



NEWS RELEASE

OLAM INTERNATIONAL ENCOURAGES AFRICAN OIL PALM PRODUCERS TO ADOPT BEST PRACTICE PLANTING PROCEDURES TO ENSURE THE LONG-TERM VIABILITY OF THE INDUSTRY

Libreville, Gabon, October 14, 2013 – As gold sponsor of the 2nd Palm Oil Africa conference, leading global agri-business, Olam International, is pleased to announce that its keynote address will focus on best practices in oil palm plantation development, bringing to bear its deep understanding of the African agricultural sector and rural community landscape.

Olam's Global Head of Plantations for Palm, Supramaniam R. Ramasamy, will demonstrate how large-scale industrial development can still remain compatible with the three tenets of sustainability – economic, social and environmental – but only if companies are prepared to work in line with current best practice guidelines, such as the Roundtable on Sustainable Palm Oil (RSPO), collaborate with stakeholders and commit to the long-term financial investment required.

In 2010, as part of its aim to shift the country from dependence on oil, gas, timber and mining exports, the Government of Gabon entered into a 30/70 joint venture with Olam to develop commercial palm oil plantations supported by outgrower programmes. To date, Olam has planted 5,857 hectares of the 32,293 hectares identified as suitable for planting¹, while actively managing a further 29,891 hectares of conservation areas set aside to provide habitat for wildlife, maintain ecosystem services and preserve local people's traditionally important sites, such as fishing grounds and sacred places.

Key points from the address will cover:

Economic

- The catalytic role of Private Public Partnerships in accelerating the growth of African agriculture, as well as opening up platforms for wider economic development. Development Finance Institutions, in particular, recognise the strategic importance of supporting progressive government policies that attract experienced and responsible global operators into the key sector of agriculture;
- Through direct foreign investment, job creation and capacity building for a range of skills required now and in the future. It is estimated that palm plantations create one job for every eight hectares developed, while palm outgrower programmes offer communities the opportunity for integration and smallholders to directly gain from the economic investment;

Environment

- The benefits of taking a landscape approach to responsible development: Olam will share the key points of its site selection strategy in the context of Gabon, where the



conservation-minded Government has maintained 88% forest cover and one of the lowest deforestation rates in Africa. Olam has worked with the National Parks Agency to identify least-impact development options, and its site-level investigations are being fed back to the Government of Gabon to inform relevant aspects of national land-use planning;

- The need to invest in extensive third party verified Environmental and Social Impact Assessments and the importance of industry standards such as RSPO, while also committing to continual gap assessments. To date, Olam has invested over US\$1 million in environmental due diligence and anticipates on going environmental and social investment costs of approximately US\$1.5 million per annum. As a result of its due diligence processes, including broad stakeholder consultation, Olam has declined development options which would have impacted primary forests and landscape-level priority ecosystems;
- The approach to protect High Conservation Value areas by preserving natural habitat blocks and linking them at site-scale via 'corridors', and developing long-term Faunal Management Plans;

Social

- The reality that enduring success for agri-business is only viable when companies establish equitable and transparent relationships with local communities and accept the long-term commitment therefore required to understand and resolve community land rights and customary usage of forest areas;
- The importance of the Free, Prior and Informed Consent process even if, as in the case of Olam, no communities or indigenous peoples are found to be living in concession areas. Equally how agri-business can help maintain food security by supporting smallholder agricultural programmes, while protecting broad areas between villages and plantation boundaries for traditional uses;
- That community investment is intrinsic to project costs – for example in Olam's Mouila plantation, 950 hectares have been set aside for continued customary use and agriculture; 3 dispensaries, 2 kindergartens and 17 hydraulic pumps constructed; over 1,000 solar lamps installed; and 1,000 HIV test kits provided.

Gagan Gupta, Olam's country head for Gabon commented: "The level of interest from global companies in the African opportunity is immense. And, while we have faced challenges and learned lessons along the way, after 24 years on the continent, Olam is able to assess what is appropriate to pursue but just as importantly, with whom to work, so that collaborative investments have the best chance of creating long-term value for all parties."

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Notes

¹ Olam has partnered with the Government of the Republic of Gabon in a 70/30 Joint Venture to develop 100,000 hectares of palm plantations over two phases out of a total leasehold land bank of 300,000 hectares allocated for developing Palm and Rubber plantations in Gabon. During the first phase, Olam Palm Gabon plans to develop 50,000 hectares of industrial palm plantations. Upon successful completion of the first phase, smallholder oil



palm plantations will be developed to enable communities to fully benefit economically from oil palm development.

The development is expected to take place over several years until 2019. Areas allotted to date for potential oil palm plantation development are shown [here](#).

About Olam International Limited

Olam International is a leading global integrated supply chain manager and processor of agricultural products and food ingredients, supplying various products across 16 platforms to over 13,600 customers worldwide. From a direct presence in more than 65 countries with sourcing and processing in most major producing countries, Olam has built a global leadership position in many of its businesses, including Cashew, Spices & Vegetable Ingredients, Cocoa, Coffee, Rice, Cotton and Wood Products. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 50 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, 2010 and 2012 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 Fortune.

More information on Olam can be found at www.olamonline.com.

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