Taking Responsibility
2014 update

IOI Loders Croklaan
Let's create together
I am proud to present this 2014 update, in which we reflect on our journey towards a traceable, transparent and sustainable supply chain.

We are very aware of the sustainability challenges facing the food industry. Together with our partners and stakeholders we want to show responsibility and leadership in addressing these challenges. We believe that collaboration is the best way forward in establishing real change, this is why we will continue our active support for multi-stakeholder organizations like the Roundtable for Sustainable Palm Oil (RSPO) and the Global Shea Alliance (GSA).

In this update we provide a snapshot of our progress so far. The focus is on our palm oil and shea supply chain as well as our refineries. We hope that it will provide a fruitful basis for our ongoing and open dialogue to continuously improve our sustainable practices.

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Follow our sustainability efforts:
@IOI_LC_commits

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### Partnering with Proforest

Proforest is an expert in responsible sourcing, and has been working in the palm oil sector since 2004. The objective of this partnership is to conduct a robust risk assessment of our supplying mills and their supply base and to engage with selected suppliers to verify compliance with our Sustainable Palm Oil Policy. This will include field verification of selected mills and their supply base.

Proforest has previously provided a qualitative sustainability risk analysis of palm oil origins. The Proforest assessments carried out to date have confirmed that there are no critical non-compliances present at the mills visited.
In 2014, IOI Loders Croklaan joined the Solidaridad farmer support program in Guatemala. The main objective of this program is to improve the environmental, labor and health performance in palm oil plantations in Guatemala through implementation of the RSPO standard. The project aims to improve the working conditions of 8,300 mostly indigenous workers, 7,650 of whom have dependent families, and contribute to improved environmental performance.

We exceed our December 2014 traceability target of 90% traced palm oil by July 1st 2014!

In Europe we have seen a significant increase in the uptake of both ISCC and RSPO (MB and/or SG) certified palm oil.

After being the first in continental Europe to ever receive a segregated RSPO certified palm oil cargo in May 2010, IOI Loders Croklaan Europe unloaded its millionth ton of segregated (SG) RSPO certified palm oil in November 2014.
IOI Group is our key supplier of RSPO certified palm oil. IOI Group has taken significant steps to deliver on its commitment to a sustainable supply chain:

- Launch of a revised Sustainability Policy.
- Mutual Responsibility Statement signed with IOI Loders Croklaan.
- A total of 14 mills owned, of which 12 are RSPO certified and the two newly acquired mills are expecting certification by 2016.
- An action plan is published to implement Finnwatch’s recommendations.
- Performance of HCS analyses on its active concession PT Bumi Sawit Sejahtera and specification of no-go areas (HCV, HCS and peat).

In September 2014, we completed a remote sensing analysis of our 2013-2014 list of 256 supplying mills. The results were combined with additional information (volumes supplied, RSPO certification, social elements etc.) to establish priorities for conducting field assessments.

Ben Vreeburg
Global Sustainability Director

“The Policy is the result of in-depth discussions with both internal and external stakeholders. The Policy aims to bring about transformation of the industry by encouraging all our operations and suppliers to adopt environmentally and socially responsible practices.”
# The Way Forward

**Time Bound Plan Palm Oil**

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Sustainable shea sourcing practices

To strengthen our commitment to a traceable and transparent supply chain, we engaged the services of the Rainforest Alliance for an assessment of our traceable shea supply chain in Burkina Faso and Ghana. During the 2014 assessment - following up on an assessment of 2010 - again no major sustainability hot spots were identified and it was observed that IOI Loders Croklaan made significant efforts towards implementing original recommendations:

- IOI Loders Croklaan has collaborated with the Global Shea Alliance (GSA) to train several shea collector groups in Ghana and Burkina Faso.
- An increasing number of collector groups are supplying shea nuts directly to IOI Loders Croklaan.
- Support a GSA pilot for the development of a network of storage unit or warehouses for collectors at the community level.

One of the key recommendations from the 2014 assessment is the need to develop an internal mechanism for periodic risk assessment combined with training sessions for key supply chain actors and service providers. The goal is to promote acceptable health and safety practices as well as to ensure the identification and compliance with social sustainability principles and practices.

Support local collector groups

In 2014, IOI Loders Croklaan committed itself to participating in the GSA warehouse project. The warehouses will be donated to women's groups across West Africa. The project will allow beneficiary women's groups who collect and process shea kernels to aggregate sufficient quantities of their product and sell directly to wholesale purchasers, greatly improving their profit per kilo sold. Together with partnering companies and the GSA, IOI Loders Croklaan will sponsor the construction of 3 warehouses in selected regions (phase 1). Following the successful completion of phase 1, another 7 warehouses will be sponsored.

The overall construction of 250 warehouses as proposed by the GSA will also create visibility of 137,500 women collectors in the shea supply chain who can benefit from GSA training and services related to business development, finance, health and safety.
Reduce, Reuse, Recycle

In reducing our environmental impact, we follow our guiding principle: Reduce, Reuse and Recycle. Over the years, we have implemented various policies, procedures and innovative projects to reduce our carbon footprint. In our Financial Year 2013-2014, our global average consumption of natural resources was:

Indicators

- **Electricity**: 61 KWh per ton sold
- **Gas**: 1,004 MJ per ton sold
- **Water***: 0.84 m^3^ per ton sold
- **Waste***: Long term goal: zero waste to landfill

*Water: municipal & ground water
*Data to be collected

At regional plant level, processing data is individually monitored and compared. Cross-regional benchmark studies are conducted to further minimize input of natural resources.
Wherever you are…
IOI Loders Croklaan has offices and manufacturing facilities in North America, South America, Europe, the Middle East, Southeast Asia and China. Wherever you are, our technical experts and sales representatives are ready and able to assist you in optimizing the quality of the fats & oils aspect of your business.