Olam

Unlocking long-term value and driving sustainable growth

Strategy Report
Annual Report 2020
Olam International Limited

About Olam

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 17,300 customers worldwide. Our value chain spans over 60 countries and includes farming, a direct and indirect sourcing network of an estimated five million farmers, processing, distribution and trading operations. We are organised by two operating groups – Olam Food Ingredients (OFI) and Olam Global Agri (OGA) both held by the parent Olam International Limited (OIL) which provides stewardship and acts as an accelerator, incubating new growth engines.

Through our Purpose to 'Re-imagine Global Agriculture and Food Systems', Olam aims to address the many challenges involved in meeting the food, feed and fibre needs of a growing global population, while achieving positive impact for farming communities, our planet and all our key stakeholders.

Headquartered and listed in Singapore, Olam currently ranks among the top 30 largest primary listed companies in terms of market capitalisation on SGX-ST.

Since June 2020, Olam has been included in the FTSE4Good Index Series, a global sustainable investment index series developed by FTSE Russell, following a rigorous assessment of Olam's supply chain activities, impact on the environment and governance transparency. The FTSE4Good Index Series identifies companies that demonstrate strong Environmental, Social and Governance (ESG) practices and is used by a variety of market participants to create and assess responsible investment funds.

Image Right:

Through our Purpose, we seek to achieve three outcomes, one of which is Prosperous Farmers and Food Systems. We source products from over 5 million farmers, many of whom we support through our sustainability programmes.

About this report

Our 2020 report is made up of three chapters: Strategy Report, Governance Report and Financial Report.

Strategy Report: This chapter offers narrative about our strategy, our performance and key market factors and trends. It can be read independently as an Executive Summary or as part of the full report.

Strategy Report

Governance Report

Financial Report

The full report is available online at olamgroup.com/investors

Image disclaimer

A number of images used in this report were taken prior to COVID-19.

Unlocking long-term value and driving sustainable growth

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Unlocking long-term value and driving sustainable growth

Our Governing Objective To maximise long-term intrinsic value for our continuing shareholders

Our Purpose Re-imagining Global Agriculture and Food Systems

Our Vision To be the most differentiated and valuable global food and agri-business

Re-organisation Plan
One holding company and two operating groups
(January 2020 onwards)

Carve-out and separation of OFI and OGA is estimated to be completed by the end of 2021

IPO and concurrent demerger of OFI by H1 2022, pursue similar strategic options for OGA

Three separate entities
Olam International (OIL), Olam Food Ingredients (OFI) and Olam Global Agri (OGA) by end of 2023

How do we unlock value?[1]

As announced in January 2020 we are undertaking a re-organisation of our business to create two new coherent operating groups, Olam Food Ingredients (OFI) and Olam Global Agri (OGA), that are well-positioned for further growth in line with key customer trends and market opportunities.

This aims to unlock and maximise Olam's long-term value via a carve-out, IPO and concurrent demerger first of OFI and OGA subsequently.

The carve-out and separation of OFI and OGA is estimated to be completed by the end of 2021.

Following a comprehensive strategic review, the planned IPO of OFI is expected by H1 2022. The Olam Group is also evaluating a scheme of arrangement which would see Olam's listing status on the Mainboard of the Singapore Exchange Securities Trading Limited move to a new holding company. It is intended that OFI will be demerged from the Olam Group by way of a distribution in specie of shares in OFI to Olam shareholders at the point of demerger, in conjunction with the IPO.

In parallel, we continue to explore similar strategic options for maximising the value of OGA within the Olam Group.

Olam International Limited (OIL)

1. Interim stewardship

Holding company for OFI and OGA until carve-out, IPO and demergers are completed:

- OFI targeting completion in H1 2022.
- OGA targeting completion in 2023.

2. Accelerator

- Responsible divestment of de-prioritised assets and exiting businesses.
- Nurturing and partial/full monetisation of gestating businesses.
- Incubate new platforms for future growth (Engine 2).

Responsible divestment of de-prioritised assets and exiting businesses

Nurturing and partial/full monetisation of gestating businesses (Packaged Foods, Infrastructure and Logistics and Olam Palm Gabon)

Incubate new platforms for future growth (Engine 2)

Please see page 54 for more information

1. Please read the cautionary statement on the Re-organisation Plan on page 13.

Olam Food Ingredients (OFI)

- Industry-leading businesses offering sustainable, natural, value-added food ingredients which are 'on-trend'
- Comprises five businesses: Nuts, Spices, Dairy, Coffee and Cocoa

Integrated sustainable sourcing and value-added ingredient solutions				
Nuts	Spices	Dairy	Coffee	Cocoa
Large, attractive and growing key end-use categories				
Beverages	Bakery	Confectionery	Snacking	Culinary
Global and diversified blue-chip customer base				

Please see page 28 for more information

Olam Global Agri (OGA)

- A market leading and differentiated food, feed and fibre global agri-business with unique focus on high-growth emerging markets, delivering high returns
- Comprises five businesses: Grains and Animal Feed & Protein, Edible Oils, Rice, Cotton and Commodity Financial Services (CFS)

Food & Feed (Grains and Animal Feed & Protein, Edible Oils and Rice)		Fibre & Ag Services
Origination & Merchandising	Processing & Value-added	Cotton & CFS

Please see page 42 for more information

Delivering value through our capitals

Across our footprint, we create value for our stakeholders by investing in human capital, natural capital, social capital, intellectual capital, manufactured capital and intangible capital that build valuable strategic assets, driving long-term value.

Human
Please see page 76 for more information

Intellectual
Please see page 104 for more information

Manufactured
Please see page 122 for more information

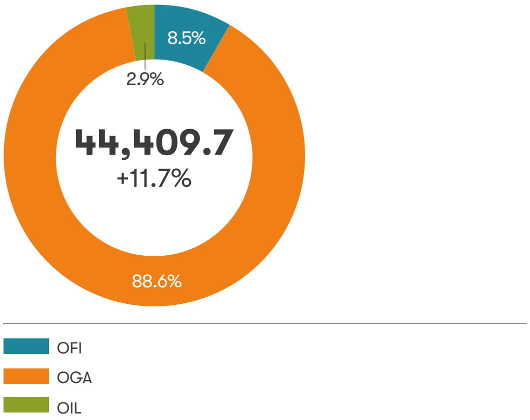
Natural
Please see page 88 for more information

Social
Please see page 106 for more information

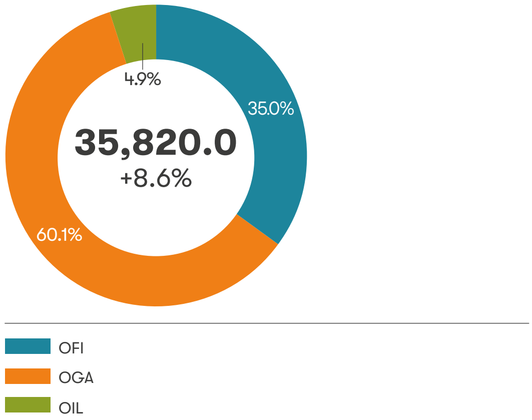
Intangible
Please see page 126 for more information

Our financial and performance highlights

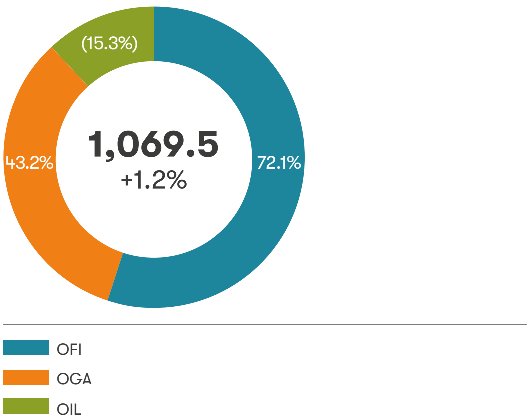
Volume
('000 Metric Tonnes)



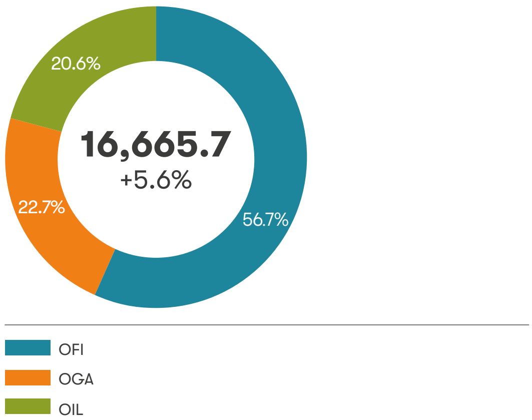
Revenue
(S$million)



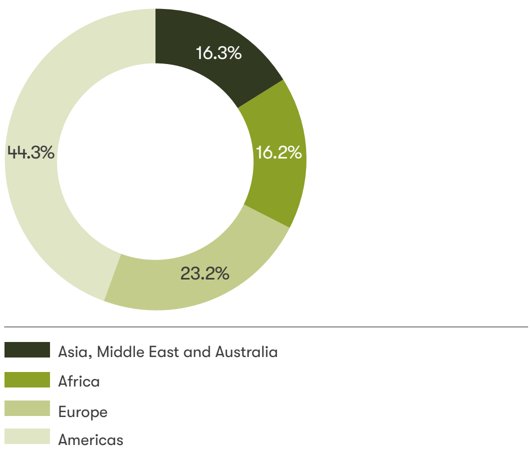
EBIT
(S$million)



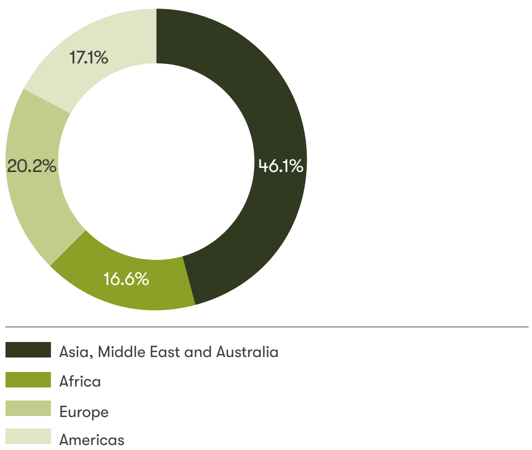
Invested Capital
(S$million)



Group Sourcing Volume by Region



Group Sales Revenue by Region



Financial highlights

For the 12 Months Ended 31 December
(S$million)

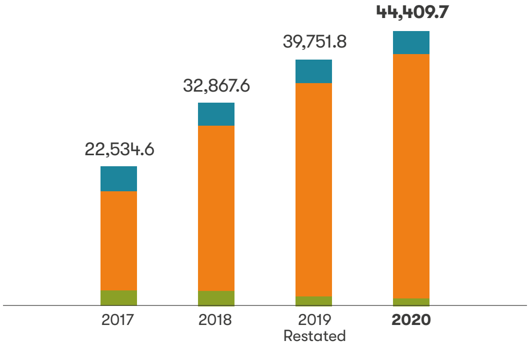
	2020	2019 Restated	% Change
Profit and Loss Statement			
Sales Volume ('000 Metric Tonnes)	**44,409.7**	39,751.8	11.7
Sales Revenue	**35,820.0**	32,992.7	8.6
Earnings Before Interest and Tax*	**1,069.5**	1,057.3	1.2
Profit Before Tax	**221.7**	335.6	(33.9)
Profit After Tax and Minority Interest	**245.7**	316.1	(22.3)
Operational Profit After Tax and Minority Interest*	**677.8**	498.2	36.0
Per Share			
Earnings Per Share basic (cents)	**5.9**	8.2	(28.0)
Operational Earnings Per Share basic (cents)*	**19.5**	13.9	40.3
Net Asset Value Per Share (cents)	**182.3**	189.1	(3.6)
Net Dividend Per Share (cents)^	**7.5**	8.0	(6.3)
Balance Sheet			
Total Assets	**26,702.6**	25,812.0	3.5
Total Invested Capital	**16,665.7**	15,789.3	5.6
Total Debt	**14,159.4**	13,079.2	8.3
Cash and Cash Equivalents	**3,115.9**	3,179.6	(2.0)
Shareholders' Equity	**5,962.5**	6,185.2	(3.6)
Cash Flow			
Operating Cash Flow Before Interest and Tax	**1,697.3**	1,455.8	16.6
Net Operating Cash Flow After Changes in Working Capital and Tax	**536.4**	1,360.2	(60.6)
Free Cash Flow to Firm	**(155.2)**	690.7	n.m.
Free Cash Flow to Equity	**(592.2)**	134.9	n.m.
Ratios			
Net Debt to Equity (times)**	**1.72**	1.50	0.22
Net Debt to Equity (times) adjusted for liquid assets**	**0.63**	0.38	0.25
Return on Beginning-of-period Equity (%)^^	**3.4**	4.7	(1.3)
Return on Beginning-of-period Equity excluding exceptional items (%)^^	**11.2**	7.9	3.3
Return on Average Equity (%)^^	**3.5**	4.7	(1.2)
Return on Invested Capital (%)	**3.7**	4.9	(1.2)
EBIT on Average Invested Capital (%)	**6.6**	6.9	(0.3)
Interest Coverage (times)#	**1.4**	1.5	(0.1)

Note: The 2019 financials have been restated due to a change in accounting policy SFRS(I) 16 as adopted by the Group and implemented with retrospective effect.

* Excludes exceptional items.
^ Proposed final dividend of 4.0 cents is subject to shareholders' approval at the 26th Annual General Meeting.
** Before Fair Value Adjustment Reserve.
^^ Excludes impact of capital securities distribution on net income and capital securities on equity.
\# EBIT on total interest expense.

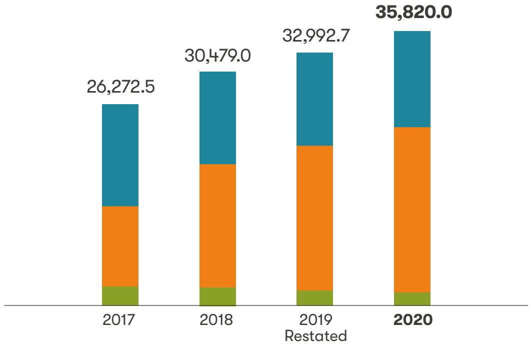
Four-year financial summary

Sales Volume
('000 Metric Tonnes)



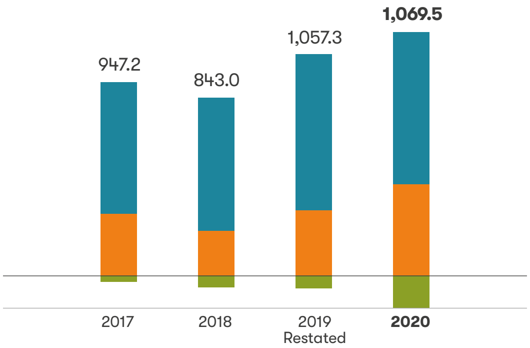
	2017	2018	2019 Restated	**2020**
OFI	4,003.0	3,791.0	3,812.2	**3,786.6**
OGA	16,035.5	26,615.1	34,367.7	**39,355.6**
OIL	2,496.1	2,461.5	1,571.9	**1,267.5**

Sales Revenue
(S$million)



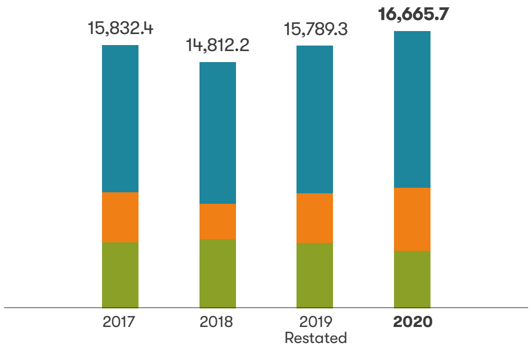
	2017	2018	2019 Restated	**2020**
OFI	13,277.0	12,068.3	12,144.8	**12,546.7**
OGA	10,457.5	15,995.5	18,850.3	**21,515.9**
OIL	2,538.0	2,415.2	1,997.6	**1,757.4**

Earnings Before Interest and Tax
(S$million)



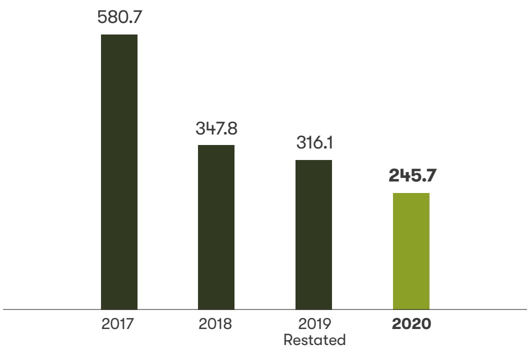
	2017	2018	2019 Restated	**2020**
OFI	667.8	677.9	793.6	**771.1**
OGA	312.4	225.4	329.5	**462.4**
OIL	(33.0)	(60.3)	(65.8)	**(164.0)**

Invested Capital
(S$million)

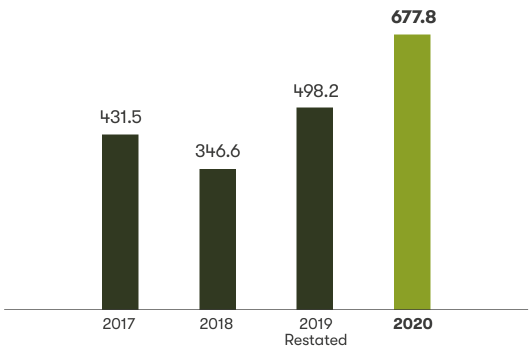


	2017	2018	2019 Restated	**2020**
OFI	8,876.7	8,552.7	8,896.5	**9,442.9**
OGA	2,997.9	2,121.8	2,971.5	**3,779.6**
OIL	3,957.8	4,137.7	3,921.3	**3,443.2**

Profit After Tax and Minority Interest
(S$million)

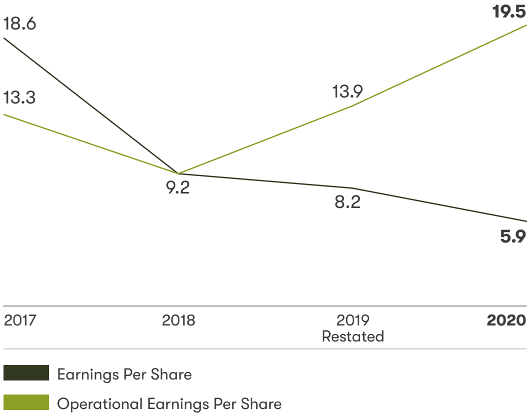


Operational Profit After Tax and Minority Interest*
(S$million)

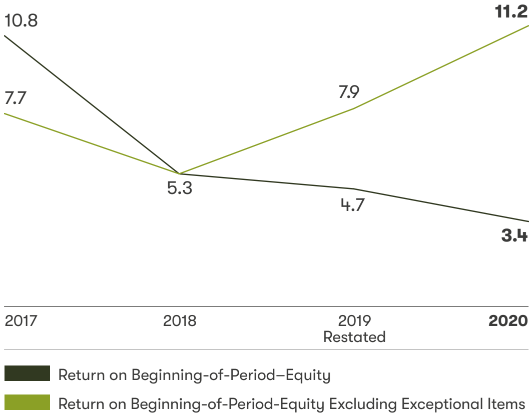


* Excludes exceptional items.

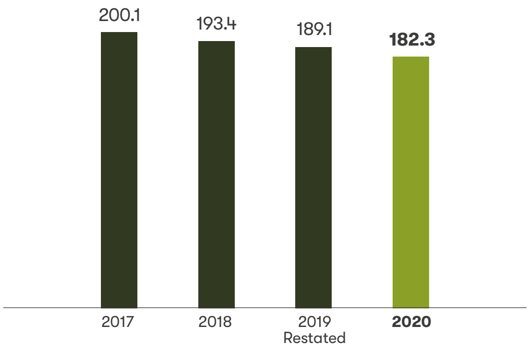
Earnings Per Share
(cents)



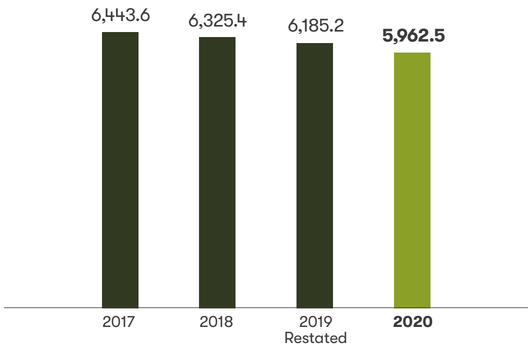
Return on Equity^^
(%)



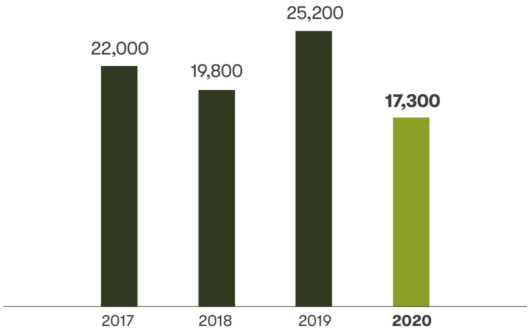
Net Asset Value Per Share
(cents)



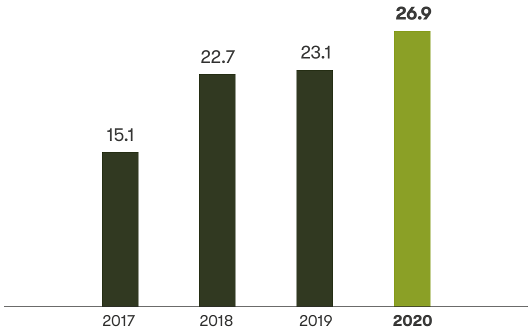
Shareholders' Equity
(S$million)



Number of Customers



Top 25 Customers' Share of Total Sales Revenue
(%)



^^ Excludes impact of capital securities distribution on net income and capital securities on equity.

Unlocking long-term value and driving sustainable growth

> In the midst of a pandemic, our diversified portfolio and footprint in more than 60 countries enabled the Group to navigate challenges for customers, keep essential products moving, and contribute to the planet's food security.

Lim Ah Doo
Chairman, Non-Executive and Independent Director

The events of the past year have underlined the importance of Olam in the world's food and agri supply chain. In the midst of a pandemic, our diversified portfolio and footprint in more than 60 countries enabled the Group to navigate challenges for customers, keep essential products moving, and contribute to the planet's food security.

The strength of our global stakeholder relationships and continued focus on risk management – including by ensuring Business Continuity Programmes were tested and fit-for-purpose – were also critical to Olam's response to COVID-19.

Employee welfare was a top priority. At the same time, I am also proud that our team stepped up to help others. Olam has committed humanitarian aid globally worth over US$7 million towards the fight against COVID-19 in our communities. In Singapore, where Olam is headquartered, Board members and employees generously matched donations by the Group dollar-for-dollar to The Courage Fund to support frontline workers and the disadvantaged.

Strong financial performance

At the same time, the Board and senior management of the Olam Group remained focused on creating value for shareholders. It is therefore pleasing to report a significant year in terms of both financial and operational performance.

While not immune to the impact of COVID-19, especially in the first half of 2020, the Group was able to navigate the challenges to improve recurring income, or Operational PATMI, by 36.0% to S$677.8 million in the year, its strongest showing in several years.

Olam's two new operating groups following our re-organisation – OFI and OGA – were resilient. OFI grew EBIT by 43.3% in H2 2020 after rebounding from the impact of COVID-19 in the first half of the year. This steady performance overall also has to be seen against a strong year in 2019. OGA improved EBIT by 40.3% for the full year, on strong and sustained demand for food staples. OIL, meanwhile, continued to play its role in releasing cash by divesting de-prioritised assets, as well as nurturing gestating businesses and incubating new growth initiatives for the Group.

Against this set of results, the Board has recommended a final dividend of 4.0 cents per share, for a total dividend of 7.5 cents per share for 2020.

Delivering on Strategy; progressing on Re-organisation

In the past year, Olam continued to make headway in the implementation of its Strategic Plan, as the rest of this report will demonstrate.

The Group is paving the way for its longer-term growth, as it progresses further with its Re-organisation into OFI, OGA and OIL. The Board had endorsed this initiative as we believe it will maximise the long-term value of the entire Group. As you read this report, OFI is preparing for an initial public offering and concurrent demerger from the Group – subject to shareholder and regulatory approval – by H1 next year, while similar strategic options are being explored for OGA at the same time.

Part of the Re-organisation will necessitate strategic investments – both into enhancing capabilities and strengthening our operational footprint so Olam can drive growth organically and for accretive acquisitions aligned with our Strategic Plan.

Board Stewardship

Amid this inflexion point for Olam, the Board continues to draw on the collective wisdom, broad perspectives and experience of the Directors to provide insights and counsel. Board discussions and meetings were held frequently to review the developments and the performance of the business and operations in light of the pandemic that had impacted companies and the economy globally.

During the year in review, Mr Norio Saigusa replaced Mr Yutaka Kyoya on the Board. Mr Saigusa is Executive Vice President and Group CEO of the Food Industry Group of Mitsubishi Corporation, and further augments the Board's skillsets and diversity of views.

The composition of the Board Committees was also refreshed so that the Directors could more closely partner with senior management in navigating the turbulence of 2020.

The Audit Committee and Board Risk Committee, for instance, collaborated to build on the Group's Integrated Risk and Assurance Framework, enabling better risk monitoring by the various Olam businesses, functions and the Board. The Corporate Responsibility and Sustainability Committee continues to monitor the Company's commitment towards net positive Living Landscapes participation in the Task Force on Climate-related Financial Disclosures (TCFD) and the impact of climate change on the businesses. The Capital and Investment Committee provided guidance to senior management on the refinancing plans and initiatives to maintain financial strength through the crisis and ensured access to a diversified pool of capital to fund the operations and growth.

Towards Olam's next chapter

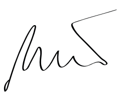
On behalf of the Board, I would like to thank all our shareholders for their continued support. Having further bolstered our Environmental, Social and Governance (ESG) credentials, by being included in the FTSE4Good Index Series, we look forward to welcoming more investors who share Olam's commitment to responsible and sustainable business growth. I would also like to recognise the strength and depth of our relationships with customers and suppliers; it is together that we have faced the challenges of the past year.

Most importantly, I would like to express my gratitude to our team of 81,600 people for their grit and determination during the pandemic and their unwavering commitment to the Group's Purpose. Talent remains Olam's true competitive advantage, and it is heartening to know that the Group was identified as an employer of choice across many key markets and regions globally in 2020.

My thanks also go to my fellow Board members, who had committed substantial amounts of time in guiding and supporting senior management through an unprecedented year.

COVID-19, as well as macroeconomic and geopolitical uncertainties, will continue to define our operating environment in the near term. But Olam has firm foundations on which we continue to build to meet the demands of our customers and create value for our shareholders and other stakeholders. The Board will continue to provide oversight and work with senior management on the Re-organisation to re-imagine Olam and establish new pathways for growth so that the Group will thrive in the post-COVID world.

Thank you.



Lim Ah Doo
Chairman, Non-Executive and Independent Director

A year unlike any other

"The re-organisation of Olam is being undertaken from a position of strength, and builds upon the strong foundation laid over the last 31 years. It sets us on a firm path towards driving sustainable growth that will both unlock and create further long-term value for all our stakeholders."

Sunny Verghese
Co-Founder and Group CEO

The COVID-19 pandemic has made 2020 one of the most extraordinary years of our lives. Statistically speaking, it evolved as a 'bimodal' problem with unknown probabilities and unbounded outcomes. This amplified the uncertainty surrounding this pernicious disease making it more difficult to plan, cope and navigate through this crisis.

What started out as a health pandemic has unfortunately mutated firstly into a hunger pandemic, with an estimated additional 135 million people reaching the level-C stage of food insecurity (unable to survive without external food assistance) and, secondly, into a poverty pandemic, with an estimated 100 million people additionally falling below the monetary poverty line definition of US$1.90 per day in low income countries. Nor is it over yet with the epidemiological trajectory still uncertain. It continues to test us all in different ways as individual human beings, as business leaders, as companies, and as communities and societies. Olam's Purpose – Re-imagining Global Agriculture and Food Systems – to help produce more food, feed and fibre to meet the needs of a growing population within our planetary limits – has never been more timely.

Certainly it has been the passion, commitment, ingenuity and resourcefulness of the entire Olam team as they have lived up to both our Purpose and Values over the last year that has helped us deliver strong financial, operational, strategic and organisational outcomes despite this context.

In terms of financial performance, we delivered a 36.0% growth in Operational PATMI in 2020 to S$677.8 million with Operational ROE improving 330 basis points to 11.2%. This has been one of our strongest years on record, achieved while navigating through both a pandemic as well as a major re-organisation of the Company into two new distinct operating groups and a holding company.

Despite the strength of our results, as with many companies, we did not escape from the pandemic unscathed: the inability to implement the drip irrigation project for our Gabon palm plantations due to COVID-19 and lockdown restrictions, led to a project delay of 12-18 months with a potential adverse impact on yields and returns. We recorded a prudent one-off, non-cash and non-recurring impairment arising from a reduction in the recoverable value of the Company's investment in Olam Palm Gabon amounting to approximately S$483.9 million. This impairment was the main reason for the S$432.1 million of net exceptional losses recorded during the year, which caused our reported PATMI to decline to S$245.7 million.

Disciplined execution of our strategy has contributed to a material step up in competitiveness which underpinned a 11.7% volume growth compared to an industry growth rate estimated at 2-2.5% allowing us to gain market share in most of the categories that we participate in.

From an organisational effectiveness standpoint, our engagement scores have improved by 5% points in the managerial population and by 13% points across the larger employee population in 2020 compared to the previous survey. This is our largest improvement in engagement scores since the inception of these surveys. We have also been ranked as Best Employer, Great Place to Work, Great Place to Work and Learn, and Best Company to Work For, in 10 countries in 2020 and 2021.

Unlocking further value: update on Olam's Re-organisation Plan

In January 2020, we announced Olam's Re-organisation Plan to explore strategic options that would unlock and illuminate the current value in the business as well as develop new strategic pathways to create additional long-term value on a sustained basis.

We seek to achieve this by re-organising, simplifying and focusing our current diverse portfolio of businesses into two new coherent operating groups: Olam Food Ingredients (OFI) and Olam Global Agri (OGA) comprising businesses that are more similar in nature, linked by an underlying logic, and importantly aligned to key consumer food and agri-business trends respectively. Each of these two new groups has a compelling vision, a distinct equity story, and a reliable game plan for profitable growth.

OFI: is an attractive play for the growing demand for mostly natural, plant-based, sustainably sourced and traceable food ingredients and solutions so that consumers can enjoy the healthy and indulgent products they love. OFI is a global leader in its chosen categories comprising Nuts, Spices, Dairy, Coffee and Cocoa. OFI has built a uniquely integrated global food ingredients value chain including its own farms, farmgate origination, manufacturing facilities and innovation centres. It partners with customers, leveraging its complementary and differentiated portfolio to co-create solutions that anticipate and meet changing consumer preferences as demand increases for healthier food that is traceable and sustainable. It demonstrates best-in-class ESG credentials and is structurally positioned to benefit from the key ongoing shifts in food consumer trends.

OGA: is a market leading and differentiated global food, feed, and fibre agri-business focused on emerging markets, especially Africa and Asia, to meet the rising demand for food staples and fibre as well as the shift to protein-based diets in these regions. This demand is then linked with an asset light origination model with strong freight capabilities from North America, Europe, Black Sea countries, Latin America and Asia. Comprising Grains, Animal Feed & Protein, Edible Oils, Rice, Cotton and Commodity Financial Services, OGA has built proprietary and differentiated operating capabilities, including significant strengths in farming, global origination, merchandising, trading, processing and manufacturing, logistics (inland and marine), distribution, risk management, and its deep understanding and insights via its on-the-ground presence in these origins and markets over the last 31 years.

OIL: Olam International (OIL) as the parent company of OFI and OGA, provides stewardship to the operating groups until the Carve-out, IPO and Demerger of these groups while ensuring the continuity of the 'Olam Way', including the Group's unique entrepreneurial culture during this period. It implements cross-cutting initiatives, such as AtSource; drives key enablers such as sustainability and digital transformation; and offers shared services to optimise synergies across its operating groups.

OIL is responsible for the divestment of non-core assets and businesses identified in the 2019-2024 Strategic Plan and redeploying the capital released. In addition, it will focus on developing our three gestating businesses – Olam Palm

> Our intention is for OFI to be demerged from the Olam Group by a distribution in specie of shares in OFI to Olam shareholders, which means Olam shareholders can directly own their shares in OFI and participate in its continued growth prospects.
>
> In parallel, we are pursuing similar strategic options for OGA.

Gabon (OPG), Packaged Foods and the Infrastructure and Logistics business (organised under the ARISE platform) while exploring opportunities to partially or fully monetise these investments over time.

OIL is also responsible for incubating new platforms for growth (Engine 2). Currently it is working on six Engine 2 initiatives, including a digital farmer services platform (Jiva), a B2C (Adva) and a B2B (GreenPass) sustainability lifestyle environmental footprinting and solutions app; a carbon trading and sustainable landscapes investment platform; a B2C purpose brands business 'Re~'; and an externalised digital sustainability project built from our successful proprietary AtSource platform.

Re-organisation update

Step 1

Re-segmentation

- Re-segmented the current business into two new operating groups (OFI and OGA) under Olam International (OIL).
- Developed new reporting segments, key financial metrics for each operating group.
- Reported H1 2020 and 2020 results on basis of new operating groups and segments with historical comparative financials.

Status: Completed

Step 2

Re-organisation

- Developed Targeted Operating Model (TOM) for the new operating groups, including embedded business, country/ regional structures and central functions.
- Dedicated leadership and management teams for each of the operating groups in place.
- Hiring of new talent for the key capabilities required to pivot both the OFI and OGA businesses is underway.

Status: Completed

Step 3

Carve-out and Separation

- Dedicated implementation teams for Separation, IPO and Demerger set up.
- Programme Office, independent financial advisors, legal and tax advisers, PR and IR advisers appointed.
- Carve-out and Separation to be completed for OFI and OGA by end-2021.

Status: Underway

Target completion by end 2021

Step 4

OFI IPO and Concurrent Demerger, OGA Strategic Options[1]

Subject to shareholder and regulatory approvals:

- Target OFI listing by H1 2022.
- OFI will be demerged from the Olam Group by way of a distribution in specie of shares in OFI to Olam shareholders at the point of demerger.
- In parallel, explore similar strategic options for maximising the value of OGA.

Status: Underway

Target completion by H1 2022

1. Shareholders should note that there is no certainty or assurance that such listing, scheme and/or demerger will finally occur as planned above.

This re-organisation is being undertaken from a position of strength and builds upon the strong foundation laid over the last 31 years and sets us on a firm path towards driving sustainable growth that will both unlock and create further long term value for all our stakeholders.

One year on, we have made significant progress in executing the Re-organisation Plan:

Step 1: Re-segmentation.
We have completed the first step of re-segmenting our businesses and have also refreshed how each operating group reports its segments, as seen in the dedicated OFI, OGA and OIL sections of this report. Based on the feedback we have received from investors and others, we have chosen specific key performance metrics that are most relevant to OFI and OGA which would help investors to model the prospects of each operating group. We have started reporting on the basis of these new segments from H1 2020 and Full Year 2020.

Step 2: Re-organisation.
We have also completed the re-organisation of OFI and OGA, with dedicated leadership and management teams put in place for each as well as, new targeted operating models and new organisational structures designed with embedded country management and central functions for each operating group. As OFI and OGA continue their transformation, we are assembling and acquiring new talent and capabilities to enable them to execute on their new game plan.

Step 3: Carve-out and Separation.
We have set up dedicated implementation teams for Separation, IPO and Demerger. Given that Olam is present in more than 60 countries, with multiple operating entities, the Separation is a complex exercise. We have set up the programme office, appointed independent financial, legal and tax advisors. We have also developed a detailed separation plan and we expect to complete the separation and carve-out of OFI and OGA by December 2021, which sets us up well for the next steps.

Step 4: OFI IPO and Concurrent Demerger, pursue similar strategic options for OGA.
The Company has appointed joint financial advisers and legal advisers to assist in preparing OFI for listing by H1 2022. As part of the re-organisation, the Olam Group is also evaluating a scheme of arrangement which would see Olam's listing on the Mainboard of the Singapore Exchange Securities Trading Limited move to a new holding company. It is intended that OFI will be demerged from the Olam Group by way of a distribution in specie of shares in OFI to Olam shareholders at the point of demerger in conjunction with the IPO.

In parallel, the Company continues to explore similar strategic options for maximising the value of OGA within the Olam Group.

Cautionary Statement on Re-orgnisation Plan

The Company wishes to highlight that any such listing, scheme and demerger, including the timing, terms and other details thereof, are subject to all requisite approvals and clearances from the regulatory authorities, relevant approvals of shareholders of the Company, the approval of the Singapore courts, and prevailing market conditions.

The Board of Directors of the Company (the 'Board') may also decide not to proceed with the scheme, listing and/or demerger, even if the said approvals and clearances have been obtained, if the Board deems it not in the interests of the Company and its shareholders to do so, having regard to the prevailing circumstances and relevant factors at the material time.

Accordingly, shareholders of the Company should note that there is no certainty or assurance that such scheme, listing and/or demerger will finally occur or in the form as described here.

As the re-organisation progresses, the Company will provide updates to shareholders and stakeholders on the process, listing venue and related developments, and will seek the requisite approvals and clearances from shareholders and the relevant authorities, at the appropriate times, in accordance with applicable laws and regulations and the listing rules of the SGX-ST and other relevant regulators, as applicable.

> While the short-term impact of COVID-19 will continue, we believe our sector is poised for a strong recovery. For Olam, because 80-85% of our revenue is in the food category, which is less sensitive to recessions and economic down cycles, we expect to be able to better navigate the demand-led uncertainties around COVID-19 in the year ahead.

Continuing to deliver on our 2019-2024 Strategic Plan

Whilst 2020 taught us much it also underlined the strength and resilience of our strategy. In the case of OFI with its alignment to the health, wellness and sustainability trends that have since accelerated as a result of the pandemic; and in the case of OGA, its alignment to the growing demand for food, feed and fibre and the change in dietary habits from a carbohydrate and cereal based diet to a more protein and fat-based diet in emerging markets. The strength of our connection to farmers and rural communities, and the importance of being a Purpose-driven company to inspire our workforce, and achieve system change in the Food and Agri-sector while enhancing the multiple strong partnerships we depend upon, have all been key contributors to our strategic effectiveness.

In 2020 (second year of the Strategic Plan), we continued to execute on key initiatives outlined in our Strategic Plan including:

- Targeted investments to pivot OFI to become a more value-added ingredients and solutions business. These included four investments in expanding the Spices dehydrates business (acquisition), entry into the green chilli pepper business (acquisition), Soluble Coffee in Brazil (greenfield) and Dairy processing in New Zealand (greenfield).
- Strong execution of the OGA strategy to establish it as a leading food, feed and fibre business focused on emerging markets with high returns: initiatives in this regard include the acquisition of the cotton business of Nouvelle Société Cotonnière du Togo, and successful integration of Dangote Flour Mills.
- In the case of OIL, successful divestments of our remaining 50.0% stake in Indonesian sugar refinery Far East Agri, completion of the sale of the Mungindi gin in Australia and our sugar mill in India, with the realisation of a net gain from these divestments; wind down and closure of Olam Tomato Processors in California; and restructuring of NZFSU's dairy farming operations in Uruguay. Post 2020, we sold our residual stake in Open Country Dairy in New Zealand as well as our Coffee plantations in Brazil.
- We have had good success in strengthening and building further capabilities in sustainability, digitalisation, innovation, private label, food service, e-commerce and freight management – all key building blocks for the transformation of OFI, OGA and OIL.

COVID-19: Impact and outlook

Following the COVID-19 pandemic, we were focused on delivering three key priorities in 2020: i) successfully navigate through the pandemic and emerge stronger; ii) execute our 2019-2024 Strategic Plan and deliver on our strategic and financial goals for 2020 and beyond; and iii) deliver on our Re-organisation Plan that we announced in January 2020. As described in the earlier sections of my review, I am pleased that we have done very well against all three objectives and are seeing growing benefits flow to both our financial performance and our competitive position. Our resilient performance amid COVID-19 is a testament to the strength of our diversified portfolio, our differentiated strategy, our committed, dedicated teams, and the unique Olam spirit and culture.

From the outset of the crisis, we focused on five priorities in navigating the pandemic:

1. Ensure the health and safety of our employees and food safety for our customers.
2. Business Continuity Plans activated in all key countries and sites in Europe, Africa, Americas and Asia.
3. To mitigate the impact on demand, supply and financial markets, we were able to successfully execute several handbrake levers across the Company.
4. A tiered mitigation plan put in place to pull additional handbrake levers in the event of a second wave, and 'break glass' levers should the situation deteriorate.
5. Enhancing stakeholder engagement: supporting our stakeholders, particularly farmers and communities in vulnerable countries, and preparing for evolving our business model in a post COVID-19 world in consultation with supply chain partners.

I am pleased to share that we were able to assist some 11.5 million people across 33 countries from our various COVID-19 initiatives taken over the past year. We will go into more detail in the COVID-19 section of this report, which I encourage you to take a further look at and importantly, to join us in our continuing efforts to help those affected most.

From a business perspective, we are seeing market conditions and sentiments improve as economies snap back from the worst impacts of COVID-19 in 2020. We expect this favourable market environment and improving market conditions to continue in 2021.

Volume and demand for food and agri-products have picked up significantly due to the rapid recovery in China and in many Asian markets, as lockdown measures eased. This improvement in sentiment is further bolstered by the substantive fiscal support from governments and monetary easing by central banks.

The pandemic has also resulted in an increased demand for at-home consumption globally and accelerated consumption patterns, such as greater emphasis on food that is safe and healthy. As customers adapt quickly to the new normal, so too has Olam responded nimbly to help customers navigate supply chain challenges by tapping into the scale and reach of our global networks to deliver their requirements more reliably and resiliently.

While the short-term impact of COVID-19 will continue, we believe our sector is poised for a strong recovery. For Olam, because 80-85% of our revenue is in the food category, which is less sensitive to recessions and economic down cycles, we expect to be able to better navigate the demand-led uncertainties around COVID-19 in the year ahead.

Living our Purpose

The incredible resilience shown by my fellow team members, and the reason why we remain driven in engaging communities and taking action to support our stakeholders, comes down to having a clear, unifying Purpose.

Our Purpose centres around Re-imagining Global Agriculture and Food Systems. This means addressing the many challenges involved in meeting the needs of a growing global population, while achieving positive impact for farming communities, our planet and all our stakeholders.

COVID-19 has exacerbated many of the intractable developmental challenges affecting people, landscapes and our planet – from climate change, biodiversity loss to social inequity. So we all need to urgently build back better. By the end of 2020, with more than 60 partners, Olam had given direct sustainability support to 773,000 smallholders. A further 2.6 million farmers in India are benefiting from AgriCentral, our farmer services platform in India, and we are scaling the opportunity more widely as explained in the OIL section of this report.

Amid this backdrop, our fourth edition of the Olam Food Prize for Innovation in Food Security, which aims to support scientific research that can deliver transformational impacts to global agriculture, has never been more timely.

Sustainability and our Purpose have never only been about helping farmers or being environmentally friendly – it is one of the four enablers for our over-arching strategy. One way we have done this is through our sustainability insights platform AtSource, which was named a winner of 2020 Reuters Events Responsible Business Supply Chain Award. This Award recognised AtSource for allowing our customers "for the first time… to track the social and environmental footprint of a product from the farmer group, to their factory gate… bringing transparency to what has been a rather opaque part of the commodity industry".

Similarly, sustainability is also giving us greater access to more sources of financing, with two wins at the Asset Triple A Sustainable Capital Markets Country & Regional Awards for Best Issuer for Sustainable Finance, and Best Sustainability-Linked Loan. The new, disruptive 'Engine 2' initiatives – platforms for future growth for the Olam Group – are specifically aligned to our Purpose and will grow our customer base.

We recognise that while we have made many advances on our sustainability journey, we can still do more. We understand the value of listening to stakeholders and in 2020 we continued our broad stakeholder engagement, including with customers, financial institutions and civil society organisations. In last year's report we included a perspective from Oxfam and, during 2020, we continued to engage with them as part of their assessment of progress being made by food and agri-businesses against their sustainability commitments. We are pleased that we both improved on our scores from Oxfam's 2019 assessment and that we continue to lead in three of the five areas. We will take on board recommendations and see where we can both strengthen and scale positive impact. See Intangible Capital page 126.

> "The 2020 Reuters Events Responsible Business Awards recognised AtSource for allowing our customers "for the first time… to track the social and environmental footprint of a product from the farmer group, to their factory gate… bringing transparency to what has been a rather opaque part of the commodity industry."

Our Purpose – Re-imagining Global Agriculture and Food Systems

Prosperous Farmers and Food Systems

Re-designing farming and food value chains so that all players profit fairly from their work

773,000
smallholders receiving sustainability support (19% women; 40% in flagship AtSource Plus and Infinity programmes)

348,000
farmers trained on Good Agricultural Practices

3.9 million
crop seedlings distributed

57,000
people trained on income generating activities (non-Olam crop)

Thriving Communities

Re-vitalising rural communities so that the people who produce food can live well

995,000
people reached with Olam Healthy Living Campaign

78 billion
servings of fortified foods produced (up 58%)

62,000
people trained on literacy and numeracy

129,500
farmers trained on gender and women's rights

Re-generation of the Living World

Re-generating nature, to restore the balance between agriculture and ecosystems in living landscapes

590,000
forest tree seedlings distributed

179,000
farmers trained on conservation

~33%
reduction in GHG intensity for Olam processing operations

~13%
reduction in GHG intensity for third-party supply chain

Olam supports the Ten Principles of the UN Global Compact and through our own business efforts, and in partnership with our customers, we are seeking to actively contribute to progress towards the UN Sustainable Development Goals. As I have called for on many occasions, we cannot do this alone. In my ongoing role as Chair of the World Business Council for Sustainable Development (WBCSD), and new role as Co-Chair of Champions 12.3 (the multi-stakeholder coalition to reduce food loss and waste), I hope to encourage greater collaboration between the private sector and non-governmental organisations to come together to tackle transformation and achieve systems change in the global food and ag systems.

Our People

COVID-19 has been the single worst crisis many of us have faced in our lifetimes – it is certainly true for me. I say this even with the experience that through Olam's more than 31 years, we have weathered many challenges – Ebola, SARS, Zika, civil unrest, natural disasters to name but a few. I would therefore like to acknowledge the dedication, spirit and resilience of every Olam associate across the world. Our employees have been fundamental in driving us forward. They are the reason why I am certain that Olam will emerge stronger. Safeguarding and supporting our employees is our first priority. We continue to double down on our efforts to provide a safe and healthy workplace and to make continuous improvement to reduce work-related injuries for our team of 81,600 people including seasonal and contract employees. The Human Capital section of this report provides more detail on our approach. This section also shares some of the work we are undertaking to improve diversity and inclusion in Olam, with our first set of targets.

Similarly, it is our priority to ensure that our products are safe and healthy for our customers and their end consumers. This is especially crucial considering the scale of our operations.

We have also taken active measures on Nutrition and Health for both our own workforce and for communities which is also outlined in the Social Capital section. Previously focused mainly on Africa, at the start of 2020, the Olam Healthy Living Campaign had been launched globally reaching almost 1 million people by the end of the year. While COVID-19 relief efforts greatly influenced the type of activities, it played a minor role in the scale of what the team had already initiated.

I am deeply thankful to our refreshed leadership and management teams across OFI, OGA and OIL for going above and beyond in making sure that we execute our Strategy while undergoing a transformational Re-organisation, and ensuring we maintained high levels of operational performance and customer focus during the challenges of COVID-19.

I would like to thank our investors for their continued support amid the uncertainty, and my gratitude goes to the Board of Directors for their wise counsel and stewardship of Olam in a year like no other.

As we move ahead with the re-organisation, I am confident that we will unlock further long-term, sustainable value in OFI, OGA and OIL, and allow the Olam Group to continue to serve our stakeholders by being Purpose-led.

Sunny Verghese

Sunny Verghese
Co-Founder and Group CEO

Supporting our stakeholders through COVID-19

Organising our response

- The Crisis Management Committee immediately implemented plans to protect the health and safety of employees, farmers, and communities.
- Demand for food remained strong and increased as stockpiling activities began. In those countries with government-enforced lockdowns, our facilities were granted exemptions being deemed as essential food services.
- We worked hard to ensure that all stakeholders had the best support we could offer.

Customers

Keeping supply chains open

- Through planning, staggered shifts and the vigilance of our workforce, we kept supply chains and processing facilities open, even increasing production capacity in some instances by altering production plans.
- Logistical challenges, such as impacted sea freights and delayed shipments, led to delays in export and movement of goods, so teams worked with customers to minimise disruptions using our multi-origin capabilities. This meant we were also able to support new customers when their usual suppliers faced restrictions.
- Businesses monitored consumption to anticipate demand spikes and support customer pipelines.
- Product development workstreams continued with remote support from overseas hubs, including product formulation, packaging and design. Provided weekly updates to give reassurance that we would be able to meet customer requirements.

Communities and Governments

Living our Purpose to help communities thrive

- Worked with customers, partners and government authorities to support national education and awareness efforts, committing over US$7 million of in-kind and financial support, benefiting over 11.5 million people across 33 countries. Examples include:
  - Leveraging our local and global network to deliver healthcare equipment and food supplies, particularly in emerging markets. Infrastructure and logistics business ARISE sourced and distributed medical and healthcare equipment, including 50 ventilators, 24 thermal cameras, 10,000 electronic thermometers, 500,000 gloves, 230,000 disinfectant gels and 7 million masks to partner governments in Africa.
  - Making other major donations to countries such as Côte d'Ivoire, Nigeria and Republic of Congo, often in conjunction with partners – e.g. with Temasek Foundation in Ghana donating a consignment of Fortitude Testing Kits, equivalent to a total of 20,000 test units.
  - Adapting buildings or constructing facilities for quarantine purposes, as well as providing hygiene support. In Côte d'Ivoire, the Cotton team manufactured and distributed 35 handwashing pumps as part of a donation of medical and sanitation supplies worth US$18,000, to local authorities.
  - Provision of food supplies, for example in India, 1,000 packets of food staples like rice and dal were distributed to vulnerable people.
  - Support for frontline workers, for example in Spain, employees of Olam's Soluble Coffee business 3D-printed face masks for a nursing home and the Civil Guard Corp, as well as donating 10,000 soluble coffee sticks to the hospital and emergency services.
  - Employee fundraising: over S$1.2 million was raised for Singapore's Courage Fund through employee and Olam contributions to support local patients, healthcare and frontline workers.

Employees

Safety, support, communication and empathy

- Took immediate action to protect employees, instigating measures even before government lockdowns. Secured and delivered PPE to frontline workers, introducing staggered shift rotations, social distancing practices, and home-based working. Centralisation and coordination of non-commodity procurement to provide business units with timely high-grade PPE.
- Delivered awareness and sensitisation campaigns in a dedicated channel to educate employees; prohibited all international travel and limited all non-essential domestic travel.
- Published toolkits for those working with farming communities to protect all concerned.
- Paid medical bills of employees for COVID-19 related tests and treatment.
- Supported employees and seasonal workers trapped by sudden lockdown measures, for example, the India Sugar team traced 70 migrant workers stranded as a result of sudden lockdown orders, providing food and shelter for almost 45 days.
- Promoted importance of being physically active while home-working, supported by ongoing physical and mental wellness information including hosting sessions by external experts.
- Accelerated shift to virtual learning.

Read more in our Human Capital section (Page 76)

Farmers

Livelihoods, health and food security

- Local teams harnessed networks to help farmers get crops to market. Also leveraged digital capabilities to send health and safety advice and agri support, e.g. in Indonesia issued guidance on hygiene and social distancing to ~20,000 cocoa and coffee farmers via the Olam Farmer Information System and Olam Direct platforms, and 1.2 million farming families in India via the AgriCentral app.
- Supported food security through donations, e.g. in Burkina Faso, 30 tonnes of rice worth US$21,000 were donated for 3,000 cashew farming households.
- Worked with customers to ramp up sustainability programmes, for example Cocoa Nigeria produced a film that was broadcast to communities from trucks to convey health messages. Coffee launched a Global Intervention Plan to strengthen relief efforts in the worst-affected coffee farming communities. With Lavazza, Nespresso, Caffé Borbone, JM Smuckers, Mother Parkers Tea & Coffee, Strauss, Melitta and Zavida, coupled with Olam Coffee contributions, they raised US$450,000 to support 20,000 coffee households across 12 countries.

Read more in our Social Capital section (Pages 104 to 119)

Financial Community

Communicating the situation

- Activated levers to safeguard and protect shareholders' interests by controlling costs and conserving cash to mitigate against potential adverse impact from the COVID-19 crisis.
- Moved swiftly to raise liquidity and have more cash at hand to manage the crisis.
- Executed several 'handbrake' levers across the Company to mitigate impact on demand, supply and financial markets.
- A tiered mitigation plan in place to pull additional levers in the event of a second wave, and 'break glass' levers should the situation deteriorate.
- Provided an update to shareholders amid crisis peak in May 2020.
- Provided a virtual option for shareholders to participate in the Annual General Meeting in 2020 safely and will continue to do so for the coming meeting.

Group Financial and Operating Results

Robust 2020 performance amid the pandemic

“We had very resilient and heartening financial results for 2020 with robust growth of 36.0% in Operational PATMI*, up from S$498.2 million to S$677.8 million. Our balance sheet remains strong despite higher working capital due to recent acquisitions and organic growth, and some disruptions caused by the pandemic. Over the year, we have proactively diversified our funding sources to ensure ample liquidity and headroom for growth.”

N. Muthukumar
Group Chief Financial Officer

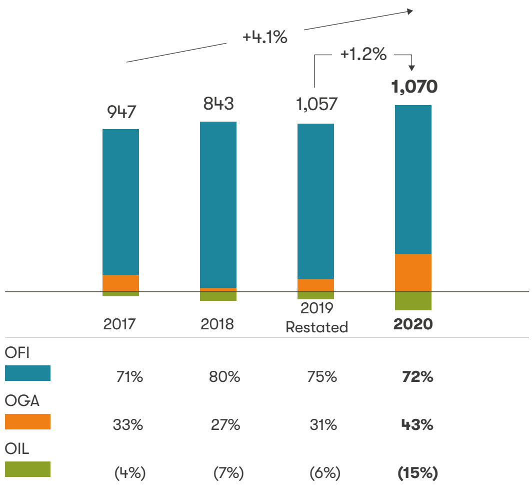
Strong financial performance

S$million	2020	2019 Restated	% Change
Volume ('000 MT)	**44,409.7**	39,751.8	11.7
Revenue	**35,820.0**	32,992.7	8.6
EBIT*	**1,069.5**	**1,057.3**	**1.2**
PAT	**178.2**	277.1	(35.7)
PATMI	**245.7**	316.1	(22.3)
Operational PATMI*	**677.8**	**498.2**	**36.0**

* Excluding exceptional items.

In 2020, we had 11.7% volume growth at 44.4 million tonnes, up from 39.8 million tonnes, with revenue growing 8.6%, up from S$33.0 billion to S$35.8 billion. At the operating profit level, we are moving from Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) in the past to Earnings Before Interest and Tax (EBIT) as it is a profitability metric closer to the bottom line. EBIT has been a consistent delivery at about S$1.1 billion, with the bulk of it coming from operating group Olam Food Ingredients (OFI) and growing contribution from Olam Global Agri (OGA). A detailed management discussion on the performance by operating group can be found on pages 29, 43 and 56.

Group EBIT
(S$million)



What has been a stellar performance is Operational Profit After Tax and Minority Interest (Operational PATMI), the key metric we track and report on recurring income, growing at 36.0% year-on-year, up from S$498.2 million to S$677.8 million. We had strong all-around performance by most of our businesses, aided by lower interest rates.

Our reported PATMI, however, was lower at S$245.7 million against the 2019 PATMI of S$316.1 million, which was restated due to the change in the accounting standard SFRS(I) 16 that has expanded its scope in 2020 to include variable leases and was applied retrospectively from 2019. The restatement has no impact on Operational PATMI (see General Information on page 135 for more details). The decline in PATMI was primarily due to the net exceptional losses recorded in 2020. The losses amounted to S$432.1 million mainly due to the non-cash and non-recurring impairment on our investment in Olam Palm Gabon (OPG), partly offset by gains from divestments of de-prioritised assets.

Our earnings per share fell from 8.2 cents in 2019 to 5.9 cents but operational earnings per share excluding the exceptional losses were higher at 19.5 cents versus 13.9 cents in the preceding year.

Good progress in executing our Strategic Plan

We have made good progress in implementing our Strategic Plan. The new operating group OFI has made very deliberate and strategic investments to pivot to a more value-added ingredients and solutions business. This was demonstrated by both inorganic and organic initiatives with total investment commitments of approximately US$400 million:

- Acquisition of USA-based dehydrated onion ingredients business in January 2021 (formerly Cascade Specialties) which diversifies Olam Spices' growing regions in the USA, expands its manufacturing capabilities and deepens its supply of organic onion products so as to meet the demand for dehydrated onions that has grown significantly in 2020;
- Acquisition of USA-based green chilli pepper business of major maker of condiments and sauces, Mizkan America, Inc., for US$108.5 million in February 2021, complementing our red chilli pepper business;
- Setting up of a greenfield Soluble Coffee manufacturing facility in the largest coffee-producing country in the world, Brazil, due for completion in the second half of 2022; Setting up of a greenfield Dairy processing plant in New Zealand, which is one of the largest Dairy producing countries and exporters in the world. This is also due for completion in the second half of 2022.

Financial highlights

Volume

44.4m MT

+11.7%

EBIT

S$1,070m

+1.2%

Operational PATMI

S$678m

+36.0%

Free Cash Flow to Equity

S$(592)m

-727.1m

Invested Capital

S$16.7bn

+5.6%

Gearing

1.72x

+0.22

We also made good progress in executing the strategy for OGA to become a leading food, feed and fibre business, focused on emerging markets with high returns. We were successful in the integration of Dangote Flour Mills, which we acquired in late 2019 to grow our wheat milling and pasta business in Nigeria. Our strategy has been further demonstrated with recent transactions, such as the acquisition of a 51.0% interest in Togo's state-owned cotton company Nouvelle Société Cotonnière du Togo (NSCT), a joint venture in integrated ginning, for a total consideration of €34.4 million including net working capital.

Even as we grow, we remain committed to releasing cash from divesting de-prioritised assets which we have identified for exit: the sale of our remaining 50.0% stake in Indonesian sugar joint venture, Far East to Mitr Phol for US$82.5 million with additional US$2.5 million contingent on satisfaction of certain terms within three years; partial stake sale of ARISE P&L to A.P. Moller Capital, which resulted in a cash release of US$31.0 million; and the disposal of one of our two sugar mills in India, in line with our strategic decision to exit the sugar business – all of which resulted in net exceptional gains. We also completely shut down our Olam Tomato Processors plants in California and significantly restructured our upstream Dairy farms in Uruguay, which led to the one-off exit and closure costs of these de-prioritised assets.

During the year, we took the one-off and non-cash impairment of S$483.9 million on our investment in OPG. Gabon has been experiencing moisture deficit in the recent past due to both lower rainfall as well as unfavourable rainfall distribution with prolonged dry spells during the June to September period. We were looking to implement a large-scale drip irrigation project to substantially, if not fully, mitigate this moisture stress. However, the COVID-19 pandemic considerably delayed the project, which put further stress on the plantations. So as a proactive measure, if there is going to be long-term impacts on yields, it would be prudent to take this impairment and bring down the value of the asset to market with a cost base that is attractive to investors.

S$million	**2020**	2019 Restated
Profit on sale of partial stake in ARISE associates	**121.0**	40.4
Profit on sale of Far East Agri (PT DUS)	**49.1**	–
Profit on sale of sugar plant in India	**1.5**	–
Exit/Closure costs	**(119.0)**	(315.8)
OPG Impairment	**(483.9)**	–
Sale of permanent water rights, Australia	**–**	69.3
Sale and tiered revenue-sharing arrangements, USA	**–**	16.6
Negative goodwill arising on acquisition	**–**	7.9
Profit on sale of subsidiary (Alimentos)	**–**	0.6
Loss on sale of stake in Mungindi gin, Australia	**(0.8)**	–
Loss on sale of Collymongle gin, Australia	**–**	(1.1)
Exceptional Items	**(432.1)**	**(182.1)**

In the current year, our focus continues to be on divestments as we sold the coffee plantations in Brazil to a third-party in January 2021 as well as our entire 15.19% stake in Open Country Dairy to Talley Group Limited (Talley's) for approximately NZ$80.9 million through Talley's takeover offer in February 2021.

Concurrently, we are developing new capabilities in sustainability, digitalisation, innovation, private label, food services, e-commerce and freight management, which we believe are key building blocks for the transformation of the new operating groups, OFI, OGA and OIL's Engine 2 businesses.

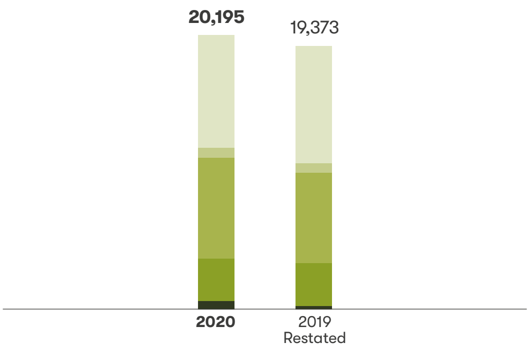
Healthy balance sheet amid rising prices

We maintained a healthy balance sheet throughout the year even as commodity prices rose, particularly in the second half of the year. As of end 2020, the Group's total assets[1] stood at S$20.2 billion, comprising S$8.3 billion of fixed capital, S$712.2 million of right-of-use assets, S$7.5 billion of working capital and S$3.1 billion of cash, which remained stable to meet ongoing business requirements.

The total assets were funded by S$6.4 billion of equity, S$6.5 billion of short-term debt, S$6.8 billion of long-term debt, as well as short-term and long-term lease liabilities of S$96.5 million and S$815.5 million respectively.

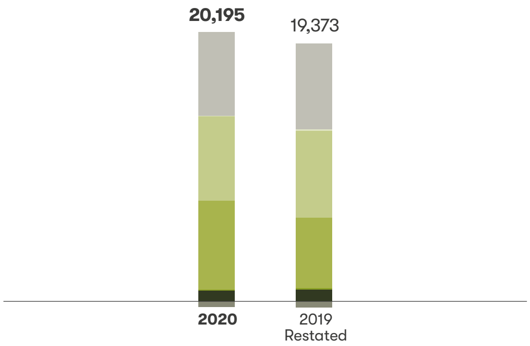
Compared with 2019, the overall balance sheet in 2020 increased by S$822.9 million mainly on the rise in working capital. The increase was driven by both acquisitions and organic volume growth, higher prices across multiple commodities, as well as the impact of COVID-19 on some commodities and regions, resulting in increased cycle time due to shipment delays and reduction in supplier credit.

Uses of Capital
(S$million)



	2020	2019 Restated
Fixed capital	**8,309.9**	8,616.0
Rights-of-use assets	**712.2**	719.3
Working capital	**7,455.7**	6,627.8
Cash	**3,115.9**	3,179.6
Others	**601.7**	229.8

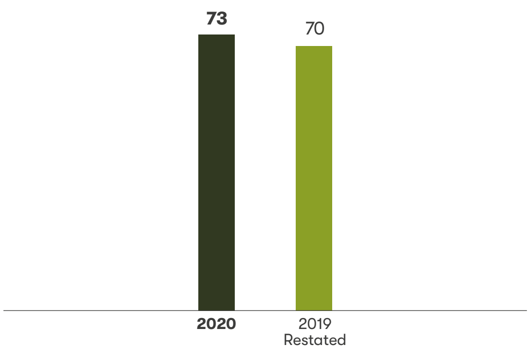
Sources of Capital
(S$million)



	2020	2019 Restated
Equity and Reserves[2]	**6,425.4**	6,589.3
Non-controlling interests	**73.5**	108.1
Short-term debt	**6,466.5**	6,675.5
Long-term debt	**6,780.9**	5,403.4
Short-term lease liabilities	**96.5**	118.5
Long-term lease liabilities	**815.5**	881.8
Fair value reserve	**(462.9)**	(404.1)

Working capital in 2020 increased by S$827.9 million for the reasons explained. Despite higher working capital, stock, advance to suppliers and receivables days remained stable as we tightened working capital norms amid volatile market conditions due to the pandemic. Working capital cycle grew from 70 days in 2019 to 73 days in 2020 mainly because of reduced trade creditors as a result of reduced supplier credit across various products due to COVID-19.

Cash-to-Cash Cycle
(Days)



1. Total assets are net of trade payables and accruals, derivative financial instruments (current liabilities), provision for taxation, other current liabilities and non-current liabilities, and deferred tax liabilities.
2. Equity and Reserves are before fair value adjustment reserve.

Compared with 2019, net debt grew by S$1.1 billion on higher working capital deployed. This caused net gearing to increase from 1.50 times to 1.72 times, but still under our net gearing ceiling of 2.0 times. Adjusting for readily marketable inventories and secured receivables, our net gearing would be 0.63 times, which reflects the true indebtedness of the Group.

S$million	2020	2019 Restated	Change
Gross debt	**14,159.4**	13,079.2	1,080.2
Less: Cash	**3,115.9**	3,179.6	(63.7)
Net debt	**11,043.5**	9,899.6	1,143.9
Less: Readily marketable inventory (RMI)	**5,849.6**	5,733.1	116.5
Less: Secured receivables	**1,138.5**	1,672.1	(533.6)
Adjusted net debt	**4,055.4**	2,494.4	1,561.0
Equity (before fair value adjustment reserve)	**6,425.4**	6,589.3	(163.9)
Net debt/Equity (Basic)	**1.72**	**1.50**	**0.22**
Net debt/Equity (Adjusted)	**0.63**	**0.38**	**0.25**

Free cash flow

Gross capital expenditure (Capex) was lower by 29.3% at S$753.5 million in 2020 compared with the previous year at S$1.1 billion. Net Capex after disposals and divestments came to S$513.8 million in 2020 (2019 Restated: S$562.7 million). Because of higher working capital requirements due to higher commodity prices, higher volumes that we did in 2020, and also to a certain extent, lesser supplier credits arising from the COVID-19 situation, our working capital utilisation went up, resulting in a negative Free Cash Flow to Equity of S$592.2 million (2019 Restated: S$134.9 million) for the full year.

S$million	2020	2019 Restated	Change
Operating Cash flow (before Interest and Tax)	**1,697.3**	1,455.8	241.5
Changes in working capital	**(1,160.9)**	(95.6)	(1,065.3)
Net Operating Cash Flow	**536.4**	**1,360.2**	**(823.8)**
Tax paid	**(177.8)**	(106.8)	(71.0)
Capex/ Investments	**(513.8)**	(562.7)	48.9
Free cash flow to firm (FCFF)	**(155.2)**	**690.7**	**(845.9)**
Net interest paid	**(437.0)**	(555.8)	118.8
Free cash flow to equity (FCFE)	**(592.2)**	**134.9**	**(727.1)**

Liquidity and financing

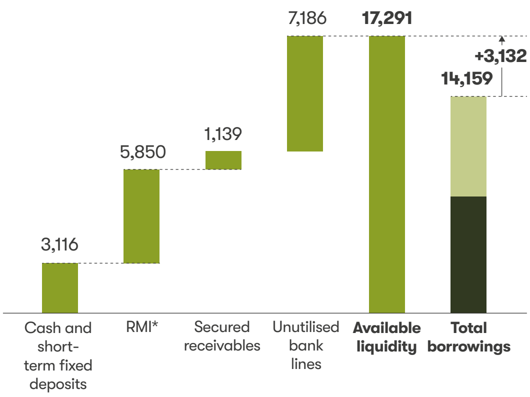
2020 was an active year as we secured several revolving credit facilities (RCF) and bank loans, and issued bonds for refinancing, working capital and capital expenditure (Capex) requirements. Notable issuances include Singapore's first Overnight Rate Average (SORA)-pegged club loan, Asia ex-Japan's first issuance of sustainability-linked senior notes to Development Bank of Japan, and refinancing and upsizing a multi-tranche RCF with four new banks joining the fore.

We therefore have ample liquidity of S$17.3 billion to meet our working capital and capital expenditure requirements, with S$3.1 billion of cash, S$5.8 billion of readily marketable inventory, over S$1.1 billion of secured receivables and S$7.2 billion of unutilised bank lines, including a clear S$3.1 billion of headroom over and above our gross borrowings as at year end.

Financing secured in 2020

Date	Description	Tenor
April 29	US$176.0 million loan from IFC and JICA • US$120.0 million • US$56.0 million	 5-year due 2025 7-year due 2027
June 18	US$250.0 million Sustainability-linked RCF • US$50.0 million • US$100.0 million • US$100.0 million	 1-year due 2021 2-year due 2022 3-year due 2023
July 1	US$375.0 million RCF	1-year due 2021
July 13	US$50.0 million fixed rate notes at 3.27%	5-year due 2025
August 17	¥38.85 billion (US$370 million) upsized Samurai Loan • ¥27.6 billion • ¥11.25 billion	 3-year due 2023 5-year due 2025
August 18	US$200.0 million loan from EBRD	3.58-year due 2024
August 25	S$500.0 million fixed rate notes at 4.0%	5.5-year due 2026
September 28	S$200.0 million SORA-pegged loan	1-year due 2021
October 10	US$1,975.0 million upsized RCF • US$790.0 million • US$790.0 million • US$395.0 million	 1-year due 2021 2-year due 2022 3-year due 2023
December 9	US$93.75 million loan from ADB	3-year due 2023
December 11	¥7.0 billion (US$67.0 million) Sustainability-linked fixed rate notes to DBJ at 2.05%	5-year due 2025

Total Borrowings and Available Liquidity
(S$million as at 31 December 2020)

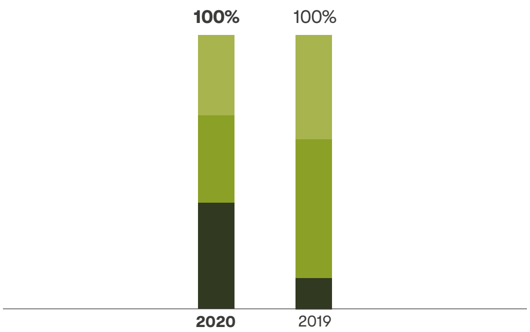


Short-term: 6,563

Long-term: 7,596

* RMI: readily marketable inventories that are liquid, hedged and/or sold forward.

Borrowing Mix[3]
(%)



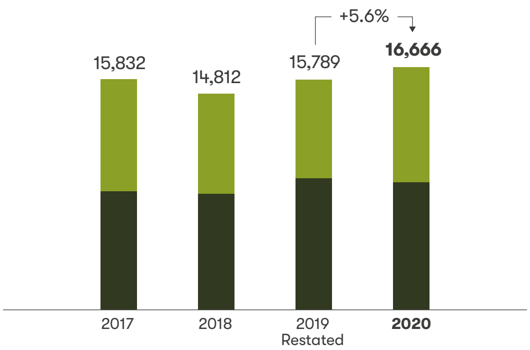
	2020	2019
Bilateral banking lines	**34.0**	38.7
Bank syndication	**43.0**	32.0
Debt capital markets	**23.0**	29.3

Over the year, as we have proactively diversified our funding sources to ensure ample liquidity and headroom for growth, we continue to do so in 2021. Early this year, we issued a benchmark S$250.0 million of subordinated perpetual securities which bears a distribution rate of 5.375% for 5.5 years. On the back of reverse investor interest, we re-opened our 4.0% fixed rate senior notes due 2026 and priced an additional S$100.0 million via a private placement, upsizing the total bond size to a benchmark quantum of S$600.0 million.

Improved Operational ROE

Although our return on beginning-of-period equity (ROE) declined on the basis of lower headline profits, excluding the exceptional losses, Operational ROE jumped 3.3% from 7.9% in 2019 to 11.2% in 2020, a strong finish for the year.

Invested Capital[4]
(S$million)



	2017	2018	2019 Restated	**2020**
Working Capital	7,705	6,844	6,766	**7,931**
Fixed Capital	8,127	7,968	9,023	**8,735**
EBIT/IC	5.8%	5.5%	6.9%	**6.6%**

Overall, our EBIT on average invested capital or EBIT/IC remained relatively stable at 6.6% in 2020 despite the 5.6% or S$876.4 million increase in invested capital from higher working capital needs, while fixed capital eased as the impairment on OPG and divestitures offset the increase from the acquisition of NSCT and organic growth.

3. Excluding capital securities.
4. Excludes:
   a. Gabon Fertiliser Project (2020: S$262.6 million; 2019 Restated: S$240.7 million); and
   b. Long-term Investment (2020: S$24.3 million; 2019 Restated: S$71.5 million).

Performance by operating group

Segment	Sales Volume ('000 MT)		Revenue		EBIT		Invested Capital (IC)[4]		EBIT/IC (%)	
S$million	2020	2019 Restated	2020	2019 Restated	2020	2019 Restated	2020	2019 Restated	2020	2019 Restated
OFI	**3,786.6**	**3,812.2**	**12,546.7**	**12,144.8**	**771.1**	**793.6**	**9,442.9**	**8,896.5**	**8.4**	**9.1**
Ingredient Sourcing & Supply Chain*	**3,524.1**	3,669.7	**10,015.6**	9,733.1	**383.8**	410.1	**5,636.8**	5,601.1	**6.8**	7.6
Value-added Food Ingredients & Solutions*	**1,025.6**	930.2	**5,299.3**	4,854.5	**387.3**	383.5	**3,806.1**	3,295.4	**10.9**	11.4
OGA	**39,355.6**	**34,367.7**	**21,515.9**	**18,850.3**	**462.4**	**329.5**	**3,779.6**	**2,971.5**	**13.7**	**12.9**
Food & Feed – Origination & Merchandising	**33,739.4**	29,743.5	**15,410.3**	13,530.6	**203.1**	149.6	**936.1**	385.3	**30.7**	32.1
Food & Feed – Processing & Value-added	**4,023.2**	3,060.0	**2,754.8**	1,793.8	**218.4**	117.3	**1,573.1**	1,741.9	**13.2**	8.6
Fibre & Ag Services	**1,593.0**	1,564.2	**3,350.8**	3,525.9	**40.9**	62.6	**1,270.4**	844.3	**3.9**	8.7
OIL	**1,267.5**	**1,571.9**	**1,757.4**	**1,997.6**	**(164.0)**	**(65.8)**	**3,443.2**	**3,921.3**	**(4.5)**	**(1.6)**
De-prioritised/ Exiting Assets	**916.2**	1,328.4	**1,185.1**	1,543.0	**(35.7)**	(40.2)	**1,360.2**	1,674.1	**(2.4)**	(2.2)
Gestating Businesses	**351.3**	243.5	**572.3**	454.6	**(69.0)**	19.0	**2,083.0**	2,247.2	**(3.2)**	0.9
Incubating Businesses (including corporate adjustments)	**–**	–	**–**	–	**(59.3)**	(44.6)	**–**	–	**n.m.**	n.m.
Total	**44,409.7**	**39,751.8**	**35,820.0**	**32,992.7**	**1,069.5**	**1,057.3**	**16,665.7**	**15,789.3**	**6.6**	**6.9**

* Includes inter-segmental sales volume and revenue.

A management discussion of the performance by operating group and segmental review and analysis is on pages 29, 43 and 56.

Olam Food Ingredients (OFI)

A global leader offering sustainable, natural, value-added food ingredients, so consumers can enjoy the healthy and indulgent products they love.

A unique and complementary portfolio across the full ingredients value chain

Integrated sustainable sourcing and value-added ingredient solutions

Nuts | Spices | Dairy | Coffee | Cocoa

Large, attractive and growing key end-use categories

Beverages | Bakery | Confectionery | Snacking | Culinary

Global and diversified blue-chip customer base

Consumer Packaged Goods	Food Service/Quick Service Restaurants	Private Label	E-commerce/Small Medium Businesses

Focused and sustained growth

“2020 was an exciting first year for OFI. We bounced back from the impact of COVID-19 in the first half, to deliver very strong earnings growth in the second half. Our resilient all-round performance despite the pandemic is very encouraging and the positive trajectory of growth in the second half of the year gives us every reason to be optimistic about 2021 and beyond.”

A. Shekhar
CEO, Olam Food Ingredients

Q. What is the rationale for OFI and what progress has been made since the re-organisation?

A. Let me start with the commercial rationale for the re-organisation announced in January 2020. Bringing together five of our leading ingredients businesses under ‘One-OFI’ simplifies and focuses the portfolio, extracts revenue and cost synergies at scale, and thereby drives accelerated growth. What binds these businesses are the common Customers, Categories, Channels and Capabilities they share. If anything, this pandemic has further demonstrated the great value we offer to our customers by having this strong combination of OFI businesses.

Our 2020 results demonstrate the continued growing demand and changing consumer preferences for healthy, natural, yet indulgent and comforting food and beverages, which OFI is uniquely positioned to service with our ‘on-trend’ value-added ingredients portfolio. Further, our global integrated supply chains across diversified origins and markets have ensured that we are in a better position to navigate the many supply chain disruptions and challenges for our customers, and still provide the security of supply and continued assurance of traceability.

The combination of these businesses, which are already recognised leaders in their respective markets, has also given us the capacity and scale to accelerate investments in innovation, marketing, consumer insights and rapid digitalisation across the chain. Once we satisfied ourselves that the challenges brought by the pandemic were in control, we have backed targeted organic growth with greenfield investments in some of our higher value-added categories, as well as driven inorganic growth through a few strategic acquisitions.

The progress on the re-organisation and the trajectory of performance, especially in H2 2020, gives us great confidence to move ahead with the proposed carve-out and concurrent demerger and listing by H1 2022. We believe that this has the potential to unlock significant value for all existing shareholders, while also attracting new long-term investors aligned to OFI’s compelling new vision and growth strategy.

Financial highlights

S$771m
EBIT

6.1%
EBIT Margin

8.4%
EBIT/IC

A. How did OFI perform in 2020?

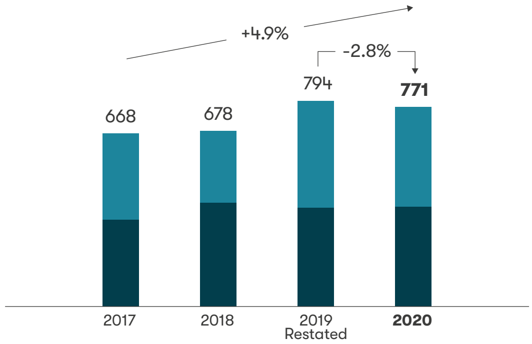
A. In 2020, we introduced new segments and metrics for financial reporting within each operating group. For OFI, in addition to revenues and volumes, we have started reporting operating profit (EBIT), which we feel is a better metric as compared to EBITDA, considering the relatively higher fixed asset profile of the business. In terms of margins, we report our EBIT margin (EBIT/Sales), and also provide EBIT on average invested capital (EBIT/IC) to demonstrate our segmental returns and capital efficiency. Upon carve-out, once OFI has a separate balance sheet, we will report additional metrics at the operating group level, namely ROIC, ROE and free cash flow from operations.

The two segments for OFI include Ingredient Sourcing & Supply chain (ISSC) and Value-added Ingredients and Solutions (VAIS) as per the bar chart to the right. These segments reflect the two strong platforms for growth with each of OFI's businesses and tight integration within and across them, which enables us to offer unique and differentiated value delivery to our customers. ISSC represents all the volumes, related costs and margins in sourcing our products from our own farms, as well as diversified smallholder farmers and large grower networks that we have built with a very strong focus on sustainability, traceability and now digitisation across the chain. This is and will remain a core differentiator for OFI over our competitors and a significant source of value to our customers. VAIS reflects the additional revenue, costs and margins that we generate by further building on the captive and sustainable sourcing capacity reflected in ISSC, to deliver further value-added manufacturing and innovation led solutions to our customers.

For the first time in 2020, we reported OFI's performance based on these metrics and segmentation with historical financials on a like-for-like basis from 2017. OFI has seen healthy EBIT growth of nearly 5% CAGR, going up from S$667.8 million in 2017 to S$771.1 million in 2020. OFI's EBIT margins have grown from 5.0% in 2017 to 6.1% in 2020, reflecting the shift to offering higher margin solutions and services. Returns, as reflected by EBIT/IC, have also grown by 120 basis points from 7.2% to 8.4% between 2017-2020. This is despite the significant impact of COVID-19 which adversely impacted OFI's performance in H1 2020, and the more recent impact of higher raw material prices in H2 2020, aided in part by a weaker dollar.

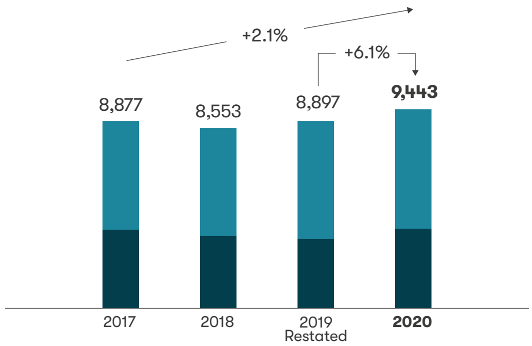
OFI: Highlights in 2020

EBIT
(S$million)



	2017	2018	2019 Restated	2020
Ingredient Sourcing and Supply Chain	50%	41%	52%	**50%**
Value-added Ingredients and Solutions	50%	59%	48%	**50%**
EBIT Margin	5.0%	5.6%	6.5%	**6.1%**

Invested Capital
(S$million)



	2017	2018	2019 Restated	2020
Ingredient Sourcing and Supply Chain	58%	60%	63%	**60%**
Value-added Ingredients and Solutions	42%	40%	37%	**40%**
EBIT/IC	7.2%	7.8%	9.1%	**8.4%**

For 2020, sales volume in OFI was relatively stable as the increase in volume from the VAIS segment made up for the reduction in volume from ISSC. Revenues rose 3.3% mainly due to the rise in sales volume in the VAIS segment and its associated higher average selling prices.

OFI registered a strong EBIT growth of 43.3% in the second half of 2020 (H2 2020), in line with our expected correction of the half-yearly earnings skew seen in 2019. Both the ISSC and VAIS segments achieved better earnings in H2 2020, leading to an improvement in OFI's EBIT margin from 5.5% to 8.0% for the period.

Therefore, although OFI's overall EBIT for 2020 was lower by S$22.5 million year-on-year because of the COVID-19 impact in the first half of 2020 (H1 2020) on Cocoa processing and the Australian Almond business, its 2020 results represent a strong, resilient performance considering 2019 was an exceptional year when the Cocoa business had a stellar performance. All other businesses like other nuts, Spices, Dairy and Coffee delivered better earnings than the prior year.

Overall invested capital increased by S$546.4 million due to higher commodity price-led working capital increases, particularly in H2 2020. As a result, EBIT/IC declined from 9.1% in 2019 to 8.4% in 2020.

OFI in numbers

8,350
customers

2.56m
farmers in direct and indirect supply chain

100+
manufacturing and processing assets

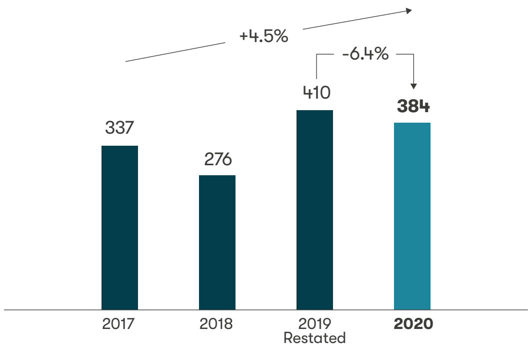
15,700
employees in primary workforce

~50
countries

186,000
hectares under OFI management

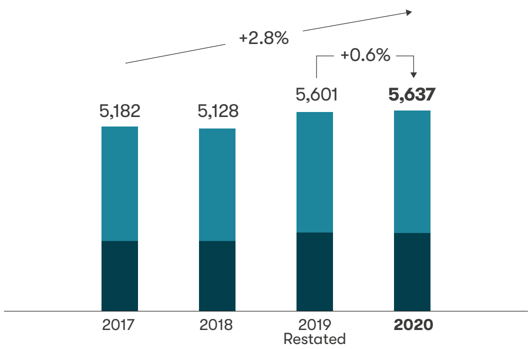
OFI: Ingredient Sourcing & Supply Chain (ISSC)

EBIT
(S$million)



	2017	2018	2019 Restated	2020
EBIT Margin	3.3%	3.0%	4.2%	**3.8%**

Invested Capital
(S$million)



	2017	2018	2019 Restated	2020
Working capital	3,210	3,160	3,392	**3,446**
Fixed capital	1,972	1,968	2,209	**2,191**
EBIT/IC	6.4%	5.4%	7.6%	**6.8%**

ISSC reported a dip in sales volumes for 2020 compared with 2019 mainly on reduced Nuts and Dairy supply chain volumes. Revenues were up 2.9% on higher Cocoa and Coffee sales as their prices trended higher during the year.

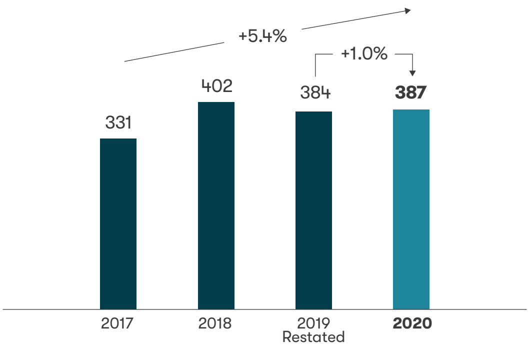
During H2 2020, the segment registered a strong EBIT growth of 48.2% with significant increase from the Coffee supply chain, a healthy growth from the Nuts business and the expansion in upstream Dairy farming as a third dairy farm was commissioned in Russia. The segment showed an overall EBIT decline of 6.4% in 2020 mainly caused by the lower contribution in H1 2020 due to the impact on Almond orchards in Australia from weaker almond prices, demand contraction across China and India on COVID-19 lockdowns and increased temporary water cost that in turn affected the 2020 crop. Conversely, the Almond operations in the USA did better for the full-year as did the Coffee and Dairy supply chain and Dairy farming.

The segment ended the year with a modest increase in invested capital of S$35.7 million mainly from the impact of SFRS (I) 16 on the Almond business and expansion of Dairy farming in Russia. Working capital closed marginally higher than 2019 as the impact from higher cocoa and coffee prices was offset by the reduction in coffee inventory. EBIT/IC for the year stood at 6.8% compared with 7.6% in 2019.

> “The progress on the re-organisation, the trajectory of performance, especially in H2 2020, gives us great confidence to move ahead with the proposed carve-out and concurrent demerger and listing by H1 2022. We believe that this has the potential to unlock significant value for all existing shareholders, while also attracting new long-term investors aligned to OFI’s compelling new vision and growth strategy.”

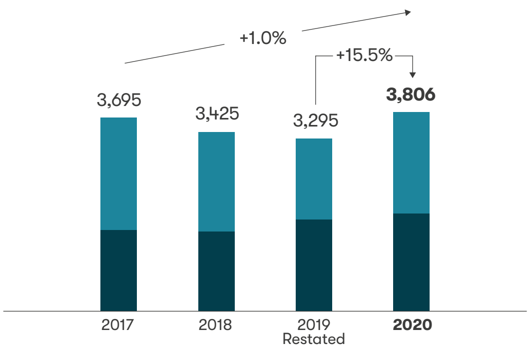
OFI: Value-added Food Ingredients and Solutions (VAIS)

EBIT
(S$million)



	2017	2018	2019 Restated	2020
EBIT Margin	6.9%	8.3%	7.9%	**7.3%**

Invested Capital
(S$million)



	2017	2018	2019 Restated	2020
Working capital	2,147	1,906	1,546	**1,943**
Fixed capital	1,548	1,519	1,749	**1,863**
EBIT/IC	8.2%	11.3%	11.4%	**10.9%**

The VAIS segment reported a healthy 10.3% growth in volumes in 2020. The segment had a full-year consolidation of the results of Hughson Nut Inc. (HNI) which was acquired in late 2019. The Spices business and new sales channels in co-manufacturing, food service and e-commerce also contributed to higher volumes. Revenues grew 9.2% on increased volumes and higher prices across the portfolio.

Helped by a robust H2 2020 growth of 37.3% year-on-year, the EBIT performance in this segment remained strong in 2020, reporting a growth even when compared against the prior year which had a strong performance, particularly in Cocoa processing. The Cocoa processing business, affected by the pandemic in 2020, experienced demand contraction, delayed pulls by customers, and higher costs on account of slowdowns at some processing facilities. However, there was improved EBIT from Almond processing due to HNI, Peanuts and Spices processing in the USA, as well as Dairy processing in Malaysia. The Hazelnut business also recovered from its lows in 2019.

Invested capital increased by S$510.7 million on both higher fixed and working capital. Fixed capital grew with increased ingredients co-processing capacity in Vietnam. The Cocoa and Dairy processing capacity in Côte d'Ivoire and Malaysia also expanded in the respective countries during the year. Working capital increased on higher cocoa ingredients prices and inventory levels. As a result, EBIT/IC edged down from 11.4% in 2019 to 10.9% in 2020.

Customer Perspective on Private Label

Brian Houlihan
Group Director Global Sourcing
ALDI SÜD Group

Q. How long has Olam been a supplier to ALDI?
A. Olam started supplying to the ALDI business in 2019, initially into the ALDI Australia business.

Q. Why did you choose to partner with Olam?
A. One of our priorities is to obtain full supply chain visibility involved in the procurement of our product range. By partnering with Olam we can work together for betterment on those areas that will help make a difference to the planet, people's lives and resources.

Q. How has Olam been able to help you win with your customers?
A. High performance in terms of understanding the customer needs, delivering the right quality of product and maintaining high service-level performance leads to satisfied customers.

Q. Looking ahead into 2021, what advice can you give Olam?
A. Continue to look to diversify supply chains to spread risk but maintain facilities in local markets to remain agile.

> "We see significant growth by providing more products and solutions to our existing customers, including both the sustainably sourced and traceable ingredient raw materials, and the innovative end-use application solutions."

Q. Going into 2021 and beyond, what are your growth plans?
A. We are approaching this in two ways. The first focus is to strengthen and grow our core. We see significant growth by providing more products and solutions to our existing customers, including both the sustainably sourced and traceable ingredient raw materials, and the innovative end-use application solutions. We are a trusted partner of globally diversified, blue chip customers, including several global and regional CPG brands, as well as large retailers and food service chains. We also serve a large and growing mix of small- and medium-sized businesses across major consumption markets. These customers span across large, attractive and growing end-use categories like Bakery, Confectionery, Beverages, Snacks and Culinary, with a target market estimated at ~US$750 billion, and growing at 5-6% per annum.

In addressing this market we see significant opportunities to cross-sell and up-sell our portfolio of products and services, thereby growing both our volumes and margins.

To achieve this we are making significant investments in retooling and expanding our existing sales force that will provide greater focus and enhanced service-levels to our current and new customers. We are simultaneously expanding our innovation capacity, infrastructure and expertise – bringing new talent and capabilities in house, as well as collaborating with multiple external partners across the global food and beverage R&D ecosystem. We are also enhancing our marketing capabilities, expanding our digital reach and deepening our understanding of our customers and the end consumers that they serve. Our ability to effectively combine our growing sales, innovation, marketing and consumer insights adds huge value to our customers while also driving incremental growth for us.

In addition to our relentless focus on servicing our customers better, we have already committed capital investments that go towards capacity enhancement in core areas where we have proven capabilities and track record, thereby improving margins. This includes expansion of our spice blend capacity in India and Vietnam; Cocoa product capacity in Côte d'Ivoire and Brazil; a new Soluble Coffee project in Brazil; a new Dairy processing plant in New Zealand and capacity expansion in Malaysia; and expanding private label and co-packing capacity across Nuts.

Last but not least, we remain focused on optimising cost and capital by extracting synergies across our core businesses and therefore enhancing returns. I believe that all of the above factors will drive continued organic growth in both volumes and more importantly, operating profit (EBIT).

Over and above our organic growth engine, we also look at opportunities to buy versus build where we can achieve one or more of the following: geographic expansion, industry consolidation, expansion into new products or services, or add on new talents and capabilities, which then allow us to accelerate our growth.

The recent investment in the USA chilli pepper business is a great example of a targeted strategic acquisition which helped us expand our product portfolio, bring in new capabilities, build a deeper base with some of our large existing customers, as well as add new customers to whom we can now offer the entire OFI suite of products and services.

I am personally very excited and optimistic about the growth prospects for OFI in 2021 and beyond. Our planned capital raise will go towards investing behind these opportunities – both to strengthen the core and acquire new skills and capabilities. Our disciplined approach towards capital allocation will reflect in higher portfolio margins and returns as these investments come on line. The margin and return growth, together with a prudent capital structure and a continued focus on improving cash flows, would help us deliver superior total shareholder returns.

Large, attractive and growing end-use categories: ~US$750 billion growing at 5-6% per annum

Key end-use categories				
Beverages	Bakery	Confectionery	Snacking	Culinary
				
Key end-use category size[1,2] (US$m)				
Global retail hot beverages & mixes:	Global retail bakery:	Global retail chocolate confectionery:	Global retail healthy snacks and bars:	Global retail culinary:
~US$300bn	~US$160bn	~US$180bn	~US$50bn	~US$55bn
Key end-use category growth[1,2] (2021-2025 CAGR)				
+6.0%	+6.2%	+4.5%	+5.8%	+5.7%

Source: Euromonitor, Company information

1. Based on 2021 forecast data.
2. Definition of categories shown – Beverages: coffee, plant-based, powder and chocolate-based hot drinks, dairy, and flavoured milk drinks; Bakery: butter, cooking fats, margarine and spreads, and sour milk products; Confectionery: chocolate confectionery, toffees and others; Snacks: Nuts, seeds and trail mixes, and snack bars; Culinary: sauces and seasonings.

Meeting the needs of a changing consumer landscape

Our market drivers

- Health and nutrition
- Premiumisation
- Natural ingredients
- Indulgence
- Ethnic tastes
- Growth in private label
- Food service
- Environmentally and socially responsible
- Supply chain traceability and provenance
- Assurance/certification

How we respond

- Innovation centres and co-creation with customers on ingredients, blends, recipes, and solutions.
- Natural colours and flavours – spices blends, no-added sugar purées.
- No sodium innovations for clean labelling (e.g. cocoa, garlic and onion powders, high heat chillies).
- High-end, single origin ingredients (cocoa, coffee).
- Full range of nuts and formulations for healthy snacking and ingredients.
- Wide range of specialty coffee products and dairy ingredients.
- Growing presence in private label, food service, and e-commerce.
- AtSource provides traceability and enhanced levels of impact.

Targeting bold authentic flavours through acquisition

In February 2021, OFI acquired a leading USA chilli pepper business (CPB) for a total consideration of US$108.5 million.

Formerly known as Border Foods, CPB has been the leading chilli pepper business in the USA for nearly 50 years, supplying premium green chillies, jalapeños and enchilada sauces. Combining CPB's specialty and green chilli range with Olam Spices' red chilli portfolio (which includes paprika, chilli powder and chilli pepper) means OFI can deliver a wider range of ingredient solutions for customers looking to satisfy the rising demand for authentic Mexican flavours – already the third most popular cuisine in the USA.

The acquisition further provides OFI with new channels via CPB's customer base: grocery and retail with increasing co-manufacturing opportunities in the USA and Asia for many other OFI products. The addition of CPB's range of premium green chillies will also broaden and strengthen OFI's portfolio in plant-based solutions, for example, a nut-based cheese that has a jalapeño flavour kick.

The portfolio was further expanded by deepening our supply of organic, natural low-bacterial and extra low-bacteria dried onion ingredients through the acquisition of Cascade Specialties, which also diversified growing regions and manufacturing locations.

HNI acquisition proves timely as demand for plant proteins surge

The acquisition in late 2019 of Hughson Nut Inc. (HNI), a leading Californian almond processor, was another important response to the increasing global appetite for healthy snacks and ingredients. OFI is already one of the world's largest growers of almonds with orchards in the USA and Australia, and HNI's extensive processing capabilities complement its facilities in Australia and Vietnam.

The integration of HNI meant OFI's Nuts team was able to enhance offerings throughout the almond value chain – from orchards, processing to inshell and brownskins as well as blanching and value-added almond ingredients such as sliced, diced, flakes and flour.

With access to centralised procurement as part of OFI, HNI has been able to reduce non-commodity procurement costs by 10% since the acquisition. The team has also increased overall plant production by 20%.

Going into 2020, the timing could not have been better as demand for plant-based foods and shelf-stable plant proteins surged, partly driven by the pandemic. With the increase in both home baking and confectioneries, OFI's existing customer base was eager to increase their participation in those spaces. HNI was perfectly placed to help them respond, working to increase production of almond ingredients and meet the heightened demand for almond flour.

HNI is also contributing to OFI's ambitions to offer differentiated product solutions and target new customer segments. Its facilities are certified for organic production and now handle the output from OFI's own organic orchards across California's Central Valley. With a strong customer franchise in the USA and a growing customer base in the EU, Japan and South Korea, tapping into OFI's global network has allowed HNI to further expand its brand offering into the emerging markets of the Middle East and India.

In-house app connects farmers to markets

There are over 264,000 coffee farmers spread across eight states in Brazil, many of whom have limited to no direct visibility into prices or access to digital information that could improve their productivity and sustainability practices. In August, the team introduced Olam Direct (OD), a smartphone app developed in-house that enables farmers to actuate sales contracts directly online at prices updated every 45 seconds.

An initial test group of 50-100 farmers expanded to more than 10,000 registrations in September, with use increasing 20-25% every month thereafter. By the end of 2020, there had been more than 1,300 transactions constituting 6% of Olam's total Brazilian coffee volume, an estimated 15% of which is believed to have been net-new purchases due to the app's convenient usability. Global registration in OD as of January 2021, was 90,798.

Not only does OD give farmers sales access and visibility into real-time prices, but it connects them with digital content on weather forecasting, planting and fertilisation strategies and inputs, and ongoing training to improve their farming productivity and the sustainability of those efforts.

This shows how our Intellectual Capital can result in Financial Capital for both Olam and our farmer suppliers. Read more in the Social Capital section of this report.

Reaching new customers via new channels with new category solutions

Craft chocolatiers and professional chefs

Premium chocolate is predicted to show 9% category growth between 2019 and 2024,[1] with a value of US$33.15 billion. This is driven by consumers showing greater sophistication in their choice of origins, purity, taste and flavour, as well as an ability for premium chocolate to carry new taste experiences with diverse flavours. It is also driven by consumers looking for the ethical credentials behind their brands.

In January 2021, Twenty Degrees was launched, a new specialty cocoa business sourcing small lots of cocoa beans from around the world for craft chocolate makers. The business will unlock opportunities for farmers by bringing single origin cocoa beans to market that are either too small-scale or too remote to be sold to large-scale manufacturers. Twenty Degrees benefits from Olam Cocoa's long-standing experience in cocoa sustainability and from the insight and expertise of its dedicated flavour laboratory in the Netherlands.

Also targeting new customer profiles, in September 2020 Olam Cocoa for Professionals was launched to make its premium deZaan cocoa powders available to restaurants, caterers, and patisseries. This required making the pack sizes more accessible – 1kg and 5kg bags – and providing a very focused range of SKUs. The move was in response to rising demand from professional chefs and bakers for high-quality cocoa ingredients that give them greater control over the flavour and colour of their final creations.

SME customers via e-commerce

In the past, we were not able to access small and medium-sized customers for our various products as the cost to serve them in the analogue world was relatively high. By adopting e-commerce we have a viable cost platform to serve small- and medium-sized customers. In 2019 we launched our e-commerce initiatives in Spices and Nuts in USA. By the end of 2020 we added over 1,000 new e-commerce customers across multiple categories, generating incremental revenue at higher margins.

1. Business Wire/Mordor Intelligence.
2. Poll of 2,003 UK adults conducted in August 2020 by Opinium on behalf of Olam Cocoa.

Innovating across end-use categories

Beverages

Delivering a ready-to-drink health halo

Cascara, the pulp of the coffee cherry fruit, is typically discarded but contains several times the antioxidants of other well-known superfoods. Using upcycled cascara, the OFI innovation team launched a range of superfruit ingredients that can be used in hot and cold ready-to-drink beverages.

Our Dairy team continues to develop and launch affordable powder milk products without any compromise of safety and quality (e.g. sensory profile) for resource-constrained consumers. Our 2020 launches fared well, with repeat orders from Africa and the Middle East.

In another response to the growing health and wellness trend, our 'Golden Milk' formulation uses milk powder from Dairy and a turmeric spice blend developed by Spices to create turmeric lattes. Turmeric milk is often used as an alternative remedy to support health and immunity.

In the non-dairy milk category, nut milk customers are exploring how to enhance flavour, so the OFI innovation team is working on a powder that boosts both flavour and texture with ingredients like nutmeg, cinnamon and saffron alongside cocoa.

Bakery

Combining nuts and cocoa

Tapping into the healthy indulgence trend, Nuts launched an almond cream Danish pastry for a USA-based retailer, utilising almond flour and almond slices. The team has also developed a roasted defatted nut powder, which brings added protein and a natural nutty flavour to bakery formulations. Nut flours offer more nutritious alternatives to refined wheat flour being high in fibre, having a lower glycemic index and containing essential healthy fats. Other innovations include plant-based chocolate spreads by replacing milk powder with nut flours for use in pain au chocolat and other baked goods.

Confectionery

Healthy indulgence

Where hydrogenated vegetable oil (HVO) and sugar are commonly used to create cream fillings in products such as cookies and wafer rolls, the OFI innovation team developed nut-based pastes that can be used as a healthier alternative. This formulation allows nut paste to solidify after insertion, overcoming stability issues associated with unsaturated fats in nuts that can cause paste to ooze out of products. In the chocolate category, the team has been working with a combination of rich deZaan cocoa powder, blended with defatted nut flour to replace the need for milk ingredients in chocolate bars.

Snacking

Snacks for global retailers

Our Spices and Nuts teams have launched several creative collaborations to meet consumer demand for healthier, low-sodium alternatives to salted snacks and more flavoursome, plant-based protein sources.

One such savoury innovation was a range of new seasonings for snacking nuts, including natural flavours such as chilli, black pepper and more. On the sweeter side, both business units collaborated on a major launch for a snack bar manufacturer with new cinnamon-flavoured almond slices.

Culinary

Clean label solutions

Spices rolled out the launch of a new, clean label GardenFrost™ formula in the frozen vegetable purée market to make the formulation of no added sugar, clean label packaged products easier for manufacturers. This purée thaws 10 times faster than other frozen options.

Cashew is proving popular with manufacturers looking for neutral plant-based profiles with high nutrition content. It is comparable to or better than the fat profile of olive oil, and well-known for its health benefits. Cashew also gives more flexibility in plant-based cheese and yogurts.

Read more

- dezaan.com/en/pro
- twentydegreescacao.com

Purpose: how OFI creates Social and Natural Capital

At the heart of OFI is how we ensure provenance for consumers, prosperity for farmers and re-generation for our planet. Sourcing ingredients comes with supply chain challenges, from farmer poverty to greenhouse gas emissions.

While there is much progress to make, our businesses lead from the front. In 2020, OFI achieved 100% traceability for its directly sourced cocoa beans, tracking approximately 12% of the world's cocoa beans back to an individual farm or community. OFI also launched its first public goals and targets for its Coffee supply chain through Coffee LENS: Livelihoods, Education and Nature at Scale. Our revolutionary insights platform, AtSource, underpins OFI's efforts, giving granular customer data, as well as insights and action plans to improve the resulting social and environmental footprints.

By the end of 2020, for volumes sourced directly from origin[1]:

- 81% were traceable at least back to the farmer group, community, or production unit (e.g. farm, estate or orchard).
- 97% were 'responsibly sourced' i.e. from suppliers we engage with on the Olam Supplier Code (87%), or from highly regulated markets (e.g. almonds from Australia, USA Spices), or from our own farms, estates and orchards.
- 37% were 'sustainably sourced' i.e. from supply chains applying sustainable production practices, including AtSource Plus or Infinity programmes, and/or certified according to recognised third-party sustainability standards (e.g. Rainforest Alliance, Organic, 4C and others).

Sustainability highlights

~420,200
OFI farmers receiving sustainability support (cocoa, coffee, nuts and spices; 17% women)

989k ha
of smallholder land under programme stewardship

3.59m
crop seedlings distributed

45,400
beneficiaries of education infrastructure and equipment

182,800
farmers trained on children's rights

Social Capital

Partnering to help communities thrive

Peru – Coffee

The first sustainability programme in Olam to qualify for AtSource Infinity status is a circular economy model. The multi-stakeholder project involving OFI's Coffee business, major coffee roaster JDE Peet's, civil society organisation Solidaridad, National Forestry Division SERFOR and the Cooperative Cuencas de Hullega, was launched in 2019 to scale up an existing collaboration which focused on tackling deforestation and poor coffee productivity in Peru, following the 2012 leaf rust outbreak. Read the case study and perspective from Solidaridad on pages 126 and 127.

India – Spices

With the shared ambition of healthier communities, Spices and Nestlé India have partnered on water and sanitation projects in our Indian red chilli supply chains. Three projects in three different villages, including Kambhampadu, Vatsavai, and Madupalli were completed in January 2020. In both Vatsavai and Madupalli, sanitation facilities were built in two Zilla Parishad schools which will benefit a total of 1,200 children. In Kambhampadu, a 500-litre per hour reverse osmosis water plant was installed to support 200 families with access to safe drinking water.

Côte d'Ivoire – Cashew

The Cashew team in Côte d'Ivoire partnered with the National Nutrition Programme of the Ministry of Health and Public Hygiene, alongside UNICEF, World Health Organization, Hellen Keller International and the Government of Canada to promote good nutrition and COVID-19 prevention practices amongst cashew-producing communities. The team helped reach 2.5 million children with vitamin A supplementation, nearly 400,000 with deworming tablets and some 200,000 with acute malnutrition screening, spending just US$0.7 per child to deliver three of the most cost-effective, proven solutions to child malnutrition.

1. Excludes traded volumes and those bought on exchanges.

Natural Capital

Quantifying reduction impacts of GHGs

From end-to-end across OFI's value chain, we are focused on reducing our environmental footprint.

OFI's Cocoa business is a leader in its sector for setting a goal in its Cocoa Compass sustainability ambition to reduce Natural Capital costs by 30% by 2030. During 2020, Cocoa worked with Olam's Finance for Sustainability team and the Olam Integrated Impact Statement tool to analyse natural capital costs from both processing and agriculture operations using the key indicators of GHG emissions, biodiversity and water use. From a 2018 baseline, they can now see where actions are having the most impact, and crucially, where they need to invest further to reduce impact on Natural Capital. An impact report will be published in 2021.

The AtSource Plus tier is also a critical tool to help OFI and our partners understand climate impact. Through environmental calculators customers can report on their Scope 3 emissions. Our Dairy farming business Rusmolco has just completed the on-boarding process and customers will be able to see how the team is bringing down the emissions while keeping milk productivity up. One initiative is the conversion of slurry back into fertiliser and soft and hygienic bedding for the cows. AtSource Plus will help the business quantify the potential emissions saved by this process.

Similarly, the almonds produced from our ranches in USA and Australia are now available as AtSource Plus product. For many years the teams have been focused on water reduction through a programme of 'more crop per drop'. In 2020, Olam Orchards Australia began to undertake a trial to better understand the behaviour of almond trees under different conditions using sap flow sensors, dendrometers and stem psychrometers – tools that can integrate all the ambient environmental parameters acting upon the plant such as solar radiation, temperature, humidity, wind speed and water availability into single continuously measurable variables. Using technology like this is helping the team reduce their water footprint which is conveyed to customers the AtSource dashboard. For a tonne of almonds from Australia the dashboard shows that water intensity per tonne of product at the cultivation stage reduced by 19% while processing reduced by 3% from 2019 to 2020.

Incentivising cocoa farmers to protect and restore forest in the Amazon

Olam Cocoa is working in partnership with The Nature Conservancy, Mondelēz International, Partnerships for Forests and Instituto Humanize, to halt deforestation and restore degraded land in the Brazilian state of Pará, which has the country's highest rate of deforestation. The aim is to create a network of cocoa-based agroforestry supply chains and expand to 1,250 hectares by 2022.

As well as enabling farmers to diversify their crops and protect the landscape, a Technical Assistance Hub works with banks to simplify credit application procedures and provides farmers with credit application and financial management training. Farmers can also receive a price premium for their cocoa in exchange for zero deforestation and restoration commitments. The project also promotes participation of women, and our partners are working to roll out gender-focused financial management training.

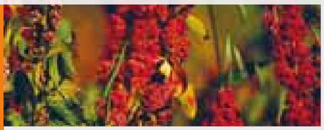
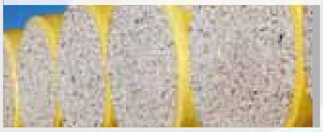
Read more

- Partnerships for Forests: partnershipsforforests.com/wp-contentuploads/2020/08/A-sweet-taste-for-forests.pdf
- In the Capitals section from page 88

Olam Global Agri (OGA)

An unrivaled leader in food, feed and fibre in high-growth emerging markets with proven expertise, processing capabilities and a global origination footprint.

Leader in food, feed and fibre in high-growth emerging markets

	Food & Feed		Fibre & Ag Services
	Origination & Merchandising	Processing & Value-Added	Cotton & CFS
			
Our Unique Edge	• Asset-light offering flexibility and delivering cost advantages • Low overhead cost covered by fee income streams • Independent trader providing liquidity and risk off-take • World-class traders with risk management expertise	• B2B complemented by higher value B2C downstream products • Unparalleled operational capabilities, efficiency and scale in Africa • Proven ability to execute and integrate pioneering projects and acquisitions	• Unique integrated ginning model delivering better returns; large grower and State Board buying • Customer relationships with leading textile mills in South and South East Asia • Active engagement with stakeholders • Strong trading and risk management capabilities
Leadership Positions	• #2 Trader of Soybean from Brazil • Leader in Key Wheat and Corn Global Flows • #1 Edible Oils Trader in South Africa • #2 Global Rice Trader	• #1 Wheat Miller in West Africa • #1 Animal Feed Player in Nigeria • #1 Rice Distributor in Cameroon and Mozambique • #2 Rice Distributor in Ghana • #2 Rice Processor in Nigeria	• #2 Cotton Merchant Globally • #1 Private Ginner Globally • #1 Cotton Grower Network • Leading Agri OTC Provider

A leader in high-growth food, feed and fibre markets

Q. What's the rationale for OGA?

The global population is expected to grow to 9.5 billion people by 2050 and 95% of this growth is projected to be in Africa and Asia. OGA's global reach and capabilities, alongside our unmatched operational footprint in Africa as well as Asia, uniquely positions us to meet the growing demand for food staples and feed across these high-growth emerging markets.

OGA is well placed to capitalise on the key secular trends that are shaping the food and agricultural landscape including the growing food security agenda, rising protein consumption, emerging markets growth, rising technology adoption and the growing focus on sustainability.

Our Grains and Animal Feed & Protein, Edible Oils, Rice, Cotton, and Commodity Financial Services businesses have developed their proprietary operating capabilities, including significant strengths in farming, global origination, processing, merchandising, trading, logistics, distribution and risk management that enable us to connect farmers and consumers of food, feed and fibre around the world. Organic growth and strategic acquisitions over the last decade have enabled OGA to become a leading global agri-business in terms of market share in the categories it participates in.

"Thanks to the pantry restocking effect during the pandemic at both the household and retail level, and the increased demand for safe and healthy food, earnings for OGA were boosted with strong performances from Grains, Animal Feed & Protein, and the Rice businesses which benefited from the surge in premium rice demand in Africa. In tandem with our focus on operational efficiency and strong risk management discipline, this helped OGA maintain the consistent growth trajectory in its performance over the last few years."

Sunny Verghese
Co-Founder and Group CEO

Financial highlights

39.4m MT
Volume

S$21.5bn
Revenue

S$462m
EBIT

13.7%
EBIT/IC

OGA is positioned as a global, market-leading food, feed and fibre agri-business, focused on high-growth emerging markets. Given the nature of its participation, which is relatively asset-light, it delivers significantly higher returns than its industry peers.

The creation of OGA as one of the two new operating groups helps us re-organise, simplify and focus our portfolio with products that are more similar in nature, tied together by a common underlying logic, with shared core capabilities and aligned to the key agri-business trends outlined earlier. The carve-out of OGA and strategic options to maximise its value, including a potential IPO, will also provide opportunities to further invest to profitably grow our business in areas where we have a proven track record and to expand into higher-value B2C products and distribution, such as pasta, semolina, and branded fortified rice to drive long term sustainable growth and value creation.

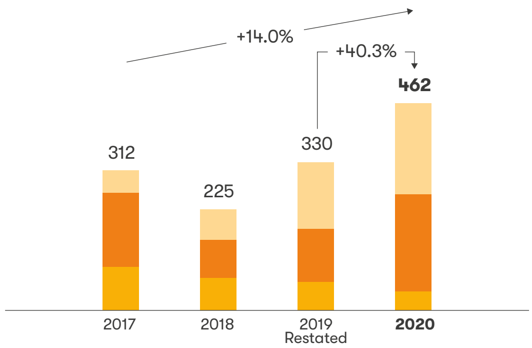
Q. How has OGA performed historically and in 2020?

A. There are two broad segments under which OGA is organised: i) Food & Feed segment; and ii) Fibre & Ag Services segment. Within the Food & Feed segment, there are two sub segments: a) Origination & Merchandising, and b) Processing & Value-added.

OGA has delivered impressive growth since 2018 with EBIT more than doubling from S$225.4 million to S$462.4 million in 2020, a 43.2% CAGR growth. 2020 was a banner year in many respects for OGA, with a record best performance in its history. In addition, it has significantly improved margins in terms of EBIT per tonne while also improving its capital efficiency in terms of EBIT on average invested capital (EBIT/IC) from 10.2% to 13.7% between 2017 and 2020. Invested capital has grown by S$781.7 million during this period, primarily from targeted investments in the Food & Feed – Processing & Value-added segment.

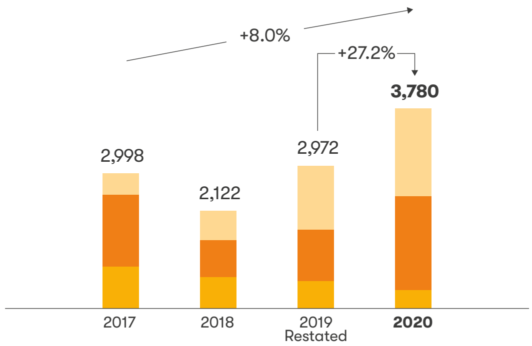
OGA: Highlights in 2020

EBIT
(S$million)



	2017	2018	2019 Restated	2020
Food & Feed – Origination & Merchandising	16%	30%	45%	**44%**
Food & Feed – Processing & Value-added	53%	38%	36%	**47%**
Fibre & Ag Services	31%	32%	19%	**9%**
EBIT/MT (S$)	19	8	10	**12**

Invested Capital
(S$million)



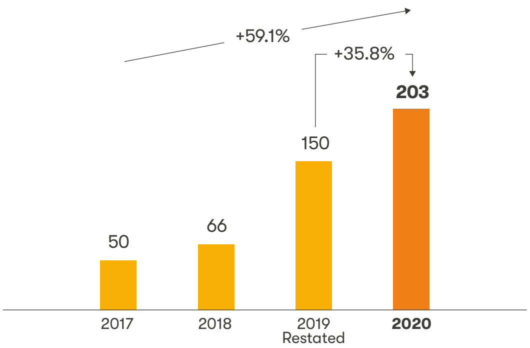
	2017	2018	2019 Restated	2020
Food & Feed – Origination & Merchandising	32%	26%	13%	**25%**
Food & Feed – Processing & Value-added	34%	46%	59%	**42%**
Fibre & Ag Services	34%	28%	28%	**33%**
EBIT/IC	10.2%	8.8%	12.9%	**13.7%**

In 2020, OGA continued its strong growth trajectory, reporting an overall 14.5% growth in volumes. The Food & Feed segments enjoyed strong volume growth. Revenues were higher by 14.1% on account of volume growth as well as higher prices in food staples, including Grains, Rice and Edible Oils.

EBIT grew by a robust 40.3% with higher contribution from both the Food & Feed segments in the Origination and Merchandising and Processing and Value-added segments. Its per tonne margin was up from S$10 in 2019 to S$12 in 2020.Overall invested capital increased by S$808.1 million due to volume growth and higher commodity prices in the Food and Feed – Origination and Merchandising segment, as well as longer cycle times in the Cotton business due to its new investments and the impact of COVID-19.

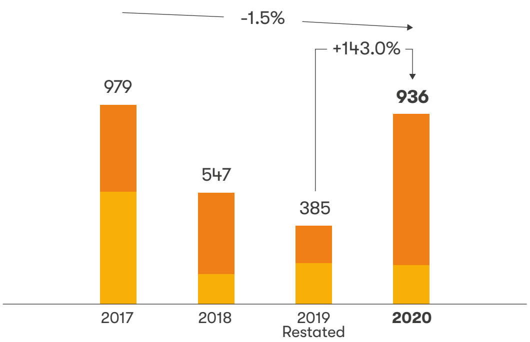
OGA: Food & Feed – Origination & Merchandising

EBIT
(S$million)



	2017	2018	2019 Restated	2020
EBIT/MT (S$)	4	3	5	**6**

Invested Capital
(S$million)



	2017	2018	2019 Restated	2020
Working capital	428	402	185	**745**
Fixed capital	551	145	200	**191**
EBIT/IC	5.2%	8.7%	32.1%	**30.7%**

The Food & Feed – Origination & Merchandising segment of OGA achieved a 13.4% growth in sales volume, which accounted for the bulk of the increase in Group volumes in 2020. This came on the back of our higher Grains and Rice volumes during the period, which benefited from the strong trade flows in grains between South America and China and the growing demand for rice in major markets along with the consolidation of the rice industry in Africa.

Revenues were up 13.9% on sales volume growth as well as higher rice prices and the segment recorded a healthy EBIT growth of 35.8% with per tonne margin rising from S$5 to S$6. Strong origination and merchandising volumes in soybean, wheat and corn between Brazil, the Black Sea and Asia, particularly China, combined with disciplined risk management and good freight management resulted in significant growth in both top line (volumes and revenue) and operating profits (EBIT) compared with the prior year.

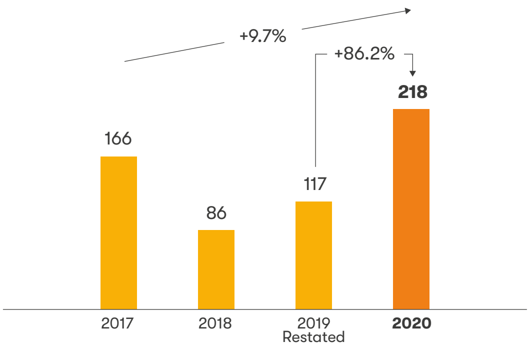
Rice origination and merchandising volumes and margins were up, resulting in significant improvement in EBIT over 2019. We were favourably positioned for the surge in rice exports from India amid the supply squeeze in the key producing countries in Asia. Rice farming and milling in Nigeria did very well with a good wet harvest, coupled with improved milling efficiency and strong local demand as borders were closed for most part of the year.

Contribution from Edible Oils trading declined due to the sharp fall in out-of-home edible oil consumption in Asia due to COVID-19 lockdowns and restrictions as well as the Indian ban on refined palm olein imports, although some of this impact was offset by an improvement in domestic trading within China and South Africa.

Invested capital increased by S$550.8 million in 2020. While fixed capital was down slightly, working capital rose substantially on higher volumes. Hence, EBIT/IC for the year was 30.7%, a decrease from 32.1% in 2019.

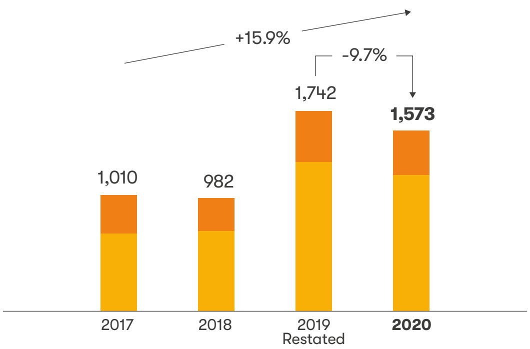
OGA: Food & Feed – Processing & Value-added

EBIT
(S$million)



	2017	2018	2019 Restated	2020
EBIT/MT (S$)	66	33	38	**54**

Invested Capital
(S$million)



	2017	2018	2019 Restated	2020
Working capital	333	284	442	**387**
Fixed capital	677	698	1,300	**1,186**
EBIT/IC	16.2%	8.6%	8.6%	**13.2%**

The Food & Feed – Processing & Value-added segment posted a strong 31.5% increase in sales volume mainly in Grains milling and premium Rice distribution in Africa during 2020. The COVID-19 outbreak in the region had led to rising pantry restocking effects and drove greater demand for these food staples. Revenues surged by 53.6% on volume growth and higher selling prices.

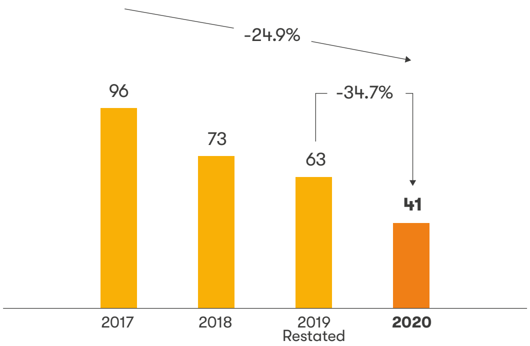
EBIT nearly doubled on stronger than expected growth in Grains milling post the acquisition of Dangote Flour Mills in Nigeria, as well as in our wheat milling operations in Cameroon, Senegaland Ghana, resulting in improved milling margins. The Animal Feed & Protein business's sales and margins also improved from the prior year. Strong milling and animal feed margins raised margin per tonne from S$38 in 2019 to S$54 in 2020.

Our branded and packed Rice distribution business had a stellar, all-round performance across markets in Africa, backed by our sourcing capabilities and strong demand as well as the rationalisation/consolidation in the number of market participants during the year.

Invested capital decreased by S$168.8 million in 2020 as working capital declined with tighter inventory and receivable days. EBIT/IC for the segment jumped from 8.6% in 2019 to 13.2% in 2020.

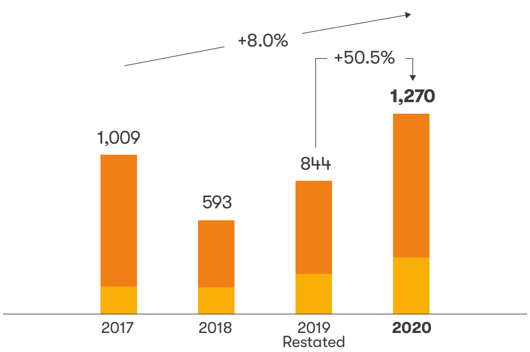
OGA: Fibre & Ag Services

EBIT
(S$million)



	2017	2018	2019 Restated	2020
EBIT/MT (S$)	70	46	40	**26**

Invested Capital
(S$million)



	2017	2018	2019 Restated	2020
Working capital	836	425	591	**911**
Fixed capital	173	168	253	**359**
EBIT/IC	9.0%	9.1%	8.7%	**3.9%**

Sales volume at OGA's Fibre & Ag Services segment was up marginally by 1.8% in 2020. However, revenues fell by 5.0% on lower cotton prices.

The segment registered a 34.7% reduction in EBIT as a result of a significant contraction and downturn in textile mills capacity utilisation due to COVID-19 impact and the resultant lockdown measures in the major textile producing centres, including China, Indonesia, Vietnam, India, Pakistan and Bangladesh. This also resulted in delays in shipments leading to longer inventory carrying periods across most of our Cotton origins. Australia experienced drought conditions which affected its cotton production and, in turn, impacted our ginning income for the year. The underperformance in Cotton was partly offset by improved contribution from the Commodity Financial Services business as it implemented new asset management strategies to navigate through market volatilities in H2 2020. EBIT per tonne declined from S$40 in 2019 to S$26 in 2020.

Invested capital increased by S$426.1 million in 2020 mainly due to working capital rising on higher cotton stock levels and expansion of integrated ginning in Cotontchad. Fixed capital also contributed to the rise in invested capital following our new investments in Cotton in Togo and the USA.

OGA in numbers

6,300
customers

2.58m
farmers in direct and indirect supply chain

50+
manufacturing and processing facilities

5,000
employees

~30
countries

26,000
hectares under OGA management

Cotton: strengthening our global origination and processing

Today, OGA's Cotton business is the most diversified global cotton supply chain company in the world, with leadership positions in almost all major producing and consuming countries. It is the largest private ginner of cotton worldwide, with over 27 ginning factories spread across Australia, the USA and West African countries, and supplying cotton to more than 700 textile mills across the world.

Our unique integrated ginning model means we are able to engage and support farmers directly by providing agricultural inputs, training in good agronomic practices and model farms to increase yields and improve farmer household income, while enabling us to source and supply consistent quality cotton to customers.

In 2020, we engaged directly with around 250,000 smallholder cotton farmers in Côte d'Ivoire and Chad. All are certified as Cotton Made in Africa, an internationally recognised standard for sustainable cotton from Africa, with 17,700 Ivoirian farmers also certified under the Better Cotton Initiative, and under AtSource Plus programmes. We are leveraging learnings from our farming and ginning operations in Australia and Brazil to transfer best practices to Africa, which is helping advance more traceable and sustainable supply chain solutions going forward.

In 2020, Olam Cotton strengthened its origination and operational capabilities with a majority stake in Nouvelle Société Cotonnière du Togo (NSCT), an exclusive producer of cotton in Togo. These investments bolster Olam's position as the most diversified and integrated global cotton supply chain company in the world.

