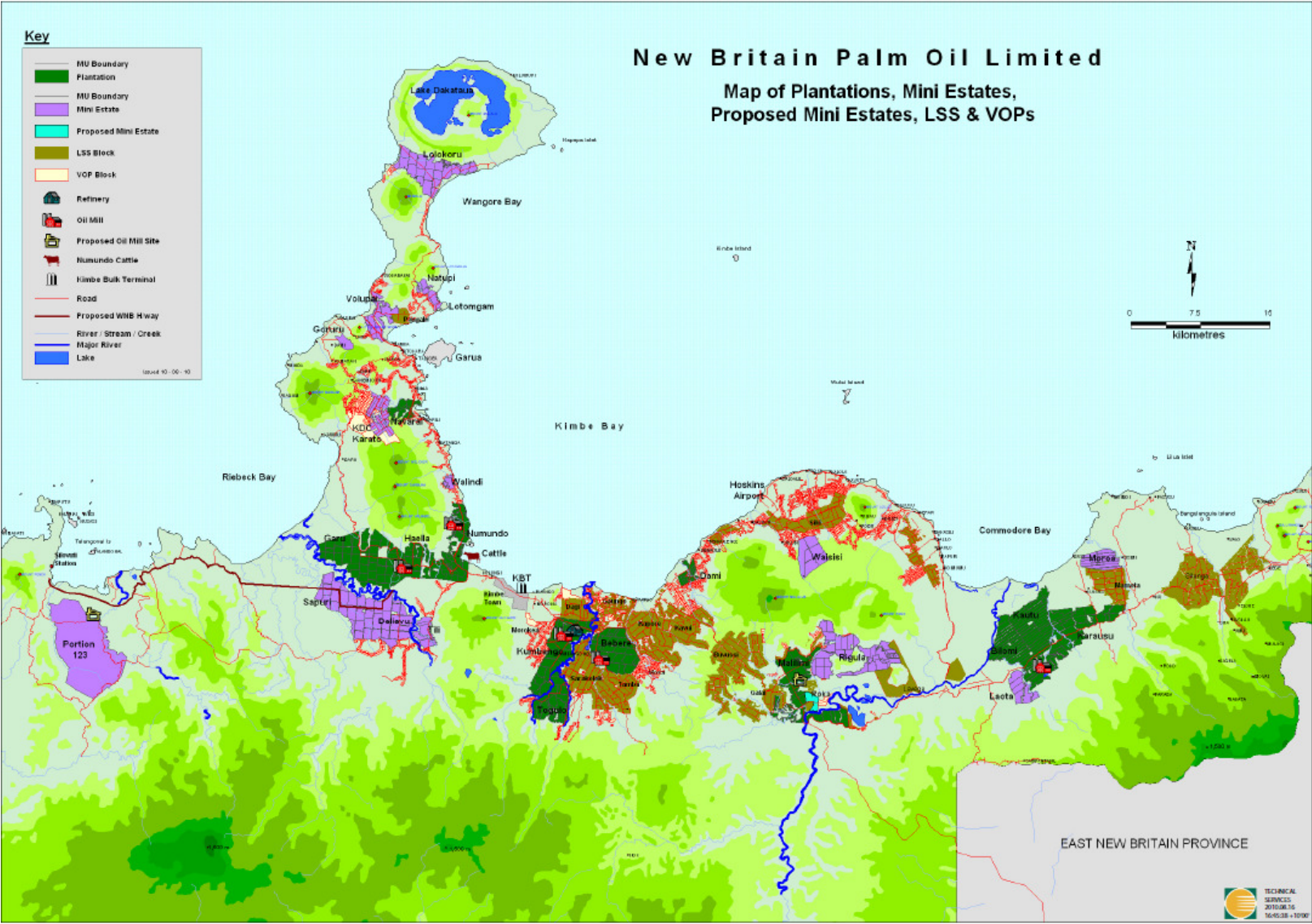
1.3 Location and Maps

The NBPOL palm oil mills and plantations are located in West New Britain Province of Papua New Guinea.

The GPS locations of the mills are shown in Table 1.

TABLE 1: MILL GPS LOCATION

MILL	EASTINGS	NORTHINGS
Mosa	193904.84	9377831.2
Kumbango	191134.07	9381192.85
Numundo	171370.44	9388596.38
Kapiura	243536.48	9377869.69



1.4 Description of Supply Base

Oil palm fruit is sourced from company managed Plantations, company managed Mini Estates and from Smallholders.

Operations designated as Plantations are company owned and managed oil palm that has been planted on State Agricultural Leases held by NBPOL. The areas and FFB production from plantations are listed in Table 2.

TABLE 2: PLANTATION FFB PRODUCTION JAN - DEC 2010

Plantation	FFB (tonnes)
Bebere	45,310.288
Kumbango	59,669.434
Togulo	30,002.480
Dami	91,97.792
Kautu	58,333.330
Kaurausu	28,703.17
Bilomi	56,303.53
Malilimi	46,854.170
Numundo	37,613.970
Haella	65,993.32
Garu	73,407.570
Navarai	10,493.190
TOTAL	521,882.244

Operations designated as Mini Estates are company developed and managed oil palm on customary land under a Lease-Leaseback (LLB) Agreement. The areas and production from Mini Estates are listed in (Table 3).

TABLE 3: MINI ESTATES FFB PRODUCTION JAN – DEC 2010

Mini Estate	FFB (tonnes)
Waisisi	18,132.18
Lotomgam	7,077.250
Natupi	5,596.950
E	31,313.600
Goruru	414.36
Lolokoru	50,552.060
Laota	6,177.860
Moroa	23,566.72
Rigula	72,980.948
Tili	14,803.220
KDC EU	5,974.980
Karato ME	5,922.960
Karato EU	6,732.750
Daliavu	53,334.030
Sapuri	54,236.140
TOTAL	356,816.008

Smallholder Growers (SG's) supply approximately 32% of the total tonnage of oil palm fruit processed by the Mill.

NBPOL has held comprehensive discussions with the SG's on RSPO implementation. NBPOL has stated its commitment to work with the SG's on the implementation of the RSPO P&C with the aim of achieving certification.

The SG's comprise small holdings of oil palm that were developed under a Land Settlement Scheme (LSS) on State Leased land, Village Oil Palm (VOP) that was developed on customary land and Independent Estates (IE), that have been developed on both Customary and State leased land by customary landowners. The LSS, VOP and IE were developed independently of the company. The SG's manage all aspects of their small holdings of oil palm, including harvesting. FFB production is shown in Table 4.

TABLE 4: SMALLHOLDERS AND FFB PRODUCTION JAN – DEC 2010

Smallholders (Total No)	FFB (tonnes)
7594	413,150.022

1.5 Date of Plantings and Cycle

The company owned plantations were first developed in 1967 and some are being replanted and are now entering the third cycle. The palms planted on Mini Estates have been planted during the past 13 years and are in the first cycle. The age profile of the palms on Plantations and Mini Estates is detailed in Table 5.

TABLE 5: AGE PROFILE OF COMPANY ESTATE PLANTED PALMS

AGE (years)	% of Planted Area
1	1.67%
2	3.67%
3	5.73%
4	3.03%
E	9.67%
6	9.31%
7	7.58%
8	8.42%
9	6.97%
10	3.77%
11	5.46%
12	4.29%
13	5.02%
14	4.14%
15	5.50%
16	3.90%
17	1.16%
18	0.85%
19	0.16%

20	0.32%
21	1.07%
22	2.46%
23	3.52%
24	2.32%

1.6 Other Certifications Held

NBPOL has held ISO 14001:2004 since March 2004. The scope of the Certification includes all of the NBPOL operations.

1.7 Organisational Information / Contact Person

New Britain Palm Oil Limited
PO KIMBE
WEST NEW BRITAIN PROVINCE
PAPUA NEW GUINEA

Contact Person: Mr. Mike Hoare until September 22nd, 2011, then Mr. Harry Brock.

General Manager

Phone: +675 985 2177

Fax: +675 985 2019

EMAIL: mhoare@nbpol.com.pg then harry.brock@nbpol.com.pg

1.8 Time Bound Plan for Other Management Units

NBPOL owns an oil palm company Guadalcanal Plains Palm Oil Limited (GPPOL), comprising a mill and approximately 6000 ha planted to palms, in the Solomon Islands. This oil palm plantation was developed in 1970, but the former owner had to close down the operations in 1999 due to civil unrest. GPPOL was established in 2005 as a joint venture between NBPOL (80%) and a local landowner company Guadalcanal Plains Resource Development Association (20%). GPPOL is undertaking a rehabilitation program following the civil unrest and six years of abandonment during which all buildings were destroyed. GPPOL has advised BSi that there are no land disputes, legal noncompliances or litigations at its Solomon Island operations. GPPOL achieved RSPO certification in March 2011.

NBPOL also owns Ramu Agricultural Industries Limited which includes a Palm Oil component. It comprises a Mill and approximately 6400 ha planted to Palms in Morobe Province, Lae, PNG. The first plantings were made in October 2003. The operations were acquired by NBPOL in September 2008 and there are no land conflicts at present. RAIL achieved RSPO certification in July 2010.

NBPOL has submitted to BSi a time-bound plan to achieve RSPO Certification for the recently acquired properties of Higaturu Oil Palm in Oro Province, Mile Bay Estates at Alotau and Poliamba in New Ireland and of these operations Poliamba expects to achieve

certification by late 2011 and Milne Bay and Higaturu by mid 2012. BSi considers this to conform to the RSPO requirements for partial certification.

1.9 Area of Plantation

The areas of planted palms at company owned and managed Plantations are listed in Table 6.

TABLE 6: ESTATES HECTARE STATEMENT AS AT AUGUST 2011

Plantations	Mature (ha)	Immature (ha)
Bebere	1,967.5	5.6
Kumbango	2,323.2	0
Togulo	1,319.9	0
Dami	347.5	24.6
Kautu	2,614.0	439.8
Kaurausu	1,349.7	510.5
Bilomi	2,029.3	0
Malilimi	1,973.5	344.7
Numundo	1,616.9	0
Haella	2,438.2	0
Garu	2,562.4	0
Navarai	467.4	0
TOTAL	21,009.5	1,325.2

The areas of planted palms at company managed Mini Estates (customary land) are listed in Table 7.

TABLE 7: MINI ESTATES AND AREAS PLANTED AS AT AUGUST 2011

Mini Estate	Mature (ha)	Immature (ha)
Waisisi	559.1	0
Lotomgam	204.1	0
Natupi	162.7	0
Volupai	1,060.0	0
Goruru	65.7	0
Lolokoru	2,033.4	0
Laota	558.7	0
Moroa	807.0	0
Rigula	2,519.6	0
Tili	502.6	0
KDC EU	252.0	0
Karato ME	220.0	0
Karato EU	288.0	0
Daliavu	2,058.2	0
Sapuri	1,773.5	0
Ove (Silovuti)	0	567.3
TOTAL	13,064.6	567.3

The areas of Smallholders planted palms listed in Table 8.

TABLE 8: SMALLHOLDERS PLANTED AREA AS AT AUGUST 2011

<i>Mature (ha)</i>	<i>Immature (ha)</i>
24,404.79	2196.01

1.10 Approximate Tonnages Certified

The amount of CPO and PK to be certified appears in table 9.

TABLE 9: ACTUAL TONNAGES CERTIFIED JAN – DEC 2010

MILL	CPO	PK
Mosa	67,438	15,740
Kapiura	68,268	14,513
Kumbango	79,361	17,945
Numundo	75,763	16,978
TOTAL	290,830	65,176

Actual & Project Tonnages 2011

January – November 2011 1,308,704.80 FFB
 January – November 2011 300,058.58 CPO
 January – November 2011: 27,992.09PKO production (PK 67,451)

2011 – Projected – 1,428,704.80 FFB
 2011 – Projected - 326,058.58 CPO
 2011 – Projected - 30,492.90 PKO (PK 73,478)

Projected Tonnages 2012

FFB: 1,392,961.00
 CPO: 321,967.00
 (PK: 76,613.00)
 PKO: 31,794.00

1.11 Date Certificate Issued and Scope of Certificate**Scope**

Scope of the Certificate is for the production from the four palm oil mills and their supply base (refer Table 9 for tonnages).

Certificate details are included as Appendix A. The Certificate issue date will be the date of the RSPO approval of the Assessment Report.

Inclusion of Smallholders

During the audit of NBPOL operations, the audit team was aware of the continuing effort and resources that NBPOL had committed to the continued RSPO implementation for its SG's. In particular, NBPOL conducted RSPO awareness for SG's back in 2005 through the Papua New Guinea National Interpretation Working Group (PNG NIWG) process and worked with the Oil Palm Industry Corporation (OPIC) smallholder extension service. NBPOL worked closely with OPIC in the development of a "Planting Approval Form" which continues to be used for environmental screening of SG applications for development of new areas of land to oil palm. The PNG NIWG submitted the "Planting Approval Form" along with the NI to the EB and the public review process. Since late 2007, no new SG has been accepted without being subjected to a field assessment in accordance with the "Planting Approval Form".

NBPOL has provided training of OPIC extension officers on the RSPO P&C, with the provision of ongoing workshops. NBPOL, OPIC and OPRA implemented awareness training of SGs on the RSPO P&Cs at Field Days in each of the SG Divisions, commencing in October 2007 and these have continued ever since with increasing frequency. NBPOL continues to work with OPIC on a baseline survey of SG's. The survey process involved the physical inspection of all SG blocks and interview of each SG to assess their understanding of sustainable practices and conformance with the relevant RSPO P&Cs.

OPIC is supported by the whole of the Oil palm Industry.

All PNG producers are represented on the OPIC board by the chairman of the Palm Oil Producers Association not just NBPOL.

OPIC are not employees of NBPOL.

SG's are not under any obligation or contract to supply to the mill but are associated to the company through the OPIC association. In cooperation with the companies and OPIC the smallholders are included in the awareness programs, compliance surveys and other RSPO related work.

NBPOL has input to the OPIC Board through the POPA Chairman and the Chairman of PNGOPRA. Not as an employee with an official role and function.

BSi examined in detail the SG survey database and concluded that the information showed the great majority of SG's met conformance with the relevant Indicators of the PNG NIWG (March, 2008). The validity of the SG survey results was tested by selecting a sample of smallholders (70) that were representative of a range of conditions and subjecting these to field audits. The BSi field audit results matched those that had been obtained independently by the OPIC extension officers.

BSi also interviewed OPIC extension officers who had been involved in the SG baseline survey and confirmed

their knowledge of the relevant RSPO P&C's. BSI concluded that the survey results for more than 7,000 SG's (out of total of 7,400) provided substantive evidence of conformance with the RSPO P&C. Furthermore, the survey had been conducted by OPIC, a statutory authority, which can be regarded as an independent third party.

The PNG NIWG had previously established the status of the SG's as "independent" and this was endorsed by the RSPO EB. However, another important consideration is the degree of NBPOL's involvement with, and the support that it gives to the SG's.

NBPOL operates an Out Grower's Department (OD) that is dedicated to support the SG's who supply fruit to the company's mills. NBPOL has a defined list of SG's and has agreed to collect their fruit. The SG's land has been mapped and NBPOL is assisting in the verification of their rights to the land. NBPOL supplies oil palm seedlings to the SG's and assists them by coordinating pest and disease surveys and treatment of pest outbreaks. NBPOL also provides soft loans to its SG's for purchase of seedlings, tools and fertiliser, which it delivers to them. In consideration of NBPOL's close involvement with the individual SG's, they can be regarded as being "Associated" with NBPOL. On the basis of this conclusion, NBPOL has complied with its commitment to achieve certification of its "Associated" SG's within three years from the date of Initial Certification.

In consideration of the above information, the audit team concluded that it is appropriate for inclusion of the SG's in the NBPOL Certificate.

2.0 ASSESSMENT PROCESS

2.1 Certification Body

BSI Management Systems Singapore Pte Ltd
3 Lim Teck Kim Road #10-02
Singapore Technologies Building
Singapore 088934

Product Manager: Mr Aryo Gustomo
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Fax: +65 6270 2777
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BSi is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSi Standards is the UK's National Standards Body. BSi Management Systems provides independent, third-party certification of management systems. BSi has a Regional Office in Singapore and an Office in Kuala Lumpur.

2.2 Qualifications of the Lead Assessor and Assessment Team

Allan Thomas Lead Assessor

Allan Thomas holds a tertiary qualification in commerce and accounting from Wollongong University in 1973 and has more than 20 years experience in systems management and auditing of large organisations in construction, forestry, agriculture, manufacturing and in private and Government sectors both in Australia, South East Asia and the South Pacific. During the past 15 years, he has been the Manager of a large certification body based in Australia with responsibilities throughout SE Asia. He has performed over 100 comprehensive audits of management systems throughout the Palm Oil industry including Occupational Health and Safety, Environmental and Quality Management Systems. He has also advised companies on the implementation of OHS in the Oil Palm Industry. He has worked in Indonesia, Malaysia and PNG in the Oil Palm industry. Allan has conducted over 2000 system audits in the last 12 years and controlled over 50 auditors when Certification Manager of SGS-ICS.

He is a Lead Environmental Auditor (ISO 14001) with IRCA, A Lead OHS Auditor (OHSAS 18001 & AS 4801) with IRCA, a Lead Quality Auditor (ISO 9001:2008) with RABQSA and also an accredited Heavy Vehicle Auditor. He has also implemented strategies for implementing and maintaining SA 8000. Allan has also been appointed a Federal Safety Officer by the Australian Commonwealth Government.

He has conducted Integrated Management assessments of a large number of palm and kernel oil mills and many oil palm plantations in Indonesia, Malaysia and Papua New Guinea. He has worked closely with RSPO in developing an audit checklist for the Principles and Criteria and developed an audit methodology. This was carried out at the instigation of Dr. Simon Lord – in 2005 prior to RT3. Dr. Lord is a former member of the Executive Board – this audit checklist was bought by RSPO in early 2006. He also performed the first base line assessment of the applications of the P&C. He is a strong advocate of environmental, safety and social accountability.

Tom Diwai – Technical Expert- Small Holders & HCV

Tom Diwai Vigus holds a tertiary qualification in Forestry, graduating from the University of Wales (Bangor) in 1970. He has 39 years experience in the areas of forestry, environment, conservation and socio-economics in the Pacific Islands, particularly Papua New Guinea and the Solomon Islands as well as the Northern Territory of Australia. In 2003/4 he was Field Team leader/Professional Forest in the most extensive audit of existing large scale logging operations in PNG, the Independent Review of Existing Logging Projects, completing 14 in depth reports and contributing to the final report which contained recommendations for all stakeholders to improve the sustainability of PNG the Forestry Sector.

Since 2003 he has been the environment and social advisor to the World Bank during the preparation of the Smallholder Agriculture Development Project, which aims at improving the livelihoods of oil palm growers, both in Land Settlement Schemes and Village Oil Palm,

as well as providing capacity building and funding support to Ward Development Committees, CBOs and Local Level Governments in small scale infrastructure projects.

More recently he has been working for the Oil Palm Research Association (OPRA) in identifying areas with High Conservation Values in numerous proposed Mini-Estates, as an independent consultant but in association with the Worldwide Fund for nature (WWF).

Tom is fluent in Tok Pisin

Mike Finlayson - Technical Expert Social

Mike has 20 years experience as a development specialist in Australia, Asia and the Pacific and has worked in PNG since 1985. Mike focuses on the social impact assessment (SIA) of large-scale resource projects and has recent experience in Australia, Papua New Guinea, China and the Philippines:

In 2009 Mike conducted a SIA of an expansion of oil palm for Hargy Oil Palms Limited, in West New Britain;

In 2008 Mike provided advice and participated in the conduct of an SIA for the development of a large bauxite mine on traditionally-owned land in the Cape York area of northern Australia;

Between 2007 and 2009 Mike led a team conducting a SIA of an oil & gas project in Gulf and Central Provinces of PNG;

Since mid 2008 Mike has worked with Ok Tedi Mining Limited to prepare socio-economic data for mine-impacted communities, prepare a social and economic report (as an attachment to the 2009 mine closure plan), and provide advice on social and economic monitoring.;

In early 2009 Mike provided advice to the University of Inner Mongolia (China) on the design and conduct of a SIA to examine the impact of mining and petroleum operations on traditional herding activities; and in 2007 Mike conducted an economic analysis of the proposed Tampakan copper and gold mine in the Southern Philippines.

Mike aims to maximise sustainable development through the promotion of effective and practical solutions in large-scale resource industries by working with local consultants and local organisations while ensuring high quality outcomes in line with current international best practice. Mike is a member of the International Association for Impact Assessment (IAIA) and is familiar with, and has conducted studies in accordance with the Equator Principles and Global Reporting Initiative.

Mike is also a director of Project Design & Management Pty Ltd (PDM), a company specialising in development assistance and humanitarian aid, with a long history in PNG. Mike is fluent in TokPisin.

2.3 Assessment Methodology, Programme, Site Visits

The 3rd surveillance audit was conducted from 22 -27 August 2011.

All minor nonconformities from the 2nd surveillance audit were reviewed and actions examined and were successfully closed due to the action taken being affective and observations were all acted upon. This is addressed in more detail in Appendix D of this report.

The approach to the audit was to treat each mill and its supply base as an RSPO Certification Unit as approved by the RSPO secretariat. Each mill was audited together with the plantations of its supply base. A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. Checklists and questionnaires were used to guide the collection of information. The comments and any communication made by external stakeholders were also taken into account in the assessment.

SG's were also included in this audit. A total number of 70 smallholder blocks were audited ranging in size from 2Ha (Village Oil Palm Blocks/VOP) to 7Ha (Land Settlement Scheme/LSS). After the interview with each small holder was concluded the auditor inspected each block with the block holder. This was to gain an understanding of any issues of concern that the block holder wished to raise about the oil palm company (NBPOL) or the extension service (OPIC).

The smallholder audit was carried out by the BSi auditor, Mr Tom DiwaiVigus, without the presence of relevant field officers from the NBPOL Smallholder Affairs and the Oil Palm Industry Corporation (OPIC). The auditor used a questionnaire to assess each block holder's knowledge of the RSPO Principles and Criteria relevant to independent smallholders.

The results of these confidential interviews are available if required.

We also included an audit of the Supply Chain in this assessment for each mill. The data on production for each mill and where the FFB came from is addressed in the tables presented in this report as well as in Appendix A. This information included information on each estates FFB was delivered from as well as the amount of small holder FFB provided and processed by each mill.

2.4 Stakeholder Consultation and List of Stakeholders Contacted

Stakeholder consultation involved external and internal stakeholders.

Communication was made with individual stakeholders and telephone calls were made to arrange meetings. As part of the audit, meetings were held with both internal and external stakeholders to seek their views on the performance of the company with respect to the sustainability practices outlined in the RSPO and aspects where improvements could be made.

Stakeholders included those immediately linked with the operation of the company such as employees; SG's including LSS, VOP and IE's, the OPIC, and the Oil Palm Research Association (OPRA).

External stakeholders included organizations such as Government, NGOs and Civil Societies, who have an interest in the West New Britain area and resident communities.

Stakeholder consultation took place in the form of meetings and interviews. Meetings with government agencies and NGOs were held in their respective premises within and near Kimbe.

In the case of the Incorporated Land Groups (ILG's), meetings were held on site. Time limitation and transportation for ILG's created difficulties which prevented the convening of ILG meetings in all the villages where there could have been greater participation by other members.

VOP stands for Village Oil Palm and are under definition smaller areas (Village Oil Palm = 2 to 4 hectare and they use CLUA). ILG's are communities looking at bigger scale of development.

In all the interviews and meetings the purpose of the audit was clarified at the outset followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded in accordance with relevant RSPO principles, criteria and indicators. Apart from the environmental NGO's, most of the stakeholders had not heard of RSPO prior to 2005 but they agreed with its objectives and expressed their willingness to collaborate in the promotion of sustainable palm oil in the WNB. Although company representative were present they were on the periphery and did not influence the process.

The company representatives only introduced the team and were requested to leave during meeting with stakeholders. For internal stakeholders the same procedure was followed and company representatives left once the consultations started (this also occurred with senior management. Employees are involved in consultation and committees).

There is a trade union at NBPOL (West New Britain Oil Palm Workers Union) – they were involved also in this assessment and were interviewed during this

assessment.

List of Stakeholders Contacted

- **All Four mills were visited**
- **One refinery**
- **Two new mill sites**
- **Two CDM Projects**
- **Twelve estates were visited**
- **Eight clinics visited**
- **Kimbe Bulk Terminal**
- **Management and a number of workers from each of the areas were included in the inspection.**

Company employees:

- Mike Hoare, General Manager, NBPOL
- Angus Wilson, Head of Plantations, NBPOL
- John Benseman, Coordinator Transport, NBPOL
- Ashley Barnes, Mini Estates Coordinator, NBPOL
- Ian Rove Sahoto, Acting Sustainability Manager, NBPOL
- Lillian Holland, Lands Officer, NBPOL
- Benjamin Kaukia, Training Manager, NBPOL
- SalatielToirima, Housing Officer, NBPOL
- Patrick Mungore, Sustainability Auditor, NBPOL
- Diane Mirio, Community Engagement and Development Officer, NBPOL
- Tan Tee Ung, Group Manager – Mosa Plantations, NBPOL
- Cletus Tumba, Assistant Manager – Numondo Plantation, NBPOL
- Roland Soupa, Group Manager – Kapiura Plantations, NBPOL
- ManeaTavaperry, Manager – Kautu Plantation, NBPOL
- Michael Wecke, Human Resource Manager, NBPOL
- Salome Elizah, Assistant Human Resource Manager, NBPOL

- Dr Lee, Company Doctor, NBPOL
- Dr Raka, Doctor – Mosa Clinic, NBPOL
- John Piniua, Coordinator – Smallholder Affairs, NBPOL
- Kenneth Koyawa, Assistant Mill Manager – Mosa, NBPOL
- Ben Tonaim, Assistant Manager – Construction Department, NBPOL
- Peter Abelis, Welfare Officer, NBPOL
- Gender Committee members, NBPOL

Government:

- John Porti, Deputy Provincial Administrator, WNB
- Dr Victor Golpak, CEO, Kimbe Hospital
- PeniusPaison, Manager, Department of Works

Compound residents (names withheld):

- Mosa Main Compound (selected residents)
- Mosa Mill Compound (selected residents)
- Kumbango Plantation Compound (female residents, focusing on loose fruit collectors)
- Navarai Plantation Compound (management, security and health staff, contractors, store owner and selected residents)
- Kautu Plantation Compound (management and health staff)
- Kapiura Mill Compound (management and health staff and selected residents)

Communities (names withheld):

- Ubai village
- Lavege village

Civil society:

- Mathias Ire, Caritas PNG
- Ben Ngava, Live & Learn Environment Education
- Felix Normu, West New Britain Sustainable Development Forum
- CosmasMakamet, Forcert
- Nathan Wakou, Mahonia Na Dari
- Education Specialist, Mahonia Na Dari (checking spelling of name)

Others:

- Treasurer – HOPGA (checking spelling of name)
- Ian O’Hanlon, President - Kimbe Chamber of Commerce

- Max Benjamin, Manager - Walindi Plantation Resort

In addition, meetings were held with representatives of the Mami and Talasea ILGs, Lolokuru Estates (including the Dava, Tauchale and Kulumo ILGs), Live and Learn, residents of the Mosa mill compound, Kumbango Division I and II compounds, the new CDM compound at Mosa, local contractors working on the CDM compound housing, and NBPOL staff working at the crushers at Kumbango

Contractors

Commodore Bay Heavy Plant Hire
Shammah Enterprises Ltd
KCP Trucking and Heavy Plant Hire
Kaserangi
Ngatia Enterprise Ltd
Nawa Construction Ltd
Cidar Engineering SDN BHD
Nivani Limited

Others

PNG Oil Palm Research Association
PNG Oil Palm Industry Corporation
NBPOL Lands Office
Mill Workers
Field Workers
Office Staff
NBPOL Legal Services
Residents of Compounds including: Kapiura, Mosa, Kautu and Karasu
Association of Nakanai Communities
Silovuti&Kintakiu Villages (Silovuti Mini Estate)
Mami ILG
Talasea ILG
Natoko ILG
70 Smallholders
Kimbe General Hospital (KGH)
Provincial Division of Lands
Department of Environment & Conservation
Provincial Division of Health
Provincial Division of Labour
Provincial Division of Primary Industry
Provincial Education Office
Provincial Planning Office
Forcert
Mahonia Na Dari
Centre for Environmental Law & Community Rights
West New Britain Oil Palm Workers Union
West New Britain Catholic Church
West New Britain United Church
WWF

2.5 Date of Next Surveillance Assessment

August 2012

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

As outlined in Section 2.3, objective evidence was obtained separately for each of the RSPO Indicators for the Mills and the Estates. The results for each indicator from each of these operational areas have been aggregated to provide an assessment of overall conformance of the Company's operations with each Criterion. A statement is provided for each of the Indicators to support the finding of the assessment team.

