Strategic innovation and transformation towards CSPO

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Presentation Overview

1. General Context and Background,
2. Challenges,
3. Strategic Innovation within our scope,
4. Transformation of the Supply Chain,
• Production base includes five farms, 7 cooperatives and the Tequendama Extraction mill. Headquarters located in Santa Marta, Colombia.

• Total own area is 6.754 hectares; 4.770 hectares owned by the smallholders. And 3000 hectares on development.

• Certified RSPO-IP traceability Scheme.
• DAABON is the single major agricultural employer in the region with more than 3000 direct employees and an influence of over 15000 people.
• More than 520 families are involved since 2001 in our smallholder program.
Context and background

The DAABON Sustainability Policy

Promote environmental protection and human development as a fundamental pillar of our corporate mission and company vision; with means to achieve optimum levels of social development, leadership and competitiveness; embarked in an economically viable, environmentally sustainable and socially fair productive system.
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Challenges

- Lack of government support in key areas such as education and basic community infrastructure.
- Minimum interaction between local government and organized smallholders.
- Lack of motivation to generate continuous improvement within the cooperatives to meet their identified farm level needs.
- Security in generational takeover of the farms, considering the ages of our allies.
- Generate a Social Responsibility within the cooperatives toward the community since they are now small businesses.
- Increase in availability/procurement of CSPO (new smallholders, allies or external purchases)
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DAABON supports communities in the management of funds for social and environmental improvement and enhancement of education curriculums:

- **Solidaridad**: RSPO Certification and Principle/Criteria development for non cooperated Northern Colombian Smallholders.
- **Private and Community School Collaboration program**: Increase the expertise of multilevel teachers as to educate other objective population than children. f.e. illiterate and elderly on computer skills.
- **Education in agro-environment**: kids are guided through our HCV’s and taught to identify native trees, shrubs and animals.
Inclusion of smallholders operations and logistics into our full LCA’s and GHG accounting methodology;

- DAABON Carbon Offset program
- PAS 2050 UK monitoring/certification
- Linked directly to Waste Reduction Program
Fair-trade CDM Program

- Collaborative approach to empower smallholders into independence and to generate social capital within our communities.
- Transferring the equivalent in CER’s to the FFB processed from the smallholders allocated in the fund.
- The premium is managed using the same methodology as the Fair-trade program established in our Banana operations.
- Fund is to be used for social, education and environmental community programs. Different to our internal social agenda.
- Fund protocol set up by the Wharton School of Economics – University of Pennsylvania.
- CDM project operational since October 15th, 2011.
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Organic and RSPO Certified Smallholders

- In 2006-2009: Re-educate farmers into organic production and increase their knowledge in organic amendments, composting, conservation areas and integrated pest management.

- In 2009-2010: taught solid waste management, water conservation, soil improving techniques, documentation, legal hiring, personal protection equipment handling, labour, grievance procedures, harassment, etc.
Comments

- Constant education and monitoring is required,
- Involving the family nucleus
- Secured Social Security and Healthcare for working community members.
- Vertical integration of labors and workforce.
Thank you!

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