Since investing in Cotontchad Société Nouvelle in 2018, we have overseen a revival of Chad's cotton sector which saw over 232,000 farmers planting cotton on over 230,000 hectares in 2020, processed by seven refurbished gins. The investment in NSCT, which is responsible for all cotton related activities in Togo, including engaging with farmers, ginning, sales and marketing of cotton and cottonseed, will enhance our capacity to increase volumes, increase yields and to help realise the full potential of Togolese cotton.

On trend: Key factors shaping the global agri market

Food security focus	Rising protein consumption	Emerging markets demand	Rising technology adoption	Sustainability moving to the mainstream
COVID-19 driving demand for staples and emphasising need for food security during pandemics and supply/demand imbalances are rising	Shift in dietary habits including rising protein consumption per capita – particularly in emerging markets	Growth in demand across food, feed and fibre driven by emerging markets in Asia and Africa	Digital and technology transformation of agri sector accelerating with potential of significantly higher yields and efficiency	Sustainability is expected across food, feed and fibre (e.g. increasing push for natural fibre)

Q. How is OGA different from other players in the market?

A. OGA has built a unique edge across food, feed and fibre through our operational capabilities, competitive positioning and track record of superior growth and returns.

In Food & Feed we have implemented an asset light strategy for our origination and merchandising activities by leveraging third-party capacity at origin, which delivers a strong cost advantage from low fixed assets and overheads and offers us flexibility to respond to shifting trade flows.

We are uniquely positioned as an independent trader in the supply chain providing liquidity and risk offtake to asset owners. It allows OGA to trade with both local players and global majors in both origin and destination markets.

This is supported by a world-class trading team and best-in-class risk management, systems and processes.

Our processing and value-added capabilities offer a core B2B product portfolio, complemented by higher-value consumer products, such as pasta, semolina and fortified branded rice distribution. We have world-class processing operations that have unparalleled operational efficiency in destination markets. Our wheat milling operations in Nigeria have capacity utilisation rates almost double the industry average, while our extraction efficiencies are higher than the sector average.

In fibre, we are one of largest cotton traders globally, and our ginning and trading capabilities have enabled us to develop strong relationships with both growers and customers, including leading textile mills in South and South East Asia. Our unique integrated ginning model allows us to engage with smallholder cotton farmers in Africa to help improve productivity and yields, which results in improved returns for farmers and our business.

Across our segments, our businesses are further benefiting from the synergies and best-in-class expertise in trading, processing, logistics, risk management and sustainability to deliver strong operational performance and growth.

One other facet of OGA, of which I think we can be immensely proud, is our market-leading sustainability credentials which allow end-to-end traceability in food, feed and fibre. This is increasingly important to all of our customers and, for many, is a critical consideration in their choice to do business with OGA.

Nigerian aquaculture industry doubles with AFP

In Nigeria, the Animal Feed & Protein (AFP) business is helping to drive the aquaculture sector which has seen annual growth rates rise from low single digits to around 25% in the last three years. Olam's investment to develop a world-class aquafeed plant has nearly doubled the country's feed milling capacity, helped reduce the reliance on imported feed sold in the market, and made quality, affordable feed available to farmers which has significantly increased their profitability. With Nigeria continuing to depend on imports to service over 80% of its fish consumption of around 1 million MT per year and the government's drive to increase local production and reduce food imports, there is significant room for growth of aquaculture over the next decade.

This success can be attributed to AFP's understanding of the Nigerian farmers' needs and efforts to improve the quality of aquaculture practices. A portfolio of brands has been developed to service different farmer customer segments by providing quality feed at various price and performance levels. AFP has also invested in building a team of 40 Aqua Technical Executives who provide on-the-ground farmer training and support to around 7,000 farmers, which is helping to raise Nigerian farmer productivity levels in line with their Asian counterparts.

2020 saw acute feed shortage in Nigeria due to the COVID-19 related supply chain disruptions in both local, as well as imported raw materials. AFP was able to ensure continuous feed supply to its large farmer base and played an important role in ensuring food security (particularly proteins) in the country. Participation in the corn, soya and other local raw material supply chains, as well as global sourcing of animal proteins and additives, ensured AFP was able to service the Nigerian aquafeed demand throughout the year.

Export licence enables backward integration for Rice business

The Vietnam Rice team secured a Vietnamese Rice Export licence, making it one of the only few foreign-owned entities allowed to export rice out of Vietnam. The Ministry of Industry and Trade (MoIT) Vietnam was encouraged by Olam's commitment and vision for Vietnam's rice sector. Olam has been a pioneer in marketing and promoting Vietnam's premium rice globally for over a decade and now caters to all major markets in Africa, Asia and Middle East. Customers are amongst the largest brand owners for Vietnamese fragrant rice.

The export licence now allows the Rice business to integrate backwards with a processing facility. The team has therefore taken over a state-of-the-art rice and paddy processing facility in the Long An province from which it will export rice. This in turn allows the team to control and maintain the quality throughout the supply chain. The facility is 100% export-orientated, located in Long An province which has access to the choicest fragrant and high-quality paddy growing regions. The current capacity of the plant is 16-24 MT/Hr of paddy input and 32-40 MT/Hr of rice input.

It is a fully certified BRC, Halal, ISO, HACCP compliant plant with the capability to pack and ship both bulk packs as well as retail packs. The facility also produces fortified rice.

It further allows the Rice business to integrate its Sustainable Rice Platform project, under which they will engage with almost 10,000 farmers by 2022 and 26 cooperatives in Vietnam directly to produce high-quality, Minimum Residue Limit-compliant rice for EU and USA markets.

Q. Where do you see the opportunities to drive growth for OGA?

A. We intend to build on OGA's track record and reputation for delivering high returns and high growth by continuing to selectively invest in targeted growth initiatives in our priority platforms and markets.

The global agricultural landscape is being shaped by growing food security issues, dietary shifts towards higher protein consumption, technology adoption to realise gains in yields, and a greater focus on sustainability. We believe OGA is uniquely positioned to meet these and to respond to the opportunities they are creating, particularly given our strong focus across Africa and Asia.

We are setting a clear ambition and strategy for growth to realise the full potential of OGA over the coming years across food, feed and fibre.

We see opportunities to further develop our food and feed origination and merchandising capabilities. This includes growing our global grains and oilseeds trading footprint and our asset-light freight trading business, while maintaining our independent positioning to allow OGA the agility to be a partner of choice for both local and global players in both origin and destination markets.

For food and feed processing and value-added activities, we will look to expand our pan-African wheat milling interests and leverage our expertise to selectively explore opportunities in other emerging markets. We have established a solid platform to continue to grow our animal feed operations to meet the shifting dietary choices and increasing demand for protein across Africa and Asia.

We have a proven and unique integrated cotton ginning model, which we have already expanded over recent years into Chad and Togo, and we see opportunities in other markets. This will allow us to build relations with farmers to boost productivity and yields at farm level, and enable us to bolster our partnerships with close relationships with textile manufacturers.

With the growing focus on sustainability, we believe OGA is strongly positioned to meet the need for more traceable and sustainable agricultural commodities. Through our AtSource sustainability platform and through our active leadership in sector-wide initiatives, such as the Sustainable Rice Platform, we are driving greater transparency and driving more sustainable practices that are reducing postharvest loss, improving farmer livelihoods and reducing the impact on climate and biodiversity.

Rice brand distribution business breaks records

Focused on having a fully integrated supply chain, and extracting value at every level, Rice was able to navigate supply chain challenges to help ensure global food security. Its portfolio of 30 consumer brands in Africa, Hong Kong, India and UAE saw strong performance, supported by new product launches to meet specific consumer and government requirements, including flavour, accessibility, immunity and locally grown varieties.

Highlights include:

India

- Basmati distribution business launched for domestic market with brands True Earth and Heaven's Harvest – the first B2C business for Olam India.
- In exports, the business achieved the highest-ever volumes with shipments to more than 20 countries in Africa, Asia, South America, Europe and Oceania.

Cameroon

- Overall market share grew and the Riz Meme Casse brand gained further segment share.
- In this context, Royal Feast Yelele was launched –100% Vietnamese fragrant brokens rice.

Ghana

- Launch of Ghana's first fortified rice: Royal Aroma Fortified (see page 52). The Royal Aroma portfolio was consolidated further with launch of a superior Vietnamese fragrant variant – Royal Aroma Gold.
- Launch of locally grown Mama Gold rice (see page 52).

Nigeria

- Achieved the highest-ever sales volumes for own-farm brands – Mama's Pride, Mama's Choice and Chef's Choice.

CFM becomes Nigeria's number one pasta provider

The acquisition and integration of Dangote Flour Mills (DFM) with Olam's Crown Flour Mills (CFM) flour and pasta manufacturing capabilities in 2019 successfully created a leading business to meet the rising demand for high-quality flour and pasta in Nigeria. The combined and complementary manufacturing footprint has also provided opportunities to enter new market segments.

Nigeria is the largest pasta market in Sub-Saharan Africa with an annual consumption of about 700,000 MT. Prior to the acquisition of DFM, Olam was focussed on serving our value-oriented customers in Northern Nigeria. Our brand – BUA Spaghetti – is the market leader in this segment.

With the acquisition of DFM, Olam doubled its pasta manufacturing footprint in the country. Following extensive market research to understand consumer preferences, in May 2020 we launched Crown Premium spaghetti and macaroni to cater to the premium pasta segment. Ably supported by conventional and digital marketing, Crown has become one of the fastest growing pasta brands in the country.

Our strategy of deeply understanding consumers' preferences, developing appropriate products to meet their needs, and delivering best in class quality at every price level has made Olam the leading pasta player in Nigeria.

In 2020, CFM won the FMDQ Gold Awards for Most Active Corporate in the FX Futures Market. The FMDQ Gold Awards recognise principal market participants who have demonstrated excellence and diversity in the fixed income, foreign exchange and derivatives markets, driving development through their activities and raising the standards of the domestic integrated financial market.

Purpose: how OGA creates Social and Natural Capital

As an unrivalled leader in food, feed and fibre and with an on-the-ground presence across Africa and Asia, OGA has significant capabilities to cooperate with governments in meeting their national food and nutrition security agendas, as well as build smallholder capacity to raise productivity and improve livelihoods.

Sustainability highlights

321,800
OGA cotton, fish, poultry, rice and wheat farmers receiving sustainability support (22% women)

80%
of farmers with at least one certification

55,400 MT
of fertiliser distributed for free/cash/credit

20,600
farmers receiving seeds, training, tools or equipment for food crop production (in addition to cash crop support)

72.7bn
servings of micro-nutrient fortified foods for consumers

Social Capital

Focus on fortification

Adding micro-nutrients to staple foods or condiments during processing helps consumers get the recommended levels. A scalable, sustainable and cost-effective public health strategy, fortification is an important focus area for governments in emerging markets. In 2020, Grains and Rice continued to support this along with consumer demand for products that can help improve 'grey matter infrastructure' – the brainpower needed for children, sectors and countries to reach their full potential, with demand accelerating in 2020 as a result of COVID-19:

- **Nigeria's first vitamin flour pre-mix facility:** established by CFM in collaboration with non-profit organisation TechnoServe, this premix facility delivers vitamins and minerals that meet the regulatory requirement of the Standards Organization of Nigeria (SON) to fortify its highly consumed semolina and other wheat-based products. The delivery is in line with the 90% food fortification compliance target set at the penultimate edition of the Nigerian Food Processing and Nutrition Leadership Forum.
- The Edible Oils facility in Nigeria was due to start its fortification programme in 2020 but was delayed due to COVID-19 restrictions.
- **Ghana's first fortified rice brand:** according to a Micro-nutrient Survey (2017) conducted by the University of Ghana and UNICEF, approximately 50% of women and 66% of pre-school age children suffer from anaemia, and 30% of pre school children suffer from iron deficiency. Rice is the second most important staple in Ghana, next to maize. It is an ideal food vehicle for fortification due to its wide consumption, reach, coverage, acceptability and palatability.
- With 25 years of experience in selling rice in Ghana, and 700,000 households buying Olam brands, the Rice business was uniquely positioned to introduce Ghana's first fortified rice, including iron, zinc, and four out of eight B-complex vitamins, providing more than 15% of the minimum RDA (recommended dietary allowance) per serving.
- Consumer research showed that an overwhelming 95% of consumers would be interested to try a fortified rice from Royal Aroma. A major consumer campaign, including outreach to clinics and young mothers, is underway.

Reducing imports and supporting farmers

To date, the vast majority of rice and wheat sold in Africa has been through imports, which impacts on governments' foreign exchange reserves. The Grains and Rice team therefore kick-started two initiatives:

- Grains: to support the government's self-sufficiency drive for the wheat value chain, over 3,300 farmers have been trained and equipped through a joint effort by CFM, the Flour Miller's Association of Nigeria (FMAN) and the federal government. Farmers were provided with improved seeds, fertilisers, and threshers under a soft loan scheme to enhance access to extension services.
- **Rice:** through the Mama Gold brand, the team has been able to leverage its established operational infrastructure and wide sourcing network to collaborate with rice growers and millers in the Volta, Ashanti and Eastern regions to produce and stock Ghana's first home-grown rice.
- In Nigeria, Mama Gold rice is produced by the Olam Rice Farm and associated outgrower programme. The team works in partnership with the International Fund for Agricultural Development (IFAD) and the federal government on the Value Chain Development Programme (VCDP) to support farmers. At an event to kick off the planting season, Nadine Gbossa, Country Representative, IFAD, commented:

"The IFAD Olam VCDP partnership has supported smallholder farmers to transition into profitable agri-businesses that are able to tap into the growing domestic and regional food market. By entering into win-win partnerships with off-takers such as Olam, smallholder farmers have increased their productivity by up to 150% and are generating significant incomes and profits. Data shows that 73% of participating smallholder farmers have increased their income by more than 25%.

Smallholder farmers have improved their socio-economic status across key indicators. For example, 34% of smallholders were able to improve the food security of their family. Amongst participating smallholders, the number of households living in poverty reduced by 33%. The number of children attending secondary schools for VCDP households has increased by 17%, so it means that more of the farmers are able to send their children to secondary schools, when the norm was just sending them to primary schools. So, the impact of VCDP on the lives of smallholders and their families through this partnership is quite measurable and with visible evidence."

Natural Capital

Transitioning sustainability programmes

In 2020 the Rice and Cotton businesses began to transition their sustainability programmes to AtSource Plus. To date, there are almost 18,000 cotton farmers in Côte d'Ivoire and 4,300 rice farmers in Thailand on AtSource Plus.

As one of the world's largest contributors of methane, tracking and reducing the climate change impact of their rice brands can be a major differentiator for customers aligning themselves to UN Sustainable Development Goal commitments.

A customer looking at the Ubon Ratchathani farmer group in Thailand (2,686 farmers) would see that the majority of greenhouse gas emissions are due to crop cultivation on the farm, with transport contributing only 4% to overall emission intensity. To reduce this footprint, Olam has been working with the Thai Rice Department and German development agency GIZ to implement the Sustainable Rice Platform (SRP) Standard. Since 2016, SRP projects in four countries have trained 52,200 farmers on four straightforward solutions that can cut methane emissions from rice production by up to 70%. Thanks to the sustainability out-reach programmes the trend data is going down overall.

Read more

- Social Capital page 106
- Natural Capital page 88

Olam International Limited (OIL)

Unlocking value and accelerating growth for the Olam Group.

Key roles and responsibilities

Responsible divestment of de-prioritised assets and exiting businesses

Nurturing and partial/full monetisation of gestating businesses

Packaged Foods

Achieve leadership in selected food categories (culinary, snacks) in Nigeria/Ghana and expand into adjacent markets in West Africa

Infrastructure and Logistics

Extract full value from our existing Gabon operations and selectively expand into other markets in Africa

Olam Palm Gabon

Develop fully RSPO-certified upstream Palm Oil business in Gabon

Incubate new platforms for future growth (Engine 2)

Nurturing businesses and incubating future growth

“While we have had a decline in operating earnings in the segment because many OIL businesses were impacted by COVID-19, we are still making good progress across the three main responsibilities for OIL.”

Sunny Verghese
Co-founder and Group CEO

Q. What is the remit of OIL?

OIL's role as steward in this first year of re-organisation has been essential in maintaining the re-organisation momentum despite the pandemic. Initiatives like AtSource and those behind our strategic enablers – Sustainability, Digital, Operational Excellence and Leadership and Talent – have excelled in terms of delivery. In its role as accelerator, OIL's ability to nurture our three gestating businesses to full potential was hampered somewhat by the impacts of COVID-19. But there were still several exciting developments.

Meanwhile smart investment in our Purpose-driven Engine 2 initiatives looks set to deliver real options value in the coming years after steady progress in these unprecedented times.

OIL in numbers

18,500
employees in all OIL businesses, central functions and country teams

2.3m ha
under OIL management, (2m ha being forestry concessions in the Republic of Congo)

~100
sites for all OIL businesses

3
ports in 3 countries

9
manufacturing and processing facilities

4
special economic zones

Q: How would you describe OIL's performance for 2020?

A. As with OFI and OGA, we started to report OIL's performance as part of the continued progress on our re-organisation. We are doing so by three segments that reflect the main responsibilities for OIL:

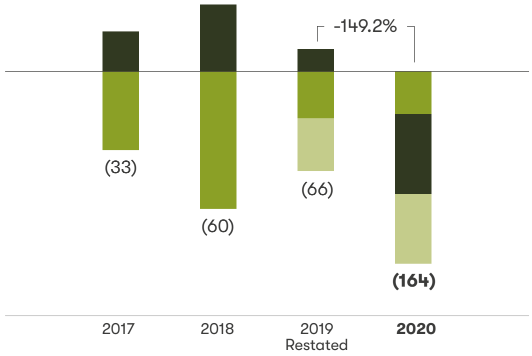
1. To oversee the responsible divestment of our **De-prioritised/Exiting Assets** as earmarked in our 2019-2024 Strategic Plan and release cash.
2. To nurture our **Gestating Businesses** – our ARISE Infrastructure & Logistics business, our Packaged Foods consumer business and Olam Palm Gabon (OPG) – and to partially/fully monetise these investments over time.
3. To incubate new engines and platforms – our **Incubating Businesses** (Engine 2) – for future growth.

For 2020, OIL recorded lower revenues with the closure of the Sugar, Rubber and Fertiliser trading desks, the Fundamental Fund business, Wood Products business in Latin America and Olam Tomato Processors in California. EBIT losses amounted to S$164.0 million as our Gestating Businesses were impacted by COVID-19.

Overall invested capital came down by S$478.1 million mainly on the prudent one-off impairment for OPG, as well as other divestments and closures.

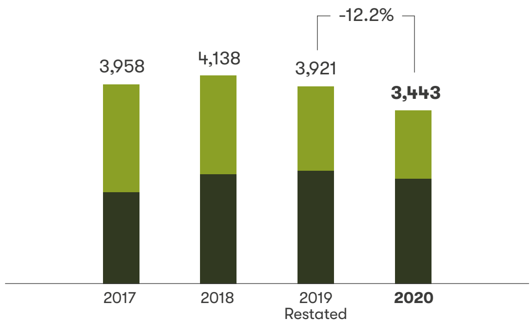
OIL: Highlights in 2020

EBIT
(S$million)



	2017	2018	2019 Restated	**2020**
De-prioritised/Exiting Assets	(67)	(117)	(40)	**(36)**
Gestating Businesses	34	57	19	**(69)**
Incubating Businesses (including corporate adjustments)	–	–	(45)	**(59)**

Invested Capital
(S$million)



	2017	2018	2019 Restated	**2020**
De-prioritised/Exiting Assets	2,138	1,965	1,674	**1,360**
Gestating Businesses	1,820	2,173	2,247	**2,083**
EBIT/IC	(0.8%)	(1.5%)	(1.6%)	**(4.5%)**

OIL: De-prioritised/Exiting assets

In 2020, we divested our balance 50.0% stake in Indonesian sugar refinery Far East Agri, shut down Olam Tomato Processors in California, restructured NZFSU's Dairy farming operations in Uruguay and completed the sale of the Mungindi gin in Australia and sugar mill in India.

OIL: Gestating Businesses

Our Gestating Businesses collectively reported a loss of S$69.0 million in 2020 (2019: S$19.0 million).

Despite COVID-19 lockdowns adversely impacting demand for out-of-home consumption and severe inflationary pressures due to the devaluation of the local currency in Nigeria and Ghana, Packaged Foods reported overall better revenues both in local currency and in US dollars for the year, albeit with a lower EBIT than 2019. Volumes bounced back in H2 2020 with improved market shares in key categories such as snacks and culinary in both countries.

Performance of our Infrastructure & Logistics platform (ARISE) declined on our reduced shareholding in the ARISE associated companies as well as subdued industrial activities for ports and logistics sectors in Africa due to COVID-19.

OPG continued to see its partially yielding acreage increase, resulting in higher period costs.

Invested Capital in our Gestating Businesses came down by S$164.2 million on the OPG impairment, which was partially offset by the developmental expenditure in its plantations.

OIL: Incubating Businesses

We continued to make steady progress in the six Engine 2 growth initiatives that we are incubating, including a digital farmer services platform 'Jiva'; a B2C 'Adva' and a B2B 'GreenPass' sustainability lifestyle environmental footprinting and solutions app; carbon trading and sustainable landscapes investment platform, the 'Re~' B2C purpose brands business; and externalised the highly successful digital sustainability project built on our proprietary AtSource platform.

Q: What would OIL look like following the carve outs of OFI and OGA?

A. We can answer this question by examining more closely what the three roles of OIL are, which are outlined in the earlier question.

We expect to complete the divestments of our de-prioritised assets and exiting businesses within our Strategic Plan timeline. Once this happens, OIL will continue to manage the Group's Gestating Businesses, to nurture them and explore options to unlock the value in these businesses by partially/fully monetising these investments over time. These two roles have a finite timeline to execute and complete.

The third role of OIL is incubating new platforms to drive future growth for the Group, adopting a similar approach to a venture business by investing into ideas that are truly disruptive, yet consistent with our Purpose of Re-imagining Global Agriculture and Food Systems, with sustainability and digital technology at their core. These will be new growth engines and platforms that will leverage our core strengths and unique assets and enhance our core business with their scalable, high margin, high return, and low earnings volatility business models. The six Engine 2 initiatives are showing good progress even as they are in the early stages of incubation and development. We believe some of these initiatives will provide strong opportunities to deliver strategic and financial value for the Group over the long-term.

Q. All of the Gestating Businesses are focused on Africa. Where is the opportunity and what progress was made in 2020?

A. OIL's in-depth understanding of Africa stems from its 31 year history on the continent. While our supply chain expertise, distribution network and consumer understanding, have contributed to the Company's success in building a global leadership business, government initiatives and favourable trade policies in recent years have helped Africa progress as a hub of increasing manufacturing and food processing presence.

Our Gestating Businesses are now leveraging those capabilities to address key needs on the continent:

Bringing products that are 'right-for-me' to the African consumer

The Packaged Foods business is seeing an uptick in consumer demand for products that are healthy and convenient, but crucially affordable. As a result, Packaged Foods is placing increased focus on its Snacks and Culinary portfolio.

Despite COVID-19 lockdowns adversely impacting demand in out-of-home consumption, and severe inflationary pressures due to the devaluation of the local currency in Nigeria and Ghana, Packaged Foods reported overall better revenues both in local currency and in US dollars for the year. 2020 highlights included:

- Improving market shares across Ghana and Nigeria in all categories through focused distribution, communication and activations.
- Acquiring leadership positions in Nigeria Biscuits and Sweets.
- Maintaining leadership position in Snacks and Culinary in Ghana.
- Expanding the West Africa footprint into Côte d'Ivoire with launch of Pure Bliss biscuits.
- Highly successful launch of smaller pack sizes for biscuits to give easier access to consumers facing rising food inflation.
- Backward integration pilot project to grow tomatoes for the Tasty Tom paste brands through commercial farms and associated smallholder programmes.

Producing essential vegetable oil to meet the growing demand in Africa

Olam Palm Gabon is the largest RSPO-certified palm plantation in Africa. A joint venture with the Government of Gabon, the plantations are the first to have been independently assessed as climate positive (net drawdown of atmospheric carbon). While COVID-19 impacts resulted in impairment (see page 22), other progress includes:

- On track for 100% RSPO certification in 2021.
- Improved operational efficiency with greater mechanisation.
- Agreement to establish a biodiesel refinery to help Gabon diversify from fossil fuels. This will be in addition to the two palm oil mills, one kernel crushing plant and an edible oil refinery producing cooking oil and soap, sold to Gabonese consumers. A third palm oil mill will be ready in June/July 2021.

Addressing the infrastructure gap

The ARISE group focuses on sustainably originating, building and executing large-scale infrastructure and logistics assets to enable countries to transition to an industrial economy. Formerly known as GSEZ, at the start of 2020 it was re-organised into the three ARISE entities so that the Company can extract full value from its investments in infrastructure and logistics projects in Africa, and allow each entity to pursue its own growth path and selectively expand into other markets in the continent.

Today the business operates under three verticals – ARISE Port and Logistics (P&L), ARISE Integrated Industrial Platform (IIP) and ARISE Infrastructure Services (IS).

ARISE P&L manages ports and logistics infrastructure projects in West Africa, including a mineral port and a general cargo port in Gabon, a cargo port in Mauritania and a bulk port in San Pedro, Côte d'Ivoire which is under construction. The joint-venture is now managed by A.P. Moller Capital.

ARISE IIP manages the special economic zones in Nkok, Gabon; PIA in Togo; GDIZ in Benin and another under development in Côte d'Ivoire.

ARISE IS comprises airport (ADL) management in Gabon, a toll road under development in Gabon and Togo, and the development of a cargo port in Mauritania.

Each vertical is a unique joint venture partnership, with strategic partners and host government shareholders, including Africa Finance Corporation, Meridiam, STOA, SNEDAI and CDC Gabon. In 2020, the Company completed a partial stake sale of ARISE P&L to A.P. Moller Capital, which resulted in a cash release of US$31.0 million.

Key developments during the year include:

- Expansion of ARISE IIP into Togo, on the creation of a 400 ha integrated industrial platform in the region of Adétikopé, north of Lomé, in partnership with the Republic of Togo to be developed through a joint venture company held by ARISE IIP and the Republic of Togo (Park Industrial Adétikopé – PIA). The hub will support the processing of agricultural products sourced in Togo, such as cashew and cotton, therefore helping the country retain more crop value ahead of export. ARISE IS is also developing a PPP toll-based project to build the Lomé-Cinkassé highway.
- Expansion of ARISE IIP into Benin, with the construction of a special economic zone at Glo-Djigbé, about 40km north of the capital Cotonou, which will also focus on agri-product processing.

The special economic zone in Gabon was ranked the world's best special economic zone in the timber sector (2020 FDI ranking).

Engine 2 initiatives

Intellectual Capital: incubating platforms for future growth

Olam's 4th strategic pathway – developing an Engine 2 business by incubating new platforms for growth – is driven by the logic of seeking more attractive margin and return profile opportunities with lower volatility and cyclicality than OFI and OGA, and which are also less capital intensive.

Kick-starting the smallholder digital revolution

The biggest challenges facing smallholder farmers are access to markets, crop care advice, finance and farm inputs like fertiliser and seeds. Formerly known as the Farmer Services Platform, Jiva is a venture incubated by Olam in 2020 with a clear mission to transform smallholder farming and improve the lives of farmers. This holistic platform empowers small-scale farmers to maximise their income, whilst enabling ecosystem players to establish direct relationships with producers who are hard to reach in rural and fragmented supply chains.

Leveraging Olam's Intellectual Capital in upstream procurement and digital services, Jiva was developed to offer farmers free agronomic advice, extend credit for farm inputs, sell and deliver inputs, and purchase crops to harvest. Jiva is operational in Indonesia and India under the brands Jiva and AgriCentral, respectively. In Indonesia, we are currently operating all business units – offtake, input, credit and advisory while in India we currently only provide the advisory service.

Jiva operations were established in 2020 in Indonesia with the hiring of several key positions including digital marketing lead, operations head, branch managers and agronomists. We are now in the process of scaling up these operations.

As the forerunner to Jiva, AgriCentral has gone from strength-to-strength with over 2.6 million farmers registered since its launch in 2018, providing information, agronomy and pricing on more than 30 crops in five local languages.

Jiva's model differs from other agtech players in four primary ways:

1. It employs a dual physical and digital model, which allows our technology and product teams to rapidly optimise and update the advisory, pricing, routing and other services to meet live conditions on the ground.
2. It employs a network of rural entrepreneurs, creating relationships with farmers at the source for 'first-mile' logistics and procurement.
3. Jiva's agronomy 'nudge brain' leverages remote sensing to advise farmers on what is the next best action they can take for their specific farm. While this information is delivered to them digitally but because of low literacy rates, Jiva uses voice or visual instruction help to farmers better understand what action to take on that particular day, on their farm.
4. Finally, Jiva operates a 'buy-now-pay-at-harvest' credit model, creating a 'closed loop' in which farmers buy inputs on credit, pay back with their harvest, and guarantee Jiva the sale. This dramatically lowers the credit risk profile. Lower risk and Jiva's superior capacity to 'see the whole picture' allows Jiva to service a broader group of farmers and pass on cost savings.

Re~ a Purpose-driven B2C brand business

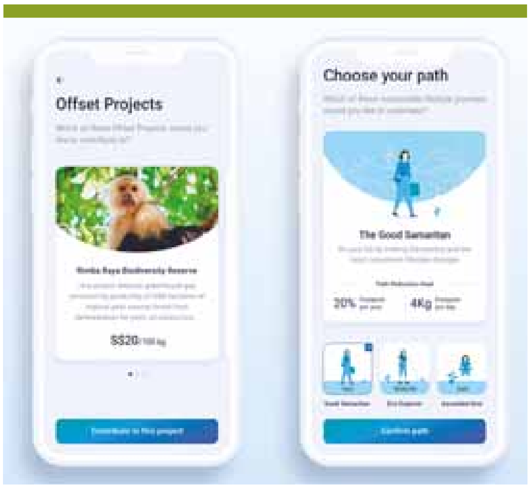
December 2020 saw the testing phase commence for a new B2C brand, (Re~).

The Re~ portfolio is the brand of Tracsim PTE Ltd, a start-up within OIL. Standing for 'Tracing and Celebrating Sustainable Impact', Tracsim meets the strategic objective to work with today's conscious consumer to build a Purpose-driven business with Olam's intellectual property, and provide better and more stable margins. Re~ seeks to 'consumerise' Olam's sustainable practices and traceability via Olam's AtSource platform, to build an emotive and authentic connect with the consumer at a micro level and to deliver positive impact at scale.

Targeting the Singapore market, Re~ offers a selection of premium products that are tasty, healthy, and 100% natural. All major ingredients are sourced directly from Olam's supply chains with sustainability programmes in place, and traceability, so that when consumers enjoy a Re~ product, they can take pride in helping to Re-imagining Global Agriculture and Food Systems for the better of farmers, communities and the planet. Available to purchase at a range of boutique retailers as well as directly online, Re~ products include muesli, cashew butter, instant coffee, cookies and a variety of nuts.

Read more

- refoods.com



Adva and GreenPass – enabling others to help deliver our Purpose

Pilot launch in December 2020

Our deep presence in agriculture has made us aware of significant risks due to climate change. We have continuously focused on sustainable practices in agriculture over the last two decades. But even if all companies in our sector took major action to reduce their environmental footprint, it would not make the required impact. We therefore see an opportunity to leverage our expertise on sustainability, particularly the footprinting knowledge gained from AtSource, to create new digital solutions on two parallel tracks: a) for the individual so that we help people take responsibility and initiate change and b) for corporates, especially those in high emissions sectors. By providing them with the right tools, to make more informed and better choices, this venture will contribute to achieving one of the outcomes of our Purpose – Re-generating the Living World.

In December, we pilot launched Adva, our consumer lifestyle app in Singapore. Adva helps individuals measure and monitor their carbon footprint, but more crucially will suggest actions people can take to reduce and offset their footprint. We believe that we need to be the change that we want to see in others. Small changes that each one of us can make in our daily life can add up to collective good for the planet. We continue to improve Adva in 2021 and look to launch it to the wider Singapore public soon.

Purpose: how OIL creates Natural, Social and Human Capital

All of the Gestating and De-prioritised Businesses under OIL are committed to creating value in the communities where we operate, upskilling our workforce and reducing Natural Capital impacts.

Our plantations and forestry concessions have undertaken the strict criteria for AtSource Plus, supporting their ability to transparently share data with customers and partners.

Our Packaged Foods business is supporting access to affordable and healthier foods, both through fortification and product reformulation. Contributing to a Nutrition Pledge that empowers consumers to eat a healthy diet:

- 100% of PFB products are trans-fat free.
- 98% of products have <2g sodium (per 100g).
- 4% of sugar and fat has been reduced in first stage for Pure Bliss wafers (Q2 2020) as part of a commitment to reduce fat and sugar by 10% from the baseline in Perk/Pure Bliss variants (2020-2023).

Sustainability highlights

1.4bn

servings of fortified foods in Ghana and Nigeria

4,000

people given given literacy and numeracy support

40,400

people supported with access to healthcare

630,400

hectares protected

Natural Capital

Supporting 'Living Landscapes' where biodiversity can thrive

In 2020, subsidiary Congolaise Industrielle des Bois (CIB) achieved Forest Stewardship Council (FSC)-certification[1] for the Mimbeli-Ibenga forestry concession in the Republic of Congo (RoC). This means that the concessions are 100% certified. Overall, CIB manages ~2 million hectares of forest, which also includes non certified areas for communities and a REDD+ project. CIB became the first to achieve FSC-certification in RoC in 2006 as part of its commitment to responsible and sustainable forestry. Around a quarter of its certified concessions are permanently protected and reserved for the communities. In harvestable areas it is committed to strict Reduced Impact Logging techniques and selective harvesting at levels significantly below those permitted by national regulations.

The Olam Palm Gabon plantations have a total RSPO-certified area of 112,455 ha – 78% of total palm concessions. The team is on track for 100% by the end of 2021. They have continued to work with international scientists to better understand the ecosystem value of large registered High Conservation Value (99,000 ha) set-asides, which are actively managed to protect Rare, Threatened and Endangered (RTE) species and prevent illegal logging and commercial bushmeat hunting.

A dedicated team of 40 HCV staff continued forest monitoring through the COVID-19 period. The palm team also entered an agreement with great ape specialists Borneo Futures to upgrade the existing wildlife management system, incorporating specific and targeted measures to protect and monitor our thriving ape populations.

Further the team partnered with Missouri Botanical Gardens to research RTE species in the HCV areas, to strengthen the biodiversity management plan, develop in-situ and ex-situ conservation of rare species, and support both the IUCN red-list updating and ongoing Gabon national vegetation mapping.

1. Refer to the certificates here: olamgroup.com/content/dam/olamgroup/products-and-services/oil/wood-products/wood-products-pdfs/olam-wood-license-numbers-mar2021.pdf

Social Capital

Helping communities to thrive

Working closely to support the local communities and indigenous people around the forest concessions has been central to CIB since it was established five decades ago. Investment and support has created employment opportunities, developed essential infrastructure and utilities, built housing, schools and community facilities, as well as improved access to healthcare. On World AIDS Day, the business relaunched its 'Centre Mama Yoyo' HIV-AIDS information centre after a renovation. We distributed 60,000 free condoms to men and women in the five concessions of Pokola, Kabo, Loundoungou, Enyelle and Pikounda. The Centre Mama Yoyo is the second centre besides the HIV AIDS centre already being run and managed within CIB's 42-bed hospital Clinique Medicale. While Clinique Medicale treats HIV positive patients discreetly and with absolute confidentiality, Centre Mama Yoyo is located in the 'Marche du Pokola', and is a space for people in the community to benefit from unrestricted access and open advice on a range of health and wellbeing issues. Open six days a week, the Centre offers support groups and educational activities to remove taboos and help prevent spread of the virus.

Project Oka is a communications initiative which aims to empower indigenous communities living in the forest by distributing 200 portable audio devices to villages and communities. The devices are part of Project Oka – Oka means listening in Mbengele. By offering information, these devices are a knowledge resource for the local communities for when our community teams are not there. The audio recordings are based on hundreds of hours of discussions with the local population and enable local people to listen to answers to their questions, which have been recorded by the community team. The ambitious goal is to ensure that every inhabitant has a device in their language of preference.

Read more

- cdcgroup.com/en/story/improving-gender-balance-in-the-logistics-industry/
- Natural Capital page 88
- Social Capital page 106
- Human Capital page 76

Human Capital

Empowering women

Transport and Logistics has historically been a male-dominated industry, with the driving of heavy vehicles traditionally being perceived as unsuitable for women. ARISE recognised this same issue within its own operations and decided to challenge the stereotype through the implementation of a highly innovative pilot Project, called 'Com'Elles'. Supported by the UK Development Agency, CDC Plus, the pilot recruited and trained 50 women at Owendo Mineral Port and the New Owendo Industrial Port for the role of drivers/operatives of trucks, cranes, forklifts and other heavy equipment, all of which are traditionally perceived as non-traditional for Gabonese women. Launched in February 2020, the initiative resiliently survived restrictions and challenges posed by COVID-19. At the end of the recruitment process, 51 well-qualified, passionate women were retained and became the first female heavy vehicle driving trainees.

> "We don't want to restrict ourselves to an operators' space or driving space only. We want to see what other jobs are traditionally done by men, and see whether we can enter into that space also. Our idea is to take this initiative to other countries, and create an institution that can move it forward."

Gagan Gupta
ARISE IIP and IS, CEO

Risk Management: our approach

Our footprint in emerging markets had given some previous experience of managing health epidemics (for example Ebola and SARS) and to this end we were able to quickly assemble a Crisis Management Team (CMT) who met frequently and provided comprehensive updates to the Board Risk Committee on all the risks and ramifications.

Suresh Sundararajan
Chief Risk and Compliance Officer; Managing Director and Global Head, Corporate Services

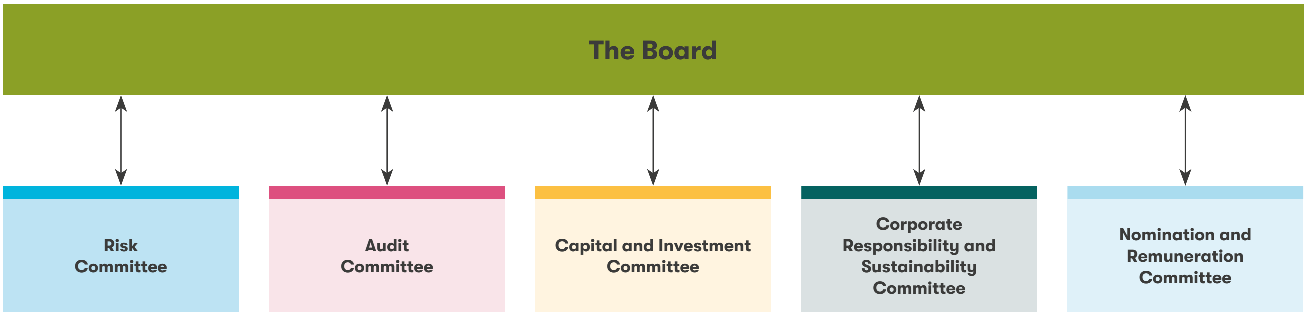
Olam maintains a rigorous risk management framework that identifies and assesses the likelihood and impact of risks and the mitigations required to minimise the impact across the businesses. Our framework defines 52 risks across 11 categories which are evaluated and monitored.

Sixteen of these risks (12 at the Business Unit level and four at the Corporate level) are evaluated on a quantitative basis and the remainder are qualitative. The quantitative risks are reported as part of a quarterly Executive Risk Summary, looking at the likelihood of their occurrence and their potential impact. The summary is intended to assist the Board with examining the effectiveness of the risk management processes, systems and mitigation plans.

Overall responsibility of monitoring and assessing risk lies with an independent risk function. Oversight of the risks is divided between the five Board Committees (Risk Committee, Audit Committee, Capital and Investment Committee, Corporate Responsibility and Sustainability Committee, and Nomination and Remuneration Committee). The Group's Chief Risk and Compliance Officer is a member of the Company's Executive Committee and reports to both the CEO and the Chair of the Risk Committee. As part of the re-organisation of Olam, Chief Risk Officer roles have been established for both OFI and OGA.

We review and refine our risk measurement methodologies and focus on the measurement of outright, basis, structure and arbitrage risk; currency risk; diversified Value-at-Risk ('VaR') and stress-testing to determine potential impact of adverse events on our businesses. The table on page 66 categorises the Group's risks and provides an overview of how we mitigate and whether the risk has stayed stable, increased or decreased over the year. Some specific examples are outlined opposite.

Five Board Committees oversee risk management



Pandemic Risk

Of course, 2020 was a very challenging year for Olam's employees and businesses globally as the onset of the COVID-19 pandemic closed international borders and created disruption on an unprecedented scale. Our footprint in emerging markets had given some previous experience of managing health epidemics (for example Ebola and SARS) and to this end we were able to quickly assemble a Crisis Management Team (CMT) who met frequently and provided comprehensive updates to the Board Risk Committee on all the risks and ramifications. The CMT conducted a global assessment of operations, assessing each country for both risk and preparedness, prioritising offices and manufacturing assets for Business Continuity Plan (BCP) implementation in accordance with national and local government directives to ensure continuity of operations. We also set out a comprehensive internal and external communications plan to facilitate engagement with Olam's employees and customers, the supply chains and communities where we operate, government, collaborators and media. We have continuously monitored developments, kept the safety and health of our workforce as our top priority and have taken all further appropriate actions to safeguard and support our employees and communities globally as well as to protect public health. Read more on pages 18-19, as well as the Human and Social Capital chapters of this report.

Agricultural Risk

Many of the tracked risks are related to agricultural risks. As part of the quarterly reporting to the Board Risk Committee, an assessment of potential yield downside is made for each of the Company's upstream operations globally. Where feasible, mitigations are being put in place, for example frost fans on the almond orchards in Australia. Fans placed across the orchards at a height of 10 meters pull down warm air to mix with the cold air and counteract the frost impact during winter and early spring. They can help to reduce yield losses by up to 80% in the event of a severe frost.

Climate Risk

Climate change is a prominent business issue for Olam as we seek to ensure the long-term viability of the business sectors in which we operate. There is continuing scientific evidence that greenhouse gas emissions, and the human activities contributing to them, are increasing global temperatures. This in turn will lead to potential increased frequency and/or severity of extreme weather events which will make the global food, feed and fibre supply chains more vulnerable to acute shocks. We cover this risk in detail on page 68 in our response to the Task Force on Climate-related Financial Disclosures.

Principal risks and ownership matrix

Risk type	Ownership and sub-risks	Mitigation	Developments in 2020	Risk status (Increased/ Stable/ Decreased)
Trading Risks	Risk Committee • Price Risk • Basis Risk • Structure Risk • Arbitrage Risk • Option Greeks Risk • Liquidity Risk	Trading risks are controlled by regular monitoring of positions using industry-standard methodologies and governed by appropriate policy. The annual risk budgeting process defines position and Value-at-Risk limits to control exposures. The Group hedges price risk for its futures-traded products on the world's commodities exchanges, both through derivatives and tendering.	The onset of the COVID-19 pandemic markedly increased volatility in global markets during the first quarter of 2020. The world's governments were fast to act in the implementation of stimulus measures which restored stability to asset prices and caused volatility to recede.	Increased
Operational Risks	Risk Committee • Credit Risk • Counterparty Risk • Transactional Currency Risk	Field operational control and primary sourcing infrastructure are in place in every country where the Group operates. The Group's credit/ counterparty rating system defines limits, controls and approval hierarchies, promoting fragmentation of credit exposure on short-to-medium tenors. Where available, insurance is taken to provide inventory cover, and against potential credit defaults.	Demand destruction in some of the Group's business activities caused delays in shipments to customers, leading to potentially higher counterparty risk; currency volatility increased quite sharply during the first quarter of 2020.	Increased
	Audit Committee • Stock Risk • Quality Risk • Fraud Risk • Systems and Controls Failure Risk	Documented procedures and audit programmes are in place to ensure physical inventory verification both in terms of quantity and quality, grade, age, shelf-life and liquidity; that procedures payments, receipts and confirmations are properly implemented and governed to ensure fraud risk is mitigated.	Heightened fraud risk largely due to home-working situation and marked increase in online operations and transactions; supply chain disruptions leading to build-up of inventory and increased risk of product ageing/quality deterioration. The Group was able to leverage digital/IT capabilities to enhance remote oversight, coverage and continuity.	Increased
	Capital & Investment Committee • Project Execution Risk • Asset Utilisation Risk	A thorough analysis of the project economics is undertaken to stress and evaluate potential impacts to project returns; documented procedures exist to ensure functional buy-in from all relevant stakeholders; asset utilisation risk is mitigated through procedures and protocols which govern operational excellence.	Due to the nature of the Group's business in the food sector, most of the processing assets were able to obtain exemptions from local lockdowns and remain operational throughout the year. Investments in facilities and equipment continued as far as possible.	Stable
Currency Risks	Capital & Investment Committee • Translational Currency Risk	The Group's functional currency is US Dollars which is also the dominant transactional currency. For transactions in other G7 currencies, those are hedged to the US Dollar. For other local currencies across the various origins, currency risk is mitigated using hedging instruments as well as local currency borrowings as applicable.	Currency volatility had been increased due to COVID-19, particularly in the emerging space, forcing a sharper focus on the Company's currency management globally.	Increased -> Stable
Agricultural Risks	Corporate Responsibility & Sustainability Committee • Weather Risk • Pests and Diseases Risk • Agronomy/GAP (Good Agricultural Practices) Risk	The Group aims for transparency with stakeholders, addressing issues as they arise but also seeking to improve wider understanding of issues in the agri-complex.	COVID-19 restrictions had created some disruptions with regard to the work required on some of our upstream assets which were overcome through implementation of appropriate social-distancing, safety, health and hygiene protocols. Extreme weather events in California had created state-wide hazards causing disruption to ongoing operations at the time.	Stable
Political and Sovereign Risks	Risk Committee • Duty, Tariff and Export/ Import Ban • Asset Nationalisation Risk • Selective Discrimination Risk • Forced Abandonment Risk • Terrorism/Kidnapping Risk	The Group has a deep-seated presence in many of the countries in which it operates, built over many years, and has consequently gained substantial knowledge of local practices. The Group maintains global political risk and terrorism risk insurance.	In spite of the COVID-19 crisis, there has not been a widespread and significant increase in risk. The crisis has, however, led to a number of countries suffering in some cases severe financial stress due to political weakness, high debt burden, chronic economic stagnation and banking crises. It is reasonable to expect an increase in credit risk, political risk and performance issues for foreign investors and overseas lenders.	Increased
Capital Structure and Financing Risks	Capital and Investment Committee • Interest Rate Risk • Funding Liquidity/Margin all Risk • Credit Metrics Risk • Activist Investor Risk • Short Seller Attack Risk	The Group has a strong base of long-term shareholders. The Company maintains strong banking relationships, providing committed banking lines, thereby assuring good liquidity.	Despite the financial shocks in 2020 as a result of COVID-19, the Group successfully executed its re-financing plan and continued to diversify its borrowing sources including sustainability-linked loans and bonds; Singapore's first SORA-linked club loan; public bonds as well as club/syndicated loan facilities in Singapore, Europe and Japan.	Stable

Risk type	Ownership and sub-risks	Mitigation	Developments in 2020	Risk status (Increased/ Stable/ Decreased)
Reputational Risks	Corporate Responsibility & Sustainability Committee • Social Risk – Economic Opportunity • Social Risk – Safe and Decent Work • Social Risk – Safety and Health Risk • Social Risk – Food Safety and Product Recall Risk • Environmental Risk – Climate Action • Environmental Risk – Healthy Ecosystems • Environmental Risk – Water • Environmental Risk – Healthy Soils • Environmental Risk – Waste	The Group has put in place a suite of policies, codes and standards to guide actions and behaviours. These include the Olam Code of Conduct; the Olam Crisis Escalation Procedure; the Olam Fair Employment Policy; the Anti-Bribery & Corruption Policy; the Whistle-blowing Policy; the Olam Living Landscapes Policy; the Olam Plantations, Concessions and Farms Code; and the Olam Supplier Code. The Group is a signatory to the Task Force on Climate-related Financial Disclosures (TCFD) – see page 68.	COVID-19 restrictions in higher-risk countries had created additional hardships for smallholder farmers and suppliers, in particular leading to lower income and higher risks on food security, and child-labour risks in specific origins. Teams faced challenges in continuing training given social distancing requirements. Olam's digital platforms such as Olam Direct proved essential in issuing health and crop guidance. The experience and set-up of the annual Olam Healthy Living Campaign meant teams could quickly divert funding and other resources. For Climate Action see also page 68 on TCFD.	Stable
Regulatory and Compliance Risks	Risk Committee • Market Compliance	The Group's Market Compliance Office is a global function whose role is to ensure that the Group is fully compliant with regulations as they apply on the world's listed derivative exchanges.	The change in the US administration will bring about changes to the leadership of federal agencies such as CFTC and SEC. Revised CFTC position limit and hedge exemption rules were issued during the fourth quarter of the year. The conclusion of Brexit will bring about a divergence of previously unified regulatory regimes as the UK charts an independent path.	Stable
	Audit Committee • Bribery/Corruption Risk • Other Regulatory Risk • Transfer Pricing Risk • Taxation Risk	Olam has in place a comprehensive Ethical Business Programme (EBP) which includes policies relating to Bribery & Corruption, Conflicts of Interest, Fraud, and Sanctions together with global training to ensure implementation and enforcement. These serve as a primary mitigant/ deterrent against such risks. Regarding Transfer Pricing, most geographies have detailed policies in place to guide them on arm's length pricing, ensuring compliance with all applicable tax laws.	EBP has been further fortified to include practices and protections to bring the programme in line with best-in-class standards.	Stable
Natural Perils	Risk Committee • Pandemic Risk • Fire Risk • Flood Risk • Earthquake Risk • Hurricane/Typhoon/ Storm Risk	The Group maintains insurance cover against risk of natural disasters, such as flood, fire, earthquakes and storms.	As the pandemic unfolded during the first quarter of the year, the Group constituted the CMT drawing senior leaders from both the corporate headquarters and from the regions where the Group operates. This committee was responsible for ensuring business continuity through the implementation of policies and protocols to promote increased safety and health awareness, rotational working and to ensure that, as much as possible, the Group's operations were able to continue.	Increased
Other Risks	Audit Committee • Cybersecurity Risk • IT Risk	The Group employs IT security experts, as well as having in place IT cybersecurity infrastructure to mitigate against electronic viruses, ensure currency of software deployed throughout the Group and employing data leakage prevention controls.	As many of the Group's employees worked from home for significant proportions of time, the Group's IT and digital capabilities were leveraged to ensure that the sharp increase in online working could be properly monitored such that cybersecurity risks were minimised.	Increased
	Nomination and Remuneration Committee • Key Persons Risks	Succession plans are in place to provide a second line of leadership from within the Group's Operating Committee and Management Committee.	As part of the re-organisation announced in early 2020, the management team and the governance frameworks for all the operating groups have been finalised and key positions have been identified.	Stable
Strategic Risks	All strategic risks are overseen by the offices of the GCEO and CEO, and by the Executive Committee.			

Response to the Task Force on Climate-related Financial Disclosures (TCFD)

As a leading agri-business committed to ensuring transparency and action around climate-related risks and opportunities, we support the voluntary recommendations of the Financial Stability Board TCFD. The identification, assessment and management of climate-related risks and opportunities are fully embedded in our risk management process, and subject to continuous improvement.

There is now TCFD guidance for the agri-business sector. Olam, along with fellow members from the World Business Council for Sustainable Development – Storo Enso, Nestlé, Unilever, Syngenta, Mondi, and PwC – produced a guidance document called the 'Food, Agriculture and Forest Products TCFD Preparer Forum'. The report "aims to advance the implementation of the recommendations of the TCFD by providing commentary on members' individual experiences, supported by examples of effective practices". Implementing the recommendations of the TCFD will enable not just Olam but our wider stakeholders and peers to better understand, assess and act on climate-related risks.

One of the TCFD recommendations is to consider scenario analysis. In late 2020, we therefore initiated a Climate Change Scenario Analysis project. The scope covers our owned Plantations (Phase 1) and associated Processing and Transportation.

The objectives of this project are three-fold:

1. To assess climate change-related risks and opportunities to Olam in three climate scenarios – 1.5-, 2- and 4-degree scenario, at different timeframes (2030, 2050 and 2080).
2. To establish climate change resilience across the portfolio, through the provision of insights on potential financial implications to businesses across different commodities, geographies and business units.
3. To support future disclosures in line with the recommendations of the TCFD.

In this project, with the help of third-party consultants, we will develop a range of transition and physical risk scenarios, and quantify how they affect supply and demand conditions. From a business implications perspective, the project will help us understand and assess implications at an income statement and balance sheet level.

From the findings, we hope to identify key risks and opportunities; develop a set of strategic recommendations for Olam to mitigate identified risks; adapt to physical impacts; and capitalise on emerging opportunities. We will be supported by our tools such as AtSource and the Olam Integrated Impact Statement, as well as the multiple collaborative partnerships we have on the ground. Refer to the Natural Capital section of this report for more information. In the table below we map where the recommended TCFD disclosures can be found in our mainstream reports. We will continue to enhance our disclosures in future reporting cycles.

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organisation's governance around climate-related risks and opportunities	**Disclose the impacts of climate risks and opportunities on your business, strategy and financial planning**	**Disclose how your organisation identifies, assesses and manages climate risks**	**Disclose the metrics and targets used to assess and manage climate risks and opportunities**
Board oversight Governance Report Page 12 and 36	**Risks and opportunities** Page 69	**CO_2 risk identification and integration** Page 64-69	**Reporting CO_2 metrics and targets** Page 92
Management's role CDP[1] GRI and SASB Index[2] Page 88	**Scenario planning** Page 68	**CO_2 risk management** CDP[1] Pages 64-69	**Details Scope 1, 2 and 3** GRI and SASB Index[2] CDP[1] Pages 92-95

1. cdp.net/en
2. olamgroup.com/investors/investor-library.html

The Climate Transition: examples of risks and opportunities for Olam

Risk type[1]	Risk	Opportunity
Policy/ Legal Risk	Increased pricing of greenhouse gas emissions and other costs to comply with regulation (e.g. taxes on waste) leads to increase in operating costs, capital investment etc.	Diverse landscapes in Olam farming, supply chain and forestry operations offer carbon trading sustainable landscapes investment platform opportunities (new engine for growth).
	Requirements to provide detailed environmental information at product level (e.g. Scope 3 emissions or sequestered carbon) in different jurisdictions.	Integrated Impact Statement (IIS) enables Olam to identify Natural Capital stocks and flows (page 129[2]). AtSource enables Olam to provide customers with Scope 3 emissions, which leads to preferred supplier status (page 95).
	Regulations that promote biomass-based energy production and green building materials. Regulations to drive reforestation and afforestation of degraded areas.	Processing facilities using cocoa husks and other biomass waste, reduces emissions and energy costs. Olam Palm Gabon enabling government to partially replace fossil fuels through biofuel (page 58). Olam Purpose outcome is to Re-generate the Living World: focus of AtSource Plus and Infinity programmes. Reforestation supports ecosystem services which benefit pollination etc. – improved crop quality, and reduction of bought-in services.
Physical Risk	Increased incidence and severity of extreme weather events, such as cyclones and floods, impact crop volume and quality as well as assets e.g. warehousing.	Local, national and sector initiatives open up new partnerships to share/increase resources and develop new tools e.g. ~60 partnerships to deliver sustainability programmes; supporting the development of the Cool Farm Tool and Food Loss and Waste Calculator; participating in the Sustainable Rice Landscapes Initiative.
	Failure of farmers to adapt to climate change and build physical resilience to extreme weather events exacerbates poverty cycle and future ability to grow required volumes for Olam and a growing population.	Training and support for farmers secures volumes and quality, increases loyalty versus competitors. Focus on economic inclusion even for those farmers beyond our physical reach through Olam Direct (page 111), Jiva (page 60) etc.
	Rising mean temperatures and changes in precipitation patterns causing water scarcity, which in turn impacts crop quality and operational costs e.g. irrigation.	AtSource enables Olam's customers to track their water, as well as carbon footprint (page 99).
Product Risk	Consumer preference towards products that are better for the environment – risk that customers de-list suppliers who cannot supply traceable and sustainable volumes.	Strategies and value propositions of OIL, OFI and OGA are built on responsible and sustainable sourcing. AtSource developed to support customers; individual product sustainability strategies e.g. Cocoa Compass and Coffee LENS (page 40); 'Re~' Purpose brand for consumers; and Adva footprinting app for consumers (page 61). Up-cycling of waste into desired new products, such as superfruit cascara (page 39), as well as reducing energy costs through turning waste into biomass.
Reputational Risk	Increased stakeholder concern or negative/positive stakeholder feedback if a company is perceived to not be living up to customer or societal expectations on climate action – loss of customers and higher cost of capital. Companies face reputational risks and a threat to their licence to operate if they take strategic decisions to ensure business resilience that neglect to account for the resilience of communities in which they operate and depend upon.	Reduced cost of capital and partnerships with Development Finance Institutions and others e.g. foundations. Implementation of policies including Olam Living Landscapes Policy; Plantations, Concessions and Farms Code; Olam Supplier Code, coupled with proactive action to support communities under AtSource Plus and Infinity as well as support for industry standards e.g. Sustainable Rice Platform.

1. As referenced by WBCSD: Food, Agriculture and Forest Products TCFD Preparer Forum Report.
2. Also refer to olamgroup.com/sustainability/innovation-technology/finance-for-sustainability.html

Creating long-term value for our stakeholders

In addition to the Financial Capital we create, we recognise that we can enhance or erode the value of our non-financial Capitals. In turn, this can build or lose trust with our stakeholders and, ultimately, impact our long-term profitability and licence to operate.

Along with Governance, our non-financial Capitals relating to the Environment, Society, and Human Rights attract particular focus from our stakeholders. They also present a major commercial opportunity and differentiator under the Sustainability enabler of our Strategic Plan.

In this section of the report we explain our sustainability approach, how it supports our six non-financial Capitals, and overall how it helps us to achieve our Purpose to Re-imagine Global Agriculture and Food Systems.

Read more

- For more detail on how we manage stakeholder relationships, please see pages 36-38 of the Governance Report.

Our Sustainability Framework

Through our Purpose to Re-imagine Global Agriculture and Food Systems, and the Sustainability enabler within our Strategy, our vision is to deliver a triple positive impact in the places where we source, grow and process our products – where prosperous farmers, thriving rural communities, and healthy ecosystems co-exist.

We have 10 material areas within our Sustainability Framework, which we have mapped to the relevant UN Sustainable Development Goals as well as the nine Planetary Boundaries identified by the Stockholm Resilience Centre. Each priority area is covered in more detail under the Human, Social and Natural Capital sections of this report.

Our Purpose — **Re-imagining Global Agriculture and Food Systems**

Our Vision — **To be the most differentiated and valuable global food and agri-business by 2040**

Governing Objective — **To maximise long-term intrinsic value for our continuing shareholders**

Relevant Capitals

Financial Capital See pages 10-61

Manufactured Capital See page 122
The equipment, tools and infrastructure to serve our customers safely, consistently and efficiently

Intellectual Capital See page 104
The knowledge and IP that we create and use to keep us ahead

Intangible Capital See page 126
The trust in our brand and our reputation which helps establish multiple stakeholder partnerships

Human Capital See page 76
The talent, skills, dedication and inspiration of our workforce, and our responsibility to keep them safe

Social Capital See page 106
The relationships we forge and nurture with suppliers as well as communities where we operate

Natural Capital See page 88
The land, water, biodiversity and other ecosystem services for crops to grow

Purpose Outcomes	Prosperous Farmers and Food Systems		Thriving Communities			Re-generation of the Living World				
Material Areas	Economic Opportunity	Safe and Decent Work	Education and Skills	Nutrition and Health	Diversity and Inclusion	Climate Action	Healthy Ecosystems	Healthy Soils	Water	Reduced Waste
Impact on UN SDGs	1, 2	8, 5	4	3, 2	5, 10	13, 7	15, 13	15, 2	6	12, 6

UN SDG Enablers: 16, 17

Issues important to our stakeholders and potential impact

Impact	Level of stakeholder interest	Potential impact on business/ reputation	Relevant SDG indicators	Read more
Economic Opportunity				
Living income/Fair value distribution	High	High	1.2, 1.4	Page 118
Farmers' productivity	High	High	1.2, 1.4, 2.3, 2.4, 2.a, 8.2	Page 106-118
Land rights	Medium	Medium	1.4	Page 110
Resilience to external shocks including COVID-19 and climate	High	High	1.5, 2.4, 3.3, 13.1 13.3	Page 95, 106
Safe and Decent Work				
Health and safety	Medium	High	8.8	Page 81, 85, 116
Child labour	High	High	8.7, 16.2	Page 112-113
Forced, bonded labour	Medium	High	8.7, 16.2	Page 113
Living wage	Medium	Medium	1.2, 1.4	Page 133
Collective bargaining and freedom of association/ labour relations	Medium	Medium	8.8	Page 83
Grievance mechanisms	High	Medium	8.8	Page 83, 119
Education and Skills				
Supporting access to schools	Medium	Medium	4.1, 4.2	Page 112-114
Literacy and numeracy	Low	Medium	4.6	Page 60, 116
Youth and next-generation skills	Medium	Medium	4.3, 4.4	Page 116
Nutrition and Health				
Product safety	Medium	High	2.1	Page 122
Disease	Medium	High	3.3	Page 116
Food and nutrition security	Medium	High	2.1, 2.2	Page 52, 116-117
Consumer access to nutritious/fortified food	Medium	High	2.1	Page 52, 62, 85
Water, Sanitation & Hygiene (WASH) provision	Medium	High	6.1, 6.2, 6.a, 6.b	Page 85
Diversity and Inclusion				
Women in senior roles in the workplace	Medium	High	5.5, 10.2	Page 84
Female farmer empowerment	Medium	High	5.5, 10.2, 5.a, 5.b	Page 108, 115
Discrimination/racism in the workplace	Medium	High	10.2	Page 84
Climate Action				
Science-based target	High	High	2.4, 13.2	Page 95
GHG emissions	High	High	9.4, 13.2	Page 92, 94
% renewable energy	Medium	Medium	7.2	Page 92
NO_2 and SO_2 emissions	Low	Low	3.9, 13.2	Not material
Packaging (renewable, recyclable etc.)	Low	Low	12.5	Not material
Healthy Ecosystems				
Deforestation	High	High	11.4, 15.1, 15.2	Page 94, 96
Biodiversity	High	Medium	15.5, 15.7	Page 62, 96, 97
Healthy landscapes	Medium	High	15.1, 15.2, 15.3, 15.b	Page 62, 96
Healthy Soils				
Soil degradation	Medium	Medium	15.3	Page 101
Pesticides/herbicides	Medium	Medium	15.3	Page 102
Fertiliser access/overuse	Medium	High	15.3	Page 102
Water				
Water stress/scarcity	Medium	High	6.4	Page 99
Protection of water courses	Low	Medium	6.3, 6.6	GRI and SASB Index
Effluent and waste	Low	Medium	6.3	GRI and SASB Index
Food Loss and Waste				
Post-harvest losses	Medium	High	12.3	Page 102
Consumer food waste	Low	Low	12.3	Not material
How we work				
Anti-bribery and corruption	Medium	High	16.5	Governance, Page 31
Ethics and compliance	High	High	16.5	Governance, Page 31
Transparency	High	Medium	16.6	Page 120

Defining our materiality process

Since 2012, Olam has reported on identified priority areas. These have gradually expanded both in terms of the number of areas (10) and their respective goals and targets.