Seven (7) Nonconformities were assigned against Minor Compliance Indicators. NBPOL has prepared a Corrective Action Plan (Appendix D) for addressing the identified nonconformities that was reviewed and accepted by BSi.

Seven (7) Observations/Opportunities for Improvement were identified. Details of the Nonconformities and Observations are given in Section 3.2 (Page 30).

BSi's assessment of NBPOL operations in West New Britain, comprising four palm oil mills, estates, infrastructure and support services, concludes that NBPOL operations comply with the requirements of RSPO Principles & Criteria : 2007 and PNG-NIWG Indicators and Guidance : 2008.

In relation to the previous audit findings the five (5) Nonconformities which were assigned against Minor Compliance Indicators were closed out during this assessment (see appendix D).

Also the Observations/Opportunities for Improvement which were identified were actioned and this was seen to be effective.

BSi recommends that NBPOL continue to be approved as a producer of RSPO Certified Sustainable Palm Oil.

Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.

All records of requests for information are forwarded in the first instance to the local estate or mill manager and are recorded in an enquiry/ grievance book. One of which is held in each administrative office throughout NBPOL. Then depending on the level of the requests it is forwarded to the Sustainability team for action and for recording. It is then passed on to the relevant department for action and release of information and then to General Manager (GM). Who then, if required, gives approval to give out the information requested. Some information can be released on a local level and a list of these documents is available.

A record of response is attached. Such enquiries and responses are maintained in an appropriate manner in hard copy. On the whole this criterion has been well implemented and grievance books were sighted at every office visited along with hard copy records of all requests.

Records are in place of all requests for information and that information required by stakeholders is made available if possible. This is in a register which includes all requests for information. It includes date received, date responded to as well as any other pertinent information with regards to each request received.

On the whole documents that are not released are not related to environmental or social issues and are mainly of a confidential financial nature.

Senior management has decided which documents are to be made available to the public. These are in the form of a register which has been updated each year as more documents are made available. There was evidence gathered during this assessment for example of requests for the Sustainability Handbook. The records indicated who made the request, the date and response.

The reason why information could not be made available is now always recorded in the register for information not released.

Even some of the original block holders who had been on their blocks for 40 years were unable to produce a copy of their title as the blocks had been used as collateral for loans for example for house improvements.

Of the 70 block holders interviewed, less than 60 % had their titles at hand, but see also 2.2 below.

Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

There is a list of publicly available documents which is approved by the GM and can be produced on request. This list will be made available both in hard copy on request and on the company's web site. A list of documents was produced during the audit.

The list of documents that can be made available on request included but was not limited to the following:

1. Land titles/Leases
2. Maps of lease areas
3. Annual Reports
4. Sustainability Handbook
5. NBPOL Policies and Guidelines
6. Environmental Policies
7. Sexual Harassment Policy
8. EEO Policy
9. Health and Safety Policy and Plans
10. Environment Plans & Environment Permits

11. Copies of Government laws, regulations, Code of Practices.
12. DEC compliance Monitoring Reports
13. Waste Management Plans
14. Production Reports
15. FFB Pricing Information
16. Financial report
17. Employee Training.

Documents pertaining to financial information can only be shared upon the discretion of the GM with approval from the NBPOL CEO.

The documents will be available on request. Some information will be handled with care in some cases as it could adversely impact on a situation. This would normally be related to sensitive financial information that may only be shared if and when appropriate. However all requests can be traced back through the information request register.

Land Titles will be made available on request if appropriate.

Equal Employment Opportunity, OHS, Environmental, HIV-Aids and Sexual Harassment Policies are all available. These are also widely distributed throughout NBPOL on numerous notice boards in many places. They are also all available in the Sustainability Handbook and on the company's web site.

The OHS Plan will be made available on request. The policy is posted in all work areas in a prominent position on noticeboards where workers congregate – this includes in the mill and field offices. It was sighted in many areas during the audit. All managers also have a copy of the OHS Plan. It is also made available on the company's web site.

NBPOL has separate policies for the following: Health and Safety, HIV/AIDS, Sexual Harassment, Malaria and Domestic violence amongst others. These are also widely available to SG's. These policies are also available on the company noticeboards, in the sustainability handbook and on line of the NBPOL Web site.

There is a documented procedure for dealing with complaints. There is also a grievance complaints register which is supported by documented complaints. Outcomes are documented and the company has a standard letter with which it informs the aggrieved party on receiving the complaint and procedures to be followed for resolution. This includes a register of all complaints or grievances received. It includes name of party, date received, outcome, acknowledgment of receiving complaint, and date resolved as well as a brief description of the complaint. This is supported by a file which keeps hard copies of complaints/grievances and all responses and communications between NBPOL and the aggrieved party. The file for each complaint / grievance is as comprehensive as each case demands depending on the seriousness of the complaint.

This grievance mechanism has been adopted by the NBPOL Out Growers department (OD), in the form of a grievance register. This was kept in the OD office. All complaints are registered in a similar fashion to the NBPOL complaints / grievance handling procedure. OPIC is also involved in the answering and resolving of these complaints that are made to OPIC and providing evidence to NBPOL if required. It includes details of aggrieved party and the grievance or complaint.

The Documented system for access to customary land and negotiation procedures for settling disputes will be made available on request.

There is a Continuous Improvement Plan (CIP), available for all operations including all mills and estates as well as all other ancillary operations. This includes: Housing, Medical, Workers welfare, EMS, OHS, Social Issues, Health, and Communication with stakeholders, Free Prior and Informed Consent (FPIC).

The required improvements identified in the Social Impact Assessment (SIA), are being incorporated into the long term financial plan and CPI.

Small Holders

All growers showed acute awareness of relevant customary, local and national laws; this was determined by several questions about the laws which were posed by the Small Holder assessor.

Criterion 2.1 – There is compliance with all applicable local, national and ratified international laws and regulations.

NBPOL is always proactive in renewing expired permits. This issuing of new permits is outside the control of NBPOL.

Due to the fact that the company has to comply with laws and regulations under RSPO as well as ISO they take the initiative to contact the official regulatory bodies to follow up on permits etc. Letters to government departments following up on expired permits can be provided on request. There is no evidence available of chronic deviation from legal requirements.

A record is maintained of these instances when enquiries have been made to determine the position in relation to these new permits etc.

The SG's and OPIC, during inspections, check that legal and regulatory requirements are being met. This is recorded on the Planting Approval form. The OPIC Act is the principle piece of legislation for management of the SG sector.

There is a Local Planning Committee, which is responsible for the overseeing of SG projects and includes members of stakeholders such OPIC, NBPOL, the IE Association, OPRA, Women's rep and Local Level Government. The LPC meets on a monthly basis and minutes were available both with OPIC and the company OD.

There is register of PNG legal and regulatory requirements including codes of practices, environmental permits, forestry etc with the Company Secretary, and the Sustainability Manager (SM). The Cossec and SM also keep aware of any changes to legal or regulatory requirements and update the list / register if and when required. The register presented was quite extensive and included all legal and regulatory requirements known to concern NBPOL.

A copy of the register of legal and regulatory requirements was presented.

NBPOL through the EMS / OHS ensures that any law changes are tracked. NBPOL are members of the Employers Federation of PNG, PNG Growers Association, Palm Oil Producers Association (POPA) and the OPRA board and are therefore privy to any changes in these regulations. NBPOL also receives law updates from PNG Law Society.

Growers are aware of relevant customary, local and national laws; however, the need for the block holder to have a copy of his or her title was not considered important, as long as they had the relevant growers cards issued for FFB collection and payment; see also 1.1 above.

No current serious land disputes were recorded, any past disputes were largely related to original block holders having died intestate and had been resolved amicably by the families by the time of the audit.

Criterion 2.2 – The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights.

NBPOL landholdings are State Agricultural Leases that were established by the former colonial administration. NBPOL holds a copy of the State Leases and the use of the land is consistent with the terms and conditions (2.2.1). Since 1998 NBPOL has developed oil palm on customary land under a Lease-Leaseback (LLB) Scheme. This scheme has been applied at locations where customary landowners have requested NBPOL to develop oil palm on their land. NBPOL assisted the landowners to register and obtain leasehold title over their land. The landowners then sub-lease this land to NBPOL for development of oil palm.

Substantial effort is made to ensure the correct customary owners of the land are identified. Furthermore, NBPOL has correctly shown considerable patience in allowing this process to proceed at a pace that is acceptable to local communities (which, in the case of Silovuti, has taken several years).

In the period since the certification audit NBPOL has developed one mini estate under the lease-lease back scheme. This is at Silovuti and all records of tenure and agreements were available. This included records of all discussions and meetings with the ILG's. Therefore actual legal use of the land can be demonstrated.

Awareness sessions were held by the company in villages and to other stakeholders on stakeholders' related matters (dispute settling, environmental issues etc). In this way the customary traditions were recognized by involving the communities' representatives and clan leaders. Files are available showing the involved discussion process, decision making process and if needed a settlement process and the consent process of involved stakeholders. A National Government surveyor establishes boundaries and these are marked physically by pegs and on maps. A number of natural boundaries such as rivers, sea shores and long established roads are also used to mark boundaries. These complement to survey's completed and traditional boundary pegs and also included in Satellite Imaging of all NBPOL estate.

All the stakeholders are informed on disputes and conflicts and information is made.

We sighted maps for all estates visited and boundaries are clearly indicated. The boundaries for all mini estates under the ILG's are also surveyed and mapped showing boundaries.

There is proof where disputes have been resolved or are being resolved and ongoing disputes are being monitored. NBPOL have established a system to negotiate with the parties in dispute before legal means. Dispute resolution mechanisms are established through open and consensual agreements with relevant affected parties using either legal means or negotiation with the party in dispute. If required the Department of Lands (DOL) or other bodies are brought in to act as independent arbiters. There have been no recent substantial disputes with regards to land rights use.

For SG's there is land mediation through the DOL, this is facilitated by OPIC and a copy of any resolution is maintained by OPIC and the DOL. If a dispute has been resolved the company OD and SG are notified. Disputes involving customary land are usually settled by Customary Land Mediators and the PNG Courts system if necessary. A Clan Land Usage Agreement (CLUA) is produced once the dispute has been resolved.

There are ongoing disputes within a number of the ILG's over distribution of income, membership and operation of the ILG Committees. These complaints have been referred to the Provincial Dispute Settlement Authority, which is a Committee recognised by the District Land Court. In PNG, the court system is well recognised as the appropriate process for dispute resolution. There are procedures under PNG Law to maintain the status quo between two parties until the dispute is resolved.

Copies of all negotiated agreements detailing the process of consent are available. This was demonstrated with regards to the Silovuti agreement with the respective ILG.

NBPOL have a participatory conflict resolution method by first talking to involved parties and also recording minutes of all meetings with local communities. The Company implements the conflict resolution process by the involvement of the Lands Office dealing with

complaints of the communities. They keep track of the complaints and visits to settle any dispute. When conflict resolution in relation to state land cannot be settled accordingly it becomes a process for the DOL or the courts to settle.

The company OD maintains copies of all CLUA's. The CLUA assists in minimising disputes by splitting land into smaller family groups (this reduces disputes). Copies of all CLUA's are also held with OPIC. LSS disputes are facilitated by OPIC due to the inactivity of the DOL. A plan is in place to give better control and ensure LSS blocks have wills so that ownership is easily transferred to the next of kin.

In all cases for SG's it can be demonstrated that acceptable conflict resolution has taken place. Customary land owners are able to release their clan owned land to individuals through the CLUA system and proof of this is the release of the SG block. The West New Britain Provincial Administration has established an Oil Palm Development Committee to arbitrate all disputes over both State and Customary Land used for oil palm production. This committee is also responsible for overseeing disputes arising over Lease-Lease Back land.

Only one current family dispute was recorded out of 70 interviewees. Any past disputes were largely related to original block holders having died intestate and had been resolved amicably by the families by the time of the audit.

However, several transfers of ownership were "in progress" at the time of the audit.

Criterion 2.3 – Use of the land for oil palm does not diminish the legal rights of other users without their free, prior and informed consent.

Maps are available (current) showing occupied state land, vacant state land and customary land. Maps are available which indicate the extent of recognised customary rights and there are copies available of negotiated agreements detailing the process of consent in relation to the state land that was compensated for when bought by the state and with current customary land in relation to the establishment of ILG's.

NBPOL has negotiated with customary landowners to mobilise land for plantation expansion under the Lease-Lease back process. This process commenced in 1998 and the agreements are ongoing for the term of each lease. New leasehold arrangements are being made from time to time with all areas being mapped indicating extent of all leases. The FPIC component has been integrated into the land lease process (the description of the awareness session on pro's and con's of development), if possible with cooperation of an independent neutral party (e.g. NGO co-operation). The minutes of meetings are kept as a record of FPIC and are a tool to follow up on the awareness that is forwarded and to check the FPIC component (for

Silovutidevelopment going back to 1998). These minutes indicate that these agreements are entered into voluntarily as minutes of any meetings are recorded. Awareness sessions are held with the landowners in the village or at a suitable independent location where all interested parties may attend. Following the awareness session consent is given by the landowners for the company to assist in the formation of the ILG and to obtain title over the land. NBPOL lands officers provide assistance to the landowners. The sharing of information and involvement of all parties was demonstrated in the latest negotiations with the ILG.

SG's on LSS blocks have been granted an agricultural lease over their block. This land was legally acquired by the State from the customary landowners and 99 year leasehold titles were granted to the LSS grower. The record of the purchase is recorded in the Native Land Dealing Document (NLDD) which is held by the DOL and Department of Physical Planning (DLPP). NBPOL has copies of the NLDD's for the land it occupies.

Ownership of LSS Blocks can be verified by conducting a title search with the DLPP. Most owners hold Owner Copies of the title and this was verified during the audit.

By far the majority of VOP block holders had the relevant CLUA on hand, a few LSS block holders had proof of transfer but see above for discussion on LSS block holders.

VOP's blocks are established on Customary Land. The CLUA is an agreement whereby the clan leaders allow the VOP grower to plant oil palm on a particular piece of land. The CLUA recognises that that particular person has access and usage rights over that particular piece of land. Copies of CLUA's sighted at OPIC – for privacy reasons these were not recorded in this report but samples are available in audit notes.

The Lease Lease Back system is a legal process under the PNG Land Act (1996) whereby customary landowners can form an ILG and obtain leasehold title to their land. By holding a recognised legal title the ILG can then enter into a Sub-Lease agreement with a company to develop that land. NBPOL has a written procedure to assist customary landowners to obtain leasehold title to their land. The DLPP is the government department responsible for administering the Land Act and the Lease Lease Back process ensuring that the rights of the customary landowners are protected.

SEIA and HCV forest evaluations are always completed prior to the signing of sub lease agreements. All land under evaluation for Lease Lease Back has been logged prior to Nov 2005.

Maps showing areas for Lease Lease Back have been produced. These maps show the areas of Timber Rights Purchase (TRP) which is evidence of logging. Areas of vacant State Owned land are also identified on these maps.

A copy of the Sub Lease Agreement was displayed during the audit.

Maps of LSS blocks are available with OPIC and NBPOL and maps of VOP smallholder growers are available. The roads on which the VOP blocks are located are mapped. There is a plan in place to acquire satellite imagery and map all VOP blocks from this imagery.

Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.

There is a five year business plan for NBPOL. It is available from the GM. There are business plans in place that take into account crop projection, mill extraction rates, costs of production, annual replanting programmes, forecasts and financial indicators. All requirements of this indicator have been met. The auditor sighted crop projections for all estates and associated SG's. All mill extraction rates are documented.

The cost of production is reviewed and compared against expenditure each year with projects in place for future years. This includes costs per tonne.

Forecasts are in place for the next 5 years on a rolling basis up until 2016.

The Five Year plan is reviewed on, at least, a yearly basis. The latest review and update was completed in July 2011.

Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.

NBPOL have Management Guidelines (MG) for Mills, Estates, Kimbe Bulk Terminal (KBT), Transport (MTL), Construction, Clinics and all operational areas. Standard Operating Procedures (SOP) are in place for each station in the process of palm oil production from weighbridge to storage.

NBPOL refer to MG's and the Recognised Industry Field Handbooks for guidance. MGs are used as the framework for all operations. Other publications are used for reference only.

The mills have in place SOP's for all mill activities. These are specific for each mill due to difference in operations of each mill. They are available in the mills and are in the area of operations at this time all mill SOP's have been translated into TokPisin. Adequate document control in the form of issue date and approval is now in place.

For the mills there is in place a mechanism for monitoring effectiveness of procedures. The shift supervisors check that all log books are completed for all SOP's in a timely manner as prescribed in the respective SOP. This is done by completing each required inspection and signing the log book, a copy of which is kept by mill management and also includes planned scheduled inspections. The operators at the mills had completed the required log sheets at each station on the required frequency from the areas sampled. These log sheets are collected and reviewed on a daily basis. The

log sheets are used to identify breakdowns and cases of wear and tear where breakdowns may be imminent. Areas checked included presses, sterilisers, clarifier, power room, turbine and boilers in each mill. In fact a selection of all work stations was completed.

The SOP's are further supported by routine regular scheduled preventive maintenance. This is planned and carried out under the Mechanical and Electrical Engineering divisions to ensure on going production capability is maintained and that operating machinery is safe. Any deviation from standard procedures is reported and followed up to ensure documented practices are being followed. Any breakdowns, stoppages or major services are recorded in both the log books for each area and in the maintenance records.

The estates are similar to the mills in that scheduled field inspections are in place by a team of field inspectors, group managers and the plantation inspectors. These are further supported by an Internal Audits Programme.

The estate managers carry out regular field inspections to ensure SOP's are being followed and supervisors issue instructions at each morning muster and follow up to determine the quality of work and that procedures are being followed. This is further supported by the Group Managers, who carry out regular extensive field inspections which are further supported by the issuing and circulating of an inspection report to the relevant authorities. The Plantation Inspectors also carry out frequent inspections on the quality of operations from an agricultural perspective. Any nonconformances are recorded and followed up in a specified time frame. This is also a feature of the existing ISO 14001 certified system.

There is Code of Practice (COP), for Oil Palm Processing. This document is referenced in the legal register, SOP's, MGs and ISO Procedures. There are also Codes of Practices for Hydrocarbon and the Vehicle Workshop (VWS) these are also referenced. The latest issues are controlled by the Sustainability Team who ensures current applicable PNG COP's are in place. The following COP's which affect estates are referenced in documentation and include Logging, Landfill and specific COP's for PNG.

The EMS / OHS system requires that records of monitoring are kept e.g. Drain and Pollution Control Devices (PCD's), as well as use of Personal Protective Equipment (PPE), etc and any actions taken such as cleaning are recorded. There records include actions taken with regards to Quality Management, OHS and Environmental Management.

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility, to a level that ensures optimal and sustained yield.

Records of fertiliser inputs are maintained in the Oil palm Management Programme (OMP 8) database and these details are readily available through this system.

Annual tissue and periodic soil sampling takes place by the company Agronomy section and in conjunction with

OPRA. The results of the analysis of the samples are used to optimise fertiliser requirements.

The latest comprehensive soil sampling took place in 2008. This compared the results with 2003 and soil maps indicated a big improvement in soil quality over this time.

The most recent tissue analysis took place in July 2011 with results being available for a large number of estates and identified by block number.

All palm by-products including fronds, EFB, compost, effluent and expeller are recycled. These are used as nutrients and are put in place to improve organic matter and to substitute or supplement inorganic fertiliser. Fronds are also used to prevent erosion following pruning and after harvesting of FFB.

The SG's visited all had an understanding of soil fertility and prevention of erosion.

All block holders were recycling palm fronds by laying them between rows of palms to allow for composting, household vegetable waste was also used to improve fertility. All block holders were using fertiliser, or waiting for it to be delivered for this year.

They demonstrated a good understanding of the benefits in applying fertiliser and one or two requested that NBPOL provide the other fertilisers that are used in the estate plantings such as Muriate of Potash.

NBPOL Smallholder Affairs has an agreement to actually apply the fertiliser on smallholder blocks for a small fee of K3/bag.

Criterion 4.3: Practices minimise and control erosion and degradation of soils.

During field inspections the risk of erosion is assessed and records in the form of a field inspection sheet are kept and are further documented in OMP 8. This includes both SG's and NBPOL estates. The assessment includes run off from roads and effectiveness of road grading and maintenance programmes to prevent erosion with regards to drainage. Inspections also check on the amount of cover crop (CC), for new and old plantings especially in steeper areas and replanting of CC done where required to ensure that risks of erosion are reduced and eliminated when possible. No new planting since 2007 has been on slopes in excess of 25 degrees.

At Togulo, Navarai and other Estates there is terracing in some areas to reduce soil erosion. To prevent erosion cover crop (CC), is introduced at the time of the formation of the terraces and once palms are established fronds are placed in a position to reduce erosion in the form of boxing. Rainfall run off is minimised where necessary by construction of strategically placed drains. Also in areas pre-dating the RSPO when re-plant takes place proper terracing will be introduced. One such area in Malalimi which is to be replanting in some areas in 2012.

Sprayers must follow the spraying standards as set out in the MGs. These standards are constantly being

monitored by the supervisors and divisional managers to ensure pesticide spraying is effective and there is no over spraying. The knowledge displayed by the pesticide mixers during this assessment was consistent and without fail all were very well versed in what are the correct practices when dealing with hazardous substances.

The estates use chemicals under controlled conditions – OPIC is training SG's – NBPOL does not supply insecticides directly to SG's. Insect control is under an IPM program and OPIC/NBPOL apply the insecticides on SG blocks where recommended by OPRA. SGs are discouraged from using herbicides until they are fully trained in their safe use and handling. This training is supplied by OPIC and it is in the form of a certificated course by trained personnel.

Roadside drains are also planted to prevent further erosion with vetiver grass.

There are only sporadic & shallow peat soils in NBPOL with 400 hectares planted across all areas. The soils are monitored by the internal Agronomy section to ensure water management is effective.

There is a road grading programme in place which ensures that drains are clear and properly formed to channel run off into these drains on the steeper roads. Scupper drains are also constructed if required. The roading programme is monitored to ensure it is up to date and that areas with potential and actual erosion areas are given priority over flat less risk areas. At the time of this assessment during prolonged periods of heavy rainfall the roads used were all in remarkably good condition.

Maps are in place indicating the whereabouts of any fragile and problems soils. There is also a management strategy in place to deal with and improve where possible these fragile and problem soils. As mentioned elsewhere in this report there are maps indicating soil types in 2003 and 2008 indicating the improved nature of soils.

All block holders clearly demonstrated the use of palm fronds to prevent sheet erosion during very heavy rain, even though most blocks were on flat land (stretpelagriraun) palm fronds were placed across the flow and stabilised by palm frond pickets.

Where an occasional steeper slope was noted, there was more effort used to prevent soil erosion, by the use of small terraces around the palms and using more fronds to stop the flow.

There were no peat soils in the areas audited.

In one block the smallholder had not planted in two steep gully areas.

Criterion 4.4: Practices maintain the quality and availability of surface and groundwater.

Biological Oxygen Demand (BOD) is monitored and accurate records are in place for the past 8 years at least

and indicate that at all times, apart from abnormal rain events, BOD levels are within the prescribed limits as are stated in the Environmental permits and Government guidelines. If at any stage the results are outside parameters these results are now investigated to determine the cause. The control of discharge from effluent ponds is now well managed and proper sample points are clearly indicated. The condition of the effluent ponds in all areas is much improved and ensures BOD of discharge is low – all noted in recent discharges of under 20 ppm. The allowable limit is 100 ppm. This has improved greatly over the last 8 years.

There are records in place indicating that water use per tonne of FFB and trended for last 8 years and at the moment the general trend in less than one tonne of water per tonne of FFB. The water management plan which is reviewed annually also includes management of storm water, control of mill drains, nursery water use and control of run off. The quality of domestic water is also monitored in all areas to ensure that quality of drinking water is within limits. This is a government requirement. The stormwater and mill drains are regularly inspected for pollution and sediment and includes records of any actions taken such as cleaning. Water courses are tested both upstream and downstream for all mills where entered by treated water discharged by NBPOL to ensure that water quality is not adversely affected for downstream users by the activities of NBPOL. There is a measure of water quality by an independent lab completed for all areas of discharge. This is completed monthly. Results indicate that due to treatment of POME and other anti pollution methods that water has not been adversely affected by NBPOL activities.

The riparian buffer zones are maintained in good condition. The buffers in existing plantations were inspected and found to be within the limits as prescribed by the environmental permits which have been issued for each estate. All permanent water courses have buffers in place and these comply with the permit requirements respectively. Signs are in place indicating where most of the buffer zones are. The growth in some of these buffer zones is now most impressive and the areas are not intruded on to a great deal. The growth is luxuriant and wild life in these areas is plentiful. NBPOL have made a concerted effort to ensure that only endemic plant species are planted in these buffer zones where they have been re-established at re-planting for areas planted prior to 2005. NBPOL have had in place buffer zone and restriction since at least 2003.

4.4.2 Observation: A number of signs indicating buffer zones do not identify NBPOL as the authority for these signs.

At any plantations, one year before replanting is due, the buffer zone boundary is marked on palms and maintenance is limited to circle spraying. Harvesting of the palms is continued until the replant. Native trees are planted among the palms for rehabilitation of the buffer. A landscape manager has been appointed and part of his role is to manage the rehabilitation of buffer zones.

Legume covers are also used where possible.

The use of Guatemala grass is controlled and only used to prevent erosion on steep banks. This falls under good agricultural practices and is used in other palm oil producing countries as well. The company also focus on re-establishing of buffer zones by planting native species – Eucalyptus deglupta, taun, kwila are the main species.

Extensive training takes place to ensure that workers are aware of the proper disposal of any chemical wastes including pesticides etc. Training of pesticide handlers is refreshed at least once per year. Records are in place for all training in each estate.

Most blocks had no surface or running water on them.

But block holders showed awareness of techniques such as non disposal of waste, including herbicide residues and washing of herbicide containers in or near water supplies.

All herbicide containers were stored in a safe lockable shed (see also 4.6 below).

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

NBPOL are maintaining records of the contents of the chemicals used which have published toxicity.

There is an Integrated Pest Management Programme (IPM) for specific pests. There is a measurement of the amount of each pesticide used and type for each specific pest e.g. for Sexava - use methamidaphos. On identification of damage warranting control a programme is put in place with the cooperation of OPRA who are the authorities in the PNG Oil Palm Industry for recommending the use of chemicals in the control of pests. NBPOL monitors pests and disease as part of the IPM. This includes Sexava, Stick Insects etc. OPRA are instrumental in this pest monitoring programme.

During the previous 12 months the only major outbreak of pests was sexava. This spread over a number of estates. The IPM was put in place to control this outbreak and following trunk injection within a fourteen week period the problem was controlled.

The Pest Management Plan (PMP) has been updated and includes the control of all pesticides and the methodology for both reducing use of pesticides and / or changing to less toxic chemicals. The IPM is proving to be effective as there have been no recorded outbreaks of major pests over the last 12 months other than Sexava.

SG's are informed about the dangers of pesticides usage and that the company is not providing any chemicals to them. The IPM Working Action Group (IPMWAG) meets monthly. This committee is responsible for collating all pest population data and coordinating the implementation of the IPM programme for both

plantation and SG's. Representatives from NBPOL, OPIC and OPRA attend this meeting.

All respondents replied that if there was any sign of disease or insect problems, these were immediately reported to OPIC or NBPOL Smallholder Affairs (when pressed even HOPGA was mentioned) for their relevant reporting to OPRA (see comments in summary).

Block holders rely on OPRA and NBPOL to trunk inject pesticides to control insect outbreaks and advise on the sanitation practices for ganoderma.

Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives and this is documented.

There is a formal justification for agro chemical use and this is documented within the MG 3 which attempts to ensure that the most effective and least harmful chemicals are always first choice. The use of all chemicals is justified and specific pests are targeted and a plan to reduce usage has been presented. This includes chemicals used, areas applied, dosages, and frequency of use. Records from all estates indicate that there is a decline in the use of all chemicals. The amount and type of pesticides used and the locations they are used in are recorded for each programme and kept in OMP 8. Estate spray diaries are also used to indicate where pesticides have been used and amounts applied.

