



# SUSTAINABILITY UPDATE

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# OLENEX SUSTAINABILITY UPDATE

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## Progress Towards 100% Sustainable Palm Oil in Europe by 2020

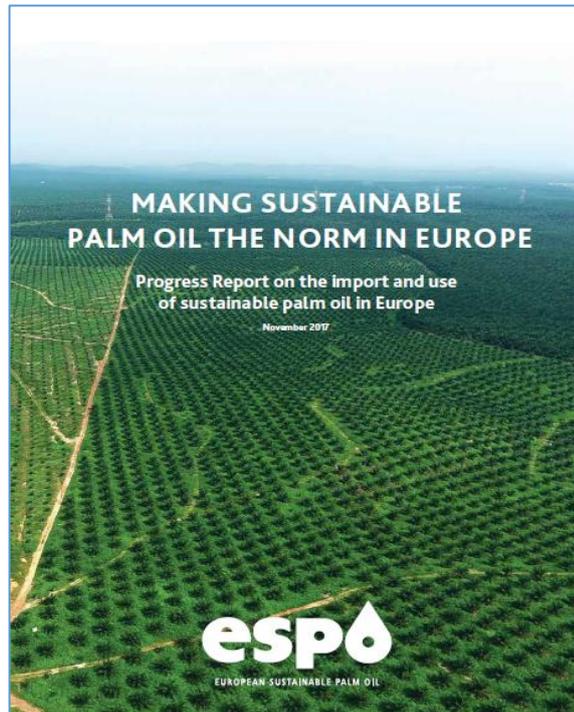
The European Sustainable Palm Oil (ESPO) group recently published their progress report on the use of sustainable palm oil<sup>1</sup>. It contains new data that shows significant progress has been made in achieving the goal of reaching 100% sustainable palm oil by 2020.

During the European Palm Oil Conference in Brussels in November 2017, ESPO revealed a monitoring study announcing that already 69% of the palm oil import for food into European refineries now exist of Certified Sustainable Palm Oil (CSPO) in 2016.

Although good progress has been made, the data still shows a gap between the imported volume of CSPO and the actual uptake of CSPO by the food industry. The next logical step to undertake by ESPO is to motivate members and drive uptake of CSPO.

The study also contains recommendations to all stakeholders within the palm oil supply chain to increase cooperation and make an effort to achieve the 2020 commitment of a 100% sustainable palm oil across all market segments in Europe. In the following countries, national initiatives ([ESPO report, page 5](#)) made a commitment to 100% sustainable palm oil: Norway, Sweden, Denmark, Netherlands, Belgium, United Kingdom, France, Germany/Austria/Switzerland, Spain and Italy. Companies are encouraged to join the national initiatives in their countries or join forces with ESPO to establish new national initiatives in countries without an initiative and commitment yet.

In addition, government representatives attending the European Palm Oil Conference were presented by the challenge to develop food policies that build upon the existing national initiatives. These policies will enable them to conform its goals to the framework and commitments of the [UN Sustainable Development Goals \(SDG\)](#).



[Click to download report](#)

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<sup>1</sup> Defined as RSPO certified or equivalent

## Evolution of Sustainable Palm Requirements

The most widely known sustainability standard for palm oil is set by the **Roundtable on Sustainable Palm Oil (RSPO)**. During recent years, several other sustainability initiatives emerged.

Which are they and why did they emerge?

The RSPO was established in 2004 and had the objective to promote growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. RSPO certified palm oil is produced in accordance with eight sustainability principles<sup>2</sup>. These form the basis on which an extensive set of criteria and indicators have derived from. They are the very foundation of performing audits at RSPO Certified oil palm growers and mills.



The RSPO Principles & Criteria are regularly reviewed and kept relevant to reflect stakeholder's understanding of good sustainability practices. The last review took place back in 2013 which is why the RSPO initiated a public review process in 2017. This will result in a revised set of Principles & Criteria (P&Cs) that will be submitted for ratification by the RSPO General Assembly in November 2018.

