

Oleon Sustainable Cocoa Sourcing Policy



Introduction

Oleon's approach to sustainability is structured around a common Purpose: Serving the Earth. Through this Purpose, we have set three bold commitments to which we commit daily, among which "taking action to protect natural resources and biodiversity." Because we will continue to import agricultural raw materials that cannot be produced locally from countries at risk of deforestation or conversion of endangered ecosystems, we are committed to ensuring that by 1st January 2025, 100% of our Cocoa comes from sustainable agriculture.

Given the threats that ecosystems face due to the production of Cocoa materials, Oleon decided to adopt a dedicated policy regarding its Cocoa supply.

Ambition

With this policy, Oleon strives to procure Cocoa products from suppliers who can prove that their cultivation

- does not contribute to the destruction of forests and other natural ecosystems (such as, but not limited to, mangroves, savannahs)
- respects the human rights of workers, smallholders and local communities.

Oleon strives to uphold these principles and to have deforestation and conversion free Cocoa supply chains by 2025.

Scope

This policy applies to Oleon sites using Cocoa in its supply chain. This is a comprehensive approach which acknowledges and calls for compliance with local legislations, including (but not restricted to) the EU Deforestation Regulation¹.

Timeline

By 1st January 2025 at the latest, 100% of Oleon's Cocoa volumes will be traceable to the farm.

By 1st January 2025 at the latest, 100% of Oleon's Cocoa volumes will be deforestation free.

¹ [Regulation - 2023/1115 - EN - EUR-Lex \(europa.eu\)](#)

Oleon's expectations

Oleon commits and expects our suppliers to comply with the following requirements:

Environmental requirements and good agricultural practices

Oleon defines deforestation and conversion free products as coming from farms and plots which comply with the following criteria:

- Full compliance of the production, manufacturing, and trading steps with local, national, and international laws
- No deforestation according to the FAO guidelines².
- No conversion or degradation of High Conservation Value (HCV) areas, High Carbon Stock (HCS) forests, and other forest-related natural ecosystems
- No burning of land

Social requirements

- Respect for workers, farmers, and smallholders' rights³, including freedom of association and collective bargaining, legal and decent working hours, safe and healthy workplaces, respect for minimum living wages, and the prevention of irresponsible and abusive working practices such as forced labour, child labour, discrimination, harassment, and gender-based violence;
- Ensure the Free, Prior and Informed Consent (FPIC) of Indigenous Peoples and local communities prior to any activity that may affect these rights, and ensure adequate compensation, accommodation, or remediation.
- Protection of human, land and environmental rights defenders from violence, intimidation, and criminalization.
- Within the scope of sustainable sourcing field projects, provide support for local communities' livelihoods, and smallholder farmers.

Grievance mechanism to address previous requirements.

Implementation of an open, transparent, and consultative process to resolve complaints and conflicts, notably through the implementation of a group-level grievance management procedure⁴.

Suppliers are required to cascade the above-mentioned requirements within their supply chain and alert Oleon in case of any violation via their point of contact at Oleon, or on the dedicated reporting platform "Avril Ethics Line" <http://www.avrilethicsline.com/>

² FAO definition for forest: Article 2 (4) p.15 of [EU Deforestation Regulation](#).

³ In line with the Universal Declaration of Human Rights (UDHR), the United Nations' Guiding Principles on Business and Human Rights (UNGPs) and the International Labor Organization (ILO) fundamental Conventions.

⁴ In line with the United Nations' Guiding Principles on Business and Human Rights (UNGP).

Oleon's approach for implementation

We believe that to meet this ambition and move towards greater sustainability, we need to follow a dual approach of risk assessment and management (traceability, satellite monitoring, etc.) and working on enabling factors to address systemic issues.

In this regard, we require our suppliers to comply with the following:

Traceability

- Obtaining from our suppliers' traceability data to map all the supply chain back to the production areas.

Satellite monitoring

- Identifying and monitoring high-risk forest areas and natural ecosystems located in Oleon's Cocoa supply chains, through the gradual implementation of a robust satellite monitoring system, which allows us to calculate our volumes of Verified Deforestation Free Cocoa, and to strengthen our effective grievance management procedure.

Engaging with our suppliers

Oleon's Cocoa materials suppliers commit to the following actions:

- Establishing and maintaining a regular dialogue with their direct suppliers and asking them to do likewise with upstream operators in the supply chain;
- Informing new suppliers about Oleon's sustainable sourcing policy;
- Ensuring the alignment of their suppliers' sustainability and/or deforestation and conversion free initiatives with Oleon's policy;
- Obtaining, on a regular basis, all the necessary information from suppliers to map the supply chain back to the production area.

Non-compliance

Oleon reserves the right to monitor its suppliers' sustainability performance and compliance, by itself or by a 3rd party, and in case of violations, to remind them of Oleon's requirements.

The suppliers whose practices are not aligned with Oleon's ambition will be encouraged to become compliant. In accordance with our internal procedure for managing non-conformities, any supplier who does not cooperate or display any intention to change may be subject to the suspension of its commercial relationship with Oleon.

I hereby state that:

Company name: _____

Name: _____

Function: _____

Is and will remain compliant to the Sustainable Cocoa Sourcing Policy.

Date: _____

Signature: