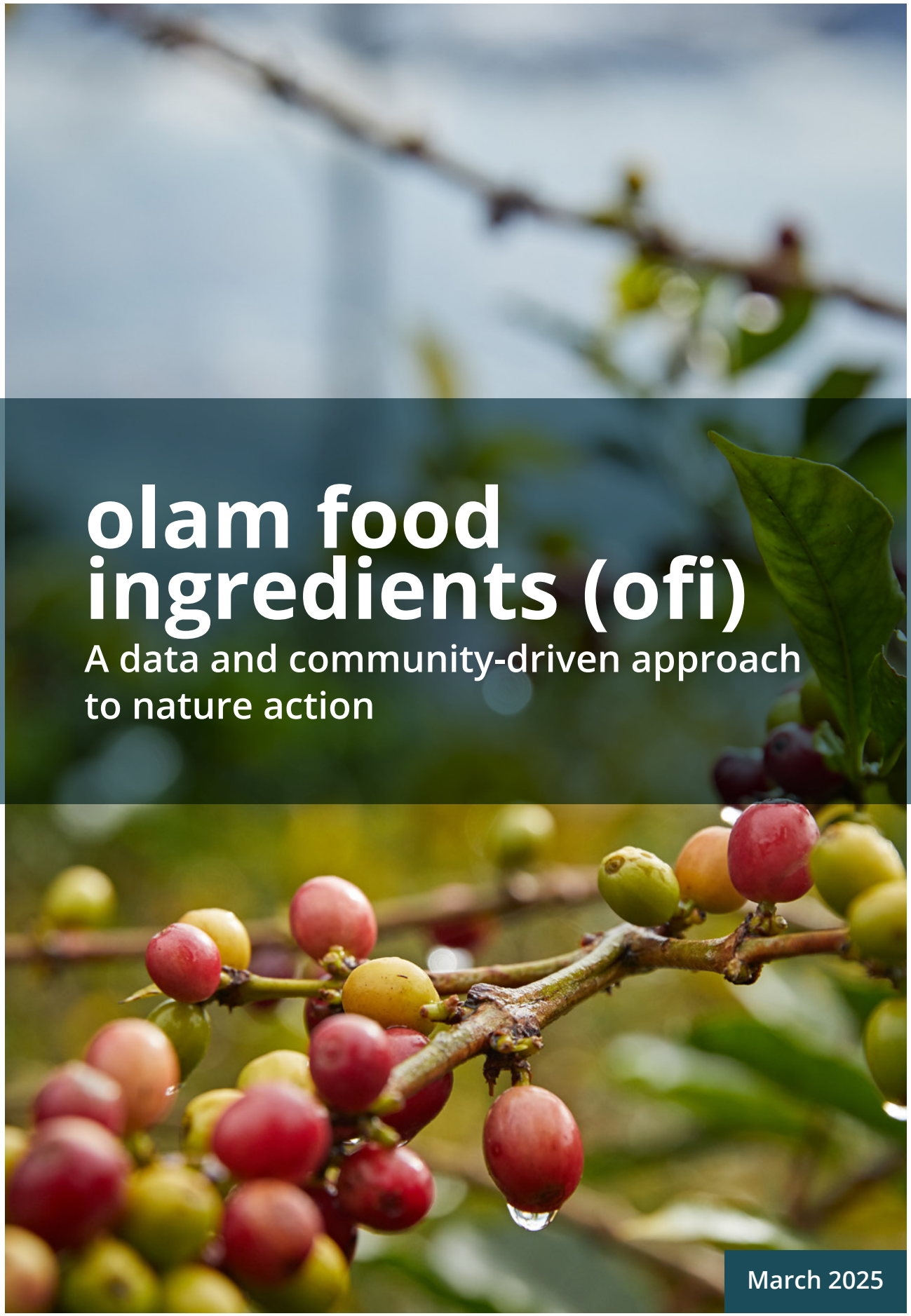


olam food ingredients (ofi)

