



SUSTAINABILITY UPDATE

Edition #2 2019



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OLENEX LAUNCHES MARIPOSA

A FIRST OF ITS KIND CROWDFUNDED SMALLHOLDER SUPPORT PROGRAM

More than four thousand smallholder farmers in Latin America have benefitted from Olenex-supported smallholder support programmes [WISSH](#) and [WISSCo](#). Through multiple training sessions, oil palm growers have been educated about Olenex's no deforestation and social requirements. Further, growers have been enabled to reduce pesticide and fertiliser application, while increasing output in an environmentally friendly manner.



#SHAREDRESPONSIBILITY

MARIPOSA is about Shared Responsibility

Striving for shared responsibility, Olenex encourages its customers to support smallholder training programs, echoed by many Olenex customers. Olenex responded to this demand by developing its first of a kind crowdfunding program supporting palm oil smallholders in Latin America named MARIPOSA – Friends of Sustainable Palm Oil from Latin America.

EMBRACING PARTNERSHIP



Olenex customers join MARIPOSA with just 1 € per ton¹

Exclusively to Olenex customers, MARIPOSA offers the opportunity to support a smallholder development program in Latin America with just 1 € per tonne on top of the sales price. With the funding from our customer crowd we are planning to train smallholder farmers on good agricultural and environmental practices in line with our Olenex Palm Supply Chain policy. The program will start in Q3 2019 with the ambitious goal to get four smallholder groups certified according to internationally accepted sustainability certification standards. Through MARIPOSA, Olenex connects its customers with Latin American palm oil producers in the Olenex supply chain.

¹ Minimum contribution: 1000 €. See contract addendum for details. Available from your account manager.

The mission of the MARIPOSA program is transformation

Olenex being one of the largest buyers of palm oil from Latin American producer countries, we see it as our responsibility to be a front-runner when it comes to implementing sustainable practices within the region.



Olenex customers may use MARIPOSA logo and badge for sustainability communication

Olenex will pro-actively communicate and promote the MARIPOSA programme. Customers supporting MARIPOSA are encouraged to also communicate their engagement using the MARIPOSA logo and badge for their own sustainability communication².



Olenex prints MARIPOSA badge on packed products

Customers buying Olenex branded palm oil packed in cartons produced in Noblee and Czernin locations may already have spotted a change to the box design: The addition of the MARIPOSA badge indicating Olenex's support to the MARIPOSA program.



The first pallet with MARIPOSA branded cartons produced in April 2019.

Ingo (right), superintendent of the Noblee packaging department, and operator Jan (left) celebrate the production of the first MARIPOSA branded boxes.



² Minimum contribution for printing, e.g. on pack: 5000 €. See contract addendum for details. Available from your account manager.

SMALLHOLDER SUPPORT PROGRAM WISSCO2

COLOMBIAN FARMERS TRAINED ON ECOSYSTEM SERVICES

In January 2019, palm oil trader Wilmar with the support of Colombian oil palm processor Biocosta, European processor Olenex and dairy company Friesland Campina started the second smallholder training program in Colombia: Wilmar Smallholder Support Colombia – WISSCo 2.

WISSCo2 is a two-year training program and assists growers in identifying gaps with certification standards compliance. It further aims to create technical knowledge to close the gaps identified, as well as to create awareness on the benefits of sustainable production. Eventually, the program seeks to empower smallholder farmers and improve their quality of life.

WISSCo»2
Empowering Smallholders



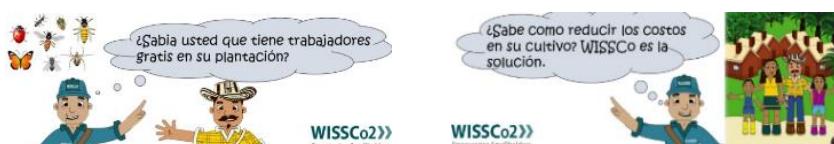
This second WISSCo program targets small growers located in the Atlantic area, i.e. the northern part of the country. Specifically the departments of Magdalena and Cesar, where many growers in the Olenex supply chain are located. Those growers supply their freshly harvested fruit bunches to five palm oil mills of the Biocosta Group: [Aceites](#), [Palmaceites](#), [El Roble](#), [Palmagro](#), and [Frupalma](#).





WISSCo2 is therefore executed in partnership with these mills, which assist with the transfer of knowledge to the growers through a train-the-trainer concept. Eventually, the five mills supply crude palm oil via Wilmar and Olenex to European customers.