The PMP (MG 3) has documented what chemicals are used and where and in what situation. It stipulates the maximum dose possible for each application. There are also plans in place to gradually reduce the use of Agrochemicals. There are time frames in place in the PMP whereby chemical use is reduced. All chemicals have to be approved for use as well as frequency of application. This was supported by the chemicals listed for use by DEC and as per PNG Oil Palm Industry practice.

Records of chemicals used, areas treated, amount applied and frequency of application is recorded and controlled via the Pest Management Plan in OMP8 and are available.

Paraquat is predominantly used in the nurseries and on immature areas. It is also used for selective spraying of volunteer oil palm seedlings and if continuous rain precludes use of alternatives. The company has made the conscious decision to completely stop the use of Paraquat from 1st January 2012.

There is in place an ongoing IPM which is controlled via the PMP with regards to the use of WHO Type 1A or 1B chemicals. No suitable alternative to Paraquat has been identified by the RSPO at this time. It is NBPOL policy not

to supply Paraquat to any SG's. This policy is strictly monitored.

There is no aerial spraying of pesticides.

Records of training are kept in each estate of the following:

- Pesticide Mixers
- Pesticide Sprayers
- Pesticide sprayers Overall washers

These records are kept in each estate office. The training data is also maintained to show what the training covered.

PPE for sprayers is supplied and use demonstrated in the MG and further demonstrated in training manuals. The company supplies three sets of overalls so that one can always be considered clean. Overalls are washed at the pesticide mixing areas in specially constructed wash areas so that sprayers and mixers do not need to take them home and therefore the risk of cross contamination with family members is reduced and eliminated. The pesticide mixer in each area had excellent knowledge of the requirements for handling of pesticides. They all proved to be well aware of all the conditions with regards to the handling of pesticides. Each has excellent records of pesticides used such as amounts, types and areas used. There are excellent records of the disposal of old or damaged pesticide containers.

There is a minimum requirement of PPE that must be worn / used in the handling and application of pesticides. At morning muster the PPE of pesticide handlers is checked and if the sprayers do not have the correct PPE they are not allowed to start work. All sprayers and mixers sighted during the assessment were using the correct PPE which is supplied by NBPOL. The correct use of PPE by all sprayers sighted during this assessment indicates a high level of continuing awareness and ongoing training.

Some chemicals such as Methamidophos require more extensive protection and this is nominated in the MG's for pesticide application. Methamidophos is only used for severe Sexava outbreaks.

Material Data Safety Sheets (MSDS) are obtained for all chemicals used and are available at the areas of mixing. No concentrates are taken into the field as all spray solutions are pre-mixed in a designated area.

Where required MSDS are translated into the local language. At present the MSDS are very well presented and as far as possible NBPOL have obtained the latest issue of all MSDS.

Storage of chemicals is in lockable areas with limited access. All areas where chemicals are stored appear to be adequately ventilated through cross flow ventilation. All chemicals containers are triple rinsed and pierced prior to being placed in the designated pesticide waste pit (landfill). Records of containers disposed are kept including numbers sent to landfill.

Methods of storage and disposal of chemicals (pesticides) are included in training provided. NBPOL are

using only chemicals that are registered with DEC and a reference list had been obtained from them.

Female pesticide handlers may be employed by NBPOL so long as not pregnant, or breast feeding.

Health checks are now conducted for pesticide handlers. This is carried out by a medical officer on a twice yearly basis and records of these checks are kept in the relevant clinic. Each pesticide handler carries with them a "green card" which indicates the latest evidence of a medical check. Records were available for all pesticide handlers viewed during this assessment. The next round of health checks is due in January 2012. There are more extensive checks for those that handle methamidophos.

OPIC keeps records of pesticide training that they deliver to the SG's. OPIC is responsible for training SG's with regards to the use of PPE, mixing, application and storage of pesticides and the correct disposal of waste chemicals and containers. The training emphasises the need to reduce or eliminate the use of pesticides by SG's. Training is carried out through field days. Records of attendance at field days are recorded by the OPIC Extension officers. The training course is certificated.

There was a marked reduction in the use of herbicides found during this audit, with the main reason given for the discontinued use being that the block holder did not have the correct storage shed to store the chemicals, many old storage sheds had been damaged during earthquakes.

The blocks were very clean and most growers indicated that they wouldn't use herbicides in the future.

Some growers indicated that they contracted out spraying to qualified private enterprise groups when necessary, although none of the 70 blocks examined showed recent herbicide use.

Where block holders had continued using herbicide (glyphosate) some had exemplary storage sheds and full PPE.

There are no National regulations for disposal of chemical containers. NBPOL follows industry best practice with regards to containers – numbers are registered, triple rinsed, punctured and then placed in separate pesticide pit. Pits are under control.

Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.

There is an OHS Plan in place in all the following areas:

- Estates
- Mills
- Workshops
- Clinics
- Kimbe Bulk Terminal
- New Mill site
- Stores
- Research

All areas have implemented and monitored this plan to a very consistent level. The situation has continued to improve considerably in each subsequent assessment. This has been assisted by the fact that NBPOL have adopted the principles of OSHAS 18001 as a guideline for their OHS Management.

Hazards and Risks have been identified for all operations and in all areas. This also includes the degree of risk as well as the controls in place. Procedures and plans are in place to address all operations. These have been distributed to all areas and to the respective managers and supervisors. There are regular documented inspections taking place throughout the entire operations which ensure that OHS Policy is being implemented consistently. These are carried out at least monthly in each operational area and more often in higher risk areas.

NBPOL has provided the required PPE appropriate to the task after the hazard has been identified and the risk assessed. The level of proper use of PPE is now almost universal for both workers and contractors in all areas including mills, workshops, estates etc.

Signage also largely supports the use of PPE.

The Signage displayed, indicating safety precautions, dangers, PPE etc is now more accurately positioned in order to correctly reflect their purpose.

4.7.2 Minor NCR: There were some issues regarding electrical safety at the new Waraston Mill site. This included use of damaged leads, poor control of electrical leads and piggy backing of plugs. Further there were no Fire extinguishers available in area where welding and use of gas bottles is taking place.

There are emergency procedures in each area and these are tested. All areas had in place records of testing the emergency procedures including fire drills, emergency boiler shut downs and volcano eruption drills. There have now been drills in all areas and the results and records of these drills are most comprehensive. Other drills such as plant issues, electrical shock, crush injuries and other are also now being simulated. This area is now very well managed.

It is ensured that all records of evacuation drills are kept in full and any recommendations for improvement are documented.

There are company clinics on all plantation divisions and a centralised clinic at the Mosa compound. All are staffed by trained health workers and/or Registered Nurses who are on call 24 hours a day. The clinics are regularly checked to ensure they are hygienic and that sharps and medical waste is handled correctly.

The company also has Red Cross trained first aiders and uniform first aid kits in all field and mill work areas. The kits are checked and restocked regularly. A number of First Aiders are available in all work areas at all times

including day and afternoon shifts. The qualified First Aid officers are identified on noticeboards in all the operational areas. There are plans to train more first aiders.

There are records kept by Administration of First Aiders training.

A company OHS Manager has been appointed who coordinates the implementation and management of the OHS policy. An OHS representative has been appointed in all the following operations areas:

- Mills
- Estates
- Construction
- KBT
- MTL
- STORES

All areas have regular meetings (at least 3 monthly and sometimes as regularly as monthly in the higher risk areas) to discuss OHS matters. Each area now has a standardised agenda and meetings are conducted after workplace inspections. Some areas are also holding Tool Box talks to disperse current or topical information or to reinforce safety issues such as use of PPE. Records are in place of all incidents which are reported and all incidents are investigated and records are kept.

4.7.4 Observation - It should be ensured that when items are recorded as non conforming as a result of a safety inspection that the reason is recorded and followed up takes commensurate with the risk.

In Estates workers appear to use PPE in the correct manner and appropriate to the task. Dust Masks and Respirators are made available for all workers in dusty areas or for those involved in certain chemical mixing and fertiliser handling situations.

All workers are covered by workers compensation accident insurance.

NBPOL monitors a number of Safety performance indicators such as lost time injuries and regularly reviews all incidents. All accident records are kept and reviewed. The information is reviewed by Management during high level safety meetings to ensure objectives are being achieved and all incidents fully investigated. This was verified during the audit.

Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.

NBPOL implements a comprehensive training programme each year based on training needs assessments undertaken by managers within each operational centre (mills, estates and other departments). The Training Manager compiles the overall training program and maintains detailed records,

including a description of each training event; details on the identified trainer (whether internal or external); and timeframe. Implementation is on track other than for some occupational health and safety training (due to difficulties in filling an OHS training position).

Training records are maintained by the Training Manager, including assessments of the training by the trainees. Inductions are undertaken by managers and supervisors as appropriate. Induction checklists are utilised, and induction training records are maintained by the Training Manager.

NBPOL is making a substantial contribution to human resource development in West New Britain and in PNG more broadly, through advanced trade training (6 week courses with APTC) , the cadet scheme, industrial placements and on-the-job training for vocational and technical students.

4.8.2 Observation: The Training Manager could have a greater role in training needs assessment, as this is currently the responsibility of managers and supervisors in each mill, estate, department, etc. In a supervisory role, the Training Manager may help ensure a more consistent and systematic approach to the identification of training needs across the company as a whole. In addition, while an assessment of the training is usually undertaken on completion of the course (by the participants), it may be beneficial to undertake competency assessments to evaluate the effectiveness of the training provided. This would typically be undertaken several months after the training and would assess whether improved practices are being followed under normal working conditions.

Training needs are identified by managers and an annual training program is prepared by Human resource training staff. The training program focuses on the provision of short courses, and now includes all training-related support provided by NBPOL (e.g. apprenticeships, educational support for the dependents of employees). The preparation of a more comprehensive training document has accurately reflected the overall support for training provided by NBPOL. This also includes support to the local schools and colleges.

There are training programmes in place to “up skill” staff when required. The training involves requirements such as pesticide application, pesticide mixing and other field training such as harvesting, etc. This is planned for each estate.

Specialised training courses are also planned as the need arises and this includes group or in house training. Some training is carried out on demand.

Training needs are assessed on an annual basis. There does appear to be a formal training plan for all staff and this is managed by each individual estate, mill and relevant operational areas. The training is mainly to ensure that skills required to perform tasks successfully and safely are in place. The training plan for 2011/12 was sighted.

There are training records in place at each operational site recording skills and training and these were sighted at a number of operational areas.

Some of the records are in the form of training attendance registers recording field training as well as more formal skills courses such as plant operators, driver's licenses, boiler operators and Red Cross First Aid training.

Training records are therefore kept for all employees.

Training of SG's is being implemented by OPIC and this will be completed over the next two years. This is done through training in the form of field days, radio extension, awareness sessions and the company bi-monthly news letter. The names of all SG's who undertake training are recorded and a register is kept by OPIC.

Records of competency and on the job training are kept on site in the OPIC local office. The local office also has records of formal training.

NBPOL has adopted a company-wide induction training program which highlights company policies and helps ensure policies are implemented. The induction program also includes awareness on the policies to prevent sexual harassment and violence against women.

All training from OPIC passed on to other residents – mostly family members (but see comments in summary).

Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored to demonstrate continuous improvement.

Through the ISO 14001 system an Environmental Aspects and impacts register has been developed and is reviewed and updated at least annually and when external ISO audits are completed. This includes all aspects identified. These aspects further nominate which are the significant environmental aspects and also nominate any legal requirements or restriction classed within the aspects. This register covers all operations impacted upon by NBPOL. This includes construction of roads, construction and management of mills. The use of drainage and irrigation to control impacts is also included. This also includes areas of replant or expansions as well as disposal of waste. This register was recently updated in August 2011 and now also includes the many beneficial impacts of the NBPOL environmental programme.

The EMS is audited externally at least annually. It is a requirement of ISO 14001 External Audits that Environmental aspects be updated and reviewed on a regular basis.

Having environmental management plans is part of ISO 14001 standard certification requirement. The role of the ISO 14001 is to provide the organisation with a system to control and reduce negative impacts and promote positive impacts such as buffer zones, waste

management plans, spill control plans and emergency plans. These plans are developed, implemented and monitored through the ISO 14001 system.

5.1.2 Minor NCR: Although there is a comprehensive environmental improvement plan in place this does not show evidence that each area is followed up to monitor and determine progress made.

All respondents have changed practices from widespread use of fire as carried out traditionally, to minimal use of small fires for gardens and no fires used for clearing, prior to planting or replanting.

Criterion 5.2: The status of rare, threatened or endangered species and high conservation value habitats if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.

Ecologists have carried out an assessment of the presence of HCVs within and adjacent to the NBPOL plantations – this was completed prior to the initial RSPO assessment in 2008. All of the land within the plantations has previously been logged. The HCV studies include details on the status of endangered, rare and threatened species.

Within the estate some areas are not planted and these habitats are being left in their natural state. None of these areas have been identified as HCVs.

The conservation assessments did not identify any rare, threatened or endangered species of fauna within the plantations or adjacent areas.

A long term program to implement the findings from the initial HCV assessments has continued to be implemented and managed. As part of this, the two declared protected areas at Garu and Pokili, adjacent to NBPOL holdings have been enhanced. NBPOL has on staff an ecologist and he is continuing to implement this program. Progress with implementation of the programme has continued to be effective.

Company employees are prohibited from the hunting and taking of fauna from the plantation and adjacent land. Sign boards have been posted adjacent to buffer zones and other conservation set-asides advising of the protected area. Any legal requirements within any areas are applied and enforced by NBPOL management.

Inspection during this assessment indicated there was no inappropriate hunting, fishing or collecting activities in the NBPOL areas noted. NBPOL is discouraging people to encroach into the buffers. However at times the local people do commence gardens in the buffer zones and NBPOL staff are vigilant in monitoring any gardens and then communicate with local communities with regards the use of buffer zones for gardening.

NBPOL have provided gardening areas for use by some workers adjacent to their housing to discourage worker encroachment into buffer zones and protected areas and this needs to be extended to more workers.

At times land owner groups implement their own systems to discourage encroachment.

At Silovuti, NBPOL requires employees and the employees of contractors to sign an agreement that they will not hunt, fish or utilise other subsistence resources.

The SG's are aware of the impact of development of oil palm on surrounding natural areas through the OPIC planting approval process (control) as well as through RSPO awareness sessions.

All block holders had cleared most of their blocks well before the adoption of RSPO. However there was a general understanding of the conservation value of native animals and plants. There was also a common assertion that native animals that entered blocks were not killed; only a few slingshots were noted.

Criterion 5.3: Waste is reduced recycled, re-used and disposed of in an environmentally and socially responsible manner.

There is a waste management plan in place and it is current. There are formal rubbish collections in all areas at least weekly. This is monitored regularly. The waste management plan is presented in a separate management guideline (MG 15) and includes pesticide contaminated waste.

The following waste streams have been identified and are controlled through the EMS:

- Office Waste – segregated, recycled where possible with rest to the landfill.
- Household waste – segregated, recycled where possible with the rest to the landfill.
- Human waste – Septic and soak aways.
- Mill Effluent – through effluent ponds and land application.
- Fibre – Fuel for furnace.
- EFB other by products – Recycled to the field
- Oils and Hydrocarbons (including containers) to Hydrocarbon pit.
- Pesticides (including containers which are triple rinsed, punctured and to pesticide pit.
- Pesticide spills – cleaned with spill kits used kits sent to pesticide pit.
- Hydrocarbon spills treated with sawdust. Burnt in boiler.
- Used oil – recycled, burnt in boiler.

NBPOL ensures that the quantity of pesticide waste recycled or sent to land fill is recorded in each estate at the pesticide mixing and storage area. A special area is provided for storage of waste pesticide containers. The landfills inspected during this assessment were of a very high standard and all management staff are to be commended on this. They are now measuring the amount of waste in cubic metres in each cell with a view for further planning and extending the life of each cell. The date of opening and closing cells is also now recorded.

Pesticides are a source of pollution and ground and surface water contamination. The control of hydrocarbons has also been addressed elsewhere in this report. The collection of household waste is well controlled with regular pick up of waste. The company actively encourages segregation of waste by providing a bin for both household waste and green waste for each household. NBPOL have a policy of re-use and recycle whenever possible.

The company's aspects register formally identifies all sources of pollution and waste and states their impacts and required mitigation measures. This register is updated at least annually or when new sources become apparent.

Medical waste Records include disposal of sharps and contaminated medical waste, giving amounts destroyed and where transported from with dates. All clinics send their waste to the main clinic at Mosa where it is taken to the Kimbe Hospital where Incineration occurs. The clinics also record the return of expired ointments and drugs. The medical waste is collected from each clinic and records of its destruction are kept – this includes needles, syringes and contaminated bandages.

5.3.2 Observation: The medical waste such as bandages and dressings is being incinerated at each clinic in a provided incinerator. However some of these incinerators are very old and are themselves a health hazard and do not always appear to burn the waste completely. It is suggested that to reduce handling a central area is set aside to incinerate all such waste.

5.3.2 Observation: Compound residents separate green waste from general household rubbish. There is evidence that compound residents place green waste and general household rubbish in the correct bins. However, the Main Mosa Compound requires green waste bins. These should be issued to residents as a matter of priority as piles of green waste (including food scraps) on the roadside presents a number of potential health risks.

All small holders showed evidence of domestic waste disposal in deep rubbish pits with the occasional burning within some pits of some non biodegradable waste (e.g. plastic bags).

Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised.

NBPOL uses fibre and shell to fuel the mill boilers at all locations. The boilers produce steam which drives the turbine to produce electrical power. The use of biomass to create renewable energy in this case is almost 80%. NBPOL maintains records for monitoring both kilowatt hours per tonne of palm product and Kilogram of steam per tonne FFB. These records are in place and are available for each mill as part of energy control and use as required by the ISO 14001 system. Power from the mills is used to electrify nearby compounds and facilities such as the workshops and construction.

The use of non renewable resources in production of palm products does now include fuel use by transport/contractors.

NBPOL monitors the use of non renewable energy (diesel). This is monitored as diesel used by the production process per tonne of FFB.

Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situation, as identified in the ASEAN guidelines or other regional best practice.

There is no burning in new developments or at replanting. Burning is not allowed by NBPOL and there is no evidence of burning.

NBPOL will record any areas of sanitary burning if and when required. To date there has been no sanitary burning.

Burning of domestic waste is against company policy and has mostly been eradicated. It is very rare to sight evidence of the burning of domestic waste by workers and families of NBPOL.

The incineration of all medical wastes such as sharps, used bandages and gloves is permitted. Records are maintained of the amounts destroyed.

The SG's are disposing of their waste in a responsible manner by mixing the organic waste with the pruned fronds and using a pit disposal method for tother household waste. Normally the waste is only burned in small quantities in a controlled manner.

Growers indicated sparing use of fire and no fire was used for clearing vegetation for new plantings except for some areas where small fires were use clear for gardens.

Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.

NBPOL are keeping adequate records of mill emissions and effluent including critical data such as Smoke emissions, BOD levels, Total Suspended Solids and Oil & grease as required by the relevant environmental permits. The levels of pollution continue to be monitored and all appear to be within the allowable limits in each area. This includes smoke emissions, effluent discharge and stormwater control.

Significant pollutants have been identified through the waste management plan as well as the means to reduce them.

Plans indicate allowable waste levels and systems such as segregation and recycling have been introduced.

The treatment methodology of POME is recorded in effluent pond management plans and in MG 6 and the results on the whole indicates NBPOL is achieving levels of BOD discharge below legal limits. This is supported by independent test results provided by the Government

National Analytical Laboratory. The records of the Company labs appear to closely match the records from the Govt. Lab.

NBPOL have the use of information on effluent pond management with input continuing from the pond specialist and the results and improvements in the management of these ponds have been continued. These ponds improve each year and what was once a high risk for NBPOL has been turned into a strength.

A CDM Project is being implemented at each of the four mills for capture of methane from the effluent treatment ponds and conversion of the gas to produce electrical power or reduce GHG emissions. These are all progressing with the earliest to be in operation by October 2011. Not only will they reduce GHG but will also supply enough electrical power to enable NBPOL become largely self sufficient.

Records of stack emissions for all mills is now determined through the use of opacity meters and where these fail the mills are relying on visual observation of emissions via use of the Ringleman method. This is now much improved. Records are now in place for over twelve months of these readings.

All drains within the mills and other areas are monitored and interceptors are in place to prevent storm water pollution. Records are in place to recorded inspection, cleaning and effectiveness of these PCD's. Recently a number of these traps have had their capacity increased and are now more effective.

Soil erosion from company roads is being controlled by implementing a road maintenance programme with a view to improving drainage.

Criterion 6.1: Aspects ofplantation and mill management, including replanting, that have social impacts are identified in a participatory way and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

NBPOL has updated its social impact register and maintains records of meetings. Substantial consultation has been undertaken with a wide range of stakeholders. NBPOL has also initiated a series of data collection exercises to help quantify current living conditions, social issues and attitudes. Both the consultation and data collection exercises are being used to help identify and prioritise social impacts, which are reflected in the social impact register.

NBPOL has extended the above program of consultation and data collection to not only help identify and prioritise social impacts; but to prepare mitigation strategies and monitor implementation of these strategies. This is very much an ongoing and continuous process. While continual change has occurred for many

years in response to particular issues and/or opportunities (eg. the introduction of the ‘mama card’ for female loose fruit collectors, the introduction of improved housing designs, and the appointment of a Community Engagement and Development Officer to work with ILGs), a more consultative and transparent process is now emerging. As new issues are identified new mitigation strategies will be required, along with new approaches for engagement with stakeholder and the monitoring of mitigation strategies.

It is suggested that an annual report is prepared to summarise the progress in implementing each mitigation strategy. Such a report should be the basis for demonstrating continuous social improvement, as required under Criterion 8.1.

Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

NBPOL maintains a list of stakeholders and has a documented policy for communicating with key stakeholder groups. The main stakeholder groups are:

- Smallholders
- Incorporated Land Groups (ILGs) and their members
- Workers
- Compound residents
- Local government
- NGOs
- Local businesses

There is evidence of improved engagement since the 2010 audit with the WNB Provincial Administration and National Department of Works (Kimbe office). The Sustainability Department plans to initiate regular meetings with local NGOs. As discussed above, communication methods with several other stakeholder groups are changing (and will continue to change) in response to emerging social impacts and new mitigation strategies. The main stakeholders and communication strategies should be reflected in the proposed annual report (refer Criterion 6.1).

Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

Records are maintained of the outcomes of all disputes and grievances. There is a documented procedure on how to resolve grievance and keeping records – There are grievance books in all offices which records, grievances and outcomes.

A formal grievance process is in place and generally working well. It is important that grievances are registered, and when applicable, submitted to the stakeholder groups (as discussed under Criterion 6.1) for further discussion.

6.3.1 Observation: Although widely used, there is some indication that the guidelines need to be reviewed, further training provided on the use of the grievance mechanism, and increased awareness provided to ensure not just workers, but dependents and external stakeholders are aware of the system.

During the past year NBPOL has introduced a ‘whistleblower policy’ to help ensure grievances of a sensitive nature can be raised without prejudice or fear of reprisal. This is an important step in terms of addressing complaints relating to sexual discrimination, sexual harassment and domestic violence. There is evidence that the whistleblower policy is working. Over time it will be important to review its effectiveness, as for the grievance mechanism, and revise accordingly.

Any grievances which cannot be resolved in the local office are escalated to an appropriate level until the grievance can be resolved for example Environmental issues go to SM and SG land issues to OPIC.

Grievance mechanism include recording in a grievance log book held by both NBPOL Smallholder Affairs and OPIC.

Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

A detailed process is followed to ensure the customary landowners are correctly identified, and assistance provided to help form Incorporated Land Groups. NBPOL provides an attractive benefits package for ILGs which enter a Lease-Lease Back (LLB) agreement for the development and production of oil palm. This typically includes land rental (based on the area of oil palm and area of HCV/buffer zones), a development levy (based on the area of oil palm), a royalty (based on the value of production) and a one-off payment of shares in NBPOL.

In response to concerns raised in the 2010 audit in regard to poor financial management by ILGs, NBPOL has appointed a Community Engagement and Development Officer. Although recently recruited, the

officer will work with the ILGs – and when willing to accept external assistance – will provide support in financial management and related aspects.

Some of the ILGs appear to be effectively managing the financial benefits received from LLB arrangements, including, for example, the allocation of a portion of the funds to community projects, housing and education assistance, with the balance, after administrative costs, distributed among ILG members. However, a greater number of ILGs and ILG members are in need of assistance to effectively capitalise on the opportunity provided from the LLB arrangements. While discussed further under Criterion 7.6, there is a need to improve financial literacy levels among ILG members and provide assistance to ILGs to establish and operate businesses.

Criterion 6.5: Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

There is documentation of all pay and conditions for all company employees. Examples of NBPOL pay rates, copies of pay slips, copies of individual rates of pay for each grade, employment forms and disciplinary rules for all employees were sighted. It is a condition on employment within NBPOL that all Employment contracts must be signed prior to commencing work. Other conditions such as Workers Compensation, Sick Leave etc comply with the PNG Labour Act. A copy of payslips and an explanation is widely available throughout NBPOL on notice boards.

The minimum rural wage in PNG is set by a tripartite agreement between the Government, Unions and the Employers Federation.

NBPOL provides housing for most staff, medical coverage, superannuation contributions and education support for employees with children attending secondary school. Although not an industry requirement, NBPOL introduced “finish pay” for all staff in 2009 (backdated to 2005). There is evidence that contractors have agreed to meet (or exceed) legal minimum terms and conditions.

NBPOL pays above the minimum rural wage when including a nominal value for benefits such as housing, superannuation and medical coverage. NBPOL has initiated a local price monitoring program (*bilumindex*), which will be used as the basis for annual wage adjustments to ensure real wage levels are not eroded over time. The use and application of the *bilumindex* will be assessed in the next audit.

Although PNG’s Employment Act 1978 indicates that working hours may be exceeded in certain circumstances (*Section 50*), more effort needs to be given to ensuring a process is in place to monitor working hours and help ensure working hours are not exceeded (except in exceptional circumstances). Employees who are paid on an hourly basis are typically required to clock on and clock off each day, providing a clear record of the hours and days worked. However, it

appears that some staff at KBT are working excessive hours and/or weeks on end without days off, essentially as a result of requirements to load ships without delay. While the loading of a ship may once have been an exceptional circumstance, they now arrive on a frequent basis, and more attention is now required to ensure staff work reasonable hours/days.

6.5.3 MINOR NCR. It was evident during the audit that some workers, including mothers with newborn babies, were not aware of labour laws relating to breast feeding. Although labour laws (and a range of other company policies) are displayed on noticeboards in English and tokpisin.

Regular hours are not always recorded for employees engaged on a piece rate basis. While a daily record of the time truck drivers start and finish work has recently been initiated, the records viewed were incomplete (some drivers not signing off) and the hours worked were not calculated or shown clearly. Furthermore, the system was recorded manually rather than being automated. The process for monitoring the hours worked by truck drivers, and quite likely a range of other employees engaged on a piece rate basis, needs improvement.

NBPOL will need to consider, and potentially define, what reasonable housing means, and then initiate a process to ensure all houses, both new and old, meet the required standards.

NBPOL provides a high standard of medical assistance to employees and their dependents, particularly in comparison to publically-supported health services in other rural areas of PNG. The company also funds the school fees for dependents from Grade 9 to 12 (a cost typically around K1, 000 per annum) and provides support for local schools (e.g. construction of classrooms, provision of furniture, electricity and water). While the standard of schools appears significantly higher than those schools not supported by oil palm operations, the residents of several compounds suggested that a cover over the truck that takes children to and from school would be a significant improvement, particularly during wet weather.

6.5.4 MINOR NCR. Although NBPOL has an excellent network of health professionals and some excellent facilities for the provision of health services to employees and dependents, the clinics require power points and electric jugs to boil water (to ensure adequate hygiene, sterilise equipment) and air conditioning or refrigeration to store medicines within the correct temperature range. There are no toilets available at the clinics

The junior staff club, at Mosa, requires action, as the toilets/bathroom are below acceptable standards and the TV and refrigeration do not work.

6.5.6 MINOR NCR. A more systematic and company-wide approach is required in regard to the welfare of compound residents. It is recommended:

(i) The accommodation available at each compound, and the current shortage of accommodation, is not identified for each compound. Thus, the supply and demand for housing will be projected for each compound, and the company as a whole, resulting in a clear picture of housing shortages and their duration.

(ii) A program for the provision of power points in general labour quarters is required, indicating when power points will be included (as standard) in new houses that are constructed, and an estimated timeframe for the inclusion of power points in existing houses.