A data and community-driven approach to nature action

March 2025

ofi operating in ~50 countries, is a global leader offering naturally good food and beverage ingredients and solutions. It specializes across the product platforms of cocoa, coffee, dairy, nuts, and spices. Driven by a vision to be the preferred **partner for positive change for every stakeholder in their value chain, from plant to palate**, **ofi** recently unveiled Choices for Change, a comprehensive sustainability strategy that sets environmental and social targets to be achieved by 2025 and 2030. The strategy focuses on four interconnected pillars: **prosperous farmers, thriving communities, climate action, and regenerating the living world**, all underpinned by a foundation of **supply chain excellence**. Choices for Change is an essential component in achieving **ofi**'s purpose, to be the change for good food and a healthy future. The company has also developed its nature strategy which was submitted and published as part of 'It's Now for Nature'. Aligned with the Business for Nature ACT-D high level business actions on nature — Assess, Commit, Transform, Disclose — **ofi** showcases how a **data and a community-focused approach** can drive nature action throughout its supply chain.

Recent highlights

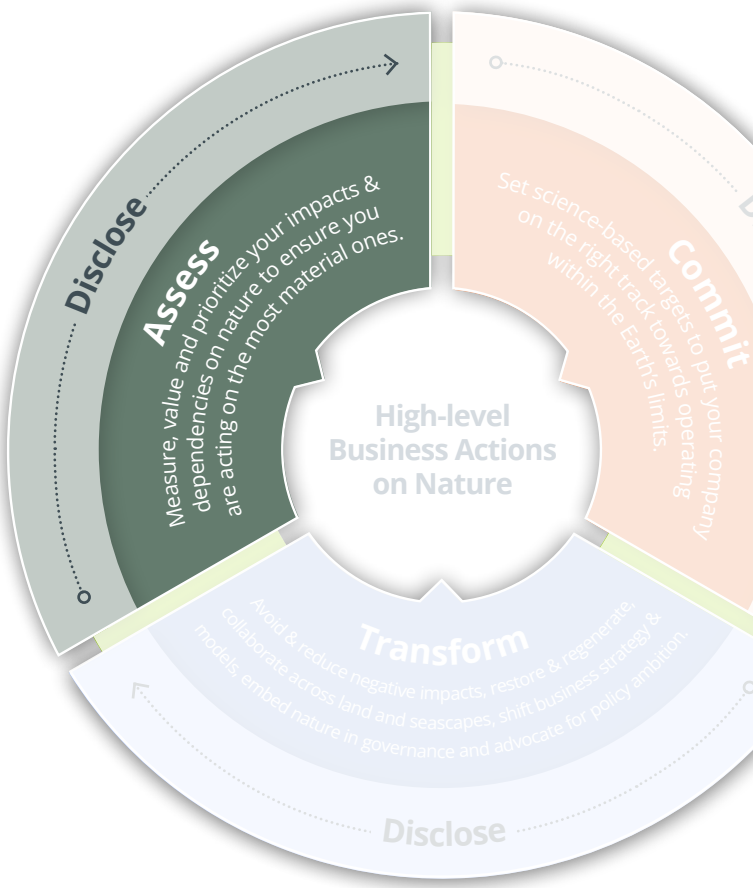
- In 2023, **155 Tier 1**[1] **and Tier 2**[2] **sites** assessed for biodiversity risks
- **81,000 women farmers** received livelihood support in **ofi**'s cocoa and coffee supply chains in 2023
- **Over 960,000 cocoa and coffee farms mapped** to identify deforestation risks
- **2.4 million trees distributed in agroforestry programmes** in 2023, boosting biodiversity while helping farmers diversify their incomes sustainably
- In 2023 **$1.8bn loan received**, with terms linked to sustainability metrics