Currently, 437 farmers are enrolled in WISSCo2 covering close to ten thousand hectares. Starting in February, farmers received training on the basics for responsible palm oil production in line with the Olenex Palm Supply Chain Policy: [No Deforestation, No development on peatland and No exploitation of people and communities.](#)



The second set of training sessions was carried out in June. This time, the focus was on the economic benefits of the ecosystem. The trainers raised awareness on the different environmental services nature provides which in turn benefit plantation operations such as biological pest control, pollination and soil formation. The full WISSCo2 progress report is available on the [Olenex website](#).



"It seems good to me that Wilmar is interested in small producers because it is a new support that we will have and that means progress."

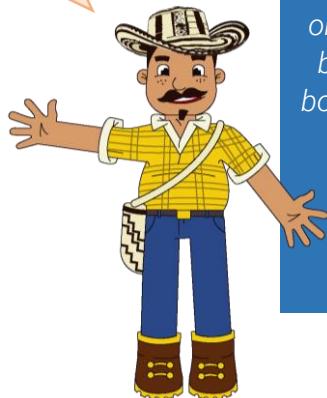
William Trapero from El Perro
Delivering to [Palmaceites Palm Oil Mill](#)



"We are very happy with the training that Wilmar is now giving. We are very satisfied because this will bring us many benefits for the farm, the water sources, and for the environment. We really liked the trainings. We started with some training and we must continue and hopefully you keep coming."

Augusto José Aracallón from Las Marietas
Delivering to [Frupalma Palm Oil Mill](#)

You can click on the mill name to view its location!



"Wilmar's visit today has been excellent because it gives us a great perspective about the weaknesses we have, the management that we can improve in order to have a good harvest, increase production, be more productive, and have a better way of life both in the environmental field and in the economic and social field."

Lucelys Bolaños from El Guayabal
Delivering to [El Roble Palm Oil Mill](#)



OLENEX PALM OIL

EIGHTY-THREE PERCENT COVERED UNDER SPECIAL SUSTAINABILITY INITIATIVES

One hundred percent of Olenex palm oil is covered under the [Olenex No Deforestation, No Peat, No Exploitation Policy](#) requiring all Olenex suppliers to respect basic sustainability principles. But it does not stop there: Eighty-three percent of Olenex palm oil is covered either under **special sustainability initiatives** or sourced as certified sustainable.

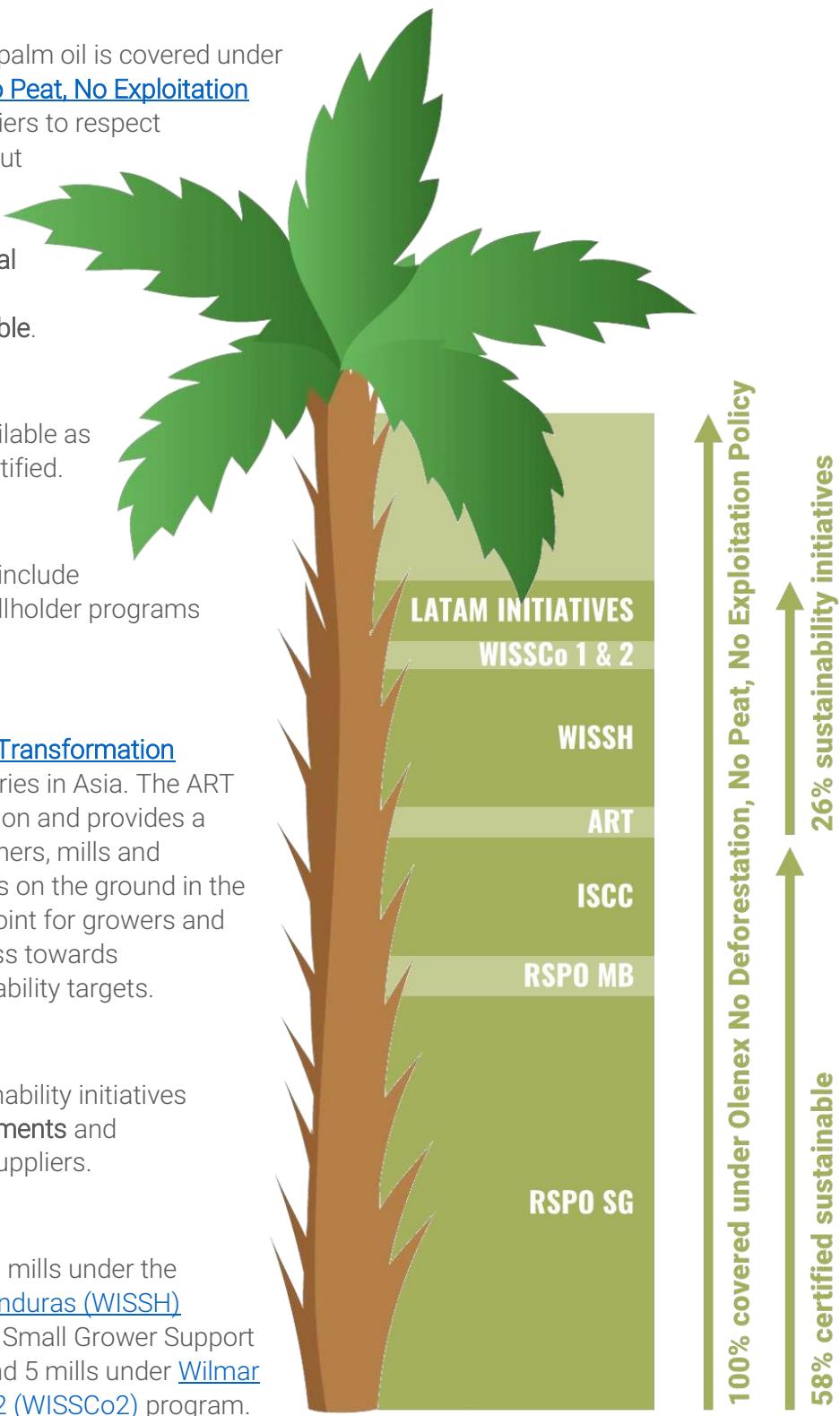
Certified volumes are either available as RSPO SG, RSPO MB or ISCC certified.