In recent years, a considerable influence has been the development of AtSource – our sustainability insights platform which to date has more than 350 environmental and social indicators across nine out of the 10 areas connected to 12 UN SDGs. A core set of indicators apply to most supply chains while others are more specific, such as animal welfare for Dairy. Its development and the effort to create an insights platform that can support multiple crops in a consistent fashion for our customers, has also had considerable influence on the materiality process for both the corporate centre and individual businesses.

During 2020, we recognised the need to:

- Ensure that all of the AtSource indicators matched back to our over-arching sustainability framework;
- Update our targets as those set in 2015 were coming to their time-bound conclusion in 2020;
- Reflect the heightened interest from stakeholders in key areas;
- In addition to Global Reporting Initiative (GRI), start journey for reporting against Sustainability Accounting Standards Board (SASB); and
- Better show the impact and not just the output of our efforts to Re-imagine Global Agriculture and Food Systems.

Read more:

- GRI and SASB Index at olamgroup.com/investors/investor-library.html

Materiality review

We undertook a major review process, mapping the environmental and social indicators that arose from:

- Customer audits.
- Customer sustainability commitments.
- International standards e.g. ILO.
- Civil society scorecards e.g. Oxfam, Agri-Business Scorecard, Global Child Forum, World Benchmarking Alliance.
- Enquiries from NGOs, banks and financiers.
- United Nations initiatives e.g. UN SDGs, UN Guiding Principles on Business and Human Rights, UN Women's Empowerment Principles, UN Global Compact.
- Reporting frameworks e.g. Global Reporting Initiative and SASB.
- ESG analysts e.g. Vigeo, FTSE4Good.
- Industry platforms e.g. WBCSD's new membership criteria announced in 2020.

This culminated in 430 indicators. While many could be combined into key themes such as child labour sometimes the reporting criteria can vary. We then reviewed each of the 430 indicators to a) see whether Olam was already addressing the issue; b) see whether further action was required e.g. updating a policy or publishing data; and c) assess whether to include any new indicators.

As we move forward with the OIL, OFI and OGA strategies, we will develop a refreshed sustainability framework with 2030 goals and targets. In the interim, the table opposite shows a topline overview of our materiality approach. Given that agriculture and food production touches so many inter-connected issues, prioritisation is challenging and can also vary by business and product. In particular, it will vary depending on whether the possible impact is in our own operations or third-party operations, as well as by geographical region. Cotton grown by smallholders in Africa will have much greater emphasis on our Social Capital (economic, nutrition-related indicators) than cotton grown in Australia for example.

Adapting the central framework for individual businesses

Materiality can vary according to the product, and also where it is grown. Both Olam Cocoa and Olam Coffee have published their own Corporate Responsibility and Sustainability (CR&S) strategies, prioritising certain material areas over others. Here is a timeline of the process that Olam Coffee undertook which culminated in the launch of its first formalised public goals through its Coffee LENS strategy: Livelihoods, Education and Nature at Scale.

2013 – 2016

Olam Coffee gradually increases sustainability support to 28,000 coffee farmers, following the eight principles of the Olam Livelihood Charter (now absorbed into AtSource).

2017

The Coffee CR&S Committee organised a workshop with not-for-profit sustainability consultancy Forum for the Future to discuss and propose a more holistic CR&S Strategy relevant for Coffee based on the global context at that time, the various ongoing activities, customer requirements and upcoming trends and developments.

2018

The Coffee CR&S strategy informs the development of AtSource. In turn, AtSource, particularly the alignment of topics and indicators, and feedback from customers, leads to further refinement for Coffee.

2019

Of the 10 material areas identified in the corporate Sustainability Framework, four were selected as priorities for the coffee business (although Healthy Ecosystems incorporates both Water and Soil). This is based on Olam Coffee's extensive experience on-the-ground with farmers; commitments being made by coffee customers; feedback from programme partners such as Rainforest Alliance, German development agency GIZ, IDH (The Sustainable Trade Initiative), and local government partners. The team then developed goals and targets to address specific issue areas.

March 2020

The strategy is launched internally to the Coffee business ready for public launch in October 2020.

Variances in materiality and approach for the OFI, OGA and OIL businesses

Sustainable production is essential to the commercial success of all businesses. For OFI it is a major differentiator desired by global, and increasingly, local brands for their ingredients so they can market on Purpose and provenance. We see numerous opportunities including increased share of wallet/premiumisation, strategic customer partnerships, customer and foundation finance opportunities, as well as staff engagement and retention. Some products share similar challenges – such as child labour in Cocoa and Cashew, or deforestation in Cocoa and Coffee. Others might be more specific such as water consumption in Almonds and methane from Dairy. AtSource is a core driver in helping to align and focus the OFI sustainability strategy, especially as customers buy multiple ingredient types.

For OGA we see greater focus on nutrition through Grains and Animal Feed, but also water and economic opportunity for Cotton, methane for Rice, and deforestation in Edible Oils. Under the OIL businesses, community engagement, protecting biodiversity and water stewardship dominate for Olam Palm Gabon, while the Packaged Foods business is differentiating itself through nutrition for low-income consumers. Going forward, the CR&S Functions will provide Purpose-driven global leadership on agri-sustainability actions to OFI, OGA and OIL, enhancing and protecting reputation through a coordination role, and managing a portfolio of shared services requiring deep subject matter expertise, to avoid unnecessary replication within businesses.

Read more

- Coffee LENS: olamgroup.com/products-services/olam-food-ingredients/coffee/sustainability-in-coffee.html

Partnering for greater scale and impact across our value chain

The diagram below shows where the majority of our material impacts occur. For those products on AtSource – our revolutionary insights platform – we can generate very specific social and environmental footprints with corresponding improvement programmes for each step of the product's journey up to customer delivery.

Material areas	Farming	Sourcing	Processing Manufacturing and R&D	Distribution	Customer	Consumer
Economic Opportunity	3	3	2	1		
Safe and Decent Work	3	2	3	3		
Education and Skills	2	2	2	2		
Nutrition and Health	3	3	3	2	2	2
Diversity and Inclusion	3	3	3	2		1
Climate Action	3	2	1	1	1	1
Water	3	1	3			
Healthy Ecosystems	3	3	1			
Healthy Soils	3	3				
Reduced Waste	3	3	2	1	1	1

Material areas: 1 Low; 2 Medium; 3 High

However, we must collaborate at a sector level if we are to achieve the UN Sustainable Development Goals by 2030. We share knowledge and learn from others. Working in partnership also gives greater access to financial and non-financial resources. The diagram below shows the types of initiatives we engage with at a sector level. Given the inter-connected nature of our material areas, most initiatives positively impact beyond the material area where they are listed, particularly with regard to improving farmer livelihoods and reducing climate-change impacts.

Key

UN SDGs: examples of sector collaborations

- WBCSD Scaling Positive Agriculture; Global Coffee Platform; Sustainable Nut Initiative; Sustainable Spices Initiative
- CocoaAction; Global Child Forum Business Sounding Board; ILO/Child Labour Platform
- GROW; WE Connect International; UN Women's Empowerment Principles
- Global Alliance for Improved Nutrition; WBCSD Food Reform for Sustainability and Health (FReSH)
- WBCSD Call to Action for Business Leadership on Human Rights
- Natural Capital Coalition; Accounting for Sustainability; Food and Land Use Coalition
- California Water Action Collaborative
- HCV Resource Network; Cocoa and Forests Initiative; Tropical Forest Alliance; The Forest Dialogue; WBCSD Food and Nature Programme
- Sustainable Rice Landscapes Initiative; Sustainable Rice Platform; Olam Prize for Innovation in Food Security

Human Capital

The talent, skills and inspiration of our workforce, and our responsibility to provide them with a safe and healthy workplace where their rights are respected.

"Our people are Olam's true competitive advantage. They are the architects of our future, transforming our culture into a unifying force for our global businesses. Despite the challenging circumstances that we have faced collectively amid COVID-19, I am grateful that our fellow 'Olamites' remained resilient, engaged and united as we deliver on our strategy and the re-organisation of the Group."

Joydeep Bose
Managing Director and Global Head of Human Resources

Q. How has the HR function supported the re-organisation into the OFI, OGA and OIL businesses?

A. Whether an employee is in OFI, OGA or OIL, the way we move forward together is through a strong unifying culture. We encourage our people to be entrepreneurial, demonstrate a high level of stretch and ambition and take ownership of their work.

The intention for the demerger of OFI from the Olam Group, and the exploration of similar strategic options for OGA, will certainly intensify and reinforce the role of the Human Resources team in 2021, particularly with the corporate functions and country teams, as each operating group builds their embedded resources. We certainly did not expect to be going through this re-organisation in the midst of a global pandemic. However, we are led by a strong core of leaders who have grown with Olam, share the Olam DNA, with the deep ownership of achieving the vision set out. No doubt the clear stance on putting sustainability and Purpose at the heart of the business strategies continues to motivate our people. Whilst this change may be unsettling, we believe this re-organisation will unlock greater growth potential for the individual, whatever their passion. There is much opportunity here for employees at all levels to advance exciting careers within OFI, OGA and OIL.

A major aspect of 2020 and going forward, is ensuring we catalyse the development of new capabilities, mindsets and behaviours required to deliver the business strategy. For example, customer centricity as a capability is a critical differentiator for all five ingredient businesses requiring significant collaborations when developing innovative solutions for their Food and Beverage categories. We have undertaken a culture change initiative, working with employees to understand what they think OFI should be. For example, really asking whether colleagues are sharing best practice and knowledge with each other; whether there is effective cooperation between different groups and departments; whether work processes enable as much productivity as possible, and whether our structure enables the organisation to achieve its goals.

Employee engagement here is critical and we are delighted to achieve an overall engagement score of 74% for managers. This is an increase by 5% points over our 2018 benchmark – just 2% points shy of the Food and Agriculture Industry Top Quartile benchmark. Similarly for our employees worldwide we saw a 13% point increase in engagement on the 2017 benchmark. We are indeed pleased with these gains, given the stressful disruptions caused by the pandemic, with our teams needing to pivot their work into remote and online working literally overnight without much preparation or training.

Areas for further improvement include:

- A few countries and businesses with lower than average engagement.
- Increase awareness among managers with low engagement scores.
- Lower engagement among women.
- Lower positive perception score for the shared value of mutual respect and teamwork.

Going forward we will continue to focus on building an inspired and high performing organisation by:

- Developing satisfied, engaged and inspired talent.
- Institutionalising our shared values and culture.
- Building a high-quality talent pipeline.
- Developing leadership and capability.

Read the chapter on the Olam Integrated Impact Statement to see how we are measuring the value of investing in engaged and inspired employees: page 129.

Q. Have there been any significant changes in workforce composition during 2020?

A. Our primary workforce has reduced by around 4% – 40,800 in 2019 to 39,200 in 2020, in part as we have divested some businesses. There has also been a reduction in the secondary workforce from 46,800 to 42,450.

Q. What was the approach towards employees during COVID-19?

A. Our business model meant that we had to protect those working at the frontline across our farming operations, up-country buying stations and in manufacturing facilities across the world.

At the onset of the crisis, we created a robust Crisis Management Escalation Framework to allow for nimble response to local requirements in the locations where we operate. The central Crisis Management Committee was headed by three Executive Committee members for senior leadership oversight and the model was replicated across each region to ensure consistency in our approach across Olam.

Beyond that, we had to prepare to work in a ‘new normal’ and introduce working arrangements that enabled employees to work remotely and digitally to ensure business continuity. Reduced social interactions blurred the lines between work and personal time and we needed to strike a good balance to help employees cope with this.

Apart from adhering to guidelines provided by global agencies and advisories from national health authorities, we:

- Introduced staggered shift rotations, social distancing practices, and home-based working where appropriate, at our facilities, estates, farms and offices.
- Created a dedicated group on our internal enterprise social networking platform – where we distributed essential and timely information about the pandemic.
- Conducted global employee surveys in 16 languages every two months to remain in touch and assess employees’ wellbeing and concerns in order to refine and shape our future actions.
- Connected and engaged our employees through regular online learning events and communication forums.
- Paid medical bills of our employees for any COVID-19 related tests and treatment.

Adapting during COVID-19

A major COVID-19 challenge was communication of health and safety messages to the very large workforce across the palm, rubber and coffee estates in Africa. Many of these people are local villagers with limited education and access to information. Keeping them safe required some innovative thinking by Olam's managers. Concepts such as keeping two meters apart from the next worker are not necessarily understood. In Tanzania, the coffee team showed the distance as the length of a Maasai Warrior's spear. No more than one picker could harvest a row. In addition to all of the safety precautions on site, the team went further, taking the message to the surrounding villages and sub-villages by sending motorbikes with loudspeakers and a battery-operated amplifier to spread the government- and WHO-approved messages.

> "Two meters – the length of a Maasai warrior's spear."

Q. How has the learning culture changed in the past year?

A. It was all about pivoting our delivery of our learning and development programmes to respond to a world where people work and meet virtually.

For example, our Continuing Professional Development (CPD) programmes rest on the expert views from various functions, business units and country teams providing input and learnings from the ground, to 'connect the dots' for our people and demonstrate the business case for sustainability and other ethical issues.

With COVID-19 putting an end to business travel, and a busy workforce responding to the pandemic on the ground, our people have to be convinced and see that the time they put into CPD is relevant to what they do day-to-day, benefits the customers they deal with, and links to our Purpose. Over the past year, we have had to make practical changes, with an accelerated shift towards virtual training.

We have found – to some surprise – that shifting to online formats has not had a detrimental effect on our ability to connect, learn and stay engaged. In fact, it has allowed us to reach a wider group of people and we are now expanding on the success of these efforts to roll out other online training at a more granular level, for example at our manufacturing facilities and plantations.

Q. What were your biggest learnings from COVID-19?

A. Compassionate leadership: Beyond the immediately visible changes such as more virtual/remote work channels and decentralisation of decision-making to respond nimbly to a still fast-evolving situation, our people have become more aware of their connection to each other. This included greater awareness of issues faced by their colleagues and the communities where they work, and becoming more proactive in lending their support. As a result, compassion has become a key strength desired in leaders and, I am heartened to say, that our leaders have demonstrated this well, as proved by our regular pulse surveys.

- **Greater self-motivation:** The sharp pivot made necessary amid the pandemic has also served to make more of our Olamites aware of the need to continually refresh and add to their skillset. From senior leadership to the frontline, we have seen a sharp uptick in participation in our learning and development programmes. This gels with our belief of ‘people as value’, not ‘people as costs’ – the investments in our people will derive greater value for Olam over the longer-term.
- **Greater focus on equity and representation:** The upheaval caused by COVID-19 has also thrown into sharp focus the realities of social inequity. We will explore how Human Capital can be a tool to help drive greater equity and representation for not just our employees, but also the broader communities that we work with.

Intangible Capital: improving engagement and attracting talent through award wins

Adam Smith Awards
– Asia’s Top Treasury Team 2020

Kincentric Best Employer
– Regional Asia Pacific

Kincentric Best Employer
– China

Kincentric Best Employer
– Vietnam

Great Place To Work
– Brazil

Great Place To Work and Great Place to Learn – Singapore

HR Asia Magazine’s Best Companies to Work For – Vietnam

Read more

- olamgroup.com/content/olamcorp/oil/uk/en/news/all-news/blog/keeping-the-espresso-flowing-during-times-of-covid.html

Goals dashboard

Sustainability Framework Material Area – Safe and Decent Work

SDG 3.6, SDG 8.8

Eliminate serious incidents

Timeframe	Goal	Status	Read more
By end of 2020	Reduce Lost Time Injury Frequency Rate (LTIFR) to 0.3 in Tier 1 processing and manufacturing facilities	**Ahead of target:** 0.17 versus 0.21 in 2019	Page 81
	Reduce LTIFR for Tier 2 operations (plantations, forest concessions, farms; processing; cotton gins and sawmills; infrastructure business and R&D centres)	2020 baseline for Tier 2: 2.62 All Tiers: 1.48 vs 1.61 in 2019	Page 80
Ongoing	All locations routinely report unsafe acts and unsafe conditions, and near misses	**Ongoing**	Page 81
Olam complies with International Labour Organization (ILO) Principles			
Ongoing	No moderate or severe breaches of compliance reported or observed in audits	**On track**	Page 82

Sustainability Framework Material Area – Diversity and Inclusion

SDG 5.5, SDG 10.2

Diversity strategies are implemented

Timeframe	Goal	Status	Read more
Ongoing	Replace expat managers with national talent and improve gender diversity	**Ongoing**	Page 84
By end of 2020	Support 100,000 women to access economic opportunities, including female farmers, processors, distributors, and workers supported or employed by Olam	**Achieved:** 172,200 women (146,700 female farmers; 10,350 women in primary workforce and 15,150 women in secondary workforce)	Page 84, 115

Sustainability Framework Material Area – Nutrition and Health

SDG 3.3

Ensuring Olam operations meet, as a minimum the Olam Water, Sanitation and Hygiene (WASH) Standard[5]

Timeframe	Goal	Status	Read more
By end of 2020	100% of Olam's direct operations are compliant with the Olam WASH Standard	**Not yet achieved**	Page 85
	Olam Healthy Living Campaign reaches 250,000 people, including worker and community beneficiaries of health, water and sanitation infrastructure, health education campaigns, HIV testing, health check-ups, access to insurance initiatives, and similar services	**Achieved:** ~995,000 people (361% uplift on 2019)	Page 85, 116

1. See page 71 for the Olam Sustainability Framework with the 10 Material Areas.

Q. Olam has three material areas related to Human Capital – Safe and Decent Work, Diversity and Inclusion, and Nutrition and Health. What progress have you made against these?

A. The material areas under Human Capital all help us to live our Purpose and create value across all other Capitals. Below we take each in turn at the Group level.

Safety

Our overarching safety goal is to embed a 'Zero Harm Culture' at our workplace. Our safety programme is built around three key principles:

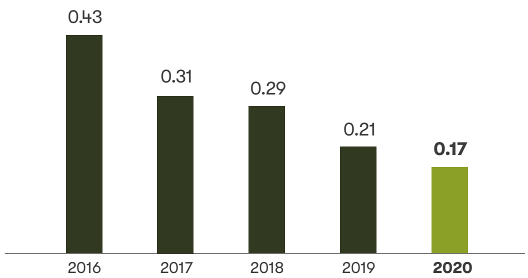
1. A culture that is inclusive of not just colleagues, but contractors and visitors as well.
2. Risk management.
3. Open, honest and timely communication in reporting issues that may cause harm.

We have close to 82,000 permanent, temporary and contractor employees working for Olam across various businesses and geographies and ensuring their safety is of paramount importance. In order to embed a Zero Harm Culture, we have systems in place to ensure that every task is risk assessed before it is undertaken and the identified risk treatments are implemented to either eliminate the risk or bring down the risk to acceptable levels. We also encourage everyone to work as a team, and not as individuals, being extra eyes, ears and voices to those around us. Leading by example is a simple demonstration of the behaviours that make Olam a safer place to work, and one where zero harm is more than just a slogan.

As we are all aware, 2020 has been a very challenging year due to COVID-19 and many safety experts believe this had a profound impact on safety performance as conventional face-to-face interactions present during training, auditing and incident investigation were forced to move from real to virtual mode. However, we ensured that our safety programme 'An Even Safer Olam' which was launched in 2019 remained central to our safety performance improvement efforts.

As a result of our sustained focus and effort, we have made substantial progress in reducing the Lost Time Incident Frequency Rates (LTIFR). In 2020, LTIFR has reduced by 19% (0.17 vs 0.21) at Tier 1 facilities and 8% (1.48 vs 1.61) across all Olam facilities (Tier 1, 2, 3 and 4) compared to 2019. See the next page for the definition of each Tier).

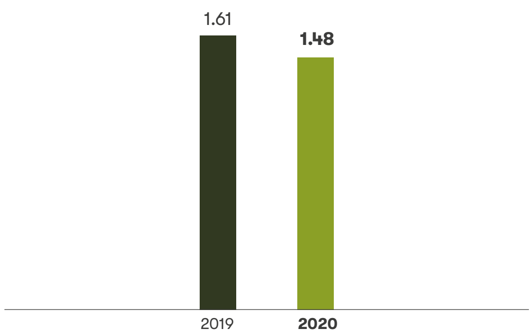
LTIFR – Tier 1 Plants



Target 2020: 0.19, a 10% reduction over 2019

Actual 2020: 0.17, a 19% reduction over 2019

LTIFR – All Facilities



Target 2020: 1.20, a 25% reduction over 2019

Actual 2020: 1.48, an 8% reduction over 2019

Despite our very best efforts, we could not prevent the loss of ten precious lives in 2020. These were in Chad, Côte d'Ivoire, Nigeria and Indonesia. All were male, and the majority were contractors.

We conduct a detailed investigation for every incident using Incident Cause Analysis Method (ICAM), to learn all possible lessons from the incidents and to strengthen defences to avoid future incidents.

How we report

We track safety performance across all facilities, numbering around 500, and these facilities are categorised into four tiers:

- Tier 1: Large manufacturing plants.
- Tier 2: Primary processing plants and upstream operations.
- Tier 3: Warehouses.
- Tier 4: Offices.

This is the first year we are reporting LTIFR for Olam Group.

Olam Group

Region	Fatalities	LTIFR
Africa	9	2.09
Americas	0	1.02
Asia Pacific	1	0.13
Europe	0	0.51
Total	**10**	**1.48**

In 2015 we had set a 2020 target to reduce LTIFR to 0.30 in Tier 1 facilities and this has been achieved by 2018, well ahead of time.

Tier 1 Facilities

Region	LTIFR
Africa	0.09
Americas	0.53
Asia Pacific	0.13
Europe	1.18
Total	**0.17**

Human Rights

Today, human rights issues persist across the world with many people vulnerable and living in poverty. As a global leader in food and agriculture, we acknowledge our role and responsibility to ensure respect for human rights in our operations and in our value chains across developed and emerging nations.

We are therefore committed to protecting human rights, providing a workplace where all employees are treated with dignity and fairness, and to respecting the rights of people and communities where we operate. We have zero tolerance for illegal, forced labour, child labour, gender-based violence, and human trafficking in our operations and our supply chains. We engage with suppliers, customers, civil society, governments, and communities to identify, eliminate and prevent abuses across our value chains, and in the markets where we operate and have influence.

In addition to complying with local laws and statutory requirements in individual countries where we operate, Olam has embedded its commitment to human rights in our Code of Conduct and our Fair Employment Policy which are in line with the United Nations Guiding Principles on Business and Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. Our Supplier Code is grounded in the international human rights guidance and identifies the human rights standards we expect our suppliers and business partners to uphold. While we work to advance respect for all rights, we focus on the most salient human rights issues and prioritise initiatives that reach the most vulnerable people in both our workforce and supply chains. Where Olam identifies that we have caused or contributed to adverse impacts, we endeavour to provide or cooperate in the remediation process.

All operational sites must comply with Level One of the Fair Employment Policy. Individual sites may then move through a maturity process to Levels Two and Three. Our aim is to audit locations employing more than 100 people every two years, meaning that subject to COVID-19 restrictions our next audit is due in 2021.

Through AtSource we transparently demonstrate to customers multiple indicators across the material areas of our sustainability framework. This gives customers reassurance for their third-party supply chains, as well as data for their annual ESG reporting. By the end of 2020, the following Olam operations had all of the reporting and verification structures in place to join AtSource Plus: almond orchards in Australia and the United States; coffee estates in Brazil, Laos, Tanzania and Zambia; dairy and associated commercial crops in Russia; oil palm estates in Gabon; and black pepper from Vietnam and Brazil. From the AtSource Plus dashboard, we can give an average view across the operations. Taken together, we have 10,404 employees (24% women, >70% nationals) working across 152,588 ha of planted areas. Note that a set of core indicators e.g. on Human Rights, are supported by additional indicators relevant to the location. For example, employee access to clean drinking water and sanitation is not monitored in Australia or in the United States for almonds as the infrastructure and access is in place. Aggregating all of the data for Olam-managed operations, the AtSource Plus dashboard tells us that by the end of February 2021:

- 80% of employees were trained on labour rights and practices.
- 48,814 households are benefiting from rural infrastructure investments made in the past year.
- 3,270 workers staying in Olam housing.
- 1,030 employees occupy a position of hazard or at risk.
- 12,383 households are benefiting from health infrastructure and equipment investments.
- 2,485 people are receiving support to access healthcare.
- 11,501 households with access to clean drinking water and sanitation.
- 93% of households report sufficient food supply year-round.
- 1,092 households are receiving nutrition support.

Across all of Olam's operations (i.e. beyond AtSource), including processing and offices, our 2020 data shows:

- More than 45% of employees have collective bargaining agreements in place. These are primarily at farming/plantation and processing sites globally. The minimum number of weeks' notice given to employees prior to operational changes will vary depending on the change. In most cases, it ranges from two to 12 weeks; at one site it may be one week.
- At least 2,250 employees in the primary workforce were trained on Human Rights/ILO labour standards. Countries include Brazil, China, Colombia, Peru, Russia, Tanzania, Uganda, Uruguay, and Zambia.
- Chad, Spain, Thailand, Tanzania and Zambia had 26 grievances against labour practices. 42 grievances were addressed. Zambia, Peru and Chad resolved 36 grievances filed in 2019 (Additional country data not available in the time frame.).
- At least 40 audits were undertaken to assess human rights.

Our Values

At the heart of our drive for success, our values are the tangible expression of our corporate culture and the foundation of our shared philosophy.

Entrepreneurship

Partnerships

Integrity

Stretch and Ambition

Mutual Respect and Teamwork

Ownership

Diversity and Inclusion

A critical factor in our success has been the highly talented and diverse team who make up the footprint of our organisation. We are fortunate that our work community is made up of men and women from multiple races, beliefs, ages, physical abilities and preferences, because this richness brings not only depth and awareness to our lives, but also relevance and different perspectives to our work.

This diverse community has always been important to us and we are aware that there is yet more to be done to address inclusion, diversity and equality within Olam. As we embark on our new journey of growth, we wish to further leverage our diverse community as a key strength, listening to all, making each person feel valued and providing an enabling environment that allows everyone to reach their full potential.

As part of our stated goal (page 80) to implement diversity strategies, and in response to Olamites, in June 2020, we announced an Inclusion, Diversity and Equality at Olam (IDEO) Council to lead and drive our Diversity and Inclusion Strategy, with the purpose of embedding tangible commitments to valuing diversity, equity, and inclusion within the Olam Group. The Council aims to create an open, equal work place entirely free from harassment, intimidation and discrimination, where all feel they belong. While gender and race are prioritised for the first phase, all aspects of diversity will be addressed, including culture, age, sexuality and sexual orientation, and disability.

The Council membership comprises individuals whose experience and expertise will ensure representation of a wide range of perspectives. The members will be the 'organisers' for change, but their focus will be on engaging and hearing from the entire organisation and experts to ensure they capture different viewpoints. Some key targets have already been set:

- Only 15% of employees in Band E (manager) and above are women. We aim to increase this to 20% by 2025 and 30% or higher by 2030.
- This disparity is even more evident in Olam's senior management. Only 3% of our senior leaders are women. So, by 2025 we will work to increase this figure to 15% and 25% by 2030.

- We have set targets to address racial disparities across our offices, especially in Asia and Africa, to give local talent more opportunities. By 2025 we aim to see local talent hold 50% of management roles in their home market. Of course, we understand every country comes with its own unique challenges in accomplishing these Company goals, so we will also look at implementing specific local goals and plans.

We continue to map out and progress along our pathway to a more diverse and inclusive workplace, through action areas including:

- Reviewing our hiring and promotion processes at all levels across the world with the aim to increase the representation of minority talent groups.
- Implementing comprehensive inclusion and diversity awareness and education programmes for all current employees from senior management all the way through the organisation.
- Providing mentoring and specific skills training for high-potential talent in under represented groups.
- Instituting Employee Resource Groups in our large country operations fostering belongingness among the under represented.
- Ongoing listening, learning and communicating through specific channels and platforms.

This can only be achieved by the energy, ideas and the will of both leadership and all employees.

Nutrition and Health

In addition to the activities listed under the Social Capital section of this report, achievements in 2020 included:

- India Cashew and Spices were awarded US$70,000 of grant funding to support the nutrition of vulnerable farmers and workers in 2021.
- Indonesia Cocoa adopted canteen processes to ensure that workers continue to access a free, nutritious meal at work, despite COVID-19.
- As part of a Global Alliance for Improved Nutrition (GAIN) initiative, Mozambique Edible Oils ran a nutrition campaign with its workforce, increasing awareness of healthy fruit and vegetables by 37%.
- Many work sites (primarily processing and farms/plantations) have canteens providing free or subsidised meals.

Q: How does Olam ensure that its operations meet, as a minimum, the Olam Water, Sanitation and Hygiene (WASH) standard?

A. Olam operates in some very rural locations in emerging markets with little or no infrastructure such as the palm plantations in Gabon, and coffee estates in Tanzania and Zambia.

For the implementation of the WASH Standard in Olam's direct operations, compliance checks are ongoing. At least 47% of reporting entities meet the sanitation criteria of at least one toilet per 20 workers.

In 26 countries, 47 Olam businesses also made special provisions for improved hygiene and sanitation – both on-site and in supply chains – by setting up handwashing stations, providing disinfectant, clean water, and soap, and training on handwashing as key preventative measures against COVID-19. We are continuing to prioritise WASH by investing in improved on-site infrastructure and further training to ensure all members of the workforce have access to safe water and adequate sanitation and can practise good hygiene for their safety and health.

Q: How does the Olam Healthy Living Campaign (OHL) support employees?

A. Given the many different locations with Olam operations, employee wellbeing takes different forms especially in our rural emerging market operations. This is why our material area on Nutrition and Health supports employees as well as rural communities. In 2020, we took the OHL Campaign globally, not realising that it would play such a crucial part in our COVID-19 response. Over 11,000 employees are therefore included in the total people reached (almost 1 million) under the OHL. See page 106 under Social Capital for details.

We have also begun to put greater emphasis on workplace nutrition. In 2020, we co-funded a Chatham House report called the Business Case for Investment in Nutrition. It finds that "malnutrition is said to cost the private sector as much as US$850 billion a year in lost productivity". We have therefore set a vision that by 2030, 100% of our total workforce will have access to nutrition programmes. This means having access to at least two of the following:

- Rolling out 'basics of nutrition' as standard workforce training module.
- Including nutrition-focused checks (e.g. BMI, cholesterol) in all health check-ups.
- Increasing access to nutritious, safe and affordable food at all Olam worksites.
- Adopting workplace policies and practices that enable mothers to breastfeed.

Other types of wellness (and gender inclusion) activities undertaken include:

- Many sites have dedicated, private space that can be used for breastfeeding (e.g. offices and/or processing facilities in China, the Netherlands, Peru, Singapore, Turkey, the United States and Uruguay).
- Hazelnuts business in Turkey trains the full workforce biennially on breastfeeding, maintaining status of a baby-friendly work site since 2008.
- Tanzania Aviv coffee estate supports women in nearby communities with information and training on breastfeeding.

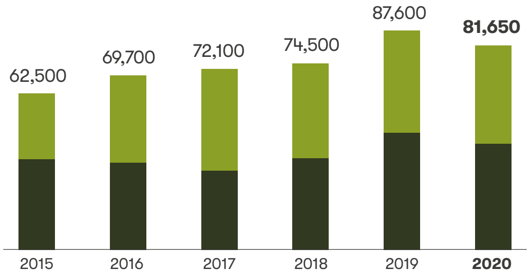
We are also extremely conscious of employee mental wellbeing. Employee Assistance programmes are run with third-party providers, which employees can access in confidence. Throughout 2020, we ran numerous wellbeing surveys in order to identify where employees might be suffering from anxiety. This could be due to working parents having to juggle home schooling or employees who live alone feeling isolated during months of homeworking. Or indeed many other reasons. The resilience shown by employees was simply astounding. In acknowledgement of this we awarded all employees an additional four days of annual leave at the end of 2020.

In the numbers: Learning and Development

Inspirational Leadership (IL)	• Aimed at transforming concept of leaders and leadership, IL pursued a 'distinctive strength' based leadership model, encouraging a self-directed path, transforming daily interactions and supported by online resources. • 125 top leaders enhanced their personal leadership brand through targeted trainings, achieving a satisfaction rate of 85%.
Leading Engaged Teams (LET)	• Improved engagement culture for team leaders through 'learning sprints' over 6-9 months, imparting holistic skills on inclusivity, meaningful conversations and recognition. • 196 leaders influenced a cascade engagement impact on ~600 direct reports in Europe, Asia, Africa and Americas, with 85% satisfaction rate.
Raising Future Leaders	• Curated learning journey that prepares frontline talent for first-time manager roles inculcating a leader's mindset for performance excellence, supported by the necessary toolkit. • Upskilled 174 frontline managers in critical frontline roles globally, from West Africa to Southeast Asia, with 89% satisfaction rate.
Building Future Leaders	• Olam's revolutionary take on the management trainee programme, the FLP increased its global reach to be more diverse and inclusive, while enhancing the value to the business. • The 41 strong cohort from across the globe is positioned not only for traditional frontline roles but also future critical ones in food services, e-commerce, farmer services, digital and AtSource.
Graduate Trainees	• Replicated FLP, designed in Nigeria and Ghana to nurture and train 25 graduate trainees for critical functional roles, through immersive peer-learning, self-leadership and role delivery. • Plans are to resume the programme in all major markets in 2021.
Democratising Learning – iQUEST	• iQUEST, Olam's very first integrated Digital Learning Platform launched over 30 webinars globally. • Anchored by Olam leaders, iQUEST Insights engaged over 5,000 employees on topics including sustainability, customer centricity, operational excellence, digital and AtSource. • External speakers included elite sports people anchoring themes on resilience and leadership. • Achieved 90% satisfaction rate.
Country Bespoke Programmes	• Customised learning solutions focused on country operational context including job skills, personal effectiveness and product knowledge. • Close to 7,000 participants across 25 countries were engaged in these learning opportunities.

In the numbers

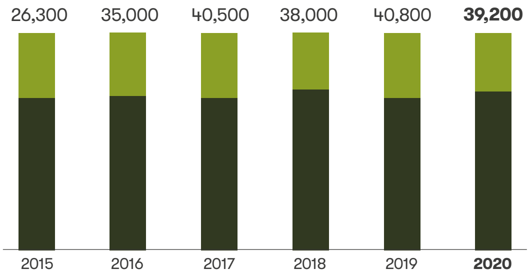
Our Workforce (%)



	2015	2016	2017	2018	2019	**2020**
Primary	42%	50%	56%	51%	47%	**48%**
Secondary	58%	50%	44%	49%	53%	**52%**

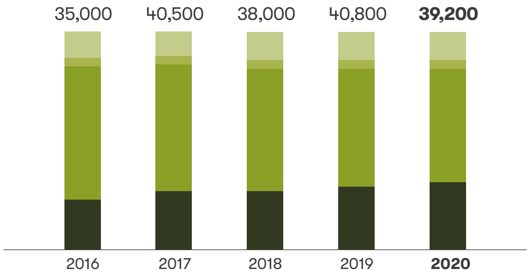
Note: Secondary workforce includes seasonal, casual, temporary and contract employees.

Primary Workforce by Gender



	2015	2016	2017	2018	2019	**2020**
Women	30%	29%	30%	26%	30%	**27%**
Men	70%	71%	70%	74%	70%	**73%**

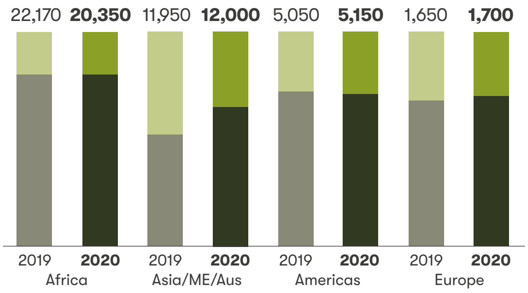
Primary Workforce by Region



	2016	2017	2018	2019	**2020**
Americas	12%	11%	13%	13%	**13%**
Europe	4%	4%	4%	4%	**4%**
Africa	61%	58%	56%	54%	**52%**
Asia, Middle East and Australia	23%	27%	27%	29%	**31%**

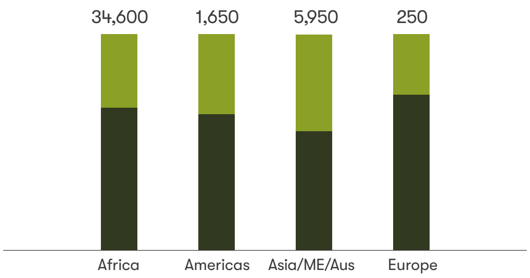
Note: Data not collected by region in 2015.

Primary Workforce by Gender and Region 2019 vs 2020



	Africa 2019	Africa **2020**	Asia/ME/Aus 2019	Asia/ME/Aus **2020**	Americas 2019	Americas **2020**	Europe 2019	Europe **2020**
Women	20%	**20%**	48%	**35%**	28%	**29%**	32%	**30%**
Men	80%	**80%**	52%	**65%**	72%	**71%**	68%	**70%**

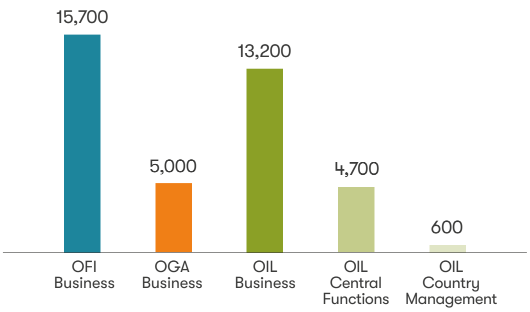
Secondary Workforce by Gender and Region 2020



	Africa	Americas	Asia/ME/Aus	Europe
Women	34%	37%	45%	28%
Men	66%	63%	55%	72%

Note: Secondary workforce mainly employed in Africa across farms, plantations, processing etc. Major employers are the coffee estates in Tanzania (~2k) and Zambia (~10k).

Primary Workforce by Operating Group 2020



Note: Central functions and country management to be re-organised into OFI, OGA and OIL businesses. OFI major countries: Vietnam (~4,800), India (~2,000), USA (~1,600), Brazil (~1,500), Indonesia (~1,000) OGA major countries: Nigeria (~2,600), Chad (~800), Côte d'Ivoire (~350), OIL major country: Gabon (~7,300).

Natural Capital

The land, water, biodiversity and other ecosystem services required for food, feed and fibre production.

"The food and agri sector is among the biggest contributors to global greenhouse gas (GHG) emissions and the biggest driver of terrestrial biodiversity loss, yet we are critically dependent on the natural assets we are eroding. One in three bites of food requires insect pollination, yet insect populations are suffering significant collapses worldwide. The dramatic impacts of eroding nature's life-support systems – drought, wildfires, volatile weather patterns – are all too real, but are a taster of what will be in 2050 under a 'business as usual' scenario."

Q&A with Dr Christopher Stewart
Global Head of Corporate Responsibility and Sustainability

Purpose Outcome: Re-generating the Living World

179,300
smallholders trained on conservation

693,000
fruit and shade tree seedlings distributed

153,000
farmers registered on OFIS in 2020

Q. Why value Natural Capital?

A. In February 2021 the landmark Dasgupta Review by UK Treasury highlighted that "[humankind] has failed to manage our global portfolio of assets sustainably. Estimates show that between 1992 and 2014, Produced Capital per person doubled, and Human Capital per person increased by about 13% globally; but the stock of Natural Capital per person declined by nearly 40%". The review provides compelling evidence for measuring our wealth in terms of all assets, including natural assets, to provide a clear and coherent measure that corresponds directly with the wellbeing of current and future generations. Many conservation organisations agree: in 2020, WWF launched a landmark study to explore the global economic impacts of natural capital depletion. At the heart of the report is a clear business case for moving towards a 'Global Conservation (GC)' scenario, where value is derived from protecting the natural assets that underline our economic prosperity.

This Annual Report covers the many sustainability challenges our teams are trying to address on the ground to reduce our negative impacts while amplifying the positive to shore up stocks for the future, thus enabling our business to be resilient. But to really move the needle on Natural Capital, decision makers in the food sector need to bring it into key business processes – this means policy leads, financial institutions and for businesses, the finance and risk teams. At Olam we have done just that by creating a Finance for Sustainability (F4S) team so the businesses can see the value they create, or erode, based on the decisions they take. As a tool to help us deliver our Purpose to Re-imagine Global Agriculture and Food Systems, the Olam Integrated Impact Statement (IIS) provides the missing numerical link between our actions on the ground and impacts thereof, using well-defined and accepted Natural Capital valuation methodologies. Through AtSource, we provide our customers and stakeholders with insights on their supply chains, enabling new partnerships to direct finance to halt or reverse the loss of Natural Capital.

Land estimated to produce volumes in 2020 with estimated direct and indirect supply chain of 5.16 million farmers.

2.53m ha

under Olam management of which ~2m ha are forestry concessions in the Republic of Congo[1]

25%

under conservation or social set asides (e.g. HCV, HCS)

~1.4m ha

land area where farmers are given sustainability support

762,000

smallholders given sustainability support[2]

~13.2m ha

land area estimated for all non-supported third-party farmers

~4.4m

third-party farmers, primarily smallholders

Olam Cocoa has been a first mover in this regard, with a public goal launched in 2019 under its Cocoa Compass sustainability strategy to reduce Natural Capital costs by 30% by 2030. During 2020 the F4S team completed full-scale Natural Capital Accounting (NCA) for the Cocoa business to provide a 2018 and 2019 baseline. A Cocoa Compass impact report is due to be published in 2021. Overall, this approach enables us to better identify opportunities and challenges to drive growth and create long-term value to deliver against our strategy.

1. Includes almonds, cocoa, coffee, dairy, cotton, black pepper, palm, rice, rubber
2. Excludes poultry and fishfeed smallholders to whom the Animal Feed & Protein business provide economic opportunity support but do not buy their produce
3. olamgroup.com/about-olam/ethics-and-compliance.html

Q. Where are the biggest environmental impacts in Olam's operations and supply chain?

A. Given the size of our third-party supplier base – which includes over 5 million smallholders with limited access to environmental stewardship training – this is where the main challenges lie. These relate to greenhouse gas (GHG) emissions and loss of biodiversity through land use change for agriculture, soil degradation, and water pollution through overuse of fertiliser and pesticides.

The estimated land area for our third-party 2020 volumes equates to around 14.6 million hectares (ha). Of this area we estimate that 31% is under production of crops we class as being high in social and/or environmental risks, namely cashew, cocoa, coffee, cotton, hazelnuts, palm, and rubber. The Olam Supplier Code (OSC)[3] is therefore the first layer of risk mitigation as it sets out the comprehensive set of conditions our suppliers must respect so that crops and other products are produced in a socially responsible, economically profitable and environmentally sustainable way. As of December 2020, the OSC covered 90% to 100% of directly originated volumes in the priority supply chains.

Despite more than 6,000 data collection and field officer colleagues on the ground, monitoring this land area is simply too vast for Olam to oversee alone. We therefore focus on a) underlining the requirements to suppliers and taking action should an issue arise; b) expanding our sustainability programmes through partnerships with customers and NGOs; c) deploying a suite of digital and analytical tools including the Olam Farmer Information System (OFIS), the Forest Loss Risk Index (FLRI), Olam Direct (OD), and our insights platform AtSource; and d) contributing to global monitoring systems, such as Global Forest Watch. Traceability is a key step towards acting on risks such as deforestation – OFI's Cocoa business achieved a major milestone in 2020 for its directly sourced cocoa beans with 100% traceability. But our approach is far more than risk mitigation. We want to create positive impact for the good of Olam, society and our planet. Guided by our Living Landscapes Policy (LLP), our ambition – as stated in our Purpose – Re-generate the Living World, putting more back into the production of food, feed and fibre than we take out. This will help to balance the stocks and flows of our Natural Capital dependencies for the future.

Q. How does AtSource help deliver your sustainability strategy?

A. AtSource is our unique insights platform which provides customers with direct access to their supply chain sustainability parameters, as well as with insights into how to influence these elements for the better. It is based on our tiered approach to better farming systems.

The entry tier represents 'responsible sourcing standards', as defined in the Olam Supplier Code (OSC), where we choose who we do business with, and engage with suppliers to eliminate unacceptable practices in our supply chain, but have limited leverage to effect positive impacts upstream.

The middle tier, AtSource Plus, addresses topics and issues relating to 'sustainable production' – a wide-ranging set of good economic, environmental and social practices grounded in our long-standing experience of supporting farmer livelihoods and enhanced through engagement with multiple social and environmental assurance schemes and certifications. These practices are aligned to the 10 material areas in our sustainability framework, supported by a comprehensive toolkit of metrics relevant to each supply chain.

The highest and most ambitious tier, AtSource Infinity, embodies our living landscape approach to re-imagining agriculture at a landscape or jurisdictional scale. This embeds all of the above into multi-stakeholder partnerships to effect change at scale, including broader principles of integrated land management, ecosystem conservation, regenerative farming practices, social justice and system resilience. By the end of 2020 we had enrolled almost 312,000 farmers across 890 farmer groups in 35 products and 29 countries in AtSource Plus, generating insights into farmer livelihoods, community development, climate and water impact, based on primary data and boots on the ground. The insights, data and action plans generated empower our customers to understand their supply chains, address risk, drive positive impacts, report on both ESG criteria and sustainability initiatives, and strengthen their overall brand value.

Q. What does AtSource tell you about Olam's Natural Capital footprint?

The overall land footprint for Olam is covered on page 89. AtSource Plus and Infinity give us a window into the supply chains that have met the stringent criteria.

- Of the 311,904 farmers registered, the farms of 170,351 farmers have been GPS polygon mapped.
- The total number of target crop hectares (ha) under production or planted in the farmer groups is 927,283 ha.
- There are 63,484 farmers in the high-risk farmer group whose GPS co-ordinates are mapped.
- 121,831 farmers in the high-risk farmer group have been trained on the Olam Living Landscape Policy.
- 1,218,242 shade trees have been distributed.
- On-farm (or agricultural) carbon emissions have been reduced by 15.7% for 7 product origins (2019-2020).

For individual products, AtSource Plus can then provide the environmental footprints for overall climate change impact, water intensity and land use intensity. So, for a customer based in Germany who buys quinoa from the Acos Vinchos District, in Peru's Huamanga province, the AtSource dashboard shows them that the total carbon emissions of their product is 2.05 tonnes of CO_2 equivalent and details how that breaks down at each stage of the product journey – from farmgate, through processing, to arrival at the port. They can also see that the 186 farmers in the group achieved average yield increases of 64% in the 2020 crop year, with half of the group having received training on Good Agricultural Practices the previous year.

Goals dashboard

Climate Action

SDGs 2.4; 7.2; 13.1; 13.2

Timeframe	Goal	Status	Read more
By end of 2020	All Olam farms, plantations and Tier 1 facilities to have implemented their 2020 GHG Reduction Plans 1. Operational efficiency 2. Avoid High-Carbon Stocks for land development 3. Climate-smart agricultural practices	**Achieved**	Page 94
	25% of energy derived from renewable and biomass sources at Olam's Tier 1 facilities (from 2015 baseline – 15%)	**Slightly behind** 22.3% renewable and biomass achieved by 2020, up from 18.8% in 2019. In 2020, we significantly increased the use of biomass energy in Rice, Coffee and Palm processing using the processing by-products of these crops.	Page 92
	Implement the Olam 2020 Climate-smart Agriculture (CSA) programme	**On track**	Pages 40, 41, 92, 127
By 2030	Reduce GHG emissions by 50% both in own operations and Olam-managed farmer programmes	For own volumes (Scope 1 and 2), in 2020 we achieved a significant reduction in GHG emissions intensity in our processing (0.13 TCO_2e/T product, vs 0.19 in 2019), due to divestment of a high intensity Indonesian sugar plant, an increase in the renewable energy share, and increased volumes of low-energy grains processing. However, balanced by an increase in the GHG intensity for own farms and estates (1.91 T CO_2e/T product vs 1.22 in 2019), due to the increased volume production of high-intensity crops such as Almonds. For third-party (Scope 3) volumes, which account for 95% of the total emissions (Scope 1, 2 and 3) of 72.3m MT of CO_2e in 2020, achieved a significant reduction in GHG intensity in 2020 from 2.0 to 1.7 TCO_2e/MT and an absolute reduction of 14.3m MT CO_2e (from 82.9m MT in 2019 to 68.6m MT in 2020). This was partly due to an increase in the proportion of low-intensity crops in our total volumes. Our supported farmer programmes are being assessed for GHG reductions pathways that will be implemented systematically across Olam.	Page 94

Read more

- GRI and SASB Index at olamgroup.com/investors/investor-library.html

Healthy Ecosystems

SDGs 11.4; 15.1; 15.2; 15.3; 15.5; 15.7

Timeframe	Goal	Status	Read more
By end of 2020	100% of Olam-managed plantations, concessions and farms to have implemented their Land Management Plan	**Achieved**	Pages 89-91
	100% of third-party supplier volume complies with the Supplier Code based on a prioritised product approach. Priority products: cashew, cocoa, coffee, cotton, hazelnut, palm, rubber	**Largely achieved** By 2020, 90% to 100% of directly originated volumes in the priority supply chains were responsibly sourced through suppliers we engaged on the Olam Supplier Code. The exception was Cotton (66%), because in 2019 and 2020 we added very large numbers of cotton smallholders in Chad and Togo, and we are working to bring these suppliers up to the same standard as our other risk priority products.	Page 89
	Implement the relevant Living Landscapes Policy commitments	**Ongoing**	Pages 90, 96-98

Water

SDGs 6.1; 6.2; 6.4; 6.6

Timeframe	Goal	Status	Read more
Ongoing	Increased water use efficiency in Olam's direct operations	In 2020, achieved significant reductions in water use intensity in processing (1.62 m^3/MT product vs 1.99 in 2019), due to increased efficiencies (including a 46% reduction in H_20 intensity for Nuts), and additional volumes of low-water intensity products.	Page 93
By end of 2020	100% of priority supply chains to have water resource management plans	**Behind target**	Pages 93, 99

Reduced Waste

SDGs 12.2; 12.3

Timeframe	Goal	Status	Read more
By end of 2024	100% utilisation of by-products in own operations	**On track**	GRI and SASB Index at olamgroup.com/investors/investor-library.html
By end of 2024	Zero waste to landfill in own operations	**Started**	GRI and SASB Index at olamgroup.com/investors/investor-library.html
By 2030	Reduce post-harvest loss by 50% in own operations and Olam-managed farmer programmes	**On track**	Page 102

Q. Olam has five material areas related to Natural Capital – Climate Action, Healthy Ecosystems, Water, Healthy Soils and Food Loss and Waste. What progress have you made against them?

A. The material areas under Natural Capital all deliver against the third outcome of our Purpose: **Re-generation of the Living World**. Below we take each in turn at the Group level. Additional detail is provided for Olam Food Ingredients (OFI) on page 41, for Olam Global Agri (OGA) on page 53, and for Olam International (OIL) on page 62.

Climate Action

For a business dependent on crop production, a changing climate is a major risk to our business. It is also an opportunity in the way that we manage that risk and support climate-positive strategies. As an example, cocoa farmers in the west African cocoa belt, supplying 70% of the world's cocoa and supporting the livelihoods of 2 million smallholder farmers, are becoming more vulnerable to climate change. Olam has identified such risk could lead to a loss of market if appropriate climate-smart interventions are not put in place. Ensuring therefore that Olam and the estimated 5.1 million farmers in our direct and indirect supply chain are able to implement mitigation and adaptation measures to increase resilience and limit global warming is integral to our strategy. More detail on risk and opportunity is provided in the Risk section on page 68 while our management approach is covered in our 2020 submission to CDP on Climate (A-), Forests (B) and Water (A-).

On Climate Action, Olam's total GHG footprint has been moving in the right direction i.e. absolute and intensity-based reductions in GHG emissions. However, the reductions are highly dependent on the mix of products in our third-party supply chains as our footprint is dominated by these Scope 3 emissions, which account for >95% of the total.

In the emissions that we can control directly, we have improved our processing GHG efficiency by nearly 33% to 0.13 MT CO_2e per tonne of product in 2020. For our own farms and estates, we are also able to estimate GHG more accurately, thanks to improvements in our footprint calculations driven by AtSource Plus. However, the improved calculations have resulted in much higher estimates (a net 1.1m MT CO_2e increase to 2.58m MT) for our own farms than in previous years. This work does impact n our goals and targets, and we aim to review our existing baseline and Science Based Target implementation pathways for reducing GHG on the basis of the improved emissions estimates in 2021.

Olam uses several tools to ensure climate risks and opportunities are adequately managed. We are using Life Cycle Assessment methodology to calculate the related environmental impact linked to the production of commodities, using the indicators most material to our business: Climate Change, Water Depletion and Land Use. While there is currently no standardised methodology for putting a value on the Earth's ecosystem services, our approach is being informed by the Task Force on Climate-related Financial Disclosures (TCFD), Impact Valuation Roundtable (IVR), membership of the Natural Capital Coalition, and The Prince's Accounting for Sustainability Project (A4S). See our Integrated Impact Statement case study for cocoa in the 2019 Annual Report.[1] Other points to note:

- In 2018, Olam developed a risk-based approach to prioritise action on supply chain deforestation. Our Forest Loss Risk Index (FLRI) presents a methodology to shift the focus onto future risk of deforestation, so that action can be taken before trees are lost, helping us to manage transition carbon risks within the supply. The FLRI uses GPS mapping and historical deforestation rates, existing forest cover and national park boundaries to identify 'hotspots' for action. Results from the FLRI analysis allow us to prioritise high-risk sourcing areas and to understand the drivers of deforestation. This data is then further enhanced by the Olam Farmer Information System (OFIS), a platform which allows us to map exactly where our suppliers are operating relative to deforestation. Through OFIS, Olam is able to implement monitoring systems, design and deliver training, and tailor sustainable farm management plans to help farmers improve productivity without expanding land area, tackling physical and transitional risks.

1. https://www.olamgroup.com/content/dam/olamgroup/investor-relations/ir-library/annual-reports/annual-reports-pdfs olam-annual-report-fy19_strategy_report.pdf#page=6

- Other climate-risk tools include Notre Dame Global Adaptation Initiative (ND-GAIN), and Global Forest Watch and Aqueduct tools, both developed by the World Resources Institute. Third-party information is checked for accuracy with the operational businesses, incorporating local environmental and climate knowledge to determine potential impacts and identify necessary mitigation and resilience activities.

To assess risks beyond deforestation and land degradation, we can now utilise our sustainability insights platform AtSource which connects customers to the source of their supply and empowers them to have traceable, end-to-end sustainable supply chains. By tracking the environmental impact of a single product at each stage of its journey AtSource Plus data can inform decision making to compare environmental and climate performance and progress between farmer groups, develop more precise, and therefore efficient, sustainability programmes with baseline data and better understand impacts and make adjustments e.g. use renewables versus fossil fuels.

In 2020, we expanded this capability further: as well as showing 20 different climate-related metrics, the footprint calculator now includes carbon sequestration (removals of GHG) in our products. We are piloting cocoa in the first instance, based on a detailed life cycle analysis of the crop. Olam grows and sources many tree crop and agroforestry products which store significant amounts of biomass carbon over long periods, and which will be critical for driving down the footprint of global food production. Through the eco-calculator we aim to quantify those benefits and include them within the Natural Capital valuation of the supply chain. This means that customers can report positive as well as negative impacts. A monetary value (in US$) has been assigned to the stock of renewable and non-renewable resources as either a cost (-US$) or benefit (+US$), expressed as the requirement to produce a tonne of product.

Further, the Olam Rubber Gabon plantations were studied by a team from Duke University which quantified their GHG emissions and sequestration, testing the hypothesis that climate-neutral rubber plantations in Gabon are feasible in the context of long tree crop rotations and careful land use planning.

However, to achieve our Science Based Target (recalibrating from well below 2°C to a 1.5°C global warming scenario), we need to both reduce emissions on-farm and balance unavoidable emissions through a system of natural climate solutions. We have been exploring pathways to scale on both these aspects through a systematic review of GHG emissions in our main crop production systems, supported by climate specialists SouthPole, to launch a comprehensive programme of climate action in our main crops.

Our data shows that we can significantly reduce emissions in our origination businesses by engaging with farmers on climate smart agricultural practices and in 2020 we trained over 179,000 farmers on forest, land and biodiversity protection. But these alone will not go far enough. In order to reach climate-positive agriculture – drawing down more carbon into farming landscapes than we emit – we need to couple climate-smart farming with the protection and restoration of associated natural forests and ecosystems, and with explicit climate objectives.

Read more

- olamgroup.com/sustainability/priority-areas/climate-action.html
- olamgroup.com/news/all-news/blog/seven-principles-for-improving-economic-opportunity-for-farmers-and-rural-communities.html?prevpage=allnews
- olamgroup.com/products-services/olam-food-ingredients/cocoa/cocoa-sustainability.html
- olamgroup.com/products-services/olam-food-ingredients/coffee/sustainability-in-coffee.html
- cdp.net/en

Criteria for projects to achieve AtSource Infinity status:

Our ambition is to deliver a triple positive impact in the places we work, to create and sustain Living Landscapes where prosperous farmers, thriving rural communities, and healthy ecosystems coexist.

AtSource Infinity embodies Olam's Purpose – Reimagining Global Agriculture and Food Systems – and translates it into positive actions for planet and people. It moves the dial from one-size-fits-all, compliance driven programmes to targeted, tailored, place-based, and outcome-focused interventions.

Criteria for a programme to be considered AtSource Infinity rather than AtSource Plus includes:

- Large areas where agriculture and other land use activities are planned and managed to enhance habitats, regenerate soil, water and natural ecosystems, and store carbon
- Could be a water catchment area, a jurisdiction, a bio-geographic zone etc.
- Has to go beyond farm level and consider community needs within the catchment area, e.g. around food and nutrition security.
- Requires collaboration between Olam, customers, technical experts, local actors and others.

Read more

- atsource.io/infinity-page.html

Healthy Ecosystems

As per the first target, all our upstream plantations and estates have spatial land management plans in line with our Living Landscapes Policy (LLP). We work with NGOs, communities and government to ensure areas with HCV and HCS are protected and can flourish. In 2020, subsidiary Congolaise Industrielle des Bois (CIB) achieved Forest Stewardship Council (FSC) certification[1] for the Mimbeli-Ibenga forestry concession in the Republic of Congo (RoC). This means that the concessions are all certified. Overall, CIB manages ~2 million hectares of forest, which also includes non certified areas for communities and a REDD+ project. CIB became the first to achieve FSC-certification in RoC in 2006 as part of its commitment to responsible and sustainable forestry. Around a quarter of its certified concessions are permanently protected and reserved for the communities. In harvestable areas it is committed to strict Reduced Impact Logging techniques and selective harvesting at levels significantly below those permitted by national regulations.

In our Gabon palm plantations, the team has continued to work with international scientists to better understand the ecosystem value of our large registered High Conservation Value (99,000 ha) set-asides, which are actively managed to protect Rare, Threatened and Endangered (RTE) species and prevent illegal logging and commercial bushmeat hunting. Read more in OIL Purpose section, page 62.

Meanwhile, at the almond orchards in Australia, the team has undertaken various measures to support honey bee health. In January 2020, a donation of AUS$100,000 was granted to support Australian beekeepers – it was estimated that 20,000 bee hives (each with 30,000 bees) were lost during the fires that ravaged the country between 2019 and 2020, as well as millions of hectares of flowering trees that provide the bees' only source of food.

1. Refer to the certificates here: olamgroup.com/content/dam/olamgroup/products-and-services/oil/wood-products/wood-products-pdfs/olam-wood-license-numbers-mar2021.pdf

Protecting biodiversity

Two forest elephants (Loxondata cyclotis) greeting each other in Olam Palm Gabon's HCV forest. These areas were formerly heavily impacted by commercial hunters, but thanks to our conservation team's constant vigilance, ivory poaching has become extremely rare in our area, and other hunted species including apes and other protected species appear to be making a comeback.

To put this into context, the Australian orchards required approximately 80,000 bee hives for pollination services in 2020. A PhD student from University of Western Sydney has been partially funded by Olam and is using sites to undertake studies to see how to improve immediate and long-term bee health and therefore pollination. This includes a trial to see whether there is greater return on investment in planting specific flowers in permanent floral reserves versus simply maintaining the native vegetation and cover crops. Permanent floral reserves provide alternative sources of pollen at the beginning and end of pollination when almond pollen may not be sufficient for the number of hives in orchards. They also provide a nectar source for bees during almond pollination. Provision of alternative pollen sources and a source of nectar will ensure that hives are productive and healthy when they leave almond orchards. Data is still being analysed from the bee monitoring – techniques that are currently available include HF RFID (high frequency, radio frequency identification), harmonic radar, detection and decoding of honey bee waggle dances and fluorescent tagging. Powders that glow under ultraviolet light are also available to observe how honey bees forage throughout an almond orchard.

In our third-party supply chains, we continued to focus on preventing deforestation. In 2019 we co-developed and shared our Forest Loss Risk Index (FLRI) methodology, and have since mapped all our cocoa and coffee supply chains. In 2020, we worked with Satelligence, a remote sensing expert, to improve the FLRI to achieve greater mapping accuracy and resolution and implemented action plans in high-risk areas.

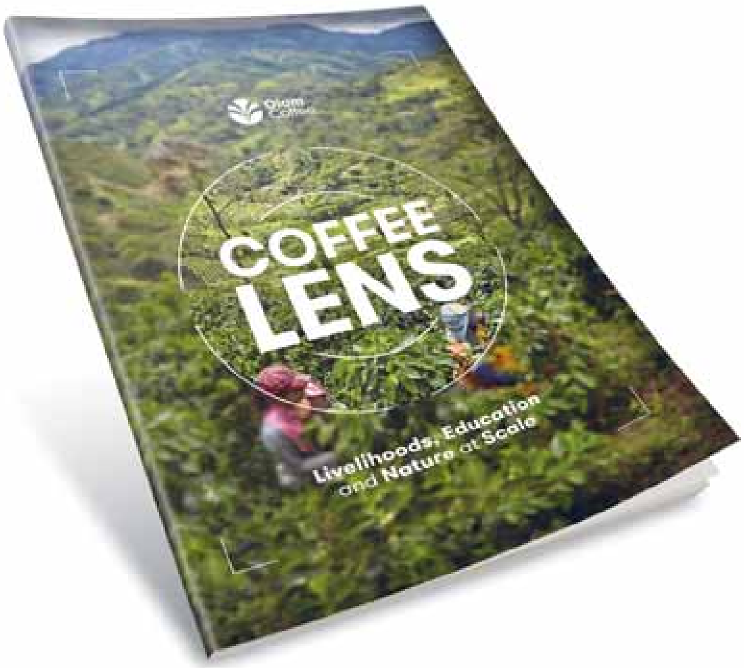
Biodiversity protection is a key component of all AtSource Infinity and landscape programmes. The first two AtSource Infinity projects in Peru and Mexico were brought online and a further three across Brazil, Democratic Republic of Congo and Ghana were approved; three more are in advanced stages of development and a further pipeline of more than 10 candidate landscapes has been established to operationalise our Living Landscapes Policy commitment. In line with our ambition for AtSource Infinity programmes to act as a test-bed for innovation, we are working with the sectoral LandScale platform to benchmark progress in Mexico. LandScale is being developed by Rainforest Alliance, Verra, and Conservation International with a coalition of partners. It "provides an impartial, holistic, and globally recognised system for assessing the cumulative impact of activities within landscapes dominated by natural resource-based industries".

