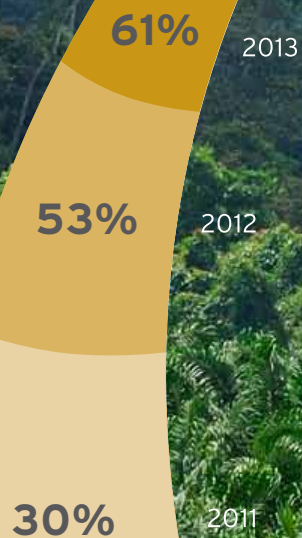


Sustainable Palm Oil
Dutch Food Industry



SUSTAINABLE PALM OIL IN 2013

In 2013, 61% of the palm oil processed by the Dutch food industry was sustainable. Similar to 2011 and 2012, 2013's results show a growth in the use of sustainable palm oil by the food manufacturing sector based in the Netherlands. This shows that the food industry is on its way to reach its goal of using 100% sustainable palm oil by the end of 2015.

The results also show some of the challenges that have to be tackled to reach our 2015 goal. The margarine industry, which used just 50% sustainable palm oil in 2013, is lagging a bit behind the other food sectors. Complex relations between margarine producers, retail and foodservice and the large number of international customers from countries where sustainable palm oil is not a priority, create a difficult environment. However, by setting sustainable palm oil as condition of procurement and the growth of other national commitments for sustainable palm oil in Europe is expected to improve the situation.

Meanwhile the Dutch animal feed sector, represented by NEVDI, has developed their own plan of action to reach the 100% sustainable palm oil by 2015 target. It has decided to form a special working group to develop a plan of action to reach its commitment

The Dutch Task Force started as a joint initiative between the food and feed sectors, but owing to their differing

needs and action plans, the Task Force has decided to split the reporting of results by sector. This provides greater insight in the results to date and will guide a more targeted approach by sector and by company during the next two years. This will also help us facilitate the dialogues needed within the supply chain to resolve problems and uncertainties about sustainable palm oil.

We remain committed to reach 100% sustainable palm oil in 2015 for both the food and feed sectors. More Mass Balance, Segregated and Identity Preserved palm oil is being purchased than ever before. The fact that 38% more physical sustainable palm oil was bought in the Netherlands during the first quarter of 2014 compared to the same period in 2013, supports our confidence. Building on this confidence in the market for sustainable palm oil, our members have developed new strategy and action plans to reach the 100% by 2015 goal. We have presented these plans alongside the 2013 results in this report.

Frans Claassen
Director MVO, The Netherlands Oils and Fats Industry

Eddy Esselink
Chairman Dutch Task Force on Sustainable Palm Oil

July 2014

FOOD INDUSTRY RESULTS 2013

GENERAL RESULTS

The total volume of palm oil processed in the Dutch food industry in 2013 was 298.668 tonnes, which is about equal to previous years. The total volume of sustainable palm oil increased from 165.00 in 2012 tonnes to 182.607 tonnes in 2013 which is 61% of the total amount of palm oil processed in the Dutch food industry. The 8% growth, is smaller compared to previous years.

Segregated palm oil used increased from 28% to 31%, the percentage Mass Balance (28%) remained unchanged and

the percentage Green Palm certificates dropped from 44% to 41% of the total volume sustainable palm oil. The total volume non sustainable palm oil dropped by 28.970 tonnes from 145.031 tonnes in 2012 to 116.060 tonnes in 2013.

Note: This report presents results from the food and feed sectors separately, in contrast to previous years. As a consequence, presented general figures are not directly comparable with previous monitoring reports. However, it does give more accurate information about the independent sectors. Feed results are presented on page 6.

RESULTS BY SECTOR

Overall use of palm oil has dropped in the potato processing industry (9.761 tonnes) and the snack industry (6.541 tonnes). This decrease was expected in line with companies previous announcements to use less palm oil. The growth in sustainable palm oil use in other sectors, however, compensated for this loss. The dairy and milk substitutes-sector showed an increase in the use of non-sustainable palm oil. However, the amount of sustainable palm oil remained almost equal, resulting in a relative drop of sustainable palm oil.

RSPO AND GREENPALM MEMBERSHIP

The total number of RSPO members in the Netherlands increased from 99 in 2012 to 114 in 2013. Of these, 41 companies are Supply Chain certified. The total of 72 companies are now members of the Green Palm scheme, which is an increase of 2 more compared to 2012.