1. *Tier 1: large owned processing facilities.*

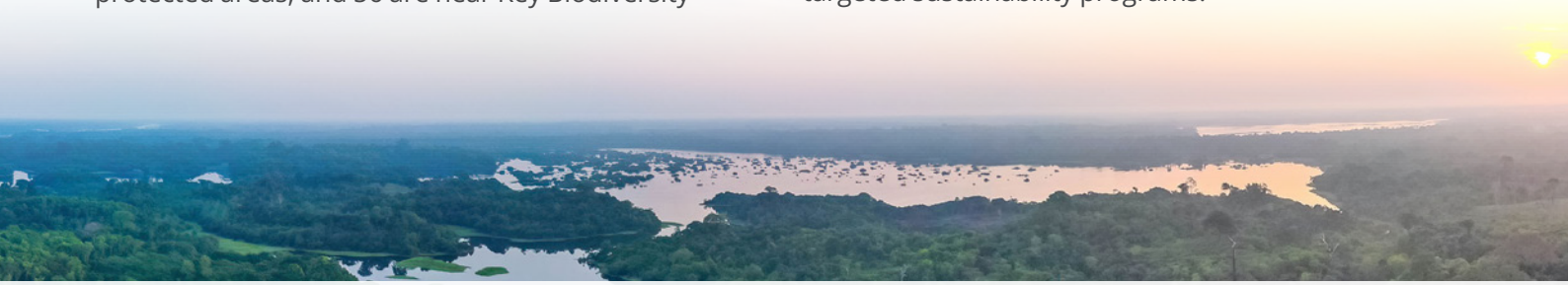
2. *Tier 2: owned farms, estates and orchards.*

Assess: Using data and biodiversity assessment to address and mitigate biodiversity risks



In its sustainability strategy, Choices for Change, **ofi** conducted a **double materiality assessment, analyzing issues impacting society, the environment, and its business**. Using a detailed knowledge of the industry, peer benchmarking and both internal and external stakeholder engagement, **ofi** compiled a comprehensive list of thirteen important sustainability topics. These topics were further refined into five material areas, ensuring that all thirteen topics were appropriately and meaningfully addressed. Targets and action plans were subsequently developed for each material area'.

In 2023, **ofi assessed biodiversity risks across 155 Tier 1 and Tier 2 sites**, using the Integrated Biodiversity Assessment Tool (IBAT)[3] Alliance Enterprise Multi-Site Reporting designed for GRI 304-1.[4] GRI 304-1 is part of the Global Reporting Initiative's standards, focusing on disclosing information about an organization's impact on biodiversity due to its operations in or near ecologically sensitive areas. This was **ofi**'s second year using IBAT data to gain insights into its environmental impacts. The findings revealed that 78 sites are located within 10 km of protected areas, and 56 are near Key Biodiversity Areas. Of these, 13 sites were flagged as medium or high risk based on STAR threat abatement (STAR-T)[5] scores. In all three key risk origins, **ofi** already has one or more sustainability programs addressing drivers of biodiversity loss through landscape regeneration (Mexico), reducing wastewater and eutrophication (Colombia), and reversing deforestation (Brazil). Overall, **ofi**'s use of the biodiversity assessment tools has enhanced its ability to identify and manage biodiversity risks within its supply chain and implement targeted sustainability programs.

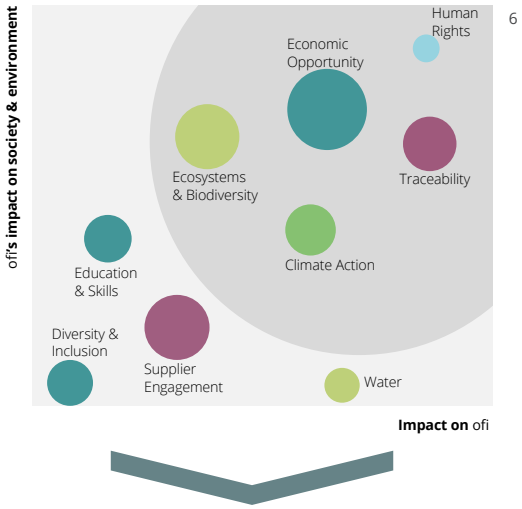


[3] *Integrated Biodiversity Assessment Tool or IBAT is a web-based map and early-stage biodiversity risk screening tool, with the alliance established in 2005 between Birdlife International, UNEP-WCMC, IUCN and Conservation International. It is used by businesses mainly for two purposes (i) project risk screening to understand if new/ existing operations have any impacts on biodiversity sensitive areas, and (ii) biodiversity related reporting (eg. TNFD, GRI and CSRD).*

