

F0. Introduction

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F0.1

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**(F0.1) Give a general description of and introduction to your organization.**

Oleon is a leading producer of oleochemicals with a worldwide industrial and commercial presence. At Oleon we believe in the use of natural renewable raw materials. We are specialized in converting natural fats and oils into a wide range of oleochemical products, such as fatty acids, glycerin, esters, dimers, propylene glycol, technical oils and specialty oleochemicals. Our products, made from renewable raw materials, combine high performance with biodegradability. These oleochemical products are used in cosmetics and homecare, detergents and fabric softeners, chemicals for oil production and exploration, lubricants and hydraulic oils, food additives, agricultural products and solvents, materials and polymer additives, coatings, inks and paints, candles and paper. We work with about 1.000 employees. The production is spread over 5 production sites: We have two production sites in Belgium (Ertvelde and Oelegem), one in Germany (Emmerich), one in Compiègne (France) and one in Port Klang (Malaysia). The head office of Oleon is located in Ertvelde near Ghent (Belgium). Oleon disposes of 11 sales offices in Europe, USA and Asia. In Europe, Oleon is the largest oleochemical company with a market share estimated at 25%. Oleon is world leader for fatty acid esters. More than 500k ton of oleochemicals are produced and sold each year. Because of the favorable location of our plants, various transportation possibilities across land and sea are at our disposal: Oleon buys raw materials from all over the world and its end products are exported to more than 100 countries. Oleon is part of the French group Avril, with headquarters in Paris. Avril has 5 major business lines: Oilseeds Processing, Oils & Condiments, Avril Specialties, Animal Nutrition & Processing, Avril Development. The business unit Oleochemistry (= Oleon) adheres to the Avril Specialties business line. The chemistry of fats and oils and their derivatives is our key technology. Today we manufacture our high quality products in modern facilities with state of the art technology. Thanks to well-contemplated investments, mainly based on own developed technology, our plants are the most recent and the most efficient. Ambitious investment programs are running in each of our factories which put us at the top of the oleochemical scene. Sustainability is at the core of both Oleon and its mother company, Avril.

F0.2

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**(F0.2) State the start and end date of the year for which you are reporting data.**

	Start Date	End Date
Reporting year	January 1 2022	December 31 2022

F0.3

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**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

EUR

F0.4

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**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization’s area of operation.**

**Timber products**

**Commodity disclosure**

This commodity is not produced, sourced or used by our organization

**Stage of the value chain**

<Not Applicable>

**Are you disclosing information on embedded commodities?**

<Not Applicable>

**Explanation if not disclosing**

<Not Applicable>

**Palm oil**

**Commodity disclosure**

Disclosing

**Stage of the value chain**

Manufacturing

**Are you disclosing information on embedded commodities?**

No, because we have no embedded commodities

**Explanation if not disclosing**

<Not Applicable>

## Cattle products

### Commodity disclosure

Not disclosing

### Stage of the value chain

Manufacturing

### Are you disclosing information on embedded commodities?

<Not Applicable>

### Explanation if not disclosing

Oleon didn't receive a request from our customers to disclose on this commodity.

## Soy

### Commodity disclosure

Not disclosing

### Stage of the value chain

Manufacturing

### Are you disclosing information on embedded commodities?

<Not Applicable>

### Explanation if not disclosing

Oleon didn't receive a request from our customers to disclose on this commodity.

## Other - Rubber

### Commodity disclosure

This commodity is not produced, sourced or used by our organization

### Stage of the value chain

<Not Applicable>

### Are you disclosing information on embedded commodities?

<Not Applicable>

### Explanation if not disclosing

<Not Applicable>

## Other - Cocoa

### Commodity disclosure

This commodity is not produced, sourced or used by our organization

### Stage of the value chain

<Not Applicable>

### Are you disclosing information on embedded commodities?

<Not Applicable>

### Explanation if not disclosing

<Not Applicable>

## Other - Coffee

### Commodity disclosure

This commodity is not produced, sourced or used by our organization

### Stage of the value chain

<Not Applicable>

### Are you disclosing information on embedded commodities?

<Not Applicable>

### Explanation if not disclosing

<Not Applicable>

## F0.5

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### (F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Financial control

## F0.6

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### (F0.6) Select the countries/areas in which you operate.

Belgium  
France  
Germany  
Malaysia

F0.7

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**(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

Yes

F0.7a

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**(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.**

**Forest risk commodity**

Palm oil

**Value chain stage**

Direct operations

**Exclusion**

Recent merger, acquisition or divestiture

**Description of exclusion**

In December 2022, Oleon acquired a production site in Conroe USA. This production site was not yet operative in 2022 and is therefore excluded from disclosure.

**% of volume excluded**

<1%

**Potential for forests-related risk**

Potential for forests-related risk but not evaluated

**Please explain**

The production site in the USA is not yet operational and is therefore not yet handling palm oil. It is expected that the production site will become operational by mid 2023.

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F0.8

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**(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
No	<Not Applicable>

F1. Current state

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F1.1

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**(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**

**Palm oil**

**Activity**

Refining & processing

**Form of commodity**

Crude palm oil (CPO)  
Crude palm kernel oil (CPKO)  
Refined palm oil  
Palm oil derivatives  
Palm kernel oil derivatives

**Source**

Contracted suppliers (processors)  
Contracted suppliers (manufacturers)

**Country/Area of origin**

Brazil  
Cambodia  
Cameroon  
Colombia  
Costa Rica  
Côte d'Ivoire  
Gabon  
Ghana  
Guatemala  
Honduras  
Indonesia  
Malaysia  
Nicaragua  
Panama  
Papua New Guinea  
Peru  
Philippines  
Solomon Islands  
Thailand

**% of procurement spend**

21-30%

**Comment**

As an oleochemical manufacturer, Oleon purchases palm oils such as CPO, hydrogenated palm oil/stearin, RBD palm oil/stearin and derivatives such as fatty acids, glycerin and fatty alcohols. These palm-based products can be palm oil or palm kernel oil based. The outcome can be fatty acids, glycerin, dimer acids (in the base products sites), fatty acid esters and specialty chemicals (in the derivatives production sites).

In order to calculate the procurement spend, we took all spending on the purchasing of palm-based products and divided it by all the spending of the procurement team.

**F1.2**

**(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

	<b>% of revenue dependent on commodity</b>	<b>Comment</b>
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	21-30%	Oleon doesn't disclose the percentage of revenue linked to the sourcing of palm. However, between 21-30% of the volumes sold in 2022 contained palm oil or palm derivatives.
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F1.5**

**(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?**

	Data availability/Disclosure
Timber products	<Not Applicable>
Palm oil	Consumption data available, disclosing
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F1.5a**

**(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.**

**Forest risk commodity**

Palm oil

**Data type**

Consumption data

**Commodity production/ consumption volume**

119155

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

42

**Please explain**

Oleon uses satellite monitoring to have a better understanding of deforestation risk in our palm supply chain. For this, Oleon works together with Satelligence. Satelligence uses the mill lists of Oleon's suppliers to determine how much of Oleon's palm supply chain is Verified Deforestation Free. In order to do so, Satelligence uses NASA satellites. Oleon has shared the purchased volume per supplier in order to have a weighted percentage. Keeping the purchasing weight into account, around 42% of Oleon's palm volume can be considered deforestation free (cut-off date 31/12/2020 in accordance with the EU Deforestation Regulation). Oleon also purchases RSPO MB material, however we don't consider this material to be truly deforestation free as it is a mix of certified and non-certified volumes.

**F1.5b**

**(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.**

**Palm oil – DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

0

**% of DCF production/consumption volume verified through monitoring systems**

100

**% of DCF production/consumption volume physically certified**

0

**% of non-DCF production/consumption volume from unknown origin**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as country level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable to production unit level**

<Not Applicable>

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

<Not Applicable>

**Palm oil – Non DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

<Not Applicable>

**% of DCF production/consumption volume verified through monitoring systems**

<Not Applicable>

**% of DCF production/consumption volume physically certified**

<Not Applicable>

**% of non-DCF production/consumption volume from unknown origin**

1

**% of non-DCF production/consumption volume traceable only as far as country level**

0

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

0

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

37.6

**% of non-DCF production/consumption volume traceable to production unit level**

61.4

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

<Not Applicable>

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

**F1.5c**

**(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Brazil

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Para)

**% of total production/consumption volume**

0.2

**Please explain**

Brazil covers 0.2% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Cambodia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Kaoh Kong)

**% of total production/consumption volume**

0.1

**Please explain**

Cambodia covers 0.1% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Cameroon

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Littoral)

**% of total production/consumption volume**

0.05

**Please explain**

Cameroon covers 0.05% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Colombia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Meta, Magdalena, Cesar)

**% of total production/consumption volume**

2.6

**Please explain**

Colombia covers 2.6% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

0.1

**Please explain**

Costa Rica covers 0.1% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Côte d'Ivoire

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Bas-Sassandra)

**% of total production/consumption volume**

0.3

**Please explain**

Ivory Coast covers 0.3% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Gabon

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Estuaire)

**% of total production/consumption volume**

0.1

**Please explain**

Gabon covers 0.1% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Ghana

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Kwabibirem)