MONITORING

This report monitors the share of sustainable palm oil, palm kernel oil and derived products processed by food and feed companies in the Netherlands, including products which are then exported.

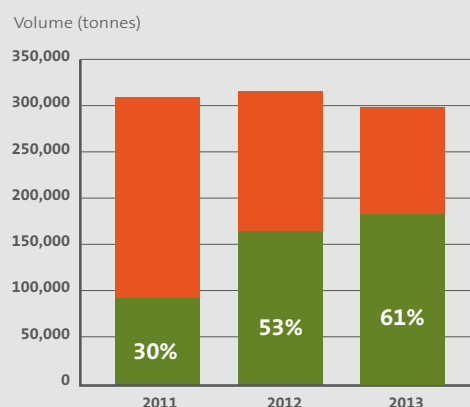
TRADING MODELS SUSTAINABLE PALM OIL

In this monitoring report, sustainable palm oil is defined according to the principles and criteria and certification system of the Round Table on Sustainable Palm Oil (RSPO). This can be traded as certificates via Green Palm or as physical palm oil via the RSPO Supply Chain Certification. For more information on the different trading options see www.greenpalm.org and www.rspo.org.

The monitoring method has been developed in cooperation with the Dutch palm oil refineries. Refineries provide data on the sale of (sustainable) palm oil to production facilities located in the Netherlands in 2013. These figures are aggregated and reported by sector and further supplemented with the number of redeemed Green Palm certificates from companies with production facilities in the Netherlands. To calculate the number of redeemed Green Palm certificates of companies with production facilities both in and outside the Netherlands, an approximation of number of certificates that cover use of palm oil in the Netherlands has been determined in consultation with the company concerned.

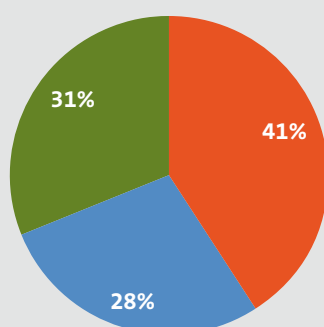
Share and volumes of sustainable palm oil used in the Dutch food industry

