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NEWS RELEASE

Olam and Rainforest Alliance announce the World's first Climate-friendly Cocoa

London, December 7, 2011: Olam International Limited and Rainforest Alliance have teamed up to produce the world's first "climate-friendly cocoa" in Ghana as part of their ongoing collaboration. Working with cocoa farmers in the Western region of the country, this \$1 million project will have huge impact on informing Ghana's emerging national REDD+* strategy and its Low Carbon Development plans.

This programme has been launched in the Juabeso / Bia district, an area that borders a national park and a forest reserve. Cocoa completely dominates the landscape in this region and illegal encroachment into forest areas is still observed.

Tensie Whelan, President of Rainforest Alliance said, **"This collaboration with Olam offers an ideal opportunity to stop the deforestation of this sensitive area so that we can protect biodiversity in standing forests while at the same time planting 100 hectares of native tree species for carbon sequestration in the fight against climate change."**

The programme will start with training and logistical support for **2,000 farmers in 13 communities** and will increase throughout the project. The focus will be on improving and increasing production through sustainable farming practices - specifically teaching farmers how the carbon stocks of cocoa, shade trees and soil can be improved by developing specific farming practices. These will enable communities to adapt to the changing climate whilst at the same time mitigate the potential adverse changes. Simple farmer-friendly tools to estimate on-farm biomass, conduct tree inventories, calculate carbon stocks and estimate and monitor GHG emissions will be developed, enabling farmers to implement climate-friendly farming.

Farmers will be trained to develop the capacity to assess the risk that climate change poses to their livelihoods and to design and implement adaptation plans for their farms and at landscape level with farmers associations. Those groups will be strengthened through training in business and organisational skills. They will be prepared for audits and hence would benefit from Rainforest Alliance certification, ensuring long term market access to the end buyer.

Gerard Manley, Managing Director, Cocoa, Olam International Limited commented, **"The private sector has a key role to play in working with farmers to improve their farming practices, helping to generate better livelihoods, as well as protecting natural habitats. We will continue to work with Rainforest Alliance to ensure the long-term viability of the cocoa sector and prosperity for the local communities."**

The mid-term goal of this programme is to ensure that the climate-friendly farm level practices are escalated and replicated to a landscape and forest management level.
Ends/



Notes for Editors

REDD+ Reducing Emissions from Deforestation and Forest Degradation (REDD) is an effort to create a financial value for the carbon stored in forests, offering incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths to sustainable development. "REDD+" goes beyond deforestation and forest degradation, and includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks.

Ghana's Cocoa Sector

Ghana is the second-largest cocoa producer in the world, accounting for 22% of global supply. Cocoa exports are the single largest source of income into the country – all told the sector supports around 17% of the population. There are more than 800,000 cocoa farmers in the country who are forecast to produce 900,000 tonnes in 2011.

Olam Ghana

Olam started operations in Ghana in 1994 and over the years has now grown to be the premier player in the agri commodities space. Having started primarily in the Supply Chain business, the company has taken aggressive strides into mid-stream processing with multiple manufacturing and processing facilities in the staple foods and packaged foods sector. It is also operating a large extension farming model in Cotton in the country. Olam today employs more than 500 employees across its supply chain and manufacturing businesses in the country.

Olam Cocoa

Olam Cocoa, headquartered in London is one of the world's leading cocoa supply companies. Through its global offices it manages one of the world's most diversified origination networks. Olam began its sustainability initiatives in Cote d'Ivoire in 1998 and increased these as far away as Indonesia in 2002. Today it has one of the largest number of sustainability initiatives in cocoa, influencing over 250,000 farmers and their communities.

Olam is an active participant in global exchanges and has strong research and analysis capabilities. Through its global marketing offices it meets the needs of its customers for cocoa and confectionary ingredients.

Olam Corporate Information

Olam International Limited is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 20 products with a direct presence in 65 countries and supplying them to over 11,000 customers. With direct sourcing and processing in most major producing countries for its various products, Olam has built a global leadership position in many of its businesses, including cocoa, coffee, cashew, sesame, rice, cotton and wood products. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 40 largest listed companies in Singapore in terms of market capitalisation and is a component stock in the Straits Times Index (STI), MSCI Singapore Free, S&P Agribusiness Index and the DAXglobal Agribusiness Index. Olam is the only Singapore firm to be named in the 2009 Forbes Asia Fabulous 50, an annual list of 50 big-cap and most profitable firms in the region. It is also the first and only Singapore company to be named in the 2009 lists for the Global Top Companies for Leaders and the Top Companies for Leaders in the Asia Pacific region by Hewitt Associates, the RBL Group and Forbes. More information on Olam can be found at www.olamonline.com

Olam International Corporate Responsibility & Sustainability

Olam's sustainability initiatives are closely aligned with the core business and aim to make a meaningful impact on the countries and communities in which the company operates. Olam has 110 Corporate Responsibility & Sustainability programmes across 30 countries which impact the lives of 1.5 million farmers through income generation, food security, local infrastructure development, health awareness and primary education programmes.



In May 2011 Olam launched the Livelihood Charter - a framework to improve the economic, social and environmental welfare of small-scale farmers and their communities, based on a set of 8 Principles, one of which takes into account the Environmental Impact of farming activities.

For further information on Olam's CRS activities, please follow the link below:

http://www.olamonline.com/resources/documents/olam_csr_2011.pdf

About Rainforest Alliance

The **Rainforest Alliance** works with people whose livelihoods depend on the land, helping them transform the way they grow food, harvest wood and host travellers. From large multinational corporations to small, community-based cooperatives, businesses and consumers worldwide are involved in the Rainforest Alliance's efforts to bring responsibly produced goods and services to a global marketplace where the demand for sustainability is growing steadily. For more information, visit www.rainforest-alliance.org.

Rainforest Alliance certification -- awarded to farms that meet the comprehensive standards of the [Sustainable Agriculture Network \(SAN\)](#) -- focuses on how farms are managed. The [SAN standards](#) encompass all aspects of sustainability (social, environmental and economic) and empower farmers with the knowledge and skills to negotiate for themselves in the global marketplace. Farmers engaged in the Rainforest Alliance Certified programme learn to grow smart, increasing their bottom line today, and conserving the fertile soils and natural resources on which their children will depend tomorrow.

The SAN standards focus equally on the three pillars of sustainability, rather than biasing one (such as economic) over the others. The SAN standards include the most comprehensive environmental criteria in existence. They cover an array of areas, including: soil and water conservation; the protection of wildlife and forests; planning and monitoring; responsible waste management; and the prohibition of dangerous pesticides and genetically modified organisms. Additionally, the SAN standards encompass a range of worker protection issues identified by the International Labour Organization, including the right to organise; the right to a safe, clean working environment; the right to be paid at least the national minimum wage; the right to dignified housing (including potable water); access to medical care for workers and their families; and access to free education for children. Farmers who work with the Rainforest Alliance also learn to increase productivity and control costs, often producing higher quality crops that can earn a better market price.

The Forest, Climate and Communities Alliance (FCCA) project is an initiative funded by the United States Agency for International Development (USAID) Global Development Alliance (GDA) The Norwegian Development Agency (NORAD) and implemented by Rainforest Alliance (RA) in two countries: Ghana and Honduras. The project among other things is designed to demonstrate the value of ecosystem services, focusing on forest carbon and co-benefits through Reduced Emissions from Deforestation and Degradation (REDD) and using Sustainable Forest Management (SFM) as a main instrument to arrest the drivers of degradation and deforestation.

Its overall goal is to:

Increase economic opportunities for poor, marginalized forest-based communities and community-based forest enterprises (CBFEs), and combat deforestation and degradation of tropical forests that is contributing to global climate change and loss of biodiversity by adding REDD as part of an integrated approach that uses sustainable forest management as its central instrument.

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