**% of total production/consumption volume**

0.05

**Please explain**

Ghana covers 0.05% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Guatemala

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Izabal, Peten)

**% of total production/consumption volume**

0.85

**Please explain**

Guatemala covers 0.85% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Honduras

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Colon, Atlantida)

**% of total production/consumption volume**

0.4

**Please explain**

Honduras covers 0.4% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Riau, Jambi, Sumatera Utara, Aceh, Kalimantan)

**% of total production/consumption volume**

62.75

**Please explain**

Indonesia covers 62.75% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Johor, Pahang, Perak, Kelantan, Sabah, Sarawak)

**% of total production/consumption volume**

29.5

**Please explain**

Malaysia covers 29.5% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

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Palm oil

**Country/Area of origin**

Nicaragua

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Camino)

**% of total production/consumption volume**

0.05

**Please explain**

Nicaragua covers 0.05% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Panama

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Chiriqui)

**% of total production/consumption volume**

0.05

**Please explain**

Panama covers 0.05% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Papua New Guinea

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (West New Britain, Oro, Morobe)

**% of total production/consumption volume**

0.7

**Please explain**

PNG covers 0.7% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Peru

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (San Martin)

**% of total production/consumption volume**

0.15

**Please explain**

Peru covers 0.15% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Philippines

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Agusan del sur)

**% of total production/consumption volume**

0.05

**Please explain**

The Philippines covers 0.05% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Thailand

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Trang, Surat Thani)

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**% of total production/consumption volume**

2

**Please explain**

Thailand covers 2% of palm sourced by Oleon out of the 99% that is currently traceable to country level. In order to calculate this percentage, Oleon took the number of mills located in the respective country, divided by all traceable mills in our supply chain for 2022.

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**F1.5f**

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**(F1.5f) How does your organization produce or consume biofuel derived from palm oil?**

**Does your organization produce or consume biofuel derived from palm oil?**

No

**Data type**

<Not Applicable>

**Volume produced/consumed**

<Not Applicable>

**Metric**

<Not Applicable>

**Country/Area of origin**

<Not Applicable>

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

<Not Applicable>

**Does the source of your organization's biofuel material come from smallholders?**

<Not Applicable>

**Comment**

Oleon doesn't consume any biofuel.

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**F1.6**

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**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

No

**F1.7**

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**(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.**

**Forest risk commodity**

Palm oil

**Have you monitored or estimated your deforestation/conversion footprint?**

Yes, we monitor deforestation/conversion footprint in our supply chain

**Coverage**

Full consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

Since a specified cutoff date, please specify year (31/12/2020)

**Known or estimated deforestation/ conversion footprint (hectares)**

18200

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

According to the satellite monitoring tool from Satelligence, 42% of Oleon's palm supply chain is deforestation free (cut-off date 31/12/2020). Therefore 58% is linked to deforestation, or around 69,110MT. The European Palm Oil Alliance EPOA states that on average 1ha of palm oil plantation can produce 3.8MT of palm oil. 69,110MT / 3.8MT = 18,200 ha.

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**F2. Procedures**

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**F2.1**

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**(F2.1) Does your organization undertake a forests-related risk assessment?**

Yes, forests-related risks are assessed

F2.1a

**(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.**

**Palm oil**

**Value chain stage**

Supply chain

**Coverage**

Full

**Risk assessment procedure**

Assessed as a standalone issue

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

> 6 years

**Tools and methods used**

Internal company methods

External consultants

Other, please specify (EcoVadis, RSPO, Satelligence)

**Issues considered**

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Tariffs or price increases

Brand damage related to forests risk commodities

Social impacts

**Stakeholders considered**

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

**Please explain**

Our shareholder the Avril Group and Earthworm Foundation launched a palm oil supplier assessment. This assessment included all the business units under Avril, including Oleon. Apart from analyzing current trends in the palm oil industry, Earthworm Foundation created a supplier questionnaire for Oleon and assisted us in analyzing our suppliers' responses. In 2021, Earthworm Foundation organized a workshop together with Avril, in which all the business units are invited. During this workshop, the current risks and opportunities in the palm oil industry are discussed. Additionally, Oleon attends the monthly member update calls organized by the RSPO. As of 2019, Oleon has a supplier monitoring program focused on sustainability topics. Suppliers are assessed via the EcoVadis rating platform on topics such as the environment, working conditions, ethics and supply chain. Suppliers who have a low score are contacted by the Oleon team and receives our support in creating a corrective action plan. This program is gradually rolled out within Oleon's supply base, with the goal to include all selected suppliers by 2023. Since 2021, Oleon uses the Grievance Management service provided by the Earthworm Foundation which has two components: Grievance exposure review (a picture of overall exposure by assessing Oleon's current mill list against Earthworm's database of relevant active cases), grievance rapid response with alerts in case of new grievances and regulatory updates. Monthly meetings are organized between Oleon and Earthworm Foundation to discuss grievances.

As of 2023, Oleon uses satellite monitoring via the company Satelligence. This enables Oleon to monitor how much of our palm supply chain is deforestation free. Oleon has monthly update calls with Satelligence to discuss deforestation taking place in our supply chain.

All Oleon employees who are in contact with sourcing during their daily tasks (e.g., buyers) receive training on responsible sourcing (in general) and on Oleon's NDPE commitment (specifically for the sourcing of palm). These training are provided by the Oleon CSR team.

F2.2

**(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?**

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

## F2.2a

### (F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

#### Forest risk commodity

Palm oil

#### Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

Tier 3 suppliers

#### % of total suppliers covered within selected tier(s)

100

#### Description of mapping process and coverage

Oleon works on traceability to refinery at origin, mill and plantation. We do this by collecting traceability information twice per year (March and September). The information is gathered in several ways:

1. CRT documents via the port of Rotterdam.
2. Traceability lists shared by the direct supplier via email.
3. Publicly available traceability information (on website of supplier or on the RSPO website).

All Oleon's palm suppliers are requested to share traceability information with us. In order to improve our traceability to plantation, Oleon has started with a satellite monitoring project in January 2023 with Satelligence. Satelligence uses the mill lists that Oleon has gathered and links these mills to the plantation (via concession maps). Oleon currently has 94% traced to refinery, 99% traced to mill and 62% traced to plantation (concession map) for its palm volumes of 2022.

#### Your own production and primary processing sites: attach a list of facility names and locations (optional)

Oleon NV CU-RSPO SCC-817540\_exp 25052027.pdf

#### Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

## F2.3

### (F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1 Yes, we use a classification system	Satellite monitoring via Satelligence.	Oleon and Satelligence use 2 indicators to determine risk: traceability to plantation and "verified deforestation free". Traceability to plantation: Satelligence will use Oleon's mill list to link the mill to a plantation (concession map). Each Oleon supplier receives a score on how much of their supply chain can be traced to plantation level (concession map). Verified Deforestation Free: After selecting a deforestation cut-off date (depending on which standard Oleon wants to report to), Satelligence will classify each mill as "VDF" (verified deforestation free) or non-VDF. For those mills with traceability to plantation, Satelligence will look at potential deforestation cases within the concession boundaries. For mills without traceability to plantation, Satelligence will take a 50km radius around the mill (50km is the distance a fresh fruit bunch can travel within 1 day, before losing quality). Each Oleon supplier receives a score on how much of their supply chain can be considered deforestation free.	Oleon's zero deforestation palm webinar 2023.pdf

## F3. Risks and opportunities

### F3.1

#### (F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	<Not Applicable>
Palm oil	Yes
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

### F3.1a

### (F3.1a) How does your organization define substantive financial or strategic impact on your business?

Oleon considers two different types of substantive impact:

- A substantive financial impact influencing Oleon's financial results. The impact is quantified in €. Financial impact is considered as substantive from the threshold of 200k€ EBITDA (around 0.3% of Oleon EBITDA).

- A substantive operational impact disturbing production planning. The impact is quantified in days of downtime. Operational impact is considered as substantive from 5 days of downtime of a production unit. Downtime could lead to Oleon not being able to meet the order requests of our customers which can have a serious financial impact on the company.

Definition: A production unit is a unit that is crucial for the production of the end products of a plant – when it fails there is an impact of the output of the plant as other units will no longer get feed or end products will no longer be produced. Globally, Oleon has 35 production units.

In both categories, impact can be classified in 3 categories: low/medium/high.

#### Financial impact gradation:

- Low: €200k - €400k (EBITDA).

- Medium: €400k - €1M (EBITDA).

- High: >€1M (EBITDA).

#### Operational impact gradation:

- Low: 1 production unit is down between 5 and 10 consecutive days.

- Medium: 1 production unit is down between 10 and 30 consecutive days OR 1 full plant is down less than 3 consecutive days.

- High: 1 production unit is down more than 30 consecutive days OR 1 full plant is down more than 3 consecutive days.

#### Precisions:

Both impacts can be seen as positive or negative:

- For financial impact, the positive impact is extra incomes or savings, and the negative impact is costs /or a loss of incomes.

- For operational impact: the positive impact would be a shutdown avoided while a negative impact would be a shutdown.

Substantive impacts described and classified above represent the starting point of an answer to assess the impact. Chance of occurrence, gradation and profitability will condition the answer. The answer can be multiple, from not acting and accepting the impact (if impact is low and negative, and chance of occurrence is very low) to direct and intensive action to avoid future impact (if impact is high and chance of occurrence is rather high).

### F3.1b

#### (F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

##### **Forest risk commodity**

Palm oil

##### **Type of risk**

Regulatory

##### **Geographical scale**

Global

##### **Where in your value chain does the risk driver occur?**

Supply chain

##### **Primary risk driver**

Changes to international law and bilateral agreements

##### **Primary potential impact**

Fines, penalties or enforcement orders

##### **Company-specific description**

In 2022 the EU adopted a new regulation called the EUDR (EU Deforestation Regulation). This regulation will make it mandatory that certain products will need to be

deforestation free in order to be imported. The affected products are palm, soy, cocoa, rubber, etc. For Oleon, palm and soy are in scope. The regulation states that the first importer into the EU will need to showcase traceability to plantation/farm and proof that it is deforestation free (cut-off date 31/12/2020). The regulation was adopted in December 2022 and will come into force end of June 2023. Companies will have 18 months' time to be compliant (end December 2024). Oleon is the first importer for the palm oil used in our EU production sites and for the ester manufactured in our Port Klang site that is being used as an ingredient in our EU sites. Even if Oleon is not liable for the other products under the EUDR scope, we do take responsibility and need to make sure that our direct suppliers of palm and soy will be compliant with the EUDR by the end of December 2024. This regulation can result in a higher cost of raw materials due to higher traceability and need for proof of deforestation free supplies. Non-compliance with the EUDR can result in a fine of 4% of our total annual turnover.

**Timeframe**

1-3 years

**Magnitude of potential impact**

High

**Likelihood**

Virtually certain

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

6000000

**Potential financial impact figure - maximum (currency)**

11000000

**Explanation of financial impact**

Oleon purchases sustainably certified palm products under the RSPO (Roundtable on Sustainable Palm Oil) standard on customer request. In 2022, Oleon became a member of the RTRS (Round Table on Responsible Soy) and will undergo an RTRS audit for its production site in Germany in 2023 in order to purchase sustainably certified soy products on customer request as well. If Oleon purchases RSPO and RTRS certified material that can be considered fully traceable and deforestation free, we will need to purchase the segregated option (Mass Balance will not be sufficient to be EUDR compliant). SG (segregated) material has a premium ranging from €30 - €120/MT for palm oils (crude palm oil, hydrogenated palm oil, RBD palm oil and stearin) and €100 - €350/MT for palm derivatives (PFAD, fatty acids, fatty alcohols and glycerin) based on market estimations by Oleon's Purchasing team. When calculating the impact cost, taking the lower premium range and the average palm volume of 120,000MT per year, the lower premium range will be around €6,000,000 of premium cost per year. When looking at the higher premium range and the same volume, the higher premium range will be around €11,000,000 of premium cost per year. The premium cost is the additional cost Oleon will need to pay in order to purchase material that is compliant to the EUDR. This is on top of the regular cost for the material which Oleon will need to pay regardless of the certification status of the material.

**Primary response to risk**

Increased use of sustainably sourced materials

**Description of response**

Oleon decided to monitor the traceability and deforestation status of its palm supply chain via satellite monitoring. In January 2023 Oleon started its collaboration with Satelligence, a satellite monitoring consultancy firm. Throughout the year Oleon gathers the palm mill list from its suppliers which is then being shared with Satelligence. Satelligence will link each mill to a plantation (concession map). If there is no plantation known, a 50 km radius is taken to monitor deforestation (as 50km is the distance a fresh fruit bunch can travel without losing quality). Each mill is then categorized as Verified Deforestation Free (VDF) or non-VDF. For mills with a concession map, Satelligence will check if any deforestation took place within the concession. For mills without a map, they will use the 50km radius to check if the mill is VDF or not. Looking at our 2022 palm supply chain, 42% of our palm volumes are currently EUDR compliant.

**Cost of response**

270000

**Explanation of cost of response**

Palm supply chain monitoring with Satelligence cost: The annual membership to monitor Oleon's palm supply chain with Satelligence is €224,000. The monitoring of Oleon's soy supply chain is free for the first year. With satellite monitoring Oleon can check which mills are EUDR compliant and which suppliers are sourcing from non-compliant mills. Oleon does expect the annual membership of Satelligence to increase once the test for our soy supply chain is finalized. Oleon does not have an estimate of the new cost yet, but this will only come into effect in January 2024 when the membership will need to be renewed.

Third party verification cost: It is estimated that a third-party audit will cost between €2,000-€5,000.

Staff cost: The CSR team has 1 FTE who dedicates half of their time towards sustainable sourcing and certification. Costs are estimated around €40,000.

Final cost calculation: €270,000 (€224,000 + €5,000 + €40,000) per year with the expectation of this cost to grow due to the expansion of satellite monitoring for Oleon's soy supply chain and increasing employee cost.

**F3.2**

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	<Not Applicable>
Palm oil	Yes
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.**

**Forest risk commodity**

Palm oil

**Type of opportunity**

Markets

**Where in your value chain does the opportunity occur?**

Other parts of the value chain

**Primary forests-related opportunity**

Increased availability of products with reduced environmental impact (other than certified products)

**Company-specific description**

Oleon's customers are very concerned about the environmental impact of their products. Via Product Carbon Footprint (PCF) Oleon can give the customer a better idea of the impact of the product they are purchasing from us and how it will impact their scope 3 emissions.

In light of the EUDR, Oleon strives to make our entire palm supply chain deforestation free. Not only the palm supply chain that is linked to the EU markets. This shift from conventional palm oil towards deforestation free palm oil will have a significant impact on the Product Carbon Footprint as deforestation is considered a major contributor. This more environmentally friendly palm-based products will allow Oleon to guarantee lower emissions linked to the product plus a deforestation free guarantee. This will be an advantage for Oleon when doing business outside of the EU market.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Medium

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

2000000

**Potential financial impact figure – maximum (currency)**

4000000

**Explanation of financial impact figure**

Providing more environmentally friendly products outside EU markets (due to the product being deforestation free) will result in an increase of market share and therefore a higher turnover. As 2022 was an exceptionally good year for Oleon, we are using the 2021 turnover (which was a normal year in terms of turnover) of €650 million and multiplying it with the additional market share. Oleon is estimated to grow between 1% and 2% in market share for palm-based products. Around 30% of Oleon's sales are linked to palm. €650 million x 30% = €195 million of which an increase of 1% to 2% would result in a financial impact figure between €2 and €4 million per year.

**Cost to realize opportunity**

470000

**Strategy to realize opportunity**

Supply chain monitoring with Satelligence: Oleon decided to monitor the traceability and deforestation status of its palm supply chain via satellite monitoring. In January 2023 Oleon started its collaboration with Satelligence, a satellite monitoring consultancy firm. Throughout the year Oleon gathers the palm mill list from its suppliers which is then being shared with Satelligence. Satelligence will link each mill to a plantation (concession map). If there is no plantation known, a 50 km radius is taken to monitor deforestation (as 50km is the distance a fresh fruit bunch can travel without losing quality). Each mill is then categorized as Verified Deforestation Free (VDF) or non-VDF. For mills with a concession map, Satelligence will check if any deforestation took place within the concession. For mills without a map, they will use the 50km radius to check if the mill is VDF or not. Looking at our 2022 palm supply chain, 42% of Oleon's palm volumes are EUDR compliant. The annual membership to use Satelligence's services is €224,000.

Third-party verification cost: Once Oleon has achieved a high deforestation free rate, we would opt to undergo third-party certification for our traceability methodology and satellite monitoring tool. If the certification body can verify that this is a good way to determine if our palm volumes are deforestation free, we can share this verification with our customer. Being audited will cost around €2,000 to €5,000 per year.

Staff: Within the CSR team there is 1 FTE who dedicates half their time on sustainable sourcing and certification. For each product, a Product Carbon Footprint will need to be calculated. The CSR team has 3 FTE's working on carbon footprint calculation with a cost around €240,000 per year.

Final cost calculation: €470,000 (€224,000 + €5,000 + €240,000) per year with the expectation of this cost to grow due to the expansion of satellite monitoring for Oleon's soy supply chain and increasing employee cost.

## F4. Governance

### F4.1

**(F4.1) Is there board-level oversight of forests-related issues within your organization?**

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual or committee	Responsibilities for forest-related issues
Director on board	At Oleon, CSR is part of the Research and Development department. The Director of this department is a member of the Board. The Supply Chain Director whose team is responsible for the sourcing of palm oil is also part of the Board. In 2022 it was decided that Oleon needed a better view on deforestation issues in our supply chain. Therefore, the Board has decided to opt for satellite monitoring. After reviewing several consultancies who could provide this service, Oleon chose Satelligence. Now Oleon has a better traceability to plantation overview, and we can categorize our mills as deforestation free or not. This is fully in line with our CSR ambition to have a deforestation free palm supply chain by 2030. On Avril Group level, the CEO of Oleon is responsible for the Biodiversity Steering Committee who focuses on the challenges related to the sourcing of palm and soybean.