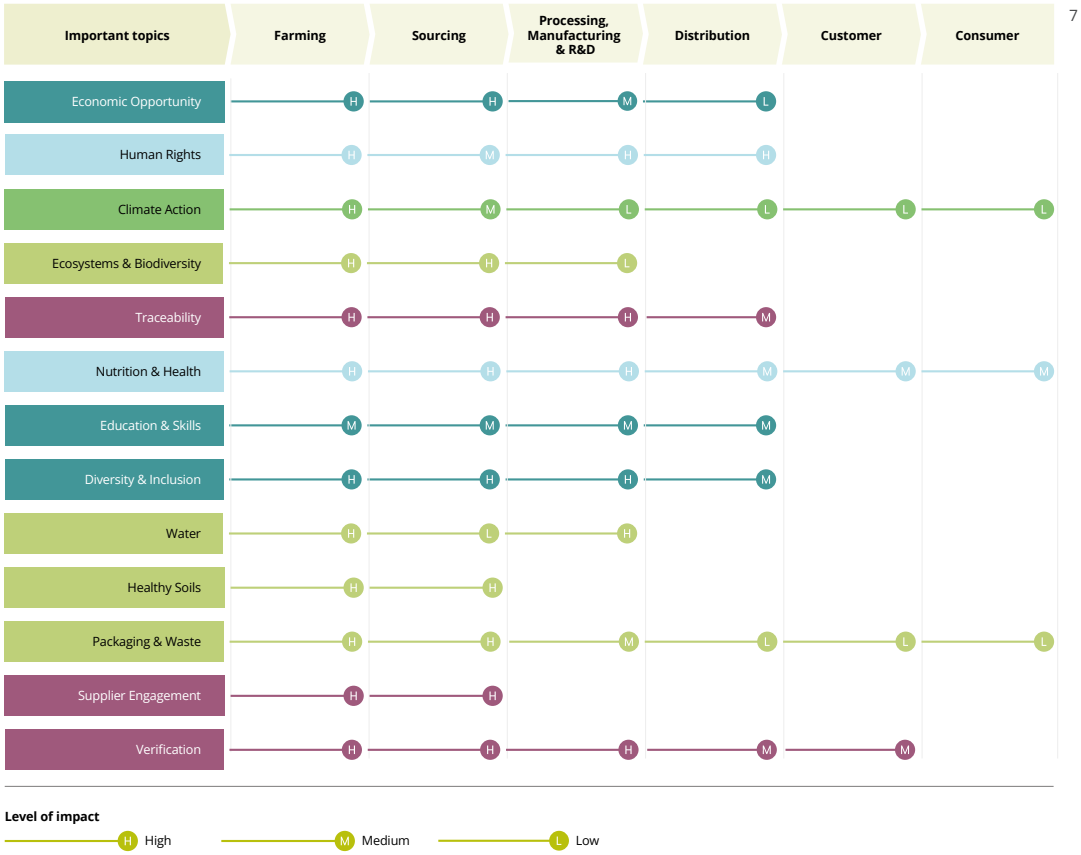
[4] *GRI 304-1 is part of the Global Reporting Initiative (GRI) Standards, specifically within the GRI 304: Biodiversity standard. It focuses on "Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas."*

[5] *STAR stands for "Species Threat Abatement and Restoration". It is a biodiversity metric based on The IUCN Red List of Threatened Species to help identify opportunities to contribute to species conservation goals, either by reducing threats or by undertaking restoration. STAR combines data on species, the threats they face and their risk of extinction, to produce two complementary global data layers for threat abatement (STAR-T) and restoration (STAR-R.) STAR can help businesses identify both opportunities and risks associated with their activities and value-chains. Find out more in this briefing.*

ofi maps important sustainability topics across its value chain and sets targets in specific critical areas to guide its actions



