



WILMAR SUPPORTS SUSTAINABLE ENTREPRENEURS (WISSE)

First Annual Report

September 2019- September 2020

>200 new smallholders certified!

DEAR FRIENDS

We have now reached the end of the first year of program implementation of WISSE: Wilmar Supports Sustainable Entrepreneurs. Despite the difficulties that the COVID-19 brought, we continued supporting smallholders on their path to sustainability.

During this fourth Latin-American program supported by Wilmar Europe and Olenex together with Mariposa's "*Friends of Sustainable Palm Oil from Latam*", four mills - Palmasa, Asapalsa, Honducaribe and Hondupalma jointly with the cooperative Paiguay – were working together as group supporting the adoption of RSPO and ISCC standard in their supply base.

Even though, we had to adjust the initial plan somewhat due to the travel restrictions and the lockdown established by different governments, the work schedule was met during the first year as shown in the table 1, below.

Some of the adjustments to the WISSE program included the use of digital tools such as training- and animated videos, which were very well received by the smallholders. In the remainder of this report we will demonstrate how we reached the great result of **>200 new smallholders certified** in year 1.

TABLE 1: WISSE TIMELINE YEAR 1

	TRIMESTRE 1 (Q4 2019)				TRIMESTRE 2(Q1 2020)				TRIMESTRE 3 (Q2 2020)				TRIMESTRE 4 (Q3 2020)															
	Septiembre	Octubre	Noviembre	Diciembre	Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12
	S1	S2	S3	S4	S1	S2	S3	S4	S1	S2	S3	S4	S1	S2	S3	S4	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12
Prauditoria ISCC Asapalsa / RSPO Honducaribe																												
Entrega de reportes de auditores																												
Desarrollo de la herramienta de procedimientos operacionales estandar para administrador de grupo - Herramienta Box																												
Prauditoria RSPO Palmasa																												
Prauditoria Fincas Paiguay (RSPO e ISCC)																												
Conceptualización y diseño Cartilla WISSE TOSH1																												
Impresión Cartilla TOSH1																												
Entrega reporte de Auditoria Palmasa																												
Entrega reporte de Auditoria Paiguay																												
Revisión de las extractoras a la herramienta de Procedimientos operativos estandar- Herramienta Box																												
Ajuste por parte de NES a la herramienta Box																												
TOSH1 entrega de píldoras																												
TOSH1 Sostenibilidad																												
TOGM 1-Herramientas de georeferenciación																												
Primer reporte WISSE																												
Video Animado #1																												
TOSH1 Multiplicación de los administradores de grupo con video pregrabado																												
Adopción de la herramienta Box por parte de los administradores de grupo- Implementación																												
Diseño e ilustración de la cartilla TOSH2 y TOSH3																												
Impresión Cartilla TOSH2																												
TOSH2 Capacitacion- Emprendedor/Empresario																												
TOGM2 -Capacitación normas sostenibles para gestor de grupo																												
Multiplicación TOSH2																												

1. Preaudits and smallholders Assessments

As also mentioned in our previous [half year report](#), one of the first activities we developed were the pre-audits for the smallholders. These pre-audits and accompanying assessments, helped the smallholders of Honducaribe and Palmasa prepare for their final RSPO or ISCC audits, respectively.

During the preaudit process and smallholder assessment (SHA) process NES Naturaleza and the group managers visited the smallholders in their farms with a checklist of the respective standard, and Wilmar's No Deforestation, No Peat and No Exploitation (NDPE) policy. For these smallholders it was the first time they received and assessment, and therefore a great learning experience. During the assessments, the NES team and group managers also explained the smallholders why, and how the sustainability criteria help the small farmers to create an efficient and effective business model.

In total **50 smallholders** plus **8 cooperatives** representing 102 smallholders- were assessed (total **152 smallholders**). For every smallholder visited, a full report with action plan was created and delivered to the four group managers responsible for each smallholder group. It is important to note that those actions plans are defined not only for the smallholders but also to the group manager on their activities related to management, monitoring and control (see picture 1 below).

