



SUSTAINABILITY UPDATE

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OLENEX SUSTAINABILITY UPDATE

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Wilmar Smallholders Support Honduras

WISSHful thinking has become reality

The palm oil industry is plagued by controversy over unsustainable farming practices such as deforestation. Some NGO's have called for a ban on palm oil. But is that really the solution? We do not think so.

Instead we believe that **palm oil can be produced in a sustainable manner**. In order to initiate the required setting, smallholders in Honduras need access to knowledge and tools for improving their agricultural and environmental practices. This will ultimately improve their livelihoods.

WISSH >>
Empowering Smallholders

Wilmar together with AIPAH – the National Association of Palm Oil Producers in Honduras – initiated a capacity building project called WISSH (Wilmar Smallholders Support Honduras). Olenex and Nestlé have been supporting Wilmar's project since day one.

The WISSH to go local

WISSH went local and established a collaboration between Wilmar, the Honduran association of palm oil producers and an experienced implementation partner. The WISSH programme empowered smallholders by improving their technical knowledge and agricultural management skills.

In October 2018, the WISSH completion event took place in La Ceiba, Honduras. Together, the program organizer and smallholder farmers evaluated the programme. One smallholder representative of each palm oil mill – nine in total – gave a short presentation to the 130 participants. In their presentation they answered questions like *What is the most important aspect we learned in WISSH?* and *What aspect of WISSH am I already applying on my farm?* One of the returning key learnings mentioned was the importance of keeping records of fertilization, pruning, harvesting and salary. Secondly, the smallholders highly appreciated to receive insight on how to manage their farms as a small business, including planning, budgeting and how to safeguard future resources.

In addition, the project increased the awareness of the national palm oil industry for environmental threats by implementing **NDPE standards** in their plantation management. NDPE stands for **No Deforestation**, **No** plantation development on **Peatland** and **No Exploitation** of people and local communities.

e Oils



In October, WISSH was completed after three years: Training on six topics, taught by 50 mill supervisors in 488 training sessions for a total of 3300 smallholders. Find out more on our dedicated [WISSHful thinking website](#).

European Palm Oil Conference (EPOC) 2018

74% of palm oil entering Europe for food was certified sustainable in 2017

A new [monitoring report](#) by the European Sustainable Palm Oil (ESPO) project shows that 74% of the palm oil imported for food was certified sustainable in 2017¹. At the 6th European Palm Oil Conference, Frans Claassen, chair of the European Palm Oil Alliance (EPOA), called on food companies and retailers to fulfil their commitments and use only sustainable palm oil.

More action needed to meet goal of 100% by 2020

EPOA members are ready to make the switch and lead sustainable palm oil market transformation in Europe. Claassen said: "Our 2020 goal for 100% sustainable palm oil used in food in Europe is still in sight, but everybody has to put all hands on deck - time is short. We urge NGOs to take a cooperative stance to empower people that do the work on the ground and make the change possible."

EPOA believes that sustainable palm oil is a key food ingredient to help feed the world, to help protect biodiversity and wildlife and improve socio-economic development in rural areas. In addition, sustainable palm oil contributes to achieving the United Nations' Sustainable Development Goals, or SDGs.



Frans Claassen



The current negative image of palm oil in food greatly hampers the transition to 100% sustainable palm oil uptake. Delegates in the room called for action and reviewed the potential of using a joint communication campaign to encourage sustainable practices, the [pact for sustainable palm oil](#).

Demand for sustainable palm oil triggers sustainable actions in producing countries

Producing countries are also stepping up their efforts. H.E. Arif Havas Oegroseno, the Indonesian Ambassador to Germany, explained that the imposed moratorium on expanding palm oil plantations by the Indonesian President Joko Widodo resulted in a 60% decline in deforestation in 2017. Both in Indonesia and Malaysia, regional and district governments in collaboration with the private sector are developing mandatory certification schemes (ISPO and MSPO) with stronger governance mechanisms to monitor and support sustainable production. Similarly in Colombia, government, industry and civil society organizations have a commitment on zero deforestation.

¹ Including small volumes for feed and personal care.