6



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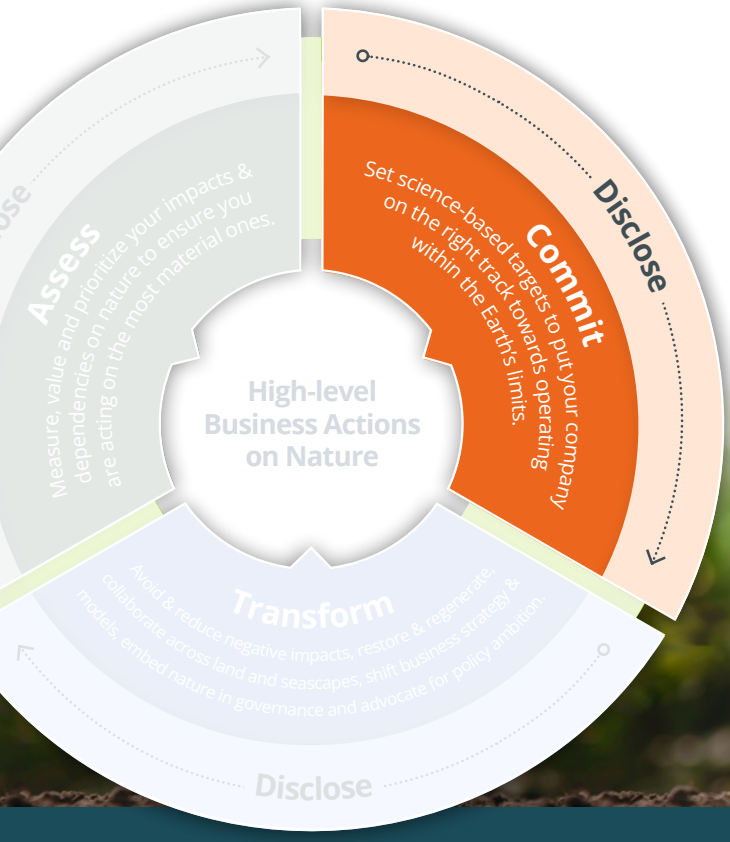
Source: Olam Group Annual Report, 2023

6. *Using their knowledge of the industry, peer benchmarking and internal and external stakeholder analysis, **ofi** mapped a collection of sustainability topics onto an ofi double materiality matrix. It plotted its impact on society and the environment on the Y axis and the impact on **ofi** on the X axis. This process allowed **ofi** to determine the five most material sustainability topics for the company which formed the foundation for its Choices for Change Sustainability Strategy.*

7. ***ofi** mapped each of the 13 topics identified as important in a double materiality assessment across its value chain, demonstrating where **ofi**'s impact is the greatest for each topic. Each of the 13 important topics identified are addressed as part of **ofi**'s Choices for Change Sustainability Strategy under the headings of Prosperous Farmers, Thriving Communities, Climate Action, Regenerating the Living World and Supply Chain Excellence.*

Commit: Focus on regenerating landscapes and forest-positive

Guided by its sustainability strategy, Choices for Change, **ofi** is driving ambitious environmental change with a number of 2025 and 2030 nature and climate targets. To regenerate landscapes, by 2030, **ofi aims to bring 2 million hectares of land under regenerative agricultural practices and to distribute 25 million beneficial trees for agroforestry systems**. Another building block of this vision is establishing at least 20 living landscape partnerships - large areas where farmers, rural communities, and ecosystems thrive together.