F4.1b

(F4.1b) Provide further details on the board’s oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing major capital expenditures Overseeing the setting of corporate targets Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	No further comment.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

**Board member(s) have competence on forests-related issues**

Yes

**Criteria used to assess competence on forests-related issues**

Oleon has a board member with knowledge on forest-related issues, namely the Supply Chain Director. This director and his team are directly involved in the action plan to improve the sustainability of our raw materials and suppliers. The Supply Chain Director joins quarterly update meetings to discuss forest-related issues. The entire board of directors verify and monitor the sustainable sourcing roadmap that Oleon has deployed in 2022. Forest-related issues are included in the roadmap.

**Primary reason for no board-level competence on forests-related issues**

<Not Applicable>

**Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future**

<Not Applicable>

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Environment/Sustainability manager	Managing annual budgets relating to the implementation of forest-related policies and commitments Setting forests-related corporate targets Monitoring progress against forests-related corporate targets Managing value chain engagement on forests-related issues Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	Quarterly	The CSR manager organized quarterly forest-related update meetings with the procurement and trading team. Weekly update meetings within the CSR team.
Chief Procurement Officer (CPO)	Managing annual budgets relating to the implementation of forest-related policies and commitments Managing major capital and/or operational expenditures, related to low-impact forest products or services (including R&D) Integrating forests-related issues into business strategy Setting forests-related corporate targets Monitoring progress against forests-related corporate targets	Quarterly	The Supply Chain Director (CPO) is a member of the Executive Committee. Quarterly meetings are organized between the CSR, procurement and trading teams.



F4.3

**(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?**

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	Targets and KPI's have been set on the sustainable sourcing of palm. Targets include sourcing palm that is covered by a sustainability initiative, including suppliers in the EcoVadis assessment program, having suppliers acknowledge the Supplier Code of Conduct, etc. If these targets are met, incentives will be provided to the Supply Chain Director.

F4.3a

**(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Director on board Chief Procurement Officer (CPO)	Ending deforestation and/or conversion of other natural ecosystems Securing Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities Increasing traceability of commodity volumes Increased supply chain mapping Increased engagement with suppliers on forests-related issues Company performance against a sustainability index with forest-related factors (e.g., CDP Forests Score) Engagement in landscape and/or jurisdictional approaches	Oleon has a zero-deforestation roadmap that consists of 5 themes: - Traceability - Supply chain compliance - Deforestation free sourcing - Transformation - External recognition For each theme Oleon has set targets for 2025 and 2030. These targets range from 100% TTP, satellite monitoring, 100% deforestation free supply chain, 100% NDPE compliant suppliers, RSPO certification, forest conservation, Sustainable Palm Index score, CDP Forest score etc. If the Oleon employees involved reach these targets, it will result in a good performance appraisal. These performance appraisals are linked to monetary incentives such as a salary increase.	The 2025 and 2030 targets are adapted into smaller annual targets so that Oleon can report on them during the performance appraisal period that is annual. The people involved will report on the annual target set (which ultimately leads to the achievement of the long-term target of 2025 and 2030).
Non-monetary reward	Director on board Chief Procurement Officer (CPO)	Company performance against a sustainability index with forest-related factors (e.g., CDP Forests Score)	Oleon has a zero-deforestation roadmap that consists of 5 themes: - Traceability - Supply chain compliance - Deforestation free sourcing - Transformation - External recognition The first 4 themes cover Oleon's engagement to create a deforestation free palm supply chain by 2030. The 5th theme focusses on external verification / recognition of Oleon's action plan on deforestation free sourcing. Oleon's palm sourcing practices are reviewed by 2 assessments: CDP Forest and the Sustainable Palm Index (organized by Action for Sustainable Derivatives). Oleon's target is to achieve CDP Forest A score and remain in the highest level on the Sustainable Palm Index (>81/100) by 2025. In 2022 Oleon has CDP Forest B score and a 91% on the Sustainable Palm Index. Each year Oleon will communicate on their assessment results both internally (via staff meetings, newsletters and the Oleon Post) and externally (via LinkedIn, the Oleon website and the Avril Integrated Annual Report). If Oleon is able to become a leader in CDP Forest and to remain in the highest level on the Sustainable Palm Index, it will give a boost to our reputation with customers and other stakeholders.	Oleon is aware that you need to have external recognition via for example online assessments in order to showcase your engagement on topics important to our CSR strategy. Especially on topics where quantifiable data is not always easy to find, such as NDPE commitment.

F4.4

**(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?**

Yes (you may attach the report – this is optional)  
2022\_AvrilIntegratedAnnualReport.pdf

F4.5

**(F4.5) Does your organization have a policy that includes forests-related issues?**

Yes, we have a documented forests policy that is publicly available

F4.5a

**(F4.5a) Select the options to describe the scope and content of your policy.**

**Row 1**

**Scope**

Company-wide

**Commodity coverage**

Palm oil

**Content**

- Commitment to eliminate conversion of natural ecosystems
- Commitment to no land clearance by burning or clearcutting
- Commitment to eliminate deforestation
- Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)
- Commitment to remediation, restoration and/or compensation of past harms
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Adoption of the UN International Labour Organization principles
- Commitment to best management practices for soils and peat
- Commitment to take action beyond own supply chain to tackle environmental issues
- Commitment to resolving both social and environmental issues in own operations and supply chain
- Commitment to protect rights and livelihoods of local communities
- Commitments beyond regulatory compliance
- Commitment to transparency
- Recognition of the overall importance of forests and other natural ecosystems
- Recognition of potential business impact on forests and other natural ecosystems
- Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy
- List of timebound milestones and targets
- Description of forests-related performance standards for direct operations
- Description of forests-related standards for procurement

**Document attachment**

- Oleon's zero deforestation palm webinar 2023.pdf
- sustainable\_palm\_policy\_avril\_group\_2020.pdf
- SCOC Avril group\_OLEON\_2019\_final.pdf

**Please explain**

Oleon and its shareholder the Avril Group have a sustainable palm policy since 2016 which incorporates our NDPE commitment. Additionally, Oleon has set specific targets in order to achieve a transparent and deforestation free supply chain:

- 100% of palm volumes fully traced and certified if from high-risk zone by 2025.
- 100% of palm volumes to be completely free from deforestation by 2030.

Due to the upcoming EU deforestation regulation (EUDR), Oleon's supplies coming into the EU will be deforestation free by end December 2024 in order to be compliant. Apart from our specific palm policy, Oleon also has a Supplier Code of Conduct which sets out the sustainability requirements for all suppliers (including palm) where we cover topics such as human rights, safety, environment, etc.

F4.6

**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

Forest risk commodity	Public commitments made
Palm oil	Yes

F4.6a

**(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?**

Other, please specify (Earthworm Foundation (not a member) and RSPO)

F4.6b

**(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.**

**Forest risk commodity**

Palm oil

**Criteria**

No conversion of natural ecosystems  
Zero gross deforestation/ no deforestation  
Zero net deforestation  
No new development on peat regardless of depth  
Best management practices for existing cultivation on peat  
Restoration and compensation to address past deforestation and conversion  
Avoidance of negative impacts on threatened and protected species and habitats  
No trade of CITES listed species  
No land clearance by burning or clearcutting  
No conversion of High Conservation Value areas  
No conversion of High Carbon Stock forests  
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals  
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities  
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples  
Promotion of gender equality and women's empowerment  
Remediate any adverse impacts on indigenous people and local communities  
Adoption of the UN International Labour Organization principles  
Resolution of complaints and conflicts through an open, transparent and consultative process  
Facilitate the inclusion of smallholders into the supply chain  
No sourcing of illegally produced and/or traded forest risk commodities  
No sourcing of forest risk commodities from unknown/controversial sources  
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources  
Recognition of legal and customary land tenure rights

**Operational coverage**

Supply chain

**% of total production/ consumption covered by commitment**

100%

**Cutoff date**

2020

**Forest risk countries/areas that the cutoff date applies to**

Applied globally

**Reason for selecting cutoff date**

Legal requirements

**Commitment target date**

2021-25

**Please explain**

Our shareholder the Avril Group has created a Sustainable Palm Policy in 2016. Oleon is committed to realize the ambitions set out in this policy. In 2018, Avril's Sustainable Palm Policy was sent to all palm oil suppliers for acknowledgement. In 2019, Oleon broadened the scope to include its largest palm derivative suppliers (80% of sourcing volume). As of 2020, all palm suppliers are asked to acknowledge the Avril Sustainable Palm Policy.

In 2021: Avril has defined its purpose: "Serving the Earth". This purpose includes six bold commitments. One of the commitments is 100% of palm and soy supply from sustainable agriculture in 2030. This is translated within Oleon in the following targets:

- 100% of palm volumes fully traced and certified if coming from high-risk zones by 2025.
- 100% of palm volumes to be completely free from deforestation by 2030.

Due to the upcoming EU deforestation regulation (EUDR), Oleon's supplies coming into the EU will be deforestation free by end December 2024 in order to be compliant. Therefore, we have chosen the EUDR's cut-off date of 31/12/2020 as the new cut-off date. Since Oleon is very active in Europe, our palm suppliers will need to be fully traceable and deforestation free by end December 2024 (earlier than the previously set target of 2030).

Oleon's public commitment is partially mandatory by law regarding traceability and deforestation (EUDR) and partially voluntary by our NDPE commitment.

