

RSPO NEW PLANTING PROCEDURE: NOTIFICATION AND VERIFICATION STATEMENT

Ramu Agri Industries Limited, a member of New Britain Palm Oil Limited (NBPOL) 23/01/2018

1. Guidance Document Used:

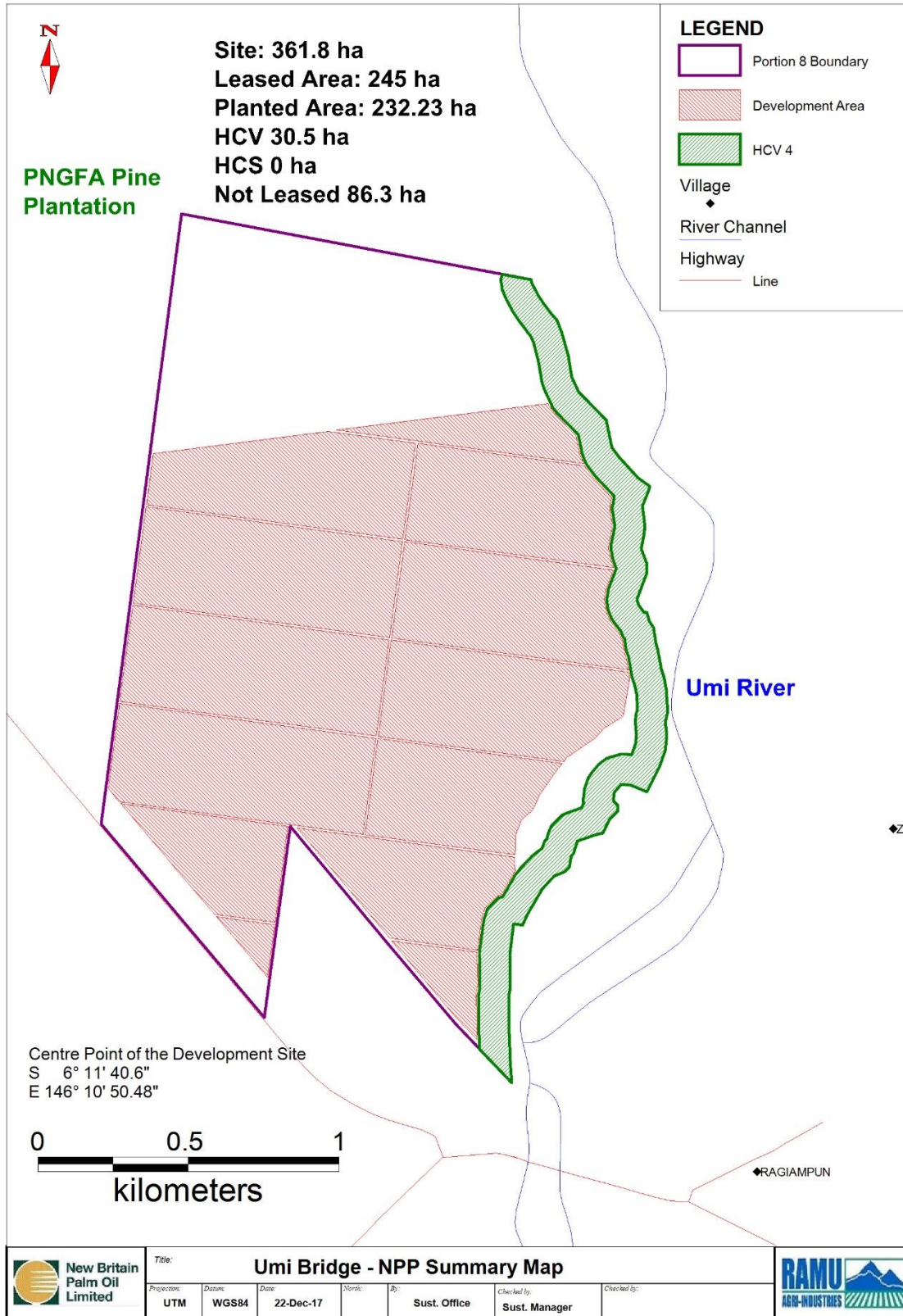
Ramu Agri Industries Limited, a member of New Britain Palm Oil Limited (NBPOL) has proposed for a new development to be assessed for compliance against the RSPO New Planting Procedure (RSPO NPP – endorsed by the Board of Governors on 20th November 2015)