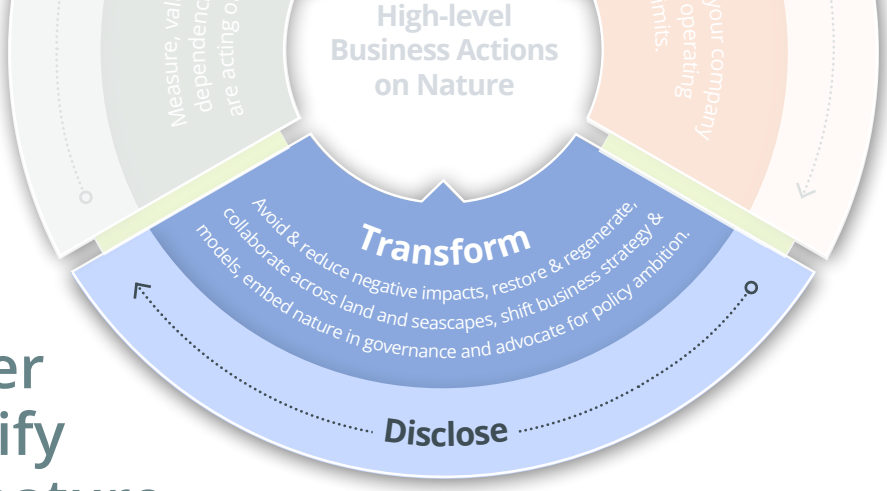


Concrete actions are being catalogued for every impact area. For instance, as part of its regenerative agriculture practices, **ofi** is working to **improve soil health** (through fertility management, composting, cover crops and erosion control), **water management** (through irrigation technology, and catchment management) and increasing **biodiversity on farms** (through crop varietals, pruning and green manure, intercropping, agroforestry and wildlife corridors).

ofi is also **committed to becoming forest positive throughout its operations and supply chain by 2030**, including monitoring and targeted actions to minimize deforestation risks and to have deforestation action plans in place across all high-risk suppliers. As part this commitment, **ofi** aims to increase tree carbon stock across at least ten of its strategic landscape partnerships.

To address its carbon footprint, **ofi** is targeting by 2030 a 30% reduction in scope 3 emissions, which account for the significant majority of its GHG emissions, while also committing to halve its scope 1 and 2 emissions.

> "We know the importance of building a nature-positive economy. If we don't focus on nature, the business that we operate may not even exist in years to come."
>
> Rishi Kalra, Executive Director and Chief Financial Officer, **ofi**



Transform:
Using data and farmer engagement to amplify positive impacts on nature

ofi is making notable strides in promoting environmental stewardship. To date, it has supported over 500,000 farmers and introduced regenerative agriculture practices across 1 million hectares, including a partnership with KIND to responsibly manage 500 acres of almond farmland. Specifically **in cocoa and coffee, ofi has provided 81,000 women farmers with livelihood support in 2023**. **ofi**'s in-country field teams, together with its partners, helped enhance farmer livelihoods by providing support such as training on Good Agricultural Practices (GAP), agricultural inputs, credit and infrastructure. Additionally, **ofi has distributed 2.4 million trees in agroforestry programmes in 2023, boosting biodiversity while helping farmers diversify their incomes sustainably**.

To advance its living landscapes goals, **ofi** has established partnerships to promote sustainable cocoa and coffee production. The company is also working to measure the true value of natural capital, partnering with 20 coffee farmer groups across five origins to assess emissions and water-related costs.

ofi uses **data, technology and innovation to achieve its environmental goals**. AtSource, its proprietary sustainability management system, provides customers with data (including water usage, land use, soil health and carbon footprint), which support corporate reporting and helps them better understand their environmental, social, and economic impacts.

Data also drives regulatory readiness. According to Olam Group's 2023 annual report, **ofi has used the Olam Farmer Information System to map nearly 960,000 cocoa and coffee farms, helping to identify deforestation risks** ahead of EU Deforestation Regulation and aims for full coverage of deforestation action plans in the high-risk supply chains identified.

In 2023, **ofi** achieved emissions reductions, cutting Scope 1 and 2 emissions by 10% and Scope 3 emissions by 13% compared to 2022, underscoring its commitment to sustainable and innovative practices.



Spotlight: Using the Olam Farmer Information System (OFIS) to address deforestation

The Olam Farmer Information System (OFIS) is a digital platform used to collect data on various aspects of farming, including farm locations and training activities.

OFIS is integrated with **ofi**'s comprehensive AtSource sustainability data management system. The tool encompasses traceability and farmer information, providing crucial insights for achieving **ofi**'s forest-positive commitments and proactively complying with upcoming regulations, like the EU Deforestation Regulation (EUDR).

To enhance accuracy and inform decision-making, **ofi** has shifted from traditional station-based mapping to a GPS-driven approach, allowing the company to precisely locate farms. While more resource-intensive, this approach delivers:

- Accurate deforestation risk assessment - Assessing deforestation history with greater precision.
- Proactive issue resolution - Issuing alerts, measuring land-use change emissions, and enrolling farmers in sustainability programs and targeted training.

