

SUSTAINABILITY UPDATE

Edition #1 2020



Check out our all-new
[Olenex sustainability website!](#)



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OUR PLEDGE, OUR PROGRESS WORKING TOWARDS A DEFORESTATION-FREE PALM OIL SUPPLY CHAIN

In collaboration with Wilmar, other industry players, consumer goods companies and non-governmental organisations (NGOs), Olenex is committed to putting sustainable practices at the heart of our business. In 2016, we committed to a No Deforestation, No Peat, No Exploitation (NDPE), which extends to our entire supply chain. Since then, Olenex together with Wilmar invested substantial resources to drive the implementation of the policy requirement across its supply chain and especially in the wider palm oil sector.

On 6 January 2020, Olenex released an updated version of its ['No Deforestation, No Peat, No Exploitation' \(NDPE\)](#) policy. With this, Olenex is committed to ensure that plantations and companies from whom we source will provide products that are free from links to deforestation and abuse of human rights, in line with our policy.

OUR OBJECTIVES

As part of our pledge to ensure our palm oil production is sustainable, we have set out to deliver the following:

-  **NDPE POLICY ENFORCEMENT AMONG SUPPLIERS**
-  **GROUP-LEVEL MAPPING OF ALL SUPPLIERS**
-  **ADDRESS DEFORESTATION AND PEAT DEVELOPMENT NON-COMPLIANCE THROUGH RECOVERY PLANS**
-  **SUPPORT OF SMALLHOLDERS**
-  **REGULAR PUBLIC REPORTING ON OUR PROGRESS**

Progress on ensuring supplier implementation of NDPE and managing grievance cases



1

All potential new suppliers must undergo a due diligence assessment to show compliance with our NDPE policy. It is a prerequisite for all new suppliers to publish their NDPE policy or to provide a written confirmation of their commitment to comply with our NDPE policy, and to provide group-level maps for monitoring;

2

Existing suppliers are required to provide information and data on NDPE compliance via the [SRT platform](#). The data from SRT is analysed annually in combination with RSPO-certified status and Consortium of Resource Experts' (CORE) [neighbourhood risk analysis](#), to determine the overall risk level of NDPE non-compliance and to prioritise the mills that need to be verified on the ground;

3

We guide our suppliers to close the gaps identified through the SRT by sharing documentation, assisting to develop Standard Operating Procedures (SOP) and sustainability policies, and helping to conduct field assessments that inform suppliers' compliance. The grievance mechanism can be triggered via the SRT process where there is a serious lack of action to address identified NDPE non-compliances;

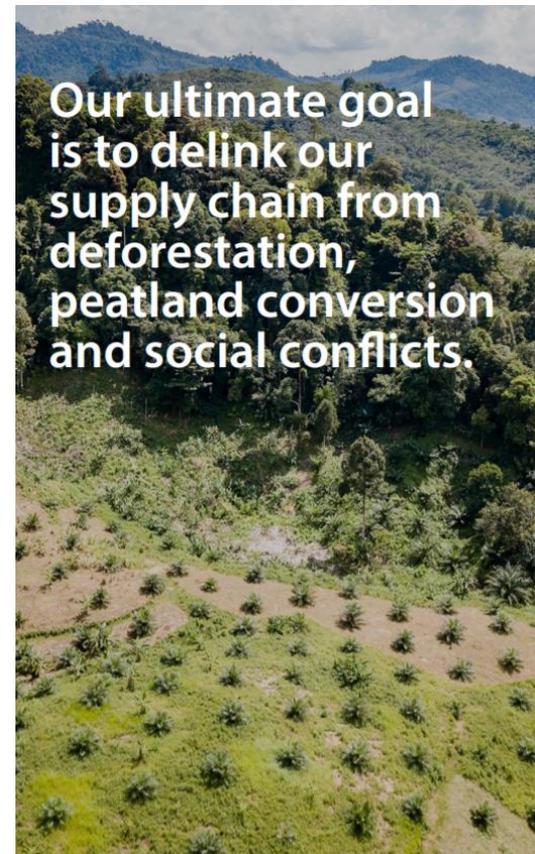
4

The Supplier Group Compliance Programme (SGCP), delivered by Aidenvironment Asia (as of December 2019 known as Earth Equalizer). The programme monitors over 20 million hectares and covers over 500 groups, monitoring deforestation within company-owned or managed lands both within and beyond Wilmar's existing supply chain. Any verified deforestation will trigger the grievance procedure.