Special sustainability initiatives include initiatives in Latin America, smallholder programs WISSH, WISSCo 1 & 2, and ART.

ART is the [Aggregator Refinery Transformation program](#) covering Wilmar refineries in Asia. The ART program promotes transformation and provides a collaborative framework for refiners, mills and growers to overcome challenges on the ground in the field. Refineries act as central point for growers and millers to report on their progress towards environmental, social and traceability targets.

Wilmar's Latin American sustainability initiatives consist of **sustainability assessments** and **sustainability workshops** with suppliers.

Smallholder programs include 9 mills under the [Wilmar Smallholder Support Honduras \(WISSH\)](#) program, 11 mills under Wilmar Small Grower Support Colombia (WISSCo) program and 5 mills under [Wilmar Smallholder Support Colombia 2 \(WISSCo2\)](#) program.



AMBITIOUS SUPPLIER MONITORING AND ENGAGEMENT PROGRAM WILMAR PROGRESSES WITH IMPLEMENTATION

At the end of 2018, Wilmar, one of the world's largest palm oil traders and Aidenviroment, a non-profit consultancy, published a [Joint Statement](#) committing to break the link between the palm oil supply chain with deforestation and peatland development. This Joint Statement was supported by Unilever and Mondelēz, being among the world's largest consumer goods manufacturers. The programme has been developed to further strengthen and expedite the implementation of Wilmar's and Olenex's current No Deforestation, No Peat, No Exploitation ([NDPE](#)) policy.

Soon after publishing the Joint Statement, Wilmar began communicating its tightened principles to its third-party suppliers while also developing the roadmap for implementation. Progress so far:

- ✓ Suppliers' No deforestation, No Peat, No Exploitation (NDPE) policies: Over 60% of supplier groups have provided written confirmations or have NDPE policies and/or equivalent policies.
- ✓ Wilmar has formally communicated to suppliers in Malaysia and Indonesia that deforestation and planting on peat after 31 December 2015 will require a Recovery Plan.
- ✓ Wilmar launched and implemented the "Suspend then Engage" grievance approach for non-compliance's related to verified cases of deforestation and / or new peat development as of 1 January 2019. Further, a revised [Grievance Procedure](#) was published in June 2019.
- ✓ The satellite monitoring programme covering close to 15 million hectares within the Olenex supply chain, spanning across Malaysia, Indonesia and Papua New Guinea has undergone limited assurance by international assurance company EY.