Examples:

- Deforestation: Oleon started its satellite monitoring program together with Satelligence in 2023. Satelligence used Oleon's 2022 mill list in order to verify if our palm supply chain is deforestation free. According to the EUDR cut-off date, 42% of Oleon's palm supply chain is deforestation free. Oleon has an overview of the TTP% and VDF% (verified deforestation free) for each supplier. In 2023 Oleon will discuss these percentages with each supplier in order to reach 100% for both by end 2024. In 2022 Oleon handled a deforestation case that happened in Johor, Malaysia. According to satellite data from Mighty Earth (an NGO), 25 ha of land was cleared. Oleon's direct supplier who is active in the area immediately initiated engagement with the producing company. A field investigation was carried out in August 2022 which verified the allegations. Oleon's direct supplier stopped sourcing from this company in September 2022 but is guiding them to come back into compliance via their re-entry criteria.
- Secure Free Prior and Informed Consent (FPIC): In 2020 Oleon set up a grievance management procedure which is supported by Earthworm Foundation. Every month the Oleon CSR team and Earthworm have a grievance update call to discuss ongoing grievances in Oleon's supply chain. For example, in 2023 an FPIC grievance was closed that started in 2015. The villagers in Tebing Tinggi (Indonesia) organized a protest due to a large palm production company clearing their land (which they handed to them in 1995 in order to set up palm plantation which they could work on) but not giving them any portion of it (which is a requirement under the RSPO plasma scheme). The producing company started the development process of their plasma by conducting FPIC through socialization to the community, participatory mapping, assessing the potential plasma area and evaluating the High Carbon Stock and High Conservation Value area. In early 2023, the land is clean-and-clear and the final step of the plasma agreement with the communities has started.
- Restoration and compensation to address past deforestation and/or conversion: In 2022 Oleon and Avril financed the Riau and Aceh Landscape projects organized by Earthworm Foundation. In 2022 the village Pasir Belo signed a regulation to restore community owned marginal land spanning 20ha. The land was rehabilitated and avocado, durian, jengkol and longan was planted.

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**F5. Business strategy**

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	<p>In 2022 Oleon has set new targets regarding the sustainable sourcing of palm:</p> <ul style="list-style-type: none"> <li>- 100% of palm volumes to be traced and certified (if high-risk zone) by 2025.</li> <li>- 100% of palm volumes to be physically free from deforestation by 2030.</li> </ul> <p>These 2 targets are translated in an action plan that covers 5 themes:</p> <ul style="list-style-type: none"> <li>- Traceability: 100% traceability to plantation, 3rd party verification of suppliers' traceability methodology and case by case onsite audits by 2025.</li> <li>- Supply chain compliance: 100% of direct suppliers NDPE compliant by 2025. 3rd party verification of 100% direct suppliers' NDPE compliance by 2030.</li> <li>- Deforestation free sourcing: Satellite monitoring of 100% palm supply chain to identify deforestation free / high risk zones and certification of those high-risk zones by 2025. 100% deforestation free or SG certification for high-risk zones by 2030.</li> <li>- Transformation: Continuous financial support of smallholder projects.</li> <li>- External recognition: Maintain high results in the Sustainable Palm Index (SPI) and strive towards CDP Forest A rating.</li> </ul>
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	<p>In order to achieve our 2025 and 2030 targets and to be compliant with the upcoming EU deforestation regulation by the end of 2024, Oleon has set up an action plan in 2022 and later adapted it in 2023 in order to include the EU deforestation regulation requirements. Oleon's strategy is to focus on satellite monitoring in order to evolve our supply chain and make it deforestation free. We do this via our collaboration with Satelligence, a satellite monitoring consultancy that started in January 2023, monitoring the palm supply volumes of 2022. Satelligence can inform Oleon how much of our palm supply chain is traceable to plantation and deforestation free, which covers a large part of our goals. Additionally, Oleon is looking for 3rd party assessors to monitor the NDPE compliance of our suppliers. Oleon will continue this search in 2023 and will report on our decisions on the upcoming CDP Forest assessments.</p>
Financial planning	Yes, forests-related issues are integrated	5-10	<p>Oleon splits up its financial planning in 2 categories, raw material costs and investments.</p> <ul style="list-style-type: none"> <li>- Raw material costs: As previously reported between 21% and 30% of Oleon's procurement spend is dedicated towards the purchasing of palm-based products. Oleon also purchases RSPO MB and SG products on customer demand. In 2022 this resulted in a premium cost of around €5M. All Oleon production sites are RSPO certified, with certification costs varying around €5,000 per year.</li> </ul> <p>The Trading team responsible for the purchasing of palm keeps track of the price volatility of the palm product and also the evolution of the RSPO premium in order to buy the material at the best suitable price.</p> <ul style="list-style-type: none"> <li>- Investments: Oleon invests €224,000 per year in order to use the satellite monitoring platform owned by Satelligence in order to monitor deforestation in our palm supply chain. Additionally, Oleon also finances field projects organized by Earthworm Foundation. Each year Oleon pays around €106,000 as a funder of a Landscape project.</li> </ul>

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

**Target reference number**

Target 1

**Forest risk commodity**

Palm oil

**Year target was set**

2022

**Target coverage**

Company-wide

**Target category**

Traceability

**Metric**

% of volume traceable to traceability point

**Traceability point**

Plantation

**Third-party certification scheme**

<Not Applicable>

**Base year**

2022

**Base year figure**

62

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

62

**% of target achieved relative to base year [auto-calculated]****Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Zero net/gross deforestation

**Please explain**

In order to achieve a deforestation free supply chain, Oleon needs to have a better view of where our palm oil is coming from. In the past Oleon had a target to reach 100% traceability to mill level which is currently at 99%. In 2022 Oleon created a new palm roadmap with a larger commitment to traceability, namely to go beyond the mill and to the plantation.

For Oleon, traceability to plantation means traceability to concession map. Oleon shares its mill list with Satelligence who then via satellite monitoring links the mill to plantations (concession maps). For the year 2022, 62% of our mills could be linked to a plantation (concession map). It is our goal to have 100% of our mills linked to plantations by 2025, which is reflected in our target:

- 100% of palm volumes traced and covered by sustainable certification if coming from high-risk zones by 2025.

Oleon will reach out to each palm supplier individually to see if they can share more traceability data with Satelligence in order to improve their traceability score.

**Target reference number**

Target 2

**Forest risk commodity**

Palm oil

**Year target was set**

2021

**Target coverage**

Company-wide

**Target category**

Natural ecosystem restoration and protection

**Metric**

Hectares under protection

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

&lt;Not Applicable&gt;

**Base year**

2021

**Base year figure**

0

**Target year**

2025

**Target year figure**

156425

**Reporting year figure**

10485

**% of target achieved relative to base year [auto-calculated]****Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Zero net/gross deforestation

**Please explain**

The 2 Landscape projects in Indonesia (Aceh and Riau) were launched by Earthworm Foundation in 2017 and 2021 respectively, with the new targets being set in 2021. It is located in Sumatra where the last rainforest housing endangered species is located. The Aceh project focuses on 3 elements: Forest conservation, sustainable livelihoods and goods social and workforce practices. The Avril Group joined the Aceh project in 2019. Oleon visited the area in September. In 2021, Oleon joined the Riau project as an associated funder. In the Riau Landscape project, the focus is more on forest protection, crop diversification and labor rights issues. These projects are a collaboration between suppliers, customers, NGO's, government, etc. Aceh and Riau were chosen as projects for Oleon and Avril as over 10% of the palm oil we source originates from those regions.

F6.2

**(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes	Volume from direct and indirect suppliers	Oleon receives its traceability information via different channels: 1. CRT documents via Rotterdam harbor. 2. Global mill lists that are publicly available on the supplier website. 3. Specific mill lists for Oleon (via NDA). Oleon gathers these mill lists twice per year and uploads them on the Oleon and RSPO website. This mill list is shared with Satelligence in order for them to link our mills to plantations via satellite monitoring.	Not applicable	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.2a**

**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Palm oil	Mill	Brazil Cambodia Cameroon Colombia Costa Rica Côte d'Ivoire Gabon Ghana Guatemala Honduras Indonesia Malaysia Nicaragua Panama Papua New Guinea Peru Philippines Solomon Islands Thailand	99
Palm oil	Plantation	Brazil Cambodia Cameroon Colombia Costa Rica Côte d'Ivoire Gabon Ghana Guatemala Honduras Indonesia Malaysia Nicaragua Panama Papua New Guinea Peru Philippines Solomon Islands Thailand	62
Palm oil	Refinery	Brazil Cambodia Cameroon Colombia Costa Rica Côte d'Ivoire Gabon Ghana Guatemala Honduras Indonesia Malaysia Nicaragua Panama Papua New Guinea Peru Philippines Solomon Islands Thailand	94

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes	36
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

**(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.**

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Mass Balance

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

33.43

**Form of commodity**

Crude palm oil (CPO)  
 Refined palm oil  
 Palm oil derivatives  
 Palm kernel oil derivatives

**Volume of production/ consumption certified**

39828

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Is embedded soy certified through this scheme?**

<Not Applicable>

**Please explain**

Oleon purchases RSPO MB on customer demand.

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Segregated

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

2.91

**Form of commodity**

Crude palm oil (CPO)  
 Palm oil derivatives

**Volume of production/ consumption certified**

3469

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Is embedded soy certified through this scheme?**

<Not Applicable>

**Please explain**

Oleon purchases RSPO SG on customer demand.