The Olam Living Landscapes Forum, established in 2019 to advise on our landscape approach, met twice during 2020 and discussed a set of enablers for Olam and food sector actors to participate effectively and fairly in landscape activities. This work should receive new impetus in 2021 by focusing on the AtSource Infinity programmes and pipeline. We are also testing new tools such as the Integrated Biodiversity Assessment Tool (IBAT) and the Agrobiodiversity Index for setting priorities on and around our upstream assets.

Olam Cocoa has entered into a partnership with IUCN to help restore degraded Natural Capital areas in Ghana. This is to enable cocoa communities to take ownership of their landscape with heightened environmental stewardship, thus creating an increase in tree carbon stock through forest protection and restoration, and catalysing a 30% reduction in natural capital costs as per the Cocoa Compass sustainability strategy. By sharing information, IUCN will be able to analyse spatial and quantitative data for a multi-criteria analysis that will create restoration opportunity maps and cost-benefit analysis of current land uses.

Read more

- olamgroup.com/sustainability/priority-areas/healthy-ecosystems.html
- rainforest-alliance.org/business/sustainable-farming/using-landscale-to-power-broadscale-sustainability-in-mexicos-key-coffee-region/
- atsource.io/impact.html



In 2020 Olam Coffee launched its first public goals to support healthy ecosystems with a commitment to plant 5 million native trees by 2025 and ensure that deforestation remediation plans are implemented in all high-risk areas: https: olamgroup.com/products-services/olam-food-ingredients/coffee/sustainability-in-coffee.html

In terms of policy, Olam responded to the public consultation led by the EU's DG Environment: *Deforestation and forest degradation – reducing the impact of products placed on the EU market.* With others in our sector we called for a 'smart mix' of measures, including but not limited to:

- Partnerships between the EU and producer countries to put in place the enabling conditions necessary to protect forests and improve the standards of production of agricultural commodities.
- EU legislation to introduce an obligation of due diligence on companies involved in commodity supply chains, and to put in place other demand-side measures to support markets for sustainably produced commodities.
- Dialogue with other consumer countries, to ensure that stricter standards in the EU market do not simply divert unsustainably produced products away to other markets.

Water

Water is vital for our business as a significant number of Olam's direct operations in plantations, concessions and farms, and processing and manufacturing require freshwater for irrigation (in addition to rainfall) and for processing. However, 95% of Olam's total freshwater footprint is in the third-party supply chain (indirect use) and includes an estimated 5.16 million farmers. Therefore, understanding future water dependency due to climate change and other factors is vital to our business model and is something we are improving in our strategies and risk management.

We were pleased in 2020 to have significantly improved efficiencies in our own processing water intensity, from 1.99 MT water to 1.62 MT per tonne in 2020. However, water intensity in our farms and in our supply chains have both increased substantially this year, driven by increased volumes of crops that require more water, including irrigated almonds and grains.

Many of the crops we source and grow, such as coffee, cocoa, spices, almonds and cotton depend on certain climatic and soil conditions. In 2020, we updated our water risk assessments using the newly revised WRI Aqueduct Tool. All sites in High or Extremely High-risk areas, as classified by WRI Aqueduct, undertook an additional self-assessment based on WWF Water Risk Filter providing more accurate and locally relevant data and a more granular analysis of the various types of water risks. In the mapping process, around 25% of our plantations, concessions, farms, and associated processing plants were in High or Extremely High water-stressed regions, in countries such as Egypt, Indonesia, Nigeria, Spain, USA and Zambia.

AtSource Plus calculates the water intensity per tonne of crop. Here, you can see that hazelnut production in the Ordu province of Turkey's Black Sea coast accounts for the majority of water consumption, which comes predominantly from fertiliser production, while processing of hazelnut paste contributes 21% to overall intensity. Through metrics that matter we can take action to improve footprints for Olam and customers, as well as help farmers save costs. Read more on www.atsource.io

Read more

- GRI and SASB Index at olamgroup.com/investors/investor-library.html

When deemed relevant, we encourage sites to follow the International Water Stewardship Standard and seek certification, based on the results of a site-specific gap analysis. The risk assessments have allowed us to prioritise support required by 14 processing operations. Those span different risks (e.g. quality, quantity, regulation, readiness), products and geographies in Brazil, Côte d'Ivoire, Egypt, India, Indonesia, Spain, USA and Vietnam. We are in the process of revising our action plans to address shared resource challenges.

In terms of third-party supply chains, Olam requests water-monitoring data from suppliers that use irrigation systems in businesses where water is considered material. Their incentive to report, and to reduce water intensity, is the operational cost of water. We engage with suppliers of certain commodities, like almonds in USA, onions in Egypt, and cotton in Australia where water use can be improved by better managing irrigation systems. Suppliers relying on rain-fed crops are being gradually incorporated into AtSource. Highly targeted interventions can then improve economic, social and environmental factors. AtSource Plus includes the water footprint and where relevant, a water action plan. Data reported is aligned with the ReCiPe midpoint H impact assessment. This indicator sums all freshwater input inventory flows related to water use, including yield, irrigation, fertiliser and pesticide use, transportation routes, processing data, water depletion and freshwater inventory flows, among others. Risks are identified at the asset level or supply chain level and go as deep as individual farmers. Customised intervention plans are then applied.

During the year, an irrigation project in Gabon was delayed. Refer to page 22 of the CFO Review. The project, which uses surface water, not underground water, has an Integrated Water Resources Management Strategy in line with our Sustainable Palm Oil Policy. Our water stewardship approach is supported by the design of our ecological network of forest blocks and broad riparian buffers, which act as a living sponge to retain water in the landscape to conserve rivers, streams and wetlands, and biodiversity within a landscape of working palm estates.

Since 2015 we have reported to CDP Water Security. Our 2020 submission was awarded A-.

Highlights

481,000

forest seedlings distributed

179,000

smallholders trained on forest, land and biodiversity

164,000

smallholders trained on good water practices

99,000

hectares of smallholder farms mapped on OFIS in 2020

Read more

- olamgroup.com/sustainability/priority-areas/water.html
- atsource.io/impact/absorbing-the-impact-of-coffee-wastewater.html
- atsource.io/impact/sowing-seeds-of-sustainability.html
- cdp.net

More crop per drop

For many years the Almond teams in Australia and USA have focused on water reduction through a programme of 'more crop per drop'. In 2020, Olam Orchards Australia began a trial to better understand the behaviour of almond trees under different conditions using sap flow sensors, dendrometers and stem psychrometers – tools that can integrate all the ambient environmental parameters acting upon the plant, such as solar radiation, temperature, humidity, wind speed and water availability, into single continuously measurable variables. The trial seeks to address issues around local growing conditions, such as the effects of undulating landscapes, differences in soil types, timing of irrigation pulses, tree stress, tree behaviour under extreme weather conditions and comparisons between New South Wales and Victoria growing conditions.

First season data from sap flow sensors, for example, in combination with local weather data from weather stations, provided data on multiple parameters including daily water use, seasonal trends, and correlations with environmental variables. It logs these on a continuous basis to help identify trends associated with weather patterns.

A step often overlooked is the ability of the irrigation controller software and hardware to apply accurate and variable rates of irrigation to different areas. This can consist of 100+ irrigation blocks with the ability to irrigate the cultivars in each block at different rates. Variability is created due to the undulations in landscapes, differences in soil types, differences in cultivars and different ages of the trees. Our research trials aim to use these instruments to measure more closely the variability of tree water use created by these other sources of variability, and in doing so save even more crop per drop.

Healthy Soils

Degraded soil affects nearly one third of the Earth's land area, reducing topsoil, depleting nutrients and resulting in major environmental, social and economic costs. Our focus is therefore on restoring and regenerating soils. While targets are still being developed, we made progress in certain areas such as initiating a Soil Nitrogen Efficiency Programme with onion and garlic growers in California USA to use less synthetic nitrogen fertiliser Aiming for a 25-50% reduction, the trial could lead to reduced GHG emissions, as well as other benefits such as reduced costs for the growers, and prevention against nitrate leaching and groundwater contamination.

Much of our efforts focus on training smallholders. Across our smallholder network, we trained 230,600 farmers on good soil practices (63% increase on 2019). For example, the Côte d'Ivoire Cotton team had several initiatives including:

- Erosion control involving 195 farmers.
- Organic manuring practised by 5,262 farmers.
- Minimum tillage implemented by 573 farmers.

Read more

- olamgroup.com/sustainability/priority-areas/healthy-soils.html
- rainforest-alliance.org/business/sustainable-farming/using-landscale-to-power-broadscale-sustainability-in-mexicos-key-coffee-region/
- olamgroup.com/content/olamcorp/oil/uk/en/news/all-news/blog/achieving-per-cent-traceability-across-our-direct-global-cocoa-supply-chain.html
- atsource.io/impact.html

Improving black pepper quality

Olam Spices has black pepper estates in Gia Lai, Vietnam and Bahia, Brazil, where they follow best soil practices, such as growing cover crops and digital crop monitoring systems to produce a fully traceable and environmentally friendly black pepper supply.

In 2020, the nursery on the Gia Lai estate (275 ha with 43% protected/regenerated as HCV) was certified by the Vietnam Government. Despite the size of Vietnam pepper production, this is the first time that the Ministry of Agriculture and Rural Development has issued a certificate for pepper plants in the spices industry. The nursery safeguards the pepper gene source, as well as the quality of each variety, providing pest and disease-free planting material. In 2021, the estate will support surrounding smallholders with the certified-quality planting materials – to date, the team works with 400 smallholders in a Rainforest Alliance-certified programme focused on reducing excessive chemical application to control pests and diseases which impacts the quality of the pepper.

The Gia Lai team is therefore focused on more organic methods for both the estate and the farmers. This includes the application of organic manure fortified with bio-control agents (using beneficial fungi) to prevent diseases. The organic compost is produced on-site by using agricultural waste products and animal manure with a decomposition process of about 100 days by incorporating bio-control agents. In 2020, the estate achieved a reduction of inorganic pesticides and fungicides that was 54% over 2018 consumption and 17% over 2019. Of the 10,000 tonnes of organic compost produced per year at the estate, 3,000 tonnes will be used to support the smallholders at a considerably lower cost than the market price. The estate also set up the laboratory to produce the beneficial fungi.

Food Loss and Waste

Group CEO Sunny Verghese became Co-Chair of Champions 12.3, the multi-stakeholder coalition focused on helping accelerate action to tackle food loss and waste. Olam is also a member of the WBCSD/Global Agribusiness Alliance task force on post-harvest loss, and co-leads the Sustainable Rice Platform's Food Loss and Waste task force.

We continued to partner with Wageningen University to improve and adapt post-harvest loss protocols. Trials completed in November 2020 in our smallholder rice programme in Nigeria show that the improved reaping and threshing methods saw rice recovery increase by 479 kg farmgate product per hectare, equivalent to an increased income per farmer of approximately US$338 at current prices, a significant uplift.

We have also completed trials on a range of other crops including hazelnuts, sesame and quinoa, which show great promise for increasing farmer income.

Results from these and our previous trials have been incorporated in Wageningen's GHG impact calculator for post-harvest loss, feeding into an improved tool for Natural Capital valuation in rice.

We also sponsored Wageningen's research into post-harvest loss in nine of Olam's principal crops, which shines a spotlight on the dearth of comparable global data for such widely traded products as cocoa, rice, cashew and coffee.

Read more

- olamgroup.com/sustainability/sustainability-framework/priority-areas/reduced-waste.html
- atsource.io/impact/circular-coffee-cultivation-from-farm-to-cup.html

Q. What role does stakeholder engagement play in your Natural Capital strategy?

A. We cannot Re-generate the Living World as demanded by our Purpose without the collaboration and expertise of our stakeholders. We engage with customers, NGOs, certifiers and many others on this basis.

We convened our multi-stakeholder Olam Living Landscapes Forum in 2019 to provide input on how we achieve our vision to put more back into food and farming systems more than we take out. Two meetings were held in the first half of 2020 where we shared priorities for facilitating landscape approaches in agriculture, exchanging information such as to how to promote landscape projects and overcome policy and research barriers. At a sector level, we were re-elected to the steering group of the HCV Resource Network, and through RSPO continued to engage with High-Carbon Stock Approach.

For the transformational AtSource Infinity projects we rely on a multi-stakeholder approach. So for example, in our Peru circular coffee project, we are working with the farmer cooperative, the coffee roaster, civil society partner Solidaridad, and the Wildlife and Forestry division of the Peruvian Ministry of Agriculture (SERFOR). See pages 126-127.

The OGA Rice team continued to work closely with development agency GIZ and the Sustainable Rice Platform (of which we are a board member) actively supporting the call for the food industry to support the launch of a new certification label so consumers can identify sustainable rice on shelf and help drive the improvements required in methane production. The team also worked together on submissions for donor funding such as the MacArthur Foundation.

On the ground, our partnership with Wildlife Conservation Society to share our OFIS technology to prevent deforestation while supporting coffee farmers in Indonesia was delayed somewhat due to COVID-19, but this video encapsulates the opportunity www.wcs.org/our-work/bbs-sustainable-commodities-partnership.

Read more

- olamgroup.com/sustainability/sustainable-supply-chains/sustainable-palm-oil/stakeholder-engagement.html

Meanwhile in Gabon, we continue to collaborate with WWF on monitoring wildlife around our palm and rubber plantations.

Other forms of engagement include sector scorecards:

- SPOTT Sustainable Palm Oil – improved 2019 score by 3.8% points; joint 14th out of 100 companies.
- SPOTT Timber and Pulp – score declined by 6.9% points; 7th out of 96 companies.
- Forest Heroes/Green Cats 2020 – joint first; declined by 1 point on 2019.
- Mighty Earth Easter Scorecard.

In terms of grievances, we voluntarily engaged with the Forest Stewardship Council (FSC) on a complaint lodged by Mighty Earth in 2016 as to whether the development of our palm plantations contravened FSC Policy of Association. We mutually agreed the terms of reference of a resolution process and Olam has cooperated with all information requests from FSC's investigation. A field assessment, delayed by COVID-19, is planned for 2021 as soon as travel restrictions are lifted. Also in Gabon, our team continued to engage with the Mounigou community regarding concerns raised by the NGO Muyissi Environnment on access to clean water. We also responded to stakeholders regarding unfounded allegations from 2019 by World Rainforest Movement: olamgroup.com/products-services/olam-global-agri/edible-oils/sustainable-palm-oil/stakeholder-engagement.html

We continue to publicly report the status and progress of action of all grievances in our palm supply chain, which is published on a monthly basis. As of December 2020, we had received a total of 29 cases during the year, of which 18 are closed, one is disputed and the remainder are open in various stages, which include investigation and monitoring.

In the Netherlands, Olam Cocoa engaged with the community around its Koog processing facility on noise and odour, the former immediately being addressed and the latter being resolved with the commissioning of a Regenerative Thermal Oxidiser. In July, the team welcomed the mayor of Zaanstad city who was guided through the cocoa processing facility in line with social distancing measures. The city is the home of our premium brand deZaan, founded in 1911 as a cocoa pressing plant on the banks of the Zaan river and today valued for setting the standards for cocoa ingredient excellence.

Intellectual Capital

Commercialising sustainability through AtSource to create long-term Financial, Natural and Social Capital.

"Launched as a Minimum Viable Product in 2018, we now have major customers using the AtSource features for their reporting, their sustainability roadmaps and consumer engagement. Our offer is unique: Olam's deep origin and farmgate presence to collect and improve the data and produce the insights, combined with a rigorous methodology and approach creates a comprehensive impact driving platform. In 2020, we added new features to the dashboard for instant information, including carbon sequestration, the ability to assess blended products, and action plans specific to each metric. And AtSource is not just for customers; it's how we want to do business. We are aiming for all relevant directly sourced volumes to be AtSource-ready by the end of 2023.[1]"

Roel Van Poppel
CEO AtSource

Read more

- Natural Capital page 88
- Social Capital page 106
- www.atsource.io

Q. How does AtSource compare to other systems or certifications?

A. AtSource offers exemplary transparency and traceability into supply chains. It shows customers exactly where we, and they, have hotspots. Equally where progress is being made. As a sustainability insights platform, it therefore offers many elements that are not covered by certification schemes. However, we still wanted to validate AtSource against other relevant schemes as this would further reinforce credibility with our customers.

We therefore asked Proforest – specialised in helping companies set up responsible sourcing and production in food and agricultural supply chains – and experts also in Voluntary Sustainability Standards and certification – to carry out a comparative study between Olam's AtSource Plus scheme and seven well-respected sustainability schemes.

The study, which used recognised best practice standards benchmarking criteria and followed ISEAL guidelines for standards benchmarking, confirmed that AtSource Plus covers all key sustainability topics – social, environmental, economic and ethical – in line with the best scoring scheme in the study.

A benchmarking of the sustainability schemes' systems criteria, specifically in the areas of assurance and chain of custody, furthermore informed AtSource Plus's own system development, with a solid verification protocol starting to be rolled out.

Through this process, the AtSource team concluded that:

- AtSource Plus covers several elements, such as climate change, human and labour rights and working conditions, according to best practice criteria.
- AtSource offers distinctive features such as risk profiles to allow actions targeting areas f concern, whilst detailed supply chain environmental and social metrics allow performance to be tracked over time.
- The possibility for customers to add metrics related to their individual sustainability strategies is unique.

1. Target applies to AtSource Entry Tier, excludes traded volumes and those bought on exchanges.

> AtSource is a highly innovative and scalable plus well-established model that allows Olam's customers – for the first time – to track the social and environmental footprint of a product from the farmer group, to their factory gate. Its economic, social and environmental metrics bring transparency to what has been a rather opaque part of the commodity industry. Very much leading a new, sustainable path for their industry.

The Reuters Events Responsible Business Awards Judging Panel commenting on AtSource winning the Responsible Supply Chain Award 2020.

AtSource was also featured in Fast Company magazine's Ten Most Innovative Logistics Companies of 2020: https://www.fastcompany.com/90457852/logistics-most-innovative-companies-2020

AtSource was further highly commended by Food Ingredients Europe for innovating "a measurable supply chain strategy that champions environmental, economic or socially sustainable practices in the F&B industry".

Highlights

~312,000

farmers over >1 million ha receiving holistic support

>2 million

data inputs collated

6,000

carbon and water footprints created

>5 million km

of supply chains mapped (distance travelled per tonne of product)

AtSource Entry:

31 countries, 29 products, 58 origin supply chains linked to 319 different destinations with customised risk profiles

AtSource Plus:

29 countries, 35 products, 65 origin supply chains, 890 farmer groups and 30 Olam estates linked to 6,066 destinations

Social Capital

The relationships we forge and nurture for long-term commercial success.

"In recent years, there has been some progress towards helping thousands of small-scale farmers become more resilient to shocks, including price drops, pests, and climate change impacts. But we must make sure this is not derailed by COVID-19. We need to redouble our public and private collaboration to encourage crop and income diversification, access to finance, promotion of health and human rights, and preservation of the environment. Their resilience is our resilience."

Q&A with Julie Greene
Vice President, Corporate Responsibility and Sustainability

Purpose Outcome: Helping Farmers to Prosper

2.6m
farmers getting digital agronomy advice

773,000
farmers getting sustainability support

19%
female farmers

3.9m
crop seedlings distributed

Q. Why does Olam invest in a Social Capital strategy?

A. Olam primarily views Social Capital in terms of the communities where we operate, and particularly smallholder farmers whom we rely upon for crops. It is estimated that smallholder farms (under two hectares) produce 28–31% of total crop production and 30–34% of food supply on 24% of gross agricultural area,[1] making them critical to global food security. For Olam, they are an essential driving force behind our volumes, particularly for crops like cashew, cocoa, coffee, spices and rice. It would be impossible to achieve this scale by trying to grow the crops ourselves. So, the ability of smallholders to produce high yields at a good quality, and to earn a decent living, is key to short-term gains and to responsibly growing the business in the long run.

However, despite their importance to global agriculture, smallholders have limited access to education and healthcare, little agri-training and technology, and constrained access to financial services to allow them to invest in their farms. Often they do not hold land tenure rights so may not be secure. They are also among the most vulnerable to hunger and malnutrition. As a result, their yields are much lower than they should be, impacting family income and communities at large. Many of these challenges can also affect large scale farmers.

Low or unpredictable yields threaten the reliability of Olam's supply, while low incomes perpetuate poverty and often discourage the next generation. Unlocking the potential of farmers by empowering them to access greater economic opportunity through sustainability programmes and beyond, is therefore fundamental to our business continuity and the bedrock of our Purpose – to Re-imagine Global Agriculture and Food Systems.

1. Source: How much of the world's food do smallholders produce? Vincent Ricciardi, Navin Ramankutty, Zia Mehrabi, Larissa Jarvis, Brenton Chookolingo.

Q. How did COVID-19 impact smallholder farmers?

A. Whilst we remain very concerned about the virus taking hold in communities with extremely limited healthcare, the biggest challenges in 2020 came as a result of the lockdowns and social distancing requirements. Mid-way through the year, just when global supply chains felt they were starting to heal from the first half-year shock, we surveyed 2,400 rural smallholder farmers in nine countries in Africa, plus Indonesia, and found that more than half were experiencing shortages in basic food due to movement restrictions, food price increases and insufficient stocks at home. Ability to afford food was impacted with 70% of farmers surveyed saying they had less income than usual in the prior four months.

This affirmed much of what our business teams saw on the ground. Restrictions on movement in many countries were keeping farm labourers from going to work and people from accessing other income-earning opportunities, thereby reducing household income. Schooling was disrupted, increasing the risk that some children may not go back, which in turn can increase child labour risk and intergenerational poverty.

We are now also concerned by new strains as well as the ability of lower-income countries to procure the vaccines. We are acutely aware that many smallholder farmers may yet suffer further before the containment measures are fully lifted, and the world's economy improves. Low world prices for some crops such as coffee, as well as weather and climate change impacts will compound this further. This leaves farmers vulnerable, having less money to invest in the next season, as well as in farm upkeep and necessary equipment. Women may be particularly affected and disadvantaged, as despite being heavily engaged in farming they often have less access to whatever assistance is available.

Read more

- COVID-19 response by stakeholder: page: 18-19

Intellectual Capital: re-imagining to overcome COVID-19 challenges

The questions we asked ourselves morphed from "what can we do to mitigate the immediate problem?" to "how can we adapt or innovate new ways to address what may be chronic issues?"

In Brazil, the Coffee team sped up the installation of remote digital kiosks that allow rural farmers to deposit their coffee samples at a local spot without encountering movement limitations or coming into contact with others. The first kiosk installation in Ibicocara recorded more than 50 coffee sample deposits during its first month of operation in July, many of them first-time farmers for the business.

Similarly, the Cashew team in Ghana sped up the rollout of the Olam Direct app, which enables farmers to access market prices. The Cashew team in Nigeria typically extends 0% interest rate loans to farmers at the start of the season and usually gets payback by the end (February-May). It quickly became apparent that this year it would not be practical. The team extended its credit period to reduce the pressure on farmers.

The Nigerian Cocoa team also innovated new ways to disseminate health and safety information by creating a movie, mounting it on a truck equipped with screens and driving it from village to village in order to reach the most people. In this blog, Jennifer Abuah, General Manager shares learnings on the process: olamgroup.com/news/all-news/blog/fighting-covid-19-fake-news-in-nigeria.html?prevpage=allnews.

Taken together, these responses aren't just one-offs, but suggest novel ways to look at our processes and planning going forward.

Goals dashboard

Economic Opportunity; Skills and Education; Safe and Decent Work

SDGs: 1.2; 1.4; 1.5; 2.3; 2.4; 4.4; 8.7; 8.8

Timeframe	Goal	Status	Read more
By end of 2020	Bring 1 million hectares under Olam sustainability programmes with an estimated 0.5 million smallholders	**Achieved** 773,000 farmers receiving support (4% increase on 2019); 1.39 million hectares (1.0% increase)	Pages 109, 126-127
	Improved livelihood potential: 0.75 million beneficiaries, including an estimated 0.5 million smallholders, plus other beneficiaries of capacity building, cooperative support, school support, access to finance, producer goods, and economic infrastructure initiatives	**Achieved** 773,000 farmers and their families. Our emerging market workforce, especially around the coffee estates in Tanzania and Zambia, could also be included.	Page 109
	Child labour: No breaches in compliance reported or observed in audits for either Olam or third-party supply chains	**Not achieved** For third-party supply chains	Page 112
	100% of priority product volumes covered by the Supplier Code: cashew, cocoa, coffee, cotton, hazelnut, palm and rubber	By 2020, 90% to 100% of directly originated volumes in the priority supply chains were responsibly sourced through suppliers we engaged on the Olam Supplier Code. The exception was Cotton (66%), because in 2019 and 2020 we added very large numbers of cotton smallholders in Chad and Togo, and we are working to bring these suppliers up to the same standard as our other risk priority products.	Page 118

Diversity and Inclusion

SDG 5.5; 10.2

Timeframe	Goal	Status	Read more
By end of 2020	Support 100,000 women to access economic opportunities, including female farmers, processors, distributors, and workers supported or employed by Olam	**Achieved** 172,200 women (146,700 female farmers; 10,350 female primary workforce and 15,150 female secondary workforce) 146,700 female farmers includes 6,900 cashew; 48,000 cocoa; 17,400 coffee; 48,400 cotton and 17,600 rice farmers	Page 115

Nutrition and Health

SDG 2.1; 2.2; 3.3; 6.1; 6.2

Timeframe	Goal	Status	Read more
By end of 2020	Olam Healthy Living Campaign reaches 250,000 people, including community beneficiaries of health, water and sanitation infrastructure, health education campaigns, HIV testing, health check-ups, access to insurance initiatives, and similar services	**Achieved** 995,100 people (361% uplift on 2019)	Page 116
	Produce 40 billion servings of micro-nutrient fortified foods	**Achieved** 78 billion servings (58% uplift on 2019)	Page 117

Q. Olam has five material areas related to Social Capital – Economic Opportunity, Safe and Decent Work, Diversity and Inclusion, Education and Skills, and Nutrition and Health. What progress have you made?

A. All deliver against two outcomes of our Purpose: **Prosperous Farmers and Food Systems**, and **Thriving Communities**. Below we take each in turn at the Group level. Additional detail is provided for Olam Food Ingredients (OFI) on page 40, for Olam Global Agri (OGA) on page 50, and for Olam International (OIL) on page 60-63.

Economic Opportunity

In 2015, we set our 2020 goal to bring 1 million hectares a under Olam sustainability programmes with an estimated 0.5 million smallholders. We also wanted to give improved livelihood potential to 0.75 million people – smallholders, plus other people in rural communities in emerging markets, including our workforce.

At the end of 2020:

- 773,000 farmers globally receiving sustainability support across 1.39 million hectares. Of whom:
  - 312,000 are in AtSource Plus and Infinity programmes with their holistic approach across nine social and environmental topics;
  - 90,000 are farmers beyond our traditional programmes who are now able to transact directly with Olam and retain more value from their crop via digital app Olam Direct.
- 2.6 million farmers in India receiving agronomy, crop protection, market prices etc. via the AgriCentral (Jiva) digital platform.
- More than 42,000 people employed in our secondary workforce, mainly in emerging markets.

See the charts on page 121 for the trend data.

Of the 773,000 smallholders, 254,000 (33%) are cotton farmers in Africa. As we only entered Chad in 2019, many of the 232,800 farmers are on the first steps of our Livelihoods Pathway, receiving inputs like seeds and fertiliser but not yet in full training programmes. Nevertheless, 68,500 farmers in Chad were trained in Good Agricultural Practices (GAP) in 2020. Across all products, 345,000 farmers received GAP training.

Read more

- olamgroup.com/sustainability/priority-areas/economic-opportunity.html
- olamnuts.com/types-of-nuts-blog/post/digital-tech-ghana-cashew
- atsource.io/impact.html

Types of support for farmers to help improve resilience, especially given climate change, as well as economic opportunity include:

- Training ~69,000 female farmers on GAP.
- 3,000 agri tools to Indonesian coffee farmers.
- 500 cherry pulper machines for coffee farmers in Papua New Guinea.
- 20 diesel-powered pruning machines to Ghana cashew farmers.
- 4,720 drying mats and raised platforms to cocoa and coffee farmers.

However, while we have been pleased with the training roll-out, many farmers are still fighting to meet basic needs. We have therefore been assessing the effectiveness of the training extension services for both the farmer and for Olam.

Many farmers cannot afford to adopt all better practices immediately (e.g. paying for labour to help with pruning and weeding) or, in many cases, are not willing to invest in producing more as they see no future in farming. As every farmer and farmer's situation is different, rather than train all farmers under the same curriculum, or offer the same support, Olam is now focusing on tailoring support according to their particular constraints and aspirations. Our longstanding presence at farmgate has given us a deep understanding of the reality faced by farmers on the ground and allows us to segment farmers according to their particular situation and needs. We can then support them with smaller, more easily achievable and tailored packages that can be implemented in phases. This approach very much relies on having the teams in place to work with the community and ensure no farmer feels left behind. In 2020, it was successfully piloted by the Cocoa team in several origins and the Coffee team in Uganda and Peru. We are now expanding this into other origins, supported by the essential data provided by the Olam Farmer Information System (OFIS). This article gives more detail on the types of support we provide to farmers: olamgroup.com/news/all-news/blog/seven-principles-for-improving-economic-opportunity-for-farmers-and-rural-communities.html?prevpage=allnews

We also increased our focus on helping communities to develop or improve income-generating activities aside from cash crops. We reached around 57,000 people, of whom 11,700 were women, and around 4,700 were young adults (aged 16-24). This includes initiatives like supporting communities to plant fruit trees amongst their cash crop; mechanics training, bee-keeping, and specific support for women: in Nigeria, the rice farm business supported Women's Cooperatives with training on nutrition, rearing of livestock, vegetable farming etc. They were given vegetable seeds, gas cylinders, chicken hatchlings and small amounts of cash to encourage them to start their business.

One issue that we have yet to address is around supporting smallholder farmers on land rights. This has been more of a focus for our own operations as part of the Free, Prior and Informed Consent process as detailed in our Living Landscapes Policy.

Q. Will all 773,000 farmers transition to AtSource Plus?

A. Olam created AtSource to re-define how to enable positive change in agricultural supply chains and to empower customers to advance their individual sustainability journeys.

Throughout the AtSource platform and across its tiers AtSource, AtSource Plus and AtSource Infinity, this is achieved through a variety of features: the provision of third-party risk profiles, the sustainability performance through well-structured quantified indicators (AtSource Plus metrics), through granular footprinting and through metric action plans relating to social, environmental, economic and ethical criteria.

Whereas our previous flagship programme the Olam Livelihood Charter focused on smallholder farmers primarily, the AtSource platform – and specifically AtSource Plus – takes into account the full supply chain: from the farm where it was cultivated, through our Olam processing and handling facilities, following the different transportation steps until the transfer of ownership to our customers – which in most cases are their delivery and manufacturing locations.

To enrol in AtSource Plus each business unit must complete two major processes: a compliance exercise with the AtSource Plus Scheme Rules and the collection of data across the different sustainability parameters, that will be shown to our customers as metrics on the platform. To evaluate compliance an annual assessment is carried out against the AtSource Plus sustainability principles. After this assessment, critical and major non-conformances must be addressed through action plans. The data collection process is facilitated through detailed metrics reference sheets prescribing how the different data points need to be generated and how they will be audited in the verification process. The AtSource Plus metrics are either classified as Core (mandatory for all entrants to AtSource Plus) or Additional (optional). It is required for each supply chain to capture and publish all Core metrics, plus whichever Additional metrics have been selected as relevant or material for the origin or product.

Currently there are around 312,000 farmers part of the AtSource Plus programme. This figure has increased more than 3-fold over the last year and the AtSource team is working with the Olam business units to further increase this figure over time. Whilst more farmers might get support, the pathway of data generation and system compliance takes effort and time. The decision of a business unit to enrol therefore rests on related considerations. Based on the capacity a business unit can decide how many programmes can be enrolled per year.

Intellectual Capital: Olam Direct unlocks value throughdigital transformation

Q. What is Olam Direct?

A. With Olam Direct (OD), we aim to empower farmers and foster transparency, as well as deliver agronomy and sustainability advice. Developed in-house, the holistic platform empowers farmers to transact directly with Olam rather than going through intermediaries. This brings both higher prices for farmers and cost savings as Olam manages the crop collection. The Brazil Coffee case study on page 37 brings this to life.

Winner

Innovation Leader's 2020 Impact Awards

" This is such an important innovation for the agriculture space, bringing forward-thinking to a market that uses great technology to do their work, and can use better technology to conduct their business. I believe this will be truly transformative. "

Judge Cheryl Reed
Chief Innovation Officer at Dover Corporation

https://www.innovationleader.com/strategy-and-governance/heres-our-list-of-2020-impact-award-winners/1483.article

Q. How do farmers connect if infrastructure is poor?

A. There were several technological and operational challenges including poor internet connectivity in rural emerging economies, absence of smartphones, unbanked population etc. But our team responded quickly to solve these. At the core of the solution is a simple and usable mobile app, including an App-SMS interface to enable transaction completion and engage directly with farmers without smartphones. The app's offline capabilities have been enhanced to facilitate digital transactions even in weak network areas. In addition, a smartphone support scheme provided low-cost instalment repayment to facilitate farmers' phone ownership. The team also entered into partnerships with banks for bank accounts and digital payments, as well as telecom service providers for network and data connectivity to mitigate challenges faced by farmers and improve penetration.

Technology also overcame the challenges encountered in quality assessment. Moisture meters were unable to measure the full moisture range, so Farmer Leads typically reverted to physical inspection to gauge the moisture percentage. This resulted in large variances, so calibrated digital moisture meters were installed at the homes of the Farmer Leads which provided accurate measurement, replacing inconsistent physical inspection and the immediate need to measure moisture at the buying point.

Q. How does payment work?

A. The OD team established methods to manage cash and credit risk. To increase transparency and ensure the right farmer gets paid, the farmer has to acknowledge the receipt. OD supports multiple payment options depending on the farmer's preference for cash or bank transfers, or a combination of both to pay off immediate expenses with the remainder going into a savings account. In the first year alone, Olam helped create more than 400 bank accounts for unbanked farmers to facilitate more cashless transactions. The team also offered price incentives for farmers if they opted for bank transfers instead of cash.

Q. How is OD supporting inclusion?

A. Almost half of the farmers benefiting from the programme are women and, as numerous studies find, they are responsible for both farm productivity and family health and wellbeing. Further, OD's innovative approach is also providing jobs for rural young adults as Micro-Collectors.

Watch how Olam Direct is benefiting pepper farmers in Cambodia:

https://www.youtube.com/watch?v=JyTVdStp3-k

Better with bees: making more cash from cashew

In Nigeria, Olam Cashew is working in partnership with beeswax exporter Old Levi Multibiz Services Ltd and global processor Koster Keunen, to implement beekeeping programmes in the Idera, Afin and Owode-Ofaro communities of Kwara State.

250 beehives have been provided to 50 farmers to set up in their orchards, along with protective gear, smokers and harvesting tools, and the necessary training. This dynamic partnership means that farmers are connected directly to the market, and can sell 100% of their bee products at a competitive price. Of course, they benefit from pollination services for improved cashew yields too.

Silifatu Ahmed, who previously depended solely on the income from her cashew crop to feed her family and send her children to school, was able to harvest 15kg of honey and 1kg of beeswax from her four hives in the first year. This means each harvest tops up her income from cashew production by 5%.

“I have been able to earn more from my farm from the sales of honey and wax. By next year I believe I will have more harvest from the beehives, and I can provide for my family. Thank you to Olam and the entire management for helping us with an additional source of income.”

Silifatu Ahmed
Cashew farmer, Owode-Ofaro,
Kwara State, Nigeria

Safe and Decent Work

In 2020 we undertook two significant human rights studies with third-parties to better understand the risks facing our supply chains and assess our approach.

Human Rights Risk Assessment: To develop a more detailed understanding of human rights risks across our supply chain, in 2020, together with Wageningen University, the CR&S team developed a model to assess human rights risks at a country and commodity level. The model is based on the ILO Declaration on fundamental principles and rights at work (ILO, 2016), which includes four rights, namely freedom of association and the effective recognition of the right to collective bargaining; the elimination of forced or compulsory labour; the abolition of child labour; and the elimination of discrimination in respect of employment and occupation. These were complemented with ILO’s standards and principles on the right of everyone to a world of work free from violence and harassment; the right to a fair wage; a maximum work time per week; as well as the right to maximum safety at work. The model was applied to 33 countries and 19 commodities in both our own and third-party supply chains. More than 400 sources were assessed for sectoral risks. Next steps are to better understand these country and commodity level risks in Olam’s supply chains and to identify appropriate actions where required. This model can now be used by other companies to assess human rights risks.

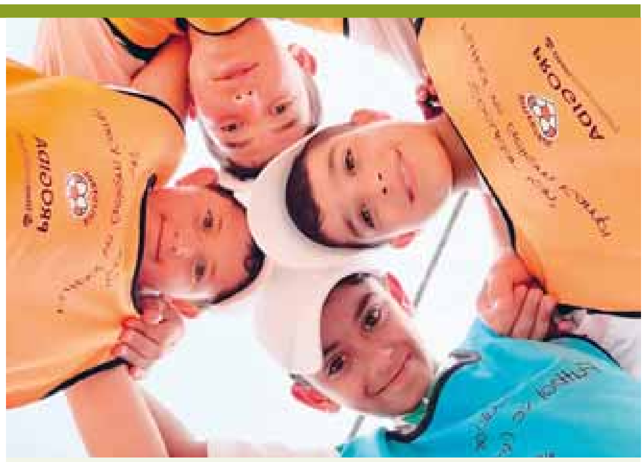
Child Labour review: With 71% of all child labour cases being in the agricultural sector (over 107 million children), it remains a major challenge. The study analysed the different root causes and risk multipliers of child labour in the supply chains of 12 assessed Olam programmes, evaluating how individual programmes measured against process and impact indicators by looking at outputs, outcomes and impact on reducing child labour risks.

Child labour is defined by the International Labour Organisation as work that endangers children or interferes with their schooling. This can include ‘hazardous work’, which is the most common form of child labour found in our supply chains, for example children carrying heavy loads or using sharp tools on the family farm. This form of child labour is distinct from forced or slave labour, which occurs rarely in our supply chains. Olam has a zero-tolerance policy for forced or slave labour in its supply chain and if it were to identify any instances, it would immediately act, including notifying the appropriate authorities.

In order to understand why some programmes are more successful in achieving outcomes and creating significant impact on reducing child labour risks, the study also looked into programme design and management. This covered how programmes are in line with child labour risks and risk levels in their supply chains, and how well they have documented programme outcomes and impact including child labour cases, remediation cases and household profiles etc. The study highlighted a number of best practices, but also gaps and recommendations, including to improve awareness and training with better tracking of knowledge gained; to ensure that all programmes strongly build on Olam's business leverage (e.g. linking awareness training with pricing reviews); and to create stronger outcome measures for all programmes to demonstrate impact or corrective actions where necessary. Other key focus areas included fair labour and human rights for adult labourers, as well as health and safety training for farmers on pesticide handling etc.

Read more

- olamgroup.com/sustainability/priority-areas/safe-decent-work.html
- atsource.io/impact/providing-safe-spaces-for-children-during-the-hazelnut-harvest.html
- atsource.io/impact/rooting-out-seeds-of-child-labour-with-coffee-kindergartens.html
- Cocoa Compass first year progress[1]
- olamgroup.com/news/all-news/blog/one-intervention-is-not-enough-in-the-fight-against-child-labour.html



Hazelnuts summer school programme

Despite COVID-19 imposed movement restrictions, the Olam Progida Summer School programme in Turkey set up two new schools in 2020 to provide safe spaces for children of migrant workers to play and not work during the hazelnut harvest. With one school being run in partnership with the International Labour Organisation (ILO), both offer catch-up courses on academic subjects, as well as creative and sports activities.

> "Olam Cocoa proactively partnered with the FLA to map the working conditions in its smallholder cocoa supply chain in Cameroon. The FLA team alongside Olam Cocoa's local team engaged government stakeholders, civil society organisations, local community leaders, farmers, workers, and their families to understand the root causes of child labour. The findings informed Olam Cocoa's development of CLMRS in Cameroon. The FLA will continue to independently monitor and then publicly report on the company's efforts to improve the conditions for the cocoa farmers and their families in the country."

Richa Mittal
Senior Director, Supply Chain Innovation & Partnerships at the Fair Labor Association

1. olamgroup.com/content/dam/olamgroup/products-and-services/ofi/cocoa/sustainability-cocoa/sustainability-cocoa-pdfs/cocoa-compass-anchoring-our-progress.pdf.

Our 2020 goal set in 2015 was to see 'no child labour breaches in compliance reported or observed in audits for either Olam or third-party supply chains'. While there were no child labour cases reported for our own supply chains, or identified through audits, we did not achieve this for our third-party supply chains.

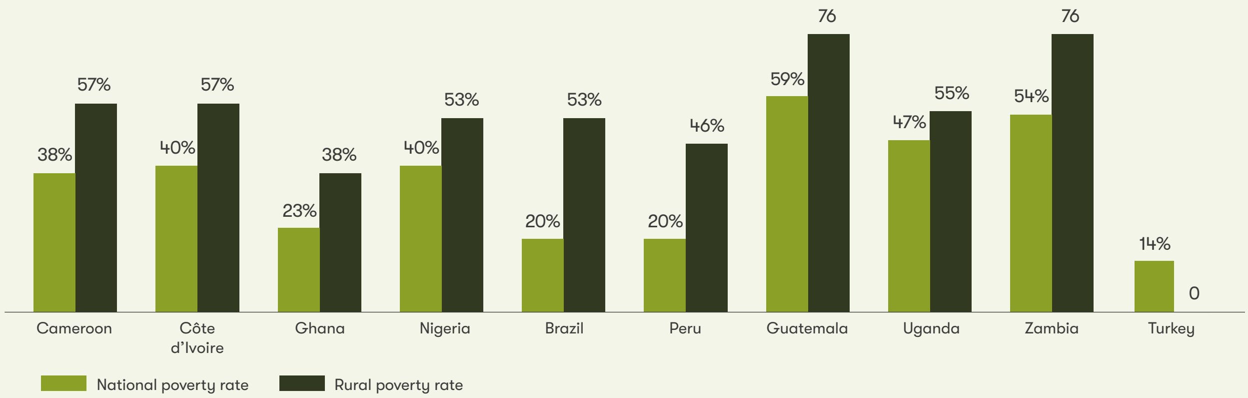
Our cocoa and hazelnut supply chains present high child labour risks and we have run audit programmes with the Fair Labor Association (FLA) since 2013, with the reports published on fairlabor.org. In March 2020, when launching the first professionalised Child Labour Monitoring and Remediation System (CLMRS) in Cameroon, Olam Cocoa explained the challenges:

"In our 2018/2019 cocoa supply chain in Côte d'Ivoire, we identified 7,059 suspected cases of child labour in the sustainability programmes that we run with customers out of a total of 118,000 cocoa farmer households. The vast majority of these are helping their parents outside school hours and relate to hazardous tasks such as using sharp tools to weed the farm or break cocoa pods, as well as carrying heavy loads.

We are committed to remediating all instances of child labour found in our supply chain to the greatest extent possible, while also tackling the broader causes of child labour by ensuring access to education through the provision of school infrastructure and birth certificates, as well as the establishment of Village Savings and Loans Associations which are often used for educational expenses. In total, an estimated 40,000 children have already benefited from these child protection interventions."

This is why in addition to training 208,000 farmers across multiple commodities on child labour and human rights, in July 2020 we mandated Save the Children and its implementing partner The Centre for Child Rights and Business to conduct a study, with the aim to: 1) comprehensively review previous and ongoing Olam efforts and activities taken in different countries to combat child labour; 2) assess the effectiveness and achievements of selected Olam projects under the theoretical framework; and 3) identify and analyse the most effective and cost-effective approaches to combat child labour in the agricultural setting.

Poverty rates in Olam's sourcing areas



Rural poverty is a major contributor to child labour, which can be further exacerbated by external factors. The report by Save the Children and The Centre states: "In a range of the target countries, the risk of children engaging in child labour is further aggravated by climate change, conflicts and violence and other types of challenges. For example, Northern Nigeria has seen un-discriminated attacks against civilians, many of them who fled to Niger as a result; Guatemala is strongly affected by climate and weather events; Zambia is vulnerable to cyclical drought and other natural hazards, such as floods and pest infestations; whereas Turkey has experienced a significant influx of Syrian refugees in its agriculture labour force; the coffee harvest in Guatemala and hazelnut orchards in Turkey depend heavily on seasonal influxes of migrant workers; child marriage rates in Cameroon remain high and girls are disproportionately affected by deeply rooted cultural norms there. All these factors further increase the child labour risk levels in those countries, meaning that Olam is sourcing in contexts where child labour is a significant risk."

Diversity and Inclusion

Our 2020 goal set in 2015, was to support 100,000 women to have access to economic opportunities, including female farmers, processors, distributors, and workers supported or employed by Olam. We achieved:

- More than 146,000 female farmers receiving sustainability support (19% of the total and a 6%-point increase on 2019, particularly due to the cotton programmes starting in Chad).
- 10,350 women in our primary workforce.
- 15,150 women in our secondary workforce.

The priority focus in our third-party supply chains is on female empowerment. Despite the known contribution women make to farming systems in emerging markets, fewer than 1% of the 773,000 smallholders receiving sustainability support were women farmers in leadership positions. In 2020, as part of our commitment as signatories to the UN Women's Empowerment Principles, we conducted a study across 14 businesses and 11 countries to better understand the barriers and opportunities for women to participate in Olam's farming networks. Findings included the need to apply a gender-sensitive approach while designing and implementing our extension training; to capture the labour contribution of women in our databases as well as men; and to support women to access leadership roles.

Other initiatives during 2020 included:

- Recognising that the women of the farming household as well as the men, need to be registered on the Olam Farmer Information System: they are likely to be doing the work but don't get the text messages with support and advice etc.
- Targeting training for the needs and interests of women: in Turkey we have been engaging with more than a dozen women annually for the past few years and training them to be 'Agricultural Ambassadors' on topics such as workers' rights, gender equality, and financial literacy. Then, they work with seasonal migrant workers to share their learnings and inspire other women to follow their lead, reaching 649 women over the past two years. Our goal is to reach approximately 5,000 women with this project, with the support of the Foundation for the Support of Women's Work (KEDV).
- We became a member of WEConnect International.

Read more

- olamgroup.com/sustainability/priority-areas/diversity-inclusion.html
- olamgroup.com/news/all-news/blog/improving-every-day-for-rural-women.html
- olamgroup.com/news/all-news/blog/putting-women-in-the-driver-seat-meet-the-cocoa-entrepreneur.html?prevpage=allnews
- olamgroup.com/content/olamcorp/oil/uk/en/news/all-news/blog/putting-women-in-the-driver-seat.html

Education and Skills

Smallholder farmers' low literacy and numeracy, plus limited access to the internet, farming technology or best practices, hamper their potential. By supporting farmers to improve their knowledge and skills to read, write and plan, Olam can help them successfully run their farms like businesses and better contribute to community development.

Through our cotton subsidiary in Côte d'Ivoire (SECO), the Pro Young People programme, implemented in partnership with the International Rescue Committee, takes a holistic approach to youth economic inclusion. Young people are trained on soft skills like leadership and entrepreneurship, aided by tablet tools. SECO helps the young adults secure access to land through discussion and agreement with village elders. Participants are then integrated into Olam's farmer support programmes, including agricultural training, inputs, and access to ploughing equipment and cattle.

Similarly, in Ghana, young adults from the farming communities have been trained and equipped by the Cocoa business to provide pruning services. They were then hired to run pruning demonstrations on cocoa farms to show farmers how this technique can improve yields. Having seen the positive impact on their production, some farmers now hire the young pruners to prune the rest of their farm.

Highlights

61,700

adults benefiting from literacy and numeracy courses

86,600

adults benefiting from vocational and business skills training

173,500

people in smallholder communities trained on health and hygiene

59,000

people in smallholder communities trained on nutrition

Nutrition and Health

Our 2020 goals set in 2015 were to reach 250,000 people with the Olam Healthy Living (OHL) campaign and produce 40 million servings of micro-nutrient-fortified foods. We achieved both these goals and more as detailed below.

In 2020, OHL came into its own, reaching 995,000 people – an uplift of more than 350% on 2019 due to expanding the campaign globally and leveraging partnerships. In previous years, the campaign was mainly focused on Africa, but at the start of 2020 we had launched it globally. This helped us in the response to COVID-19 because businesses were already engaged on nutrition and health and also because resources for such programmes could quickly be reallocated in many cases. We also continued with other vital initiatives:

- Following baseline surveys at the start of 2020 in selected farming communities, and in partnership with the Red Cross Society of Côte d'Ivoire, we carried out 'Train the Trainer' workshops to create a pool of people in both cashew- and cotton-growing communities with key skills in basic health and nutrition training and first aid. This group can be called upon for further training opportunities so that over time we build community capacity to treat and prevent basic illnesses, and make a meaningful impact on public health.
- Continuing our partnership with The END Fund and the Nigerian Government, our Rice business delivered treatment for river blindness and elephantiasis to some 16,000 farmers living around our rice farm, nearly 4,000 of whom supply Olam.
- We improved access to clean water and sanitation, installing water pumps, bore wells, toilets and other infrastructure in communities, benefiting more than 18,000 people in countries including Côte d'Ivoire, Nigeria, Tanzania and Tchad.
- We also addressed sanitation: our hazelnut subsidiary Olam Progida donated 34 mobile toilets and 25 mobile showers to remote hazelnut farms. This improved the living conditions of more than 500 seasonal workers, many of whom are women. The Tanzania coffee estates trained 2,019 community members on sanitation, setting up 16 'tippy taps' for hand washing in the community, and building eight pit latrines (50/50 gender split) at the primary school.

In terms of nutrition, at the start of 2021, a new vision was approved that 'by 2030 everyone in the world of Olam has improved nutrition':

- All businesses promote nutrition in their supply chains.
- All businesses promote nutrition in the workplace.
- Our products meet a nutrition pledge that empowers consumers to eat a healthy diet.

During 2020, our businesses were already on a clear path: our Grains, Edible Oils, Rice and Packaged Foods businesses continued to focus on producing foods that are fortified with vitamins and minerals, producing 78 billion servings. Key product launches included Royal Aroma Fortified Rice – Ghana's first and only brand of fortified rice. The long-grain rice is fortified with micro-nutrients including iron, zinc, and B-complex vitamins, providing more than 15% of the minimum recommended dietary allowance per serving.

This article provides more detail on the history, challenges and achievements of the Olam Healthy Living Campaign: olamgroup.com/news/all-news/blog/promoting-wellness-through-health-and-nutrition.html?prevpage=allnews

Read more

- Purpose: How OFI creates Social and Natural Capital page 40
- Purpose: How OGA creates Social and Natural Capital page 50
- olamgroup.com/news/all-news/blog/a-sustainable-equitable-food-systemneeds-to-be-nourished-at-thesource.html
- olamgroup.com/sustainability/priority-areas/nutrition-and-health.html
- olamgroup.com/content/olamcorp/oil/uk/en/news/all-news/blog/promoting-wellness-through-health-and-nutrition.html

AtSource Infinity: thriving communities from the inside out

For over seven years in Chiapas, Mexico, Olam has assisted coffee farmers increasingly pushed onto marginal land adjoining conservation areas, by providing extension services and supporting on-farm re-generation. There is now an opportunity for Olam to scale up work with partners to expand impact for 1,400 households to an entire landscape via three major goals in line with the outcomes of our Purpose:

- The economic viability of 1,400 coffee households is improved.
- 30,000 community members have access to more nutritious diets.
- 5,000 ha of natural ecosystem in the corridor between two UNESCO biospheres is protected.

During 2020 the social team examined food markets across the landscape to understand access and affordability of a nutritious diet. In this state, rates of childhood stunting, wasting, overweight and exclusive breastfeeding are worse than the national average.

This may be due to physical access/availability, economic access, knowledge and behaviours – or a combination of all. The study found, for example, that that only one type of fresh fruit was being sold in local food stores (tomato) and it is only available in 30% of shops. For an average family of four, the cheapest possible combination of foods that meets nutrition requirements costs approximately US$5.15/day – which is nearly all of a farmer's daily estimated income and highly unlikely to be affordable. This cost assumes that a certain amount of requirements are already met by some home production.

Interventions that focus on increasing food availability alone are unlikely to alleviate malnutrition and could even exacerbate the risk of obesity if foods of nutritional quality are not the focus. Instead, Olam is exploring with partners how to improve the diversity and quality of diets, for example by promoting greater home production of nutrient-dense foods, such as dark leafy greens and zucchini, and facilitating market linkages to improve the availability and affordability of nutritious foods.

Read more

- Programme overview: rainforestalliance.org/business/sustainable-farming/using-landscale-to-power-broadscalesustainability-in-mexicos-key-coffee-region/

Q. How are you addressing living incomes for farmers?

A. Living income for farmers continued to be a major concern for Olam and our stakeholders. Latest studies show that for most farmers getting a living income will not be possible by only improving one crop. A 'whole farm' approach has to be taken. Olam is therefore active at two levels:

- Firstly, we are trying to identify the best way to close the gap, or at least reduce it. For example, during 2020 we developed a programme with GIZ[1] and IITA[2] to identify the most efficient actions for Ugandan coffee farmers that go beyond the main crop and take into account other crops and actions to decrease the gap. This will start in 2021.
- Secondly, if we want to measure progress, we need to have relevant benchmarks. We are actively collaborating with partners and contributing to studies so there are enough relevant benchmarks available. For example, with the help of the Living Income Community of Practice, and the Global Living Wage Coalition, Olam has helped pull together a group of partners to finance benchmarks or reference values for most cocoa origins. Also with partners, Olam is looking at ways to assess farmer income in a simpler and more efficient manner, allowing us to focus our energy and efforts on corrective action rather than measurement.

While Olam is committed to making improvements in our own supply chains, questions on the living wage and living income need to be addressed at a sector level. This is why Olam also invests time and effort to share ideas, learn from others, and push common initiatives on collaborative platforms such as the Sustainable Spices Initiative's impact committee and the International Coffee Organization's Prosperous-Living Income Technical Workstream.

These efforts were recognised in 2020 when, along with Unilever, we received the highest rating of 18 companies in the Agriculture, Food and Retail sector assessed by the Platform Living Wage Financials (PLWF).[3] The assessment considers where companies stand in terms of living wage in corporate policies and practices.

In 2019, as part of its Cocoa Compass sustainability ambition, Cocoa committed by 2030 to improve cocoa farmer livelihoods and enable 150,000 cocoa farmers to achieve a defined living income level, not just lift them out of poverty. (Note: the extreme poverty line for an average cocoa growing family in Côte d'Ivoire is US$2,300 per year and the living income line is US$7,300 per year). During the year, when there was some debate about the Living Income Differential set by the governments of Côte d'Ivoire and Ghana, Cocoa reiterated its strong support of farmers, and growing farmer income. As one of the largest buyers of cocoa from the two countries, Cocoa has invested significantly in people and infrastructure and will continue to push towards its Cocoa Compass ambition of a supply chain where farmers are earning a living income. Read more about Cocoa Compass and the experiences of farmers being supported by the global cocoa team: olamgroup.com/products-services/olam-food-ingredients/cocoa/cocoa-sustainability.html

Q. How do you monitor supplier compliance for both social and environmental issues?

A. The Olam Supplier Code formulates requirements from our suppliers around community, labour rights and protection of the environment. It continues to be signed at least annually for all the commodities and at the end of December 2020 covered 90-100% of all high priority product supply chains (see Goals table on page 108). Verification of supplier compliance is undertaken through the AtSource Plus process.

All of our AtSource Plus businesses are required to assess compliance within their supply chains against 42 principles formulated in the business's AtSource Plus Sustainability Assessment Checklists (SACs) and to develop time-bound Checklist Action Plans (CAPs) to close out gaps in supply chain performance.

Of the 42 principles of AtSource Plus, 10 are exclusion criteria, meaning that non-conformity to these principles together with insufficient CAPs in place, lead to immediate suspension of the supplier from the supplier list. The exclusion criteria include serious abuses of human rights and destruction of the natural environment, such as deforestation.

1. German development agency Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.
2. International Institute of Tropical Agriculture.
3. PLWF is a coalition of 15 financial institutions that engage and encourage investee companies to address the non-payment of living wages in global supply chains. livingwage.nl/wp-content/uploads/2020/10/PLWF_AFR_results2020.pdf

In 2020 we had to suspend several direct and indirect suppliers of palm oil on allegations of human rights abuses and deforestation. One supplier was reinstalled after the investigation proved that the allegations were not true, others are still under investigation. (See the Palm Oil grievance log on www.olamgroup.com.) Another example includes production methods: in Côte d'Ivoire the Cashew team excluded suppliers from the Organic cashew programme for use of non-authorised pesticides.

AtSource is designed so that within a year of enrolling on AtSource Plus and every third year thereafter, self-assessment, action planning, traceability, and data integrity processes are evaluated through third-party verification, with second-party verification taking place every other year.

Q. How do you ensure farmers and communities can file grievances?

A. Our Grievance Procedure[4] applies to all of our upstream operations and supply chain infrastructure, and our third-party suppliers. We also recognise that access and anonymity may need to be facilitated locally. Examples of how this works in practice include:

- Our hazelnuts business has a toll-free hotline for farmers, workers and communities, with response within 24 hours and the option to record in Turkish, Arabic, Kurdish or Georgian.
- The Olam Direct team has incorporated a grievance facility into its app. Under the feedback category, farmers can 'red flag' an issue they have seen such as child labour or deforestation, but it also means they can log their own complaint against Olam. This is especially important if the complaint is regarding their local Olam contact as it gives them an alternative channel.
- In Gabon, a team of 11 Social Communicators for the Palm business are ready to respond to queries from surrounding communities, totalling around 14,700 people. There were six grievances registered in 2020, four related to the damage of community property by plantation workers, one land claim and one complaint about water quality. The first four claims were fully resolved, the property was restored, and an agreement was reached with the Sanga community on the construction of a water pump to improve clean water access. The community, authorities including the prefect and the environment authorities, are addressing the land claim grievance jointly with Olam Palm Gabon through our mutual resolution process.
- Following antitrust litigation brought by peanut farmers in the USA, Olam Peanut Shelling Company agreed to resolve this matter with the plaintiffs without any admission of liability. Olam is committed to conducting business with the utmost transparency and integrity, continuing to work with our valued peanut farmer partners.

4. olamgroup.com/sustainability/grievance.html

Purpose Outcome: Thriving Communities

Olam has been selected by the Global Association for Improved Nutrition (GAIN) – the Action Track 1 Chair for UN Food System Summit – as the Global Lighthouse Leader for supply chain nutrition

57,000

people supported with food crop production

58,900

people trained on nutrition

Q. What role does stakeholder engagement play in your Social Capital strategy?

A. Across the Company we are supported by expert organisations and partners whose views have fed into a major review of our Social Capital goals and indicators to be launched in 2021. This includes stakeholders in the Olam Living Landscapes Forum. The aim of this review is to better align with the UN Sustainable Development Goals, as well as ESG analyst and NGO requests.

In our sustainability programmes we now have more than 60 partners, including customers, NGOs, development finance bodies and national development agencies, donor foundations and others. Not only does this help us to scale resources and impact, but when COVID-19 struck, it meant we could respond quickly and act as conduits to deliver aid to communities. See page 18 for an example with Coffee's COVID-19 customer appeal. Other partners can be much more local – in Papua New Guinea the Coffee team trained hundreds of pastors on mask making so in turn, they could train local communities in the remote highlands.[1]

Transparency is also critical for our stakeholders, both at a local and international level. Recognising that transparency and traceability can help minimise social and environmental risks, Olam Cocoa published a comprehensive list of suppliers in Côte d'Ivoire – one of its biggest sourcing origins.

We were also asked to respond to a number of social benchmarks including Oxfam's second Agri-business Scorecard, published in March 2021. While we still have room for improvement, we are proud of Olam's rating as the highest performing agri-business overall and for Women, Climate Change and Small-scale Producers. See the Stakeholder Perspective section on page 128.

The 2020 Global Child Forum South East Asia scorecard was published in March 2021 – Olam scored 7.7 out of 10 and was deemed a leader. The publication of our responsible marketing policy in February 2021 will address the lower scores for the 'marketplace' category.

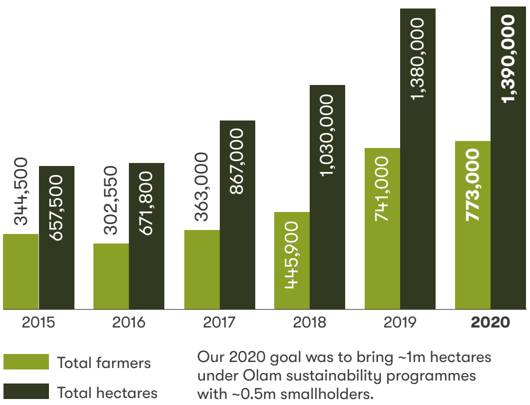
Living Landscapes Forum Participants

- CDC Group
- Conservation International
- UK Department for International Development
- EcoAgriculture Partners
- Global Agri-business Alliance/WBCSD
- IDH
- Oxfam
- Solidaridad
- Tropical Forest Alliance 2020
- Wildlife Conservation Society
- World Resources Institute
- WWF

1. olamgroup.com/content/olamcorp/oil/uk/en/news/all-news/blog/re-imagining-relationships-how-olam-coffee-sought-the-help-of-hundreds-ofpastors-to-help-protect-farmers-against-covid-19.html

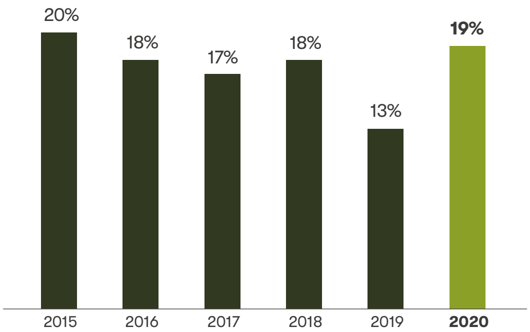
In the numbers

Economic Opportunity
Smallholders in sustainability programmes



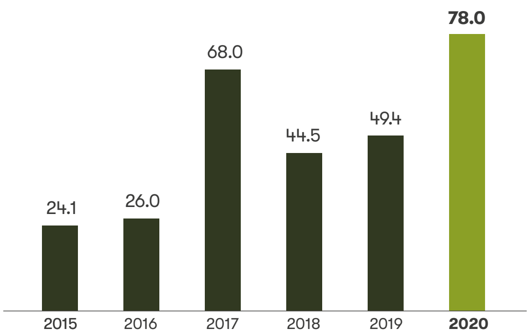
Our 2020 goal was to bring ~1m hectares under Olam sustainability programmes with ~0.5m smallholders.