(iii) A program for collecting basic data on each compound is not outlined, so that improvements in living conditions can be planned and prioritised across the company as a whole.

NBPOL is requested to send (i) and (ii) to BSI for inclusion in this report, along with a work program for collecting information described in (iii).

NBPOL is a member of the WNB Chamber of Commerce and a NBPOL representative attends meetings. The Chamber lobbies government for the provision of improved education, health, law and order and other infrastructure. Minutes of meetings can be provided.

Contractors have agreed to meet legal minimum terms and conditions. Contracts are worded to ensure the contractor agrees and signs to meet legal requirements. A number of contractor's workers were interviewed throughout the assessment and all agreed that they were paid correctly.

Most Small holders do not employ outsiders, they use family members or use a barter system for labour used. Those that do pay, pay above the minimum wage. There were two complaints from non family members staying on VOP blocks who expressed concern over the payment system operating on these two specific blocks.

Only the large (150 Ha) block holder employed formal employees and he pays above minimum wages. Other block holders have agreements with neighbours (barter) or have contracts with local youth groups during busy times; there was no evidence of exploitation revealed during the audit.

Criterion 6.6: The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

NBPOL respects freedom of association for employees and they are allowed to join or form trade unions. This right is covered in PNG law under the Labour Act.

Around 300 NBPOL employees are members of the Amalgamated Workers Union, a PNG-wide union with headquarters in Port Moresby. A local union was formed in 2004 to more adequately represent the interests of NBPOL employees. Approximately 2,000 NBPOL employees are current members of the West New Britain Oil Palm Workers Union. The union has regular meetings with NBPOL's Industrial Relations Officer and periodic meetings with senior NBPOL management, including the General Manager. Minutes are recorded for all meetings and follow-up action recorded, when required.

The union has also established a branch to deal with NBPOL union matters with an executive and an account to which all union subscriptions are being paid into.

NBPOL fulfils all the statutory requirements.

Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision and when not interfering with education programmes. Children are not exposed to hazardous working conditions.

NBPOL does not employ anyone under the age of 16 (the minimum age for employment in PNG, subject to the provisions outlined in Section 103 of the Employment Act 1978).

Some children do help collect loose fruit and do other jobs on VOP blocks. However, these jobs are typically undertaken with their parents, they are generally undertaken outside of school hours and do not therefore interfere with schooling, and are not overly heavy or hazardous.

All Small holders were very clear that school-aged children belonging to the blocks family were always sent to school and carried out light work only during school holidays and weekends.

Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age is prohibited.

NBPOL has a clear anti-discrimination policy. Copies of the policy are clearly displayed on notice boards. There appears to be a relatively good understanding of the policies within management. The initial recommendations are currently being reviewed by the Sustainability Team in Singapore, prior to their implementation.

The Equal Employment Opportunity policy has been reviewed and re-issued and is widely distributed.

NBPOL is actively targeting women through its industrial training program, which is a program that not only provides workplace training for tertiary students, but identifies future NBPOL managers. In 2010 approximately 1/3 of industrial training students are female. This is a positive achievement, as encouraging female employment, and particularly female managers,

will be important to reduce discrimination against women in the workforce.

Criterion 6.9: A Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

NBPOL has policies on sexual harassment and domestic violence. In 2009 a Gender Committee was established to review these and other policies and made recommendations to improve and effectively implement them. In June 2010 the Gender Committee finalised recommendations for policies on:

- Sexual harassment;
- Domestic violence;
- HIV/AIDS; and
- Anti-discrimination/equal opportunities.

These are very significant and challenging issues in PNG, and while the initial intention to review and update the policies is commended, the Gender Committee has had no response to their policy submission in more than a year. As a result the Committee has not met in more than a year (until requested as part of the 2011 audit) and its future is unknown.

6.9.1 Observation: It is important to have a process for reviewing the effectiveness of company policies and procedures, and improving these over time. It is also important to respect senior staff that have allocated substantial time, in addition to their everyday tasks, to review and update company policies in an attempt to improve the welfare of employees and dependents. NBPOL should respond to the policy submissions as a matter of priority and clarify the role of the gender committee.

Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.

Current and past prices paid for FFB are available. The government approved formula for working out FFB prices is publically available. The price and formula are made available via printed notices in the local newspapers. This is updated monthly and a copy given to OPIC & the Small Holders association. Price sheets, showing formula calculation are displayed at OPIC divisional offices where SG's can view them. The company has a Smallholder Department that liaises directly with Smallholders as well as through the OPIC network. SG's are paid the week following pickup of their fruit according to a published schedule. SG's are paid either by cheque or direct bank deposit and a payslip is provided giving full details of payment and any deductions for tools, fertilisers etc. EFB is supplied to SG's on request as long as it is not applied near housing.

NBPOL is in the process of preparing a series of visual aids to help explain how FFB prices are calculated. Although a difficult task, this is much needed and the initial work undertaken by NBPOL is to be commended. The visual aids could easily be modified for use in other parts of PNG and in the Solomon Islands.

Interview of contractors confirmed the Terms and Conditions of Contracts are explained to contractors before the Agreement is signed as well as during the induction process. Records are held of contractor inductions and include environment, health and safety performance requirements. The company uses a standard Contract prepared by its Legal Department.

There is a lack of understanding by smallholders concerning the farm gate price compared to the commodity price, the pricing formula with its various deductions and a feeling that the farm gate price is too low.

The pricing formula review is well overdue and about to be undertaken by a consultancy under SADP. There is an expectation that this will result in an increase in farm gate price. Especially in the "payout ratio to farmers" which is currently 57%.

6.10.3 Minor NCR non-compliance Incorrect weighing of smallholder FFB is a common grievance among smallholders. NBPOL is requested to send to BSI a program for the installation of the automated system in trucks, and the timeframe for implementing this system. A minor non-compliance has been issued as there has been inadequate response to grievances raised in past years. While truck drivers and other NBPOL staff have been dismissed for incorrectly recording FFB weights, there appears to have been limited response from the Transport Department to concerns raised on behalf of smallholders by HOPGA or the Smallholder Affairs Department within NBPOL.

6.10.4 Minor NCR Smallholders have also raised complaints to 'blanket bans' imposed on areas following an incident that generally involves truck drivers. As an example, smallholder FFB was not collected from the Siki area for a period in December 2010 until K5,000 compensation was paid to a truck driver that was severely bashed and hospitalised. Although two youths were identified as the attackers, a relatively large number of smallholders (reportedly almost 100) were unable to sell their FFB until the compensation payment was raised. A minor non-compliance has been issued as people who were not involved in the incident have been unfairly penalised. The threat of blanket bans does not appear to prevent problems and if the underlying cause of the problems is not addressed, the situation may deteriorate further. It is suggested that the security issues facing truck drivers are investigated by NBPOL, in consultation with local leaders, in an attempt to gain a better understanding of the issues involved, and to explore options for minimising the problems. A solution is not clearly

apparent, but action is warranted, and closer investigation and discussion may help.

EFB is freely available to outgrowers who have been advised not to apply it nearer than 500 metres from dwellings.

Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.

NBPOL is the main economic driver in West New Britain and contributes to relatively high levels of personal income through direct employment, contracting opportunities, smallholder income and payments to ILG groups. In addition, NBPOL has provided development support through the NBPOL Foundation since 1997; it has participated in the Tax Credit Scheme since 2002; and provides other support or contributions on an ad hoc basis.

In the past TCS expenditure has focused primarily on roads. There have been some positive steps in the past year in terms of increasing the role that the WNB Provincial Administration plays in the identification of projects to be funded through the TCS. The National Department of Works is also playing an active role, which is to be commended. TCS expenditure, while maintaining a focus on road upgrading and maintenance, will include assistance for health and education facilities and water supplies in future years, which reflect provincial development priorities.

Foundation expenditure focuses on support for health, education and law and order. NBPOL has made a decision to broaden the role of the Foundation beyond its original focus of West New Britain, and will include areas impacted by NBPOL operations at Poliamba (New Ireland), Higaturu (Oro), Milne Bay and RAIL (Madang/Morobe). Foundation expenditure has temporarily been suspended until the legal and administrative requirements relating to the broader geographic coverage have been reviewed and finalised.

The WNB Provincial Administration, NBPOL and Hargy Oil Palms Limited are members of the West New Britain Oil Palm Development Committee. The committee meets periodically to help coordinate government The provincial administration and NBPOL have a committee to help coordinate government infrastructure and services around oil palm development. This committee, which also includes Hargy Oil Palms Limited, could play a more active role in the development of the province, including the role out of power to communities and the prioritising of projects to be funded through TCS. At present, the committee appears to have a focus on what NBPOL will provide, and not what the Provincial Administration can provide (for example, in the development of Silovuti).

Although delays have been experienced with the methane capture projects, they have the potential to provide a cheap source of reliable and clean power to the company, company employees and communities surrounding each the Kumbango, Mosa, Kapiura,

Waraston and Numundo mills. The provision of an inexpensive source of power could provide the stimulus for increased savings and investment in improved housing and household items. This could have wide-ranging and positive impacts on the local population: improving education levels (having good lights to read by at night, and power for computers) and health levels (reducing the amount of cooking on smoky fires, and having better light to detect mosquitoes, etc). The first CDM project (Kumbango) is expected to be completed by the end of 2011 or early 2012. At this time the actual output, and hence available power for employee compounds and surrounding communities, will be determined.

Criterion 7.1 A comprehensive and participatory social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

New plantings commenced at Silovuti in late 2009. A detailed social and environmental impact assessment was undertaken in 1999. The degree to which the results of the social impact assessment have been incorporated into management and operations is discussed under Criterion 7.6 below.

RSPO P&C have been incorporated into the standard OPIC “Oil Palm Planting Approval Form”, which is used for new plantings and replantings. The planting approval form covers the requirements used to obtain Clan Land Usage Agreements (CLUAs).

The CLUAs are being revised as there is an increase in outsiders “purchasing” 2 Ha blocks from customary land holders. It is envisaged that the revised CLUA will have a definitive term of agreement (25 years, whereupon it will have to be renegotiated) and royalties for the customary land holders.

Criterion 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

Prior to development soil surveys were undertaken and soil types recorded with a view for long term suitability at Silovuti. Maps of soil types for new planting areas are kept by the Agronomy Section. Topographic information is also incorporated in these maps.

A map of Silovuti prepared in 2008 was sighted. It includes a guide for drainage plans, roads, fields and blocks. This map includes all relevant topographic information.

Criterion 7.3 New plantings since November 2005 have not replaced primary forest or any area containing one or more high Conservation Values.

Ecologists completed a bio-diversity and HCV study of the Silovuti area prior to work commencing and an environmental permit being granted. Land found to

contain HCV (3,000 hectares) has been set aside as a HCV and conservation area as a result of this assessment. This area is marked on the maps. The Ecologist completed a series of surveys of endangered species and HCV's in June 2009 of all NBPOL estates including this new development. The PNG HCV tool kit was used.

Buffer zones have been identified and established throughout the area to be planted.

All HCV hot spots have been identified as well as any areas of high value biodiversity, conservation areas and refugia.

Within the proposed Silovuti plantation a number of bird species were found particularly those of scavenging one's such as Blue-eyed Cockatoo, Song Parrot, Electus parrot and Blyths Hornbill. Active birdlife has been observed on buffer-zones along the boundary of the development at the time of the visit no mammal was observed. There are very few mammals to be found in this area of PNG. Therefore all legal requirements related to species protection are being met for all protected species in the area.

The dates of land preparation and commencement of planting will be recorded on OMP8.

Restrictions on planting on HCV's or Primary forest are clearly enunciated to small holders in the OPIC "Oil Palm Planting Approval Form".

All respondents are aware of the RSPO restrictions on establishing new plantings on forests that were not logged before November 2005 and the requirements for re-establishing appropriate buffers along watercourses when replanting. Buffers along watercourses are colloquially referred to as HCVs.

Criterion 7.4 Extensive plantings on steep terrain, and/or on marginal and fragile soils, is avoided.

At this time NBPOL has no plans to develop any more area's that would require terracing. NBPOL preference is to develop only flat land. There are no marginal or fragile soils in this area. Soil maps have been produced of Silovuti. A management plan includes the protection of soils.

All land at Silovuti new development is flat and less than 9 degrees slope.

There is no peat soil at this new development.

All respondents are aware of the RSPO restrictions on planting on steep terrain, the soils in the Hoskins area are very fertile being of volcanic origin and some growers have been producing high yields of oil palm for over forty years.

Criterion 7.5 No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and

other stakeholders to express their own representative institutions.

Informed consent is difficult in areas such as Silovuti, where education and literacy levels are particularly low. However, a detailed social impact assessment was completed and negotiations over the proposed development and lease-lease back arrangements occurred over an extended period. This is considered as adequate given the ability of the Silovuti people to see oil palm developments in adjacent areas (and therefore have a reasonable understanding of the proposed development and impacts). However, recent uncertainty over the area of HCV has the potential to significantly reduce the area of oil palm developed at Silovuti, and hence, reduce the financial benefits received by the customary landowners. This needs to be resolved as quickly as possible, and if it results in a significant change to the benefits expected from the lease-lease back arrangement, further consultation will be required.

Criterion 7.6 Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

A detailed process has been followed to ensure the customary landowners were correctly identified, and assistance was provided to help form the Talasea Incorporated Land Group.

The Environmental Plan for the Kulu-Dagi and Inland Kove areas predicted negative social impacts resulting from the "unwise spending of cash controlled by men" and stated that "landowners will be encouraged to invest part of the money they receive from land rental and royalties in trust funds for business development and improvement of village facilities. Furthermore, the Environmental Plan noted "the poor education base will also prove to be a constraint to people's participation in the business development opportunities associated with the project". During the audit, ILG representatives confirmed that many people were not using the financial benefits wisely and were not saving any part of the payments received. They also stated that they had difficulty accessing business opportunities. The company intends providing advice on management of money received as a result of the development.

The low levels of financial literacy were not limited to the Silovuti area. Other ILGs raised the same constraint. The ILGs met also requested further training for the committees in budgeting, bookkeeping and similar tasks.

NBPOL will provide education assistance to ILGs from 2011 onwards. One male and one female student from each ILG will receive a scholarship to meet costs for Year 11. In the following year the program will cover both Years 11 and 12. The selection of students will be based on merit. This will help increase the number of students who get a decent education and go some way in addressing financial literacy levels in the longer term. However, given the low financial literacy levels and the

right of landowners to benefit from oil palm development, it is recommended that in addition to the above initiative, NBPOL engage a full-time **Business Development Officer** as part of the Mini Estates team to (i) improve financial literacy levels among ILG members and (ii) provide assistance to ILGs to establish and operate businesses.

The role of the Business Development Officer should also include the provision of assistance to ILGs in financial management and reporting. The proposed changes to the ILG Act will strengthen this requirement, and most ILGs will need to improve considerably to remain compliant.

Criterion 7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations as identified in the ASEAN guidelines or other regional best practices.

There is no intentional burning in the new plantings. NBPOL has had a no burn policy for new plantings since 1968 and this is documented elsewhere in this report.

There has been no use of fire in the preparation of the new development at Silovuti presenting evidence that the policy has been implemented.

OPIC and NBPOL have carried out considerable awareness and training programs on the Principles and Criteria for RSPO for their staff and smallholders since 2004. All respondents complied, stating that practices had changed under RSPO.

Both OPIC NBPOL Smallholder Affairs carry out training on a regular basis (but see comments on OPIC below).

Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

The company has implemented an environmental Management System that is certified to the ISO 14001:2004 Standard.

Objectives and Targets have been developed and an improvement plan prepared. The third party ISO 14001 Certification Audit checks the achievement of the objectives and targets annually for continuous improvement. The main focus of continual improvement to date has been environmental performance, while less attention has been given to social impacts.

The company has implemented best practices for management of pesticides and the improved controls associated with this program has reduced overall chemicals usage over the past 5 years.

NBPOL has in place a programme to ensure all bulk Hydrocarbons are controlled through containment via bunding of all hydrocarbon bulk tanks to 110% of contents in line with the Australian Standards AS 1940.

OPRA & NBPOL are looking at alternatives to Paraquat.

The company has implemented a best practice system for the segregation of wastes at source and turning recyclables into composts whilst disposing of non recyclable in landfills. This program has reduced substantially the quantity of waste disposed in landfills.

Riparian buffer strips are being established at replant to trap coarse grained sediment from discharge into streams. Vetiver and Guatemala grass are being used to strengthen river and creek banks to prevent erosion.

The modern pollution control technology associated with construction of a new central power station at Kumbango and a new boiler at Mosa Mill is expected to result in reduction of particulate smoke emissions to air. In addition, a CDM Project to capture methane from the mill effluent ponds will significantly reduce greenhouse gas emissions.

An independent Scoping Assessment was carried out in 2007 to identify a list of social impacts on employees, SG's, ILG's and local communities. A Register has been prepared and risk assessment carried out for the social aspects and impacts.

A Continuous Improvement Plan is attached. Appendix C.

3.2 Detailed Identified Nonconformities, Corrective Actions and Auditor Conclusions (Also included as Appendix D)

MAJOR NONCONFORMITIES

There were no major non conformities raised as a result of this assessment

MINOR NONCONFORMITIES

Seven (7) Nonconformities were assigned against Minor Compliance Indicators. Details of these Nonconformities are provided below:

4.7.2 Minor NCR: There were some issues regarding electrical safety at the new Waraston Mill site. This included use of damaged leads, poor control of electrical leads and piggy backing of plugds. Further there were no Fire extinguishers available in area where welding and use of gas bottles is taking place.

NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress on Corrective Action will be checked during the next Surveillance Audit.

5.1.2 Minor NCR: Although there is a comprehensive environmental improvement plan in place this does not show evidence that each area is followed up to monitor and determine progress made.

NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress

on Corrective Action will be checked during the Surveillance Audit.

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The junior staff club, at Mosa, requires action, as the toilets/bathroom are below acceptable standards and the TV and refrigeration do not work.

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(i) The accommodation available at each compound, and the current shortage of accommodation, is not identified for each compound. Thus, the supply and demand for housing will be projected for each compound, and the company as a whole, resulting in a clear picture of housing shortages and their duration.

(ii) A program for the provision of power points in general labour quarters is required, indicating when power points will be included (as standard) in new houses that are constructed, and an estimated timeframe for the inclusion of power points in existing houses.

(iii) A program for collecting basic data on each compound is not outlined, so that improvements in living conditions can be planned and prioritised across the company as a whole.

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The threat of blanket bans does not appear to prevent problems and if the underlying cause of the problems is not addressed, the situation may deteriorate further. It is suggested that the security issues facing truck drivers are investigated by NBPOL, in consultation with local leaders, in an attempt to gain a better understanding of the issues involved, and to explore options for minimising the problems. A solution is not clearly apparent, but action is warranted, and closer investigation and discussion may help.

NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress on Corrective Action will be checked during the Surveillance Audit.

OBSERVATIONS / OPPORTUNITIES FOR IMPROVEMENT

The assessment identified Seven (7) Observations/ Opportunities for Improvement. The progress with the Observations/Opportunities for Improvement will be

checked during the next Surveillance Assessment visit scheduled for August 2012.

4.4.2 Observation: A number of signs indicating buffer zones do not identify NBPOL as the authority for these signs.

4.7.4 Observation - It should be ensured that when items are recorded as non conforming as a result of a safety inspection that the reason is recorded and followed up takes commensurate with the risk.

4.8.2 Observation: The Training Manager could have a greater role in training needs assessment, as this is currently the responsibility of managers and supervisors in each mill, estate, department, etc. In a supervisory role, the Training Manager may help ensure a more consistent and systematic approach to the identification of training needs across the company as a whole. In addition, while an assessment of the training is usually undertaken on completion of the course (by the participants), it may be beneficial to undertake competency assessments to evaluate the effectiveness of the training provided. This would typically be undertaken several months after the training and would assess whether improved practices are being followed under normal working conditions

5.3.2 Observation: The medical waste such as bandages and dressing is being incinerated at each clinic in a provided incinerator. However some of these incinerators are very old and are themselves a health hazard and do not always appear to burn the waste completely. It is suggested that to reduce handling a central area is set aside to incinerate all such waste.

5.3.2 Observation: Compound residents separate green waste from general household rubbish. There is evidence that compound residents place green waste and general household rubbish in the correct bins. However, the Main Mosa Compound requires green waste bins. These should be issued to residents as a matter of priority as piles of green waste (including food scraps) on the roadside presents a number of potential health risks.

6.3.1 Observation: Although widely used, there is some indication that the guidelines need to be reviewed, further training provided on the use of the grievance mechanism, and increased awareness provided to ensure not just workers, but dependents and external stakeholders are aware of the system.

6.9.1 Observation: It is important to have a process for reviewing the effectiveness of company policies and procedures, and improving these over time. It is also important to respect senior staff that have allocated substantial time, in addition to their everyday tasks, to review and update company policies in an attempt to improve the welfare of employees and dependents. NBPOL should respond to the policy submissions as a matter of priority and clarify the role of the gender committee.

3.3 Noteworthy Positive Components

A large number of positive outcomes and achievements were noted during this assessment and are listed below.

A number of contractors remarked on the fact that NBPOL were good to work with and paid all invoices on time and provide them with plenty of work.

The continuation of NBPOL's comprehensive training programs, including the engagement of apprentices and provision of training and work placements for secondary and tertiary students.

The preparation of plans for the establishment of a training centre with nationally recognised trainers and trade testing capacity.

Work undertaken by the Gender Committee on how to develop and effectively implement policies on equal employment opportunities, domestic violence, sexual harassment and HIV/AIDS.

The preparation of visual aids to help explain the FFB price and FFB formula.

NBPOL is an efficient palm oil producer and together with the smallholders during the 2010 calendar year averaged 23.07 tonnes of FFB per hectare from the total planted area (55,976 ha) of mature palms. In conjunction with this high average crop production, the mills operated efficiently and the overall oil extraction rate averaged 22.51% for Crude Palm Oil and 5.05% for Palm Kernel. These high yields and extraction rates are the outcome of consistently implemented best practices and effective management systems.

NBPOL continues to support a research program through its Dami Research Station and collaborative work with the PNG Oil Palm Research Association.

NBPOL has continued to implement and manage an excellent EMS with a high level of compliance which has been taken up by many contractors and suppliers and therefore improving the Environmental Management of all who come into contact with them.

Appropriate PPE is supplied to workers who undergo regular training in safe work practices. All PPE is widely available and the use of PPE has been taken up by many contractors.

All compounds have benefitted from the EMS in place at NBPOL as their appearance has improved markedly due to emphasis on housekeeping and waste management.

Despite the challenge that social responsibility provides, NBPOL continues to improve its operational transparency and engage with a broad range of

stakeholders. Maximising the benefit that this engagement provides to impacted stakeholders is a key business objective and continual challenge, particularly in a period in which the Company is expanding its operations.

The level of awareness and understanding of RSPO among external stakeholders appears to have increased significantly over the past year.

There was a general increase in satisfaction with “smolholda” the NBPOL Smallholder Affairs Department. Other than that negative comments were similar to the 2010 audit.

NBPOL recently contributed to the establishment of the Kimbe Eye Clinic attending to patients both within the province and outside.

NBPOL has participated greatly to infrastructure maintenance through tax credit scheme and meeting twice every month with the provincial work department maintain good relations with the department.

NBPOL has become the lifeblood of WNB people and business providing spin off benefits, infrastructure maintenance and employment opportunities

3.4 Issues Raised By Stakeholders and Findings with Respect To Each Issue

Attachment 3: Issues raised by stakeholders

A number of comments were made by external stakeholders that may require a response by NBPOL. Those considered the most important are summarised below.

Ubai Village:

- Concern about delays in processing CLUAs.
- Concern about delays in receiving harvesting cards.
- Unclear why deductions are still being made for inputs from the mid 1980s.
- Request more response to complaints made to OPIC and SHA.
- Insists the community has not benefited from either local employment or spin-off business opportunities, despite the clause in the lease-lease back agreement indicating local preference.
- Requests financial management and other training for the ILG.
- Indicated that NBPOL made promises to build an aidpost, church, 2 classrooms and 2 houses for teachers during a school presentation a couple years back, but there has not been anything forthcoming.

NBPOL Response: These issues and requests will be further investigated and formal responses compiled by the appropriate and respective departments.

Kimbe Hospital:

- The CEO was asked by NBPOL to submit a quote for an x-ray processor, which he did, but he has not received any response.
- Would appreciate a more formal funding arrangement with NBPOL.

NBPOL Response: NBPOL will try to work more closely with the Kimbe General Hospital administration through the offices of the Company Secretary and Legal Officer.

Provincial Administration (Deputy Administrator):

- Interested in an update on the methane capture projects and impacts on power supply.
- Indicated that a short summary of what RSPO is and means would be useful.
- Indicated that a second NBPOL representative (possibly from the Sustainability Department) should attend meetings of the WNB Oil Palm Development Committee.

NBPOL Response: Expanded engagement between NBPOL and the Provincial Administration will be worked on, including presentations and updates on the major capital projects in WNB that will result in improved rural livelihoods, increased employment and social development.

Caritas PNG:

- Suggested ‘landscape planning’ was essential to ensure a balance between oil palm, food gardens/alternative crops and naturally forested areas.

NBPOL Response: This is agreed and landscape planning exercises are already under way.

Live & Learn:

- Concerned that the Numundo area was developed without any consultation.
- Concerned about the environmental impacts of oil palm and milling on rivers, streams and Kimbe Bay.

NBPOL Response: The development at Waraston Oil Mill was conducted with widespread and documented public consultation. These documents are available for perusal on request.

Forcert:

- Queried the ethics of NBPOL selling seeds/seedlings to logging operators (eg. Turubu, Pomio).
- Unsure of the risk posed by the methane capture projects (awareness required).
- Raised an issue of a rare frog species being identified by WWF in the Silovuti area, prior to oil palm development.

NBPOL Response: All projects in WNB are being carried out following full legal, OHS and HCV assessments. We welcome engagement and discussion with Forcert staff to explore and answer these queries in more detail.

Mahonia Na Dari:

- Queried the required buffer between oil palm and coastal foreshores.
- Suggested additional awareness for local communities on the impact and risks of fertiliser and chemicals used by NBPOL and smallholders.

NBPOL Response: As NBPOL has representation on the Mahonia Na Dari Board, these queries will be discussed and requisite plans drawn up.

Chamber of Commerce:

- Requested advanced notice to suppliers in Kimbe ahead of large procurement orders.
- Suggested an alternative attend meetings of the Chamber if the Company Secretary is not available.

NBPOL Response: These suggestions will be given full consideration by NBPOL’s management.

3.5 Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings

Please sign below to acknowledge receipt of the assessment visit described in this report and confirm the acceptance of the assessment report contents including assessment findings.

