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SUSTAINABILITY AS A NATURAL WAY OF WORKING

Oleon is the leading oleochemical company in Europe. Based on renewable raw materials which can be vegetable oils or by-products from the animal production we manufacture a range of natural chemicals such as fatty acids, glycerin, dimers, fatty natural esters, isostearic acid, and other specialties.

Our products are used in a broad range of sectors and applications ranging from home- and personal care products to a wide range of industrial applications such as tire production, paper industry, biodegradable lubricants, plastic additives and biodegradable additives for oil drilling. Our products often replace petro based products in benefit of the environment.

Oleon is proud of its long standing history, that dates back to a candle company (Bougies de la Cour) in Antwerp in the 19th century. It took its oleochemical start in 1950 with the creation of the Ghent based plant, which is until today the biggest European oleochemical plant.

Oleon always remained focused on its oleochemical knowhow and could acquire companies with the same background focus. First the former fish oil fatty acid plant in Sandefjord (Norway), which actually still produces mainly personal care products. Secondly the Emmerich facility was added to Oleon. The plant focused for over a century on natural chemicals for the paints and coatings sector. With the acquisition of Oleon by Sofiprotéol the French plant of Compiègne (France) was integrated into our industrial network.

Following the upcoming of the Asian palm based oleochemical industry Oleon created a natural ester plant in Port Klang (Malaysia). In association with United Plantations, the leader concerning sustainable palm development, Oleon is actually building a food ester plant next to the existing facility in Port Klang.

Oleon has always adapted sustainable behavior as a natural way of working. Since 1980 there has been a focus on energy saving whilst during the nineties heavy focus came on waste water purification. From a social point of view Oleon has always been a frontrunner: working conditions and safety conditions have been a constant focus. This way of working was consequentially implemented in our Malaysian plant.

In 2009 Oleon became a part of the French Sofiprotéol group, a major European player in the agro-industrial world. Deeply rooted in the agricultural world through its shareholdership, Sofiprotéol is characterized by its long term vision of preserving a sustainable business. The mission of Sofiprotéol is to create value to the sector of vegetable oils in a sustainable and integrated way. Investing & valorizing, feeding people and preservation of the planet is the base line of Sofiprotéol’s strategy, which matches completely with the long track record of sustainable thinking at Oleon.

— Chris Depreeuw
Managing Director Oleon
2. COMPANY PROFILE

WHERE ARE WE?

- Sales offices
- Plants

OLEON OPERATES 6 OWN PLANTS WITH AROUND 800 EMPLOYEES

<table>
<thead>
<tr>
<th>Plant Location</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ertvelde (Ghent)</td>
<td>Belgium</td>
</tr>
<tr>
<td>Oelegem (Antwerp)</td>
<td>Belgium</td>
</tr>
<tr>
<td>Compiègne</td>
<td>France</td>
</tr>
<tr>
<td>Genova</td>
<td>Italy</td>
</tr>
<tr>
<td>Sandefjord - Norway</td>
<td>Norway</td>
</tr>
<tr>
<td>Port Klang (Kuala Lumpur)</td>
<td>Malaysia</td>
</tr>
</tbody>
</table>

Next to these main manufacturing facilities, Oleon has tolling operations in Lingen (Germany) and Porto Corsini (Italy).

Oleon has a turnover of around 700 million € (900 million US $) and reflecting the European leadership in oleochemicals.

With its worldwide network of sales offices of which 7 in Europe, an office in South Carolina (USA), Port Klang (Malaysia) and Shanghai (China) Oleon is able to create a global relationship with its customers. Due to its success a new sales office will be created in Sao Paolo, Brazil.

*Novance

Simpsonville - USA

Surrey - UK

Port Klang (Kuala Lumpur) - Malaysia

Shanghai - China

Ertvelde (Ghent) - Belgium

Oelegem (Antwerp) - Belgium

Emmerich am Rhein - Germany

Venette (Compiègne)* - France

Wiesbaden - Germany

Genoa - Italy

Novance
OLEON IS THE LEADING COMPANY IN EUROPE FOR THE PRODUCTION OF CHEMICALS BASED ON NATURAL OILS

Oleon is organized in 2 divisions, one being the Base Oleochemicals such as fatty acids, glycerin and dimers and the other dedicated to the ester production, including commodity esters as well as highly specialized esters.

- 8 business lines and 2 divisions

### BASE OLEOCHEMICALS
- Fatty acids
- Dimer acids
- Technical oils
- Glycerin
- Monopropylene glycol

### OLEOCHEMICALS DERIVATES
- Fatty acids esters
- Specialty chemicals
- Vegetable oils

- 7 market segments

**Personal Care**
**Food**
**Coating, ink and paints**
**Lubricants**
**Oilfields**
**Materials, plastics**
**Agriculture, solvents**

SUSTAINABILITY MISSION

OLEON’S SHAREHOLDERS AND ITS EMPLOYEES ARE COMMITTED TO:

1. Use and reuse as much as possible renewable and sustainable grown raw materials.

2. Serving our customers with the most environmentally friendly, lowest CO₂ producing products which give the highest performance needed.