Driving transformation

Wilmar and Olenex aim to drive transformation. That is why we [engage with our suppliers that are willing to transform](#) their way of working towards more sustainable practices.

In May 2015, Olenex supplier and mother company Wilmar received a Greenomics report alleging deforestation activities by Mopoli Raya Group in the Leuser Ecosystem. Wilmar's sustainability team initiated contact with Mopoli Raya and suspended trade in July 2015, pending resolution of this matter to Wilmar's satisfaction. Thereafter, Mopoli Raya agreed to a moratorium on land clearance in compliance with Wilmar's NDPE policy and engaged the services of a registered assessor to conduct High Carbon Stock (HCS) assessment and High Conservation Value (HCV) pre-identification. The assessment report identified a total of 1,200 hectares as High Carbon Stock and prohibited the clearance of this land for oil palm. Mopoli Raya committed to the moratorium in this area. Supported by Wilmar and Earthworm Foundation, palm oil grower Mopoli Raya sets out onto a journey for protecting the Leuser ecosystem in Indonesia. The example of Mopoli Raya demonstrates how supply chain transformation can be achieved when stakeholders cooperate for a common goal: reconciling palm oil production with nature conservation.



WISSE & WISSCO 2 SMALLHOLDER TRAINING PROGRAMMES ACHIEVE MILESTONES

Olenex is currently running two smallholder training programs in Colombia and Honduras: WISSCo 2 und WISSE. Whereas WISSCo2 is a cooperation with FrieslandCampina, WISSE is the first program under the MARIPOSA initiative. Both programs achieved important milestones.



Reino de los Países Bajos



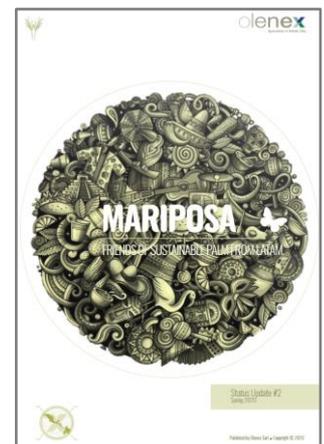
Members of the MARIPOSA initiative.

WISSE: First smallholder trainings

During the week of February 2020, our local implementation partner NES Naturaleza conducted the first smallholder training. All training sessions under [WISSE](#) are a follow up on those created under [WISSH](#). The first WISSE training focused on Sustainability Standards.

In the training, Alejandra from NES Naturaleza highlighted the relation between climate change and the need for good agricultural practices, and which role certification standards can play. It was explained how standards can provide the guidance to perform agriculture in a sustainable manner.

For every smallholder training session, WISSE designs a training booklet, which visualizes the training content. Each smallholder attending the training receives a booklet.



[The second MARIPOSA Status Update is now available on the MARIPOSA website.](#)



Training booklet

Smallholders after training with booklet



[The second WISSE Progress Report is now available on the WISSE website.](#)

WISSCo 2: Third smallholder training session completed

WISSCo2 is the third smallholder program that Olenex and Wilmar created in Latin America within their palm oil supply base. The program aims to reach 437 palm oil growers, in order to enhance their sustainable practices and to encourage them on their path to certification.

Throughout 2019, the smallholders received training sessions on three topics:

1. ABC of Sustainability: How to comply with the Wilmar/Olenex No Deforestation, No Peat, No Exploitation (NDPE) Policy
2. Economic Benefits of the ecosystem and the importance of biodiversity
3. Financial Management



Qualities that play an important role in the certification process and its progress.