Progress on the import and use of sustainable palm oil in Europe

Towards 100% sustainable palm oil in Europe: facts & figures 2017

WHY WE USE PALM OIL



**GLOBAL
FOOD SECURITY**



**HIGHEST
YIELD**



**VERSATILE
PROPERTIES**



**RURAL INCOME
AND DEVELOPMENT**

MAKING PALM OIL SUSTAINABLE TO



Respect
human rights



Protect forests
and wildlife



Use best practises
to increase yield
without expanding
into new areas



Provide education
and health
services to rural
communities



RSPO

2.51 million hectares certified under the Roundtable on Sustainable Palm Oil standard in 2017

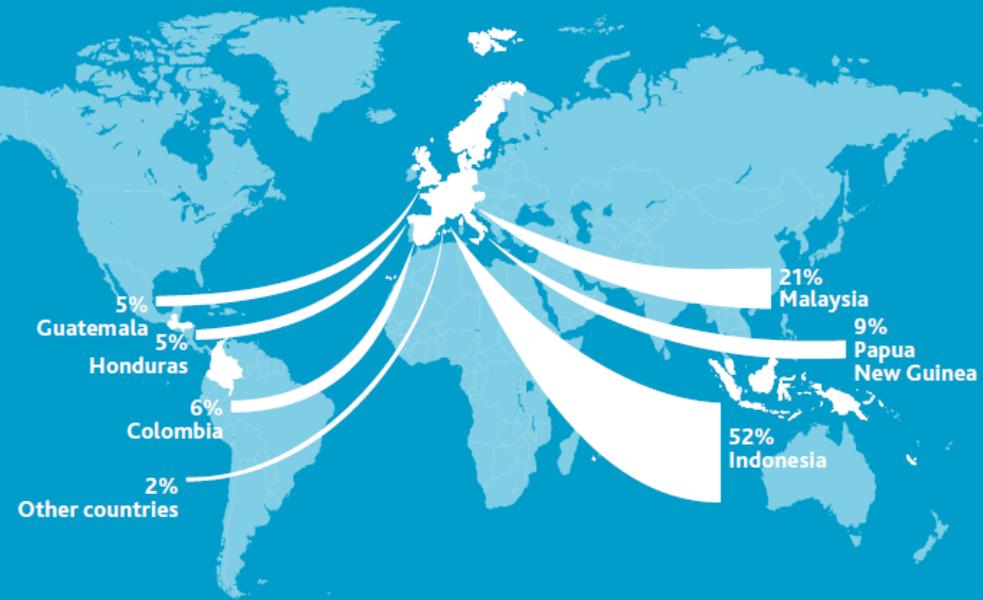
ISPO

2.1 million hectares certified under the Indonesian Sustainable Palm Oil standard in 2017

MSPO

518.793 hectares certified under the Malaysian Palm Oil standard in 2017

PALM OIL TRADE FLOWS INTO EUROPE



of the palm oil imported into Europe was traceable to the oil mill



of palm oil imported into Europe is sourced under No Deforestation, No Peat, No Exploitation (NDPE) policies



of palm oil imported into Europe were covered by RSPO credits bought by European companies



of palm oil imported into Europe were covered by RSPO independent smallholder farmer credits bought by European companies



of the palm oil imported for food¹ into Europe was RSPO certified sustainable palm oil

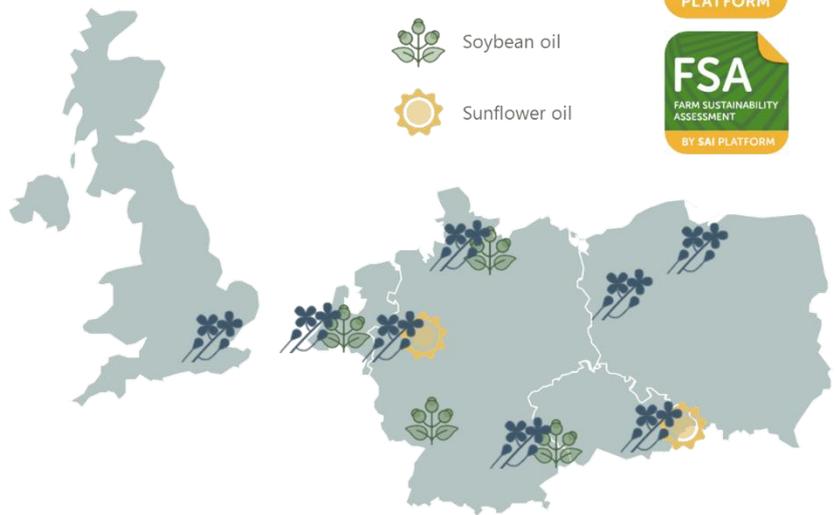
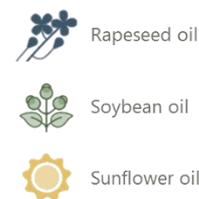
¹Including small volumes for feed and oleochemical

Target
100%
sustainable palm oil
in Europe by 2020

Sustainable Agriculture Initiative (SAI)

Olenex offering SAI-compliant rapeseed, soybean and sunflower oil

The [Sustainable Agricultural Initiative \(SAI\) Platform](#) is the primary global food & drink value chain initiative for sustainable agriculture. It is a non-profit organization that, at pre-competitive level, facilitates sharing of knowledge and best practices to support the development and implementation of sustainable agriculture practices, involving stakeholders along the entire food value chain. SAI Platform today counts over 100 members, among them ADM Wild Flavors, Ahold Delhaize, Barry Callebaut, Friesland Campina, McDonald's, PepsiCo, and Tesco. The members actively share the same view on sustainable agriculture aiming for a standardized sustainability approach for the entire supply chain.