After the last P&C review in 2013, progressive stakeholders created several initiatives complementing the RSPO P&C. Among those initiatives are the **RSPO NEXT**, the Palm Oil Innovation Group (**POIG**), and company policies such as the **Olenex Palm Supply Chain Policy**.

## RSPO NEXT

**Objective:** The [RSPO NEXT](#) is a certification standard that goes beyond the standard requirements of the RSPO P&C stipulating forest protection, human rights, greenhouse gas (GHG) emission reduction, omission of fire and no planting on peatlands.

**Verification:** RSPO NEXT certified growers are audited annually against the RSPO NEXT principles and criteria. To date, two producers have achieved RSPO NEXT certification.

**Availability:** RSPO NEXT credits work according a Book & Claim principle were credits are traded directly between growers and end-product manufacturers via an online platform. This approach makes RSPO NEXT accessible to all end product manufacturers without the need for another segregated supply chain. Palm oil supplied by RSPO NEXT certified plantations is mixed with RSPO SG palm oil along the supply chain.



**Objective:** The [Palm Oil Innovation Group \(POIG\)](#) is a multi-stakeholder initiative that strives to achieve the adoption of responsible palm oil production practices. The POIG's vision is to create a responsible supply chain that disconnects palm oil production from the destruction of forests and peatlands, the exploitation of communities and workers, and climate change.

**Verification:** POIG growers are assessed against the POIG Verification Indicators. To date, three producers have undergone regular audits with one additional producer currently being verified.

**Availability:** POIG does not offer a supply chain certification standard and thus palm oil by POIG members is commingled with palm oil from other producers. Olenex sources palm oil from POIG members making their palm oil available to European customers.



**Objective:** The [Olenex Palm Supply Chain Policy](#) is a No Deforestation, No Peat and No Exploitation (NDPE) policy, which applies to all Olenex palm suppliers. With this policy Olenex commits to a responsible sourcing of palm oil that is detached from deforestation and exploitation.

**Verification:** The majority of the sustainability criteria of the Olenex Policy in combination with RSPO SG are overlapping with POIG and RSPO NEXT. To assure proper verification, Olenex follows the five-step landscape level approach as defined by one of its parent companies; Wilmar International Ltd: 1. Traceability 2. Risk-based mill prioritization 3. High level engagement with prioritized mills 4. Broad engagement 5. Ongoing monitoring

**Availability:** The Olenex Palm Supply Chain Policy applies to all oil palm products processed and delivered by Olenex, including RSPO SG, RSPO MB, ISCC and non-certified products.

## Conclusion

The three independent initiatives have common ground and objectives: Driving sustainability in the palm oil industry. While they mostly cover the same sustainability requirements, they differ in their verification approach and availability. Considering the latest trends & developments in the palm oil industry it is expected that the 2018 RSPO Principles & Criteria will cover a sizable part of the complementary elements as demanded by the above initiatives.

## Supply Chain Insight: Attending School on a Wilmar Plantation in Indonesia

Olenex parent company and palm oil supplier, Wilmar International Ltd., has embarked on a programme to upgrade and redevelop rural schools in and around plantations in Indonesia. The schools that are in the process of being redeveloped will benefit over 6,500 children annually. Included in its [Child Protection Policy](#) it is part of Wilmar's effort to provide free access to high-quality education for the children of workers in local communities.

Click the picture below to watch the movie (100 MB) and to find out more.



## WISSH accomplishment: Final Training Year 2018

During 2018, the final and concluding training year, the *Wilmar Smallholders Support Honduras* (WISSH) program will continue to engage with independent smallholders to complete the last two training sessions, *Farm Management* and *Pest & Disease Control*.



