

Oleon in collaboration with local farmers for more sustainable palm oil

Together with its shareholder Avril, Oleon developed a clear palm policy. This policy emphasizes the need to generate real impact on the environmental & social challenges related to the cultivation of palm oil. Oleon’s general ambition is to obtain palm oil from suppliers who can prove that its cultivation does not contribute to the destruction of forests and peatlands, and who respect the rights of workers and local communities.



Marjan Maes, CSR Manager at Oleon, talks to us about one of the smallholder projects Oleon is engaging in.

What regions will the project focus on?

One of the priority regions, Aceh Tamiang, is located in the Aceh province of Indonesia on the island of Sumatra. The province covers large parts of the Leuser ecosystem. It is the last rainforest on Earth, as big as 23.000 km², where critically endangered elephants, orangutans, rhinos and tigers still exist together in the wilderness.



Oleon is actively contributing to the landscape program in Indonesia which is led by international non-profit organization Earthworm Foundation (EF). Could you tell us more about the program?

With this program, EF wants to secure the future of both the forest and people in priority regions where the expansion of agriculture has negatively impacted forests and the communities living in and around these forests. The aim is to have an impact on 3 levels:

1. Integrated land use planning: the project aims to integrate sustainability recommendations into spatial planning based on specific data together with the local authorities.
2. Targeted NDPE (no deforestation, no peat, no exploitation) support: the project is working with companies in the targeted landscape to instill responsible practices.
3. Community capacity building: EF wants to help ‘at-risk’ local communities on the forest frontier to build their capacity to manage their lands and improve their livelihoods responsibly.

Could you give some more specific examples of actions initiated by the program to help smallholders?

Of course. Smallholders are farmers who have a small piece of land to grow oil palm trees in contrast to the big palm oil plantations owned by companies. Smallholders are producing more than 40% of the palm oil volumes world-wide and are most sensitive to non-sustainable palm production. The palm harvest is often their only income and they do not have the knowledge of sustainable production. If we want to make palm production more sustainable, these producers must be trained on good agricultural practices (GAP). But they also need alternative sources of income. If farmers can grow more oil palm on less land and other crops that are less dependent on deforestation, this will reduce deforestation in the surrounding forests. Regarding the community capacity building, for example, the EF project is educating high school students within these communities on how to grow certain crops and which herbicides are best used for which type of crop. This way, they will be able to grow these vegetables and fruits on a larger scale with a higher yield. If the youth in the community is trained on how to grow high value crops that are less dependent on deforestation, both the community and forests win. Besides students, the EF also educates women on planting vegetables and fruits for home-use. This way they can provide for their own families without having to pay the high costs of imported food from other regions. In addition, they could have an excess of farm products to sell, as an alternative source of income for their families. That way these communities are not completely dependent of variable palm oil prices. During these demonstrative sessions, experienced farmers show the local communities how to grow vegetables and fruits organically. Furthermore, the project is also organizing seminars for NGOs and other stakeholders to create awareness of the impacts of deforestation and use of peatlands (with a lot of CO₂ release as a result).

Is Oleon the only company to work on this project?

No, over 20 partners across governments, industry and civil society participate in the landscape program, including some of our customers and suppliers.

In September, you went on a field trip to visit the region. What did you do there?

We met and spoke to local people, to understand their views on the forest and the difficulties they are facing. Basically, they cut the forest down to plant oil palm trees, as the palm harvest is the only source of income. We engaged with EF, local NGOs, and local communities (smallholders) to help the latter to grow knowledge in conserving and restoring nature and at the same time provide for their livelihood. We also visited palm oil companies trained and supported by the NGOs to meet the NDPE policy.

What are your key learnings after this field trip?

To summarize, I certainly remember the connection between all partners. Human relationships are essential to be successful in this project. Conservation and restoring of the rainforest are only possible if you work with all stakeholders. The only way forward to zero deforestation is to improve the livelihoods of local communities/smallholders.

We continue to support this project and believe that we can make a real contribution to the protection of the Indonesian rainforest with all its beauty and values.

Are you also interested in contributing to the Earthworm Foundation project? Don't hesitate and contact us at csr@oleon.com.

“Entrepreneurship with respect for all parties involved while giving back to the environment, that’s our main CSR goal.”