F6.4

**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	A system to control, monitor or verify compliance	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**

**Forest risk commodity**

Palm oil

**Operational coverage**

Supply chain

**Description of control systems**

Oleon uses satellite monitoring provided by Satelligence to monitor deforestation issues within our palm supply chain. Satelligence uses the mill lists Oleon received from its suppliers and links the mills with the plantation (concession map).

**Monitoring and verification approach**

Geospatial monitoring tool  
Third-party verification

**% of total volume in compliance**

41-50%

**% of total suppliers in compliance**

41-50%

**Response to supplier non-compliance**

Retain & engage  
Suspend & engage

**% of non-compliant suppliers engaged**

100%

**Procedures to address and resolve non-compliance with suppliers**

Developing time-bound targets and milestones to bring suppliers back into compliance  
Providing information on appropriate actions that can be taken to address non-compliance  
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

**Please explain**

Oleon has a mill list for each direct supplier. These lists are given to Satelligence in order to calculate how much deforestation is present in the supply chain of each supplier. For 2022 around 42% of Oleon's palm supply chain can be considered deforestation free. In 2023 Oleon will be in contact with each direct supplier to discuss how they can make their entire supply chain deforestation free. This can be achieved in 2 ways:

- Better traceability to plantation: Not all suppliers have 100% TTP in place. This leads to a lower zero-deforestation rate as you don't know exactly where the palm oil comes from. Once the supplier has 100% TTP, it is expected that a higher percentage of their supply chain will be compliant with Oleon's expectations.
- Change sourcing regions/partners: Once it has been established that the supplier is sourcing from mills with active deforestation (cut-off date 31/12/2020 according to EUDR), the mill will need to be removed from the supply chain.

F6.6

**(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.**

	Assess legal compliance with forest regulations	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes, from suppliers	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>



**(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.**

**Palm oil**

**Procedure to ensure legal compliance**

Oleon is supported by Earthworm Foundation to handle grievances within our palm supply chain since 2020. Earthworm Foundation has access to Oleon's mill list so that they can track if a supplier or producer is accused of breaking the law. Earthworm Foundation will notify Oleon when this happens and will suggest further steps Oleon needs to take. Oleon will follow the decision tree to determine if the supplier/producer needs to be engaged and set up a corrective actual plan, or if the supplier/producer needs to be suspended. In case of suspension, all Oleon suppliers will be informed of this decision. As long as the case is unresolved, it will be discussed during monthly grievance update meetings.

Additionally, all palm suppliers are invited to be assessed by EcoVadis. EcoVadis is a sustainability rating platform. One of the features of EcoVadis is that they have a "360° watch" meaning that they are constantly looking for Oleon's suppliers in the press. If negative news comes out, Oleon is immediately informed. In case of a severe issue, the company can lose points on their current EcoVadis scorecard.

**Country/Area of origin**

- Brazil
- Cambodia
- Cameroon
- Colombia
- Côte d'Ivoire
- Gabon
- Ghana
- Guatemala
- Honduras
- Indonesia
- Malaysia
- Nicaragua
- Panama
- Papua New Guinea
- Peru
- Philippines
- Thailand

**Law and/or mandatory standard(s)**

- General assessment of legal compliance
- Other, please specify (National standard)

**Comment**

By combining Earthworm Foundation's grievance support and the EcoVadis 360° watch, Oleon can keep track if our suppliers and producers are following the law. Please note that Oleon also monitors Costa Rica and the Solomon Islands with the Earthworm Foundation grievance process and EcoVadis, and discloses those countries in question F1.1, column 'Country/Area of origin'. However, neither Costa Rica or the Solomon Islands feature in the automatically populated list "country/area of origin" of question F6.6a. Thus, Oleon was unable to select them.

F6.7

**(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes, working with smallholders	Supply chain mapping Capacity building Financial and commercial incentives	Offering on-site technical assistance and extension services Organizing capacity building events Supporting smallholders to clarify and secure land tenure	1136	Oleon and the Avril Group financed in 2022 2 Landscape project in Indonesia, organized by Earthworm Foundation (Aceh and Riau). These projects started in 2021. By the end of 2022, 914 smallholder farmers in Riau had been trained in Good Agricultural and best management Practices. For example, in Q3 2022 63 smallholder farmers attended a livelihood diversification training on intercropping and 9 smallholder farmers joined a corporate farming training. In Aceh, 222 smallholders saw an improvement in their livelihoods due to the obtaining of land rights, receiving training in replanting and intercropping activities, being gifted high quality seedlings and better infrastructure such as toilets and childcare services near the plantation.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

## F6.8

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**(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.**

**Forest risk commodity**

Palm oil

**Are you working with direct suppliers?**

Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Supply chain mapping  
Financial and commercial incentives

**Details of engagement**

Supplier questionnaires on environmental and social indicators  
Developing or distributing supply chain mapping tool  
Paying higher prices linked to best agricultural practices  
Financial incentives for certified products

**Description of engagement**

- Oleon uses the satellite monitoring tool developed by Satelligence to monitor deforestation in our palm supply chain (start in 2023 to monitor 2022 supplies). In this tool Oleon can see how much of each supplier's supply chain is traceable to plantation (concession map) and deforestation free. Oleon uses this information during discussion with suppliers. Suppliers are asked to use the Satelligence tool in order to improve their traceability and adapt their sourcing practices if needed in order to be deforestation free.

- Palm suppliers are asked to be assessed by EcoVadis, a sustainability rating platform. EcoVadis's assessment consists of 4 themes: environment, working conditions, ethics and sustainable procurement. If a supplier has a low score (below silver medal), the Oleon CSR team will support them in setting up a corrective action plan for both the short and long term. The supplier will be asked to be reassessed again next year in order to track if they have made any improvements.

- Oleon will purchase RSPO certified material on customer demand. Oleon pays a premium to its suppliers if they can provide certified material. Oleon and Avril finance Landscape projects organized by Earthworm Foundation. A part of these Landscape projects focuses on achieving certification such as RSPO and MSPO for smallholders. Ending in 2021, Oleon also financed smallholder projects together with 2 direct suppliers. For these projects, the goal was to achieve RSPO certification.

**% of suppliers engaged by procurement spend covered by engagement**

26

**Explain the impact of your engagement on the selected action**

Oleon has 2 targets related to palm:

- 100% of palm volumes traced and sustainably certified if coming from high-risk areas by 2025.
- 100% of palm volumes physically free from deforestation by 2030.

By working on traceability and deforestation free sourcing together with our suppliers, Oleon will be able to reach both targets.

Oleon has launched the Supplier CSR monitoring program in 2019 with the following targets:

- 80% of selected suppliers to be assessed by EcoVadis by 2026.
- 75% of assessed suppliers to achieve silver medal or higher by 2026.

All palm suppliers are selected to be in this program. By supporting them when they achieve a lower score, we can help them to reach the silver medal.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**

Yes

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s) (Target 1 and 2)

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## F6.9

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**(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.**

**Forest risk commodity**

Palm oil

**Are you working beyond first tier?**

Yes, working beyond first tier

**Action(s) on forest-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Capacity building

**Details of engagement**

Offering on-site training and technical assistance

**Description of engagement**

In 2022 Oleon and the Avril Group financially support 2 Landscape projects in Indonesia organized by Earthworm Foundation. More specifically in Aceh and Riau. Oleon does not source directly from these farmers, however via the traceability data we receive from our suppliers, we know that part of Oleon's palm oil is coming from these regions. From 2021 until 2022, 1136 smallholder farmers have received training on GAP, crop diversification, replanting, etc.

**Explain the impact of your engagement on the selected action**

The smallholder farmers in Aceh and Riau are located near forests. These forests are at risk of being deforested if the smallholder farmers don't get enough income out of their current plantation. By providing these farmers with GAP training etc., it will lower the chances of the forest being cut down as they will a higher income from their existing plantation.

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s) (Target 2)

**F6.10**

**(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?**

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	Yes, we engage in landscape/jurisdictional approaches	<Not Applicable>	<Not Applicable>

**F6.10a**

**(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.**

	Criteria for prioritizing landscapes/jurisdictions for engagement	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	Ability to contribute to/ build on existing landscape and/or jurisdictional approaches Company has operational presence in area Commodity sourcing footprint Current and future sourcing risk Opportunity to increase market access for smallholders and local communities Opportunity for increased human well-being in area Opportunity to protect and restore natural ecosystems Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems Risk of biodiversity loss	The 2 Landscape projects in Indonesia (Aceh and Riau) were launched by Earthworm Foundation. It is located in Sumatra where the last rainforest housing endangered species is located. The Aceh project focuses on 3 elements: Forest conservation, sustainable livelihoods and goods social and workforce practices. The Avril Group joined the Aceh project in 2019. Oleon visited the area in September. In 2021, Oleon joined the Riau project as an associated funder. In the Riau Landscape project, the focus is more on forest protection, crop diversification and labor rights issues. These projects are a collaboration between suppliers, customers, NGO's, government, etc. Aceh and Riau were chosen as projects for Oleon and Avril as over 10% of the palm oil we source originates from those regions.