[Smallholders during training. Click to watch movie.](#)



[The second WISSCo 2 Progress Report is now available on the WISSCo 2 website.](#)

Impact of COVID-19

The corona virus is a major threat affecting people globally. The palm oil sector in Honduras and Colombia is no exception. Together with our local implementation partner NES, we are rethinking some of the activities planned for the first year of the program.

Smallholder trainings are now pre-recorded and distributed by the group managers to the producers. Trainings are disseminated either via messaging services (e.g. "WhatsApp"), email, physical delivery of USB drives or played on TV inside offices.

In addition to recorded trainings, NES is developing animated videos that are distributed digitally. A pilot video was developed and shared with the group managers. Following positive feedback, group managers started sharing the video via WhatsApp with producers. Further, group Managers are also showing it on TVs in the waiting area of the mill, supporting not only the knowledge of their suppliers but also reinforcing the knowledge of the staff of the mills.



NDPE IMPLEMENTATION OLENEX INCREASES COVERAGE TO EIGHTY-SIX PERCENT

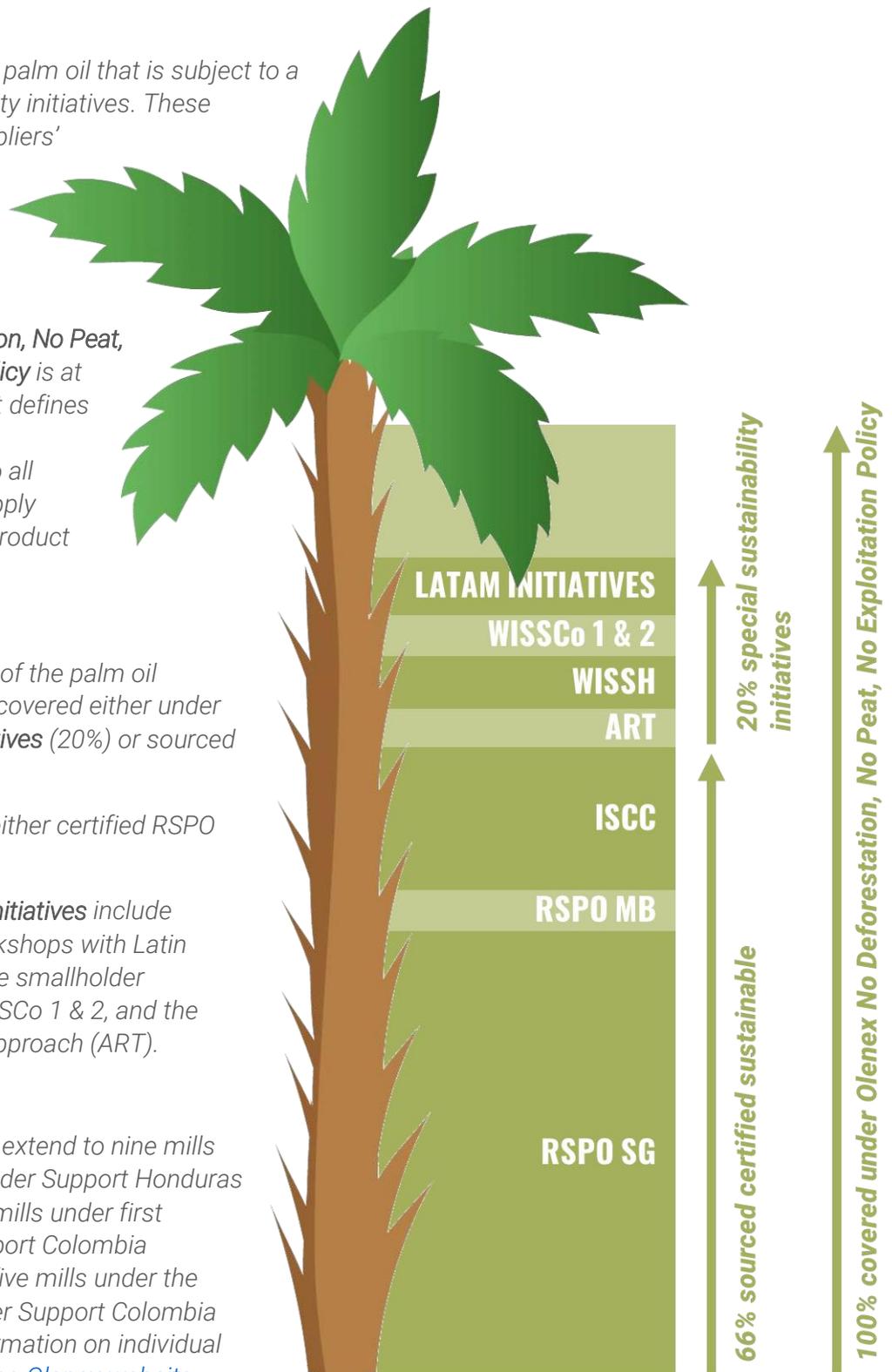
Olenex and Wilmar source palm oil that is subject to a wide variety of sustainability initiatives. These initiatives support our suppliers' compliance with our NDPE Policy requirements.