PICTURE 1: ASSESSMENT ACTION PLANS

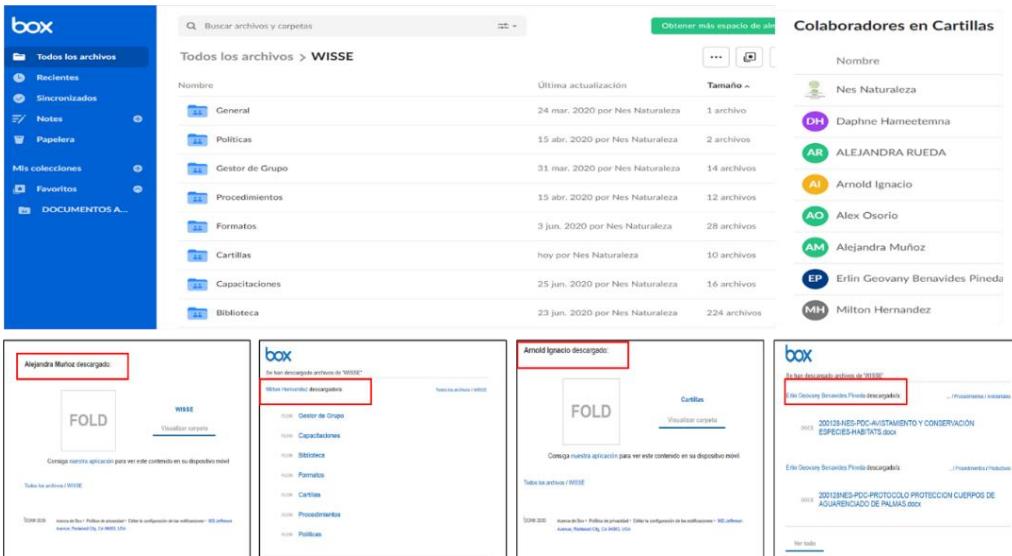
 <p>Informe linea base Norma RSPO-ISCC PAIGUAY</p>  <p>NES NATURALEZA 28 febrero 2020</p>	<p>PLAN DE ACCION SUGERIDO PARA HALLAZGOS AUDITORIA WISSE</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Resumen de hallazgos Etapa Elegibilidad</th> <th style="text-align: center;">MES 1</th> <th style="text-align: center;">MES 2</th> <th style="text-align: center;">MES 3</th> <th style="text-align: center;">MES 4</th> <th style="text-align: center;">MES 5</th> <th style="text-align: center;">MES 6</th> </tr> </thead> <tbody> <tr> <td>Solicitar la membresía del grupo ante la norma RSPO</td> <td style="background-color: yellow;"></td> </tr> <tr> <td>Selección del primer grupo a certificar</td> <td style="background-color: yellow;"></td> </tr> <tr> <td>Mediante una acta realizar la conformación del grupo y selección del administrador o pector de la oficina central</td> <td style="background-color: yellow;"></td> </tr> <tr> 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2. Virtual Toolbox implementation

The second half of the program this year, was focused on the implementation of the *virtual toolbox*, see picture 2 below.

Toolbox is a very practical tool located in the “cloud” where the Group managers through 8 principal folders can find Standard Operational Procedures (SOPs) required by the certification standards, action plans, templates, technical guidelines and palm oil research papers from several Latin-American countries¹. The different files of the tool are: a) Library, b) Training, c) Booklets, d) Formats, e) Procedures, f) Group Manager, g) Policies and h) General certification. All those main folders have subfolders organized, by topic.

PICTURE 2: VIRTUAL TOOLBOX



The screenshot shows the WISSE Virtual Toolbox interface on a computer screen and four mobile device screens. The computer screen displays a list of files under the 'Todos los archivos > WISSE' folder, including General, Políticas, Gestor de Grupo, Procedimientos, Formatos, Cartillas, Capacitaciones, and Biblioteca. To the right, there is a 'Colaboradores en Cartillas' section listing names and profile icons. Below the computer screen are four mobile device screenshots showing the 'WISSE' app interface. Each mobile screen has a red box highlighting a download message: 'Alexandra Muñoz descargado', 'Daphne Hameetema descargada', 'Arnold Ignacio descargado', and 'Erlin Geovany Benavides Pineda descargada'. The mobile screens show various menu options like 'FOLD', 'Visualizar carpeta', 'Cartillas', and lists of documents such as '20101NES-PRO-AUTORIZACION Y CONSERVACION ESPECIES-HABITATS.docx' and '20101NES-PCO-PROTOCOLO PROTECCION CUERPOS DE AGUACIENDAS DE PALMAS.docx'.