**F6.10b**

**(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.**

**Landscape/Jurisdiction ID**

LJ1

**Country/Area**

Indonesia

### Name of landscape or jurisdiction area

Aceh province.

### Types of partners engaged in the initiative design and implementation

Subnational government  
Local civil society organization(s)  
Local forest/rural associations  
Local communities  
Local producers/smallholder  
International company(ies)  
National/local company(ies)  
Workers union(s)

### Type of engagement

Funder: Provides full or partial financial support

### Goals supported by engagement

Improved community resilience from climate adaptation plans or mitigation efforts  
Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate  
Increased and/or maintained protected areas  
Natural ecosystems conserved and/or restored  
Biodiversity protected and/or restored  
Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management  
Respect, protect, and fulfil human rights  
Improved standard of living, especially for vulnerable and/or marginalized groups  
Improved capacity for community engagement in multi-stakeholder processes  
Income diversification amongst producers in area  
Ensuring local communities and smallholders benefit from the outcomes of LA/JA approach  
Implementation of livelihood activities/practices that reduce pressure on forests  
Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)  
Multi-commodity production promoted and farmer/supplier dependency on individual companies reduced

### Company actions supporting approach

Communicate externally the business case for investing in landscapes/jurisdiction  
Provide financial support to fund FPIC processes and/or activities to halt systemic violations of workers' rights  
Collaborate on commodity traceability

### Description of engagement

Oleon's shareholder the Avril Group provides annual financial support. This financial support is used to pay the Earthworm coordinators on the ground and pay the consultants and experts who are providing capacity building activities.  
Oleon organizes a palm webinar for its customers on an annual basis. During this webinar, Oleon heavily promotes to financial support of Landscape projects within the palm supply chain. Furthermore, as Oleon is working on satellite monitoring, we strive to improve traceability to plantation via concession maps for our entire palm supply chain, including the Aceh landscape where part of Oleon's palm supply is coming from.

### Engagement start year

2017

### Engagement end year

Please specify (2025)

### Estimated investment over the project period (currency)

90000

### Is a collective monitoring framework used to measure progress?

Yes, progress is collectively monitored using a shared external framework, please specify (Earthworm Foundation has a monitoring framework.)

### State the achievements of your engagement so far, and how progress is monitored

The Aceh Landscape project has defined targets on 5 themes. The project timeline is 2021-2025. Each quarter, an update report is created and sent to all funders in order to keep track of the progress.

Stakeholder support:

- 2025 target: 4 collective action plans implemented.
- 2022 result: 1 collective action plan implemented.

Forest protection:

- 2025 target: >90% reduction in deforestation (41,857ha) and 75% of HCV/HCS areas (1,897ha) protected and restored.
- 2022 result: 7,485ha of forest protected and 753ha of forest under HCV/HCS protected.

Resilient farmers:

- 2025 target: 1,000 smallholder livelihoods improved, and 3 farmers' business units empowered on alternative livelihood.
- 2022 result: 222 smallholders improving their livelihood and 2 farmers' business units empowered on alternative livelihood.

Workers & families:

- 2025 target: 1,000 workers impacted by improved working conditions.
- 2022 result: 668 workers impacted by improved working conditions.

Community rights:

- 2025 target: 30 forest dependent communities with more sustainable land tenure and security, and 10 at-risk communities with conflict resolution plans.
- 2022 result: 8 communities with strengthened land tenure on 413ha of land and 3 at-risk communities with conflict resolution plans on 500ha.

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### Landscape/Jurisdiction ID

LJ2

### Country/Area

Indonesia

### Name of landscape or jurisdiction area

Riau.

### Types of partners engaged in the initiative design and implementation

Subnational government  
Local civil society organization(s)  
Local forest/rural associations  
Local communities  
Local producers/smallholder  
International company(ies)  
National/local company(ies)  
Workers union(s)

### Type of engagement

Funder: Provides full or partial financial support

### Goals supported by engagement

Improved community resilience from climate adaptation plans or mitigation efforts  
Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate  
Increased and/or maintained protected areas  
Natural ecosystems conserved and/or restored  
Biodiversity protected and/or restored  
Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management  
Respect, protect, and fulfil human rights  
Improved standard of living, especially for vulnerable and/or marginalized groups  
Improved capacity for community engagement in multi-stakeholder processes  
Income diversification amongst producers in area  
Ensuring local communities and smallholders benefit from the outcomes of LA/JA approach  
Implementation of livelihood activities/practices that reduce pressure on forests  
Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)  
Multi-commodity production promoted and farmer/supplier dependency on individual companies reduced

### Company actions supporting approach

Communicate externally the business case for investing in landscapes/jurisdiction  
Provide financial support to fund FPIC processes and/or activities to halt systemic violations of workers' rights  
Collaborate on commodity traceability

### Description of engagement

Oleon provides annual financial support. This financial support is used to pay the Earthworm coordinators on the ground and pay the consultants and experts who are providing capacity building activities.  
Oleon organizes a palm webinar for its customers on an annual basis. During this webinar, Oleon heavily promotes to financial support of Landscape projects within the palm supply chain. Furthermore, as Oleon is working on satellite monitoring, we strive to improve traceability to plantation via concession maps for our entire palm supply chain, including the Riau landscape where part of Oleon's palm supply is coming from.

### Engagement start year

2021

### Engagement end year

Please specify (2022)

### Estimated investment over the project period (currency)

212000

### Is a collective monitoring framework used to measure progress?

Yes, progress is collectively monitored using a shared external framework, please specify (Earthworm Foundation has a monitoring framework.)

### State the achievements of your engagement so far, and how progress is monitored

The Riau Landscape project has defined targets on 5 themes. The project timeline is 2021-2025. Each quarter, an update report is created and sent to all funders in order to keep track of the progress.

Stakeholder support:

- 2025 target: 4 collective action plans implemented.
- 2022 result: 2 collective action plans implemented.

Forest protection:

- 2025 target: 362,030ha forest cover outside concession and 75% of HCV/HCS areas (117,568ha) protected.
- 2022 result: 59,668ha of forest protected outside concession and 3,000ha of forest under HCV/HCS under formal management.

Resilient farmers:

- 2025 target: 2,500 farmers adopt GAP and 3,000ha replanted with palm oil.
- 2022 result: 914 farmers adopt GAP and 642ha replanted by 321 farmers.

Workers & families:

- 2025 target: 8,500 workers impacted through direct work with companies and 1,500 workers impacted by improved working conditions.
- 2022 result: 11,662 workers impacted through direct work with 16 companies. Progress against 2nd target will start in 2023.

Community rights:

- 2025 target: 30 forest dependent communities with more sustainable land tenure and security, and 10 at-risk communities with conflict resolution plans.
- 2022 result: 3 at-risk communities with conflict resolution plans on 500ha. Progress against forest dependent communities will start in 2023.

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F6.10c

**(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.**

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Palm oil	2
LJ2	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Palm oil	9

## F6.11

**(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

### Forest risk commodity

Palm oil

### Do you participate in activities/initiatives?

Yes

### Activities

Involved in multi-partnership or stakeholder initiatives

### Country/Area

Not applicable

### Subnational area

Not applicable

### Initiatives

UN Global Compact

High Conservation Value (HCV) Resource Network

Roundtable on Sustainable Palm Oil (RSPO)

European Palm Oil Alliance (EPOA)

### Please explain

EPOA: Oleon partakes in events organized by EPOA.

RSPO: All Oleon plants are RSPO MB/SG certified. Oleon attends the monthly member update calls organized by the RSPO.

UN Global Compact: Signatory via Avril Group (Oleon's shareholder).

## F6.12

**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?**

Yes

## F6.12a

**(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

### Project reference

Project 1

### Project type

Forest ecosystem restoration

### Expected benefits of project

Creation of green jobs and sustainable livelihoods

### Is this project originating any carbon credits?

No

### Description of project

Landscapes project in Indonesia (Aceh) with Earthworm Foundation.

### Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

### Start year

2017

### Target year

2025

### Project area to date (Hectares)

43754

### Project area in the target year (Hectares)

43754

**Country/Area**

Indonesia

**Latitude**

4.274906

**Longitude**

97.87216

**Monitoring frequency**

Six-monthly or more frequently

**Total investment over the project period (currency)**

90000

**For which of your expected benefits are you monitoring progress?**

Creation of green jobs and sustainable livelihoods

**Please explain**

The Landscape project in Indonesia was launched by Earthworm Foundation in 2017. It is located in Sumatra where the last rainforest housing endangered species is located. The project focuses on 3 elements: integrated land-use planning, targeted NDPE support and community capacity building. The project is a collaboration between suppliers, customers, NGO's, government, etc. Oleon's shareholder the Avril Group joined this project in 2019. From 2021 until 2022, 222 smallholders linked to the Aceh Landscape project saw an improvement in their livelihoods due to training replanting, intercropping, etc.

**Project reference**

Project 2

**Project type**

Forest ecosystem restoration

**Expected benefits of project**

Creation of green jobs and sustainable livelihoods

**Is this project originating any carbon credits?**

No

**Description of project**

Landscapes project in Indonesia (Riau) with Earthworm Foundation.