3. Constantly reduce the environmental impact of our production processes by energy efficiency measures, waste gas emission reductions, applying the best available waste water treatment and avoiding any other environmental nuisance such as odour, noise, and others.

4. Assuring the long term financial viability of the company through reinvesting as much as possible in innovation, optimizing industrial performance and new investments for new oleochemical molecules hence creating growth and long term value for its shareholders.

5. Creating for its employees a safe, healthy and motivating working environment, valuating and respecting the employees competences and provide them the opportunities to develop new skills for example by job rotation and training opportunities.

6. Working together with local initiatives, schools and universities but also our suppliers and customers in order to promote and safeguard the further development of a bio based sustainable economy.

7. Act in an ethical way with respect to all legislations and rules in all domains of business.
RESPONSIBLE SOURCING

Oleochemistry is chemistry based upon vegetable oils and animal fats as main raw material. As such, the vast majority of our raw materials are renewable.

Repartition renewable and non renewable raw materials

Renewable Raw Materials

- Tallow (animal fat) — Since decades, Oleon uses these by-products of the animal meat production as a raw material source to fraction specific fatty acids such as stearic acid. As a consequence of the food crisis in the first decade of the 21st century new regulations were established in Europe, without doubt the most stringent rules in the world. Oleon is committed to respect strictly all those regulations as well in sourcing, as for manufacturing for the selection of applications.

- Vegetable oils e.g. Rapeseed oil — Due to our integration within Sofiprotéol group, we are frontrunners in promoting the use of sustainable rapeseed oil. Rapeseeds are crushed within the group in order to get on one hand ingredients for animal feed. This rape based nutrition, functions as protein source and reduces imported soymeal. On the other hand rapeseed oil functions in food, feed, biofuel production and of course oleochemistry.

- Palm oil and derivatives — As member of RSPO since 2007, Oleon is promoting RSPO rules and guidance. The RSPO_MB (Mass Balance model) certification is obtained by the Belgian production plants. Each market requiring products based on sustainable palm oil, can be supplied. Here again a maximum of traceability is guaranteed.

- Others - For several applications, the fatty acids composition of specific vegetable raw materials are required. Sunflower oil, high oleic sun or rapeseed oil, castor oil, coconut oil have each specific saturated and unsaturated chain length particularities which often are extreme useful and performant for specific application. In any of the raw materials supply chain, whether it be integrated with our Sofiprotéol shareholder or from external sources, tracking of the sustainability chain can be guaranteed.

- Glycerin — Oleon is one of the biggest glycerin refiners in the world. Glycerin is a by-product of the biodiesel industry and a chemically very interesting molecule. It is important to find the highest added value application, as well from a financial point of view as from a sustainability point of view. Glycerin is used in food and feed applications, cosmetics, chemicals such as PU (polyurethane) and has as such a much higher value than the energy/burning application. Oleon is constantly looking for new applications to increase its value. The best example is the start-up in 2012 of a “green” propylene glycol plant based on glycerin from oleochemical source. This MPG (Mono Propylene Glycol) is for example used in plastics or as de-icer for airplanes.

Quote

Sebastien Busschaert
Oleon’s Food Sales Manager

“The food sector may be seen as a frontrunner in the sustainable awareness. Oleon wants to contribute to this trend, together with its customers. In a first approach, Oleon has been a member of the Round table of sustainable palm oil and takes this responsibility program to heart. The company recognizes and acts according to the RSPO principles which are economic viability, social responsibility and environmental compatibility. In addition, Oleon can offer its customers sustainable manufactured products and assists as such to the sustainable supply chain.”
With a team of about 50 chemists, Oleon Innovation continuously seeks for novelties to our markets. But the focus is not only directed to unique molecules and performances, we keep sustainability in mind.

As a consequence, Oleon Innovation contributes even on the next level in the sustainability story. The goal is to produce, not only green and renewable products, but also products with exceptional performance. For example our lubricant products: “A higher performance in lubrication of technical machines, will reduce the energy it needs to function”. Our customer will use less energy and contributes at his account to the well-being of our Globe.

Another example is our ability to replace solvents of mineral oil origin by a bio based product. As such, we avoid the use of limited sources from our Globe.

Our proud of 2012, is the launch of natural mono propylene glycol (MPG) manufactured from renewable Glycerin. This bio version reduces the carbon footprint with 70% against the petrochemical grade. The project fits in the reduction of Greenhouse Gas emission but also responds to customer needs. Thinking about the strong market trend in the cosmetic industry: “100% Natural” label. With bio mono propylene glycol, Oleon replaces a synthetic ingredient with a natural one and thus solving a customer’s question mark.