Signed for on behalf of
New Britain Palm Oil Limited



.....
Mr Mike Hoare
General Manager
Date: 19.09.2011

Signed for on behalf of
BSiGroup Singapore Pte Ltd



.....
Mr Allan Thomas
Lead Auditor
Date: 19.9.11

Appendix “A”

RSPO Certificate Details

New Britain Palm Oil Limited
 Post Office
 KIMBE
 WEST NEW BRITAIN PROVINCE
 PAPUA NEW GUINEA

Certificate Number: SPO 537355
 Certificate Issue Date: 10.9.2008

Website: www.nbpol.com.pg

Applicable Standards: RSPO Principles &Criteria : 2007; PNG National Interpretation : 2008

Name:	Kapiura Mill & Supply Base
Location:	Bilomi Plantation, West New Britain Province, PNG.
Address	P.O.Kimbe, West New Britain Province, PNG
GPS	E 243536.48 N 9377869.69
CPO Tonnage	68,268
PK Tonnage	14,513
Plantations FFB Tonnage	Malilimi (34,517), Bilomi (62,481), Kautu (58,333), Kaurausu (52,270),
Mini Estate FFB Tonnage	Rigula Me (23,414)
Smallholders Tonnage	67135.928

Name:	Numundo Mill & Supply Base
Location:	Haella Plantation, West New Britain Province, PNG
Address	P.O.Kimbe, West New Britain Province, PNG
GPS	E 171370.44 N 9388596.38
CPO Tonnage	75762.73
PK Tonnage	16978.24
Plantations FFB Tonnage	Bebere (101), Kumbango (15), Togulo (28), Lolokoru (9,882), Malilimi (88), Haella (76,530), Numondo (33,295), Garu (68,615), Navarai (9,435)
Mini Estate FFB Tonnage	Valupai ME (5,698), Karato Me (5,405), Sapuri Me (50,653), Lotogam (1,264) Waisisi (31), Natupi (998) Daliavu (49,610), Rigula ME (30)
Smallholders Tonnage	34856.23

Name:	Mosa Mill & Supply Base
Location:	Bebere Plantation, West New Britain Province, PNG.
Address	P.O.Kimbe, West New Britain Province, PNG
GPS	E 193904.84 N 9377831.2
CPO Tonnage	67,438
PK Tonnage	15740
Plantations FFB Tonnage	Bebere (33,332), Kum (8,060), Dami (4,510), Togulo (25,571), Lolokoru (12,005), Malilimi (6,060), Healla (953), Num (930), Garu (1,201), Navarai (290)
Mini Estate FFB Tonnage	Waisisi ME (8,110), Lotogam ME (1162), Volupai ME (6,264), Rigula ME (23,130), Karato ME (142), Daliavu ME (893), Natupi ME (891) & Sapuri (966)
Smallholders Tonnage	159,390

Name:	Kumbango Mill & Supply Base
Location:	Kumbango Plantation, West New Britain Province, PNG.
Address	P.O.Kimbe, West New Britain Province, PNG
GPS	E 191134.07 N 9381192.85
CPO Tonnage	79,361
PK Tonnage	17,945
Plantations FFB Tonnage	Bebere (11,891), Kum (51,595), Togulo (4,403), Dami (4,688), Lolokoru (28,649), Malilimi (6,189), Haella (3,314), Num (3,390), Garu (3,591), Navarai (827)
Mini Estate FFB Tonnage	Rigula (26,407), Valupai (19,766), Karato (346), Sapuri (2,616), Natupi (3,708), Daliavu (2,818), Waisisi (9,991), Lotogam (4,652)
Smallholders Tonnage	164,522

Appendix “B”

SUSTAINABILITY AUDIT PROGRAM

***(COMBINED RSPO ANNUAL SURVEILLANCE ASSESSMENT & ISO
SURVEILLANCE AUDIT)***

22ND – 27TH AUGUST 2011

Audit team

Allan Thomas - Lead Auditor & Overall compliance
Rod Parsons – Documentation & Environment Specialist
Mike Finlayson – Social Specialist
Tom Vigas – Smallholder specialist

NBPOL Sustainability Team

Ian Sahoto
Patrick Mungore
Rex Kaupa
Murray Feddersen

Audit Groups.

Group	Audit Team Member	Facilitator
1	Allan Thomas	Ian Sahoto
2	Rod Parsons	Mark Hadfield
3	Mike Finlayson	Patrick Mungore
4	Tom Vigas	Rex Kaupa

Typical Daily Program

0730 depart Lliamo
0730 – 0815 Travel to Dami, confirm arrangements for day
0815 – 1230 Auditing planned activities
1230 – 1300 Break for lunch
1300 – 1630 Auditing planned activities
1630 – 1700 Audit team review, notes, administration, email
1700 Return to Lliamo

Note: Program may be varied by Audit Team Leader particularly with respect to travel to/from Lliamo
Time will be provided daily for Audit team planning meeting, administration, email, etc.

Sunday 21 August

Audit team arrives at Hoskins, travels to Liamo on Liamo Airport Transfer bus

Monday 22nd August

8:00am – 9:00am Opening Meeting Mosa Board Room

Time	Auditor	Activity	NBPOL Sustainability Team Member	NBPOL Representative
Morning	Allan Thomas	Inspect Mosa mill, Central Stores, Nursery & Togulo Estate		
	Rod Parsons	Inspect Mosa&Kumbango estates POME ponds, Methane capture, Mosa Laboratory		
	Mike Finlayson	Mosa Mill compound, Mosa plantation compound, Mosa Clinic		
	Tom Vigas	Meet and inspect Smallholder operations		
Lunch		NMC – 12:30		
Afternoon	Allan Thomas	Meet Union representatives, Training & HR Dept. KBT		
	Rod Parsons	Kumbango Mill Refinery, Vehicle Workshop		
	Mike Finlayson	Police, Works Dept and Hospital in Kimbe		
	Tom Vigas	Meet and inspect Smallholder operations		

Tuesday 23th August

Morning	Allan Thomas	Lolokoru, Lotomgam and Volupai Estates (6:45am departure from Liamo) Haella Estate (Plantation, Chemicals, Water supply & Housing) and Numundo estate depot.		
	Rod Parsons	Sapuri, Daliavu, Kumbango, Bebere and Togulo Estates		
	Mike Finlayson	Meet villagers at Lolokoru, Housing compounds at Navarai, Lolokoru and Volupai		
	Tom Vigas	Meet and inspect Smallholder operations		
Lunch		NMC – 12:30pm		
Afternoon	Allan Thomas	Dami Estate and Dami Housing compound and clinic. Review Chemical application, training, use of renewable and non-renewable fuels and smoke emission records		
	Rod Parsons	Dami Office – review system documentation & records		
	Mike Finlayson	Dami/Mosa – womens group meetings (Women in Oil Palm Group & LusFrut ladies)		
	Tom Vigas	Meet and inspect Smallholder operations		

Wednesday 24th August

Morning	Allan Thomas	Inspect Numundo Mill, Waraston Mill site & Walindi, Sarakolok and Dagi estates		
	Rod Parsons	Inspect Haella&Waraston housing compounds & landfill, Abattoir area.		
	Mike Finlayson	Interview community representatives – Mosa area		
	Tom Vigas	Meet and inspect Smallholder operations		
Lunch		NMC – 12:30pm		
Afternoon	Allan Thomas	Waisisi Estate & chemical store, roads, fertiliser storage and application, buffer zones		

	Rod Parsons	Dami Office – review system documentation & compliance records		
	Mike Finlayson	Dami/Mosa – womens group meeting		
	Tom Vigas	Meet and inspect Smallholder operations		

Thursday 25th August

Morning	Allan Thomas	Inspect Kapiura mill and Moroa Estate		
	Rod Parsons	Bilomi, Kautu 1, Kautu 2, Karasu 1 & Karausu 2 Estates & waste facilities		
	Mike Finlayson	Waisisi Estate employees and Hoskins area Smallholder association		
	Tom Vigas	Meet and inspect Smallholder operations		
Lunch	AT & RP Others	Kapiura NMC		
Afternoon	Allan Thomas	Malilimi Estate & new mill site, Rigula estate.		
	Rod Parsons	Karazu 1 & Karazu 2 Estates		
	Mike Finlayson	Interview Community Representatives		
	Tom Vigas	Smallholder operations		

Friday 26th August

Morning	Allan Thomas	Review RSPO Compliance Documentation (Legal, Publicly available documents)		
	Rod Parsons	Review RSPO Documentation (Principle 4)		
	Mike Finlayson	Inspect Mosa Mill & estate compounds, interview residents		
	Tom Vigas	Reporting on Smallholder operations		
Lunch		NMC		
Afternoon	Allan Thomas	Report Preparation and Exit meeting (3:00pm, Mosa)		
	Rod Parsons	Report Preparation and Exit meeting (3:00pm, Mosa)		
	Mike Finlayson	Report Preparation and Exit meeting (3:00pm, Mosa)		
	Tom Vigas	Report Preparation and Exit meeting (3:00pm, Mosa)		

Saturday 27th August

8:00am Audit team departs Hoskins on PX841.

Appendix “C”

CONTINUOUS IMPROVEMENT PLAN

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
1.1	Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.	1.1.1 Records of Requests & Responses	Major	Grievance Book & stakeholder requests recorded and actioned as required	<ul style="list-style-type: none"> - Records of grievance, request and responses. - New Britain Palm Oil – Enquires register 2009. - Records of MOU between NGOs and NBPOL - Procedures for handling landowners grievances – MG21 - WWF Coral Triangle Photo Expedition 2010. - Office of Climate change and Development (OCCD). – Request of tour of NBPOL Operations and update on good Environmental Practices. - Stakeholder Communication Records. - Collaboration with Local Marine Management Authority. - External stakeholders Response to Proposed new development. - Environment Awareness – Schools, local communities with collaboration from NGOs. - Annual Smallholders field day's events - Smallholder Agriculture Development Program, World Bank. 	<p>NBPOL NBPOL Live & Learn & NBPOL WWF OCCD</p> <p>Landscape Patanga LMMA FORCERT</p> <p>Sust/NGO OPIC World Bank</p>
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1 List of publicly available documents approved by top management	Major	List of Documents	<ul style="list-style-type: none"> - List of Publicly Available Documents – Available on NBPOL Website: http://www.NBPOL.com.pg/reports/index.html. 	NBPOL
		1.2.2 Equal opportunity policy as per PNG constitution	Major	Policy Statement	<ul style="list-style-type: none"> - Employee Rights & Equal Employment Opportunities Policy publicly available. (To be included in Sustainability Handbook – both English & Pidgin versions) - Constitution of the Independent State of Papua New Guinea/Preamble. 	<p>NBPOL</p> <p>PNG Constitution</p>
		1.2.3 Land titles/User rights	Major	Land title, maps, user rights	<ul style="list-style-type: none"> - All Land Titles and User Rights are confidential documents kept by Lands & Mini-Estate Department. 	Mini Estate

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		1.2.4 Occupational Health and Safety Plan	Major	Documented OH&S System	- Refer to 4.7 – Occupational Health & Safety	OHS
		1.2.5 NBPOL encouragement of out-grower management to adopt and disseminate an OHS Policy	Minor	Communications with OPIC	- Dissemination of OH&S Policy to out growers. (Displayed on Smallholder’s Notice Boards) - Correspondence from Mike Hoare to Steven Oiza on adoption on Health & Safety Policy. - OPIC adopted Stop Riding on Tractor’s Mudguard awareness safety sticker.	SHA NBPOL & OPIC OPIC
		1.2.6 Health Policy includes HIV/Aids, Malaria, Domestic Violence & Sexual Harassment Policy	Major	Comprehensive Health Policy	- HIV/AIDS, Malaria, Domestic Violence and Sexual Harassment Policies. - On Display on Notice Boards at all operational sites - Sustainability Handbook, Company Regulations Handbook & Gender booklet.	NBPOL
		1.2.7 Plans and impact assessments relating to environmental and social aspects. These are legal requirements and must be held on site.	Major	Documented Environmental & Social plans & Assessments	- Environment Aspect and Impacts Register (5.1) both significant positive and negative aspects. - Social Impact Scoping Assessment for Existing Operations at NBPOL. - Interim social Impact Assessment and Social Impact Mitigation Strategy.	Sustainability Petra Meekers Sustainability Consultant
		1.2.8 (1) Details of complaints and grievances	Major	Grievance Book	- Refer to MG21 (page21) and Sustainability Handbook (page 19), Grievance Red Book and SHEQ001 (All Growers follows company procedures).	NBPOL
		1.2.8 (2) Outgrowers to adopt incrementally	Minor			
		1.2.9 Documented system for access to customary land and negotiation procedures for settling disputes under criteria 6.4	Major	MG 21 for Lands Department	- Detailed and clear procedure stipulated in the Land Acquisition Practice Management Guideline (MG21)	Lands & Mini-Estates
		1.2.10 Continuous improvement plan	Major	Refer 8.1	- Refer to 8.1 (Continuous Improvement Plan)	Sustainability

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1 Evidence that all applicable legal and regulatory requirements are implemented as prescribed	Major	List of documents, compliance checklist for each. Reference to EMR 18, EMR 16, note pointing to the above	<ul style="list-style-type: none"> - Company Secretary/Legal Officer directly responsible of all legal matters and legal documentation. - EMR18 Evaluation of Legal Compliance Record for all operational sites. - DEC – NBPOL Water Use Permits Amalgamation - Water Meter Roll Out to all operational sites in compliance to DEC Water Use Permit. - DEC Correspondence – NBPOL Environmental Permits Approval. - Index of Acts – Current National Legislation (As of June 29 2007). - DEC Correspondence – NBPOL Waraston Mill Permit Application (Ian R. Sahoto&BrendenTrawen) - Correspondence – NBPOL Water Use Permits (Roger Crawford & DEC). - TNT Records of Waraston Mill Permit Application Mail. - Correspondence – Company Secretary to DEC – (Water Use Permits approval). - Sustainability Manager Meeting with DEC – POM. - Correspondence – Sustainability & DEC Formal Request for meeting. - Talasea Rural Local Level Government - Marine Environment Management Law 2004. - Current National Legislation – Published 13th October 2009. - Environment Inception Reports to DEC. - Notification of Intention to Carry out Preparatory Work to DEC – Methane Capture Project with Waraston Palm Oil Mill. - Application for an Environmental Permit to Discharge Waste - Waraston Palm Oil Mill. - Environment Management & Monitoring Plan (EMMP) – Annually submitted to DEC. Refer to EMMP for Mini-Estates (Annually). - Internal & external BOD & Water quality testing done monthly. Domestic water testing as well. 	<p>Legal</p> <p>NBPOL</p> <p>NBPOL & DEC</p> <p>NBPOL & DEC</p> <p>NBPOL & DEC</p> <p>Legal Officer</p> <p>NBPOL & DEC</p> <p>NBPOL & DEC</p> <p>NBPOL & DEC</p> <p>NBPOL & DEC</p> <p>NBPOL & DEC</p> <p>Talasea LLG</p> <p>PNG INLAWS Landscape Projects</p> <p>Environment Officer</p> <p>Mini-Estates</p> <p>Mosa Central Lab</p>

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		2.1.2 A documented system which includes information on legal requirements	Minor	Refer EMS O2 procedure	<ul style="list-style-type: none"> - Refer to guideline in EMS Procedure EMS02A – Compliance of all Legal requirements. - Law and Acts applicable to Oil Palm plantations in PNG and other requirements. - Media Notice on Environment Permit application - Proposed Waraston Palm Oil Mill. - Environmental Plan Approval for Waraston Mill (DEC) - Records of all Environmental Plan Approvals (DEC) - Annual EMMP for Mini estates 	Legal Officer Legal Off NBPOL NBPOL Mini estates,
		2.1.3 A system for tracking any changes in all applicable local, national and ratified international laws and regulations	Minor	Evidence of an arrangement to monitor legislative changes	<ul style="list-style-type: none"> - Refer to company Legal Officer – NBPOL subscribes to NIU Media Pacific for PNG InLaw updates. We have subscribed to this service since 1998 for legislation updates. Also DVD updates come quarterly. 	Legal Officer
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	2.2.1 Documents showing legal ownership or lease, and where possible, a history of land tenure and the actual legal use of the land.	Major	Land titles, leases, agreements	<ul style="list-style-type: none"> - Confidential documents with Lands, Mini Estate Dept and Legal. Also more information in MG21 – Guideline on Land Acquisition Practices 	Legal & mini Estate
		2.2.2 Evidence that legal boundaries can be clearly identified	Major	In field evidence of block markers	<ul style="list-style-type: none"> - Legal boundary pegs establishment are visible with clear boundary markers in plantations & Mini Estates 	Plantations & Mini Estates
		2.2.3 Where there are, or have been, disputes proof of resolution or progress towards resolution by acceptable conflict resolution processes.	Major	Court records, dispute files	<ul style="list-style-type: none"> - Confidential information with Legal, Lands and Mini Estate Dept. Management Guideline (MG21) – Guideline on Land Acquisition Practices 	Legal & Mini Estate
		2.2.4 Absence of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by the parties involved.	Major	No significant land conflict, no records of conflict available	<ul style="list-style-type: none"> - Records of meeting minutes & conflict resolution available at Mini Estate Dept. Land Acquisition Practices (MG21) stipulated comprehensive land conflict resolution procedure. 	Legal & Mini Estate

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
2.3	Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.	2.3.1 Maps of an appropriate scale showing extent of plantations on alienated land.	Major	Appropriate Map	<ul style="list-style-type: none"> - Applicable Maps on display at Dami. Individual plantations & Mini Estates having map display at respective sites. (Central information with Precision Agriculture) 	Precision Agriculture
		2.3.2 Maps of appropriate scale showing extent of lease/lease-back areas	Major	As above	<ul style="list-style-type: none"> - All lease-lease back Mini-Estates maps are available with confirmed clear identifiable legal boundary markers at all sites. 	Mini-Estates/Precision Agriculture
		2.3.3 Maps of an appropriate scale showing extent of land settlement scheme on alienated land	Major	OPIC Map	<ul style="list-style-type: none"> - Maps available for oil palm development on land settlement scheme on alienated land. (OPIC maps) - OPIC – Oil Palm Areas of Talasea District. (Map) - NBPOL Proposed Mini-Estate Areas. (Map). - Plantations, Mini-Estates, Smallholders, Village Oil Palm (VOP) and Proposed Mini-Estates (Map). - Maps are on display at Dami Conference Room. 	Smallholders / OPIC Precision Agriculture Precision Agriculture Precision Agriculture Research division
		2.3.4 Sketch maps showing customary land to be utilised in VOP (Village Oil Palm)	Minor	To be determined	<ul style="list-style-type: none"> - Maps on display. Specific maps showing village oil palm (VOP) and customary rights purchase (CRP) oil palm development (OPIC holds these) 	OPIC
		2.3.5 Land titles for 1-3	Major	Leases	<ul style="list-style-type: none"> - Land Titles and other lease agreements are confidential documents with Lands and Mini-Estates Department. 	Lands/Mini-Estates, OPIC
		2.3.6 Customary land usage agreement to demonstrate rights to 2.3.4 (for new out-growers, CLUA is mandatory)	Minor	Documents held by out-growers	<ul style="list-style-type: none"> - Clan Land Use Agreement (CLUA) & Customary Rights Purchase (CRP) records are confidential information with OPIC and Lands. 	OPIC & Lands
		2.3.7 Copies of negotiated agreements detailing process of consent.	Major	Correspondence file.	<ul style="list-style-type: none"> - Records of Negotiation, Agreements and meeting minutes on new development and land disputes available with Mini Estate dept. 	Mini-Estates

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
3.1	There is an implemented management plan that aims to achieve long-term economic and financial viability	3.1.1 A documented business or management plan (at least 5 years)	Major	Budgets, mini estates progress reports	<ul style="list-style-type: none"> - Annual Sustainability Report by Directors Sustainability. - NBPOL Annual Report on business issues. - NBPOL annual 30.30 Production charter reviewed annually. - NBPOL Mills Weekly Stock & Production Data submitted weekly. 	Sustainability NBPOL NBPOL Mills
		3.1.2 Annual replanting program, where applicable, projected for a minimum of 5 years with yearly review	Minor	Replanting program	<ul style="list-style-type: none"> - Replanting Program – Numundo, Kapiura and Mosa Group of Plantations available. - Economic Plans or Business Development Plans are confidential information kept by NBPOL General Manager. - Some areas have been identified for proposed Mini Estates Development with negotiation and agreement in progress. 	Plantations General Manger Mini Estate
4.1	Operating procedures are appropriately documented and consistently implemented and monitored.	4.1.1 Standard operating procedures for estates and mills are documented	Major	Management Guidelines	<ul style="list-style-type: none"> - All up dated Management Guidelines (Issue 3 – August 2009) available at respective operational sites. - Mills Standard Operating Procedure (SOP) available in both TokPisin and English with MG6, 7 & 8 at respective mills. 	NBPOL Mills
		4.1.2 A mechanism to check consistent implementation of procedures is in place	Major	Sustainability Audit program	<ul style="list-style-type: none"> - Total Quality Manager Monthly Inspections reports undertaken by senior mill manager. - Plantation Senior manager/Group Manager Inspection Reports. - Doctor and clinical workers Compound Inspection Reports. - Integrated Internal Audit Reports. - Site Safety Inspection Reports. - Plantation Inspector's Inspection Reports. - Head of Plantation inspection reports - OHS WRA Reports (Refer to 4.7). 	SMM SM/GM Doctor Sust Auditor OHS Rep. Pltn.Inspector HOP OHS Advisor
		4.1.3 PNG National codes of practice are referenced	Major	References to PNG Code of Prac in MGs	<ul style="list-style-type: none"> - Logging Code of Practice. - Oil Palm Milling Code of Practice. - Hydrocarbon Code of Practice. - Sanitary Code of Practice - MG01A – Page 21 – Buffer zone Establishment. 	DEC DEC DEC DEC NBPOL

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		4.1.4 Records of monitoring and the action taken are maintained	Major	Audit reports & Corrective actions, plantation inspection reports, TQM, GM audits, internal audits.	<ul style="list-style-type: none"> - Refer to 4.1.2 – All Inspections Reports. - Refer to 8.1 – Continuous improvement 	NBPOL system compliance
4.2	Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1 Records of fertiliser inputs are maintained	Minor	Fertiliser records	<ul style="list-style-type: none"> - NBPOL Immature Fertilizer Recommendation & application. - Total Fertilizer Application Record for Mature & immature Palm Trees (1996 – onwards). - Annual Fertilizer Tender Requirements for NBPOL. - Annual Fertilizer Application Records for each Plantation Group. - Annual Manuring Recommendations for NBPOL and Solomon Estates. - Annual Summary Fertilizer Recommendations for Mature Areas. - Final NBPOL Fertilizer Recommendation. - Annual Fertilizer Requirements for PNGOPRA Trials. - Annual Fertilizer Recommendation Records for each Plantation Groups. - Actual fertilizer application data for each plantation plus trend graph for each groups. 	Agronomy Agronomy Agronomy Agronomy Agronomy Agronomy Agronomy Agronomy
		4.2.2 Evidence of periodic tissue and soil sampling to monitor changes in nutrient status	Minor	Records of analysis	<ul style="list-style-type: none"> - Records of 2003 and 2008 Comparative Soils Chemical Data (Done every 5 years). - Leaf Nutrient Content/FFB sample 2007-2008 (Leaf Sampling). - Vegetative Measurement by age group for NBPOL. - Foliar Analysis Results – Leaflet Nutrient Content/FFB 2008 – onwards. 	Agronomy Agronomy Agronomy Agronomy

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		4.2.3 A nutrient recycling strategy should be in place	Minor	MG reference to field distribution of EFB, Numundo POME irrigation	<ul style="list-style-type: none"> - EFB nutrient recycling - Composting Management Guidelines (MG16). - Direct EFB Field Application in plantations for nutrient recycling (EFB application Records 2005 – 2009). - Effluent Desilting & Direct Field Application program. - - Upkeep Practices management Guideline (MG04) – Manual EFB Application (New & replanting). 	<p>Agromony</p> <p>Plantations</p> <p>Mills/plantation</p> <p>Plantations</p>
4.3	Practices minimise and control erosion and degradation of soils.	4.3.1 Risk assessment of erosion for each block (smallholder and plantation)	Minor	List of blocks & MU's with risk assigned to each	<ul style="list-style-type: none"> - Environmental Aspects and Impacts Register soil erosion a significant aspect (August 2010). - Environmental Incident and Investigation Report. - Environment Incident Report SHEQ001 & 001A. 	<p>NBPOL</p> <p>Sustainability</p> <p>All sites</p>
		4.3.2 No evidence of new planting (Nov 2007) on slopes above 25° (smallholder and plantation)	Major	No new planting at all above 25° slope	<ul style="list-style-type: none"> - No replant /new planting above 25° slopes. All planted slopes have been GPS identified less 25° . 	Plantation
		4.3.3 Erosion control practices are implemented on fields with slopes above 9° (and less than 25°) and on blocks identified as having significant risk of erosion (smallholders and plantation)	Minor	Terrace or bench between 9° and 25°	<ul style="list-style-type: none"> - Review of Slope Inclination of Steep Planting (Goruru) still under 25°. - NBPOL Plantations & Mini-Estates – Erosion Levels by MU Maps indication of high risk erosion MU. - NBPOL Plantations & Mini-Estates – Soil Conservation Methods by MU (Maps). - Plantation Upkeep Practices (MG04), Culvert Placement & road Maintenance procedure for erosion control mitigation. - MG04 also stipulated drain maintenance procedure and soil conservation strategy. - Upkeep Practices (MG04), Page 43 – Soil Conservation. 	<p>Precision Agri.</p> <p>Precision Agri.</p> <p>Precision Agri.</p> <p>NBPOL</p> <p>NBPOL</p> <p>NBPOL</p>
		4.3.4 Subsidence on peat soils should be minimised under an effective and documented water management program	Major	Map to identify peat soils, no drunken palms evident in field.	<ul style="list-style-type: none"> - NBPOL Plantations and Mini-Estates – Confirm Locations of Peat Soils by Map. - NBPOL Slope Map available. 	<p>Precision Agri.</p> <p>Precision Agri.</p>

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		4.3.5 Presence of a road maintenance program that includes control and management of rainfall runoff	Minor	Documented program	<ul style="list-style-type: none"> - Road network maintenance Schedule for each operational Group implemented. Road Maintenance done only during dry seasons and need for emergency work during wet season. - Plantation Upkeep Practices (MG04) – Roads, Bridges, Drains maintenances procedure stipulated on Page 25. 	Transport – Road Works Plantations
		4.3.6 A management strategy should be in place for fragile and problem soils, this should include maps of these soils	Minor	Maps, refer 4.2 for fertility	<ul style="list-style-type: none"> - NBPOL Plantations & Mini-Estates – significant high risk erosion areas identified by plantation MU maps. - NBPOL Plantations & Mini-Estates – Soil Conservation Map. - NBPOL Plantations & Mini-Estates – Water Catchment Areas & Rainfall Areas (Map). 	Precision Agri. Precision Agri. Precision Agri.

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
4.4	Practices maintain the quality and availability of surface and ground water.	4.4.1 An implemented water management plan in compliance with PNG DEC Water extraction and discharge permits and including but not limited to: the monitoring of effluent BOD (mg/l) trend for the previous 12 months, mill water use per tonne of FFB trend for the previous 5 years, stormwater drains, nursery and domestic usage.	Minor	Water permits, effluent analysis for BOD	<ul style="list-style-type: none"> - NBPOL Water Management Plan – Issue 1 – April 2010. - Inter-Laboratory Visit Report – Mosa Central Lab & NAL – January 2010. - Standard operating procedure for Water sampling procedure – September 2007. - Installation of Water Meter – Proposed Installation Schedule for all NBPOL Areas. - Amalgamation Water Use Permits for all Sites. - Major Disease Breakdown & Statistics for all NBPOL – Mosa Clinic. - Email Correspondence between Sustainability Manager and Lab Superintendent in regards to Domestic Water Testing results for Coli forms at Lolokoru& proposed corrective action. - Email Correspondence between Lab Superintendent and NARI in regards to NARI Accreditation and Certification. - NBPOL BOD Smoke and Environmental Discharges - Aug. 2010 - NBPOL BOD Smoke and Environmental Discharges – Trend graph – August 2010 - NBPOL Water Use Permits and Water Meter Roll Out. - Numundo, Kapiura and Mosa Group Water Extraction Sites Maps. - NBPOL Mills Water Extraction Vs Forecast and Permits graphed 2006 – 2010. - NBPOL Mills Effluent Generated Vs Forecast and permit – 2006- onwards. - NBPOL Mills Water Energy Usage 2005 – 2010. - NBPOL Mills Weekly Stock and Production Data. - NBPOL Domestic Water Sampling Schedule and NAL testing Results. - Mosa Central Lab external stakeholder Meeting Minutes. 	<p>Sustainability Sustainability</p> <p>Sustainability</p> <p>Construction</p> <p>Sustainability Doctor</p> <p>Sustainability</p> <p>Sustainability</p> <p>Sustainability</p> <p>(NBPOL & DEC) Sustainability</p> <p>Mills</p> <p>Mills</p> <p>Mills</p> <p>Mills Sustainability</p> <p>Sustainability</p>

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
4.5	Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	4.5.1 Monitoring of pesticide toxicity units (aixLD/tonne of FFB or /Ha). Trend data should be available for the preceding 5 years	Minor	OMP Reports-Technical services division	<ul style="list-style-type: none"> - Beneficial Plants and Natural Enemies Trial report - Trend Graph for Annual Herbicide (Liquid) Toxicity per Hectare, 1990 – 2010. - Trend Graph for Annual Herbicide (Solids) Toxicity per Hectare – 1990 – 2010. - NBPOL Plantation and Mini-Estates locality map for PNGOPRA and Agronomy Trials. - Numundo Plantation Ganoderma field map. - OMP NBPOL Pesticide and Herbicide Data. - OMP NBPOL Pesticide and Herbicide trend graph. 	Dami OPRS/ PNGOPRA Sustainability Precision Agri. Precision Agri. Precision Agri. Precision Agri.
		4.5.2 An IPM program is documented for relevant pests that set out techniques, locations and timeframe for implementation. Monitoring extent of IPM implementation (including training) for major pests including but not restricted to Sexava, stick insects, rats, bagworms, onyxes / total Ha.	Minor	IPM program as on poster in Dami conference room	<ul style="list-style-type: none"> - PNGOPRA – Common Oil Palm Pests educational poster produced by PNGOPRA displayed in all NBPOL Sites. - Integrated Pest Management (IPM) Poster by PNGOPRA displayed at all NBPOL Sites. 	PNGOPRA PNGOPRA
		4.5.3 Recording areas where pesticides have been used within an IPM program	Minor	Pesticides used for trunk injection only, records held by OPRA.	<ul style="list-style-type: none"> - PNGOPRA Pest Monitoring & Assessment Data Compilation - PNGOPRA Methamidophos Usage Form for Methamidophos application. - PNGOPRA Methamidophos Usage Report - 2008 & 2009. 	PNGOPRA PNGOPRA PNGOPRA
4.6	Agrochemicals are used in a way that does not	4.6.1 Documented justification of all agrochemical use	Major	Spraying Program	<ul style="list-style-type: none"> - Refer to Criteria 4.6.5. 	