2. Scope of Assessment


Date of Notification	13/01/2018						
Certified Unit Name	Ramu Agri Industries Limited						
Name of Parent Company	New Britain Palm Oil Limited (NBPOL)						
RSPO Membership	1-0016-04-000-00						
Address	PO Box 2183, Lae. 411, Morobe Province, Papua New Guinea						
Business Permit:	I-7054						
Type of Business	Agriculture. Business Registration No: B0087716, Date of Incorporation: 18/10/1978 issued by Registrar of Companies.						
Size (ha)	275 ha						
Contact Persons / Email / Telephone No:	William Unsworth (wunsworth@nbpol.com.pg) +675 7148 7948						
	Sander van den Ende (svdende@nbpol.com.sg) +675 7213 6802						
Geographical Location	Umi Bridge located at Upper Markham Valley, Umi/Atzera Local Level Government (LLG) area of Markham District, Morobe Province, Papua New Guinea.						
Spatial Reference (GPS Coordinates)	6° 11' 40.6"S 146° 10'50.48"E						
Boundary Maps	See below						
Areas and time plan for new planting	No.	Name	Total area (ha)	HCV (ha)	HCS Indicative Conserve (ha)	Develop (ha)	Planting Timeline
	1	Umi Bridge	275.5	30.5	0	245	February 2018 and after NPP

							notification period
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Umi Bridge Boundary Map:



3. Statement of acceptance of responsibility for NPP

<i>The oil palm grower signs to confirm that the necessary assessments have been done and completed in accordance to the NPP.</i>	
Name of certified unit	Ramu Agri Industries Limited, a member of New Britain Palm Oil Limited (NBPOL)
Name of responsible person	Mr. Ruari Macwilliam
Position:	General Manager
Signature:	
Date	23/01/2018

4. Verification Statement by TUV NORD Malaysia

4.1: Executive Summary:

New Britain Palm Oil Ltd – Ramu Agri Industries Ltd (RAIL) is a member an ordinary of the RSPO since 20/02/2013 with membership number 1-0016-04-000-00. New Britain Palm Oil Ltd was acquired by Sime Darby Berhad in 2015.

Ram Agri Industries Ltd has acquired a sub-leased as new development for expansion of the oil palm cultivation at the proposed site mention above,

According to the New Planting Procedure 2015 requirements, the proposed new development area less than 500ha is defined as low risk whereby an onsite verification is not necessary.

However, TUV NORD Malaysia lead auditor Mr. Cheong, Chun Yuen (Robert) has conducted an onsite verification, desktop study and document review to verify the relevant documents. The onsite was conducted on 25/07/2016 whilst the desk top study and document review was conducted from 10/12/2017 to 11/12/2017.

The onsite inspection was conducted on 25/07/2016 by the CB lead auditor in-conjunction with another site that has obtained NPP in 2016.

During the onsite visit and verification to the proposed new development site Umi Bridge, the interested land owner representative was interviewed.

In addition to the onsite assessment, the following were sighted and reviewed as provided by the land owner and RAIL.

1. Interest for converting the proposed land to oil palm cultivation
2. Land title
3. Boundary map
4. Land Tenure

A tour of the land was conducted at the same time of the site interview of the land owner. Umi Bridge land is a grassland with scrubs and scattered trees in the background landscape of the land. There were no farming activities at the proposed area. The land owner stays at one section of land which is not part of the sub-leased area.



Propose site



Grassland behind owner house



River flowing along the boundary

From the photos above and interview with the land owner, the area is 100% grassland and could verify that the vegetation of the NPP area exclusively consists of grassland and it has always been grassland for the past 50+ years.