The four group managers downloaded the information and shared it with the smallholders by email, or they printed the documents and shared the information in hard copy, depending on the digital access of the smallholders. We can monitor whether the received information and material is downloaded by the Group Managers. This tool was very appreciated by the group managers, as it provides them easy access to all information, guidance and tools needed in a certification process. We also asked the group managers to provide feedback on the Toolbox and included that in the last version, which is currently online for their access.

¹ Those contain important guidelines on technical management of the plantation

3. Training of Group manager- TOGM

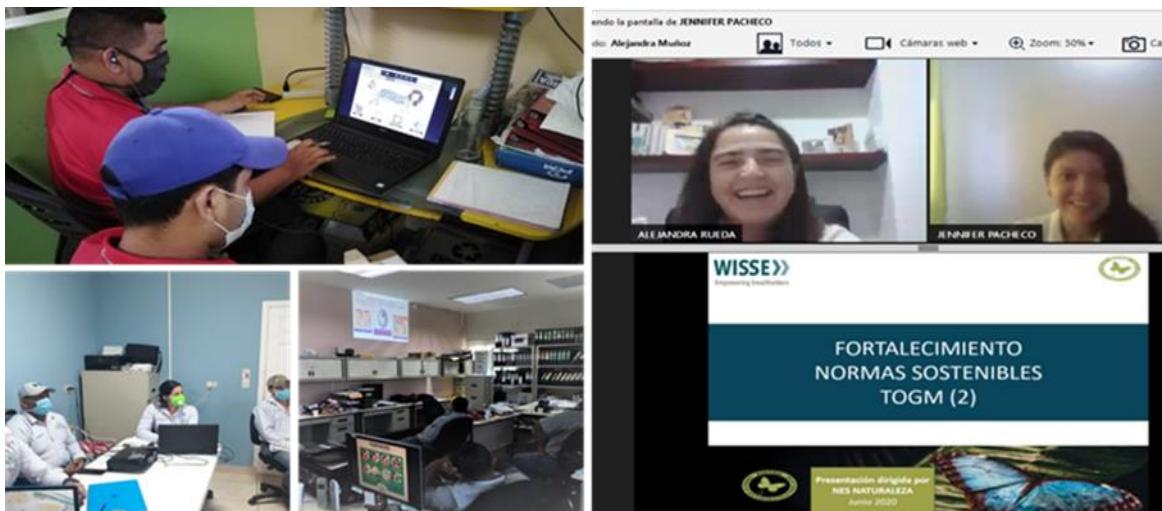
During the first year, two training sessions for the group managers were organized. For the first training it was still possible to have it in a face-to-face setting, on the 26th of February 2020.

One of the key challenges when certifying smallholders is related to *land use change*² (LUC), as well as land clearing when planting new palm areas. That is why TOGM1 focused on the different Geographical Information Systems (GIS) tools such as QGis, ArcGis, Hansen Data, Geo RSPO and Global Forest Watch. This training strengthened the abilities of the Group manager to identify the land use change of its smallholders and to define the liability of each of the growers going for certification. Normally, when growers deforested HCV/HCS forest after a certain cut-off date, and the grower still wants to be certified, he/she needs to compensate for that breach. The compensation responsibility should be outlined in a compensation plan with a budget of US\$2500 per hectare³. However, the compensation responsibility for smallholders still needs to be defined by RSPO under the [Independent Smallholder Standard](#).

Four group managers and 16 supervisors⁴ were trained face-to-face on Geographical Information Systems. At the same time, 29 supervisors followed the training interactively.

The second TOGM was organized via webinar on the 26 of June.

PICTURE 3: IMAGE OF WEBINAR TOGM2



² Land use change is a process by which human activities transform the natural landscape, referring to how land has been used, usually emphasizing the functional role of land for economic activities.