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
	endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.	4.6.2 Records of pesticide use (including active ingredients used, area treated, amount applied /Ha and number of applications) are maintained.	Minor	PF9 Form	<ul style="list-style-type: none"> - NBPOL Toxicity Trend Graph 1998 – 2009. - 2009 Toxicity Index per Chemical on graph. - 2009 Calculated Chemical Toxicity per Hectare on Graph. - Herbicide Application for Numundo, Kapiura and Mosa Group of Plantations. - NBPOL OMP Pesticide and Herbicide Data 2010 for Mosa, Numundo and Kapiura Group of Plantations. - 2009 Kapiura, Numundo and Mosa Group Pesticide Application Summary. 	<p>Agronomy Agronomy Agronomy</p> <p>Agronomy</p> <p>Precision Agri.</p> <p>Precision Agri.</p>
4.6.3 Documentary evidence that use of chemicals categorised as World Health Organisation type 1A or 1B or listed by the Stockholm or Rotterdam conventions is reduced and/or eliminated except where there are no other suitable means to control severe pest outbreaks within an ongoing IPM program		Minor	Reducing usage of 1A or 1B class Trial to replace 1AB Better recording of usage	<ul style="list-style-type: none"> - List of herbicide Used and WHO Class. - The WHO Recommended Classification of Pesticides by Hazards and Guidelines 2009. - NBPOL Pesticides – Herbicides Factsheet. - Reducing and Eliminating the Use of Persistent Organic pesticides by IOMC – 2002. 	<p>Agronomy</p> <p>WHO</p> <p>IOMC</p>	
4.6.4 No aerial spraying of pesticides		Major	Not applicable	<ul style="list-style-type: none"> - Not applicable. 		
4.6.5 Adoption of a suitable economic alternative to Paraquat as recommended by the RSPO executive board		Minor	Trials being done by OPRA	<ul style="list-style-type: none"> - Alternative to Paraquat Trial report – Trial Code: AG-020-10. - Comparison of the Efficacy of Paraquat and Paraquat/Amatole and GramoxoneInteon – Technical Report AG/02/07. - Comparison Efficacy of Straight Paraquat and Diuron with Cocktail Mix of Paraquat and Diuron on Grasses – November 2006. - Report on the Comparison of Two Non-Selective Paraquat Herbicide (Chemoxone and Gramoxone) on Grasses, Creepers, and Broadleaf – November 2004. - 	<p>Agronomy Agronomy</p> <p>Agronomy</p> <p>Agronomy</p>	

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		4.6.6 No herbicide to be supplied by the plantation to out-growers without prior training and certification through a registered out-grower management organisation. A re-certification course to be held every 2 years. Out-grower management organisations to actively discourage out-growers from using insecticides on oil palm	Minor	Not supplied to out growers. Insecticides not used.	- Not applicable. Only smallholder who has attained a certificate in chemical handling can order chemicals.	Smallholders/OPIC
		4.6.7 No Paraquat or insecticides to be supplied to out-growers by plantation companies or out-grower management organisations	Major	Not supplied to smallholders	- Not applicable.	
		4.6.8 Records of training to be maintained	Major	Pesticide/herbicide training records-training dept Training records must be kept for staff	<ul style="list-style-type: none"> - Pesticide Training Nomination List – July 2010 - Training Attendance Record – Pesticide Training – 26th – 29th July 2010. - Pesticide Training Nomination List – 2009. - 2009 Pesticide Training Schedule. - NBPOL Training Schedule – 2nd & 3rd Quarter – 2010. - Training Attendance Record for Pesticide Training – Kapiura Plantation. - NBPOL Plantation Format – Spraying Course Book (PF09) for supervisor. 	<p>Agronomy Agronomy</p> <p>Agronomy Agronomy NBPOL</p> <p>Plantation Plantation</p>
		4.6.9 Personal protective equipment should be specified in Standard Operating Procedures for Pesticide workers in plantations. Appropriate safety equipment must be provided and used	Major	Specified in MGs	<ul style="list-style-type: none"> - Management Guidelines (MG 03) stipulated safety PPE for sprayers & Mixers. - NBPOL Annual Safety Issues (Revised May 2010). - Refer to Management Guidelines 03 – Pesticide Management, Page 24 – Chemical Handling Standard PPE. - Occupational Health & Safety Monthly Bulletin on Chemical Danger – Issue 2 – 2010. 	<p>NBPOL</p> <p>NBPOL NBPOL</p> <p>Sustainability</p>

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		4.6.10 Storage and disposal of all chemicals as prescribed in the GIFAP Code of Practice	Major	Visual evidence of storage, disposal records	<ul style="list-style-type: none"> - NBPOL Chemical Storage Checklist Pesticide Practices (MG03), Page 29 – stipulated clear procedure of creating a pesticide pit. - Crop Live Guidelines – for the safe warehousing of crop protection products – October 2006. 	NBPOL NBPOL Crop Live
		4.6.11 Only registered agrochemicals following PNG labelling guidance will be used (nb. FAO guidance applies, register kept by DEC). All chemical inputs require an MSDS	Major	Complying labels, MSDS sheets.	<ul style="list-style-type: none"> - Refer to MDSD Folders at respective operational sites and Sustainability Office. - RSPO Recommended Pesticide Product Register – 2007. 	NBPOL RSPO
		ISO 4.4.6 Operational Control				
		4.6.12 Evidence of CPO residue testing as required and conducted by the supply chain	Minor	Not applicable	<ul style="list-style-type: none"> - Not applicable. 	
		4.6.13 Annual health screening for plantation pesticide operators. Acetyl cholinesterase testing for all organophosphate users	Major	Screening records, green card	<ul style="list-style-type: none"> - Pesticide Practice Management Guideline MG03 stipulated that all chemical handlers due for 6 monthly medical check. - Pesticide Practice Management Guideline MG03 – stipulated safe procedure of chemical handling, Page 17 – 23. - Email Correspondence by Doctor to Mosa Group Pesticide Handlers for Medical Checks. - Dami Records of Screening for Pesticide Sprayers available – 30th March 2010. 	Clinic NBPOL Doctor Dami OPRS
		4.6.14 No work with pesticides for pregnant or breast feeding women	Major	No female sprayers in these categories. Amend MG3, Dr Lee	<ul style="list-style-type: none"> - Not applicable. Strictly restricted that no pregnant/breast feeding female employed as chemical handler. 	NBPOL
4.7	An occupational health and safety plan is documented, effectively communicated and implemented.	4.7.1 A health and safety policy which is implemented and monitored	Major	Documented Policy.	<ul style="list-style-type: none"> - Health and safety policy in both TokPisin and English version displayed at all sites. - Emergency response Manual, Issue 4 draft Feb 2009 - OHS committee meeting minutes and inspection records - Workplace Check and Risk Assessment (WRA) 	NBPOL (2010) Sustainability NBPOL OHS

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		4.7.2 All operations where health and safety is an issue have been risk assessed and procedures and actions are documented and implemented to address the identified issues. All precautions attached to products should be properly observed and applied to the workers	Minor	Documented workplace risk assessments. Risk assessments to be issued to all locations No Unsafe work practices to be evident. Contractor safety to be improved (Mosa Mill, House construction) Monthly safety bulletins, Training dept schedule, working at heights.	<ul style="list-style-type: none"> - NBPOL Combined Hazards and Risks Register - Respective operation hazards and risks register in management guidelines - MEMO to NBPOL Planning Committee on OHS Standards - OHS WRA assessment schedule - Operational Safety management Plan for all NBPOL Operational Sites. - OHS Manual based on OHSAS 18001:1999(under review). 	<p>OHS</p> <p>OHS Sust Manager OHS OHS</p> <p>OHS</p>
		4.7.3 All workers involved in the operations have been adequately trained in safe working practices. Adequate and appropriate protective equipment should be available to labourers at the place of work to cover at least the following: all potentially hazardous operations such as mill operations, construction, transport, pesticide application, land preparation, harvesting and, if used, burning	Minor	Training records, PPE to be available and used at all locations	<ul style="list-style-type: none"> - Electrical engineering international standard safety signs purchase order record. - Proposed installation schedule of earth leakage devices - TambuTru Safety sticker for machinery (safety awareness) - Basic Fire Fighting Training conducted by PNG Fire Brigade at Mosa Transport. - OH&S Monthly Bulletin February 2010. – Work with Ladders. - OH&S Monthly Bulletin March 2010. – Work with Scaffold - OH&S Monthly Bulletin January 2010. – Slips, Trips and Fallen Hazards. - OH&S Monthly Bulletin May 2010. – Working in Confined Space. - Fire Fighting Training Nomination List – July 2010. - Memo – Jack Sabaiwa to Bruce Brockhurst and Roger Crawford regarding confirmation on PPE for Contractors (Kundapul Construction). - Isolation System – Isolation of Machinery and Equipment Lock out tag out. 	<p>Engineering Construction OHS Transport</p> <p>OHS OHS OHS</p> <p>OHS</p> <p>Training Construction</p> <p>OHS</p>

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		<p>4.7.4 In each company, a designated competent person will coordinate the implementation and management of the OHS Policy. A mechanism for discussing OHS concerns will be in place and issues raised should be kept.</p>	Major	<p>Appointment of Safety Advisor, Safety Representatives at operating locations, Committee meeting minutes. Sustainability integrated site audits to measure compliance.</p>	<ul style="list-style-type: none"> - Memo from Sustainability Manager to all Employees regarding NBPOL WNB and Site OHS Representatives function and duties. - Dami OPRS OHS Committee – Organisational chart on display with Environment Officer as OHS Representative. - Email correspondence regarding OHS Level 3 training with Safety PNG. - Certificate of Attainment of OHS Level 1-2 (Rex Are Kaupa) with Safety PNG. - Certificate of Attainment Safety Officer Level 3 with Safety PNG, staff competency training - NBPOL OHS Site Safety Committee monthly meeting minutes. - NBPOL OHS Site Safety representative monthly inspection reports. 	<p>OHS</p> <p>Dami</p> <p>Training</p> <p>Training</p> <p>Training</p> <p>All sites</p> <p>All sites</p>
		<p>4.7.5 Accident and emergency procedures should exist and be tested at 6 month intervals. Instructions should be clearly understood by all workers. Procedures should be available in the appropriate language of the workforce.</p>	Minor	<p>Records of simulated emergencies (evacuations, accident response) Signs in TokPisin& English.</p>	<ul style="list-style-type: none"> - EMR09- NBPOL Emergency Response Plan – Version 4. - NBPOL Plantation Dept. – Accident Reporting and Recording Procedure Flowchart. - Dami OPRS – Emergency response to recent earthquake. - Annual Emergency Simulation Drill <ul style="list-style-type: none"> • High risk area • Low risk area (except Rigula, Garu, Numundo) 	<p>NBPOL</p> <p>Plantation</p> <p>Dami</p> <p>Engineering</p> <p>Plantation</p>
		<p>4.7.6 A first aid clinic staffed by a qualified health worker will be provided for each plantation division (accessible by the mill). Workers trained in first aid with a first aid kit should be present in the mill</p>	Minor	<p>Clinics, qualified First Aid Workers, identified qualified first aid people in mills, first aid kits.</p>	<ul style="list-style-type: none"> - First Aid Training Records 	<p>Training</p>

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		4.7.7 Records should be kept of all accidents and periodically reviewed. Recording of occupational injuries. Lost time accident rate (within acceptable maximum or demonstrated downward trend)	Major	Accident reports, monthly injury records, monthly lost time accident rate recorded and reported. Acceptable LTA rate established, downward trend	<ul style="list-style-type: none"> - Incident Register – SHEQ001 - New Incident Register form trial SHEQ001a - OHS accident & Investigation Reports. - EMR13 – Internal Non-Conformance & Corrective Action Request. - NBPOL Monthly OHS/LTA report and trend graph. - NBPOL site safety Committee meeting/inspection 	<p>All operations Kapiura OHS Advisor Sust Auditor</p> <p>OHS/Clinic All sites</p>
		4.7.8 All workers should be covered by workers compensation accident insurance	Major	Workers compensation policy document, workers compensation act in Staff Regulations. Records at HR.	<ul style="list-style-type: none"> - NBPOL Policy and Handbook Section 5 stipulated clearly Workers' Compensation and Insurance policy. 	NBPOL
4.8	All staff, workers, smallholders and contractors are appropriately trained.	4.8.1 An appropriate formal training program that includes regular assessment of training needs and documentation of the program is in place	Minor	Plantation training plan, mill training plan.	<ul style="list-style-type: none"> - RT7 Roundtable Meeting November 2009. - NBPOL training attendance record. - Contractor's Induction Forms – Revised July 2010 (Pidgin and English Versions). - NBPOL annual Training Schedule. - Individual Plantation Group and Other Departments Training annual Plans. (Internal and External Training). - NBPOL Monthly Training Statistics 	<p>Sustainability Training Training</p> <p>Training Training</p> <p>Training</p>
		ISO 4.4.1				
		4.8.2 Records of formal training (on-site/off-site) for each employee are kept	Major	Training records. Competency records must be maintained for staff with potential to significantly affect the environment	<ul style="list-style-type: none"> - Individual Plantation Group and Other Departments Training Plans. (Internal and External Training). - All training records both internal and external with Training Dept 	<p>Training</p> <p>Training</p>
		ISO 4.4.2 Competency Training and Awareness				
		4.8.3 Certified Outgrowers course is implemented	Minor	None currently available. Field days, herbicide training days and certificates issued. Annual program required.	<ul style="list-style-type: none"> - Smallholders and OPIC to Conduct Certificate of Out Grower Course. Training record kept on site. - OPIC and Out -growers Annual Field Days 	<p>Smallholder & OPIC OPIC</p>

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
5.1	Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.	5.1.1 An environmental aspects and impacts register has been developed and is periodically reviewed and updated	Major	Aspects and Impacts register.	<ul style="list-style-type: none"> - Environmental Aspects and Impacts Register (both positive and negative aspects with mitigation plan) - EMS01 – Identification of Environmental Aspects and Evaluation of Impact Significance – October 2009. 	Sustainability Sustainability
		5.1.2 An environmental improvement plan to mitigate the negative aspects and promote the positive ones is developed, implemented and monitored	Minor	ISO14001 improvement plan	<ul style="list-style-type: none"> - Environmental Improvement Plan – incorporated into respective operational specific Management Guidelines. 	Sustainability
5.2	The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.	5.2.1 Identification of high conservation value habitats and protected areas such as rare and threatened ecosystems that could be significantly affected by the grower or miller	Major	Comprehensive Mapping of HCV	<ul style="list-style-type: none"> - Rapid Biodiversity Assessment of the Twenty NBPOL Plantations – September 2009. - North Numundo Landscape Habitat Management Plan for the period from 2010 – 2012. - Fauna Protection and Control Act 1996. - Talasea Local Level Government – Marine Environment Management Law 2004. - Aerial Survey of Portion 88C and KDIK Area for Future Oil Palm Development and Conservation for Biological Diversity within NBPOL Operations. 	Landscape Consultant/Landscape DEC Talasea LLG Landscape Envirologic Consulting
		5.2.2 Establish the conservation status (e.g. IUCN status) legal protection, population status and habitat requirements of rare, threatened or endangered species that could be significantly affected by the grower or miller	Major	Register of IUCN status	<ul style="list-style-type: none"> - Rapid Biodiversity Assessment in plantations - Frogs of Roka/Kapiura in Talasea District, West New Britain. - Numundo Mangrove Rehabilitation Project. - PNG Endemic Bird Checklist. - Summary of NBPOL Birds. - A Guide to the Birds of Walindi Nature Centre Kimbe Bay, West New Britain. - North Numundo Landscape Habitat Management Plan. - Meeting minutes Records for Local Marine Management Authority. 	Landscape Landscape TNC S. Kumaran KiluTamare

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		5.2.3 Ensuring that any applicable legal requirements relating to the protection of the species or habitat are met	Major	List identifying legal requirements and confirming compliance.	<ul style="list-style-type: none"> - Habitat management for existing Biodiversity Conversation area (Haella Reserve). - Listing of Rare and Endangered Spices of West New Britain. 	Landscape Landscape
		5.2.4 Avoiding damage to and deterioration of applicable habitats	Minor	In management plan, physically verify. Effluent ponds not to leak or overflow into plantations, ongoing reviews	<ul style="list-style-type: none"> - Training and Awareness Records for Biodiversity Protection - Buffer Zone Establishment. - Habitat Management Plan for Existing Significant Sites. 	Landscape Landscape/Plntn Landscape
		5.2.5 Evidence of a commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts	Minor	Documented policy and evidence of roll-out to employees, implement field signage	<ul style="list-style-type: none"> - Buffer Zone Signs in both TokPisin& English language. - Awareness and training conducted in Discouraging Illegal Encroachment. (training record) - Awareness Poster on Stop Hunting, Fishing and Collecting in Reserve Areas. - Landscape Habitat Management Plan Map. - Biodiversity Management Strategies for Existing Oil Palm Plantation – Stephen Keu -August 2008. - Records of Induction Form for New Employees. - Map of Heritage Areas and Reserve Wild Life Management Areas. - Environment Policy (Pidgin and English Version) - Buffer Zone Rehabilitation Program. 	Landscape Landscape Displayed all sites. Landscape Landscape All sites Precision Ag All sites Landscape
5.3	Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	5.3.1 Identify all sources of waste and pollution	Major	Refer ISO program	<ul style="list-style-type: none"> - Aspects And Impacts Registers identifies all sources of pollution with mitigation plan. - Respective Operational Management Guidelines identified sources of pollution with corrective mitigation plans. 	EO All sites

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		5.3.2 Evidence of the implementation of a waste management and disposal plan including pesticide contaminated waste	Minor	Mill and Field inspections.	<ul style="list-style-type: none"> - Plantation Management guidelines (MG03, MG14 and MG15) stipulated clear procedure of Waste Management Practices. - Effluent Pond Desilting Program for each Mill. - All Standard Chemical Storage Sheds and Landfill Sites located strategically operational wide. 	<p>NBPOL</p> <p>Mills/plntn</p> <p>Plantations</p>
5.4	Efficiency of energy use and use of renewable energy is maximised.	5.4.1 Monitoring kWh per tonne of palm product in the mill from renewable energy sources, Kg steam per tonne of FFB. Monitoring trend for the previous 5 years	Minor	Energy consumption reports	<ul style="list-style-type: none"> - Records of Renewable and Non-renewable Energy Use for all Mills. - Transport Fuel Consumption Records. - Trend Graph of Diesel Usage and Renewable Energy (Steam). - Energy usage calculation record in relation to FFB tonnage processed. - Records of monthly FFB processed and forecast - Effluent generation from FFB tonnage processed. - Record of mill Water consumption 	<p>Mills</p> <p>Transport Mills</p> <p>Mills/Plntn, SHA Mills</p>
		5.4.2 Monitoring kWh per tonne of palm product from non-renewable energy resources. Monitoring trend for the preceding 5 years	Minor	Energy consumption reports (Litres diesel per tonne CPO)	<ul style="list-style-type: none"> - Record of Water usage /tonne FFB - Milling water consumption and POME Generation Graph. - Trend Graph Showing Water Usage per Tonnage of FFB and Effluent Generation. 	Mills
5.5	Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.	5.5.1 Documented assessment where fire has been used for preparing land for replanting	Major	Fire is not used	<ul style="list-style-type: none"> - Zero Burning Policy. - Use of Open Fire for Preparing Land for Oil Palm Planting is not applicable. 	NBPOL
		5.5.2 All sites and incidents of sanitary burning mapped and recorded. Sanitary burning permitted only after recommendation by national pathologist	Major	Sanitary burning not allowed	<ul style="list-style-type: none"> - Management Guideline MG15 (p.16) – Medical Wastes incineration procedure. - Respective Clinics to maintain records of medical waste incineration and sharps boxes. - Map of Pesticide pit, pesticide stores and waste dumps. 	<p>NBPOL</p> <p>Clinics</p> <p>Precision Agriculture</p>
		5.5.3 No burning of domestic refuse	Minor	Domestic refuse not burned	<ul style="list-style-type: none"> - Management Guideline MG14 (p.21) – Compound Upkeep – Domestic Refuse Collection and Disposals procedure 	NBPOL standard

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom	
		5.5.4 Incineration of medical waste (including quantities) is recorded	Minor	Medical waste incinerators and records	<ul style="list-style-type: none"> - Management Guideline MG15 - Medical Waste Incineration and sharps boxes records kept at Respective Clinics. 	Clinics	
5.6	Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	5.6.1 A register and assessment of all polluting activities are conducted including gaseous emissions, particularly soot emissions and effluent (see also 4.4)	Major	<p>ISO14001 Aspects & impacts list (Significant aspects).</p> <p>Require evidence of action when smoke density is excessive, hourly recording if monitors U/S</p>	<ul style="list-style-type: none"> - Mosa Central Lab with BOD testing results both internal and external testings and prior mitigation plan for obvious BOD spikes. - NBPOL BOD and Smoke Environmental Discharges Records (Monthly data). - NBPOLBOD at Environmental Impact points – Trend graph. - NBPOL Smoke density monthly records on graph. - Methane Capture Project (MCP) progressive report. - Methane Capture Project (MCP) report by KPSR Construction. 	<p>Mosa Central Lab</p> <p>Mosa Central Lab/Mills</p> <p>Mosa Central Lab</p> <p>MCP consultant</p>	
		5.6.2 Significant pollutants and emissions are identified, monitored and plans to reduce them implemented	Minor	ISO14001 Objectives and targets list, mill smoke reduction	<ul style="list-style-type: none"> - Records of boiler operating hours. - Mill operational management guidelines (MG06, 07, 08) and Milling Code of Practice identified sources of pollution with mitigation plan. - Mills Standard Operating Procedures (English & Pidgin languages). - Mills monthly smoke density monitoring records (2006 -10). - EMR13 – Non-conformance and corrective action request for smoke density above targets. - Mills Incident records. 	<p>Mills</p> <p>Mills</p> <p>Mosa Central Lab</p> <p>Mills</p> <p>Mills</p>	
		ISO 4.3.3 Environmental Aspects and Impacts					
		5.6.3 The treatment methodology for POME is recorded	Minor	Procedure for POME pond operation. MG 6A Effluent pond treatment	<ul style="list-style-type: none"> - Standard Operating Procedure (SOP) for POME treatments. - Palm Oil Mill Effluent Treatment Procedure. - Effluent pond discharge improvement plan. - Palm Oil Mill process flow chart. 	<p>Mills</p> <p>Mills</p> <p>Mills</p> <p>Mills</p>	

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
6.1	Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.	6.1.1 A register of all social impacts on employees, individuals and affected communities is maintained including records of meetings	Major	Register of social impacts, meeting records	<ul style="list-style-type: none"> - Interim Social Impact Assessment and Social Impact Mitigation Strategy – July 2010 - Social Impact Scoping Assessment for Existing Operations at NBPOL – 25th December 2007. - Student industrial training project developing a social impacts assessment and mitigation strategy. 	Dr P. Meekers Student
		6.1.2 Evidence that the assessment has been done with the participation of affected parties	Major	Records of meeting attendance. Update register of social impacts and review results with local parties	<ul style="list-style-type: none"> - External Stakeholders meeting minute's records, schedules and locality map. - Stakeholder meeting outcome summary records. - NBPOL Stakeholder listing. 	Projects Projects Landscape
		6.1.3 A timetable with responsibilities for mitigation and monitoring, reviewed and updated as necessary, in those cases where the assessment has concluded that changes should be made to current practices	Minor	A documented plan with times and responsibilities for mitigating and monitoring social responsibilities	<ul style="list-style-type: none"> - Student Trainee Project report 2009 on Social impact assessment & mitigation plan. - Social assessment metrics developed by Petra Meekers – March 2009. - Stakeholder communication records. 	Student P. Meekers Landscape
6.2	There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.	6.2.1 A documented policy is in place for effective communication with all affected parties	Major	Communication Policy MG21, EMS communication procedures Sust H/Book Ashley & Himson, stakeholder requests and responses	<ul style="list-style-type: none"> - Effective communication point is Company Secretary at first instance. - Stakeholders' requests and responses recorded and maintained in the red book at all sites 	Secretary All sites
		6.2.2 Evidence of the policy being implemented – maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders and under the control of a nominated management official	Minor	Lists and records as required. Grievance registers stakeholders request & response. Social and environmental performance reporting to be implemented.	<ul style="list-style-type: none"> - Stakeholder list. - Stakeholder communication records. - Meeting attendance records. - Summary of outcomes from meetings. - Meeting minutes and outcome records with NGOs. - Educational awareness with local schools. 	Landscape Landscape All sites Sustainability Sustainability

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		6.2.3 For environmental issues – a documented consultation and communication procedure exists with a nominated company representative	Minor	Sustainability Handbook-P.19-21 Grievance / Complaints register MG 21-P21-22 EMS 08	<ul style="list-style-type: none"> - Environment incidents and investigations reports. - Land conflict negotiation & resolution procedure stipulated clearly in MG21 – Land Acquisition Practice. 	Env. Officer Mini Estate
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	6.3.1 A documented system open to all affected parties which resolves disputes in an effective, timely and appropriate manner and records the outcome	Major	Sustainability Handbook.P.19-21 Grievance / Complaints register-MG21 – P21-22	<ul style="list-style-type: none"> - System of grievance and stakeholder requests and response – SHEQ001, SHEQ001a and Grievance register red book - Stakeholder communication records. - Procedure for Handling Stakeholders Issues – Stipulated in the Sustainability Handbook, page 19. - Landowner grievance process flowchart, clearly stipulated in the MG21 – Land Acquisition Practices – page 22. - NBPOL Whistle Blowing Policy (English & Pidgin versions) posted on all operational sites 	All operations Sustainability All operations Mini Estate NBPOL
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.1 Compliance with applicable government legislation. Procedures for identifying legal and customary rights of people entitled to compensation	Major	Refer legal compliance 2.1	<ul style="list-style-type: none"> - Refer to MG21 – Land Acquisition Practices. - Land Act 1996. - Land Group Incorporation Act 1974 - Land Dispute Settlement Act 1975 - Land Registration Act 1981 - Land Acquisition Management Guideline – Mobilisation of Customary Land for Oil Palm Cultivation at NBPOL, WNB. 	MG 21 PNG Legislations MG 21
6.4.2 Company records should be maintained		Minor	Legal records reviewed and maintained in accordance with legislation	<ul style="list-style-type: none"> - Lands and Mini-Estates Department maintains compensation records with other related information. - MG21 stipulated clear procedure to identify customary landowners for compensation payments. - Landowners meetings minutes records are also available. 	Lands/Mini Estate	
6.4.3 A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented		Minor	Documented procedure	<ul style="list-style-type: none"> - Refer to MG21 – Land Acquisition. - Further information available from Lands and Mini-Estates Department regarding land matters. 	Lands/mini estate	

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		6.4.4 The process and outcome of any negotiated agreements and compensation claims are documented and made publicly available. Company records should be maintained	Minor	Lease/leaseback details available from Government by FOI. Company records	- Process and outcome negotiation agreements and compensation documents kept at Lands and Mini-Estate.	Lands/mini estate
6.5	Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	6.5.1 Documentation of pay and conditions in comparison with the legal minimum for all Company employees	Major	Payroll records and legal minimum wage.	<ul style="list-style-type: none"> - All Legal Documents are available with NBPOL's legal Officer. - Employment Act 1978 (Chapter 373). - NBPOL met Following Legal Requirements under Employment Act 1978, Part III – Housing Standards: Housing, Electricity, Water, Mosquito Nets all provided. - Health and Welfare – Medical and Hospital Treatment Provided. - Employee nominated to oversee general welfare. - Company Regulations Handbook – Non-Executive Wage Rates publicly available. - Staff Grading Scale & Rates – Revised 10/04/2010 and Job Classification – Revised 26/06/2008 displayed on Notice boards publicly available. - Minimum wage determination 2008. 	Legal officer PNG Legislation NBPOL NBPOL NBPOL
		6.5.2 Evidence that contractors have agreed to meet legal minimum terms and conditions	Major	Signed contractor induction records Contractor Induction Record.	<ul style="list-style-type: none"> - Contractor Induction forms specified for Minimum Wage Paid to the contractor's employees. - Union meeting records and minutes. - Defined Standard working hours for all employees. 	Contractors Unions NBPOL