■ Use of sustainable palm oil
■ Use of conventional palm oil



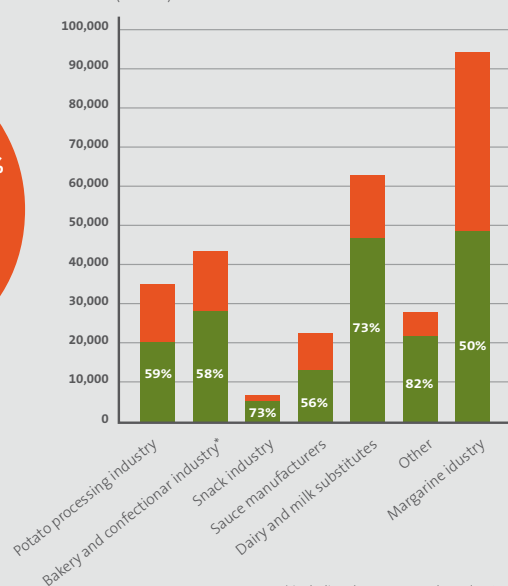
2013

■ Certificates
■ Mass Balance
■ Segregated



Share and volumes sustainable palm oil in the Dutch food industry per sector

2013
■ Use of sustainable palm oil
■ Use of conventional palm oil

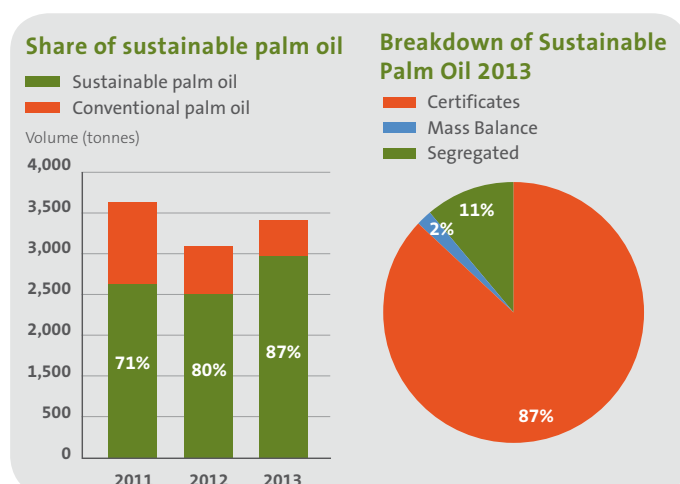


* including dry savory snacks and nuts

RESULTS BY TASK FORCE MEMBER



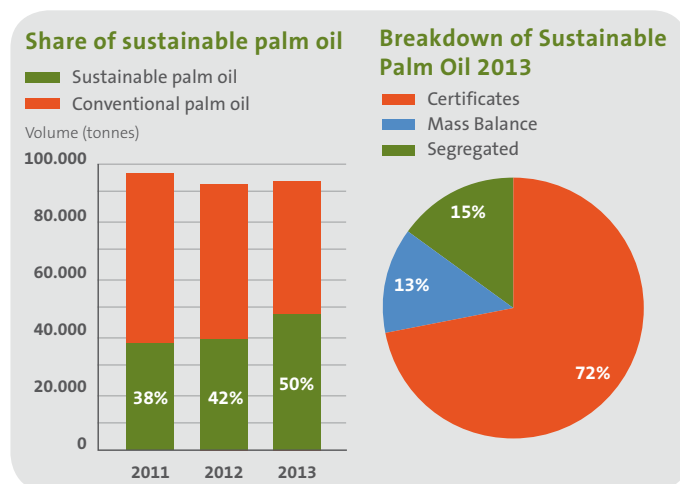
The 35 AKSV members, the industry association for manufacturers of convenience foods, used 87% sustainable palm oil in 2013. AKSV represents 80% of the convenience food market, giving a representative view on the Dutch convenience food industry. It is expected that all members will start using sustainable palm oil in 2014.



Manufacturers of margarine in the Netherlands, in 2013 associated within the association of Dutch Margarine Producers (BNMF), used 50% sustainable palm oil in 2013, an increase of 8%, the growth is higher compared to 2012. However, the margarine sector

is lagging behind compared to other food sectors. Although many of the A-brands are on track or were already using 100% sustainable palm oil in 2013, there are still opportunities for progress in private label, foodservice, industrial or export bound margarines or margarine related products. Listing sustainable palm oil as a procurement condition and the development of national commitments on sustainable palm oil in Europe are expected to change the situation. For more information see the paragraph on CBL.

As of 2014, BNMF no longer exists and now IMACE, the EU

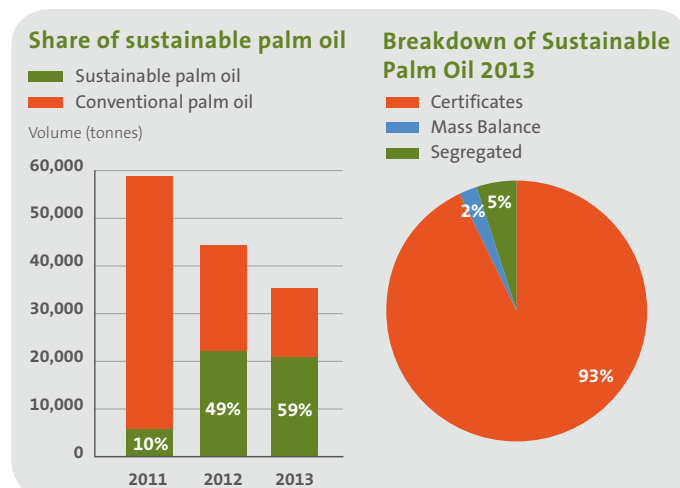


association for margarine and spreads, has assigned the national contact point IMACE-NL which will continue to stimulate the use of sustainable palm oil in the margarine industry.



Members of the Dutch Potato Processors' Association (VAVI) used 59% sustainable palm oil in 2013 and the potato processing industry is on track to reach 100% sustainable palm oil in 2015.

Although there is a trend to substitute palm oil with other vegetable oils, VAVI and its members continue to support and work towards their commitment.