Diversity and Inclusion
Women economically empowered within our supply chain (% female farmers)



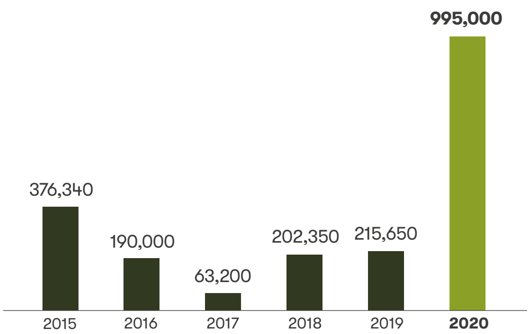
Our 2020 goal was to support 100,000 women access economic opportunities. In 2020, we supported 146,700 female farmers, versus 98,300 in 2019.

Nutrition and Health
Increasing availability of micro-nutrient fortified foods (servings in billions)



Our 2020 goal was to produce 40 billion servings.

Nutrition and Health
Employees and communities reached under the Olam Healthy Living Campaign



Our 2020 goal was to reach 250,000 people.

Manufactured Capital

The equipment, tools and infrastructure to serve our customers safely, consistently and efficiently.

> “Olam has instituted procedures to ensure product safety from origination, manufacturing and production through to warehouses and distribution to customers and consumers.”

Q&A with Kamesh Ellajosyula
Global Head of Innovation, Quality and Food Safety

Q. What food safety measures does Olam take?

A. Ensuring our ingredients and products are delivered to customers without contamination or adulteration is the bedrock of our quality and compliance programmes.

We operate highly integrated supply chains working with large-scale growers and smallholders to provide training, quality seeds and other inputs, coupled with the highest standards of quality and microbiological control at our processing plants in origin and in destination markets, thereby reducing food safety risks.

Our Manufacturing and Technical Services teams manage major processing and manufacturing facilities across the world. Continued investment in achieving Safety, Health, Quality and Supporting Sustainability is essential to delivering quality products reliably to our 17,300 customers.

In our operations, we have implemented quality and food safety systems, which include GMP and HACCP with detailed quality control testing requirements covering microbiological, physical and chemical parameters and, where appropriate, a product positive release programme. The majority of our manufacturing facilities have achieved food safety certification under the GFSI scheme – GFSI-BRC (AA or A) or FSSC 22000. We also self-audit and undergo audits from our customers, although during the pandemic they are happening remotely, through video tours. Paperwork becomes even more important during remote audits, as they are concrete proof of any incident reports, consumer complaints, follow through procedures etc.

In numbers

75
large manufacturing facilities

174
processing facilities and upstream operations

72
offices

495
main sites/premises

Q. What role does traceability play in food safety?

A. Traceability means that you know where the product has come from. And then you can influence how it is produced. Our ability to reach over 773,000 smallholders with sustainability support and training can help to address this. One key issue is how crops are dried – often a farmer may lay them on the bare ground. Simple drying mats or platforms can help prevent contamination. In 2020, over 2,000 raised drying platforms were installed across cocoa growing communities in four states in Nigeria benefiting around 22,000 people.

Improving crop protection methods is also important. In 2020, the Spices business increased its internal lab pesticide residue testing capacity in India from 79 to 206 molecules, while also training farmers on how using more natural crop protection methods known as Integrated Pest Management. This includes incorporating border and native trap crops to attract beneficial insects and reduce pest pressure along with pesticide applications. This can still produce the same yield and quality without the same level of pesticides, which is better for food safety, for the Ecosystem and for the farmer. Indeed, in India, the Spices team held a medical camp for 32 farmers and their families to teach them about pesticide safety, first aid and symptoms of pesticide poisoning. Blood tests were conducted to check for the cholinesterase enzyme for all community members involved in spraying pesticides, as pesticide exposure can bind to the enzyme and reduce levels in the blood. First aid kits were also distributed to farmers and community members.

Traceability is also critical from a regional perspective. For example, some pesticides used last year are no longer approved in Europe, but are still commonly used in Africa. Traceability is important so you can confirm the lack of regionally banned substances in your products.

Q. What investments is Olam making in innovation across the operating groups?

A. Product innovation is essential to each of the operating groups: the OFI businesses are shaping themselves to take much more of a category approach with customers, coming with solutions whether for a single ingredient or a selection from OFI's complementary portfolio. They are building a deep ingredient competence in our ingredient excellence centres, which will be shared and advanced across the network of innovation and customer solution centres. See page 38 for more.

For OGA, the Rice and Grains businesses are also making headway, with new product launches, and especially fortified varieties. See page 51-52 for more.

Keeping Manufactured Capital investments on track despite the pandemic

Nuts invests in new facility for customised products, packaging and Private Label

With the world's appetite for nuts increasing, consumer packaged goods companies and retailers have demands for new flavours and products that maximise taste and offer consumers exciting new varieties. They also need customised packaging types and sizes that can range from displays at cash counters to pallets at club stores. Delivered on time, and on budget despite the multiple challenges posted by COVID-19, a major new facility for Nuts value-added processing opened in September in Long Thanh.

The new product Centre of Excellence, with Innovation Hub and major packaging lines, has state-of-the-art equipment and an innovation department staffed by 10 R&D food technicians. Here we develop precise new coatings and flavourings for snacking varieties like honey roast, lime chilli seasoning, as well as new products targeting categories such as nut flours and roasted pastes for bakery and confectionery. Seven packing lines can assemble 2 million units/month of jars, tins, and pillow packs of sizes from 9g to 2kg. The facility uses an advanced system that can create bespoke mixes as small as 20-30 nuts (40g).

All products are approved for delivery only after the physical, chemical and microbial quality assessment checks are done to exacting standards with the help of optical, gravity, and laser sorters for foreign material free product. Food safety checking includes assessing for harmful substances such as aflatoxins, free fatty acids (FFA), pesticides and residues. Quality checks include nutrition, Reference Daily Intake levels, analysis of Non-GMO, and vegan properties.

Given the pandemic, the Vietnam team installed the production machinery with the help of remote digital communications with vendors and suppliers. The facility is powered by rooftop solar panels, to further our efforts towards renewables and augment our sustainability initiatives. The 200-person facility (160 net-new staff) serves customers primarily in Asia and also across EU and Australia.

In January, the Spices business opened the new garlic dehydration and milling facility at Jinxiang, China, which includes a 700m^2 quality assurance laboratory with a raw material test room, a sample preparation room, sensory test room, physical and chemical test room, microbe test room and sample storage room. Watch the video here: https://vimeo.com/467792191

As COVID-19 hit different parts of the world, our teams reacted quickly. As a food business, governments granted exemptions to ensure that our operations could still run. As well as managing rotational shifts, our teams also had to install their own equipment with remote guidance.

In Nigeria, the Tasty Tom tomato paste factory was due to commission a machine to produce a Stand Up Pouch. But due to travel restrictions engineers from the supplier based in Asia could not manage the process. The team formed a task force to commission it remotely, with the Asia-based engineers altering their work timings to meticulously take our team through the process. All the resources required for commissioning were arranged by the task force despite the lockdowns. Multiple video calls took place to resolve challenges. With their teamwork and resilience, the Stand Up Pouch machine was running in just two weeks.

In Malaysia, an expansion at the Johor dairy facility is underway, due for completion in the second half of 2021. The team is also embarking on building a new dairy processing plant in New Zealand for value-added ingredients. These investments will serve the needs of customers in Asia, Africa and Middle East.

The Australia Almonds business with the IT team completed a major phase of the Smart Orchards Project with 12 communications towers installed over six months to improve data connectivity across the extensive landscape in Victoria and New South Wales. The towers will enable improved safety for teams working remotely, driverless technologies, irrigation monitoring and remote sensing (e.g. soil moisture, canopy humidity and irrigation pump health). All the towers in the Smart Orchards Project are 100% solar powered for reliability, environmental sustainability and lower build and operational costs.

Dairy expansion in Russia

March 2020, Rusmolco inaugurated the first stage of a dairy farm for 5,200 cows in the Serdobsk area of the Penza region.

Rusmolco is one of the leading producers of high-quality milk in Russia, with integrated dairy and agriculture farms covering around 155,000 ha. The new venture will be one of the largest technologically advanced farms in Russia with a sustainable and full cycle of production. The farm will support over 12,000 heads of cattle, and consists of seven cow barns, four calf barns, and a milk room with two rotary milking parlours, plus a feed warehouse, and trenches for silage and haylage. Further expansion plans in 2021 will see the construction of two more cow barns for the milking herd and additional rooms for the calves. Overall, in 2020 Rusmolco increased its total herd size by 25%, passing 30,000 heads of cattle, while achieving the highest per cow productivity in the Russian Federation for farms of this scale, producing over 11,000 litres/cow per year.

The business is committed to sustainable production and the Five Freedoms of animal welfare. The farms are designed for optimum animal health and comfort, with ventilation that changes the micro-climate within the barns, 24-hour feed supply through robots, sensor-based health monitoring, comfortable milking equipment and highly skilled teams. Rusmolco's milk production philosophy is not just about cost efficiency but also adopts a principle of low manure waste, as bio-reactors reduce solid manure to fresh dry bedding with the liquid fraction extracted for organic fertiliser on the fields, reducing Rusmolco's carbon footprint. In 2021, the business will be fully on AtSource, enabling all customers to see a detailed carbon, water and land use footprint. Despite unprecedented challenges in 2020, Rusmolco goes from strength to strength, as its operational and production know-how, team strength, market reputation and social focus give the business significant competitive advantages.

Intangible Capital

The trust in our brand and reputation which helps establish multiple stakeholder partnerships.

Andrea Olivar
Strategy & Quality Director – South America at Solidaridad Network

Q. How would you describe Solidaridad and the work that it undertakes?

A. Solidaridad is an international civil society organisation with over 50 years of experience in developing solutions to make communities more resilient and fostering more sustainable supply chains. Our global coffee programme works with farmers on the ground as well as upstream with all other stakeholders in the coffee industry. As a founder of the Fairtrade Max Havelaar label in 1986, and UTZ-certified in 2002, we are still seeking to inspire the private sector, governments, civil society organisations and consumers to contribute to sustainable economic development.

Q. What initiative did you undertake with Olam in 2020?

A. Olam Coffee and Solidaridad started an innovative initiative in 2020 to produce the first 'circular coffee' from Peru. The initiative aims to boost production at farm level, reduce waste, protect ecosystems within the farm, whilst delivering economic benefits to producers. Under the circularity principles, profits from the sale of products made from spent coffee grounds are re-invested into inclusive cultivation practices and environmental conservation. We call this 'circular economy'. This is a first project of its kind in the sector.

We also explored a more strategic collaboration at a global level to promote sustainability in key coffee origins.

Olam Coffee is also part of the Sustainable Trade Platform, a national coffee platform that aims to reduce fragmentation within the industry and promote sustainability.

Solidaridad has also worked with Olam's sugar business in India and is a participant in the Olam Living Landscapes Forum.

Q. What progress/impact was made?

A. Last year, we established the institutional agreements and relationships in the framework of a public-private initiative to enable uptake of the circularity concept across the supply chain. We also selected the group of farmers for our focus and collected baseline data to determine change throughout the life of the project.

Q. Why did you want to partner with Olam?

A. For two main reasons:

1. We see Olam Coffee as a front-runner trader that aims to do business with producers and roasters with a responsible and sustainable approach. Olam has the right ethos.
2. As Olam Coffee is within the top five coffee traders in the world, we see the opportunity to influence the entire sector when working together. In other words, if Olam Coffee manages to introduce an innovation or transform their business practices, we know that this approach is scalable and others are likely to follow.

Q. What advice can you give Olam Coffee going into 2021?

A. I would give three pieces of advice:

1. Be a leader with proven impact on the ground (coffee communities), so others can follow.
2. Pro-actively work with your customers to invest in the development of supply chains.
3. Olam Coffee has done a great job in aligning its ambitions to the UN Sustainable Development Goals. Start to report your progress against these commitments from 2021.

Along with Hivos, Oxfam Belgium, and Conservation International, Solidaridad is a member of the Coffee Collective. Refer to page 29-30 of the 2020 Coffee Barometer for more background to point three above: coffeebarometer.org/

Read more

- Purpose: how OFI creates Social and Natural Capital page 40
- Social Capital, page 106
- Natural Capital, page 88

Circular coffee – stakeholder engagement

Olam's first programme to qualify for Infinity status is a circular coffee economy model. The multi-stakeholder project involving coffee roaster JDE Peet's (JDE), Solidaridad, SERFOR and Cooperative Cuencas de Hullega, was launched in 2019 to scale up an existing collaboration which focused on tackling deforestation and poor coffee productivity in Peru, following the 2012 leaf rust outbreak.

Improving economic opportunity

Olam will train 1,600 coffee growers, out of a much larger number of beneficiaries, in the San Martín region on circular farming practices to improve farm productivity and implement agroforestry systems, wastewater management and other activities that will build their resilience to climate-change and increase their income from better bean quality and 20% higher yields.

A Circular Coffee Fund generated from the sale of coffee waste in the Netherlands will provide conditional grants or loans to farmers to promote financial inclusion and incentivise conservation practices.

Supporting thriving coffee communities

Through a partnership with SERFOR, coffee growers will be rewarded for agroforestry practices with official land titles from the government, through which they will gain access to the Circular Coffee Fund to invest in longer-term land stewardship and community infrastructure.

Gender equality is a cross-cutting approach incorporated across all field activities, from training on Good Agricultural Practices, to capacity development of the role of women in the household. It is also promoted by the eligibility requirements of the Circular Coffee Fund, which mean both husband and wife need to apply for the loan and demonstrate joint agreement on its use.

Closing the coffee loop with conservation

Coffee waste will be upcycled in the Netherlands by using the spent coffee grounds to make construction panels for furniture items, sparing the need for timber.

Deforestation will be further reduced with the implementation of agroforestry systems where the farmers are motivated to grow coffee under the forest canopy, instead of clearing land. Circular coffee cultivation will also allow more efficient nutrient and water cycles – with 400,000m^3 of water replenished annually from wastewater treatment – and the reduction of carbon emissions on coffee farms covering 12,800 ha.

The project is designed to be scaled up to reach all 75,000 coffee farmers in San Martín and, ultimately replicated at national level with engagement from the Peruvian Ministry of Agriculture.

As these farmers gain additional income from increased yields, so businesses and public sector bodies in the Netherlands will benefit from the sale of spent coffee grounds, with proceeds also feeding the Circular Coffee Fund to incentivise sustainable cultivation.

A transformative impact is delivered throughout the whole value chain by closing the loop between the coffee farmers and the end consumers.

Understanding our stakeholders

Stakeholder perspective: Oxfam

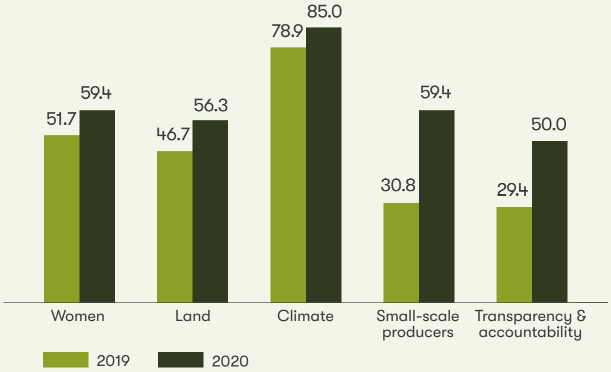
In our 2019 Annual Report we asked Oxfam to give its view on Olam, our progress and where we should focus in 2020 and beyond.

Oxfam's feedback focused on three main areas:

- Putting women's economic empowerment at the heart of business operations.
- Supporting small-scale producers throughout the supply chain to earn a living income.
- Improving transparency, understanding and action on human rights risks.

Each of the recommendations identified topics which were incorporated into our 2020 materiality process. Some of the points we have tried to address in this report, such as how we are advocating for small-scale producers to achieve a living income and recognising the disproportionate challenges women face as a result of climate change. Some of our businesses are more advanced in their sustainability journeys than others and we are still working towards publishing human rights impact assessments in at least three commodities (currently cocoa and hazelnuts).

We are pleased to see our efforts recognised in Oxfam's second agri-business scorecard, published within its March 2021 report "Shining a spotlight, a critical assessment of food and beverage companies' delivery of sustainability commitments". We improved our scores from 2019, and we are a leader in three out of five categories: Women, Climate and Small-scale producers.



To read the full Oxfam report go to www.oxfam.org/en/press-releases/worlds-largest-food-and-beverage-companies-and-their-suppliers-must-do-more-create

> "Despite the overall increases and some notable policy commitments, the scores remain low, with only Olam exceeding a 50% average across the five scorecard themes. The women, land and climate themes all saw the lowest average increases, indicating that pressure from customers has not moved the sector enough. And the divide between the top performers and those at the bottom is widening. Overall, the agri-business sector continues to show a need for deeper policy commitments and implementation on key issues."

Read more

- olamgroup.com/content/olamgroup/en/home-page/news/all-news/blog/improving-every-day-for-rural-women.html
- olamnuts.com/types-of-nuts-blog/post/IVC-nutrition-cashew-farmers

Olam Integrated Impact Statement

"People are the drivers of success for any organisation – they are the ones who put our financial, physical and other resources to work every day. Yet there is no way to quantify and track their value from a conventional accounting perspective. Through Human Capital Accounting we have found a fresh way to examine how our HR practices generate impact and for us to embed it within our Integrated Impact Statement (IIS). This we believe will help us drive a change from viewing 'people as cost' to 'people as value.'"

Rishi Kalra

Managing Director & Group Chief Financial Officer, Olam Food Ingredients

In our third year of reporting our Integrated Impact Statement (IIS)[1] – which seeks to put a numerical value to our sustainability efforts – we cast a spotlight on our pilot case study in Vietnam to better understand Human Capital Accounting (HCA).

Human Capital comprises the talent, skills, dedication and inspiration of our workforce and our responsibility to keep them safe. Human resources provide benefits to an organisation in a fashion similar to the manner in which financial and physical resources provide benefits.

Two firms having identical physical assets and operating in the same market may have different returns due to differences in human assets. Thus, the evaluation of Human Capital as an asset can provide deep insights to understand the true value of an organisation and its future potential. Through HCA we found a new way to look at the impacts and benefits of our human resource practices.

The unique challenges of 2020 have highlighted the essential and long-term impact on value of Human Capital. Amid the pandemic, it was our people who led in adjusting to our new normal and demonstrated the motivation and commitment essential to growing our Financial Capital.

Under conventional accounting, however, there is currently no way to put a figure to the value of human resources employed by an organisation. In 2020, we deployed these methodologies and began pilots at Olam Vietnam to measure Human Capital's contribution to the creation of Long-term Value.

1. Since 2017, Olam has been reporting against six non-financial Capitals – Social, Human, Manufactured, Natural, Intangible, and Intellectual – on top of Financial Capital, to demonstrate our contribution to the creation of long-term value for both the Company and our stakeholders. In 2018, we piloted the IIS to use multi-capital accounting methodologies to establish a numerical link to sustainability. For more, please visit: www.olamgroup.com/sustainability/finance-for-sustainability.html

Human Capital Accounting: pilot case study for Vietnam

At Olam, we have considered the following two material areas to incorporate into our Human Capital Accounting approach, as part of the Integrated Impact Statement (IIS):

1. **Value of Inspired/Engaged employees:** this accounts for value created by an engaged employee and potential forgone value by non-engaged employee.
2. **Value of health and economic impact of wages and benefits:** this accounts for the wider health and economic (productivity) impact of wages and benefits provided to the workforce.

Apart from incorporating the above two material areas in the IIS P&L, we also established our initial approach towards Human Resource Asset valuation for the IIS Balance Sheet. For this we referred to various published papers, including from The World Economic Forum and Willis Towers Watson[2], and adopted an economic value model based on the present value of future earnings methodology.

Some of our key findings are presented here. For more on how we developed the methodologies, and details on the pilot initiatives, view at: www.olamgroup.com/sustainability/finance-for-sustainability.html

Q. Is there a numerical link between the implied value of an inspired workforce and enhanced financial performance?

A. At Olam, we greatly value the contribution of our 'engaged/inspired' employees to our performance. By putting a 'dollar value' to the contribution of our 'inspired' employees we know how our Human Capital asset value gets appreciated over time.

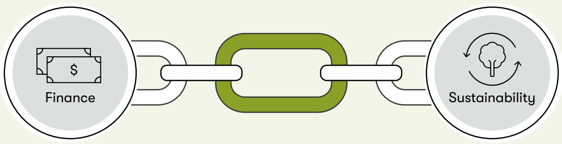
We have been seeing improvement in employee engagement scores across our different geographies, and consequently our employee turnover and related costs on selection, hiring and learning curve have been low.

Through this pilot with Olam Vietnam, we endeavoured to go beyond the common output metrics, such as scores, number of engaged employees, and regions with high employee engagement scores etc. to measure value creation by engaged employees over a period of time.

Olam Vietnam has seen a remarkable increase in employee engagement scores since establishing an integrated talent management approach in 2017. Between then and 2019, engagement scores improved by 35 basis points and the team has received many accolades as one of the country's most admired employers. We have also seen the financial performance of Olam Vietnam improving over the same years. We sought to find out the value of having more engaged or inspired employees on the organisation and its correlation to performance, which in turn can help justify further engagement initiatives across the business.

We started by trying to respond to the key question "can we put a dollar number to the value generated by engaged employees, which can be captured and tracked in our Integrated Impact Statement – Human Capital?".

The Olam Integrated Impact Statement journey



- **2017:** Began reporting against six non-financial Capitals in our first Integrated Annual Report.
- **2018:** Piloted initial IIS tool with three businesses – Dairy, Cocoa and Palm.
- **2019:** Created a dedicated Finance for Sustainability (F4S) department to further develop multi-capital accounting methodologies; developed first case study for Natural Capital in our Cocoa business.
- **2020:** Completed full-scale Cocoa Natural Capital accounting for 2018 and 2019. Piloted valuation of Human Capital for our Vietnam operation.

Read more

- www.olamgroup.com/sustainability/finance-for-sustainability.html

2. Human Capital as an Asset: an accounting framework to reset the value of talent in the new world of work (August 2020)

Olam Vietnam

Olam Vietnam has seen a dramatic increase in employee engagement scores since establishing an integrated talent management approach in 2017. Between then and 2019, engagement scores improved from 54 to 89 and the team has received many accolades as one of the country's most admired employers. We sought to find out the value of having more engaged or inspired employees to the organisation which in turn can help justify further engagement initiatives across the business.

We derived our methodology from the research published by Marcus Mueller "Show me the money: Toward an economic model for a cost-benefit analysis of employee engagement interventions" in the International Journal of Organization Theory and Behaviour, Sacred Heart University Luxembourg (2019).

This research includes an assumption that the total dollar cost of an employee for an organisation per year, after accounting for fringe benefits and a share of overhead cost in addition to base salary, was approximately twice the employee's annual Base Salary.[3] Hence the total dollar cost of the organisation's workforce can be calculated as:

$$\mathbf{TotalValue}_{perEmployee} = \mathbf{2 \times BS}$$

$$\mathbf{TotalValue}_{AllEmployees} = \mathbf{TotalValue}_{perEmployee} \times \mathbf{N}_{employees}$$

By applying the going concern principle[4] to engagement, for any organisation to sustain its operations, the value of engagement of its people should exceed the Total Cost of employees on a continuous basis. Expressed differently, employees need to create more dollar value for an entity than the employees' total cost.

In our derived methodology, we considered three employee categories – Engaged ('Inspired'), Neutral and Disengaged. These categories are determined through our biannual employee engagement surveys.

Assuming that neutral employees create value equivalent to their total cost, engaged employees will need to pick up any value that is being destroyed by any disengaged employees, in order for the going concern assumption to be fulfilled. That way, the Incremental and Total value created by each engaged employee can be calculated as:

$$\mathbf{IncrVC}_{perEngEmployee} = (\mathbf{N}_{DisEmployees}/\mathbf{N}_{EngEmployees}) \times \mathbf{TotalValue}_{perEmployee}$$

$$\mathbf{TotalVC}_{perEngEmployee} = \mathbf{TotalValue}_{perEmployee} + \mathbf{IncrVC}_{perEngEmployee}$$

3. Luthans et al. (2007) apply Kravetz' (2004)
4. Going concern is a key business principle in the preparation of financial accounts suggesting a company or entity will be able to continue operating for a time (at least 12 months) sufficient to carry out its commitments, obligations and objectives (Venuti, 2004).

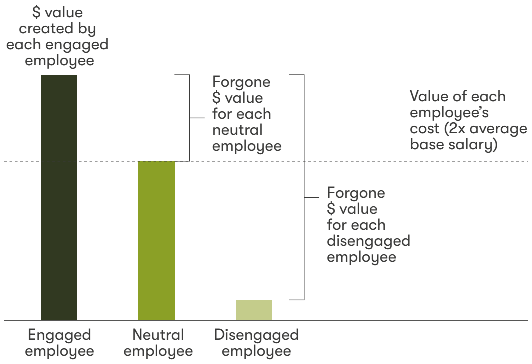
We applied this valuation approach to estimate in monetary terms the value of our 'inspired/engaged' employees.

Additionally, there is a potential of forgone value or economic loss by having neutral and disengaged people in the organisation. This potential total forgone dollar value can be calculated as:

$$\textbf{PVforgone} = \textbf{IncrVC}_{perEngEmployee} \times \textbf{N}_{NeutralEmployees} + \textbf{TotalVC}_{perEngEmployee} \times \textbf{N}_{DisEmployees}$$

The below figure summarises the approach.

Figure 1: Economic Value Added (EVA) Model



Glossary

TotalValue$_{perEmployee}$	total dollar value of one employee at cost per year
TotalValue$_{AllEmployees}$	total dollar value of one employee at cost per year
BS	annual base salary
N$_{employees}$	number of employees
IncrVC$_{perEngEmployee}$	the incremental dollar value created by each engaged employee beyond cost
N$_{DisEmployees}$	the number of disengaged employees
N$_{EngEmployees}$	the number of engaged employees
TotalVC$_{perEngEmployee}$	the dollar value created by each engaged employee
PVforgone	potential forgone dollar value
N$_{NeutralEmployees}$	the number of neutral employees

The analysis

We used 2017 as the baseline year and factors[5] generated using 2017 data were then applied to subsequent survey years to evaluate change in the value of employees. In the model, we have included all permanent employees who participated in the Employee Engagement surveys.

Chart 1 compares the contribution (value created) by 'inspired or engaged employees' over the two periods.

Chart 1: Value Created by Engaged Employees

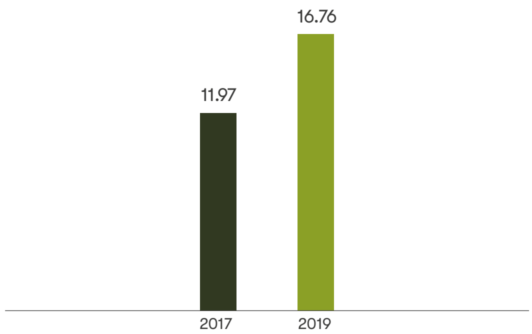
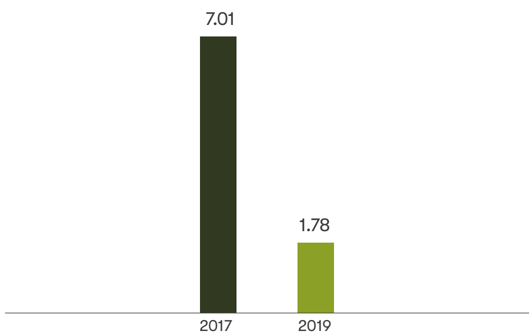


Chart 2 compares the potential forgone value of 'non-engaged employees'[6] over the two periods.

Chart 2: Total Potential Forgone Value by Non-Engaged Employees



5. Ratio of Dollar value created per Engaged employee to Average Base Salary (BS) per employee.
6. Non-engaged employees comprise neutral plus disengaged employees.

What we found

Using the above economic value-added model, we identified that:

- From 2017 to 2019, the total value created by all engaged employees increased from S$11.97m to S$16.76m, an increase of S$4.79m (40%) and for the same period the total potential forgone value due to non-engaged employees reduced from S$7.01m to S$1.78m, a decrease of S$5.23m (75%).
- We will be tracking this value of S$10.02m and hope to establish a correlation between value created and financial performance in Vietnam over a period of time.
- The further value creation potential for the Company by improving employee engagement is approximately S$1.78m and we will assess how this translates into enhanced financial performance.

To summarise, we can see significant positive value creation from engaged or inspired employees. Thus, Olam intends to use the above analysis to make people decisions which will have significant positive impact on financial performance.

Q. Does providing a Living Wage to our workers contribute to enhanced productivity and create broader health impact?

A. Our aim is that all our employees, including those on the frontline, receive a fair compensation. This takes into account that national minimum wages may not be a Living Wage (LW).[7] Our first pilot looking into the LW impact focuses on the OFI Spices in pepper plantation in Gia Lai, Vietnam, which employs 68 farm workers who also live in accommodation provided by Olam Spices. Even when the costs of accommodation are excluded, all workers receive wages and benefits greater than the Living Wage. We have used Global Living Wage Coalition's (GLWC)[8] Living Wage benchmark for rural Vietnam in our study.

Our pilot then measures the broader health impact of wages and benefits using the concept of Health Utility of Income (HUI). The HUI provides a measure of the health inequities (health inequities measured in DALYs/capita) linked to income inequalities (i.e. difference between the poorest and the richest), expressed per year of work.[9] The valuation of DALYs is based on the productive value of life using the estimated GNI per Capita for OECD (approximately US$44,000/DALY).[10]

It is important to measure and value health as a key component of economic evaluation, since it is directly linked to workers' productivity and engagement.

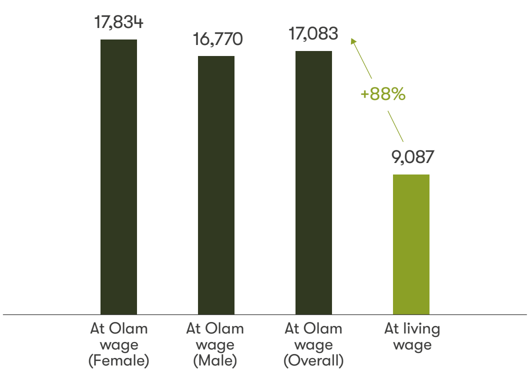
The analysis

In our model, we applied a wage-based factor[11] for each worker to the HUI multiplier to calculate their annual utility of wages and benefits. This utility represents the change in wellbeing per dollar change in income, which has a direct impact on the productivity of workers.

Benefits can help to support employees and their families' health and wellbeing. Healthy workers mean fewer days lost due to illnesses and disease, lower downtime and enhanced workforce energy and farm-level productivity improvements.

Chart 3 shows the results of our wages and benefits impact valuation exercise for the black pepper plantation in Vietnam.

Chart 3: Annual Utility of Olam's Wages & Benefits (SGD) per employee compared to at Living Wage
(S$)



7. Living Wage is defined as the remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events (source: GLWC).
8. www.globallivingwage.org/countries/vietnam/March 2020, Rural, Economic Zone 4, Family of 4 with 1.87 workers.
9. Source: Valuing Nature whitepaper on the HUI method https://www.valuingnature.ch/post/2018/07/20/valuing-the-impact-of-wages-on-human-capital
10. OECD (2020), Gross national income (indicator)
11. The model assumes the utility of income maximises at four times the living wage, so we have calculated wage-based factors for each worker as ratio of worker's annual wages and benefits to four times the LW.

"Human Capital Accounting adds quantitative rigour to decision-making processes and supports our belief in the importance of investing in people. With the successful pilot in Vietnam, we will look to digitise the methodologies and scale their adoption to other markets and businesses across Olam."

Joydeep Bose
Managing Director & Global Head of Human Resources

What we found

1. Chart 3 shows the annual 'utility' of wages and benefits that is the impact of wages and benefits per employee based on the concept of HUI. The wages and benefits provided by Olam to its employees in this case study generated 88% more positive impact/utility than would have been the case at just the Living Wage level.
2. This shows that investment in paying fair wages, significantly above LW level, has resulted in positive health and social benefits for the workers in the plantation.
3. We will track and monitor this additional value of S$7,996 per employee which is over and above the Living Wage baseline in our IIS Human and Social Capital, and also assess how this value correlates with productivity improvements on the ground over a period of time.

In-kind benefits that provide vital services in supporting health and welfare can be relatively cost efficient with proper planning. Examples include supporting nutritious subsidised or free meals, transportation, and acceptable housing. The IIS gives us a tool to demonstrate to customers the impact of measures we are taking and how it adds to the productivity, motivation and commitment of our workers thus contributing to long-term sustained value creation.

By promoting responsible business practices, we encourage everyone to acknowledge the price of sustainability and to invest in and reward sustainable production.

Next steps

To take HCA further, the F4S team is working on a digital IIS toolkit that can be used as a digital ledger of all non-financial Capital indicators and will scale the methodologies to more markets.

The digital tool will allow the review of financial and non-financial Capitals concurrently, to examine trends and draw insights. It will encompass information for all business units by profit centre, by origin, by farmer group and processing facility. Reported alongside other management information systems, the tool will allow our finance departments to understand how Human Capital translates into bottom-line risk and opportunities for our business and empower them to increase the positive impact and outcome of their operations on the ground.

The tool will provide financial departments with the capacity to leverage the data, helping decision makers change course thereby supporting Olam's vision of 're-imagining global agriculture' and maximising long-term intrinsic value for all our stakeholders using non-financial drivers of value.

Disclaimer: The Olam Integrated Impact Statement is not related to financial results or financial reporting. The above analysis and insights are specific to the selected operations. The results are for internal purposes only. All underlying methodologies are based on well-established databases and frameworks but as they depend on formula and third-party expert studies, they can only ever be an approximation. In the coming years, results from this IIS case study could be readjusted according to further methodological refinements. Taken together, however, the IIS is a valuable sustainability tool that can help uncover issues and provoke questions necessary to Re-imagine Global Agriculture and Food Systems.

General Information

This General Information is intended to help readers understand the bases of our financial reporting and analysis contained in this Annual Report 2020.

Important changes

Change in accounting standard SFRS(I) 16

SFRS(I) 16 on lease accounting has been in effect from 1 January 2019, and the Group had adopted the standard in its financial statements for 2019.

Adoption of this standard had resulted in most leases being recognised on the balance sheet, as a 'right-of-use asset' which represented the right to use the underlying leased asset and a 'lease liability' representing an obligation to make lease payments. However, where lease payments were entirely variable, the standard did not require the recognition of a right-of-use asset and lease liability. The audited financial statements of the Group up to 31 December 2019 had been prepared in compliance with this standard which was effective at that time.

However, in June 2020, IFRIC Committee, which is the IFRS Interpretations Committee of the International Accounting Standards Board clarified that the principles and requirements in IFRS 16 provide an adequate basis for an entity to account for sale and leaseback (SLB) transactions involving variable lease payments that do not depend on an index or a rate. This means the gain on an SLB transaction should be deferred to the extent of right-of-use retained by the seller-lessee.

Further, the Committee mentioned that IFRS 16 does not prescribe a method to determine the proportion of right retained. The seller-lessee could determine the proportion by comparing, for example, (a) the present value of expected payments for the lease (including those that are variable), with (b) the fair value of the Property, Plant and Equipment at the date of the transaction.

In September 2020, the IASB released a staff paper wherein it discussed that proposed amendment would: (a) specify how a seller-lessee applies the subsequent measurement requirements in paragraphs 36–38 of IFRS 16 to the lease liability that arises in an SLB transaction; and (b) provide an example illustrating how a seller-lessee accounts for an SLB transaction with variable lease payments, both at the date of the transaction and subsequently throughout the lease term. IASB is expected to issue a formal clarification or amendment soon on this matter, which will provide clarity on the measurement and subsequent accounting. As of end-December 2020, there was no further communication from IASB in this regard.

In 2019, the Group had completed two sale transactions with Tiered Revenue Sharing Arrangements (TRSA) where the lease payments were based entirely on a percentage of the seller-lessee's revenue generated using the leased assets and considered as variable lease payments: (a) sale of the onion and garlic processing facility in Gilroy, California (RE Assets), and (b) sale of permanent water rights in Australia. In accordance with SFRS(I) 16, no right-of-use assets or lease liabilities were recognised.

Consequent to the clarification issued by the Committee, there is now a change in accounting policy for Olam, which has been applied retrospectively by restating the 2019 financial statements – the earliest prior period presented comparatives – in accordance with IAS 8 along with relevant disclosures. This has resulted in the following key effects to profit and loss statement, balance sheet and net gearing of the Group:

Profit & Loss Statement

S$million	2019 (As previously reported)	Effect of Change	2019 Restated
Cost of Sales	(29,986.5)	1.4	(29,985.1)
EBITDA	**1,551.7**	**1.4**	**1,553.1**
Depreciation & Amortisation	(495.5)	(0.3)	(495.8)
EBIT	**1,056.2**	**1.1**	**1,057.3**
Exceptional items	65.9	(248.0)	(182.1)
Net Finance costs	(538.5)	(1.1)	(539.6)
PATMI	**564.1**	**(248.0)**	**316.1**
Operational PATMI	**498.2**	**0.0**	**498.2**

Balance Sheet

S$million	2019 (As previously reported)	Effect of Change	2019 Restated
Uses of Capital			
Right-of-use Assets	577.6	141.7	719.3
Others	135.1	94.7	229.8
Total	**19,136.1**	**236.4**	**19,372.5**
Sources of Capital			
Equity & Reserves[1]	6,836.1	(246.8)	6,589.3
Short-term lease liabilities	82.0	36.5	118.5
Long-term lease liabilities	435.1	446.7	881.8
Total	**19,136.1**	**236.4**	**19,372.5**

Gearing

S$million	2019 (As previously reported)	Effect of Change	2019 Restated
Gross debt	12,596.0	483.2	13,079.2
Less: Cash	3,179.6	–	3,179.6
Net debt	9,416.4	483.2	9,899.6
Less: Readily marketable inventory (RMI)	5,733.1	–	5,733.1
Less: Secured receivables	1,672.1	–	1,672.1
Adjusted net debt	2,011.2	483.2	2,494.4
Equity (before fair value adjustment reserves)	6,836.1	(246.8)	6,589.3
Net debt/Equity (Basic)	**1.38**		**1.50**
Net debt/Equity (Adjusted)	**0.29**		**0.38**

Further, as we had announced the termination of our tiered revenue sharing arrangement for the RE Assets in May 2020, these RE assets have been transferred back to the Group in the second half of 2020.

It should be noted that IASB has yet to issue a formal clarification or amendment on this matter, and there could be further changes depending on their final decision.

Business segmentation and reporting

With the re-organisation of the Group from January 2020, there have been changes in operational and financial reporting in line with the new structure and segmentation of the Group's businesses into new operating groups and segments as well as new key performance metrics as follows:

1. Equity & Reserves are before fair value adjustment reserve.

Operating groups	Segments	Key performance metrics	
Olam Food Ingredients (OFI)	1. Ingredient Sourcing & Supply Chain 2. Value-added Food Ingredients & Solutions	**Segment-level** Volume, Revenue, EBIT, EBIT Margin, Invested Capital (IC), EBIT/IC	+ **Operating group-level*** ROIC, ROE, FCF from Operations
Olam Global Agri (OGA)	1. Food & Feed – Origination & Merchandising 2. Food & Feed – Processing & Value-added 3. Fibre & Ag Services	**Segment-level** Volume, EBIT, EBIT per MT, Invested Capital (IC), EBIT/IC	+ **Operating group-level*** ROIC, ROE, FCF from Operations
Olam International (OIL)	1. De-prioritised/Exiting Assets 2. Gestating Businesses 3. Incubating Businesses (including corporate adjustments)	**Segment-level** Revenue, EBIT, Invested Capital (IC), EBIT/IC	+ **Operating group-level*** ROIC, ROE, FCF from Operations
Consolidated Olam Group		Volume, Revenue, EBIT, Invested Capital (IC), EBIT/IC, ROIC, ROE, FCF from Operations	

* To be reported post carve-out

Definitions of key financial metrics

Sales Volume: Sale of goods in metric tonne (MT) equivalent. There are no associated volumes for Commodity Financial Services and Infrastructure and Logistics businesses

Revenue: Sale of goods and services

Income: Includes sale of scrap materials, commissions and claims income and fair value gain on investments held for trading. Negative goodwill, gain on sale of assets and other non-recurring, exceptional items which are part of Other Income in the audited consolidated financial statements, are classified as Exceptional Items

Cost of Sales: Cost of goods sold, shipping and logistics, commissions and claims expenses and the net measurement of derivative assets

Selling, General & Administrative Expenses: Employee benefit costs, manufacturing overheads, travel expenses and other direct expenses

Other Operating Expenses: Unrealised foreign exchange gain/loss and other expenses

Net changes in fair value of biological assets: Records changes in the fair value of agricultural produce growing on bearer plants and livestock

Exceptional Items: One-off, non-recurring items, including negative goodwill and related transaction costs, gain/loss on sale of assets/business, gain/loss on buyback of bonds, impairment loss, finance charges on pre-payment of loans and non-recurring business restructuring expenses. Tax expenses associated with these items are also presented as Exceptional Items.

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) which includes minority interest and excludes Exceptional Items.

EBIT: Earnings Before Interest and Tax

PAT: Net profit after tax

PATMI: PAT less minority interest

Operational PATMI: PATMI excluding Exceptional Items

Total Assets: Except in Financial Highlights on page 5 where total assets comprise non-current assets and current assets in the balance sheet, total assets are defined as net of trade payables and accruals, derivative financial instruments (current liabilities), provision for taxation, other current liabilities and deferred tax liabilities.

Invested Capital (IC): Excludes cash and bank balances, deferred tax assets, fixed deposits, other current/non-current assets (other than option premiums payable/receivable) and fair value of derivative assets on bonds

EBIT/IC: EBIT on average invested capital based on beginning and end-of-period invested capital

Return on Equity: Excludes impact of capital securities distribution on net income and capital securities on equity

Operational Return on Equity: Excludes exceptional items and impact of capital securities distribution on net income, and capital securities on equity

Operational Earnings Per Share: Earnings excluding exceptional items per ordinary share

Net Gearing: Ratio of Net Debt (gross debt less cash) to Equity (before fair value adjustment reserves)

Net Gearing (adjusted): Net gearing adjusted for readily marketable inventories that are liquid, hedged and/or sold forward, operating as near-cash assets on the balance sheet, and secured receivables are supported by letters of credit or documents through banks

Free Cash Flow to Firm (FCFF): Operating cash flow less changes in working capital, cash taxes, capital expenditures and investments

Free Cash Flow to Equity (FCFE): FCFF less net interest paid

ROIC: Return (net operating profit after tax) on invested capital

Disclaimer

Certain sections of our Annual Report 2020 have been audited. The sections that have been audited are set out on pages 10 to 94 of the Financial Report. Readers should note that legislation in Singapore governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Except where you are a shareholder, this material is provided for information only and is not, in particular, intended to confer any legal rights on you. This Annual Report does not constitute an invitation to invest in the Company's shares. Any decision you make relying on this information is solely your responsibility. The information given is as of the dates specified, is not updated and any forward-looking statement is made subject to the reservation specified in the following paragraph.

Cautionary statement

This Annual Report may contain forward-looking statements. Words such as 'expect', 'anticipate', 'intend' or the negative use of these terms and other similar expressions of future performance or results and their negatives are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual reports to differ materially from those expressed or implied by these forward-looking statements, including among others, competitive pricing and activity, demand levels for the products that we supply, cost variances, the ability to maintain and manage key supplier and customer relationships, supply chain sources, currency values, interest rates, the ability to integrate acquisitions and complete planned divestitures, physical risks, environmental risks, the ability to manage regulatory, tax and legal matters and resolve pending matters within current estimates, legislative, fiscal and regulatory developments, political, economic and social conditions in the geographic markets where the Group operates and new or changed priorities of the Company's or its subsidiaries' Boards. Further details of potential risks and uncertainties affecting the Group can be found in the Offering Circular of the Group and its subsidiary Olam Treasury on its US$5.0 billion Euro Medium Term Note Programme dated 5 May 2020 and the Group's announcement entitled "Re-organisation of Olam: Unlocking Long-Term Value" lodged on SGXNET on 26 February 2021.

These forward-looking statements speak only as of the date of this Annual Report. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revision to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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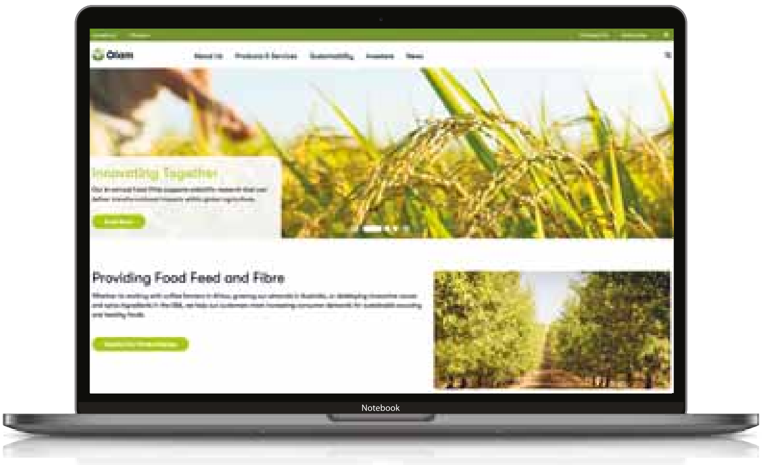

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olamgroup.com

Olam

Unlocking long-term value and driving sustainable growth

Governance Report

Annual Report 2020

Olam International Limited

About Olam

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 17,300 customers worldwide. Our value chain spans over 60 countries and includes farming, a direct and indirect sourcing network of an estimated five million farmers, processing, distribution and trading operations. We are organised by two operating groups – Olam Food Ingredients (OFI) and Olam Global Agri (OGA) both held by the parent Olam International Limited (OIL) which provides stewardship and acts as an accelerator, incubating new growth engines.

Through our Purpose to 'Re-imagine Global Agriculture and Food Systems', Olam aims to address the many challenges involved in meeting the food, feed and fibre needs of a growing global population, while achieving positive impact for farming communities, our planet and all our key stakeholders.

Headquartered and listed in Singapore, Olam currently ranks among the top 30 largest primary listed companies in terms of market capitalisation on SGX-ST.

Since June 2020, Olam has been included in the FTSE4Good Index Series, a global sustainable investment index series developed by FTSE Russell, following a rigorous assessment of Olam's supply chain activities, impact on the environment and governance transparency. The FTSE4Good Index Series identifies companies that demonstrate strong Environmental, Social and Governance (ESG) practices and is used by a variety of market participants to create and assess responsible investment funds.

Image Right:

Through our Purpose, we seek to achieve three outcomes, one of which is Thriving Communities. This includes the health and physical wellbeing of individuals, as well as their economic wellbeing. We have improved access to clean water and sanitation, installing water pumps, bore wells, toilets and infrastructure in communities benefiting more than 18,000 people this year.

About this report

Our 2020 report is made up of three chapters: Strategy Report, Governance Report and Financial Report.

Governance Report: This chapter of the report gives detailed information about our rigorous governance framework and those responsible for ensuring it is followed. Shareholder information is also held within this section of the report.

Strategy Report

Governance Report

Financial Report

The full report is available online at olamgroup.com/investors

Image disclaimer

A number of images used in this report were taken prior to COVID-19.

Unlocking long-term value and driving sustainable growth

Contents

Purposeful Governance: Risk Management

"In a year fraught with uncertainty and challenges due to COVID-19, the BRC worked more closely than ever with the other Board Committees, and in particular, the Audit Committee (AC), Capital & Investment Committee (CIC) and Corporate Responsibility & Sustainability Committee (CRSC) to identify, mitigate and manage the evolving risks."

Ms. Marie Elaine Teo
Chair, Board Risk Committee

The Board Risk Committee (BRC) was established in 2005 to identify key risks and implement risk management policies to safeguard the interests of Olam and its shareholders. The role and responsibilities of the BRC has evolved over the years but remains focused on maintaining a robust risk management and internal controls framework while instilling an appropriate culture of risk appetite across the organisation. Today, the Group Chief Risk and Compliance Officer, supported by the Risk Office, reports to the BRC.

The BRC assist the Board (i) in examining the effectiveness of the Group's risk management plans, systems, processes and procedures; and (ii) reviews Group-wide risk policies, guidelines and limits as well as risk exposure and risk treatment plans.

In ensuring the effective monitoring of risks in the organisation, with the advice of the external consultants the BRC identified 52 key risks. These risks are owned and overseen by the various board committees. The BRC monitors the impact and likelihood of identified risks, measures to control and mitigate, and adherence of residual risks with the group risk appetite framework.

In a year fraught with uncertainty and challenges due to COVID-19, the BRC worked more closely than ever with the other Board Committees, and in particular, the Audit Committee (AC), Capital & Investment Committee (CIC) and Corporate Responsibility & Sustainability Committee (CRSC) to identify, mitigate and manage the evolving risks.

In response to the pandemic, the Company formed a Crisis Management Team (CMT) which regularly provided updates to both the BRC and CRSC on potential risks and ramifications including health and safety, with regular updates reported to the Board.

Beyond the pandemic, the BRC continued to be vigilant in oversight of risk areas determined under the risk governance framework in tandem with Internal Audit and the Integrated Risk and Assurance Framework.

One of the key priorities of the BRC is to ensure compliance with the global standards of business conduct. To this end, the Market Compliance Office (MCO) reports to the BRC on the status of the regulatory training and compliance, initiatives and changes in global regulations impacting the Company's business and operations.

In January 2020, the Company announced its plans to restructure into two main operating groups – Olam Food Ingredient (OFI) and Olam Global Agri (OGA). In line with this, separate Chief Risk Officer roles were established for each of these operating groups.

With the ongoing re-organisation of the Group as well as the changes the COVID-19 pandemic has wrought globally, we will continue to work closely with the other Board Committees and expect risk strategies, management and monitoring will yet evolve further.

Board of Directors

Lim Ah Doo
Chairman, Non-Executive and Independent Director

Sunny George Verghese
Executive Director, Co-Founder and Group CEO

Sanjiv Misra
Independent Non-Executive Director

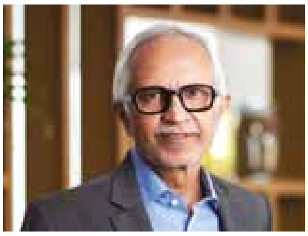
Nihal Vijaya Devadas Kaviratne CBE
Independent Non-Executive Director

Yap Chee Keong
Independent Non-Executive Director

Marie Elaine Teo
Independent Non-Executive Director

Kazuo Ito
Non-Executive Director

Shekhar Anantharaman
Executive Director and CEO, Olam Food Ingredients (OFI)



Ajai Puri (Dr.)
Independent Non-Executive Director

Joerg Wolle (Dr.)
Independent Non-Executive Director

Nagi Adel Hamiyeh
Non-Executive Director

Norio Saigusa
Non-Executive Director

Key Board Features

Independence

Independent Directors	58%
Non-Independent Directors	42%

Non-Executive Tenure

0–3 years	50%
3–6 years	30%
6–9 years	20%

Sector Experience

- Food
- Agriculture
- Investment
- Finance
- Consumer Innovation
- Transport and Logistics

International Experience

- Asia
- Africa
- Europe
- Americas

Key

- Audit Committee
- Board Risk Committee
- Board Steering Committee
- Capital and Investment Committee
- Corporate Responsibility and Sustainability Committee
- Nomination & Remuneration Committee
- Denotes Committee Chairman

Lim Ah Doo, 71

Chairman, Non-Executive and Independent Director

Date of Appointment as Chairman:
1 January 2017

Date of First Appointment as Director and Chairman-designate:
1 November 2016

Date of Last Re-election:
24 April 2019

Length of Service as a Director (as at 31 December 2020):
4 years 2 months

Academic and Professional Qualification:
- Degree (Honours) in Engineering, Queen Mary College, University of London, UK
- Master in Business Administration, Cranfield School of Management, UK

Present Directorship (Listed Company):
Director:
- GDS Holdings Ltd
- GP Industries Ltd
- Singapore Technologies Engineering Ltd

Principal Commitments:
Director:
- Singapore Technologies Telemedia Pte Ltd
- STT Communications Ltd
- STT Global Data Centres India Private Limited
- U Mobile Sdn Bhd
- Virtus HoldCo Limited

Other Principal Commitments including Directorships for the last 5 years (past):
- ARA-CWT Trust Management (Cache) Limited (*Trustee Manager of Cache Logistics Trust*)
- Bracell Limited
- SembCorp Marine Ltd
- Singapore Technologies Marine Ltd
- SM Investments Corporation
- Commissioner to the High-Level Commission on Carbon Pricing and Competitiveness by World Bank Group
- STT GDC Pte. Ltd.

Experience and Exposure:
Mr. Lim Ah Doo brought with him over 40 years of broad and in-depth experience of the banking and commerce world. He was a senior banker with a distinguished career who led several landmark transactions during his banking days, top executive of a large major global leading resource-based group, and a director of several large-sized listed and private companies in and outside of Singapore. Mr. Lim was formerly the President and subsequently the non-executive Vice Chairman of RGE Pte Ltd (formerly known as RGM International Pte Ltd). His past working experience includes an 18-year banking career in Morgan Grenfell from 1977 to 1995, during which he held several key positions including that of Chairman of Morgan Grenfell (Asia) Limited.

Sunny George Verghese, 61

Executive Director, Co-Founder and Group CEO

Date of Appointment as Director:
11 July 1996

Date of Last Re-election:
20 May 2020

Length of Service as a Director (as at 31 December 2020):
24 years 5 months

Academic and Professional Qualification:
- Postgraduate Degree in Business Management, Indian Institute of Management, Ahmedabad, India
- Advanced Management Program, Harvard Business School, USA

Present Directorship (Listed Company):
- Nil

Principal Commitments:
- Caraway Pte. Ltd. (Director)
- Human Capital Leadership Institute Pte Ltd (Chairman)
- WBCSD (World Business Council for Sustainable Development) (Chairman)
- JOil (S) Pte Ltd (Chairman)
- Singapore Management University Board of Trustee (Member)

Other Principal Commitments including Directorships for the last 5 years (past):
- Nauvu Investments Pte. Ltd.
- Société SIFCA

Experience and Exposure:
Mr. Sunny Verghese was with the Kewalram Chanrai Group (KC Group) for over two decades and in 1989 was mandated to start the Company with a view to building an agricultural products business for the KC Group. Before joining the KC Group, he worked for Unilever in India. Mr. Verghese previously chaired CitySpring Infrastructure Management Pte Ltd, a listed Business Trust in Singapore and was also a Commissioner of the Business & Sustainable Development Commission (BSDC). Mr. Verghese has won several awards including 'Outstanding Chief Executive' at the Singapore Business Awards in 2007, 'Ernst & Young Entrepreneur of the Year' for Singapore in 2008 and 'Best CEO of the Year 2011' at the Singapore Corporate Awards. He was also awarded the Public Service Medal by the Government of the Republic of Singapore in 2010.

Sanjiv Misra, 60
Independent Non-Executive Director

Date of Appointment as Director:
1 November 2013

Date of Last Re-election:
24 April 2019

Length of Service as a Director (as at 31 December 2020):
7 years 2 months

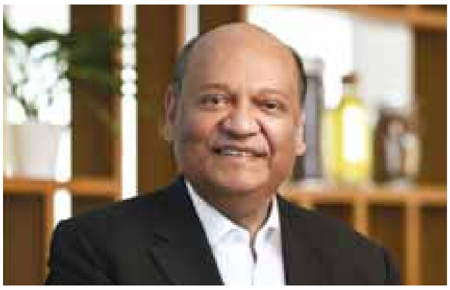
Academic and Professional Qualification:
- Master in Management, JL Kellogg Graduate School of Management, Northwestern University, Chicago, IL, USA
- Postgraduate Degree in Management, University of Delhi, Indian Institute of Management, Ahmedabad, India
- Bachelor's Degree (Honours) in Economics, St Stephen's College, University of Delhi, India

Present Directorship (Listed Company):
- Nil

Principal Commitments:
- Apollo Global Management (Chairman of the Asia Pacific Advisory Board)
- Clifford Capital Pte. Ltd. (Chairman)
- Clifford Capital Holdings Pte. Ltd. (Chairman)
- Clix Capital Services Private Limited (Non-executive Director)
- Bayfront Infrastructure Management Pte. Ltd. (Chairman)
- EDBI Pte Ltd (Director and Chairman, Audit Committee)
- Singapore Symphony Group (Director and Member, Investment Committee)
- Phoenix Advisers Pte. Ltd. (President and Director)

Other Principal Commitments including Directorships for the last 5 years (past):
- Edelweiss Financial Services Ltd
- Edelweiss Capital (Singapore) Pte Ltd
- National University Health System

Experience and Exposure:
Mr. Sanjiv Misra's career in investment banking spanned mergers and acquisitions advisory, capital markets and restructuring in the US and Asia Pacific. Over this period, he held several senior roles at Goldman Sachs, Salomon Brothers/Salomon Smith Barney and Citigroup in New York, Hong Kong and Singapore. These roles included Head of Asia Pacific Investment Corporate and Investment Banking at Citigroup and CEO of Citi's institutional businesses based in Singapore. He has subsequently been deeply engaged in investing in private markets; board roles at corporates, national educational, cultural and healthcare institutions in Singapore. These board roles include Singapore Management University, National University Healthcare System, Edelweiss Financial Services Ltd and OUE Hospitality Trust. Mr. Misra is also an active investor in early stage growth companies globally.



Nihal Vijaya Devadas Kaviratne CBE, 77
Independent Non-Executive Director

Date of Appointment as Director:
1 October 2014

Date of Last Re-election:
20 May 2020

Length of Service as a Director (as at 31 December 2020):
6 years 3 months

Academic and Professional Qualification:
- Bachelor of Arts, Economics (Honours), Bombay University, India

Present Directorship (Listed Company):
- GlaxoSmithKline Pharmaceuticals Ltd (Director)
- StarHub Ltd (Director)

Principal Commitments:
- SATS Advisory Panel for Indonesia (Chairman)
- Caraway Pte. Ltd. (Chairman)
- Senior Advisor for South East Asia, Bain & Company
- Private Sector Portfolio Advisory Committee in India of the UK Government's Department for International Development (Member)
- Corporate Resilience Advisory Council, McKinsey & Company, Inc. (Member)

Other Principal Commitments including Directorships for the last 5 years (past):
- DBS Group Holdings Ltd
- DBS Bank Ltd
- DBS Foundation Ltd
- Akzo Nobel India Limited
- SATS Ltd
- TVS Motor (Singapore) Pte. Limited
- PT TVS Motor Company

Experience and Exposure:
Mr. Nihal Kaviratne CBE's career with the Unilever Group spanned 40 years during which he held various senior level management positions in sales, marketing, brand and strategic planning and development, and as Chairman/CEO across Asia, Europe and Latin America. He retired from Unilever in 2005. Mr. Kaviratne was cited in HM Queen Elizabeth II's 2004 New Year Honours List in the UK and has been made the Commander of the Order of the British Empire (CBE) for services to UK business interests and to sustainable development in Indonesia. He was one of "25 leaders at the forefront of change" chosen by Business Week in 2002 for the Stars of Asia Award. In its year end 2010 issue, Forbes India listed him as one of the "5 top names to have on your Board". He was awarded for driving "Business Excellence" at the World Business Conclave 2016 in Hong Kong. Mr. Kaviratne brings with him extensive organisational, business, management, strategic planning and customer-based experience and knowledge.

Key

- Audit Committee
- Board Risk Committee
- Board Steering Committee
- Capital and Investment Committee
- Corporate Responsibility and Sustainability Committee
- Nomination & Remuneration Committee
- Denotes Committee Chairman

Yap Chee Keong, 60

Independent Non-Executive Director

Date of Appointment as Director:
1 December 2015

Date of Last Re-election:
25 April 2018

Length of Service as a Director (as at 31 December 2020):
5 years 1 month

Academic and Professional Qualification:
- Bachelor of Accountancy, National University of Singapore
- Fellow, Institute of Singapore Chartered Accountants and Certified Public Accounts, Australia

Present Directorship (Listed Company):
Director:
- Maxeon Solar Technologies Ltd
- Sembcorp Industries Ltd
- Shangri-La Asia Limited

Principal Commitments:
Director:
- Ensign Infosecurity Pte Ltd
- Certis CISCO Security Pte Ltd
- MediaCorp Pte Ltd

Other Principal Commitments including Directorships for the last 5 years (past):
- Citibank Singapore Ltd
- Malaysia Smelting Corporation Berhad
- Rahman Hydraulic Tin Sdn Bhd
- The Straits Trading Company Limited
- ARA Asset Management Limited
- CityNet Infrastructure Management Pte Ltd (*Trustee-Manager of NetLink Trust*)
- Accounting & Corporate Regulatory Authority
- Public Accountants Oversight Committee (Board Committee of ACRA)
- Interoil Corporation
- Tiger Airways Holdings Limited

Experience and Exposure:
Mr. Yap Chee Keong's career included being the Executive Director of The Straits Trading Company Limited and the Chief Financial Officer of Singapore Power Ltd. Mr. Yap has also worked in various senior management roles in multinational and listed companies. He was a board member of the Accounting and Corporate Regulatory Authority and a member of the Public Accountants Oversight Committee, the MAS/SGX/ACRA Work Group to review the Guidebook for Audit Committees in Singapore and the MAS/SGX/ACRA/SID Review Panel to develop a Guide for Board Risk Committees in Singapore.

Marie Elaine Teo, 54

Independent Non-Executive Director

Date of Appointment as Director:
1 December 2015

Date of Last Re-election:
25 April 2018

Length of Service as a Director (as at 31 December 2020):
5 years 1 month

Academic and Professional Qualification:
- Bachelor of Arts (Honours) in Experimental Psychology, Oxford University, UK
- MBA, INSEAD

Present Directorship (Listed Company):
- G. K. Goh Holdings Limited (Director)

Principal Commitments:
- ICHX Tech Pte Ltd (Director)
- Amiradou Pte Ltd (Director)
- Mapletree Investments Pte Ltd (Director)
- Mapletree Oakwood Holdings Pte Ltd (Director)
- The Teng Ensemble Ltd (Chairman)

Other Principal Commitments including Directorships for the last 5 years (past):
- Caregivers Alliance Ltd
- CIMB Group Holdings Berhad (Member, International Advisory Panel)

Experience and Exposure:
Ms. Marie Elaine Teo brings investment experience across a broad range of industries and markets to bear in assessing opportunities and challenges in the future. She has over 20 years of investment experience, primarily with the Capital Group companies where she focused on Asian banks and global emerging markets, both as an analyst and an investment manager. Ms. Teo was formerly the Chairman of Capital International Research, Inc. and Managing Director of Capital International Inc., Asia.

Kazuo Ito, 52

Non-Executive Director

Date of Appointment as Director:
1 December 2018

Date of Last Re-election:
24 April 2019

Length of Service as a Director (as at 31 December 2020):
2 years 1 month

Academic and Professional Qualification:
- BA Economics, Keio University, Japan
- BPSE, IMD Business School

Present Directorship (Listed Company):
- Nil

Principal Commitments:
- Mitsubishi Corporation (Division Chief Operating Officer, Food Resources Division, Food Industry Group)
- MC Agri Alliance Limited (Director)
- Nosan Corporation (Director)

Other Principal Commitments including Directorships for the last 5 years (past):
- Princes Holding (Rotterdam) B.V.
- Princes Limited
- YSW Co. Ltd
- Princes Foods B.V.
- Princes Tuna (Mauritius) Limited

Experience and Exposure:
Mr. Kazuo Ito is currently the Division Chief Operating Officer, Food Resources Division, Food Industry Group of Mitsubishi Corporation. He has been with Mitsubishi Corporation since 1991 and has held various managerial roles including secondment to Princes Limited, a global food and drink group involved in the manufacture, import and distribution of branded products, having been its Chairman between 2007 to March 2018 and its Director since 2001 till January 2019. With over 20 years of experience in the global food and beverage industry, in his current role as Division COO, Kazuo oversees Mitsubishi Corporation's food supply chain from agri-products procurement, trading, to processing.

Shekhar Anantharaman, 57

Executive Director and CEO, Olam Food Ingredients (OFI)

Date of Appointment as Director:
1 April 1998

Date of Last Re-election:
24 April 2019

Length of Service as a Director (as at 31 December 2020):
22 years 9 months

Academic and Professional Qualification:
- Bachelor's Degree in Aeronautical Engineering, Panjab University, India
- Postgraduate Degree in Business Management, Panjab University, India
- Advanced Management Program, Harvard Business School, USA

Present Directorship (Listed Company):
- Nil

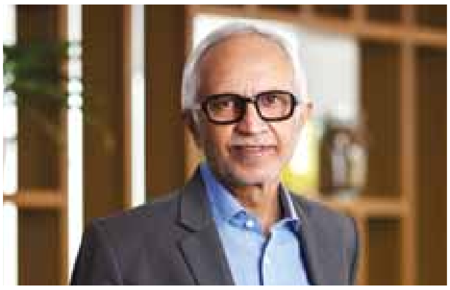
Principal Commitments:
- Nil

Other Principal Commitments including Directorships for the last 5 years (past):
- Caraway Pte. Ltd.
- Far East Agri Pte. Ltd.

Experience and Exposure:
Mr. Shekhar Anantharaman has been with the Group since 1992. In January 2020, Mr. Anantharaman was appointed as the CEO of OFI and relinquished his role as the Group Chief Operating Officer (GCOO) of Olam. Prior to his role as GCOO, he was the Executive Director – Finance and Business Development for the Group leading the Company's overall Strategy and Business Development activities along with responsibility for various functions including the Group's Finance and Accounts, Treasury and IR, IT and Shared Services, Legal and Corporate Secretarial and Manufacturing and Technical Services. He has incubated and managed various global businesses for the Group including its Edible Nuts, Spices and Vegetable Ingredients and Packaged Foods businesses. As the Global Head of these businesses, Mr. Anantharaman has been directly involved in identifying and leading many of the Company's organic and inorganic growth initiatives. He has also played a variety of country management and regional oversight roles across Africa, Asia, Russia, South and North America.

Key

- Audit Committee
- Board Risk Committee
- Board Steering Committee
- Capital and Investment Committee
- Corporate Responsibility and Sustainability Committee
- Nomination & Remuneration Committee
- Denotes Committee Chairman



Ajai Puri (Dr.), 67

Independent Non-Executive Director

Date of Appointment as Director:
1 September 2019

Date of Last Re-election:
20 May 2020

Length of Service as a Director (as at 31 December 2020):
1 year 4 months

Academic and Professional Qualification:
- MBA, Crummer Business School, Rollins College, USA
- PhD (Food Science), University of Maryland, USA

Present Directorship (Listed Company):
Director:
- IMI PLC
- Britannia Industries Ltd

Principal Commitments:
Director:
- Firmenich S.A.
- Global Alliance for Improved Nutrition (G.A.I.N.)

Other Principal Commitments including Directorships for the last 5 years (past):
- Tate and Lyle PLC

Experience and Exposure:
Dr. Ajai Puri brings more than three decades of global experience in various food and agri industries. His expertise spans several domains – innovation, science and technology, product integrity, food safety and consumer marketing. From 1981 to 2003, Dr. Puri worked for The Coca-Cola Company where he held a variety of roles in research and development, innovation, consumer marketing and general management. When he left Coca-Cola in 2003, he was Senior Vice President – Science and Technology for Coca-Cola's non-carbonated juice business in North America. From 2003 to 2007, Dr. Puri was Executive Board Member and President – Research, Development and Product Integrity at Amsterdam-based Royal Numico N.V. Previous non-executive roles include Tate & Lyle PLC (2012-2021), Nutreco N.V. (2009-2015) and Barry Callebaut AG (2011-2014). Dr. Puri is presently a Non-Executive Director with IMI PLC, Firmenich S.A., Britannia Industries Ltd and the Global Alliance for Improved Nutrition (G.A.I.N.).

Joerg Wolle (Dr.), 63

Independent Non-Executive Director

Date of Appointment as Director:
1 September 2019

Date of Last Re-election:
20 May 2020

Length of Service as a Director (as at 31 December 2020):
1 year 4 months

Academic and Professional Qualification:
- PhD in Engineering "summa cum laude", Technical University Chemnitz, Germany
- Executive Development Program, IMD Lausanne, Switzerland
- Stanford Executive Program, GSB Stanford University, Palo Alto, CA, USA

Present Directorship (Listed Company):
Chairman:
- Kuehne + Nagel International Ltd.
- Klingelnberg AG

Principal Commitments:
- Kuehne Holding Ltd. (Director)
- Kuehne Foundation (Member, Board of Trustees)

Other Principal Commitments including Directorships for the last 5 years (past):
- DKSH Holding Ltd. (Chairman and President & CEO)
- Diethelm Keller Holding Ltd.
- Louis Dreyfus Company B.V.
- Kuehne + Nagel International Ltd.

Experience and Exposure:
Having been appointed CEO of Siber Hegner Ltd in 2000, Dr. Joerg Wolle was instrumental in a quick turnaround of the 130 year old Asia trading company which had fallen on hard times. Following this, he merged the company with two other Swiss-based Asia-focused distribution companies and created the leading business services and distribution group in the ASEAN region with more than 33,000 specialised staff. He grew sales three- and profits six-fold during his tenure as CEO and took the company public on the Zurich Stock Exchange. Dr. Wolle is presently Chairman of Kuehne + Nagel International Ltd and Klingelnberg AG. He was President and CEO of DKSH Holding Ltd from 2002 to 2017 and became its Chairman from 2017 to 2019. Dr. Wolle was a member of the Supervisory Board of Louis Dreyfus Company B.V. (2014 to 2018) and a member of the Board of Directors of UBS Ltd (2006 to 2009) and Diethelm Keller Holding Ltd. (2004 to 2019).

Nagi Adel Hamiyeh, 52

Non-Executive Director

Date of Appointment as Director:
1 September 2019

Date of Last Re-election:
20 May 2020

Length of Service as a Director (as at 31 December 2020):
1 year 4 months

Academic and Professional Qualification:
- Master of Science degree in Civil and Environmental Engineering, Massachusetts Institute of Technology, USA
- Bachelor of Science in Civil Engineering, University of Texas, USA

Present Directorship (Listed Company):
- Sembcorp Industries Ltd (Director)

Principal Commitments:
- Temasek International (Joint Head of Investment Group and Head, Portfolio Development)

Director:
- Canopus Healthcare Investments Pte. Ltd.
- Polaris Healthcare Investments Pte. Ltd.
- CLA Real Estate Holdings Pte. Ltd.
- Sigma Healthcare Management Pte. Ltd.
- Sheares Healthcare China Holdings Pte. Ltd.
- Sheares Healthcare International Holdings Pte. Ltd.
- Sheares Healthcare Group Pte. Ltd.
- Sheares Healthcare Management Pte. Ltd.
- Sheares Healthcare Holdings Pte. Ltd.
- Carinus Healthcare Investments Pte. Ltd.
- Imperius Healthcare Investments Pte. Ltd.
- Valerius Healthcare Investments Pte. Ltd.
- Gallienus Healthcare Investments Pte. Ltd.
- Aquarius Healthcare Investments Pte. Ltd.
- Sirius Healthcare Investments Pte. Ltd.
- Dream International BV

Other Principal Commitments including Directorships for the last 5 years (past):
Director:
- Lebanese International Finance Executives
- Tana Africa Capital Limited
- Tana Africa Investment Managers Limited

Experience and Exposure:
Mr. Nagi Hamiyeh brings 27 years of experience in strategy, corporate finance, mergers and acquisitions (M&A), growth equity, private equity and public investing in multiple industries across the globe. Furthermore, he was intimately involved in companies' consolidation and restructuring, as well as working closely with portfolio companies on value uplift opportunities. Lastly, he led the development of the various greenfield platforms by way of M&A and organic growth. Mr. Hamiyeh is the Joint Head of Temasek's Investment Group, and is concurrently the Head of Portfolio Development. Mr. Hamiyeh joined Temasek in 2005. Over the course of his career with Temasek, he had led the firm's Natural Resources, Industrials, Consumer and Real Estate Investment teams and was Joint Head of Enterprise Development Group and Head of Africa and Middle East, Australia and New Zealand. Prior to Temasek, Mr. Hamiyeh was a banker with Credit Suisse First Boston's Energy Group. He began his career at Bain & Company.

Norio Saigusa, 58

Non-Executive Director

Date of Appointment as Director:
20 May 2020

Date of Last Re-election:
N.A.

Length of Service as a Director (as at 31 December 2020):
7 months

Academic and Professional Qualification:
- Degree of Political Science and Economics, Waseda University, Tokyo, Japan

Present Directorship (Listed Company):
- Thai Union Group Public Company Limited (Director)

Principal Commitments:
- Mitsubishi Corporation (Executive Vice President & Group CEO, Food Industry Group)

Other Principal Commitments including Directorships for the last 5 years (past):
- Mitsubishi Corporation LT (Thailand) Co., Ltd.
- Thai Metal Processing Co., Ltd.
- Tri Petch Isuzu Sales Co., Ltd.
- Tri Petch Isuzu Leasing Co., Ltd.
- IVICT (Thailand) Company Limited.
- Mitsubishi Shoji Construction Materials Corporation
- MCC Development Corporation
- Mitsubishi Cement Corporation
- MC Agri Alliance Ltd.
- Thai Kurabo Co., Ltd
- Thai Bridgestone Co., Ltd.
- Bridgestone Sales (Thailand) Co., Ltd.
- Mitsubishi Company (Thailand) Ltd.
- Thai-MC Company Limited

Experience and Exposure:
Mr. Norio Saigusa is currently the Executive Vice President, Group CEO, Food Industry Group of Mitsubishi Corporation. He is concurrently a Non-executive Director of Thai Union Group Public Company Limited, a global seafood leader involved in the manufacture, import and distribution of seafood-based food products based in Thailand. He joined Mitsubishi Corporation in 1985 and has since been engaged in the food business. He has played various managerial roles in Mitsubishi Corporation in Tokyo as well as in its overseas offices, including Germany and Thailand. Prior to his current position, he was the President of Mitsubishi Company (Thailand), Ltd. and Thai-MC Company Limited. in 2017 after he was promoted to the Division COO of Living Essential Resources Division in 2016.

Purposeful Governance for Sustainable Growth

The 2018 Code of Corporate Governance (the Code) is applicable to the Company for its 2020 Annual Report. Olam complies with the principles of the Code and describes the practices and processes observed that meets with the provision, or any variation thereof, under the Code.

Today, the Board comprises more than 50% independent directors with the Board Chair being independent since 2015. With the optimal mix of expertise and experience, the Board is equipped to effectively lead and direct the Company's business and strategy, ensuring the long-term success of the Company.

This Corporate Governance report cross-references other reports and statements made in certain sections of the 2020 Annual Report such as the detailed profile of the Board that may be found in the section on Board of Directors, details on the Company's risk management and the corporate responsibility and sustainability activities as well as highlights that may be found in the Strategy Report.

For completeness, this Corporate Governance report should be read in conjunction with the other sections of the 2020 Annual Report.

Olam recognises that a well-governed company involves putting in place good corporate governance practices that will ensure the Company's long-term success. The Board and Management's collective efforts to continually strengthen processes, procedures and systems positioned the Group to response swiftly and make wise decisions when COVID-19 pandemic impacted companies and economies globally.

Corporate governance is not an elixir to every issue that the Company is confronted with, but it sets the Company apart in such times of testing, helps the Company respond appropriately through crisis and cushions it from the effects and impact of economic spiral.

Corporate governance will be a continual work in progress so as to uphold the substance and spirit of corporate governance. The Company focuses on governing purposefully, keeping in mind the Code while continuing to deliver on the Company's vision and objectives. In keeping with this objective, actions taken by the Company to address differences between the Code and the Company's practices have been explained in this report.

Principle 1:

The Board's conduct of affairs

Effective Board for the long-term success of the Company

A strong and experienced Board together with a dedicated and skilled management team, sustained the business in the midst of the crisis and prepares it not just for a rapid return to business as usual but strengthening its operations and making it more efficient.

Olam is led by an experienced Board with representatives from varied nationalities and diverse international business backgrounds. The Board oversees the affairs of the Company and provides leadership and guidance to the Senior Management Team.

Collectively, the Board and the Senior Management Team ensure the long-term success of the Company and discharge their statutory and fiduciary responsibilities, both individually and collectively. The key functions of the Board are:

- To provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives, as well as to regularly review the execution and the implementation of the Strategic Plan and the Re-organisation Plan;
- To oversee the process and framework for evaluating the adequacy of internal controls, which included financial, operational, compliance and information technology controls, and risk management systems and satisfy itself as to the adequacy and effectiveness of such processes and framework;
- To ensure the Company's compliance with such laws and regulations as may be relevant to the business;
- To assume responsibility for corporate governance;
- To set the Company's values and standards, and ensure that obligations to shareholders and others are understood and met at all times;
- To review the performance of the Senior Management and the compensation framework for the Board, Executive Directors and Senior Management;
- To oversee the succession plans for the Board, Group CEO and Senior Management;
- To oversee and consider corporate responsibility and sustainability issues, policies, standards and strategy in the context of the Company's activities which may have an impact on environmental and social issues; and
- To identify key stakeholder groups and consider their perceptions.

As an established practice, the material matters that require the specific review and approval of the Board are designated as reserved matters and include:

- Re-organisation of the Company into two operating groups – OFI and OGA with OIL as the holding company, demerger, listing, changes to the Re-organisation Plan and defined stages, phases and checkpoints with the stage-gated and de-risked execution pathway;
- Acquisitions, divestments and capital expenditure exceeding the authority limits established under an internal policy adopted by the Board, while delegating authority for transactions below those limits to Board Committees, the Executive Committee and Senior Management;
- Capital planning and raising, annual budgets and updates to the Strategic Plan;
- Key policy decision-making process and control;
- Changes to capital, dividend distribution, issuance and buy-back and changes to shares and other securities;
- Matters considered not in the ordinary course of business of the Group; and
- Any matter which the Board considers significant enough to require the Board's direct attention or would be critical to the proper functioning of the Company or its business.

The Board is assisted by various Board Committees for the effective discharge of its responsibilities. These include the Audit Committee (AC), Board Risk Committee (BRC), Capital and Investment Committee (CIC), Corporate Responsibility and Sustainability Committee (CRSC) and Nomination and Remuneration Committee (NRC). Since the implementation of the Re-organisation Plan announced in January 2020, the Board Steering Committee (BSC) was established to oversee the implementation of the Re-organisation Plan. A summary of the Board Committees membership may be found in page 42 of this report.

Each Board Committee has clear written terms of reference which set out its role, authority, procedures and qualifications for membership. All of the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company.

The terms of reference of the Board Committees may be reviewed from time to time by each Committee, taking into consideration the changing needs of the business and operations of the Company, relevant laws and regulations.

Ad hoc committees of the Board may also be formed from time to time and for a specified time as part of the Board's commitment to engage and provide leadership to management in the business and operations of the Company. These ad hoc committees add to the effectiveness and strength of the Company's governance practices as well as reflecting the interests and perspectives of the various stakeholders of the Company. Examples of such ad hoc committees of the Board formed in the past were the Council of Chairs (2017-2019) and the Board Working Group (2018-2019).

The BSC was established in January 2020 and comprised five (5) members majority of whom are non-executive directors with Chairman being independent. The BSC met at least once every month with a total of 15 meetings held in FY2020. The responsibilities of the BSC included overseeing the execution of the Re-organisation Plan with the support of the Programme Office and work streams, the independent financial advisors, the legal advisors and the tax advisors. The BSC would review the key recommendations for the execution of the Re-organisation Plan such as the target operating model, the transaction structure, governance structure of the new operating group, etc. before submission to the Board for approval.

Directors are expected to exercise independent and objective judgement in the best interests of the Company. In the annual Board, peer and Chairman performance evaluation exercise, the ability to discharge duties and responsibilities at all times as fiduciaries in the interests of the Company, the understanding of the business of the Company as well as the ability to listen and discuss issues with one another objectively, are important assessment criteria.

Where the material matters require the approval of shareholders, the Board may if required under the Companies Act (Chapter 50) and/or the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) appoint an independent valuer or independent financial adviser to evaluate the fairness of the transaction price and offer.

Board and Board Committee meetings

Meetings of the Board and Board Committees are scheduled one to two years in advance. Besides the regular agenda, the Board receives briefings and updates from the key executives and Senior Management on developments and issues concerning the Group's business or which have an impact on the business of the Group. Regular presentations and updates by business units and functions are also provided to the Board. This allows the Board to develop a good understanding of the Group's businesses,

Highlights of the Board's Activities in 2020

Executing the Re-organisation Plan

On 20 January 2020, the Group announced a re-organisation of its business to create two new coherent operating groups, OFI and OGA, that are well-positioned for further growth in line with key customer trends and market opportunities with the aim of unlocking long-term shareholder value.
The Company subsequently provided shareholders with periodic progress updates on the re-organisation progress, including the appointment of senior management for the respective operating groups, creation of a dedicated Programme Office and workstreams to oversee the re-organisation progress, changes to the segmental reporting structure and key performance metrics to align with the re-organisation into its new operating groups.

Delivering on the Strategic Plan

During the course of the year, the Board explored options to maximise Olam's long-term shareholder value via potential carve-out and capital raising options, including potential initial public offerings ("IPO") of OFI and OGA on a sequential basis. Material progress was made towards the carve-out and separation of OFI and OGA which was estimated to be completed by the end of 2021. Joint financial advisers and legal advisers were appointed by the Board to assist in preparing OFI for listing by H1 2022. A scheme of arrangement and a demerger in conjunction with the IPO of OFI was being evaluated. Similar strategic options for maximising the value of OGA was also being explored.

Managing Risk Arising from COVID-19

The onset of the COVID-19 pandemic in early 2020 which continues to impact countries and companies globally saw the Board and Board Committees re-organised its agenda swiftly to address the changing needs of the business and the new risks that surfaced as a result of the global crisis. The Board regularly reviewed the potential impact of the development of the global economy and credit market on the business and financing needs of the Group. The three priorities aligned between the Board and Management was the need to effectively respond to the pandemic and to navigate through the crisis whilst at the same time continue to execute on the Strategic Plan, deliver on the FY2020 budget and to execute the Re-organisation Plan.

Providing Board Stewardship through Board Committees

At the Board Committees level, the impact of COVID-19 on business continuity, investments and divestments plan, credit and counterparty issues, safety and health of employees, internal controls, risk management and climate change impact were areas of focus for reporting to the Board. The Board Committees continue to report to the Board on their oversight of the Company's treasury related matters, reporting framework on new investments, ongoing investments and divestments, performance of new investments, climate action and climate change risk management, selected BU-wise sustainability strategy and performance, global workplace safety and health review, market compliance, update of the ethical business programme addressing risks of bribery and corruption, integrated risk and assurance framework and risk appetite and tolerance. Each of the Board Committee has oversight of the specific risks areas under the 52 risks identified under the integrated risk and assurance framework.

and ensures collaboration and engagement between the Board and the Company's key executives and management. The Board sets aside time during the year in review to meet without the presence of Executive Directors or Management.

In addition to the five scheduled meetings each year, the Board meets as and when warranted by particular circumstances as well as engaged in informal discussions. Despite the COVID-19 pandemic, the Board and Board Committees continue to meet via electronic means as permitted under the Constitution of the Company. During the year under review, 14 Board and 44 Board Committee meetings were held. Each meeting was at least 2 hours and averaged 5 to 6 hours for majority of the meetings held.

In line with the Group's commitment to business sustainability, conservation of the environment and technological advancement, Directors are provided with access to the Board and Board Committee papers through electronic devices to enable them to read and provide their comments.

Other Board Activities in 2020

The Board is also briefed on the business, activities and performance of each business unit and the operating group regularly.

Besides meetings of the Board, the Board pursuant to the Company's Constitution and the Board Committees under their terms of reference may also make decisions by way of resolution by circulation.

A table showing the memberships of the Directors and number of Board, Board Committee, Non-Executive Directors' and shareholders' meetings held during the year under review along with the attendance of Directors are provided on page 14 of this report. Throughout the year, Directors individually and collectively actively engage with other members of the Board, the Group CEO, CEO-OFI, Group CFO, the Senior Management Team and external advisors and consultants to review the business, to discuss global and industry trends and to gain deeper insights into the industry and the business of the Company. Besides the attendance at recorded meetings and the time spent in the review of the materials, there are significant level of engagement and involvement of Directors in Board affairs and in governing the Company that cannot be quantified. Their commitment and the amount of time sowed into the affairs of the Company are as significant as their attendance at these meetings.

Induction and orientation of Directors

The Board of Directors provide the leadership for the Company and for corporate governance. Hence, onboarding of newly appointed Director is a critical enabler for the director to embark on and accelerate his/her participation in Board affairs effectively.

In FY2020, Mr. Norio Saigusa who joined the Board in May 2020 underwent a tailored induction programme as described above. Notwithstanding the inability to visit Olam's operations overseas, country heads in key country of operations were available to brief newly appointed Board members.

Directors' training and development

The Board recognises the importance of ongoing training for Directors so as to enable them to serve effectively and contribute to the Board.

To keep the Directors abreast of developments in the Group's diverse industries as well as the Company's global operations and interactions with business and country teams are amongst the different types of arrangements made. Prior to the travel restriction from the COVID-19 pandemic, visits to the Company's operations in key countries for newly appointed director or as part of director's training and development were organized. Directors are routinely briefed via detailed presentations on the development and progress of the Group's key operations. Updates on changes to laws and regulations such as the Listing Manual of the SGX-ST, the Code, the Companies Act, etc. and requirements on directors' duties and responsibilities are provided to the Board.

During the term of their appointment, Directors are encouraged to undergo continual professional development. The Company allocates a budget each year for Directors' training and professional development, which may relate to a particular subject area or developments in Company's market or operations etc. The Corporate Secretarial Office provide assistance to the Directors for their ongoing development needs.

Comprehensive and Tailored Programme for Newly Appointed Directors

Step 1

Clear terms and vital information provided

Newly appointed Directors are issued with:

- an appointment letter; and
- an appointment pack which outlines their Board and Board Committee membership details and term of office, fees payable, fiduciary duty and legal obligations of a director, other vital information regarding their appointment and on the Company.

Step 2

Orientation and induction

The Corporate Secretarial Office facilitates the induction programme for newly appointed Directors comprising:

- initial engagement session with the Director;
- customisation of the programme based on the Director's profile;
- scheduling briefings by various key trainers on matters of board responsibilities; governance, fiduciary duties, risk management, safety and health, sustainability, financial reporting and the businesses of the Company;
- briefings by the Board Chairman and Chairs of Board Committees;
- an overview of the business, industry, trends and operations with the Group CEO, CEO-OFI;
- meeting with the Group CFO, Global Head of Internal Audit, Global Head of Corporate Responsibility and Sustainability, Business Heads; and
- visits to the Group's key operations.

Step 3

Ongoing support provided by Corporate Secretarial Office

All newly appointed Directors are further assisted by the Corporate Secretarial office to enable them to appropriately discharge their statutory and fiduciary duties.

Information on Board and Board Committee Membership and Attendance at Board, Board Committees and Shareholders' Meetings for the year ended 31 December 2020

Directors	Membership	Board	AC	BRC	BSC	CIC	CRSC	GNC[12]	HRCC[12]	NRC[12]	AGM
	No. of Meetings Held	**14**	**7**	**4**	**15**	**7**	**5**	**1**	**2**	**3**	**1**
Lim Ah Doo	Chairman Independent Non-Executive	C 14/14	–	–	C 15/15	M 7/7	–	C 1/1	C 2/2	C 3/3	C 1/1
Sanjiv Misra	Independent Non-Executive	M 14/14	–	M 4/4	–	C 7/7	–	–	M 2/2	M 3/3	M 1/1
Nihal Vijaya Devadas Kaviratne CBE[1]	Independent Non-Executive	M 14/14	M 7/7	–	–	–	M/C 5/5	–	–	–	M 1/1
Marie Elaine Teo[2,3]	Independent Non-Executive	M 14/14	M 7/7	C 4/4	–	M 3/3	M 3/3	–	–	–	M 1/1
Yap Chee Keong[3]	Independent Non-Executive	M 14/14	C 7/7	M 4/4	–	M 3/3	–	M 1/1	–	M 3/3	M 1/1
Kazuo Ito[4,5]	Non-Executive	M 14/14	M 3/3	M 2/2	M 15/15	M 7/7	–	–	M 2/2	–	M 1/1
Nagi Adel Hamiyeh[6]	Non-Executive	M 13/14	–	–	M 15/15	M 4/4	–	–	–	–	M 1/1
Ajai Puri[2,5,6]	Independent Non-Executive	M 14/14	M 3/3	–	–	M 4/4	M 3/3	–	–	–	M 1/1
Joerg Wolfgang Wolle[7]	Independent Non-Executive	M 14/14	–	–	–	–	–	–	–	M 3/3	M 1/1
Norio Saigusa[8]	Non-Executive	M 8/8	–	M 2/2	–	–	M 3/3	–	–	M 3/3	–
Chan Wai Ching[9]	Co-opted Member	–	–	–	–	–	–	–	M 2/2	M 3/3	–
Sunny George Verghese	Executive	M 14/14	–	–	M 15/15	M 7/7	M 5/5	–	–	–	M 1/1
Shekhar Anantharaman	Executive	M 14/14	–	M 4/4	M 15/15	–	–	–	–	–	M 1/1
Jean-Paul Pinard[10]	Independent Non-Executive	M 6/6	–	–	–	–	C 2/2	–	M 2/2	–	M 1/1
Yutaka Kyoya[11]	Non-Executive	M 5/6	M 4/4	–	–	–	M 2/2	M 1/1	–	–	M 1/1

"C" Chairman
"M" Member
"AC" Audit Committee
"BRC" Board Risk Committee
"BSC" Board Steering Committee
"CIC" Capital and Investment Committee
"CRSC" Corporate Responsibility and Sustainability Committee
"GNC" Governance and Nomination Committee
"HRCC" Human Resource and Compensation Committee
"NRC" Nomination and Remuneration Committee
"AGM" Annual General Meeting

1. Mr. Nihal Kaviratne was appointed as Chairman of CRSC with effect from 20 May 2020.
2. Ms. Marie Elaine Teo and Dr. Ajai Puri were appointed as members of CRSC with effect from 20 May 2020.
3. Mr. Yap Chee Keong and Ms. Marie Elaine Teo stepped down as member of CIC with effect from 20 May 2020.
4. Mr. Kazuo Ito stepped down as member of BRC and HRCC with effect from 20 May 2020.
5. Mr. Kazuo Ito and Dr. Ajai Puri were appointed as members of AC with effect from 20 May 2020.
6. Mr. Nagi Hamiyeh and Dr. Ajai Puri were appointed as members of CIC with effect from 20 May 2020.
7. Mr. Joerg Wolle was appointed as member of NRC with effect from 20 May 2020.
8. Mr. Norio Saigusa was appointed as a Director with effect from 20 May 2020, and was concurrently appointed as member of BRC, CRSC and NRC.
9. Ms. Chan Wai Ching is a co-opted member of the NRC (formerly HRCC). Ms. Chan is not a Director of the Company.
10. Mr. Jean-Paul Pinard stepped down as a Director of the Company with effect from 20 May 2020, as part of Board renewal process after having completed more than 11 years tenure on the Board.
11. Mr. Yutaka Kyoya retired from Olam's Board with effect from 20 May 2020 due to his change in responsibilities within Mitsubishi Corporation.
12. With effect from 20 May 2020, the Governance and Nomination Committee and the Human Resource and Compensation Committee merged and became the "Nomination and Remuneration Committee".

Principle 2:

Board composition and guidance

Independence and diversity

To align with the extensive geographical spread and depth of the business, the existing Board comprises Directors with diverse skills and expertise in food ingredients, agri-business, Africa experience, commercial, consumer, corporate finance, innovation, logistics, M&A, companies' consolidation and restructuring, resource-based industry, supply chain, finance and accounting, banking, investment, strategic planning, retail, infrastructure, environment and sustainability issues.

The size, composition and blend of experience of the Board allows discussions on matters of policy, strategy and performance to be informed, critical and constructive. The profile and key information of each Director is provided in the Board of Directors section of the 2020 Annual Report.

Board size

Our Board currently consists of 12 members, 7 of whom are Independent Non-Executive Directors, 3 of whom are Non-Independent Non-Executive Directors and the remaining 2 being Executive Directors. More than 50% of the Board is comprised of Independent Non-Executive Directors. The NRC reviews the board composition, dynamics and culture that enable the Board to be effective and high-performing.

The size and composition of the Board are reviewed from time to time by the NRC to ensure that it is appropriate and conducive for effective discussion and decision-making.

The review takes into consideration the variety, magnitude, nature and depth of the Group's business and operations. Based on the factors considered and the composition of the existing Board who collectively possess sufficient depth and breadth to discharge duties and responsibilities effectively as well as to make objective decisions, the NRC opined that the current Board size of 12 to 13 members is appropriate and optimal.

Board diversity

The composition of the Board today is a testimony to what it believes is important: diversity for an optimal mix of expertise and experience. The importance of diversity stretches across skills, industry experience, geographic exposure, training, race, ethnicity, gender and nationality. The key to an effective and high-performing Board is the collective intelligence of a diverse composition to drive it forward. It is crucial to have a Board that understands the overall strategy of the Company. An effective Board is about who and why is he/she on the Board, how Directors interact with each other as well as with Management, what it spends its time on – priorities and agenda and how it reviews its' own performance from time to time. It is about governing with purpose. A Board Diversity Policy (Policy) was adopted by the Board as they recognised the importance and value of diverse perspectives not just in the boardroom but also at the senior leadership level. A well-rounded and well-appointed Board for the foreseeable future and in supporting the attainment of the Company's strategic objectives will remain a priority for Board succession planning.

The Policy

The Policy sets out the approach to diversity for the Board and the senior leadership team of the Company. The Board will pro-actively identify key gaps in our diversity representation (e.g. gender diversity), and commit to developing a bench of individuals, who are suitable and qualified, for future succession. There will be no discrimination of candidate(s) for Board membership on grounds of gender, race, ethnicity and nationality. The Board has delegated to the NRC the role of overseeing the implementation of the Policy, and the monitoring of the progress.

Some of the initiatives rolled out within the Group to champion and sensitize the community on diversity and equality includes the GLOW (Globally Lifting Olam Women) programme and the Inclusion Diversity & Equality in Olam (IDEO) programme. Voices for Change discussions are organized across the Company ensuring voices are heard from the frontline to senior leadership on inclusion and representation of women in Olam. Selected employees are identified and trained as facilitator of these focus group sessions. The GLOW programme involved virtual learning journey and experience programmes from educational institutions such as Stanford, Berkeley, Yale, Wharton and Duke, etc. and many more, to encourage women employees to embrace a growth mindset, cultivate collaborative leadership, overcome corporate mindsets and societal hurdles and to create an impact.

Independence

The NRC determines on an annual basis each Director's independence bearing in mind the definition of an Independent Director under the Code and guidance as to relationships that may exist which would cause a Director to be deemed non-independent. A Director who has no familial or commercial relationship with the Group or its officers and substantial shareholders of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company, is considered to be independent.

The Code further requires the independence of any Director who has served on the Board beyond 9 years to be rigorously reviewed. The basis of determination by the NRC takes into account the annual confirmation of independence completed by each Independent Director. He or she is required to critically assess their independence by examining the existence of any relationships or dealings that may compromise their independence.

Having carried out its review for the year under review and taking into account the views of the NRC, the Board has determined that, with the exception of the 3 Non-Executive Directors and 2 Executive Directors, the remaining 7 Directors are to be considered as independent.

Under the Company's Code of Conduct (CoC) which all employees including Directors should adhere to, Directors should advise the Board of any personal interests that could inappropriately influence his or her judgment when acting for the Company. The details of the potential conflicts of interest should be disclosed to the Board at the earliest possible opportunity. Where relevant, the CoC stipulates that an explicit written approval may be required should the Director wish to engage or continue with such activity.

Ongoing renewal of the Board

The ongoing renewal of the Board is in line with the Board's policy on tenure of directorships. Since 2013, long-serving Independent Directors were retired gradually at each AGM with new Independent Directors who possess the required skills and capabilities appointed to fill these vacancies. All newly appointed Independent Directors will be subject to a term of office comprising two terms of 3 years each, with an additional term of 3 years at the sole discretion of the Board. All Directors whether Executive, Non-Executive or Independent remain subject to an annual evaluation notwithstanding the term of office.

Independent Directors may be retired prior to completion of the term of office if so determined by the Board, taking into consideration the recommendation of the NRC.

Non-Executive Independent Directors

The Non-Executive Independent Directors fulfil a pivotal role in corporate accountability. Their role is particularly important as they provide unbiased and independent views, advice and judgement to protect the interests not only of the Company but also of shareholders, employees, customers, suppliers and the many communities in which the Company conducts business. The Board has since 2013 maintained the number of Executive Directors at 2 to have a greater proportion of independent representation on the Board.

Principle 3:

Chairman and Chief Executive Officer

Clear division of responsibilities

The Chairman and Group CEO are separate persons. Mr. Lim Ah Doo is Chairman and Independent Non-Executive Director of the Company. Mr. Lim Ah Doo is not related to the Group CEO, Mr. Sunny George Verghese, or other members of the Senior Management Team. There is a clear division of responsibility between the Chairman and Group CEO to ensure a balance of power and authority.

The Chairman is responsible for ensuring the effectiveness of the Board and Board Committees as well as the governance process. The Group CEO is at the helm of the Management Team and has overall responsibility for the Company's operations and organisational effectiveness.

The Group CEO remains accountable to the Board for the decisions and actions taken, as well as for the performance of the Group. The Chairman works closely with the Group CEO on matters to be tabled at meetings and matters arising from the meetings as well as in ensuring that Board members receive accurate, timely and clear information. The Chairman and Group CEO held frequent discussions to discuss and review the re-organisation plan and progress, strategic plan, developments within the Group, business performance, governance process, compensation structure and policy and succession plan.

Under the leadership of the Chairman, the Board holds robust, open and constructive discussions at its meetings with adequate time allocated to sufficiently review the issues tabled. The Chairman chairs the Non-Executive Directors' discussions, which maybe held quarterly after each Board meeting or as and when required, and may organise offsite meetings of the Non-Executive Directors.

Along with the Group CEO and the Company Secretary, the Chairman monitors the translation of the Board's decisions, requests and recommendations into executive action.

As part of the Chairman's oversight, he ensures that constructive communication and engagement with shareholders take place including at every General Meeting. The Chairman may direct members of the Board to participate in briefings and meetings with other stakeholders to explain publicly available material information.

Access to information and Accountability

To enable the Directors to fulfil their responsibilities, pre-meeting discussions are held between the Chairman of the Board and/or Committees with Senior Management for the construction of the agenda and the preparation of Board materials.

The agenda for each Board and Board Committee meeting along with all Board papers, related materials and background materials are provided to the Directors to enable the Directors to obtain further details and explanations where necessary. The Board is briefed and updated on the progress and execution of the Re-organisation Plan, the execution of the Company's Strategic Plan, performance of its investments, financing plan, variance in budgets, etc. Members of the Management Team are invited to be present at Board and Board Committee meetings to provide additional insight into the matters tabled for deliberation. Global heads of Business Units (BU) are scheduled wherever required to update the Board on platform-wise performance and plans.

Non-Executive Directors meet with Senior Management independently to be briefed on various issues. Additional information, documents and materials are provided to the Directors as and when required to enable them to make informed decisions.

Board members are invited to participate in the annual ManComm meeting (with the exception of FY2020) to interact with Management as well as to gain industry insight through external speakers. Presentations on the Group's business and activities are provided to the Board throughout the year by the Company's Management Team.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Directors and Board Committees may, where necessary, seek independent professional advice, paid for by the Company.

The Board has adopted a policy of openness and transparency in the conduct of the Company's affairs while preserving the commercial interests of the Company.

The Company reports its financial results as prescribed by the Singapore Exchange and holds media and analyst meetings to coincide with the announcements.

Financial results and other price-sensitive information are disseminated to shareholders via SGXNET, to the SGX-ST, via press releases, on the Company's website (olamgroup.com) and through media and analyst briefings.

The Company has in place a comprehensive investor relations programme to keep investors informed of material developments in the Company's business and affairs beyond that which is prescribed, but without prejudicing the business interests of the Company.

Role of the Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary advises the Board Chair and the Board as a whole on governance matters and facilitates the effective functioning of the Board and Board Committees in accordance with their terms of reference including any best practices. Meetings of the Board and Board Committees are scheduled at least a year in advance.

Beyond scheduling meetings, the Company Secretary works closely with the Board Chair and Chairs of the Board Committees and key executives of the Company to proactively manage the agenda and the materials provided in advance of and at meetings.

The Company Secretary pursues and manages follow-up actions and reports on matters arising from the meetings. The Company Secretary assists the Board Chair with Board development and Board processes including Board evaluation, induction and training.

The office takes the lead in organising the appointment letter and information pack and in developing tailored induction plans for new Directors, working with the Board Chair and new Directors.

The Company Secretary acts as the sounding board for matters of corporate governance and monitors overall compliance with the law and regulations adhered to by the Group.

The Company Secretary is also responsible for ensuring the Company's compliance with the Listing Rules of the SGX-ST, for interaction with shareholders and for facilitating the convening of general meetings. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Nomination and Remuneration Committee (NRC)

Lim Ah Doo
Chairman

Sanjiv Misra
Yap Chee Keong
Joerg Wolle (Dr.)
Norio Saigusa
Chan Wai Ching (non-director, co-opted)

Principle 4:
Board membership

The NRC was established in May 2020 with the merger of two Board Committees, namely, the Governance and Nomination and the Human Resource and Compensation Committee.

The NRC is chaired by an Independent and Non-Executive Director. The NRC comprises only Non-Executive Directors, majority of whom are Independent Directors. The Committee has also co-opted a member who is a subject matter specialist to better advise the NRC.

The purpose of the NRC is to assist the Board in overseeing compensation policies in relation to the Board and management, performance and potential reviews, leadership and management development, appointment and reappointment of directors and succession planning with regards to the Board and management, taking into account the current businesses, strategic plan, re-organisation and re-segmentation and the critical issues and challenges that will face the Company in the future. The intent is for the Company to recruit and retain a strategic Board and talents in Olam group, balanced with the competencies, knowledge, skills and attributes to address these issues and challenges. The NRC will endeavour to achieve these objectives through formulating and reviewing competitive executive compensation packages with focus on long-term sustainability of business and long-term shareholders' return, and human resources practices and a leadership succession and development plan with a defined process to enhance corporate governance, accountability and transparency.

The NRC will assist the Board of Directors in evaluating candidate(s) for appointment to the Board, in determining the composition of the Board and its committees and in ensuring the independence of the Board as it exercises its corporate governance and oversight roles for the benefit of shareholders, including, but not limited to, counsel to the full Board with respect to (A) Board size, organization, membership, and function and (B) Board committee structure, size and membership.

The NRC is guided by its written terms of reference which sets out the detailed scope of work and responsibilities of the NRC covering remuneration matters for non-executive directors and key management personnel, performance, development and succession planning for Board and key management personnel, Board evaluation, matters in relation to Board Committees, nominating process, diversity and inclusivity and disclosures.

Succession planning

The review of Board succession plans, and the succession plans for key positions in the Group, including the Group CEO and Senior Management, is within the purview of the NRC.

During the course of the year, the Group CEO presented the succession plans of the Senior Management Team to the NRC. The framework of succession planning keeping in mind the Re-organisation Plans of the Group was discussed.

On the Board succession plans, the NRC have regard to the 9-year tenure prescribed by the Principle of the Code for Independent Director, the Re-organisation Plans of the Group, the Strategic Plan of the Group, the changing landscape of the business and ongoing challenges and issues faced when addressing the composition of the Board.

Retirement and re-election

All Directors submit themselves for retirement and re-election at least once every 3 years. Pursuant to the Constitution of the Company, one-third of the Directors shall retire from office at the Company's AGM. A retiring Director is eligible for re-election at the AGM. The Group CEO, as a Director, is subject to the same retirement by rotation provision as the other Directors. In addition, the Company's Constitution also provides that a newly appointed Director must submit himself or herself for re-election at the AGM following his or her appointment (unless such appointment was voted upon by shareholders at a general meeting).

At the 2021 AGM, Mr. Sanjiv Misra, Ms. Marie Elaine Teo, Mr. Yap Chee Keong and Mr. Shekhar Anantharaman will retire pursuant to Regulation 107 of the Company's Constitution and will be eligible for re-election by the shareholders.

New appointments, selection and re-nomination of Directors

The Board considers the importance of putting the right people with the right range of skills, knowledge and experience together for effective governance of the Group's business. The NRC assists the Board in ensuring that the Board is comprised of individuals whose background, skills, experience and personal characteristics enhance the effectiveness of the current Board and meet its future needs.

All new appointments, selection and re-nomination of Directors are reviewed and proposed by the NRC. The NRC has access to external search consultants and resources to identify potential candidates. Board members may also make recommendations to the NRC. Shortlisted candidates are met by the Board Chairman prior to approval at Board level.

Some of the criteria considered by the NRC to identify and evaluate potential Directors include the following:

- The candidate should possess knowledge and experience in areas of value to the Group, including but not limited to accounting or finance, business or management, industry knowledge, strategic planning, customer-based experience or knowledge, environment and sustainability, legal or digital and geographical exposure;
- The candidate should have the aptitude or experience to understand fully the fiduciary duties of a Director and the governance processes of a publicly listed company;
- Independence of mind;
- Capability and how he/she could meet the needs of the Company and simultaneously complement the skillset of other Board members;
- Experience and track record in multinational companies;
- Ability to commit time and effort to discharging his/her responsibilities as a Director; and
- Reputation and integrity.

The NRC also have regard to the importance of diversity when considering the richness of the Board as a whole.

Membership of other boards

The NRC, in assessing the performance of the individual Director, considers whether sufficient time and attention has been given by the Director to the affairs of the Company. It has regard to the Director's other board memberships and commitments. No limit on the number of board representations which a Director may hold has been imposed by the NRC as Directors have demonstrated their commitment and effectiveness in discharging their duties and responsibilities and avoiding actual or potential conflicts of interest caused by serving on other boards.

Principle 5:

Board performance

Key information regarding Directors

Key information regarding Directors, such as academic and professional qualifications, Board Committees served on (as a member or Chairman), date of first appointment as a Director, date of last re-election as a Director, present directorships in other listed companies, principal commitments and experience and exposure, is disclosed in the section on Board of Directors of the 2020 Annual Report. Information relating to Directors' shareholding and interests in the Group is disclosed in the Financial Report of the 2020 Annual Report.

Based on the recommendations of the NRC, the Board has laid down a set of assessment criteria to assess the effectiveness of the Board as a whole. There are 12 broad sections and a total of 49 assessment areas for the Board evaluation covering, amongst others, Board composition and leadership, Board processes, strategy and implementation, risk and crisis management, effectiveness of Board Committees and stakeholder management. The assessment of the Board Chair and Director individually is conducted on an 'exception' basis with broad criteria on their individual contribution, involvement, conduct of and at meetings, execution of agreed matters, interaction with the Board, industry and functional expertise, etc.

During the year, the NRC and the Board held discussions over the results and feedback of the

Board from the FY2019 Board evaluation exercise and agreed on a set of follow-up actions led by the NRC Chair. Amongst the agreed action was the engagement of an external consultant to facilitate the Board evaluation exercise for FY2020 to build on the work done from the FY2019 exercise.

A selection process of the external facilitators was carried out during the year under review. Proposals from the shortlisted firms were tabled for review and approval by the NRC. The NRC reviewed and recommended the engagement of Egon Zehnder to facilitate the Board review exercise for FY2020, which was concurred by the Board.

The Board review exercise for FY2020 facilitated by Egon Zehnder encompassed the completion of the Board review questionnaire, interviews with Chairman, individual member of the Board and the Company Secretary, tabulation of the results from the completed questionnaire,

closing session with Chairman, briefing the NRC on the findings, Board workshop and agreed upon actions to be followed up. This could be in the form of meetings between the individual Director and the NRC Chair/Board Chair to share feedback and comments received and to work out action plans to address specific issues raised.

Principle 6:

Procedures for developing remuneration policies

Principle 7:

Level and mix of remuneration

Principle 8:

Disclosure on remuneration

Remuneration policy for Non-Executive Directors

The existing remuneration framework for Non-Executive Directors recommended by the NRC and adopted by the Board is a comprehensive framework consisting of base fee for membership on the Board and each Board Committee, Chairmanship, Lead Independent Director's fee and attendance fee.

The framework and details of the fees paid to the Non-Executive Directors approved at the previous AGM of the Company in May 2020 are provided in page 21.

Key features of the remuneration framework for Non-Executive Directors

What benchmarks are used in determining fees?

Remuneration is benchmarked against peer companies

How are fees determined?

The framework seeks to provide an equitable and adequate remuneration on account of:

- the responsibilities and average amount of time spent by a Director at Board and Board Committee meetings;
- their discussions beyond formal meetings and separate discussions with Management, external advisors and consultants; and
- the review of materials in the discharge of their responsibilities.

When are fees paid?

Fees are paid in arrears on a quarterly basis for the current financial year once approval is obtained from shareholders at the AGM.

Fees for Non-Executive Directors

Total remuneration for Non-Executive Directors paid out in FY2020*:

$2,552,363.98

Cash component:
$1,994,128.82

Equity component:
$558,235.16
in Olam Shares based on ~30% policy under revised fees framework

* Including fees paid to co-opted member

At the May 2020 AGM, shareholders approved the payment of Directors' fees of up to S$3,300,000 under the revised fees framework for Non-Executive Directors. The aggregate fees paid quarterly in arrears to the Non-Executive Directors for the financial year ended 31 December 2020 amounted to S$2,552,363.98 (excluding fees paid to a Director for his directorship with the subsidiary of the Company). Details of the compensation of directors for FY2020 and 2019 are also provided in Note 33 of the Financial Report.

To align the interests of Directors with shareholders' interests, the total remuneration payable to Non-Executive Directors (excluding certain Non-Executive Directors who, under their separate arrangements with their employers, do not retain their Directors' fees), starting from the financial year ended 31 December 2019, would include an equity component of approximately 30%. The Company will arrange for each such Non-Executive Director to receive approximately 70% of his/her total Directors' fees in cash and the balance approximately 30% in the form of Olam shares. To facilitate the payout of the equity component from the total fees payable to Non-Executive Directors entitled to receive the 30% Directors' fees in the form of Olam shares, shareholders of the Company had at the 25th AGM approved the amendment of the Olam Share Grant Plan (OSGP), which will enable the issuance of restricted shares under the OSGP to be awarded as fully paid shares with no performance conditions and no vesting periods to these Non-Executive Directors.

Each such Non-Executive Director is committed to holding, during his or her Board tenure, Olam shares of a value equivalent to approximately one year's basic retainer.

Review of Fees for Non-Executive Directors

The NRC may from time to time review the adequacy of fees paid to Non-Executive Directors and may commission an independent review by an external consultant on the remuneration framework of Directors as well as key management personnel.

The NRC had in 2020 undertook a comprehensive review of the fees framework of the Non-Executive Directors in light of the changes to the Board composition and the Board Committees so as to better meet the evolving issues and challenges of the industry and business, and the need to recruit and retain directors best suited for the Company. The updated fees framework was approved in 2020 which was applicable for the financial year ended 31 December 2020. The increased in fees was approved at the 25th AGM.

Details of the fees framework for Non-Executive Directors applicable for financial year ending 31 December 2021 remained unchanged and are provided below.

Non-Executive Directors' Fees Framework

Nature of appointment		S$
Board of Directors		
Chairman (Fixed fee)[1]		600,000
Base fee (Deputy Chairman)		130,000
Base fee (Member)		70,000
Lead Independent Director		25,000
Audit Committee		
Board Steering Committee[2]		
Board Risk Committee		
Capital and Investment Committee		
Corporate Responsibility and Sustainability Committee		
Nomination and Remuneration Committee		
Chairman's fee		50,000
Member's fee		25,000
Attendance fee	Board	Committee
Home city meeting[3]	3,000	1,500
In-region meeting[3]	5,000	2,500
Out-region meeting[3]	10,000	5,000
Conference call	600	400
Odd hours	1,200	750
Attendance fee – Board Offsite[3]		
Home city meeting[3]		6,000
In-region meeting[3]		10,000
Out-region meeting[3]		20,000

1. Chairman would be paid fixed fee, Chairman's fees and attendance fees for Board Steering Committee
2. Board Steering Committee was formed in January 2020 to provide oversight for the execution of the Re-organisation Plans
3. Definition for "Home city meeting", "In-region meeting" and "Out-region meeting":
   a. Home City: < 4 hours to and fro travel time from Director's place of residence to location of meeting
   b. In-region: 4-15 hours to and fro travel time
   c. Out-region: > 15 hours to and fro travel time

The base fees of the Non-Executive Directors have remained unchanged in the last five years.

The aggregate Directors' fees are subject to shareholders' approval at the AGM. The Non-Executive Directors will refrain from making any recommendation on and, being shareholders, shall abstain from voting on the ordinary resolution for the aggregate Directors' fees. Other than the Chairman who will be voting for proxies under the Listing Rules of the SGX-ST, the Directors shall also decline to accept appointment as proxies for any shareholder to vote in respect of this resolution unless the shareholder concerned shall have given instructions in his or her proxy form as to the manner in which his or her votes are to be cast in respect of this resolution.

Fees paid to the Non-Executive Directors for the financial year ended 31 December 2020

The breakdown of the fees paid to the Non-Executive Directors for the financial year ended 31 December 2020 is set out in the table below.

Name	FY2020 S$
Current Directors	
Lim Ah Doo[1]	705,571.31
Sanjiv Misra	233,564.52
Nihal Vijaya Devadas Kaviratne CBE	190,122.58
Yap Chee Keong	246,706.45
Marie Elaine Teo	231,100.00
Kazuo Ito	220,741.94
Nagi Hamiyeh	161,772.58
Ajai Puri (Dr)	166,967.74
Joerg Wolle (Dr)	119,822.58
Norio Saigusa	132,070.97
Directors who stepped down on 20 May 2020	
Jean-Paul Pinard	71,872.04
Yutaka Kyoya	74,558.06
NRC Co-opted member	
Chan Wai Ching[2]	30,564.52
Directorship on Subsidiary	
Nihal Vijaya Devadas Kaviratne CBE[3]	75,000.00

The aforementioned fees paid out quarterly in arrears were based on the fees' framework set out in page 21 of this report. Details of the compensation of directors and key management personnel for FY2020 and FY2019 may be referred to in Note 33 of the Financial Report.

1. The fees paid included fixed fee as Chairman (S$600,000), fees as Chairman of the Board Steering Committee (S$72,500) and related attendance fee and car-related benefits (S$33,071.31).
2. Ms. Chan Wai Ching is not a director.
3. Fees paid as Independent and Non-Executive Chairman of Caraway Pte. Ltd., a 75:25 joint venture subsidiary of the Company.

Remuneration policy for Executive Directors and other key executives

The Company's remuneration philosophy is aimed at attracting, retaining and motivating Executive Directors and key executives through a framework which rewards performance and achievement of the Company's strategic objectives that aligned with the interests of its shareholders.

The NRC recognises that the Company operates in a multinational environment and reviews remuneration through a process that considers the Group's businesses and individual performance, as well as relevant comparative remuneration in the market.

In considering comparative remuneration in the market, the NRC seeks to maintain an awareness of the level of pay and practices by peer companies so as to keep pay market competitive while mitigating increase of pay that is disconnected from actual performance. The performance evaluation for Executive Directors and key executives have been conducted with the considerations as indicated in the table below.

Aligned with interests of shareholders and other stakeholders

- Align interests between management and shareholders.
- Select appropriate performance metrics for annual and long-term incentive plans to support business strategies and ongoing enhancement of shareholder value.

Base salary

- The annual fixed component consists of the annual basic salary and other fixed allowances.
- The base salary reflects the market worth of the job but may vary with responsibilities, qualifications and the experience that the individual brings to the role.

Performance incentive

- The annual performance incentive is tied to the Company's and individual executive's performance.
- The annual performance incentive is designed to support the Group's business strategy and the ongoing enhancement of shareholder value.

- Allow for performance-related claw-back if long-term sustained performance targets are not met.

Remuneration is linked to performance

- Measure performance based on a holistic balanced scorecard approach, comprising both financial and non-financial metrics.
- Ensure targets are appropriately set for threshold, target, stretch and exceptional performance levels, qualification and experience.

Remuneration is appropriate and proportionate to sustained performance and value creation

- Ensure that the link between performance and remuneration is clear.

Remuneration structure

The remuneration structure is designed such that the percentage of the performance-related components of the Executive Directors and key executives' remuneration increases as they move up the organisation. To remain competitive, the Company aim to benchmark executives' compensation with that of similar performing companies and remain in the top 25 percentile, taking into consideration the individual performance, qualification and experience.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market. The total remuneration comprises 3 components: an annual fixed cash component, an annual performance incentive and a long-term incentive. Executive Directors are not entitled to either base fees or fees for membership on Board Committees. Remuneration for Executive Directors currently comprises a base salary, a performance bonus tied to the Company's and the individual's performance, and participation in the OSGP.

The Company currently has 16 top key executives who are not Directors. Information on the compensation paid to all Directors (including Executive Directors) and key executives is summarily provided in Note 33 to the Financial Statements of the Financial Report. The names, amounts and breakdowns of remuneration of individual director are disclosed in page 22 of this report.

In considering the disclosure of remuneration of the Executive Directors and top 16 key executives, the NRC opined that instead of the provision

Base Salary	• The annual fixed component consists of the annual basic salary and other fixed allowances. • The base salary reflects the market worth of the job but may vary with responsibilities, qualifications and the experience that the individual brings to the role.
Performance incentive	• The annual performance incentive is tied to the Company's and individual executive's performance. • The annual performance incentive is designed to support the Group's business strategy and the ongoing enhancement of shareholder value.
Long-term incentive	• The long-term incentive is granted based on the individual's performance and contribution made. • Long-term incentives reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain key talent.
Policy	• The Company contributes towards the Singapore Central Provident Fund where applicable to the individual.
Employee Share Grant Plan	• The Company had adopted the Olam Share Grant Plan (OSGP) since 2014. The OSGP involves the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. • Any performance targets set under the OSGP are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. • Details of the OSGP including its objectives, key terms, potential size of grants, methodology of valuation, market price of shares that were granted as well as outstanding, and the vesting schedule may be read as part of the Financial Report.

Level and mix of remuneration of Executive Directors for the year ended 31 December 2020

Remuneration band	Base/ fixed salary	Variable or performance related	Benefits in kind	Total	Options	Share Grant
S$4,000,000 and above						
Sunny George Verghese	14%	82%	4%	100%	–	3,297,704[1]
Shekhar Anantharaman	21%	79%	–	100%	3,250,000[2]	1,937,505[3]

1. Share grant of 3,297,704 comprised of 2,059,922 Performance Share Awards and 1,237,782 Restricted Share Awards granted pursuant to the Olam Share Grant Plant. The actual number of shares to be delivered pursuant to the Performance Share Awards granted will range from 0% to 200.0%, which are contingent on the achievement of pre-determined targets set out in the 3-year performance period and other terms and conditions being met.
2. The subscription/exercise price of S$1.76 per share for 3,250,000 share options is the price equal to the average of the last dealt prices for a share for the 5 consecutive market days preceding the date of grant.
3. Share grant of 1,937,505 comprised of 1,239,400 Performance Share Awards and 698,105 Restricted Share Awards granted pursuant to the Olam Share Grant Plant. The actual number of shares to be delivered pursuant to the Performance Share Awards granted will range from 0% to 200.0%, which are contingent on the achievement of pre-determined targets set out in the 3-year performance period and other terms and conditions being met.

of the names, amounts and breakdowns of remuneration, the information provided on the framework, system and component of the remuneration of Executive Directors and the key executives would better provide shareholders with an understanding of the role played by the NRC in ensuring that the remuneration paid is appropriate and proportionate to the sustained performance and value creation of the Company including taking into account the strategic objectives of the Company.

The NRC also considered the industry conditions in which the Group operates, the impact of the disclosure of specific compensation and the confidential nature of the Executive Directors' and key executives' remuneration.

During the year under review, the NRC reviewed the annual performance incentive for FY2020 for the Global Assignee Talent Pool ("GATP"), the Group CEO and the CEO of OFI, remuneration claw back, determination of the 2018 Performance Share Awards (PSA) and the proposed Olam Incentive Structure for 2021. The NRC also received updates from the NRC Chair on the outcome of his frequent discussions with the Group CEO, the MD & Global Head of Human Resources and the advisor to the NRC on the compensation framework and remuneration policy of the Group. External consultants were also engaged to provide benchmark of the level of compensation against the Company's peers.

Remuneration band of the top key executives for the year ended 31 December 2020

Remuneration band	No. of executives
S$2,000,000 to S$4,000,000	2
S$1,500,000 to S$2,000,000	2
S$1,000,000 to S$1,500,000	8
Below S$1,000,000	4

Remuneration of employees who are immediate family members of a Director or the Group CEO

No employee of the Company and its subsidiaries whose remuneration exceeded S$100,000 during the year under review was an immediate family member of a Director or the Group CEO. Immediate family member is defined as a spouse, child, adopted child, step-child, brother, sister or parent.

Board Risk Committee (BRC)

Marie Elaine Teo
Chair

Sanjiv Misra
Yap Chee Keong
Shekhar Anantharaman
Norio Saigusa

Principle 9:

Risk Management and Internal Controls

Accountability and audit

The Board is responsible for the governance of risk and along with 5 Board Committees, namely, the AC, BRC, CIC, CRSC and NRC, which are supported by various functions, ensures that Management maintains a sound system of risk management and internal controls and instils the appropriate culture throughout the Company, for effective risk governance to safeguard the interests of the Company and its shareholders.

To assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, the BRC was established in 2005. The BRC met 4 times during the year.

The BRC has oversight of the following matters:

- To review with Management the Group's framework, guidelines, policies and systems to govern the process for assessing and managing risks;
- To review and recommend annual risk limits and trading risk budgets;
- To review benchmarks for, and major risk exposures from, such risks;
- To request, receive and review reports from management on risk exposures;
- To identify and evaluate new risks at an enterprise level and to table a report to the Board;
- To review the Integrated Risk and Assurance Framework and to escalate to the Board as appropriate;
- To review market compliance updates and issues reported; and
- To review annually the Insurance Strategy and Plan.

The Company complies with the recommendations contained in the Code and the Risk Governance Guidelines issued by the Corporate Governance Council in the approach to risk governance for the Group. The Company has robust mechanisms and systems to identify risks inherent in the Group's business model and strategy, risks from external factors and other exposures, and to monitor the Company's exposure to key risks that could impact the business sustainability, strategy, reputation and long-term viability of the Group. The Board along with the BRC supported by the Group Chief Risk and Compliance Officer ("GCRCO"), the Risk Office and the Market Compliance Office instils the right culture throughout the Company for effective risk governance.

The BRC Chair actively engages with the GCRCO and the Risk Office on various risk matters as well as the matters to be discussed at each BRC meeting. The BRC periodically reviews its terms of reference taking into consideration the Risk Governance Guidelines and the Code as well as the changing needs of the organisation.

Risk Governance Structure

The Group has an institutionalised process in the governance of risk management matters. The GCRCO reports to both the Group CEO and the BRC Chair and is invited to attend the meeting of the Audit Committee.

The Risk Office reports to the GCRCO and is responsible for identifying, assessing, measuring and monitoring risks, to provide the Company's senior management and the Board with assurance that all the risks borne by the Company are within its risk limits. The Risk Office is responsible for risk monitoring and control on an independent basis and undertakes regular stress-testing of the Company's portfolio.

The Company sets risk limits as part of the annual budgeting cycle, which are presented to the BRC for review and approval. These limits include outright, basis, structure, arbitrage and Value-at-Risk (VaR) as well as credit and counterparty limits. The GCRCO is mandated to allocate the risk capital across businesses considering the competitive position, trading and market conditions and the track record of each business. Performance is continuously monitored, and risk capital allocation is recalibrated where necessary. Limits are set at business unit and value-chain step level.

Approach to Risk Management

The Company continually upgrades its risk management methodology to keep in line with industry best practices. The Company has a risk management framework designed to rigorously identify and assess the likelihood and impact of risks, and to manage the actions necessary to mitigate impact.

The process identifies risk from a top-down strategic perspective and a bottom-up business perspective. The Company takes a holistic approach to enterprise-wide risk, monitoring across each value-chain step and a wide range of both quantifiable and non-quantifiable risks.

Our framework defines 52 risks across 11 categories which are evaluated and monitored.

Sixteen of these risks are evaluated on a quantitative basis and the remainder are qualitative. The quantitative risks are reported as part of a quarterly Executive Risk Summary, looking at the likelihood of their occurrence and their potential impact. The summary is intended to assist the Board with examining the effectiveness of the risk management processes, systems and mitigation plans. Oversight of the risks is divided between the five Board Committees.

As part of the Re-organisation of the Group, Chief Risk Officer roles have been established for both OFI and OGA. Reports submitted to the BRC were re-organised to highlight the risks outlook within each operating group.

Integrated Risk and Assurance Framework

During the year under review, the Risk Office collaborated with the Internal Audit Function to integrate the Risk Governance reports into the Integrated Assurance Framework. To date, the report of the Integrated Risk and Assurance Framework is provided to each Board Committee for the review of the risks under their purview.

Risk Measurement, Market Compliance Controls, Risk Training and Communication

The BRC is advised by the GCRCO and Risk Office on the risk measurement methodology adopted and any changes in methodology in line with industry best practices.

One of the Company's key priorities is to comply with the highest standards of business conduct. The Market Compliance Office (MCO) is responsible for ensuring regulatory compliance for the Company's derivative trading units globally. The MCO maintains and enforces a comprehensive derivative trading compliance programme which includes formal onboarding to ensure that new hires are fully aware of the Company's trading compliance manual.