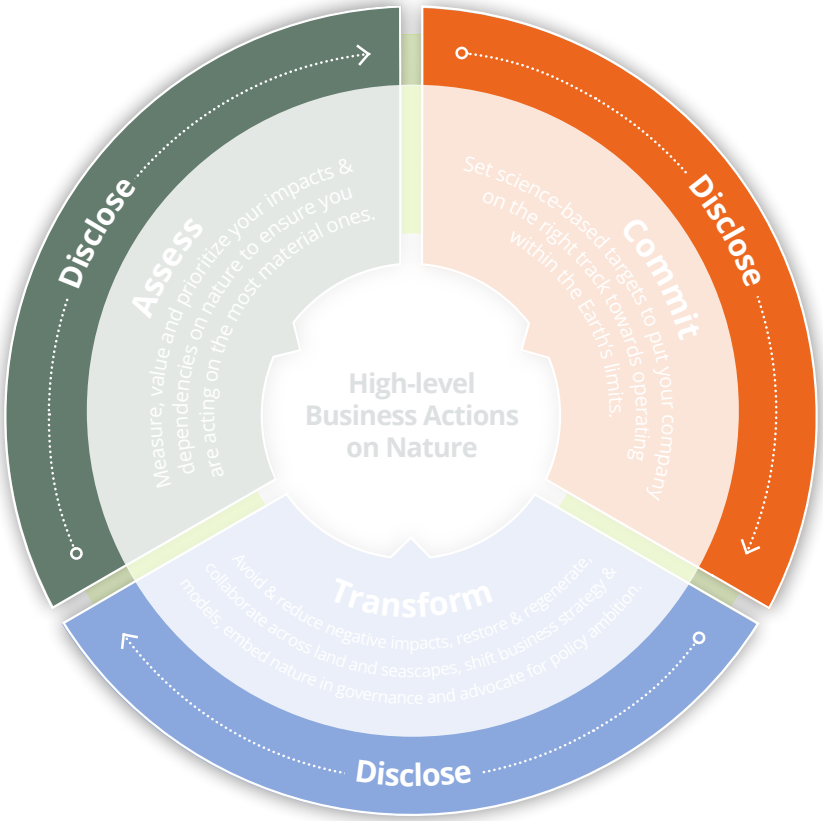
According to Olam Group's 2023 annual report, over 960,000 farms have been mapped using this approach, empowering **ofi** to effectively monitor and address risks within its supply chain.



Disclose: Holistic reporting, guided by dedicated product strategies

ofi has joined the **early adopters of the Taskforce on Nature-related Financial Disclosure (TNFD)**, highlighting its recognition of the growing role of nature and biodiversity. Through Olam Group's integrated and sustainability reports, aligned with broader sustainability standards and frameworks such as GRI, SASB, and TCFD, **ofi** shares its progress in biodiversity and sustainability.

Its sustainability strategy Choices for Change provides further detail on various environmental and social targets. **ofi**'s efforts to ensure efficient and resilient commodity production are also driven by dedicated product strategies covering key commodities such as cocoa, coffee, nuts and dairy. In addition to annual reporting, **ofi** discloses to other initiatives like CDP (Climate and Water) and product-specific initiatives such as the Cocoa and Forests Initiative.





Insights from **ofi** on embracing nature and sustainability

ofi's approach provides valuable lessons for companies eager to develop and deliver a nature strategy:

1. **Prioritize supply chain excellence.** Companies should focus on building strong supplier relationships to reduce risks, and provide customers with high-quality, verifiable sustainability data. By investing in robust sustainability management systems, innovative technologies, and impact assessment tools, businesses can effectively monitor, measure, and reduce environmental impacts across their value chain, creating a solid foundation for achieving successful sustainability outcomes.
2. **Integrate sustainability into core business operations** Develop dedicated product strategies that embed sustainability considerations into core business operations for key commodities and encourage everyone to speak a common language internally to help with understanding and evaluation.
3. **Demonstrate the business value internally and externally.** To drive real change, companies should track and report on the financial and non-financial benefits of sustainability initiatives to align internal teams, engage stakeholders and drive action.
4. **Build collaborative partnerships to deliver impact at scale.** Engage with farmers, investors, governments, NGOs, and customers to achieve meaningful and scalable impact. Collaborate on solutions and develop clear action plans to address shared challenges.