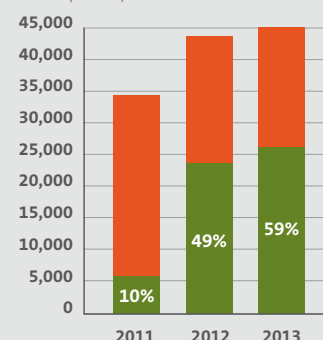
Manufactures of biscuits, sweets, chocolate and savoury snacks, represented by the Dutch Association for Bakery and Confectionary Industry (VBZ), used 58% sustaina-

ble palm oil in 2013. As such, the bakery and confectionary industry is on track to reach 100% sustainable palm oil in 2015. VBZ continues to support and stimulate a sustainable bakery and confectionary industry by supporting and cooperating with its members. More information on VBZ's sustainability program and their 'Barometer Sustainable Bakery and Confectionary' can be found on: www.vbz.nl/actueel/mvo/.

Share of sustainable palm oil

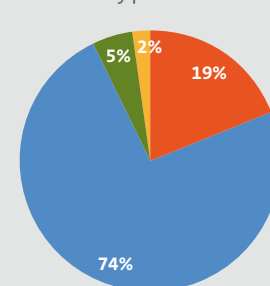
■ Sustainable palm oil
■ Conventional palm oil

Volume (tonnes)



Breakdown of Sustainable Palm Oil 2013

■ Certificates
■ Mass Balance
■ Segregated
■ Identity preserved



The Dutch Central Food Retail Association (CBL) represents the collective interests of 27 supermarket and foodservice companies.

All members have committed themselves to certify all palm oil used for their private

label products. CBL members have an important role in increasing the demand for sustainable palm oil. Having sustainable palm oil as a procurement condition for private label products will be one of the final steps towards 100% sustainable palm oil in 2015. This will also affect the results in other sectors such as the margarine industry.



The Federation of the Dutch Food and Grocery Industry (FNL) is the umbrella organisation of food producers and industry organisations within the Dutch food

industry. It informs its members on the importance and

opportunities to switch towards sustainable palm oil. From 2014 onwards, FNL will also focus on guiding and informing companies on possibilities for improvement within the different trade options (Book&Claim, Mass Balance and Segregated) and create opportunities for small and medium businesses or companies only using small shares of palm oil to start using sustainable palm oil.



The Association of Dutch Producers of Edible Oils and Fats (VERNOF) represents the interests of 7 companies produce and refine vegetable and animal oils and fats in the Netherlands. VERNOF's objective is to

stimulate the demand for sustainable palm oil products and encourage the physical flow of sustainable palm oil both in the Netherlands and abroad. VERNOF members also provide

the Task Force with the necessary palm oil supply data to the Netherlands used in this monitoring report.

In 2013, MVO The Netherlands Oils and Fats Industry was established. All VERNOF members are also member of the new MVO organisation. From 2014 onwards, VERNOF members will take their responsibility as a MVO member in the Task Force. VERNOF will remain active as an agenda member within the Task Force.

FEED RESULTS 2013



The Dutch feed industry, represented by the Dutch Feed Industry Association (NEVEDI), used 7% sustainable palm

oil 2013. The Dutch feed industry takes the lead in Europe using sustainable palm oil. Unfortunately, the present use of sustainable palm oil used in the feed industry is relatively small compared to the food industry. This is related to the complex supply chain, a lower added value for its products compared to the food industry and the 'invisibility' of palm oil in final products such as meat, dairy or eggs.

Furthermore, the use of palm oil products in feed is dependent on price differences with competing ingredients. As such, small price fluctuations in palm oil products or alternative resources have an influence on its eventual use.

Next to palm oil, the feed industry makes use of palm kernel expellers (PKE). However, it is expected that export of PKE to Europe will decrease during the coming years.

NEVEDI has asked LEI Wageningen UR to conduct a study on the types of palm oil products that are used in different kinds of feed products. This information can be used to determine how palm oil is processed in the eventual animal related products (meat, dairy, eggs). This information will be shared with NEVEDI members through active communication and meetings during the second half of 2014 to prepare members on a possible market demand for sustainable palm oil via procurement conditions and quality standards in 2015. In this way NEVEDI will facilitate and stimulate her members to answer the demand for sustainable palm oil.



The Dutch Task Force on Sustainable Palm Oil is a collaboration between companies in the palm oil chain based in the Netherlands. The goal is for all palm oil processed in food products and feedstuff in the Netherlands to be sustainable by the end of 2015. The Task Force participants are: MVO – The Netherlands Oils and Fats Industry, FNLI, Vernof, AKSV, IMACE-NL (former BNMF), VAVI, VBZ, CBL, NEVEDI and IDH.



For more information: www.taskforceduurzamepalmolie.nl and www.mvo.nl.

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