**Where is the project taking place in relation to your value chain?**

Project based in sourcing area(s)

**Start year**

2021

**Target year**

2025

**Project area to date (Hectares)**

479598

**Project area in the target year (Hectares)**

479598

**Country/Area**

Indonesia

**Latitude**

0.51044

**Longitude**

101.438309

**Monitoring frequency**

Six-monthly or more frequently

**Total investment over the project period (currency)**

212000

**For which of your expected benefits are you monitoring progress?**

Creation of green jobs and sustainable livelihoods

**Please explain**

In the Riau Landscape project, the focus is on forest protection, crop diversification and labor rights issues. These projects are a collaboration between suppliers, customers, NGO's, government, etc. Oleon was an associated funder of the Riau Landscape project in 2022. From 2021 until 2022, 914 smallholders linked to the Riau Landscape project were trained in Good Agricultural and best management Practices.

## F7. Verification

### F7.1

**(F7.1) Do you verify any forests information reported in your CDP disclosure?**

Yes

## F7.1a

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### (F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

#### Disclosure module

F6. Implementation

#### Data points verified

RSPO Supply Chain Certification Systems certified (Segregated and Mass Balance) for all Oleon plants.

#### Verification standard

RSPO. Auditing companies: Control Union (Europe and USA), DNV GL (Asia).

#### Please explain

All our plants are RSPO Supply Chain Certification Systems certified (Segregated and Mass Balance).

The scope of certification is the purchase, production, stock, conditioning and trade of RSPO certified Palm Oil, Palm derivatives, Palm Kernel Oil and Oleochemical base products.

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#### Disclosure module

F1. Current State

#### Data points verified

Sourced palm oil volumes.

#### Verification standard

DPEF standard (Déclaration de Performance Extra-Financière).

#### Please explain

Oleon's shareholder the Avril Group is based in France. By French law Avril and therefore Oleon need to be audited on non-financial topics. Oleon was audited by Ernst & Young. During the audit, the auditors verified if the sourced palm oil volumes were correct.

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## F8. Barriers and challenges

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### F8.1

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#### (F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

##### Forest risk commodity

Palm oil

##### Coverage

Supply chain

##### Primary barrier/challenge type

Lack of adequate traceability systems

##### Comment

Oleon has taken the next step in traceability exercise where we want to achieve a palm supply chain that is fully traceable to plantation (to the concession map). Oleon noticed that many mills in the palm supply chain are not disclosing from which exact plantations (concessions) their fresh fruit bunches are coming from. This makes it difficult for Oleon to determine if the mill is linked to deforestation or not. Additionally with the upcoming EUDR requirements, traceability to plantation will become necessary in order to keep doing business with Oleon. Especially in Indonesia the sharing of concession maps seems to be difficult.

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### F8.2

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#### (F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

##### Forest risk commodity

Palm oil

##### Coverage

Supply chain

##### Main measure

Greater transparency

##### Comment

Oleon notices that some large producing companies are communicating on a very high percentage of traceability to plantation. However, when looking at publicly available information which is fed into the satellite monitoring tool of Satelligence, this information does not show up. Companies are not sharing all traceability information with their customers. Oleon's approach is to have our direct suppliers share their traceability to plantation data with Satelligence directly, without Oleon seeing the data. In this way Oleon doesn't know which producer has traceability information from a specific mill/plantation. This data sharing can be organized via an NDA if requested by the supplier.

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F17 Signoff

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F-FI

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**(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

Oleon organizes several webinars for its customers in order to explain our approach to a zero-deforestation palm supply chain in more detail. The presentation can be found in attachment.

In the part "Verification" we referred t the DPEF audit conducted by E&Y who confirmed our purchasing volumes. A confirmation of these volumes can be found in attachment.

2022 Palm oil purchasement attestation - Oleon NV.pdf

Oleon's zero deforestation palm webinar 2023.pdf

F17.1

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**(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.**

	Job Title	Corresponding job category
Row 1	Moussa Naciri - CEO Oleon	Chief Executive Officer (CEO)

SF. Supply chain module

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SF0.1

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**(SF0.1) What is your organization's annual revenue for the reporting period?**

	Annual revenue
Row 1	1179000000

SF1.1

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**(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?**

Yes

SF1.1a

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**(SF1.1a) For each of your requesting CDP supply chain members, indicate the percentage of certified volume sold per disclosed commodity(ies).**

**Requesting member**

FIRMENICH SA

**Forest risk commodity**

Palm oil

**Form of commodity**

Palm oil derivatives

Palm kernel oil derivatives

**Third-party certification scheme**

RSPO Mass Balance

**Total volume of commodity sold to member**

535

**Metric**

Metric tons

**What % of the volume reported in column 5 is certified?**

41-50%

**Comment**

No further comment.

---

**Requesting member**

L'Oréal

**Forest risk commodity**

Palm oil

**Form of commodity**

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

**Third-party certification scheme**

RSPO Mass Balance

**Total volume of commodity sold to member**

4022

**Metric**

Metric tons

**What % of the volume reported in column 5 is certified?**

81-90%

**Comment**

No further comment.

---

**Requesting member**

Philip Morris International

**Forest risk commodity**

Palm oil

**Form of commodity**

Palm oil derivatives

**Third-party certification scheme**

RSPO Mass Balance

**Total volume of commodity sold to member**

1858

**Metric**

Metric tons

**What % of the volume reported in column 5 is certified?**

<10%

**Comment**

Philip Morris International did not purchase certified palm from Oleon in 2022.

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**Requesting member**

Symrise AG

**Forest risk commodity**

Palm oil

**Form of commodity**

Palm kernel oil derivatives

**Third-party certification scheme**

RSPO Mass Balance

**Total volume of commodity sold to member**

182

**Metric**

Metric tons

**What % of the volume reported in column 5 is certified?**

91-99%

**Comment**

No further comment.

---

**Requesting member**

Stéarinerie Dubois

**Forest risk commodity**

Palm oil

**Form of commodity**

Other, please specify (Stéarinerie Dubois did not purchase any palm-based products from Oleon in 2022.)

**Third-party certification scheme**

RSPO Mass Balance

**Total volume of commodity sold to member**

0

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**Metric**

Metric tons

**What % of the volume reported in column 5 is certified?**

<10%

**Comment**

Stéarinerie Dubois did not purchase any palm-based products from Oleon in 2022.

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## SF2.1

**(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.****Requesting member**

FIRMENICH SA

**Commodity related to the project**

Palm oil

**Category of project**

Other category, please specify (Smallholder project)

**Type of project**

Other, please specify (Educational projects for smallholders)

**Estimated timeframe for realization of benefits to customer**

1-3 years

**Details of project**

Oleon is always looking for collaborations with its customers focusing on sustainable palm oil.

**Projected outcome**

Oleon is open to projects covering land use planning, no deforestation, migrant labor, etc. We are open to suggestions from our customers.

---

**Requesting member**

L'Oréal

**Commodity related to the project**

Palm oil

**Category of project**

Other category, please specify (Smallholder project)

**Type of project**

Other, please specify (Educational projects for smallholders)

**Estimated timeframe for realization of benefits to customer**

1-3 years

**Details of project**

Oleon is always looking for collaborations with its customers focusing on sustainable palm oil.

**Projected outcome**

Oleon is open to projects covering land use planning, no deforestation, migrant labor, etc. We are open to suggestions from our customers.

---

**Requesting member**

Philip Morris International

**Commodity related to the project**

Palm oil

**Category of project**

Other category, please specify (Smallholder project)

**Type of project**

Other, please specify (Educational projects for smallholders)

**Estimated timeframe for realization of benefits to customer**

1-3 years

**Details of project**

Oleon is always looking for collaborations with its customers focusing on sustainable palm oil.

**Projected outcome**

Oleon is open to projects covering land use planning, no deforestation, migrant labor, etc. We are open to suggestions from our customers.

---

**Requesting member**

Stéarinerie Dubois

**Commodity related to the project**

Palm oil

**Category of project**

Other category, please specify (Smallholder project)

**Type of project**

Other, please specify (Educational projects for smallholders)

**Estimated timeframe for realization of benefits to customer**

1-3 years

**Details of project**

Oleon is always looking for collaborations with its customers focusing on sustainable palm oil.

**Projected outcome**

Oleon is open to projects covering land use planning, no deforestation, migrant labor, etc. We are open to suggestions from our customers.

**Requesting member**

Symrise AG

**Commodity related to the project**

Palm oil

**Category of project**

Other category, please specify (Smallholder project)

**Type of project**

Other, please specify (Educational projects for smallholders)

**Estimated timeframe for realization of benefits to customer**

1-3 years

**Details of project**

Oleon is always looking for collaborations with its customers focusing on sustainable palm oil.

**Projected outcome**

Oleon is open to projects covering land use planning, no deforestation, migrant labor, etc. We are open to suggestions from our customers.

SF2.2

**(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?**

No

SF3.1

**(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?**

**Palm oil**

**Estimate GHG emissions and removals from land use and land use change**

No, but plan to do so in the next two years

**Please explain**

Oleon will be able to provide an estimation of GHG emission reduction from land use and land use change via Earthworm Foundation. Earthworm Foundation, through a partnership with the Mullion Group, will provide carbon accounting for the Landscape projects. Once pilots are completed, estimated carbon removals will be included in the landscape impact measurement framework.

Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

**Please confirm below**

I have read and accept the applicable Terms