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		6.5.3 Labour laws, union agreements or direct contracts standards income employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the languages understood by the workers or explained carefully to them by a management official	Minor	Induction forms in general policies, copies of relevant laws Communication of pay and conditions to workers, control overtime	<ul style="list-style-type: none"> - Defines clearly in NBPOL General Policies and Regulations Handbook – page 9 - 1, Sustainability Handbook and Employment Act 1978. - Job Classification – Summary of Employment Conditions. - Pay slip awareness poster in both English & Pidgin versions. - Pay rates awareness and training records. 	NBPOL policies Policies NBPOL NBPOL
		6.5.4 Where companies provide housing, water supplies, medical, educational and welfare amenities they adhere to national legislation (not applicable to small holders)	Minor	Inspection records, field inspection. HCT government approved testing onsite Water analysis per DEC, education level, Adequate standard of housing	<ul style="list-style-type: none"> - MG14 – Compound Upkeep Practices set clear guidelines on services provided - Inspections done every month ensuring that facilities and services are up to standard - Regular facility & Services upgrading and maintenance 	MG14 Inspectors/Auditors NBPOL
		6.5.5 Where no such public facilities exist, companies will actively lobby government to provide such facilities	Minor	Correspondence with local and national Government – Foundation, Tax Credits program	<ul style="list-style-type: none"> - NBPOL facilitate Government Tax Credit Scheme in maintaining and upgrading public facilities. - New Britain Foundation subsidised public facilities as well 	Transport NBPOL
		6.5.6 Growers and millers demonstrate a suitable, adequate and effective systematic approach to the provision of adequate facilities	Minor	Housing development plan (5 year previous, 1 year budget)	<ul style="list-style-type: none"> - NBPOL and OPIC maintains Smallholders feeder roads network - NBPOL facilitate water supplies through New Britain Foundation and Live N Learn Kulu water sanitation project plus other public facilities. - NBPOL Provide transport, fertilizer, tools etc for out-growers 	OPIC/NBPOL Foundation Smallholders
6.6	The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of	6.6.1 Compliance with the PNG Industrial Organisations Act – being the Act to provide for registration and control of industrial organisations	Major	Copy of Act, documented compliance check	<ul style="list-style-type: none"> - Industrial Organisational Act 1962. - Sustainability Handbook – Workers rights to form or join union. - NBPOL Regulation H/book stipulated clearly all forms of workers' rights and privileges are publicly available to all employees. 	Legislation Union NBPOL

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
	association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.2 A published statement in English or TokPisin recognising freedom of association	Minor	In Sustainability Handbook	<ul style="list-style-type: none"> - Employee Rights & Equal Opportunities Policy (English & Pidgin Versions) displayed on notice boards. - Sustainability Handbook – Page 13 – stipulated clear definition for Rights of employees to form/join unions at will. 	NBPOL NBPOL
		6.6.3 Documented minutes of meetings with main trade unions or workers representatives	Minor	Meeting records retained	<ul style="list-style-type: none"> - Refer to Company Secretary and legal Officer for meeting minutes and records with trade unions (confidential). - Records of meetings minutes with trade union. 	Union/NBPOL Union/NBPOL
6.7	Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.	6.7.1 Documentary evidence that minimum age requirement (16) is met	Major	PF30 forms, records in employment office	<ul style="list-style-type: none"> - Compliance to Employment Act 1978 stipulated condition on minimum age employee requirement. - NBPOL General Policies and Regulations Handbook – section 12, permanent employees are not under age of 16 yrs. - Sustainability handbook (p. 11), Core labour Standards. - NBPOL compliance with ILO Core Labour Standards. - NBPOL Plantation Employment Format (PF30) stipulates clearly that new employee must be proven above minimum age as an employment condition. - Promoting and Protecting Rights for Children awareness conducted with posters displayed on all notice boards. - Under age children are not allowed accompanying parents to working areas where they might exposed to hazardous environment. 	Legislation NBPOL NBPOL Plantations Sustainability NBPOL
6.8	Any form of discrimination based on race, caste, national origin, religion,	6.8.1 A publicly available equal opportunities policy as per the constitution of PNG	Major	Sustainability Handbook. Gender Committee	<ul style="list-style-type: none"> - Equal opportunity policy publicly available at all operational sites with policy awareness conducted respectively. - Gender Committee booklet 	NBPOL

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
	disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.2 No constitutional infringements	Major	Compliance by absence of records	<ul style="list-style-type: none"> - HIV AIDS Management and Prevention Act 2003 - Sustainability Handbook (page 15) - Company policies and regulation – section 37 - Discriminatory Practices Act 1963 – prohibition of discrimination and racial hatred - Equal Rights and Equal Employment Opportunities Policy – on display all sites 	PNG Legislation NBPOL
6.9	A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.	6.9.1 A policy on sexual harassment and all other forms of violence and records of implementation.	Major	Policy in sustainability also in NBPOL Rules & Regulations handbook P.14-18 HIV AID, Sexual harassment policy has been developed and available	<ul style="list-style-type: none"> - Sustainability Handbook - Sexual Harassment Policy (p.17) - Sexual Harassment Policy - Records of training and awareness on sexual harassments and other form of violence. - Company policies and regulation handbook - Family and Sexual Violence Protection Order Rules Jan 2009 - Promoting Gender Equality in the Public Service - NBPOL Joint Consultation Committee on Gender Equality (July 2009) - Reducing HIV AIDs Stigma and Discrimination (UNAIDS) Dec 2007. - Disciplinary actions for infringement of Company policies & regulation. (NBPOL P&R, Section 18) - Anti-wife beating awareness poster on display at all sites. 	NBPOL All sites NBPOL ILO Magisterial services UNAIDS NBPOL

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		6.9.2 Compliance with labour laws on breastfeeding. As a minimum, two 30 minute leave of absences per day. Such periods to count as normal working hours	Major	Documented policy, discuss with staff.	<ul style="list-style-type: none"> - Employment Act 1978 (Chapter 373) – Part VI. - ILO Maternity Protection, May 2004. - NBPOL Policies & Regulation Handbook (p. 4-11), breastfeeding mothers allowed one half hour twice daily for nursing baby leave counted as normal working hours, - UNICEF & PNG Breastfeeding Policy, Aug 2010 - Women in Oil Palm Network (WOPN) Inc, July 2010. 	<p>Legislation ILO NBPOL P&R</p> <p>UNICEF PNG WOPN</p>
		6.9.3 A specific grievance mechanism is established	Minor	Documented mechanism communicated to all workers. Red book, Sustainability Handbook.	<ul style="list-style-type: none"> - NBPOL Gender Committee Handbook. Draft 03, Dec 09. - NBPOL Gender Committee meeting minutes. - NBPOL Gender Committee review on Domestic violence, HIV/AIDS, Anti-Discrimination and Sexual Harassment Policies. - Gender issues/discriminations may report to the committee/adhere to normal grievance procedure 	<p>Gender Committee Gender Committee</p> <p>Meetings/Minutes</p> <p>NBPOL</p>
6.10	Growers and mills deal fairly and transparently with smallholders and other local businesses.	6.10.1 Current and past prices paid for FFB shall be publicly available	Major	Information with OPIC and NBPOL smallholder affairs office	<ul style="list-style-type: none"> - FFB pricing is publicly posted at smallholders public notice - Records of external Awareness and training on FFB Pricing Formula in Talasea and Hoskins areas. - FFB Pricing Awareness Booklet V1 Draft, Aug 2010 	<p>SHA/OPIC Sustainability</p> <p>Sustainability</p>
		6.10.2 Pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill/plantation)	Major	Documented policy	<ul style="list-style-type: none"> - FFB pricing formulary awareness booklet & awareness records. - FFB price display at office. - Smallholders FFB price fluctuation graph since 1992 – Jan 2010 and onwards. - Monthly FFB pricing list shows % increase and decrease over 5 year period. 	<p>Sustainability</p> <p>SHA/ OPIC</p> <p>Smallholders</p>

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		6.10.3 Evidence that every effort has been made to ensure that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent	Minor	FFB pricing formula communicated to smallholders and monthly price is displayed on SHA notice board	<ul style="list-style-type: none"> - Contractor Induction and Obligation Form stipulates clearly contractors' obligation and responsibilities as required by NBPOL. Contractors' employees are adequately trained and inducted on Company P&R, Safety & Environment policies and other requirements. 	Contractors Respective NBPOL departments
		6.10.4 Agreed payments shall be made in a timely manner	Minor	Payment records	<ul style="list-style-type: none"> - Contracts payments are paid in three instalments during period of contract. No payments in arrears for long period. Finance & accounts accounted for all contractors' payments. 	Finance & Accounts
		6.10.5 EFB freely available to be collected by out-growers but not to be applied closer than 500m to the nearest dwelling due to nuisance flies and smell	Minor	EFB available, rarely taken up by smallholders	<ul style="list-style-type: none"> - Out grower empty fruit bunch collection public notice available at each mill allowing collection of EFB. EFB freely available for out-growers initiative to collect them at anytime with own transport. 	Mills, SHA, OPIC
6.11	Growers and millers contribute to local sustainable development wherever appropriate.	6.11.1 Demonstrable contributions to local development that are based on the results of consultation with local communities	Minor	NBPOL Foundation disbursement records	<ul style="list-style-type: none"> - New Britain Foundation subsidised funds for community development. Company Secretary oversees the New Britain Foundation. - NBPOL maintains and upgrading public facilities under Tax Credit Scheme (roads, education, health) - Records of funding for infrastructure such as Schools, Bridge, Health, Social services, Water Sanitation, etc. - New Britain Foundation funded Kilu Water Sanitation project facilitated by Live N Learn. - NBPOL Walk Against Corruption Working Committee meeting minutes. - NBPOL provide assistance to external stakeholders. 	Company Secretary Transport Live N Learn Secretary NBPOL

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		6.11.2 Formalised involvement with the PNG Tax credit scheme where applicable	Minor	Road construction records	<ul style="list-style-type: none"> - Transport Depart is actively involved in Road works under Tax Credit Scheme. - New Britain Foundation collaboration effort with NGOs on community projects facilitation. - Tax Credit Scheme funding for public facilities such Education, Health, Roads, etc. 	Transport Foundation NBPOL
7.1	A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.	7. 1.1 Independent impact assessment, undertaken through a participatory methodology including external stakeholder groups (EIA – PNG Law >1000Ha)	Major	S&E Impact Assessment	<ul style="list-style-type: none"> - High Conservation Value Assessment of Portion 88C, April 2009 – Silovuti Oil Palm Project. (Douglas Environment Services) - Environment Inception Report for Proposed Wagalove Oil Palm Mini Estate, April 2010. - Annual Environment Management and Monitoring Plan for Mini Estate. - SEIA for proposed Mini Estate and Existing Estates. 	Douglass Environment Services Landscape Mini Estate All estates
		7.1.2 Appropriate management planning and operational procedures	Minor	MG for New Development and Re-development	<ul style="list-style-type: none"> - MG21 – Land Acquisition Practices, Lands and Mini Estate. - OPIC & Smallholders – Planting approval Form 	OPIC/Smallholders
		7.1.3 Where the development includes an out grower scheme, the impacts of the scheme and the implications of the way it is managed should be documented and a plan to manage the impacts produced	Minor	Refer document above	<ul style="list-style-type: none"> - Refer to SEIA for new development - SEIA for Proposed Roka Mini Estate including FPIC - SEIA for Proposed Wagalove Mini Estate 	T. Vigus T. Vigus
7.2	Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.	7.2.1 Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation should be available	Major	Maps are being developed by technical services-ongoing	<ul style="list-style-type: none"> - Refer to Agronomy and Precision Agriculture Dami OPRS - All maps on display at Dami Conference Room - 	Precision Agriculture
		7.2.2 Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure should be available	Major	Topographic maps- All Plantation have maps.	<ul style="list-style-type: none"> - Soil Organic Matter By Mu (Map) - Soil Conservation Map - Soil erosion map - Slope map - Soil type map 	Agronomy/Precision Agriculture

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	7.3.1 Evidence of an assessment of High Conservation Values that has been made by suitably qualified and experienced persons prior to any conversion	Major	Evidence of HCV areas, field inspection	<ul style="list-style-type: none"> - High Conservation Value Assessment Report for New Developments. Roka, Wagalove, Silovuti, Balave estates - North Numundo Landscape Habitat Management Plan. - Rapid Biodiversity Assessment of NBPOL Plantations, Sep 2009. - Preliminary report following phase two rapid conservation assessment of NBPOL Operation in WNB by Envirologic Consulting, Sep 2007. 	Landscape & External Consultants
		7.3.2 Dates of land preparation and commencement are recorded	Major	Records of dates	<ul style="list-style-type: none"> - Silovuti project Land preparation and commencement dates and other new projects. 	Mini estate
7.4	Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	7.4.1 Where limited planting on fragile and marginal soils is proposed, plans (including maps) shall be developed and implemented to protect these soils thus minimising adverse impacts	Major	Plans – MG1a	<ul style="list-style-type: none"> - Maps on display at Dami C/Room and with Precision Agriculture, Dami OPRS - Confirmed location map of peat soils in plantation. - Confirm location map of Marginal Soil Types. - Slope map of plantations, Mini Estates and proposed new development areas. 	Precession Agriculture
		7.4.2 No planting on slopes in excess of 25°	Minor	Refer 4.3, verified	<ul style="list-style-type: none"> - No planting on slope in excess of 25° existing plantation less than 25° slopes. 	Not applicable
		7.4.3 No planting on contiguous areas of peat soils >3m deep and >150Ha in extent	Minor	No new planting in Peat Soils	<ul style="list-style-type: none"> - No new planting in peat soil. 	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local	7.5.1 This activity should be integrated with the SEIA required by 7.1	Major	Refer SEIA	<ul style="list-style-type: none"> - Refer to 7.1.3, SEIA for proposed Mini Estates - FPIC discussion records (Garu, Roka) - FPIC documentation and meeting records with proposed development areas (mini estate). - Communication record available at Lands, Mini Estate. - . 	Mini Estate

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
	communities and other stakeholders to express their views through their own representative institutions.	7.5.2 Evidence that every effort has been made to ensure that all parties understand the contractual arrangements they enter into, and that contracts are fair, legal and transparent	Minor	Minutes of meetings	<ul style="list-style-type: none"> - Contractual agreements are confidential information held at designated place of contract being awarded. – Mini estate, Transport, construction, Engineering. - Meeting minutes and records of external parties (DEC, Lands) - Minutes of awareness meetings on proposed development. 	Mini Estate
		7.5.3 Documented system for access to customary land is publicly available	Minor	Land development MG21	<ul style="list-style-type: none"> - MG21 – Land Acquisition Practices and further information held at Mini estate office. 	Mini Estate
		7.5.4 Where new plantings are considered acceptable, management plans and operations should maintain sacred sites. Agreements with indigenous peoples, local communities and other stakeholders should be made without coercion or other undue influence. Relevant stakeholders include those affected by or concerned with the new plantings	N/A	PNG Guideline	<ul style="list-style-type: none"> - Refer to criteria 2.2, 2.3, 6.2, 6.4, and 7.6. 	Mini Estate
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	7.6.1 Evidence that the issue of compensation has been discussed with the relevant local people in the SEIA process	Major	To be determined	<ul style="list-style-type: none"> - Evidence of compensation discussion with local people. (Mini estate, Legal) - Monthly report on new project development – mini estate. - Refer to MG21- Land Acquisition Practices. - 	Mini Estate, Legal
		7.6.2 Documented identification and assessment of legal and customary rights	Major	As Above	<ul style="list-style-type: none"> - Formation of ILG - Discussion and meeting minutes of proposed development (Mini Estate). 	Mini Estate
		7.6.3 Establishment of a documented system(s) for identifying people entitled to compensation	Major	Mini Estates ongoing review of MG21	<ul style="list-style-type: none"> - Refer to MG21 (p.19) and formation of ILG. 	Mini Estate

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		7.6.4 Establishment of a system for calculating and distributing fair compensation (monetary or otherwise)	Minor	Development MG	- Records of Royalty and Rents payments to ILG. Information kept at finance/ mini estate.	Mini Estate
		7.6.5 Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development	Minor	HCV and buffer areas are leased	- Compound upkeep contract, lawn mowing, minor maintenance, employment opportunities, small entrepreneurship, education, etc	Mini Estate
		7.6.6 The process and outcome of any compensation claims should be documented and made publicly available	Minor	Lands office	- Refer to mini estate.	Mini Estate
7.7	Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	7.7.1 Land preparation by burning should be avoided, however if used, under exceptional circumstances, evidence of controlled burning as specified in ASEAN guidelines or other regional best practice	Major	No Burning	- Zero Burning policy, not acceptable practice in new oil palm development.	NBPOL
7.7.2 Documented explanation where fire has been used for preparing land for planting		Major	No Burning	- Fire has never being used to prepare land for new planting, unacceptable practice.	NBPOL	
7.7.3 This activity should be integrated with the SEIA required by 7.1		Major	No Burning	- Not applicable.		

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
8.1	Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	<p>8.1.1 The action plan for continual improvement should be based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and should include a range of indicators covered by these principles and criteria. These must include:</p> <ul style="list-style-type: none"> • Reduction in the use of certain pesticides (4.6) • Environmental impacts (5.1) • Waste reduction (5.3) • Pollution and emissions (5.6) • Social impacts (6.1) 	Major	ISO14001 Objectives and Targets, Forward budget, mill effluent & odour reduction, plantation pollution control	<ul style="list-style-type: none"> - Kumbango Gravel Extraction Licence No 14/2010(I/R) - Buffer zone enrichment planting plan - NBPOL electrical Safety audit Report, July 2010 (M.A. Feddersen) - Training attendance Record Revised and issued July 2010. - NBPOL Annual Plantation Innovation Day booklet - Environmental hygiene program for respective operation. - New projects - Monthly Internal audits and inspections, NBPOL Continual Improvement Action Plan, July 2010. - Methane Capture Project (MCP) - BOD and domestic water testing both internal and external third party. - Revised Contractor Induction Form, July 2010 – amalgamated OHS and Environment policies, visitor’s induction form, and training Attendance Record sheet as one form. - Revised EMR09 NBPOL Emergency Response Plan- version 4. Both pidgin and English version. - Monthly OHS Bulletin - NBPOL Water use Permits and Water Meter Roll out plan (water management plan). - NBPOL Annual 30:30 Production Charter - Introduction of backyard vegetable gardening - Environment and OHS incident investigation and report. - Plantation FFB Cutters safety boot trial - FFB Loaders, wheelers and MIC safety hand glove trial in plantations in response to escalated palm nail injury. - World environment Day Annual Activity - Gallop Nut Project as food substitute and buffer zone tree - Introduction of Quality improvement Plan for internal audits and inspection corrective actions - New approach in internal auditing (team auditing) - Non conformance and corrective action 	<p>Transport</p> <p>Projects</p> <p>Training</p> <p>Plantations</p> <p>All operations</p> <p>Sustainability</p> <p>KSR Consultant Mosa Central Lab</p> <p>Sustainability</p> <p>Sustainability</p> <p>OHS Sustainability</p> <p>Plantations HOP Sustainability</p> <p>Projects Projects</p> <p>Projects Projects</p>

Crit.	Requirement	PNG NI Indicators	Conformance	Improvement	Evidence	By Whom
		8.1.2 Timely response to all RSPO audit findings	Major	Evidence of timely response to corrective action requests, internal and external. Environmental Aspects & Impacts to be reviewed		
ISO 4.1	General Requirements - Scope of the EMS to be defined and documented			EMS System documentation is available and complete	EMS Manual & Procedures, Management Guidelines, Aspects Register, EMS Forms & Records	Environment Officer, Sustainability Manager
ISO 4.2	Environmental Policy to be developed, approved by top management			EMS Policy is established and widely circulated. Note in Management Review minutes confirming it was reviewed and no requirement for change was identified.	EMS Manual & Procedures, Management Guidelines, Aspects Register, EMS Forms & Records	Environment Officer, Sustainability Manager
ISO 4.4.4	Documentation (including records)			MGs, Mill SOPs, MSDS, Permits, EMM Plans, training records, etc, Grievance records	EMS Manual & Procedures, Management Guidelines, Aspects Register, EMS Forms & Records	Environment Officer, Sustainability Manager
ISO 4.4.5	Control of documents - approval to issue, updating as required, identification of revision status, availability, legibility and filing, withdrawal of obsolete documents			List key ISO documents, ensure they are current (Aspects & Impacts, manual, policy)	EMS Manual & Procedures, Management Guidelines, Aspects Register, EMS Forms & Records	Environment Officer, Sustainability Manager
ISO 4.5.3	Nonconformity, Corrective action and Preventive Action – Identifying, investigating, determining the cause, correcting, making changes to prevent recurrence and reviewing ongoing effectiveness.			Non-conformances relating to environmental issues, spills, bunding, spill kits, fire equipment, smoke, effluent, landfills, sewage, etc.	EMS Manual & Procedures, Management Guidelines, Aspects Register, EMS Forms & Records	Environment Officer, Sustainability Manager
ISO 4.5.5	Internal Audit – Programming, conducting and reporting internal audits to confirm that the management system is effective			Plan for audits for next 12 months, audit reports, follow up actions	EMS Manual & Procedures, Management Guidelines, Aspects Register, EMS Forms & Records	Environment Officer, Sustainability Manager
ISO 4.6	Management Review – Reviewing the effectiveness of the management system and making necessary changes to ensure organisational performance meets expectations			Record of management review and follow-up action, review to cover scope in ISO Standard	EMS Manual & Procedures, Management Guidelines, Aspects Register, EMS Forms & Records	Environment Officer, Sustainability Manager

Appendix “D”

Nonconformities, Corrective Actions and Observations Summary and Responses to Non Conformities

Non Conformances 2011 RSPO Assessment

7 Nonconformities against Minor Compliance Indicators

Seven (7) Nonconformities were assigned against Minor Compliance Indicators. Details of these Nonconformities are provided below:

RSPO Indicator	NCR Ref	Details
4.7.2.	11-1	<p>4.7.2 Minor NCR: There were some issues regarding electrical safety at the new Wariston Mill site. This included use of damaged leads, poor control of electrical leads and piggy backing of plugs. Further there were no Fire extinguishers available in area where welding and use of gas bottles is taking place.</p> <p>NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress on Corrective Action will be checked during the next Surveillance Audit.</p>
5.1.2	11-2	<p>5.1.,2 Minor NCR: Although there is a comprehensive environmental improvement plan in place this does not show evidence that each area is followed up to monitor and determine progress made.</p> <p>NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress on Corrective Action will be checked during the Surveillance Audit.</p> <p>NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress on Corrective Action will be checked during the Surveillance Audit.</p>
6.5.3	11-3	<p>6.5.3 MINOR NCR. It was evident during the audit that some workers, including mothers with newborn babies, were not aware of labour laws relating to breast feeding. Although labour laws (and a range of other company policies) are displayed on noticeboards in English and tokpisin.</p> <p>NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress on Corrective Action will be checked during the Surveillance Audit.</p>
6.5.4	11-4	<p>6.5.4 MINOR NCR. Although NBPOL has an excellent network of health professionals and some excellent facilities for the provision of health services to employees and dependents, the clinics require power points and electric jugs to boil water (to ensure adequate hygiene, sterilise equipment) and air conditioning or refrigeration to store medicines within the correct temperature range. There are no toilets available at the clinics</p> <p>The junior staff club, at Mosa, requires action, as the toilets/bathroom are below acceptable standards and the TV and refrigeration do not work.</p> <p>NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress on Corrective Action will be checked during the Surveillance Audit.</p>
6.5.6	11-5	<p>6.5.6 MINOR NCR. A more systematic and company-wide approach is required in regard to the welfare of compound residents. It is recommended:</p> <p>(i) The accommodation available at each compound, and the current shortage of accommodation, is not identified for each compound. Thus, the supply and demand for housing will be projected for each compound, and the company as a whole, resulting in a clear picture of housing shortages and their duration.</p> <p>(ii) A program for the provision of power points in general labour quarters is required, indicating when power points will be included (as standard) in new houses that are constructed, and an estimated timeframe for the inclusion of power points in existing houses.</p> <p>(iii) A program for collecting basic data on each compound is not outlined, so that improvements in living conditions can be planned and prioritised across the company as a whole.</p> <p>NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress on Corrective Action will be checked during the Surveillance Audit.</p>
6.10.3	11-6	<p>6.10.3 Minor NCR non-compliance Incorrect weighing of smallholder FFB is a common grievance among smallholders. NBPOL is requested to send to BSI a program for the installation of the automated system in trucks, and the timeframe for implementing this system. A minor non-compliance has been issued as there has been inadequate response to grievances raised in past years. While truck drivers and other NBPOL staff have been dismissed for incorrectly recording FFB weights , there appears to have been</p>

		<p>limited response from the Transport Department to concerns raised on behalf of smallholders by HOPGA or the Smallholder Affairs Department within NBPOL</p> <p>NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress on Corrective Action will be checked during the Surveillance Audit.</p>
6.10.4	11-7	<p>6.10.4 Minor NCR Smallholders have also raised complaints to 'blanket bans' imposed on areas following an incident that generally involves truck drivers. As an example, smallholder FFB was not collected from the Siki area for a period in December 2010 until K5,000 compensation was paid to a truck driver that was severely bashed and hospitalised. Although two youths were identified as the attackers, a relatively large number of smallholders (reportedly almost 100) were unable to sell their FFB until the compensation payment was raised. A minor non-compliance has been issued as people who were not involved in the incident have been unfairly penalised.</p> <p>The threat of blanket bans does not appear to prevent problems and if the underlying cause of the problems is not addressed, the situation may deteriorate further. It is suggested that the security issues facing truck drivers are investigated by NBPOL, in consultation with local leaders, in an attempt to gain a better understanding of the issues involved, and to explore options for minimising the problems. A solution is not clearly apparent, but action is warranted, and closer investigation and discussion may help.</p> <p>NBPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSi. Progress on Corrective Action will be checked during the Surveillance Audit</p>

7 Observations made 2011 Assessment

4.4.2 Observation: A number of signs indicating buffer zones do not identify NBPOL as the authority for these signs.

4.7.4 Observation - It should be ensured that when items are recorded as non conforming as a result of a safety inspection that the reason is recorded and followed up takes commensurate with the risk.

4.8.2 Observation: The Training Manager could have a greater role in training needs assessment, as this is currently the responsibility of managers and supervisors in each mill, estate, department, etc. In a supervisory role, the Training Manager may help ensure a more consistent and systematic approach to the identification of training needs across the company as a whole. In addition, while an assessment of the training is usually undertaken on completion of the course (by the participants), it may be beneficial to undertake competency assessments to evaluate the effectiveness of the training provided. This would typically be undertaken several months after the training and would assess whether improved practices are being followed under normal working conditions

5.3.2 Observation: The medical waste such as bandages and dressing is being incinerated at each clinic in a provided incinerator. However some of these incinerators are very old and are themselves a health hazard and do not always appear to burn the waste completely. It is suggested that to reduce handling a central area is set aside to incinerate al such waste.

5.3.2 Observation: Compound residents separate green waste from general household rubbish. There is evidence that compound residents place green waste and general household rubbish in the correct bins. However, the Main Mosa Compound requires green waste bins. These should be issued to residents as a matter of priority as piles of green waste (including food scraps) on the roadside presents a number of potential health risks.

6.3.1 Observation: Although widely used, there is some indication that the guidelines need to be reviewed, further training provided on the use of the grievance mechanism, and increased awareness provided to ensure not just workers, but dependents and external stakeholders are aware of the system.

6.9.1 Observation: It is important to have a process for reviewing the effectiveness of company policies and procedures, and improving these over time. It is also important to respect senior staff that have allocated substantial time, in addition to their everyday tasks, to review and update company policies in an attempt to improve the welfare of employees and dependents. NBPOL should respond to the policy submissions as a matter of priority and clarify the role of the gender committee.