The **Olenex No Deforestation, No Peat, No Exploitation (NDPE) Policy** is at the core of our business. It defines ambitious sustainability requirements applicable to all suppliers in the Olenex supply chain and covers our full product palm portfolio.

In 2019, **eighty-six percent** of the palm oil processed by Olenex was covered either under **special sustainability initiatives** (20%) or sourced **certified sustainable** (66%).

- **Certified volumes** are either certified RSPO SG, RSPO MB or ISCC.
- **Special sustainability initiatives** include assessments and workshops with Latin American suppliers, the smallholder programs WISSH, WISSCo 1 & 2, and the Aggregator Refinery Approach (ART).

The **smallholder programs** extend to nine mills under the Wilmar Smallholder Support Honduras (WISSH) program, eleven mills under first Wilmar Small Grower Support Colombia (WISSCo 1) program and five mills under the second Wilmar Smallholder Support Colombia (WISSCo 2) program. Information on individual programs is available on the [Olenex website](#).



SAVE THE DATE ONLINE EVENT SUSTAINABLE PALM OIL DIALOGUE

RSPO, IDH and the European Palm Oil Alliance invite to a virtual event – the Sustainable Palm Oil Dialogue. It will feature many interactive and networking components such as debates, chats, polls and live Q&A.

During the event, panellists and participants will discuss the final push to meet our 2020 targets, the EU regulatory developments and implications, the consumer perspective and new initiatives from the sector.

Sustainable Palm Oil Dialogue



EUROPE



The second 'Sustainable Palm Oil Dialogue – Europe: Addressing the challenges of 2020 and beyond' will take place on Wednesday 2 September 2020 from 9.30 – 12.00 CEST via a digital platform.

Add SPOD 2020 to your calendar

More information about the programme and registration will follow in the coming weeks.