ADDRESSING AND REMEDIATING NDPE NON-COMPLIANCE

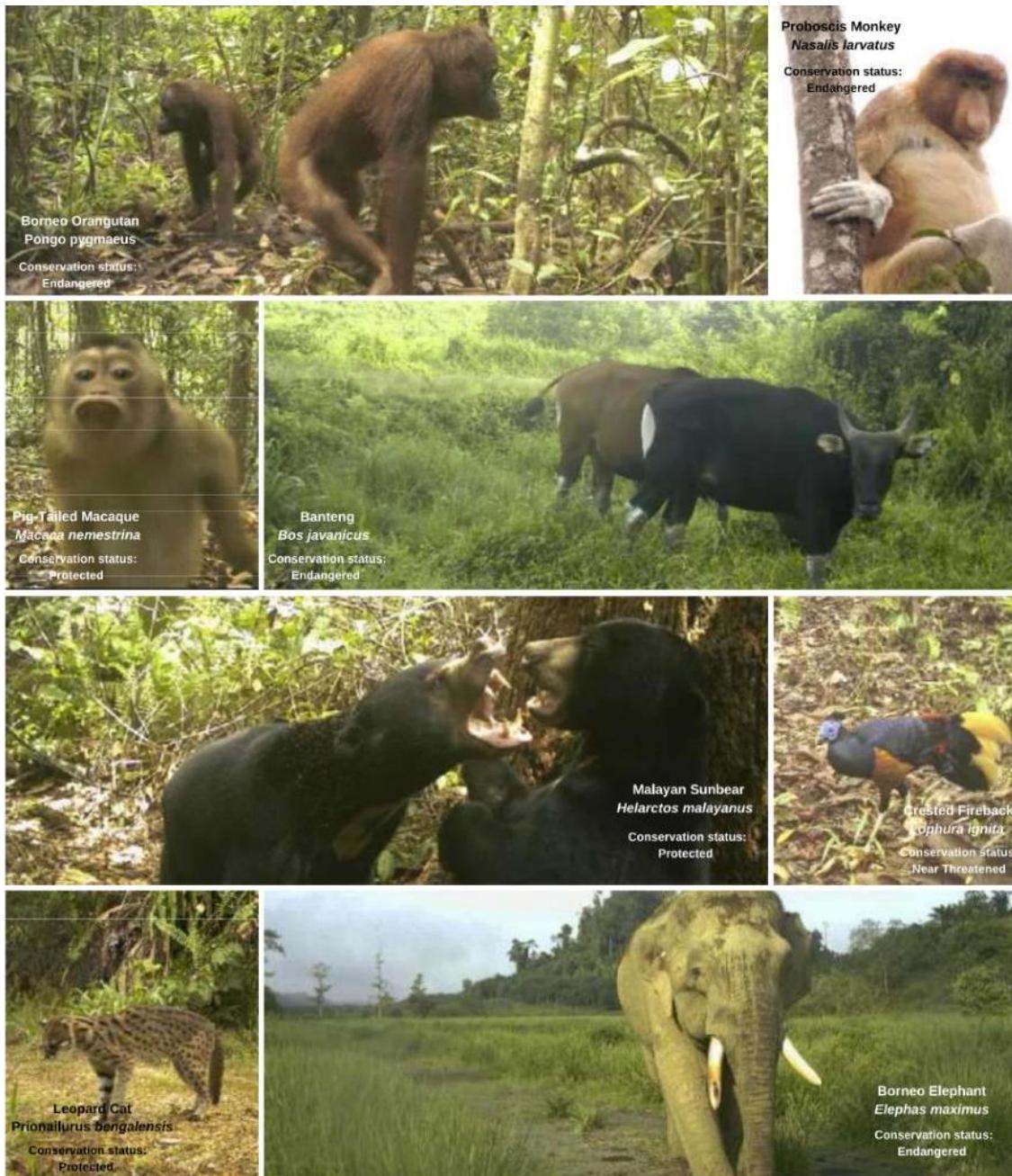
Suppliers in Wilmar as well as Olenex supply chains found to be non-compliant with their no deforestation policies will potentially face suspension from their supply chain. Wilmar will however continue to engage with suppliers that have been suspended in an effort to guide and support their efforts to comply with the NDPE policy. Wilmar and Olenex are firm believers that post-suspension engagement is crucial in guiding and supporting the journey by suppliers who want to transform themselves to become more responsible and sustainable rather than to have them continue with unsustainable production practices.