RAIL has planted oil palm since 2003 at Morobe and Madang Provinces comprising of internal estates of Gusap, Ngaru, Jephcott, Surinam, Paddox and Dumpu. In addition, there are associate smallholders under Village Oil Palms (VOP) owned by local customary landowners.

Under the expansion program traditional landowner will voluntarily expressed their interest in writing to the company to lease portion of their land to the company under sub-leased arrangement for oil palm plantation. The land for this new development is legally registered with the Registrar of Titles pursuant to Section 162 of the Land Registration Act Chapter 192 to Kundu Investment Limited as the legally registered landowner.

The landowner, Kundu Investment Limited has provided the legal user rights of Umi Bridge land to Ramu Agri Industries Ltd for development of the assigned area of 275ha into oil palm. Therefore, in compliance to RSPO PNG NI 2017 Criteria 2.2 indicator 2.2.1.

The location for this new development Umi Bridge is at Upper Markham Valley, Umi/Atzera Local Level Government (LLG) area of Markham District, Morobe Province, Papua New Guinea. The total land area for the proposed new development is 275.5 hectares with a proposed planted area of 245ha and HCV area of 30.5ha.

4.2: SEIA Assessment:

The SEIA assessment was conducted during the 1st week of December 2015 by an external qualified assessor, Mr. Narua Lovai a freelance SEIA consultant.

The SEIA stakeholder engagement was conducted on 30/11/2015 to 05/12/2015 with the landowner family members and Markham District Administration Officials. Therefore, the FPIC process has been observed in accordance to RAIL internal FPIC process for new development guidelines.

The SEIA report details the assessment process that include both social and environmental impacts on the development of the proposed site. The report has entail potential risks and impacts in table 3.0 of the report. The risk analysis is outline in Appendix 3.0 of the report.

Appendix 4.0 of the SEIA report outline the Environmental Management Plan in 2 phases namely site preparation and oil palm planting phase and operation phase. The proposed management plan is included in the Assessment Summaries and Management Plan report.

4.3: HCV Assessment

The HCV Assessment was conducted by Douglas Environmental Services with the field survey took place on 21/06/2016 to 27/06/2017 lead by Mr. John Douglas an approved ALS HCV assessor with a Provincial license from HCV Resource Network. The HCV summary report was

submitted to HCV Resource Network and the date of publication was on 10/10/2017 with an evaluation status of satisfactory 2.

The credentials of the assessment team are listed in table 3 of the HCV report.

The public summary report has outline the assessment timeline and methodology of the activities carried out by the assessment team. The assessment of the scoping study comprises of desktop study and fieldwork including stakeholders' consultation. The stakeholders consulted ae listed in tables 23 & 24 of the report.

The HCV assessment adopts HCVRN HCV indicators of 1 to 6. The outcome of the assessment for each indicator is listed section 5.3 of the report with a table indicating the finding summary and the results of the finding.

Based on the assessment, indicator HCV 4 (See photo above) is presence in the proposed project site which is Ecosystem Services with the threats identified in table 13. The HCV assessment team has proposed management recommendations and monitoring recommendation on the threats identified in table 14. The proposed recommendations are included in the Assessment Summaries and Management Plan report.

4.4: LUC Analysis and soil topography

To fulfil the RSPO Criterion 7.3, the Land Use Change Analysis (LUCA) the assessment were carried out by an external independent consultant firm Kokusai Kogyo, Ltd. Japan Asia from 08/07/2016 to 10/07/2016 utilizing satellite imagery.

The study consisted of a systematic land use change analysis with the use of comparative satellite imagery which shows the land use of the proposed area before, during and after November 2005.

The analysis utilized a historical time series analysis utilizing Landsat Cloud Free Mosaic (Annual Greenest Pixel) and baseline data which compared annual tree cover and loss from 2000 to 2015.

The study demonstrates that there has been negligible tree cover loss or gain within the period of 2000 to 2015 that confirms the findings of the HCV assessment and local knowledge of the area.