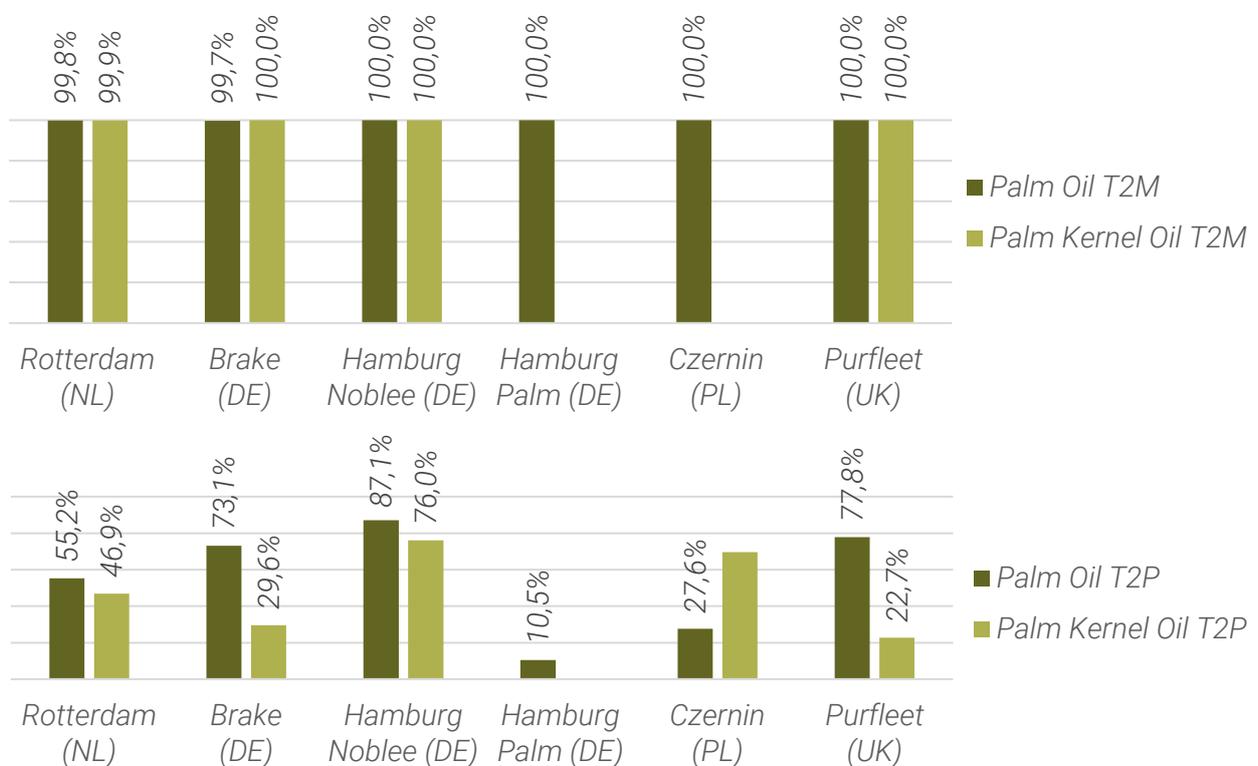
For questions, please contact Jolanda van Roon through event@SPODEurope2020.eu.



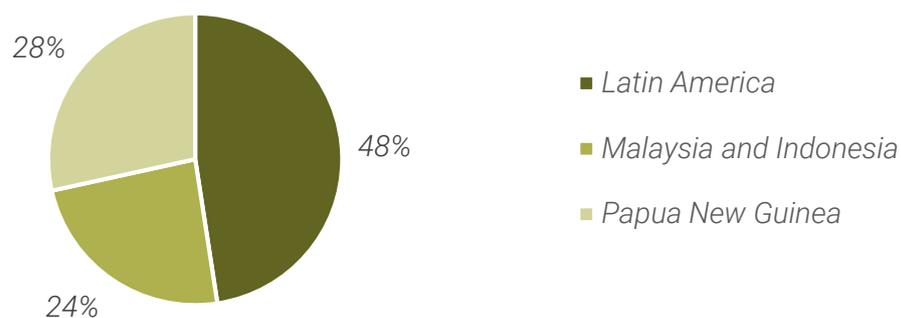
PALM OIL TRACEABILITY

Traceability reports are published two times per year based on a four quarter reporting period. The reports contain information on the share of palm oil traceable to mill (T2M) and traceable to plantation (T2P) in addition to a list of supplying mills and refineries. Reports for individual refineries are available from the [Olenex traceability website](#).

Q1 2019 – Q4 2019 reporting period



Sourcing regions



Colofon

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