Non Conformances 2010 RSPO Assessment

5 Nonconformities against Minor Compliance Indicators

9 Observations/Opportunities for Improvement

Minor Nonconformities (Details)

RSPO Indicator	NCR Ref	Details
4.7.2.	10-1	<p>Minor NCR 4.7.2 Electrical Safety needs improvement to ensure procedures are fully implemented - for example illegal wiring leading to risk of electrocution, leads not hung up or running across wide areas of ground or water and a number of safety inspections not occurring monthly as programmed</p> <p>NBPOL will ensure that the monthly PF 29 (plantation inspection form) combined with the regular Site safety committee inspections record all breaches of electrical safety and subsequent follow up corrective action. Furthermore, sustainability team audits monitor for breaches of electrical safety and record all episodes in the comprehensive site audit reports. Sites are then required to submit a QIP outlining corrective actions, timeframe and person/s responsible. If the safety breach is critical then immediate corrective action is implemented.</p> <p>In response to identified electrical safety concerns, NBPOL engaged Electrical engineer, Fred Andrew BE (Elec) to provide a report on NBPOL electrical safety. This review incorporated high and low voltage supply, illegal wiring, circuit breakers and general electrical standards throughout NBPOL. Subsequently Murray Fedderson BE (Mech) compiled and completed the report with recommendations outlined to address electrical safety and supply. This report has been provided to senior management for further budgetary consideration to allow subsequent corrective action plans to be developed.</p> <p>NBPOL will undertake to revisit the provision of enhanced electrical supply availability for housing, though this is a major undertaking that requires a comprehensive plan given the number of housing units.</p> <p>NBPOL has two CDM projects (Kumbango and Mosa) that are to be commissioned April and July 2011 respectively, at which time power supply and capacity will be enhanced. This will provide additional capacity and the potential for NBPOL to investigate increased supply to housing.</p>
5.2.5	10-2	<p>Minor NCR 5.2.5 Although buffer zones are well established and well managed signs are required in a number of areas to discourage any illegal or inappropriate hunting, gardening etc</p> <p>NBPOL has designed signage that addresses the issue of illegal or inappropriate hunting and gardening. Quotations are currently being sought to manufacture 300 signs.</p> <p>Given the scale of operations a schedule to implement the signage will be prepared by the construction department and rollout will occur over the coming year once the signs are onsite.</p>
6.1.3	10-3	<p>Minor NCR 6.1.3 Additional work should be undertaken to ensure the social mitigation strategy focuses on the main social issues facing key stakeholders (in particular, employees and their families, smallholders and ILG members) and stakeholder representatives are actively involved in the process of developing, monitoring and updating mitigation strategies. The social mitigation strategy should also be the basis for monitoring continuous social improvement, as required under Criterion 8.1.</p> <p>NBPOL will prepare a document outlining social mitigation strategies and a timetable and responsibilities for implementation and monitoring. A more concise list of social impacts will be prepared, in consultation with impacted stakeholders, and mitigation strategies prepared for the main social impacts.</p> <p>To facilitate this process, consideration will be given to establishing stakeholder groups in the Kapiura, Mosa and Talasea areas (with the Talasea area including both Numundo and Silovuti). Each group will include adequate female representation and contain representatives from the following stakeholders:</p> <ul style="list-style-type: none"> • Employees and dependents; • Smallholder growers; • ILGs with a lease-lease back arrangement with NBPOL; and • Other stakeholders as applicable (e.g. government, NGOs, business). <p>The use of relatively small groups (approximately 10 people) will provide a useful means to help identify the main social impacts, prepare mitigation strategies for these, and develop indicators and targets</p>

		<p>against which progress can be monitored.</p> <p>The Social Impact Management Plan outlining social mitigation strategies, timetables and responsibilities) will contain:</p> <ul style="list-style-type: none"> • The main social impacts at a single point in time (top 10 list) • Strategies to address each of the main social impacts (although some impacts will be outside the area of influence of NBPOL, in which case the mitigation strategy may involve third parties, or the lobbying of third parties); • The identification of indicators and targets to monitor and assess each strategy; • A timetable for implementing and monitoring each strategy; and • Identification of who is responsible for implementation and monitoring. <p>An annual report will be produced to summarise the progress in implementing each mitigation strategy and the achievements (with a comparison against targets specified in the plan). This report will be the basis for continuous social improvement, as required under Criterion 8.1</p>
6.5.3	10-4	<p>Minor NCR 6.5.3 Additional attention is required to ensure employees do not work excessive hours or work for extended periods without some days off. Particular attention should be given to ensure a process is in place to monitor and regulate working hours for employees who are frequently required to meet specific targets within a specified period (e.g. truck drivers, and staff responsible for loading ships).</p> <p>Payroll and HR systems are being modified so that the recording of excessive working hours is accurately captured and data is linked to KPI's.</p> <p>NBPOL is undertaking a review of the working hours of Transport and KBT.</p> <p>NBPOL will ensure that when this review is completed, recommendations will be reviewed and action plans established to regulate employees working hours.</p>
6.5.4	10-5	<p>Minor NCR 6.5.4 Some staff housing needs urgent maintenance to bring it to an acceptable level. In some particularly old housing compounds, major renovations are required (e.g. replacing roofing iron which has rusted and now leaks when raining). The new temporary housing at Silovuti requires improved ventilation and/or fans; otherwise the rooms will be excessively hot. While these are merely two examples, housing standards need to be revisited. Further improvements may be required in (i) the design of new houses (e.g. the provision of power points for fans, mobile phone charges, TVs, etc) and (ii) older buildings, to bring them up to a reasonable standard.</p> <p>Kumbango Division 2 housing has been reviewed by the plantation group manager and requisitions raised to address applicable roofing issues.</p> <p>The sustainability manager has reviewed ventilation options that include roof top whirlybirds, gable vents and appropriate room ventilation. Construction department will collate the requirements and place an order with Stores. The construction department will prepare a schedule to roll out ventilation measures as required.</p> <p>Housing design is currently being reviewed by NBPOL's Senior Management team. Recommendations for improved housing design will be adopted for new houses during 2011. Minimum compliance to be in accordance with the PNG Employment Act 1978, Section 120.</p> <p>In response to electrical safety, NBPOL engaged Electrical engineer, Fred Andrew BE (Elec) to provide a report on the NBPOL electrical safety. This review incorporated high and low voltage, supply, illegal wiring and all matters electrical. Subsequently Murray Fedderson BE (Mech) completed the report and recommendations were made in addressing long-term electrical safety and supply.</p> <p>NBPOL will undertake to revisit the provision of enhanced electrical supply availability though this is a major undertaking that requires a comprehensive plan given the number of housing units.</p> <p>NBPOL has two CDM projects (Kumbango and Mosa) that are to be commissioned April and July 2011 respectively, at which time power supply and capacity will be enhanced. This will provide additional capacity and the potential for increased supply to housing.</p>

OBSERVATIONS / OPPORTUNITIES FOR IMPROVEMENT

Reference: Observation 1 Area / Process : Resources, roles, responsibility and authority Clause: 1.2.6

The sexual harassment policy needs to be made more widely available on company notice boards in some operational areas such as estate offices and mill notice boards

NBPOL has prepared a sexual harassment policy in both English and TokPisin and the policy will be made available on company notice boards in operational areas such as estate offices and mill notice boards.

Reference: Observation 2 Area / Process: Documentation Clause: 2.2

Some delays in obtaining copies of land titles have been observed and this is likely to increase as grower's age and succession issues arise. The Company could consider providing resources to assist in this area.

Land Tenure issues include - no titles for blocks, lost titles, deceased Estates and delays in transfer of Titles. OPIC is currently providing some support through their Lands Officer (x1). This aspect of RSPO is currently being investigated and planning for improved services to growers.

Reference: Observation 3 Area / Process: Documentation Clause: 4.7.2

A few safety signs are required indicating PPE required for a number of bench grinders

PPE signage is being rolled out where bench grinders are utilised.

Reference: Observation 4 Area / Process: Emergency preparedness and response Clause: 4.7.4

Although safety meetings are being held in all areas - the frequency is inconsistent as is the agenda - it would be better if meetings were held at a nominated time frame for all and used a standard agenda.

NBPOL has engaged an OHS advisor who is due to commence in November 2010. NBPOL will work towards standardising the safety meeting format/agenda and establishing scheduled meetings.

Reference: Observation 5 Area / Process: Internal Audit Clause: 5.4.2

The use of non renewable resources in production of palm products does not include fuel use by transport/contractors

Total fuel use is now recorded as a component of the production of palm products.

Reference: Observation 6 Area / Process : Resources, roles, responsibility and authority Clause: 6.5.5

There are many seemingly stray dogs in many compounds and these cause issues with waste and are a threat to residents and efforts need to be made to better control them.

A new policy has been prepared which effectively outlaws the keeping of dogs in Compounds. Once the policy has been ratified it will be implemented combined with education programs. Dog control measures will be formalised and implemented.

Reference: Observation 7 Area / Process: Documentation Clause: 6.10.3

NBPOL should encourage and assist smallholder representatives to take an active part in the review of the FFB pricing formula. There should be advanced awareness that the review will not necessarily result in an increase in the payout ratio to farmers. NBPOL ensure that the monthly farm gate price is clearly understood by block holders. NBPOL collaborate with OPIC on the contents of the pay slips so that details of deductions are clear and transparent.

NBPOL will continue to involve smallholder representatives in the review of the FFB pictogram Intensive education programs will continue to form part of the pictogram roll out.

Smallholders department will continue to work collaboratively with all stakeholders (OPIC and block holders) to ensure that the monthly farm gate price is clearly understood, communicated and that deductions noted on payslips are clear and transparent.

Reference: Observation 8 Area / Process: Documentation Clause: 6.11.1

The contributions made to local development should be listed indicating more favourably all contributions NBPOL have made to local areas through the Foundation and Tax Credit Scheme.

The structure, operating procedures and governance of the NBPOL Foundation are undergoing review. Once the revised structure is in place a more effective system of recording all contributions related to local development and projects undertaken under the Tax Credit Scheme will be implemented. The NBPOL Foundation and Tax Credit scheme are totally different entities. The Tax Credit scheme is reviewed at Government level.

Reference: Observation 9 Area / Process: Emergency preparedness and response Clause: 7.6

While discussed further under Criterion 7.6, there is a need to improve financial literacy levels among ILG members and provide assistance to ILGs to establish and operate businesses. It is recommended that this support be provided through a Business Development Officer (a new position within the Mini Estates Department). The role of the Business Development Officer should also include the provision of assistance to ILGs in financial management and reporting. The proposed changes to the ILG Act will strengthen this requirement, and most ILGs will need to improve considerably to remain compliant

NBPOL will review the potential for engaging a Business Development Officer within the Mini Estates Office.

Appendix “E”

Supply Chain Assessments

NBPOL Kapiura Oil Mill Supply Chain 26.8.11

Requirements	SG
1. Documented procedures	
1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified in these requirements.	At this stage there are written/documented procedures for the chain of custody for Kapiura Oil Mill
2. Purchasing and goods in	
<p>2.1 The facility must operate a system to ensure that RSPO certified inputs of raw materials and products are identified. The system must include the following:</p> <p>a) A mechanism which ensures that when the company orders RSPO material from its suppliers it specifies this requirement within purchase orders and ensures that the origin of the material until the previous permanent processing facility in the supply chain can be verified as such;</p> <p>b) A mechanism which ensures that when the company receives RSPO material it confirms that the RSPO raw materials delivered are the same as those specified in the purchase order and the accompanying documentation from the supplier;</p> <p>c) A mechanism which ensures that if the validity of accompanying documentation is in doubt, the validity is checked prior to accepting the material;</p> <p>d) A mechanism for handling non-conforming material.</p>	<p>Around 77.5% of material comes from NBPOL Estates therefore there is no PO. 22.5 % comes from Small Holders. With Small Holder NBPOL use a Docket system which indicate weight (quality of product is checked in the field and rejected if rotten) and source of materials. This indicates which small holder block this came from. Purchase orders are not used.</p> <p>Yes this is done by weighbridge docket indicate weight and source of RSPO material. In this case PO is not used because internal supplier. All Small Holder RSPO Material is identified by docket system as to source including small holder block location</p> <p>Purchase orders are not used.</p> <p>This is NBPOL material and all validation can be checked through the docket system– the same can be said of all RSPO material</p> <p>The quality of the RSPO and non RSPO Materials can be rejected by the Mill if it is unacceptable with regards to FFA level. This action has to be passed over to the GM for final rejection. This is documented and small holders are trained in harvesting only mature FFB</p>
3. Sales and goods out	
3.1 The facility must operate a system to ensure that all sales invoices issued for RSPO delivered material includes the following information:	The company is able to issue an invoice which will allow them under the segregation scheme to

a) The name and address of the buyer;	include amount of RSPO materials. Yes – this is completed
b) The date on which the invoice was issued;	This is already in place
c) A description of the product ;	Yes
d) The quantity of the products delivered;	Yes in place
e) Reference to related transport documentation.	Yes via alert that client has received product
4. Processing	
4.1 The facility can only choose a supply chain option in cases where the RSPO materials have been verified to meet at least the supply chain option requirements in the previous stage of the supply chain.	Segregation – All material is RSPO
4.2 The facility must assure that the RSPO-certified material is uniquely identifiable to the mill and its supply base and is kept physically isolated from all other oil palm sources in its facility	Yes - All material is RSPO
4.3 The facility must assure that the RSPO-certified material is kept segregated from non certified material	Segregation – All material is RSPO
5. Record keeping	
5.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	Yes – records are in place and accessible
5.2 Retention times for all records and reports shall be specified by the facility and shall be at least five (5) years.	This is part of the company record keeping requirements
5.3 The facility shall record the volume of RSPO certified material on a three-monthly basis:	
a) Ordered and received from suppliers;	All RSPO material
b) Used in processing;	All RSPO material
c) Retained in storage;	All RSPO material
d) Despatched as RSPO palm oil or derived product.	All RSPO material
5.4 The following trade names should be used and specified in purchase and sales contracts:	Yes
5.5 The facility must provide documented proof that the certified material can be traced back entirely to the oil mill	All RSPO material – 1 oil mill only
5.6 The facility must provide documented proof that the certified material can be traced back to only certified segregated material	All RSPO material
5.7 The facility must:	
a) link sales with a MB-purchase from a certified permanently located processing unit	-
b) ensure that the output of RSPO material does not exceed the input of RSPO material on	-All RSPO material

delivery basis	
5.8 The facility must	
a) provide documents to prove that the BC certificates claimed, match the claimed quantity despatched	All RSPO material
b) provide a declaration from its suppliers with the % of palm products in their recipe	All RSPO material
6. Training	
6.1. The facility shall specify the training requirements for all staff as required to implement these requirements.	Staff in the weighbridge are already competent in separating the source of the material and this can be related to company & small holder material – all RSPO. There are records of competency of staff in weighbridge
6.2. Training shall be provided to all staff as specified.	Staff in the weighbridge are already competent in separating the source of the material and this can be related to company & small holder material – all RSPO. There are records of competency of staff in weighbridge
6.3. The facility shall keep records of the training provided to staff in relation to implementation of these requirements.	Records of all training are maintained as part of RSPO
7. Claims	
7.1 The facility only makes claims regarding the use of or support of RSPO certified sustainable palm oil that are in compliance with the RSPO approved claims	All RSPO material

NBPOL Kumbango Oil Mill Supply Chain 26.8.11

Requirements	SG
1. Documented procedures	
1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified in these requirements.	At this stage there are written/documented procedures for the chain of custody for Kumbango Oil Mill
2. Purchasing and goods in	
<p>2.1 The facility must operate a system to ensure that RSPO certified inputs of raw materials and products are identified. The system must include the following:</p> <p>a) A mechanism which ensures that when the company orders RSPO material from its suppliers it specifies this requirement within purchase orders and ensures that the origin of the material until the previous permanent processing facility in the supply chain can be verified as such;</p> <p>b) A mechanism which ensures that when the company receives RSPO material it confirms that the RSPO raw materials delivered are the same as those specified in the purchase order and the accompanying documentation from the supplier;</p> <p>c) A mechanism which ensures that if the validity of accompanying documentation is in doubt, the validity is checked prior to accepting the material;</p> <p>d) A mechanism for handling non-conforming material.</p>	<p>Around 53.5 % of material comes from NBPOL Estates therefore there is no PO. 46.5 % comes from Small Holders. With Small Holder NBPOL use a Docket system which indicate weight (quality of product is checked in the field and rejected if rotten) and source of materials. This indicates which small holder block this came from. Purchase orders are not used.</p> <p>Yes this is done by weighbridge docket indicate weight and source of RSPO material. In this case PO is not used because internal supplier. All Small Holder RSPO Material is identified by docket system as to source including small holder block location</p> <p>Purchase orders are not used.</p> <p>This is NBPOL material and all validation can be checked through the docket system– the same can be said of all RSPO material</p> <p>The quality of the RSPO and non RSPO Materials can be rejected by the Mill if it is unacceptable with regards to FFA level. This action has to be passed over to the GM for final rejection. This is documented and small holders are trained in harvesting only mature FFB</p>
3. Sales and goods out	
3.1 The facility must operate a system to ensure that all sales invoices issued for RSPO delivered material includes the following information:	The company is able to issue an invoice which will allow them under the segregation scheme to

a) The name and address of the buyer;	include amount of RSPO materials. Yes – this is completed
b) The date on which the invoice was issued;	This is already in place
c) A description of the product ;	Yes
d) The quantity of the products delivered;	Yes in place
e) Reference to related transport documentation.	Yes via alert that client has received product
4. Processing	
4.1 The facility can only choose a supply chain option in cases where the RSPO materials have been verified to meet at least the supply chain option requirements in the previous stage of the supply chain.	Segregation – All material is RSPO
4.2 The facility must assure that the RSPO-certified material is uniquely identifiable to the mill and its supply base and is kept physically isolated from all other oil palm sources in its facility	Yes - All material is RSPO
4.3 The facility must assure that the RSPO-certified material is kept segregated from non certified material	Segregation – All material is RSPO
5. Record keeping	
5.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	Yes – records are in place and accessible
5.2 Retention times for all records and reports shall be specified by the facility and shall be at least five (5) years.	This is part of the company record keeping requirements
5.3 The facility shall record the volume of RSPO certified material on a three-monthly basis:	
a) Ordered and received from suppliers;	All RSPO material
b) Used in processing;	All RSPO material
c) Retained in storage;	All RSPO material
d) Despatched as RSPO palm oil or derived product.	All RSPO material
5.4 The following trade names should be used and specified in purchase and sales contracts:	Yes
5.5 The facility must provide documented proof that the certified material can be traced back entirely to the oil mill	All RSPO material – 1 oil mill only
5.6 The facility must provide documented proof that the certified material can be traced back to only certified segregated material	All RSPO material
5.7 The facility must:	
a) link sales with a MB-purchase from a certified permanently located processing unit	-
b) ensure that the output of RSPO material does not exceed the input of RSPO material on	-All RSPO material

delivery basis	
5.8 The facility must	
a) provide documents to prove that the BC certificates claimed, match the claimed quantity despatched	All RSPO material
b) provide a declaration from its suppliers with the % of palm products in their recipe	All RSPO material
6. Training	
6.1. The facility shall specify the training requirements for all staff as required to implement these requirements.	Staff in the weighbridge are already competent in separating the source of the material and this can be related to company & small holder material – all RSPO. There are records of competency of staff in weighbridge
6.2. Training shall be provided to all staff as specified.	Staff in the weighbridge are already competent in separating the source of the material and this can be related to company & small holder material – all RSPO. There are records of competency of staff in weighbridge
6.3. The facility shall keep records of the training provided to staff in relation to implementation of these requirements.	Records of all training are maintained as part of RSPO
7. Claims	
7.1 The facility only makes claims regarding the use of or support of RSPO certified sustainable palm oil that are in compliance with the RSPO approved claims	All RSPO material

NBPOL Mosa Oil Mill Supply Chain 26.8.11

Requirements	SG
1. Documented procedures	
1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified in these requirements.	At this stage there are written/documented procedures for the chain of custody for Mosa Oil Mill
2. Purchasing and goods in	
<p>2.1 The facility must operate a system to ensure that RSPO certified inputs of raw materials and products are identified. The system must include the following:</p> <p>a) A mechanism which ensures that when the company orders RSPO material from its suppliers it specifies this requirement within purchase orders and ensures that the origin of the material until the previous permanent processing facility in the supply chain can be verified as such;</p> <p>b) A mechanism which ensures that when the company receives RSPO material it confirms that the RSPO raw materials delivered are the same as those specified in the purchase order and the accompanying documentation from the supplier;</p> <p>c) A mechanism which ensures that if the validity of accompanying documentation is in doubt, the validity is checked prior to accepting the material;</p> <p>d) A mechanism for handling non-conforming material.</p>	<p>Around 46% of material comes from NBPOL Estates therefore there is no PO. 54 % comes from Small Holders. With Small Holder NBPOL use a Docket system which indicate weight (quality of product is checked in the field and rejected if rotten) and source of materials. This indicates which small holder block this came from. Purchase orders are not used.</p> <p>Yes this is done by weighbridge docket indicate weight and source of RSPO material. In this case PO is not used because internal supplier. All Small Holder RSPO Material is identified by docket system as to source including small holder block location Purchase orders are not used.</p> <p>This is NBPOL material and all validation can be checked through the docket system– the same can be said of all RSPO material The quality of the RSPO and non RSPO Materials can be rejected by the Mill if it is unacceptable with regards to FFA level. This action has to be passed over to the GM for final rejection. This is documented and small holders are trained in harvesting only mature FFB</p>
3. Sales and goods out	
3.1 The facility must operate a system to ensure that all sales invoices issued for RSPO delivered material includes the following information:	The company is able to issue an invoice which will allow them under the segregation scheme to

a) The name and address of the buyer;	include amount of RSPO materials. Yes – this is completed
b) The date on which the invoice was issued;	This is already in place
c) A description of the product ;	Yes
d) The quantity of the products delivered;	Yes in place
e) Reference to related transport documentation.	Yes via alert that client has received product
4. Processing	
4.1 The facility can only choose a supply chain option in cases where the RSPO materials have been verified to meet at least the supply chain option requirements in the previous stage of the supply chain.	Segregation – All material is RSPO
4.2 The facility must assure that the RSPO-certified material is uniquely identifiable to the mill and its supply base and is kept physically isolated from all other oil palm sources in its facility	Yes - All material is RSPO
4.3 The facility must assure that the RSPO-certified material is kept segregated from non certified material	Segregation – All material is RSPO
5. Record keeping	
5.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	Yes – records are in place and accessible
5.2 Retention times for all records and reports shall be specified by the facility and shall be at least five (5) years.	This is part of the company record keeping requirements
5.3 The facility shall record the volume of RSPO certified material on a three-monthly basis:	
a) Ordered and received from suppliers;	All RSPO material
b) Used in processing;	All RSPO material
c) Retained in storage;	All RSPO material
d) Despatched as RSPO palm oil or derived product.	All RSPO material
5.4 The following trade names should be used and specified in purchase and sales contracts:	Yes
5.5 The facility must provide documented proof that the certified material can be traced back entirely to the oil mill	All RSPO material – 1 oil mill only
5.6 The facility must provide documented proof that the certified material can be traced back to only certified segregated material	All RSPO material
5.7 The facility must:	
a) link sales with a MB-purchase from a certified permanently located processing unit	-
b) ensure that the output of RSPO material does not exceed the input of RSPO material on	-All RSPO material

delivery basis	
5.8 The facility must	
a) provide documents to prove that the BC certificates claimed, match the claimed quantity despatched	All RSPO material
b) provide a declaration from its suppliers with the % of palm products in their recipe	All RSPO material
6. Training	
6.1. The facility shall specify the training requirements for all staff as required to implement these requirements.	Staff in the weighbridge are already competent in separating the source of the material and this can be related to company & small holder material – all RSPO. There are records of competency of staff in weighbridge
6.2. Training shall be provided to all staff as specified.	Staff in the weighbridge are already competent in separating the source of the material and this can be related to company & small holder material – all RSPO. There are records of competency of staff in weighbridge
6.3. The facility shall keep records of the training provided to staff in relation to implementation of these requirements.	Records of all training are maintained as part of RSPO
7. Claims	
7.1 The facility only makes claims regarding the use of or support of RSPO certified sustainable palm oil that are in compliance with the RSPO approved claims	All RSPO material

NBPOL Namundo Oil Mill Supply Chain 26.8.11

Requirements	SG
1. Documented procedures	
1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified in these requirements.	At this stage there are written/documented procedures for the chain of custody for Namundo Oil Mill
2. Purchasing and goods in	
<p>2.1 The facility must operate a system to ensure that RSPO certified inputs of raw materials and products are identified. The system must include the following:</p> <p>a) A mechanism which ensures that when the company orders RSPO material from its suppliers it specifies this requirement within purchase orders and ensures that the origin of the material until the previous permanent processing facility in the supply chain can be verified as such;</p> <p>b) A mechanism which ensures that when the company receives RSPO material it confirms that the RSPO raw materials delivered are the same as those specified in the purchase order and the accompanying documentation from the supplier;</p> <p>c) A mechanism which ensures that if the validity of accompanying documentation is in doubt, the validity is checked prior to accepting the material;</p> <p>d) A mechanism for handling non-conforming material.</p>	<p>Around 90% of material comes from NBPOL Estates therefore there is no PO. 10 % comes from Small Holders. With Small Holder NBPOL use a Docket system which indicate weight (quality of product is checked in the field and rejected if rotten) and source of materials. This indicates which small holder block this came from. Purchase orders are not used.</p> <p>Yes this is done by weighbridge docket indicate weight and source of RSPO material. In this case PO is not used because internal supplier. All Small Holder RSPO Material is identified by docket system as to source including small holder block location Purchase orders are not used.</p> <p>This is NBPOL material and all validation can be checked through the docket system– the same can be said of all RSPO material The quality of the RSPO and non RSPO Materials can be rejected by the Mill if it is unacceptable with regards to FFA level. This action has to be passed over to the GM for final rejection. This is documented and small holders are trained in harvesting only mature FFB</p>
3. Sales and goods out	
3.1 The facility must operate a system to ensure that all sales invoices issued for RSPO delivered material includes the following information:	The company is able to issue an invoice which will allow them under the segregation scheme to

a) The name and address of the buyer;	include amount of RSPO materials. Yes – this is completed
b) The date on which the invoice was issued;	This is already in place
c) A description of the product ;	Yes
d) The quantity of the products delivered;	Yes in place
e) Reference to related transport documentation.	Yes via alert that client has received product
4. Processing	
4.1 The facility can only choose a supply chain option in cases where the RSPO materials have been verified to meet at least the supply chain option requirements in the previous stage of the supply chain.	Segregation – All material is RSPO
4.2 The facility must assure that the RSPO-certified material is uniquely identifiable to the mill and its supply base and is kept physically isolated from all other oil palm sources in its facility	Yes - All material is RSPO
4.3 The facility must assure that the RSPO-certified material is kept segregated from non certified material	Segregation – All material is RSPO
5. Record keeping	
5.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	Yes – records are in place and accessible
5.2 Retention times for all records and reports shall be specified by the facility and shall be at least five (5) years.	This is part of the company record keeping requirements
5.3 The facility shall record the volume of RSPO certified material on a three-monthly basis:	
a) Ordered and received from suppliers;	All RSPO material
b) Used in processing;	All RSPO material
c) Retained in storage;	All RSPO material
d) Despatched as RSPO palm oil or derived product.	All RSPO material
5.4 The following trade names should be used and specified in purchase and sales contracts:	Yes
5.5 The facility must provide documented proof that the certified material can be traced back entirely to the oil mill	All RSPO material – 1 oil mill only
5.6 The facility must provide documented proof that the certified material can be traced back to only certified segregated material	All RSPO material
5.7 The facility must:	
a) link sales with a MB-purchase from a certified permanently located processing unit	-
b) ensure that the output of RSPO material does not exceed the input of RSPO material on	-All RSPO material

delivery basis	
5.8 The facility must	
a) provide documents to prove that the BC certificates claimed, match the claimed quantity despatched	All RSPO material
b) provide a declaration from its suppliers with the % of palm products in their recipe	All RSPO material
6. Training	
6.1. The facility shall specify the training requirements for all staff as required to implement these requirements.	Staff in the weighbridge are already competent in separating the source of the material and this can be related to company & small holder material – all RSPO. There are records of competency of staff in weighbridge
6.2. Training shall be provided to all staff as specified.	Staff in the weighbridge are already competent in separating the source of the material and this can be related to company & small holder material – all RSPO. There are records of competency of staff in weighbridge
6.3. The facility shall keep records of the training provided to staff in relation to implementation of these requirements.	Records of all training are maintained as part of RSPO
7. Claims	
7.1 The facility only makes claims regarding the use of or support of RSPO certified sustainable palm oil that are in compliance with the RSPO approved claims	All RSPO material