



SUSTAINABILITY UPDATE - COCONUT

EDITION #2 – OCTOBER 2023

OVERVIEW:

Our Approach to a more Sustainable Coconut Oil

Protecting Children in the Supply Chain

Programmes Contributing to a Sustainable and Equitable future

Building Health and Knowledge

Caring for our Community

Conserving Nature

OLENEX APPROACH TO MORE SUSTAINABLE COCONUT OIL

In order to get closer to the actual coconut farmer and support sustainability transformation on the ground, Olenex – together with its parent company and coconut oil supplier Wilmar – takes a two-tier approach:

- Social and environmental programs in the proximity of Wilmar’s processing facilities.
- Sector approach to protect the rights of children in the coconut oil supply chain.

PROTECTING CHILDREN IN THE COCONUT SUPPLY CHAIN

In the Philippines, many smallholder farmers are engaged in coconut cultivation and are based in remote areas. Often, they live in poverty with poor social and economic infrastructure and their children do not have access to proper education. In 2021, a project was started to investigate the possible existence of child labour in the coconut supply chain. The cooperation partners in this project are Cargill, Wilmar, Cordaid, The Integrated Rural Development Foundation, Verité Southeast Asia (VSEA), GMACL, MVO and Vernof. RVO supported this project via a subsidy from the Fund Against Child Labour (FBK).

The first phase of the project was finished in 2022. This phase investigated whether child labour was present in the production chain and concluded that child labour may indeed occur in the upstream coconut supply chain.

The second phase of the programme focuses on preventing and remediating the risk of child labour. The idea is to set up a system in partnership with schools and local authorities, that tracks whether children attend school. The system would flag in the instance of child labour and alert relevant stakeholders to take action. During this phase, poverty alleviation will also be addressed by introducing a new business model to help farmers increase their income. The project is built upon a rights-based, participatory and community-led approach. Furthermore, it would also help strengthen the human rights due diligence processes of the private sector.



In July 2023, Wilmar Edible Oil Philippines Incorporated (WEOPI) organised a large-scale engagement initiative, known as “*Proyekto Sa Lubi*” or “Let’s Celebrate Fiesta - The Coconut Project”, which involved farmers from surrounding Dipolog City in Zamboanga del Norte. The event aimed to share knowledge and build capacity on best management practices and production quality while raising awareness on the protection of children’s rights. Themed “Protecting the Rights of Children in the Coconut Oil Supply Chain – Philippines”, the event was attended by almost 800 people, comprising of 315 farmers and their families, at the Dipolog Sports Complex.

The “Let’s Celebrate Fiesta - The Coconut Project”

CONTRIBUTING TO A SUSTAINABLE AND EQUITABLE FUTURE

Wilmar Edible Oil Philippines Incorporated (WEOPI), a subsidiary of Wilmar International Limited (Wilmar), is committed to driving meaningful Corporate Social Responsibility (CSR) initiatives that positively impact both the local communities and the environment. WEOPI's CSR efforts encompass a range of programmes aimed at promoting sustainable practices, supporting education, fostering community development, and ensuring responsible sourcing and production. Through these initiatives, WEOPI strives to contribute to a more sustainable and equitable future in the Philippines, aligning with Wilmar's global commitment to sustainability and ethical business practices.

BUILDING HEALTH AND KNOWLEDGE

NUTRITION ENHANCEMENT PROGRAMME



Parents and teachers preparing meals for the children



Children waiting for their meals under the Nutrition Enhancement Programme (NEP)

WEOPI established the Nutrition Enhancement Programme (NEP) in June 2014 to improve the health and well-being of school children through the provision of nutritional food. A total of seven schools identified to have students who are severely undernourished or with malnutrition are participating in the NEP. In addition, the NEP also raises awareness among parents and students on the importance and nutritional benefits of a well-balanced diet.

The NEP provides children with a nourishing and balanced supplementary meal on a weekly basis. The procurement of ingredients is managed by a supplier appointed by WEOPI, while parents and teachers are responsible for food preparation. Since its inception in 2014, the NEP has supported a total of 22,247 students, including 4,311 students in 2023.

WILMAR PHILIPPINES SCHOLARSHIP PROGRAMME

Recognising the vital role education plays in safeguarding the rights of children, WEOPI established a scholarship programme in 2014 to support the tertiary education for children of smallholders from the surrounding communities where we operate in.

To date, there are a total of 140 scholarship recipients. 50 scholars have graduated and become qualified engineers and accountants. On 9 June 2023, 10 scholars from the batch of 2019 successfully graduated in their respective college degrees. Among them, six earned degrees in Mechanical Engineering, two in Electrical Engineering and two in Accountancy. Both the Accountancy scholars graduated with Latin honours as Cum Laude.

Our involvement in the scholarship programme does not stop at financial contribution. We continuously monitor and review the academic performance of the scholars at the end of every semester, ensuring that they have access to resources to help them excel.



The Wilmar Philippines Scholarship Programme has supported 140 children of smallholders in their tertiary education since 2014

CARING FOR OUR COMMUNITY

COMMUNITY HEALTHCARE PROGRAMME

Good health and hygiene are instrumental towards the well-being and progress of society. WEOPI therefore established privately-owned free clinics that offer basic healthcare services to our neighbouring communities, including medical consultation, generic medication as well as first-aid for emergencies, among others. Our clinics are staffed by qualified and licensed doctors accompanied by experienced nurses and midwives.

In addition to medical and healthcare services, our clinics also channel efforts to raise awareness on the prevention of diseases by providing patients with education and counselling. Since the inception of the clinics, a total of 70,408 patients have received treatment.

Moreover, the clinics also organise special community initiatives. During the anniversary of the Wilmar community clinic's establishment on 1 March in Roxas, special programmes such as eye consultations/check-ups with the provision of free eyeglasses and dental services, all of which are supported with complimentary medication, if necessary, are arranged.

NURSERY PROGRAMME

The declining supply of coconut products, especially copra, is an indicator of the threat the industry is facing, driven mainly by ageing trees, poor tree management, pests, diseases, cutting of trees for coco lumber, and so on.



Our nursery can accommodate at least 10,000 seedlings for distribution and planting

In January 2014, WEOPI established a nursery which can accommodate at least 10,000 seedlings. The main objective of the nursery is to sustain the production of coconut products among the local farmers and ensure they continue to have a stable income. WEOPI regularly distributes free coconut seedlings to farmers in the Zamboanga del Norte and Misamis provinces, in an effort to encourage them to continue replanting coconut.

Since the commencement of the initiative, a total of 180,285 seedlings have been distributed. In 2023, 6,982 coconut seedlings were distributed at no charge to 23 interested farmers and landowners who were endorsed by their respective Philippine Coconut Authority local units.

CONSERVING NATURE

TREE PLANTING PROGRAMME

We initiated the Tree Planting Programme in 2008 in an effort to address climate change, maintain ecological balance while protecting the groundwater supply. Over the last 14 years, we have planted over 1.5 million mahogany trees as part of the programme. In 2021 however, no tree planting activities were conducted due to Covid 19-related restrictions and challenges.

Since the start of the year and until July, a total of 24,420 mahogany seedlings have been planted across 22 different vacant lots and farms located in neighbouring barangays and municipalities in 2023. Furthermore, a tree care programme is put in place to ensure the nurturing of these seedlings until they reach full maturity. This care programme involves manual round weeding, soil cultivation, and grass cutting, undertaken by a team of eight dedicated workers.



Our tree planting initiative saw over 1.5 million mahogany trees planted over 14 years



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