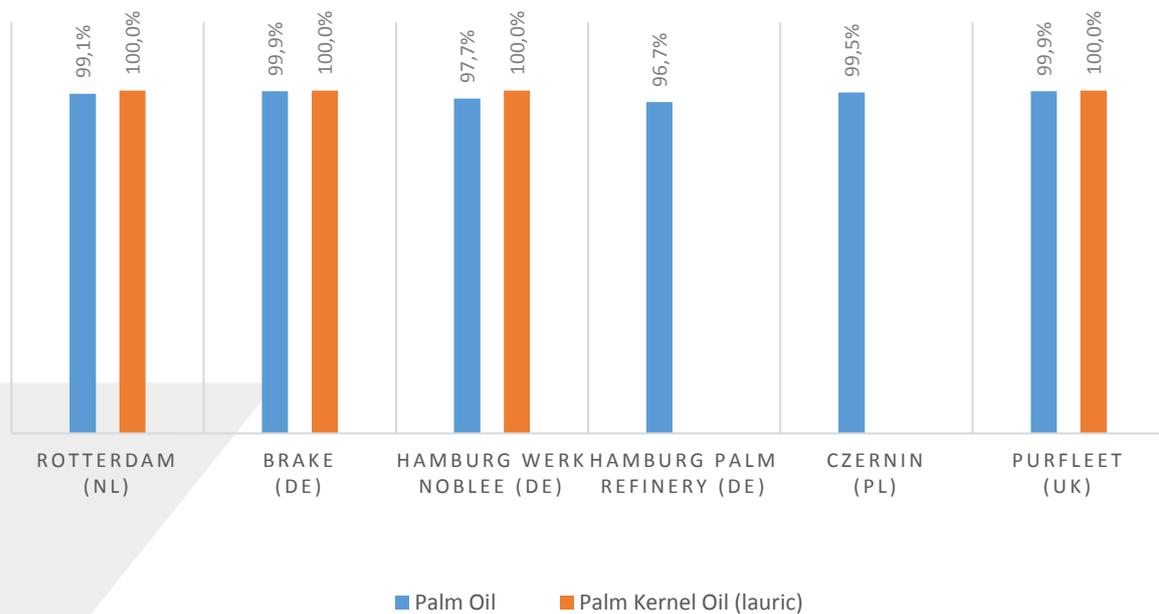
Via ISCC certification, Olenex is able to provide rapeseed, soybean and sunflower oil which complies with the sustainability requirements of SAI members (SAI Silver Status). Whereas rapeseed oil is readily available, sunflower and soybean oil can be made available on request.

Specialists in Edible Oils

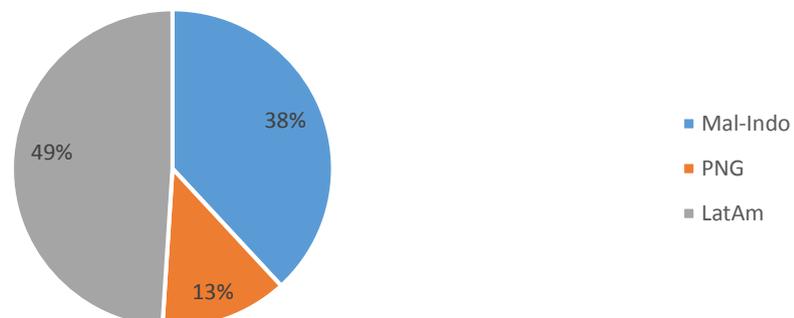
Palm oil traceability update

Olenex is committed to responsible sourcing of palm oil that is delinked from deforestation and exploitation, through the development of a traceable and transparent palm oil supply chain. Each quarter Olenex updates its traceability results. Individual reports with a list of palm oil mills in the supply chain of each refinery are available on the [Olenex sustainability website](#).

TRACEABILITY RESULTS Q3 2017 - Q2 2018



ORIGIN OF PALM OIL AND PALM KERNEL OIL (LAURICS) Q3 2017 - Q2 2018



For any queries, please do not hesitate to get in touch: olenex.sustainability@olenex.com

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