Oleon has two large objectives regarding energy use and climate change: first of all to improve energy efficiency through realistic solutions in line with the best available techniques (BAT) in chemical process industry and secondly, to reduce the greenhouse gas emissions in line with regulations and according to existing BAT.

Improvement is mainly achieved by applying new technologies in both existing as new installations. But also employee awareness and monitoring programs (example: monitoring steam or nitrogen leaks) are part of the improvement process.

“Since June 2012 Oleon Emmerich is certified for ISO 50001. In 2012, an energy saving program has been started: 20-25-35. 20 is the year 2020 as target year for the reduction, 25 stands for 25% less energy consumption (kWh/ton product) and 35 for 35% less CO₂ emissions (ton CO₂/ton product). Each year investments are planned and initiatives are taken to achieve the reduction in 2020.”

Quote

Hanna Penner
Energy Manager Emmerich site
During the years Oleon achieved a substantial reduction in its energy use and related CO₂ emissions. This result is best shown when the energy consumption or CO₂ production is expressed per ton of final product produced.

Below an example is presented on the results of energy reduction initiatives on existing installations. But also on new installations the highest energy conservation technologies are applied nowadays. An example of such a new installation is the new Malaysian plant.

“Oleon Ertvelde reduced its energy consumption (natural gas and electricity consumption) per ton produced product over the past 10 years with 32%. In 10 years time the CO₂ emissions per ton produced were reduced by 35% from 0.223 ton CO₂/ton produced to 0.145 ton CO₂/ton produced. With all the efforts Oleon Ertvelde saved 184,000 tons of CO₂ over the past decade and continues to lower its energy consumption and CO₂ emissions.”

TRANSPORTATION OF RAW MATERIALS AND FINISHED GOODS

The large majority of our raw materials are delivered at our plants by barge, a minority are transported by road.

On the other hand our manufactured products are transported by road which is a consequence of the ordered quantities. Customer specific products are not called off in large quantities but rather on a full truck or container load basis. Where possible Oleon combines railway and road transportation.

<table>
<thead>
<tr>
<th>Shipping type</th>
<th>ROAD</th>
<th>WATERWAY</th>
<th>DEEP SEA</th>
<th>RAIL/ROAD combined</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>58%</td>
<td>8%</td>
<td>6%</td>
<td>29%</td>
</tr>
</tbody>
</table>

CO₂ per ton produced

CO₂ PER TON PRODUCED

![Graph showing CO₂ per ton produced from 2010 to 2012.]

![Diagram showing transportation method percentages.]

<table>
<thead>
<tr>
<th>Year</th>
<th>CO₂ per ton produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0.247</td>
</tr>
<tr>
<td>2011</td>
<td>0.224</td>
</tr>
<tr>
<td>2012</td>
<td>0.216</td>
</tr>
</tbody>
</table>

![Image of Leander Vervaecke, Energy Manager Ertvelde site.]

**Quote**

Leander Vervaecke
Energy Manager Ertvelde site
WATER CONSUMPTION & TREATMENT

Water is an important factor in the Oleon production processes. Since access to potable drinking water is a worldwide growing concern, it is also important for Oleon to know the impact of its water use.

Continuous efforts are made to reduce the effluent towards the environment. For example every manufacturing facility of Oleon changed its cooling circuit from an open loop cooling circuit to a closed cooling circuit resulting in a significant reduction of cooling water used. Water that is returned towards the environment, is purified with a wastewater treatment compliant to regulations.

WASTE MANAGEMENT

Oleon is continuously looking for improvement in waste treatment technologies in order to reduce the impact of its waste streams towards the environment. Oleon produces high amounts of biodegradable non-hazardous waste streams which in the past were incinerated. Searching for a reduction in our waste impact Oleon started with an important evolution to send those biodegradable waste streams towards biogas production or composting processes. Nowadays, nearly 50% of our waste streams are treated biologically with eye on energy production or re-use for agricultural applications.

Being an environmental thinking company, Oleon’s side streams are always evaluated to identify internal recuperation. Whenever non-recoverable waste would be treated externally, Oleon seeks for registered waste companies.
HUMAN RESOURCES

CREATING A CULTURE OF SAFETY

One of Oleon’s critical focus is health and safety of its employees achieved by continually exploring new opportunities to improve safety in our working environment. Not only our internal program but also the employees engagement are put in force to identify and eliminate potential hazards and create a safe workplace.

Our HSE policy is very straightforward to strive TOGETHER towards ZERO accidents and environmental nuisance.

This HSE policy is reflected in our management commitments:

- **Involvement of each employee:**
  every individual is an example; we apply the OLEON HSE directives in our plants & involve all levels in our HSE approach.