Re-Engagement Protocol: For suspended suppliers to once again enter Wilmar and Olenex supply chain, aside from complying with NDPE policy, they also need to fulfil requirements outlined in the *Re-Engagement Protocol* while also working on implementing *Recovery Plans*, which are remediation guidelines for suppliers who are found liable for deforestation or peatland development after 31 December 2015. The *Re-Engagement Protocol* as well as the *Recovery Plans* are currently being developed through a multi-stakeholder process involving private sector and NGOs.



WILDLIFE CONSERVATION

THE BEST PICTURES FROM WILMAR'S WILDLIFE CAMERA



These are some of the 39 protected species of wildlife that are found in our global plantation operations.
Camera Trapping is part of Wilmar's monitoring system in order to make sure no illegal and prohibited activity (encroachment, hunting and open burning) occurs in our forest and conservation areas.
Our highly trained team conduct monthly monitoring within our conservation areas.



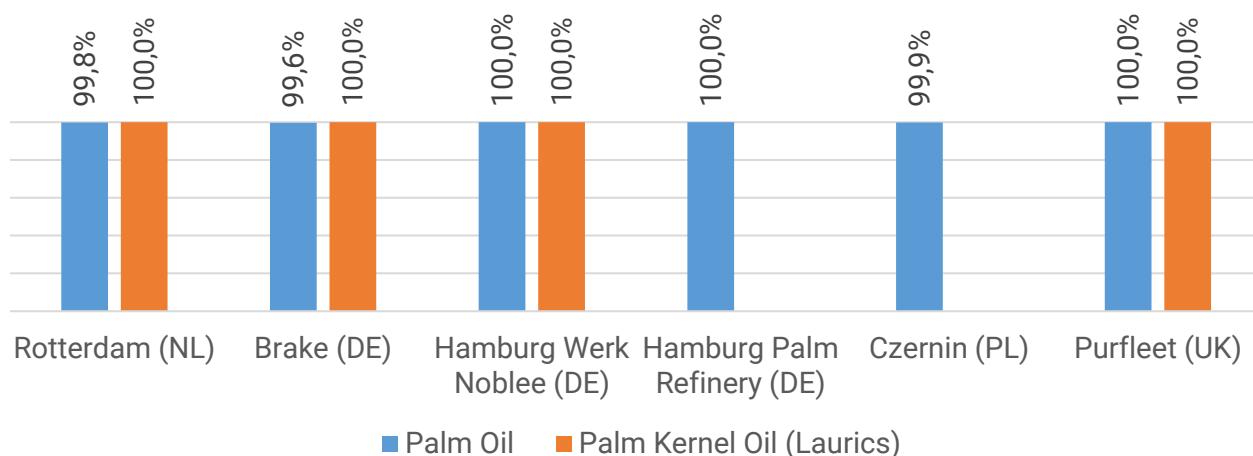
PALM OIL

TRACEABILITY UPDATE

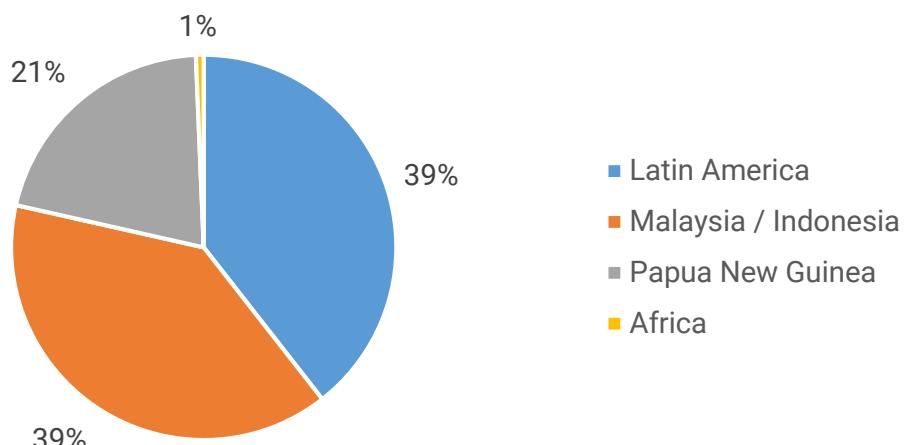
Olenex is committed to responsible sourcing of palm oil that is delinked from deforestation and exploitation, through the development of a traceable and transparent palm oil supply chain. Each quarter Olenex updates its traceability results. Individual reports with a list of palm oil mills in the supply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

Q2 2018 – Q1 2019 reporting period

Traceability Results



Origin of Palm Oil and Palm Kernel Oil



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



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