*WISSH Independent Smallholder training, February 2018, Honduras*

In addition, local implementation partner NES Naturaleza has planned 170 assessments with associated smallholders who were trained over the last three years under the WISSH program. The objective is to verify if the implementation of the sustainability practices have been successful and meets the program standards. The outcome will lead to a proper analysis of findings and solutions, which should ultimately result in a higher level of sustainability achievement of the smallholder community.

The fifth WISSH progress report has been published and is available on the [Olenex website](#).



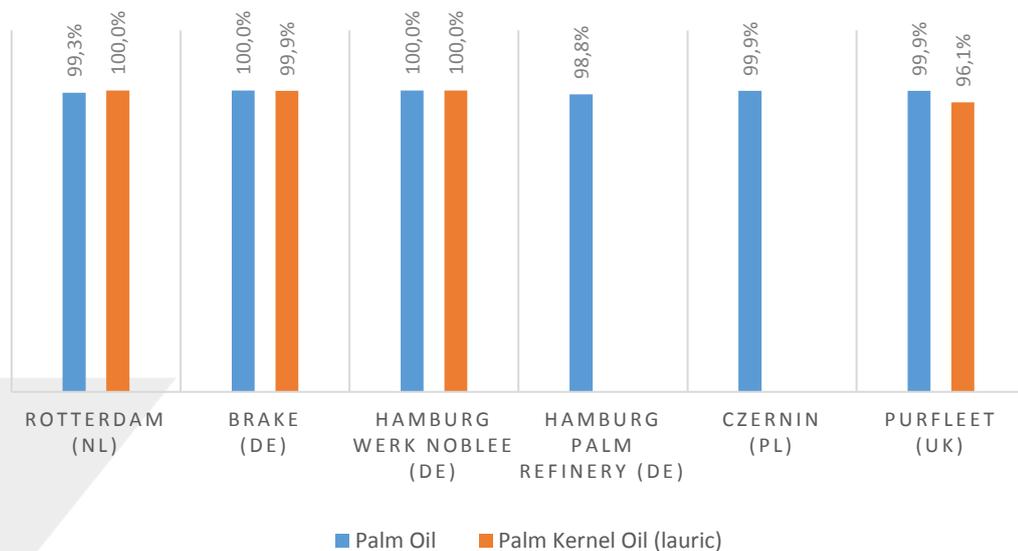
*The Olenex supply chain connects WISSH smallholders in Honduras with European customers.*

## Palm Oil Traceability Update

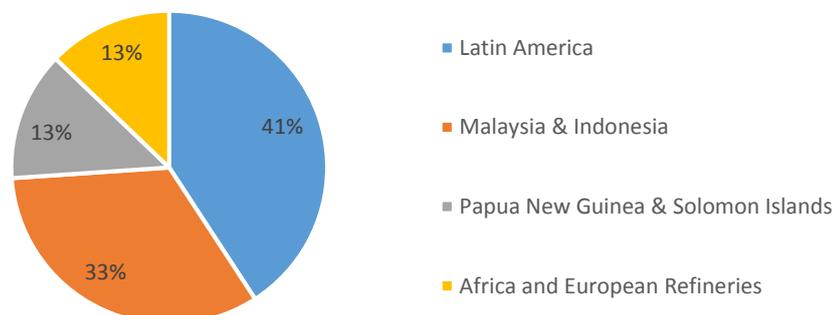
Olenex is taking the next step in palm oil traceability reporting. Moving forward, Olenex will report the addresses and coordinates of all palm oil mills in its supply chain.

Olenex updated its [traceability reports](#) now covering the period from Q4 2016 to Q3 2017, including updated mill lists for all Olenex refineries. The traceability results of the Olenex refineries remained on a high level between 96% and 100% with most refineries exceeding 99%.

### TRACEABILITY RESULTS Q4 2016 - Q3 2017



### ORIGIN OF PALM OIL AND PALM KERNEL OIL (LAURICS) Q4 2016 - Q3 2017



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