³ RSPO Compensation and remediation procedure approved November 2015, pag18

⁴ A supervisor is a mill employee responsible for the relation with the supplying smallholders, and smallholder trainer in our previous WISSH and current WISSE program.

MARIPOSA

FRIENDS OF SUSTAINABLE PALM FROM LATAM

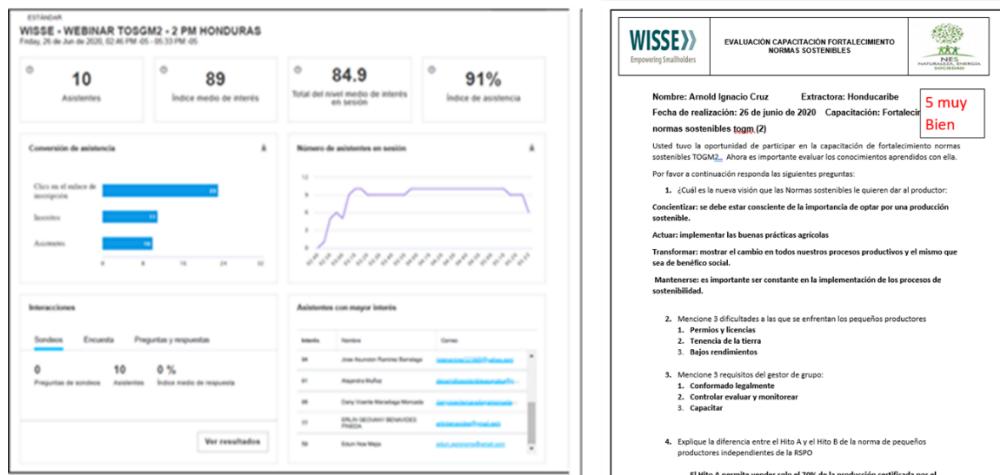
During TOGM2 we provided Group Managers a better understanding of *ISCC and RSPO standards* (P&C2018, ISH, ISCC206) considering that smallholder groups have different types of growers, such as:

- Independent smallholder with less than 50 hectares
- Independent growers of more than 50 hectares
- Smallholders under cooperatives
- Smallholders under associations
- Smallholders who have shares on the mill, among others.

It is crucial for group managers to understand which category is applicable to their smallholder group, as each category requires distinct conditions for certification.

We asked the participants of TOGM2 to complete an evaluation form where the maximum score was 5 showing 100% of the understanding of the concept. None of the evaluations scored below 4, showing appreciation and understanding of the different concepts (see picture 4 below)

PICTURE 4: IMAGE OF EVALUATION FORMS AND TRAINING PARTICIPATION



As per table 2, the lower participation in the first TOGM is related to the limitation of space in the meeting rooms, and the mobilization of the leaders and supervisors from one region to the other.

TABLE 2: GROUP MANAGERS TRAINED UNDER WISSE

Mill	GROUP MANAGER TRAINED UNDER WISSE			TOGM 1			TOGM 2		
	Leaders	Goal	%	Leaders	Goal	%			
Asapalsa	7	7	100	7	7	100			
Hondupalma / (Parguey Group Manager)	4	4	100	7	7	100			
Honducaribe	5	5	100	7	7	100			
Palmasa	4	4	100	10	8	125			
Total	20	20	100	31	29	107			

4. Trainings of Smallholders - TOSH

End February, just before the Covid -19 announcements started in Latin America, we managed to conduct TOSH1, the first WISSE smallholders training in Honduras focused on *Sustainability Standards*. During the trainings conducted by NES Naturaleza, 526 smallholders participated representing 28% of total growers registered in the program. The multiplication, which is done by employees of the mills, took more time than was expected. The mobility restrictions in Honduras, the lockdowns between the municipalities, and the fear of the growers to receive external people in their plantations, made it difficult to train the remaining smallholders within the agreed timeframe.