The soil topography and soil assessment is conducted by RAIL internal team lead by Mr. William Unsworth on 13/08/2016 to 14/08/2016. Based on the study, there were no peat or fragile soils or slope / steep landscape at the proposed Umi Bridge new development area. This could be confirmed during the site inspection conducted on 25/07/2016. Refer photos above.

The details of the assessments are included in the Assessment Summaries and Management Plans for land use change assessment & images report.

4.5: HCS and GHG Assessment

In accordance with the RSPO Announcement on compliance to Criterion 7.8, Ramu Agri Industries Ltd has conducted a HCS and GHG Assessment on the proposed Umi Bridge land to ensure no deforestation, no peat and maintain any identified HCV areas. The assessment was conducted by internal assessment team from 28/11/2015 to 30/11/2015 lead by Mr William Unsworth.

The credentials of the assessment team are listed in section 4.9 of the assessment report and in accordance to NPP Table 2. Guidance for assessments.

The details of the assessment methods and procedures used for conducting carbon stock and GHG assessments contain in Sections 4 and 5 of the report.

The GHG emissions determination for the proposed new development was established using the approved ERWG excel spread format version 2.0 for new development.

The GHG emissions calculation has include scenario testing for new development options. Since the new development is a grassland as defined in HCV assessment, 2 scenarios were generated for comparison of development with and without methane capturing system in the mill operation in accordance to Section 4.2 of RSPO GHG Assessment Procedures for New Development v.3.0.

Section 5.0 of the HCS report, describe the scenario testing, projections of GHG emissions and selection of the optimal development scenario.

The GHG emissions excel spreadsheet was cross-checked on the results summary, LUC emissions, FFB production, Field fuel, peat, User defined fertiliser, Fertiliser and N₂O, Conservation Area Sequestration, Crop Sequestration, mill data, default values and allocation to crop products. The results from the GHG calculator is replicated in Section 7.0 of HCS report.

Section 9.0 of HCS report describes the management and mitigation plan based on the carbon emission sources identified in the GHG Calculator.

The HCS and GHG Assessment report is prepared in accordance to Box 5 requirements of RSPO GHG Assessment Procedures for New Development v.3.0.

The GHG emissions calculation together with 2 scenarios have been submitted to RSPO ERWG. In this NPP submission, TUV NORD Malaysia could confirm that the appropriate carbon stock assessments have been made in compliance to C7.8.

4.6: Summary of Management Plan

Ramu Agri Industries Ltd has established the management plan, Assessment Summaries and Management Plans for Proposed New Development at Umi Bridge located at Upper Markham Valley, Umi / Atzera Local Level Government (LLG) area of Markham District, Morobe Province, Papua New Guinea.

The structure of the assessment summaries and management plan is in accordance to Section 1.B of RSPO NPP Endorsed by the Board of Governors on 20th November 2015.

The management plan describes the assessment summaries for each requirement of the NPP for new development, proposed management and mitigation plan for SEIA, HCV and GHG emissions.


Section 6 describes Internal Responsibility with the formal sign-off by assessors and grower with a statement of acceptance of responsibility for assessments and formal signing off of the management plan by the grower.

5.0: Summary of Assessment Findings

Based on the review of the reports for Social Environment Impact Assessment, HCV Assessment, Land Usage Change Analysis and High Carbon Stock and GHG Assessment that include the analysis of the carbon stock on land use change, carbon emissions and sequestration, it can be concluded that the assessment and plans are comprehensive, professional and in conformance with RSPO New Planting Procedure.

The results of the respective assessment reports and contents of the plan are comprehensive, of professional quality and comply with the relevant RSPO Principles, Criteria and Indicators for new development.

For details of the summary, refer to attach document entitled Assessment summaries and management plans for Proposed New Development of Umi Bridge located at Morobe, Papua New Guinea and the related HCV, SEIA, HCS and Land Use Change Analysis reports.

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Name of Lead Auditor	Cheong, Chun Yuen (Robert)
Position:	Lead Auditor
Signature	
Date	23/01/2018