- **Training:**
  every employee is well-aware of our Health, Safety & Environment policy and even all external companies and visitors are integrated in our HSE approach.

- **Follow-up & continuous improvement:**
  Oleon believes in a continuous improvement culture. An accident must be analyzed and managed efficiently where HSE targets are defined and HSE indicators are reported.

- **Prevention:**
  Oleon identifies, evaluates and takes actions to prevent any professional risk.

With a management focus on these areas and by empowering all employees to take ownership of safety in the workplace, Oleon seeks to be an accident free company. It’s just one more important step in our journey toward creating a world class safety culture.

---

**Quote**

Stéphane Castel  
HSE Manager Venette site

“To reduce our number of accidents, diverse initiatives have been developed. Amongst those is the reporting of near accidents and hazardous situations, a program started in 2012. This straightforward reporting system was developed to allow all our employees to report any near accident or hazardous situation and to take immediate action to eliminate the risk. In addition, further investigation to prevent future reoccurrence of the situation is automatically done by the management. The program includes a regular feedback on the improvement actions and evaluations.”
SOCIAL AWARENESS TOWARDS OUR EMPLOYEES

Looking back into our history, Oleon has proven its strong social involvement into human resources. Being an early adopter, Oleon offers since 2003 similar working conditions to an operator as an administrative responsible or a lab technician. Working conditions but also reward & recognition, performance evaluation, training and social activities received additional attention by Oleon’s management. These efforts have been appreciated by the employees and shown in the positive outcome of the engagement survey of 2011.

- **Reward and recognition**
  Oleon provides the ability to grow and explore different functions within the company.

- **Performance evaluation**
  Annual appraisal meetings are organized for each individual.

- **Training programs**
  Employees have the ability to sign up for diverse training programs: language or leadership skills, application training, belt-level into the LEAN program and many more.

- **Working conditions**
  Oleon ensures each employee a good compensation for its empowerment towards the company. Not only are our average working hours below the legal maximum, holidays and salary exceed the legal regulations (average of resp. 2.8 days and 25%). Additional health insurances, extra retirement funds, child allowance, seniority advantages are just a couple of examples of benefits to the employee.

Oleon has a strong and stable company culture which was created by this well-considered retention strategy. Creating the atmosphere of empowerment, team spirit and entrepreneurship results in a low 2.7% turnover of employees (Belgian facilities). It doesn’t only create a family spirit, the culture of high satisfaction keeps experience and knowledge into the company. On the seniority graph it clearly shows that the employees are loyal to the company, up to 16% has about 30 years of seniority and 5% of the employees have 40 to 45 years of loyalty. The peak of 30% with 5 years’ experience shows that Oleon attracts young and new experience to the company. In combination with 9% employee growth in 2012, it shows that the company creates new job opportunities in the area.

**Quote**

Tom Welkenhuysen
HR Business Partner

“Since 2000 Randstad, an international HR-service provider, reaches out awards to the most attractive employer in Belgium. Multiple companies are evaluated by 14,000 respondents on criteria such as work environment, training, work-life balance, and many others. This year Oleon was granted the Randstad award as “Best company in the local region for job security” and was rated as third “Most attractive company” to work for. Oleon is proud that external surveys applaud its social awareness strategy.”
6. CERTIFICATIONS

In the early nineties, Oleon has been amongst the pioneers to obtain ISO 9001 certification. As an early adopter, we recognize the certification of management systems as a basic tool in supporting the process of continuous improvement. It creates a framework that helps in setting goals, keeping the focus of the management and the employees, describing and standardizing company processes, improving performance and efficiency and finally realizing the Oleon vision. External certification helps us in making sure that the internal process of continuous improvement never stops and visualizes this strength to our stakeholders.

Over the years, Oleon has been growing and standards have been evolving. Not only the area of quality but businesses and community in general have expanded their means. The management system of Oleon has grown along with these evolutions and covers now a whole range of responsible care systems with corresponding certifications:

- **Quality**
  - ISO 9001 quality management certification

- **Food safety for human nutrition**
  - HACCP, ISO 22000 and FSSC 22000 certification for glycerin and food esters

- **Food safety for animal nutrition and for animals**
  - good manufacturing practice (GMP+) certification for feed materials

- **Environment**
  - ISO 14001 environmental management system certification

- **Energy**
  - certified against or adopting the principles of energy management system ISO 50001

- **Safety**
  - adopting the principles of safety management systems such as ISRS and OHSAS 18001

- **Sustainability**
  - RSPO MB certification for palm oil and 2BSvs certification for biodiesel and vegetable oils

- **Kosher and Halal certifications**
  - for specific products

- **Ecocert, COSMOS, NPA certifications**
  - natural and organic certification for specific cosmetic products

- **Conformity with European Pharmacopeia certification**
  - vegetable glycerin certified; compliance for specific products

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