TABLE 3: SMALLHOLDERS TRAINED UNDER WISSE

Mill	SMALLHOLDERS TRAINED UNDER WISSE					TOSH2		
	SH TRAINED NES	SH TRAINED GM	TOTAL SH TRAINED	Goal	%	TOTAL SH TRAINED GM	Goal	%
Asapalsa	158	464	622	450	138	455	450	101
Hondupalma/(Parguey Group Manager)	102	432	534	800	67	615	800	77
Honducaribe	186	93	279	279	100	279	279	100
Palmasa	80	256	336	338	99	325	338	96
Total	526	1245	1771	1867	95	1674	1867	90

Therefore, to facilitate this multiplication, we developed a training video that was sent to the growers via email and WhatsApp. When possible, Group managers performed some direct trainings with the growers using this video. Finally, a total of 1771 growers were trained in TOSH1, reaching **95%** of total target (see table 3).

TOSH2 focused on how to establish a *Sustainable Business*; the training material was delivered to the group managers on the 26 of June. The distribution of the training was planned for July and August. The training material contained an animated video, training video, short concept WhatsApp messages, and the training booklet.

PICTURE 5: TRAINING MATERIAL



MARIPOSA



FRIENDS OF SUSTAINABLE PALM FROM LATAM

In addition, and to support the difficult training situation during the pandemic, we created an animated video to enhance the TOSH1 and TOSH2 sustainability concepts (see box 1, picture 6). This was very well received by Group managers and growers.

During this training, the Group Managers showed again a great commitment with the WISSE project. Even though, the situation of COVID-19 started to create more difficulties in Honduras and in the countryside than with TOSH1, the group managers were able to reach the smallholders in their houses, their farms, and in the road to deliver the training. Because of the enthusiasm of the Group Managers, and despite the fear of the Covid-19, the group Managers were able to reach **90%** of the total target (see table 3). From the WISSE organizing team, we consider this a wonderful result, exceeding any expectations.

PICTURE 6: IMAGE OF TOSH2, AND TRAINING MATERIAL



Family sustainable engagement

BOX 1, PICTURE 5: ANIMATED VIDEO

WISSE identified as a great opportunity the involvement in the plantation business of young members of the family, by developing a set of animated videos. Through quite easy messages, we aim to create interest and awareness on sustainability activities. By sharing sustainability information in a very friendly way, WISSE creates a better understanding of the palm oil business and its requirements among the young members of the family.

An important benefit about this new methodology is that the producer can engage its family and new generation in the process of watching the video. This, because new generations know better how to deal with technology than the grower itself, so the smallholders needs the support of the young person.

Animated video for Smallholder trainining



5. Certification Results

We are very proud to inform you that during this first WISSE year we already achieved great certification results.

- **ISCC: 100 smallholders** from the 2 cooperatives and 18 independent farms, were added to **Palmasa's ISCC certification**
- **RSPO:** additionally, close to **103 smallholders** got RSPO certified, belonging to 8 cooperatives of **Honducaribe**
- **RSPO: 1 additional mill** received RSPO certification status: **Honducaribe**. This mill is owned by the smallholders

Although it looks like WISSE brought these close to 200 smallholders to a certification status in one year, we have to clarify that this achievement is also the result of our previous smallholder program [WISSH \(Wilmar Smallholder Support Honduras\)](#). These smallholders continued with their sustainability efforts after the close in 2018 of our first training program in Honduras. Also, as a mill Honducaribe was an active participant of WISSH.

The goal of the first year was to reach 333 new certified smallholders, but unfortunately from April 2020 all audits for new certification were on hold due to RSPO and ISCC prevention measures on COVID 19; up to the writing of this report no new audits were allowed. Despite this difficult situation, the WISSE Program managed to certify **61%** of the objective of year one, see table 2 below.

TABLE 4: NEW SMALLHOLDER CERTIFICATIONS UNDER WISSE

Mill	Standard	Cooperatives	Smallholders certified	Goal #	%
Asapalsa	ISCC	0	0	80	0
Hondupalma/(Parguey Group Manager)	ISCC	0	0	70	0
Honducaribe	RSPO	8	103	103	100
Palmasa	ISCC	2	100	80	125
Total	0	10	203	333	61

WISSE is the first program under the [Mariposa](#) initiative, which is a crowdfunding project created by [Olenex](#) for its customers. By implementing programs like WISSE, Olenex customers directly contribute to change on the ground in the palm oil industry in Latin America; a great example of [#SharedResponsibility](#).

Please direct your questions at palmsustainability@olenex.com