Regular training sessions are conducted on an ongoing basis to ensure that the traders' knowledge and awareness of exchange rules is kept current.

MCO monitors Company exposures against exchange limits on a daily basis and oversees a trade surveillance programme. The BRC receives a quarterly update on the status of trading compliance, initiatives and changes in global regulatory laws and regulations impacting the Company's business and participation on exchanges. From time to time, the MCO publishes compliance advisories on pertinent trading matters to raise awareness and to promote industry best practice.

This section should be read in conjunction with the section on Risk Management in the Strategy Report of the 2020 Annual Report and the section on internal controls in this report.

Audit Committee (AC)

Yap Chee Keong
Chairman

Nihal Vijaya Devadas Kaviratne CBE
Marie Elaine Teo
Kazuo Ito
Ajai Puri (Dr.)

Principle 10:

Audit Committee

All the members of the Audit Committee (AC) are Non-Executive Directors with a majority of members including the AC Chair being independent. Members of the AC have significant and varied experience and backgrounds in accounting, financial management-related and investments.

The AC met 7 times during the year under review. Besides the regular meeting with the external auditors, the AC Chair also meets with key management personnel, namely, the Group Chief Executive Officer (GCEO), the Chief Executive Officer for OFI, the Group Chief Financial Officer (GCFO), Global Head of Internal Audit, Group Chief Risk and Compliance Office (GCRCO), Chief Information Security Officer (CISO), Group Legal Counsel, Head of Compliance and Global Head for Tax, etc. as maybe required prior to each AC meeting to discuss and review matters to ensure the AC is provided with comprehensive information or additional assurance that maybe required.

Key Roles and responsibilities of the AC

The AC has established terms of reference approved by the Board and has explicit authority to investigate any matter within its terms of reference. The key functions of the AC are to:

- Assist the Board in discharging its statutory and other responsibilities on internal controls, financial and accounting matters, operational, compliance and information technology controls, and business and financial risk management policies and systems; and to ensure that a review of the effectiveness of the same (which may be carried out by the external or internal auditors) is conducted at least annually;
- Review with the external auditors their audit plan, their evaluation of the system of internal controls, their report and management letter to the AC, Management responses, and the allocation of audit resources according to the key business and financial risk areas as well as the optimum coverage and efforts between the external and internal auditors;
- Review the half-yearly and annual financial statements before submission to the Board of Directors for approval;
- Review salient accounting matters, changes to the accounting standards, issues and developments with a direct impact on financial statements, major operating risk areas, the overview of all Group risk on an integrated basis, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards, and compliance with any SGX and statutory/ regulatory requirements;
- Review the proposed scope of the Internal Audit function, the performance of the Internal Audit function, report of the Internal Audit on their audit findings and remediation and to approve the Internal Audit Plan and as and when there are changes to the plan;
- Review the internal controls and procedures and ensure coordination between the external auditors, the internal auditors and Management, reviewing the assistance given by Management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);
- Review and discuss with the internal auditors, external auditors and Management any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has, or is likely to have, a material impact on the Group's operating results or financial position, and Management responses to the same;

- Consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
- Review the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors, annually;
- Review the adequacy and independence of the internal auditors;
- Review interested person transactions ("IPT") falling within the scope of the IPT mandate and Chapter 9 of the SGX-ST Listing Manual;
- Undertake such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the AC; and
- Undertake such other functions and duties as may be prescribed by statute and the Listing Rules or recommended by the Code and by such amendments made thereto from time to time.

The external auditors update the AC at its quarterly meetings on any changes to the accounting standards, issues and developments with a direct impact on financial statements.

The AC has clear authority to investigate any matter within its terms of reference, full access to and cooperation of the Management and full discretion to invite any Director, key executive or officers of the Company to attend its meetings. The CEO for the new operating groups, GCFO, internal and external Auditors, GCRCO, CISO, Group Legal Counsel, Head of Compliance, Global Head for Tax, Country and Function Heads, etc. are invited to attend these meetings.

Annually, the AC meets with the Global Head for Tax to review the group tax structure management, compliance and reporting, transfer pricing, etc. The CISO, the Group General Counsel and the Head of Compliance also met with the AC on matters relating to information security, global regulations impacting the group and the key legal policies such as the Code of Conduct and the Ethical Business Programme, etc., as well as, the operationalisation of the policies.

To enable it to discharge its functions properly, the AC, through Management, has access to external counsels and consultants.

Financial reporting and disclosures

Following the amendments to the SGX-ST Listing Rules in February 2020, the Company no longer release its financial statements on a quarterly basis. The AC continues to conduct quarterly review of the Company's performance as well as review with Management other areas of importance to the overall operations. The Company also provides relevant disclosures of its strategy, operating and financial conditions as appropriate.

The external auditors and Management interact and held frequent discussions with the AC Chair and/or the AC throughout the year on the key areas of focus for audit, identifying early the key areas of audit emphasis including key audit matters, which enable better oversight of the business and entities. For the year under review, the AC discussed with Management and the external auditors salient accounting issues with an impact on the financials of the Company, changes in accounting policies and practices,

Tightening controls: Highlights in FY2020

In respond to the heightened risks amidst the COVID-19 pandemic, Management had undertaken several initiatives during the year to further tighten the controls:

- Review of key processes to further enhance banking controls for the group in view of the COVID-19 related cyber concerns leading to frauds.
- During the Quarterly Audit Committee meeting, the AC had recommended that there should be a demonstrable action plan to highlight progress on areas where internal control weaknesses were identified by IA during their Internal Audit review. A joint exercise was undertaken by Finance along with IA to identify the 'Path to Green' which included remediation of IA findings, root cause analysis of Recurring IA findings and timely closure of IA findings.
- COVID-19 crisis has resulted in absence of personnel on site, probability of lockdown resulting in forced shutdowns at business premises, disruption in business, increased cases of attempted thefts/robberies in various emerging markets due to loss of employments and reduced economic activities. Hence, this required heightened focus and control for physical assets, particularly in the emerging markets. Review was carried out during the year with focus on physical security of assets, video surveillance of premises, access control, insurance and its adequacy, business interruption risks etc. A video library capturing physical inventory verifications for select locations were also developed.

major operating risk areas, the overview of all Group risk on an integrated basis, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards, compliance with any SGX and statutory/regulatory requirements, and reviewed with Management and the external auditors the matters of significance in the audit of the financial statements.

The AC reviewed with Management and the external auditors the annual audited financial statements of the Group for the financial year under review and the key audit matters which involved high degree of estimation and management judgement on the assumptions and estimates. The AC concurs with the basis and assessment of the Key Audit Matters disclosed in the Independent Auditors' Report of the Financial Report section of the 2020 Annual Report.

Re-organisation

Following the Company's announcement in January 2020 on the re-organisation of the Group, the AC reviewed with Management on the changes to the reporting structure and re-segmentation of the Group into its new operating groups from H1 2020 before submission to the Board for approval. The AC also undertook a review of the financial authority matrix and the other priorities of the AC arising from the re-organisation.

External auditors

During the course of the year, the AC reviewed with Management and the external auditors, the review and work done by the external auditors, the engagement with the external auditors and the objectivity and independence of the external auditors. The AC placed emphasis on the performance and quality of the audit and the independence of the external auditors. As the Group has a wide geographical spread of businesses, it was important to the Company that its selected auditing firm appreciated and understood how its businesses in those geographical areas would operate, the level of engagement required as well as the resources allocated to the external audit of the Company. Pursuant to the requirements of SGX, an audit partner may only be in charge of 5 consecutive annual audits. Mr. Christopher Wong was designated as the audit partner from Ernst & Young since the financial year ended 31 December 2019. Ernst & Young had met this requirement and the Company had complied with the requirements on Rules 712, 713 and 715 of the SGX-ST Listing Manual in relation to the appointment of auditors.

The role of the external auditors is to report their findings and recommendations independently to the AC. During the year, the AC reviewed the unaudited financial statements of the Company before the announcement of the financial results and the audited financial statements prior to despatch to shareholders. The AC along with Management reviewed the adequacy, structure and content of its results announcements to enable easier interpretation and analysis by its stakeholders. The AC also reviewed with the external auditors' changes and proposed changes to the financial reporting standards and the impact on the Company's financial statements, tax matters, policies and global developments and their audit on the Company's systems of internal control.

The Committee met with the external auditors during the year under review, without the presence of the Management Team, to discuss with them any issues of concern. The AC reviewed the nature and extent of all non-audit services performed by the external auditors, against an established boundary condition, to ascertain their independence and objectivity.

From the review, the AC has confirmed that the non-audit services performed by the external auditors would not affect their independence. The amount of fees paid to the external auditors for audit and non-audit services for FY2020 are set out below and in Note 7 of the financial statements of the Financial Report.

	2020 S$'000	2019 S$'000
Auditor's remuneration:		
• Ernst & Young LLP, Singapore	2,279	2,174
• Other member firms of Ernst & Young Global	6,955	6,560
Non-audit fees:		
• Ernst & Young LLP, Singapore	361	956
• Other member firms of Ernst & Young Global	1,694	649

Taking all relevant factors into consideration, the Committee made its recommendation to the Board to re-appoint the current auditors, which was endorsed by the Board.

In appointing the auditors of the Company and its subsidiaries, the Company has complied with Rule 712, and Rule 715 read with Rule 716 of the Listing Manual of the SGX-ST.

Internal audit

The Internal Audit function (IA) is an important line of defence for the Company; central to the overall Integrated Risk and Assurance Framework as well as the governance process. IA provides a source of confidence to both Management and the AC that there is sound managerial control over all aspects of the operations of the Group including statutory compliance, accounting, asset management and control systems.

The AC annually assesses the composition and the make-up of the IA team. Regular review of the IA team in terms of its size and adequacy of skills and resources, is conducted in order to keep up with the ever-changing needs of the Group's businesses and to ensure that internal audits are performed effectively.

The President and Global Head of Internal Audit reports directly to the Chairman of the AC. The AC participates in the appointment, replacement or dismissal and the evaluation of the Head of Internal Audit. The IA team includes members with relevant qualifications and experience. Internal audit is carried out according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The IA team has full, free and unrestricted access at all times to all books, personnel, documents, accounts, property, vouchers, records, correspondence and other data of the Company. The internal auditors also have the right to enter any premises of the Group and to request any officer to furnish all information and such explanations deemed necessary for them to form an opinion on the probity of action and adequacy of systems and/or controls.

The AC regularly reviews the scope of the internal audit carried out by the IA team to ensure that it is comprehensive and includes all key operational, financial and related activities. The internal audit coverage extends to all areas of the Company and its controlled entities and includes financial, accounting, administrative, computing and other operational activities. The IA also works closely with management to promote effective risk management and robust risk internal control.

The AC reviews the performance of the IA function, internal audit findings (including fraud reporting and complaints received from the whistleblowing channel) and management responses, and the Annual Internal Audit Plan. It ensures that no limitation on audit has been imposed.

During the year in review and arising from the COVID-19 pandemic, the AC and IA collectively assess and agree on the approach, scope and frequency with which each entity/operation is to be audited. This enables them to manage their resources in the most efficient manner.

Following on from the IA's findings, the AC will assess actions taken to address the issues and to mitigate the risks as well as the improvements undertaken. Where no or minimal action has been taken to minimise the risk, the AC and Board will seek a response from the specific Group business unit concerned. During the course of the financial year, Country and Function Heads were invited to attend the meetings of the AC to provide explanation on the occurrence/incidents and remediation. This system empowers the IA and ensures that the source of any risk is addressed promptly. The Human Resource would take into consideration the internal audit findings/ratings in the performance evaluation of managers.

The highlights of the IA activities for FY2020 include embarking on Desktop Audit methodology due to the COVID-19 pandemic where physical audit was not practicable as a result of travel restrictions. The Desktop Audit approach comprised of country management teams using conference/zoom calls, collating relevant audit work papers using digital media, enhanced usage of data analytics, remote surveys to gauge impact of pandemic on operations etc. A formal Desktop Audit methodology note was shared to ensure that the coverage is consistent across operations keeping the pandemic situation in view. An infographic highlighting the overall IA approach was also shared with the business and functional teams. The level of communication with key stakeholders was increased so as to provide regular updates on outcome of the remote audits.

During the year, IA also conducted special audits of IT systems, cyber security controls, and risk systems.

The Integrated Assurance Framework ("IAF") also underwent changes where IA and the Risk Office, at the request of the AC Chair and BRC Chair, collaborated to incorporate the Risk Dashboard as part of the IAF and the risk-based audit approach for better alignment and monitoring of risks across the business and operations. The improvement to the IAF included the extension of coverage to Line 1 across various geographies, the inclusion of key performance indicators ("KPIs") against each Risk event and the control effectiveness comparison for Line 1, 2 and 3. The Integrated Risk and Assurance Framework ("IRAF") was formally rolled out in Q3 FY2020 and the audit findings/risks under the purview of the relevant Board Committee was tabled for review by the respective Board Committee quarterly.

During the year under review, the AC carried out a detailed review of the role, adequacy and effectiveness of the IA, the work done under the Internal Audit Plan, the adequacy of the reports tabled by the IA, the independence of the Function and its standing. The AC also met with IA, without the presence of Management, to discuss any issues of concern.

The AC is satisfied that the IA team is effective, independent and has appropriate standing within the Company. With the evolving nature of concerns and issues, the IA continues to resource itself with specialist auditors as well as employ the use of technological tools to provide assurance on the effectiveness of the internal processes and risk management.

Whistleblowing

The Company is committed to a high standard of ethical conducts and adopts a zero-tolerance approach to fraud and corruption. The Company has put in place an Ethical Business Programme which comprises the Code of Conduct (CoC) and the Anti-Bribery and Corruption Policy (ABC Policy). As the Company continues to look towards the future of the Group's business and navigate an ever more challenging world, the elements of the CoC and ABC Policy continues to take on increasing significance. The CoC provides the key standards and policies that everyone working in and for the Company, including Directors, should adhere to. The CoC also encourages and provides a channel for employees to report possible improprieties, unethical practices, etc. in good faith and confidence, without fear of reprisals or concerns. All information and reports are received confidentially to protect the identity and the interest of all whistleblowers.

To ensure that all incidents that are reported are adequately brought to the notice of the stakeholders concerned as well as to initiate corrective action, a reporting structure is provided in detail in the CoC.

A simple communication channel to allow anonymous reporting of any fraud, misappropriation, improprieties or unethical practices is set out in the CoC. A completely anonymous online report may be made using a reporting link http://www.jotform.me/iaolamint/FraudInformationChannel.
Any report so made reaches the Internal Audit department immediately. An alternative to the above for reporting a fraud can be by email sent directly to the Internal Audit department at ia@olamnet.com.

To safeguard the whistleblower from retaliation, should employees suspect that they are being targeted or have actions taken against them in retaliation for raising a compliance or integrity issue, they should immediately report such suspicions using the communication channels provided in the CoC and as set out above.

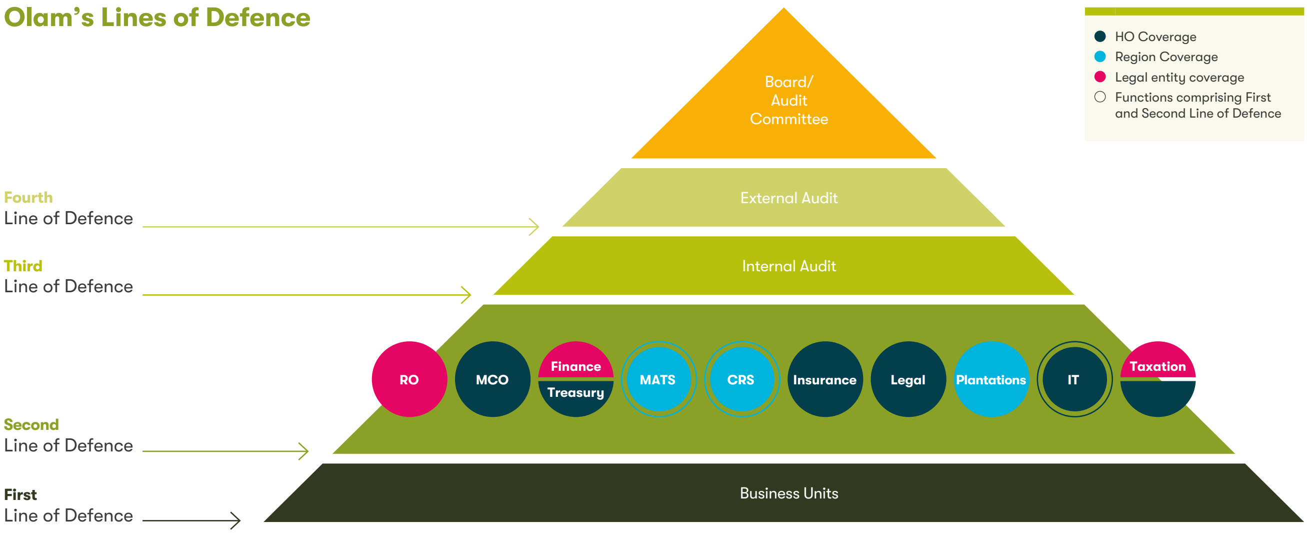
The implementation of the CoC and ABC Policy has been communicated to the employees of the Company and is posted on the Company's intranet. The CoC is also available on the Company's website at olamgroup.com.

Globally, employees must undergo online training to familiarise with the ABC Policy. The rate of completion of the training is tracked and monitored by the Head of Compliance and reported to the IA and the AC under the IRAF. Periodic reminders and updates on the CoC and ABC Policy are communicated to all staff as part of the Company's efforts to promote strong ethical values.

Internal controls

The Company's internal controls processes are regularly strengthened to take into account the changing needs of the Group's businesses. The Company's internal controls structure consists of the policies and procedures established to provide reasonable assurance that the organisation's related objectives will be achieved, the enterprise risk management framework to examine the effectiveness of the Company's risk management plans, systems, processes and procedures, the In-Business Control framework implemented across the geography and entities where the Company operates, the IRAF implemented across all Functions, the information security controls framework and monitoring by the CISO, the audit by internal auditors including any specialised audit commissioned and the work done by external auditors.

Olam's Lines of Defence



Olam has established authorisation and financial approval limits for operating and capital expenditure, the procurement of goods and services, and the acquisition and disposal of investments. A review of the financial authority matrix was undertaken when the Company announced the re-organisation in January 2020. Apart from reserved matters that require the Board's specific approval, such as the issue of equity and dividend and other distributions, Board approval is required for capex transactions, investments and divestments exceeding certain threshold limits, while delegating authority for transactions below those limits to Board Committees and Management to optimise operational efficiency.

Integrated Risk and Assurance Framework

The Company has in place the IRAF to ensure the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

The IRAF has its beginning with the initial implementation of the In-Business Control (IBC) framework since 2016 to capture the inherent level of risk, its impact, the monitoring frequency and the risk owners. The IBC Framework was expanded into and forms part of the integrated assurance framework, which included the work done by IA and during the year under review, incorporated the Risk Dashboard developed by the Risk Office.

There are four lines of defense under the IRAF, namely, the Business Units, the Functions, the Internal Audit Function and the external auditors. The IRAF was established to provide a single view of assurance across a spectrum of risks, reduced duplication and bridged the gaps across Functions, ensure accountability across all lines of defense and to also act as a mechanism to assist the Board and Board Committees in their review of risks and controls, and to form an opinion on the adequacy and effectiveness of the risk and internal controls framework.

IRAF Validation Process

The chart on the right summarises various steps involved in getting validation on control performance, its effectiveness and subsequent review of the same by IA based on discussions with the BU and Functional Heads.

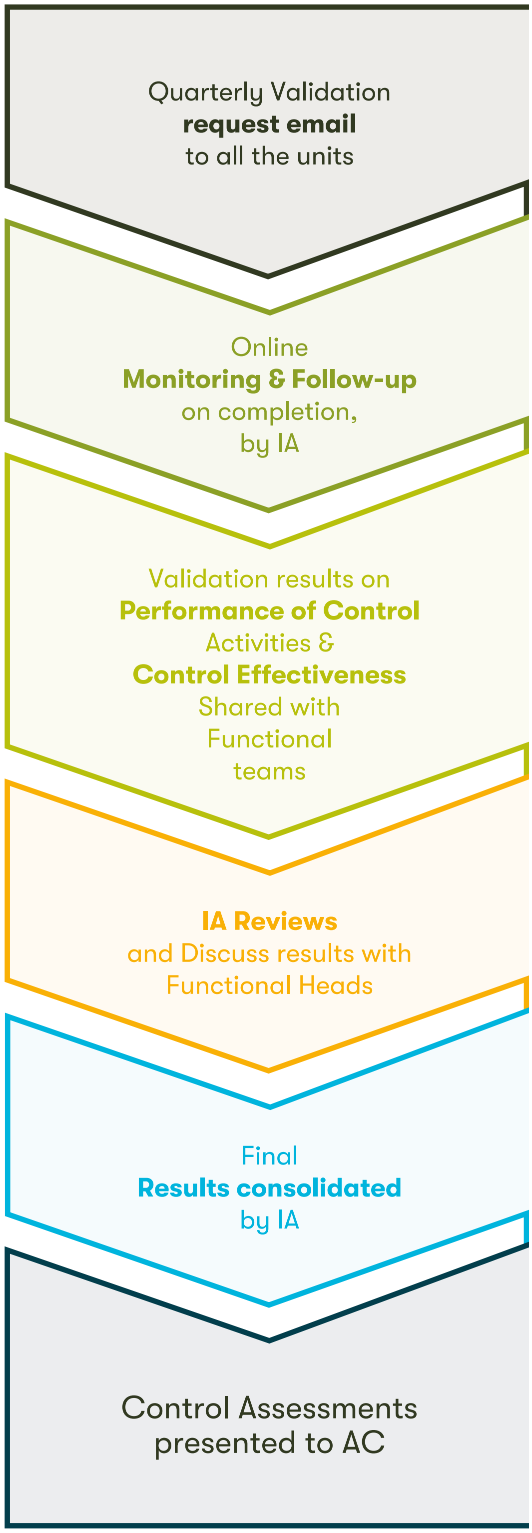
The Board has received assurance from the GCEO, the CEO-OFI and the GCFO that:

- the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- from their review with the risk owners of their assessments of the standard operating procedures framework, escalation reporting, breaches and assurance processes, they are satisfied with the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the work performed under the IRAF, the work performed by the control functions, the internal and external auditors, the assurance received from the GCEO, the CEO-OFI and the GCFO as well as the reviews undertaken by various Board Committees:

- the Board, with the concurrence of the AC and BRC, is of the view that the Group's risk management systems are adequate and effective; and
- the Board, with the concurrence of the AC, is of the opinion that the internal controls, addressing the financial, operational, compliance and information technology controls of the Company, are adequate and effective to meet the needs of the Group in its current business environment.

The Board notes that whilst the internal audit and the internal controls systems put in place by Management provide reasonable assurance against material financial misstatements or loss, and assurance reliability, relevance and integrity of information (including financial information), completeness of records, safeguarding of assets, effectiveness and efficiency of operations and compliance with applicable policies, laws and regulations, it is opined that such assurance cannot be absolute in view of the inherent limitations of any internal audit and internal controls system against the occurrence of significant human and system errors, poor judgement in decision-making, losses, fraud or other irregularities.



Capital and Investment Committee (CIC)

Sanjiv Misra
Chairman

Lim Ah Doo
Ajai Puri (Dr.)
Kazuo Ito
Nagi Hamiyeh
Sunny George Verghese

The CIC meets every quarter, and more often if required, either by way of physical meetings or via audio/video conference.

The role of the CIC has evolved since it was first started with the changes to the landscape, strategic goals and priorities, issues and challenges. From the Company having embarked on a very active phase of acquisitions and investments to the Strategic Plan 2019–2024 announced in January 2019 followed by the re-organisation of the business portfolio to create two new operating groups announced in January 2020, the focus of the CIC has also evolved.

The CIC is governed by established terms of reference and has oversight of the following matters:

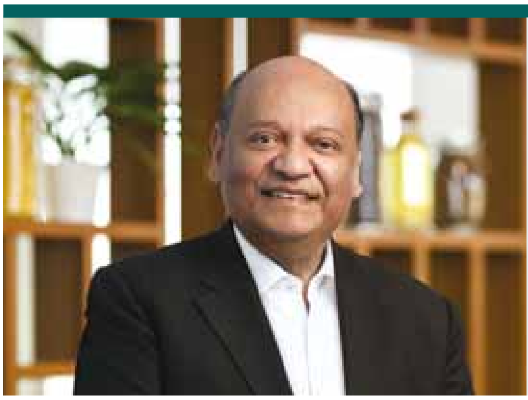
- Review and recommend for approval of the Board, the overall capital structure, gearing and net debt norms for the Company.
- Establish a policy on approval limit for capital expenditure and acquisitions.
- Review and approve (or recommend to the Board for approval) the Company's operating and capital expenditure budgets annually, and review performance against these budgets on a periodic basis.
- Review periodically the performance of investments and acquisitions made by the Company, its subsidiaries or associates against the investment thesis.
- Review and recommend for approval of the Board, any new equity capital raising or issuance of any equity linked instruments, including convertible bonds and perpetual securities.
- Review and approve the Annual Financing Plans (debt raising or refinancing).
- Review investment policy guidelines and capital expenditure plans against the same.
- Consider and approve all capital expenditure, acquisition and/or divestment proposals pursuant to the policy on approval limit for capital expenditure and acquisitions.
- Monitor interest rate trends and implications.
- Review and assess the adequacy of foreign currency management.

In FY2020, the CIC met 7 times. The CIC Chair put in place a set of priorities for the CIC for 2020 and identified the key focus areas, which included, the review of the overall capital structure, gearing, net debt norms and the annual refinancing plan for the 2 new operating groups and OIL, review the implications and impact arising from the Re-organisation, review its terms of reference including the policy governing the authority limits of Management, the CIC and the Board in respect of capital expenditure and divestments, Treasury review, financing plans of the Company, the investments and divestments approved in the quarter, potential acquisitions/investments, progress of the divestments under the Strategic Plan, review of the performance of investments and acquisitions against the investment thesis and the findings reported under the IRAF where CIC has oversight.

The CIC has access to any member of the Management Team in its review of Treasury update, financing plans, investments and divestments, and actively engages the Management Team when deliberating on any subject matter within the CIC's purview.

The CIC worked closely with Board Committees such as the AC, BRC and CRSC to ensure that overall governance of the Company is in place and functioning well. The AC is an important sounding board on matters relating to challenged assets and businesses, and discussions on potential impairment. The AC takes the lead on the performance discussions of such assets and businesses where there may be an impact on balance sheet. The BRC sets parameters for the Company's appetite for risks, identification of risks, and how that risk appetite and risk exposure translates into investments that the Company choose to make. Finally, the CRSC examines issues relating to sustainability, the environment, our ongoing focus on prioritisation of and compliance with all appropriate laws and policies, in relation to investments, including both those that have been completed and others that are being considered.

Corporate Responsibility and Sustainability Committee (CRSC)



Nihal Vijaya Devadas Kaviratne CBE

Chairman

Ajai Puri (Dr.)
Marie Elaine Teo
Norio Saigusa
Sunny George Verghese

At Olam, we believe that profitable growth, as a way of doing business, needs to reflect a creation of value that is ethical, socially responsible and environmentally sustainable.

As a food and agri-business company, how we manage social and environmental issues are common questions from across a broad spectrum of stakeholders. To ensure responsible sustainable growth and respond to stakeholders' concerns, we have established a dedicated Corporate Responsibility and Sustainability (CR&S) Function, and embedded sustainability experts in businesses across the world.

The CRSC met 5 times during the year. The terms of reference of this Committee include:

- To review and recommend to the Board the CR&S vision and strategy for the Group;
- To oversee the integration of CR&S perspectives into the Company's strategy and businesses;
- To review global CR&S issues and trends and assess their potential impact on the Group;
- To review the state of the Group's safety and health measures and status;
- To monitor implementation, through the CR&S function, strategy as well as policies and investments in the CR&S area;
- To review the progress made on various initiatives;
- To support Management's response to crisis, where required;
- To review the Company's report and statement on sustainability activities, commitment and involvement and its sustainable sourcing platform AtSource; and
- To review the adequacy of the CR&S function.

The CRSC actively engages the CR&S function headed by Dr. Christopher Stewart with oversight by Gerard Manley, a member of the Olam Food Ingredients Executive Committee, in the formulation and implementation of various sustainability policies and projects.

The CRSC also plays a pivotal role in monitoring the state of safety and health of our employees, ensuring a culture of zero tolerance to fatal accidents. As such, it reviews the safety and health report from the Group Head of Safety on a quarterly basis as well as obtained regular updates in between quarters on any safety issues and concerns.

The CRSC is kept informed of the Company's discussions with interested Non-Governmental Organisations. The Company informs stakeholders of the practices it has developed to reflect its philosophy of conducting business in an ethical, socially responsible and environmentally sustainable manner. The Committee actively monitors how corporate responsibility and sustainability issues, and the reporting by Management on such issues, are incorporated in the Company's pursuit of various investments. As part of the CRSC's engagement on corporate responsibility and sustainability matters concerning the Group's business and operations, the Chairman and members of the CRSC may, collectively or individually, visit some of the Company's global operations (except in FY2020), along with members of the Management Team, to gain deeper insights into the CR&S activities on the ground.

Highlights of CRSC in FY2020

During the year in review, the CRSC had its focus on the following matters:

- Held regular discussions with the Group Head of Safety on the quarterly Safety and Health report, safety programmes and metrics including Lost Time Injury Frequency Rate, and in-depth review of serious incidents, including fatalities.
- Continuously monitored Olam's response to the COVID-19 crisis including global crisis management, safety of Olam's employees, safe work with farmers and communities, and business continuity through COVID-safe sourcing; as well as the impact of the pandemic on farming communities through surveys conducted by Olam. This was enabled by the formation of a Crisis Management Team in response to the pandemic, which provides regular updates to both the BRC and CRSC.
- Discussed existing work on Climate Risk to Olam's operations and approved a new, in-depth approach to assess Climate Physical and Transition risks, and resulting impact on the business (work which will be completed in 2021).
- Discussed and approved a nutrition strategy focused on the nutritional value of Olam's products, nutrition education and provision in the workplace, and food security and nutrition of farming communities.
- Reviewed the Olam CR&S function roles and structure in the light of Olam's ongoing Strategic Planning cycle.
- Reviewed Product-wise sustainability activities, including the Cocoa Compass sustainability strategy progress report and Cocoa response to the ongoing challenge of child labour in cocoa.

Principle 11:

Shareholders' rights and engagement

Principle 12:

Engagement with shareholders

Principle 13:

Managing stakeholders relationships

Stakeholders

Given the extent of our business – sourcing, trading, growing, processing and distributing crops and industrial raw materials, many considered to be 'high-risk' sustainability-wise, and many in emerging markets, Olam has a wide and diverse stakeholder base.

Engagement therefore happens at every level of the business, across products, geographies and functions. Our stakeholders include:

- Employees and contract workers;
- Investors;
- Large and small-scale farmer suppliers;
- Communities;
- Customers from multi-national brands and retailers to SMEs;
- Campaigning NGOs;
- Technical NGOs who are partners in many cases;
- Financiers, including Development Finance Institutions;
- Governments;
- Regulatory bodies such as the commodity exchanges;
- Industry standard bodies;
- Trade associations;
- Certification partners;
- Foundations; and
- Research Institutions.

We have provided examples in the Strategy Chapter of this Annual Report of the type of partnerships we undertake, as well as key issue areas with stakeholders. See in particular the External Perspectives section from international NGO Oxfam.

Enhancing investor communication

At Olam, our strategic priority is to promote a better understanding of Olam's business by enhancing investor communication. We are committed to provide shareholders, investors, analysts (collectively referred to as the investing community) and key intermediaries (including financial media, brokers and independent research organisations) with corporate strategy, financial, environmental, social and governance and other non-financial information which they need to make informed judgements on the Company. We also seek to understand their perspectives and requirements for decision-making and facilitate to improve two-way communication.

The Group Investor Relations team has lead responsibility for enhancing communication with the investing community, with the active involvement of the GCEO, GCFO and the senior management team, and in consultation with the Board and the Global Corporate Responsibility and Sustainability team on environmental, social and governance issues.

Salient and timely disclosure

We are committed to the practice of fair, transparent and timely disclosure and aim to deliver salient information to the investing community in this manner. All price-sensitive information, including material corporate developments, is publicly released via the SGXNET prior to any sessions with individual investors or analysts.

Up until the announcement of results for financial year 2019, we have held media and analysts' conferences quarterly to announce our financial and operating results. Following the amendments to the SGX-ST Listing Manual (Mainboard) which are effective from 7 February 2020, Olam is no longer required to release its financial statements on a quarterly basis. From 2020, the Company reports its financial results half-yearly and continues to webcast results briefings live to cater to global audiences. The full financial statements, press release, MD&A and presentation materials provided at the briefings are disseminated through the SGXNET outside trading hours, uploaded onto the Company's website and distributed by email to subscribers to our news alerts and investor relations mailing list. The Company will also continue to provide relevant updates of its strategy, operating and financial conditions as appropriate.

In addition to the results briefings, we hold media and analysts' conferences and teleconference calls to communicate material corporate developments. Such media and analyst conferences are also webcast live.

Our Investor Relations website (olamgroup.com/investors.html) is the go-to resource for the investing community for salient and timely information. Besides announcements, it contains Company news, investor presentations, earnings webcasts, transcripts of earnings conference calls, historical financial information on spreadsheets, annual reports, upcoming events, shareholding structure and dividend information. The website provides contact details for investors to submit their feedback and email questions to the Group Investor Relations team.

In early 2021, with the new reporting segments and the release of historical financial information and performance metrics by the new operating groups, we have enhanced our online financials dashboard in the website by including this new segmental information and performance metrics. This interactive financial analysis tool provides a comprehensive overview of our Group's financial and segmental performance and allows investors to search, display and download historical financial data for trend analysis.

Engaging the investing community

Investor Relations activities in 2020

Date	Event
20 January	Briefing on Re-organisation of Olam
28 February	Briefing on Q4 and Full Year 2019 results
20 May	25th Annual General Meeting
13 August	Briefing on H1 2020 results

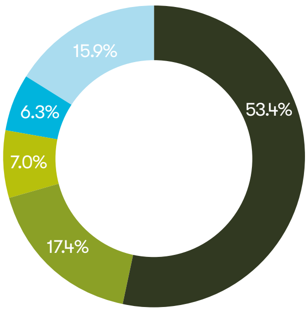
Apart from earnings and corporate announcements briefings, we hold meetings (where face-to-face meetings are permitted under COVID-19 restrictions), telephone and video conference calls with the investing community to facilitate their understanding of the Company's business model and growth strategies. We conduct investment roadshows and participate in investment conferences on a selective basis and virtually if required. Where necessary, the frequency of conducting roadshows and attending investment conferences may increase to meet the Company's requirements of communicating important key messages and addressing market concerns.

The Group Investor Relations team periodically receives investor/analyst requests for meetings or conference calls to discuss the Company. Generally, we accede to all requests for meetings/calls where our schedule permits, provided these meetings/calls do not fall within the closed periods prior to the announcement of financial results.

In addition to outreach programmes targeted at institutional investors, we maintain communication with our employee and retail shareholders, through our employee connectivity platform and shareholder communication services facilitated by the Securities Investors' Association of Singapore (SIAS) respectively.

Tracking changes in shareholder base and interaction with investing community

Our shareholders – a diversified and supportive shareholder group with long-term investment horizon



Temasek Holdings	53.4%
Mitsubishi Corporation	17.4%
Kewalram Chanrai Group	7.0%
Olam's Management	6.3%
Other institutional and public	15.9%

Note:
As of 31 December 2020, about 8.0% of total issued shares (excluding treasury shares) was held by institutional investors.

We track and monitor changes in our shareholder base regularly to help us tailor our shareholder engagement and targeting programmes. We maintain an active electronic database of the investing community, which allows us to target investors and track every investor meeting so that we can measure the frequency, quality and impact of conversations.

As the internet, social media and other mobile applications have become more accessible, we continue to leverage such means to achieve a greater and faster reach to the investing community and facilitate their research by providing on-the-go access to financial and non-financial information, webcasts, tweets and other resources.

We conduct investor perception surveys to seek the investing community's feedback on the Company. We hold dialogues with investors as part of our stakeholder consultation process prior to reviewing our Strategic Plans. We also commission annual surveys with the investing community to gather their feedback on annual reports.

Encouraging greater shareholder participation at AGMs

Olam promotes fair and equitable treatment of all shareholders. All shareholders enjoy rights as stipulated under the Singapore Companies' Act and the new Constitution of the Company which was adopted at its Extraordinary General Meeting in 2018. These rights include, among others, the right to participate in profit distributions and the right to attend and vote at Annual General Meetings (AGMs). Ordinary shareholders are entitled to attend and vote at the AGM by person or proxy. Indirect investors who hold Olam shares through a nominee company or custodian bank or through a CPF agent bank may attend and vote at the AGM.

The AGM is an opportunity for us to communicate directly with shareholders and also for shareholders to ask questions and share their views on the Company. We are committed to establishing more effective ways of communicating with our shareholders around the AGM. Shareholders are informed of these meetings through notices released on the SGXNet, our website and published in the newspapers or by post.

To encourage more shareholder participation, our AGMs have been held in Singapore's city centre (with the exception of the 25th AGM), which is easily accessible by most shareholders. Board members including the Chairman of all Board Committees, namely, the AC, BRC, CIC, CRSC and NRC, and key executives of the senior management team, attend the AGM. Our external auditors are also present to address shareholders' queries. One of the Executive Directors delivers a presentation to update shareholders on the Group's financial performance and progress over the past year.

We treat shareholder issues, particularly those that require shareholders' approval, such as the re-election of Directors and approval of Directors' fees, as distinct subjects and submit them to the AGM as separate resolutions. Shareholders are given time to ask questions on each resolution tabled. In support of greater transparency and an efficient voting system, the Company has been conducting electronic poll voting since 2011. Shareholders who are present in person or represented at the meeting will be entitled to vote on a one-share, one-vote basis on each of the resolutions by poll, using an electronic voting system.

Voting and vote tabulation procedures are declared and presented to shareholders in a video before the AGM proceeds. The Company appoints an independent scrutineer to count and validate the votes at the AGM. The independent scrutineer for the 25th AGM was RHT Governance, Risk & Compliance. The results of all votes cast for and against in respect of each resolution, including abstaining votes, are instantaneously displayed at the meeting and announced on SGXNET after the AGM.

During the AGM, shareholders are given the opportunity to ask questions or raise issues. The questions and answers are recorded and detailed in the minutes. The Company provides shareholders with the minutes of all general meetings upon request. The minutes of all general meetings from 2019 are available on the Company's Investor Relations website at www.olamgroup.com/investors.

Due to the COVID-19 restrictions in 2020, the 25th AGM was held virtually, with shareholders voting by proxy. Questions from shareholders were emailed to the Company and management's responses to these questions were posted on the SGXNET ahead of the meeting. All Board members were present at the 25th AGM, except Directors who were appointed after the AGM:

Chairman of the Board Committees
Lim Ah Doo, Chair of the BSC, NRC*
Yap Chee Keong, Chair of the AC
Marie Elaine Teo, Chair of the BRC
Sanjiv Misra, Chair of the CIC
Jean-Paul Pinard, Chair of the CRSC

Board Members
Sunny George Verghese, Executive Director, Co-Founder and Group CEO
Nihal Vijaya Devadas Kaviratne CBE, Independent and Non-Executive Director
Yutaka Kyoya, Non-Executive Director
Kazuo Ito, Non-Executive Director
Shekhar Anantharaman, Executive Director and CEO, Olam Food Ingredients
Nagi Hamiyeh, Non-Executive Director
Ajai Puri (Dr.), Independent and Non-Executive Director
Joerg Wolle (Dr.), Independent and Non-Executive Director

* The NRC was formed in May 2020 which combined the Governance and Nomination Committee (GNC) and the Human Resource and Compensation Committee (HRCC).

The Constitution of the Company provides the Board with the authority to approve the implementation of security measures to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or fax. Voting in absentia by mail or electronic means requires careful study and is only feasible if there is no compromise to either the integrity of the information and/or the true identity of the shareholder. The Company has decided, for the time being, not to implement voting in absentia but will continue to monitor the development in this space including any update/changes to regulations.

As a practice, the Company provides an explanation on the dividend recommended at the AGM in the explanatory notes of the Notice to AGM. The Company does not have a fixed dividend policy. The Directors seek to recommend dividends consistent with the Company's overall governing objective of maximising intrinsic value for its continuing shareholders. Please refer to the explanatory note for more information.

Recognitions

Olam's 2019 Annual Report was recognised as the Best Annual Report (mid-cap) at the IR Magazine Forum & Awards – South East Asia 2020 against four other shortlisted nominees from the region. Olam was shortlisted by a panel of judges made up of investment professionals and IR Magazine editorial members, and then put through another round of scrutiny and debate before the decision was taken. The Company was also among six nominated companies for Best ESG (Environmental, Social, Governance) materiality reporting.

Olam was also named the Best Issuer for Sustainable Finance and for issuing the Best Sustainability-linked Loan in Singapore – the US$250 million sustainability-linked revolving credit facility – at The Asset Triple A Sustainable Capital Markets Country Awards 2020. Other accolades include Olam Singapore's recognition as a Great Place to Work Certified™ company and the Innovation Leader's Impact Award 2020, honouring one of Olam's digital products Olam Direct for leveraging innovation, technology, and R&D initiatives to achieve extraordinary business impacts.

Securities Transactions

The Company is committed to transparency, fairness and equity in dealing with all shareholders and in ensuring adherence to all laws and regulations that govern a company listed and trading on the SGX-ST. There is an established policy on dealings in securities of the Company in line with the SGX-ST Listing Rules for its Directors and employees, setting out the implications of insider trading and guidance on such dealings. The policy provides that the Company, its Directors and employees must not deal in the Company's securities at any time after a price-sensitive development has occurred, or has been the subject of a decision, until the price-sensitive decision has been publicly announced.

Directors and employees are discouraged from short-term speculative trading in the Company's securities; personal investment decisions should be geared towards long-term investment. In particular, the Company, its Directors and executives will not deal in the Company's securities during the periods commencing 1 month prior to making public the half-yearly and annual financial results and ending at the close of trading on the date of the announcement of the relevant results.

In keeping with the policy, Directors and employees of the Company are notified of close periods for dealing in the Company's securities as well as any special dealing restriction that may be imposed from time to time.

Directors who deal in the shares and any other securities of the Company are required to notify the Company within 2 business days of becoming aware of the transaction.

The Company announced on 27 January 2021 that it would issue S$100,000,000 4.00 per cent. Fixed rate senior unsecured notes due 2026 (to be consolidated and forming a single series with the existing S$400,000,000 4.00 per cent. fixed rate senior unsecured notes issued on 24 August 2020 and the S$100,000,000 4.00 per cent. fixed rate senior unsecured notes issued on 1 September 2020) pursuant to the EMTN Programme established by the Company on 6 July 2012 and last updated on 5 May 2020. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch was appointed as the sole manager for the issuance of the Series 19 Tranche 003 Notes. The Company made a further announcement on 3 February 2021 in relation to the completion of the Series 19 Tranche 003 Notes. On 26 February 2021, the Company released its unaudited full year financial results for the financial year ended 31 December 2020.

Material contracts

There was no material contract involving the interests of any director or controlling shareholder entered into by the Company or any of its subsidiaries and no such contract subsisted since and at the end of the financial year ended 31 December 2020.

Interested person transactions

A shareholders' mandate for interested person transactions pursuant to Rule 920 of the SGX-ST was approved by the shareholders for the financial year ended 31 December 2020 at the annual general meeting held on 20 May 2020 ("IPT Mandate").

Pursuant to the IPT Mandate, the Company, its subsidiaries and associated companies which are considered to be "entities at risk" ("EAR", as that term is defined in Chapter 9 of the Listing Manual) to enter into recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with the interested persons named in the IPT Mandate.

In the event that any member of the relevant approving authority as described in the IPT Mandate has an interest in an IPT under review or any business or personal connection with the relevant Mandated Interested Person, then the relevant person shall not participate in any decision-making procedure in respect of that IPT, and the review and approval of that Mandated IPT will be undertaken only by a non-interested member of that approving authority where applicable. If there is only one member of that approving authority or where all the members of the relevant approving authority of the IPT Mandate are conflicted, then the approval from the next higher approving authority shall be sought.

The AC shall review quarterly reports on the IPT to ascertain that the established review procedures for IPT have been complied with. Any member of the AC who is an employee or nominee of the controlling shareholders of the Company or has an interest in an IPT under review or any business or personal connection with the parties or any of its associates, shall not participate in such review or decision-making procedure. If during these quarterly reviews by the AC, the AC is of the view that the review procedures as prescribed under the IPT Mandate have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the EAR group are conducted, the AC will, in consultation with the Board, take such actions as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to seek a fresh general mandate from the shareholders to ensure that the IPT will be conducted on an arm's length basis and on normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority shareholders.

Shareholders of the Company who are interested persons of an IPT shall abstain from voting their shares on a resolution put to the vote of shareholders in relation to the approval of such IPT or the renewal of the IPT Mandate. In accordance with Rule 920(1)(b)(viii) of the Listing Manual, Mitsubishi Corporation and its Associates shall abstain from voting in respect of each of their shareholdings on the ordinary resolution to approve the renewal of the IPT Mandate as set out in the notice of annual general meeting. Any votes cast by such person in contravention of this requirement shall be disregarded.

Directors who are deemed an interested person of an IPT that requires the approval of shareholders will abstain from voting his/her holding of shares (if any) on any resolution put to the vote of shareholders in relation to the approval of any IPT. Directors will also decline to accept appointment as proxy for any shareholder to vote in respect of such resolution unless the shareholder concerned shall have given specific instructions in his/her proxy form as to the manner in which his/her votes are to be cast in respect of such resolution. Any votes cast by such person in contravention of this requirement shall be disregarded.

All transactions with interested persons are reviewed by the internal auditors and reported to the AC. The transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders. The Company's disclosures in respect of the IPTs for the financial year ended 31 December 2020 are as follows:

Parties	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) FY2020 S$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) FY2020 S$
MC Agri Alliance, Ltd	#1	875,217	180,680,851
Agrex, Inc.	#1	33,290,409	–
Singapore Telecommunications Limited	#2	482,134	–
MS Commercial Pte Ltd	#2	4,972,670	–
DBS Bank Limited	#2	796,609	–
Standard Chartered Bank	#2	658,349	–
Total		**41,075,388**	**180,680,851**

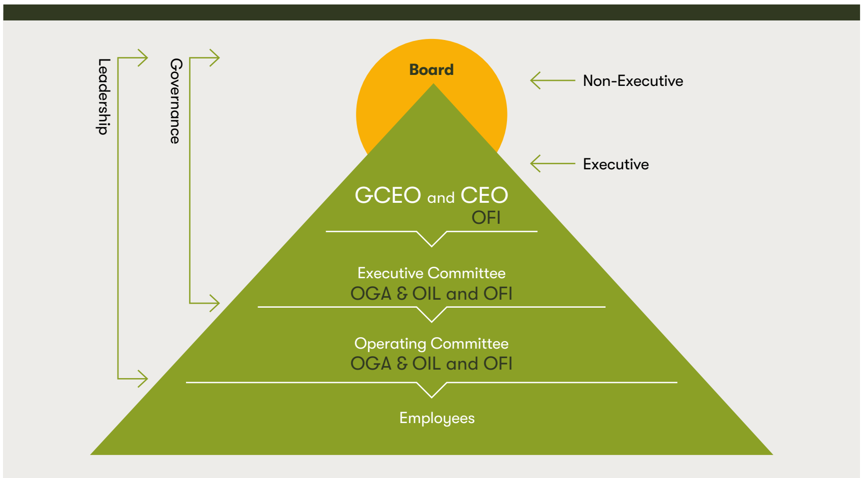
Notes:
#1 Associate of Mitsubishi Corporation, a controlling shareholder of the Company
#2 Other interested persons

Board Committee Membership

At a glance as at 18 March 2021

Board	Membership	Board Committees	Date of first appointment
Lim Ah Doo	• Chairman • Independent Non-Executive	• Nomination & Remuneration Committee (Chairman) • Capital & Investment Committee • Board Steering Committee (Chairman)	1 November 2016 (assumed Chairmanship on 1 January 2017)
Sunny George Verghese	• Executive • Co-Founder and Group CEO	• Board Steering Committee • Capital & Investment Committee • Corporate Responsibility & Sustainability Committee	11 July 1996
Sanjiv Misra	• Independent Non-Executive	• Board Risk Committee • Capital & Investment Committee (Chairman) • Nomination & Remuneration Committee	1 November 2013
Nihal Vijaya Devadas Kaviratne CBE	• Independent Non-Executive	• Audit Committee • Corporate Responsibility & Sustainability Committee (Chairman)	1 October 2014 (assumed Chairmanship of the Corporate Responsibility & Sustainability Committee at the conclusion of the 25th Annual General Meeting held on 20 May 2020)
Yap Chee Keong	• Independent Non-Executive	• Audit Committee (Chairman) • Board Risk Committee • Nomination & Remuneration Committee	1 December 2015
Marie Elaine Teo	• Independent Non-Executive	• Audit Committee • Board Risk Committee (Chair) • Corporate Responsibility & Sustainability Committee	1 December 2015
Kazuo Ito	• Non-Executive	• Audit Committee • Capital & Investment Committee • Board Steering Committee	1 December 2018
Shekhar Anantharaman	• Executive CEO, OFI	• Board Risk Committee • Board Steering Committee	1 April 1998
Nagi Hamiyeh	• Non-Executive	• Board Steering Committee • Capital & Investment Committee	1 September 2019
Ajai Puri (Dr.)	• Independent Non-Executive	• Audit Committee • Capital & Investment Committee • Corporate Responsibility & Sustainability Committee	1 September 2019
Joerg Wolle (Dr.)	• Independent Non-Executive	• Nomination & Remuneration Committee	1 September 2019
Norio Saigusa	• Non-Executive	• Board Risk Committee • Corporate Responsibility & Sustainability Committee • Nomination & Remuneration Committee	20 May 2020

Corporate Information



'OGA' denotes Olam Global Agri
'OFI' denotes Olam Food Ingredients

Executive Committee

OGA/OIL

Sunny Verghese (GCEO)
Ashok Chandramohan Hegde
Gagan Gupta
Keshav Chandra Suresh
Neelamani Muthukumar
Sundararajan Suresh
Ben Pearcy
Joydeep Bose
Venkataramani Srivathsan

OFI

Shekhar Anantharaman (CEO)
Ashok Krishen
Gerard Anthony Manley
Gregory Carl Estep
Prakash Chand Jhanwer
Vivek Verma
Rishi Kalra
Sandeep Jain
Tejinder Singh Saraon

Operating Committee

OGA/OIL

Anupam Gupta
Syed Abdul Azeez
Bikash Bhagwan Prasad
Christopher G Stewart
Darshan Bhanubhai Raiyani
Devashish Chaubey
Gurpreet Singh Dhaliwal
Janaky Grant
Jayant Shriniwas Parande
Mahadevan Ramanarayanan
Mukul Mathur
Naveen Sharma
Rahul Salim Verghese
Rajeev Pandurang Kadam
Ravi Pokhriyal
Roel Van Poppel
Srinivasan Venkita Padmanabhan
Sanjay Sacheti
Saurabh Mehra
Sharad Gupta
Sriram Subramanian
Thiagaraja Manikandan S

OFI

Amit Khirbat
Anupam Jindel
Arouna Coulibaly
Arun Sharma
Brijesh Krishnaswamy
Briony Rudder Mathieson
Chris Beetge
Damien Houlahan
Edward Norder
George Joseph
Jeronimo Antonio Pereira
Jim Fenn
Juan Antonio Rivas
Kameswar Rao Ellajosyula
Kaushal Khanna
Keith Franzen
Manish Dhawan
Manoj Kumar Vashista
Raja Saoud
Sathyamurthy M
Sumanta Kumar De
Paul Serra

Company Secretary

Michelle Tanya Kwek

Registered office

7 Straits View
Marina One East Tower
#20-01
Singapore 018936

Telephone: (65) 6339 4100
Fax: (65) 6339 9755

Auditor

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner in charge:
Christopher Wong Mun Yick
(since financial year
31 December 2019)

Principal bankers

Australia and New Zealand Banking Group Limited

Banco Bilbao Vizcaya Argentaria S.A

Banco Santander, S.A.

BNP Paribas

Citibank N.A.

Commonwealth Bank of Australia

DBS Bank Ltd

First Abu Dhabi Bank P.J.S.C.

ING Bank N.V.

JPMorgan Chase Bank N.A.

Mizuho Bank, Ltd

MUFG Bank, Ltd

National Australia Bank Limited

Natixis

Rabobank International

Scotiabank

Standard Chartered Bank

Sumitomo Mitsui Banking Corporation

The Hongkong and Shanghai Banking Corporation Limited

Unicredit Bank AG

Westpac Banking Corporation

Shareholding Information

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders as at 18 March 2021)

No.	Name of Shareholder	Direct Number of Shares[1]	Deemed Number of Shares[1]
1.	Breedens Investments Pte. Ltd.[2]	1,394,271,494	–
2.	Aranda Investments Pte. Ltd.[2]	312,814,360	–
3.	Seletar Investments Pte Ltd[2]	–	1,707,085,854
4.	Temasek Capital (Private) Limited[2]	–	1,707,085,854
5.	Temasek Holdings (Private) Limited[2]	–	1,707,085,854
6.	Mitsubishi Corporation[3]	554,689,829	–
7.	Allan & Gill Gray Foundation[4]	–	182,940,227
8.	Orbis Allan Gray Limited[4]	–	182,940,227
9.	Orbis Holdings Limited[4]	–	182,940,227
10.	Orbis Investment Management Limited[4]	–	182,940,227
11.	Kewalram Singapore Limited[5]	225,229,921	–
12.	Chanrai Investment Corporation Limited[5]	–	225,229,921
13.	Kewalram Chanrai Holdings Limited[5]	–	225,229,921
14.	GKC Trustees Limited (as trustees of Girdhar Kewalram Chanrai Settlement)[5]	–	225,229,921
15.	MKC Trustees Limited (as trustees of Hariom Trust)[5]	–	225,229,921
16.	DKC Trustees Limited (as trustees of Damodar Kewalram Chanrai Settlement)[5]	–	225,229,921

Notes:

1. Percentages of interests are calculated based on the total number of issued ordinary Shares (excluding treasury shares and subsidiary holdings) being 3,195,623,619 as at 18 March 2021.
2. Temasek Holdings (Private) Limited's ("**Temasek**") interest arises from the direct interest held by Breedens Investments Pte. Ltd. ("**Breedens**") and Aranda Investments Pte. Ltd. ("**Aranda**").

   (A) Temasek's deemed interest through Breedens 43.63%

   (i) Breedens has a direct interest in 43.63% of voting Shares of the Company.

   (ii) Breedens is a wholly-owned subsidiary of Seletar Investments Pte Ltd ("**Seletar**").

   (iii) Seletar is a wholly-owned subsidiary of Temasek Capital (Private) Limited ("**Temasek Capital**").

   (iv) Temasek Capital is a wholly-owned subsidiary of Temasek.

   (B) Temasek's deemed interest through Aranda 9.79%

   (i) Aranda has a direct interest in 9.79% of voting shares of the Company.

   (ii) Aranda is a wholly-owned subsidiary of Seletar.

   (iii) Seletar is a wholly-owned subsidiary of Temasek Capital.

   (iv) Temasek Capital is a wholly owned subsidiary of Temasek.

   Total interest of Temasek 53.42%
3. Total interest of Mitsubishi Corporation 17.36%
4. Orbis Holdings Limited, Orbis Allan Gray Limited and Allan & Gill Gray Foundation are substantial shareholders of the Company by virtue of their deemed interest in the Shares managed by their indirect subsidiary, Orbis Investment Management Limited ("**OIML**"), which is the fund manager for the Orbis funds. OIML has the ability to vote and acquire/dispose of the Company's Shares for and on behalf of the Orbis funds.

   OIML has also sub-delegated some of its portfolio management duties, including the authority to dispose of securities, to Orbis Investment Management (Hong Kong) Limited ("**OIMHK**"). By virtue of the sub-delegation, OIMHK has deemed interest in the voting Shares of the Company. However, OIML still retains overall investment management oversight, including voting Shares in the Company, held by the portfolios.

   OIML is a substantial shareholder of the Company as it has deemed interests in the Shares of the Company held by the following Orbis funds,

   1. Orbis Emerging Markets Equity Fund (Australia Registered)
   2. Orbis Institutional Emerging Markets Equity LP
   3. Orbis Global Equity LE Fund (Australia Registered)
   4. Orbis Global Equity Fund (Australia Registered)
   5. Orbis Global Balanced Fund (Australia Registered)
   6. Orbis SICAV – Orbis Global Balanced Fund
   7. Orbis Institutional Equity LP
   8. Orbis Institutional Global Equity Fund
   9. Orbis Global Equity Fund
   10. Orbis Institutional Global Equity (OFO) Fund
   11. Orbis Institutional Global Equity LP
   12. Orbis Institutional International Equity LP
   13. Orbis Optimal LP
   14. Orbis Optimal SA
   15. Orbis SICAV – Orbis Global Equity
   16. Allan Gray Australia Balanced Fund
   17. Orbis SICAV – Orbis Institutional Equity
   18. Orbis OEIC Global Balanced Fund
   19. Orbis OEIC Global Equity Fund
   20. Orbis OEIC Global Cautious Fund
   21. Orbis SICAV – Orbis Emerging Markets Fund
   22. Orbis SICAV – International Equity

   None of the above Orbis funds individually holds 5% or more of the Company's Shares.

   Total deemed interest of Orbis Group 5.72%
5. Kewalram Singapore Limited ("**KSL**") is a wholly-owned subsidiary of Chanrai Investment Corporation Limited ("**CICL**"), which in turn is a wholly-owned subsidiary of Kewalram Chanrai Holdings Limited ("**KCHL**"). By virtue of Section 4(7)(d) of the Securities and Futures Act, each of CICL and KCHL is deemed to be interested in the 225,229,921 Shares held by KSL.

   GKC Trustees Limited (as trustees of Girdhar Kewalram Chanrai Settlement) ("**GKC Settlement**"), MKC Trustees Limited (as trustees of Hariom Trust) ("**Hariom Trust**") and DKC Trustees Limited (as trustees of Damodar Kewalram Chanrai Settlement) ("**DKC Settlement**") are shareholders of KCHL. By virtue of Section 4(5) of the Securities and Futures Act, each of the GKC Settlement, Hariom Trust and DKC Settlement is deemed to be interested in the 225,229,921 Shares in which KCHL has an interest.

   CICL, KCHL, GKC Settlement, Hariom Trust and DKC Settlement are deemed interested in the 225,229,921 Shares held by KSL.

   Total interest of the Kewalram Group 7.05%

Statistics of Shareholdings

As at 18 March 2021

Issued and fully Paid-up Capital	S$3,812,922,224.14
Number of Ordinary Shares in issue (excluding Treasury Shares)	3,195,623,619
Number of Ordinary Shares held as Treasury Shares	75,395,038
Percentage of Treasury Shares held against the total number of Issued Ordinary Shares outstanding (excluding Treasury Shares)	2.36%
Class of Shares	Ordinary Shares
Voting Rights	One vote per share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	127	1.76	4,539	0.00
100 – 1,000	942	13.07	743,059	0.02
1,001 – 10,000	4,644	64.43	22,807,254	0.72
10,001 – 1,000,000	1,470	20.39	58,462,377	1.83
1,000,001 and above	25	0.35	3,113,606,390	97.43
Total	**7,208**	**100.00**	**3,195,623,619**	**100.00**

Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	Breedens Investments Pte Ltd	1,394,271,494	43.63
2	HSBC (Singapore) Nominees Pte Ltd	562,672,990	17.61
3	Citibank Nominees Singapore Pte Ltd	322,715,553	10.10
4	Aranda Investments Pte Ltd	312,814,360	9.79
5	Kewalram Singapore Limited	225,229,921	7.05
6	DBS Nominees (Private) Limited	99,374,708	3.11
7	Raffles Nominees (Pte.) Limited	67,985,923	2.13
8	Daiwa Capital Markets Singapore Limited	50,000,000	1.56
9	DBS Vickers Securities (Singapore) Pte Ltd	17,939,627	0.56
10	DBSN Services Pte. Ltd.	12,545,407	0.39
11	UOB Kay Hian Private Limited	9,599,432	0.30
12	OCBC Securities Private Limited	7,646,768	0.24
13	United Overseas Bank Nominees (Private) Limited	4,610,046	0.14
14	Phillip Securities Pte Ltd	4,007,180	0.13
15	CGS-CIMB Securities (Singapore) Pte. Ltd.	3,331,688	0.10
16	Mak Seng Fook	3,028,296	0.09
17	Maybank Kim Eng Securities Pte. Ltd.	2,987,116	0.09
18	OCBC Nominees Singapore Private Limited	2,599,799	0.08
19	DB Nominees (Singapore) Pte Ltd	1,888,182	0.06
20	Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,870,337	0.06
Total		**3,107,118,827**	**97.22**

Public Float

Approximately 11.64% of the Company's Shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Annual General Meeting

Olam International Limited

(Company Registration No. 199504676H)
(Incorporated in The Republic of Singapore with limited liability)

In view of the ongoing COVID-19 pandemic, the Company will be conducting the Twenty-Sixth Annual General Meeting (the "**Meeting**") of Olam International Limited (the "**Company**") wholly by electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**") and the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 1 October 2020 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation" (the "**Joint Guidance**").

Shareholders of the Company ("**Shareholders**") should take note of the following arrangements for the Meeting:

(a) **No Attendance in Person:** The Meeting will be conducted only by electronic means and Shareholders will not be able to physically attend the Meeting. The proceedings of the Meeting will be broadcast through a "live" webcast comprising both video (audio-visual) and audio-only feeds. Please pre-register for the "live" webcast if you wish to attend the Meeting.

Live Audio and Video Webcasts: All Shareholders as well as investors who hold Shares (as defined below) through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**")), including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") ("**Investors**"), who wish to follow the proceedings of the Meeting through the "live" webcast **must pre-register online at https://www.olamgroup.com/investors.html by Tuesday, 20 April 2021, 2.00 p.m. Singapore time** for verification purposes. Following successful verification, details on how to join the webcast will be sent to you by **22 April 2021** at the email specified in your pre-registration details.

(b) **Submission of Questions:** Shareholders and Investors will not be able to ask questions "live" via the webcast. All Shareholders and Investors can submit questions relating to the business of the Meeting **up till Tuesday, 20 April 2021, 2.00 p.m. Singapore time** (being 72 hours before the time appointed for the holding of the Meeting) either (i) via post to Boardroom Corporate & Advisory Services Pte Ltd, the Company's Share Registrar's office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or (ii) via electronic mail to **olamagm@olamnet.com**. The Company will endeavour to respond to substantial and relevant questions either prior to the Meeting (via an announcement on SGXNET and the Company's website) or at the Meeting.

(c) **Voting Solely via Appointing Chairman as Proxy (submitting a Proxy Form):** Shareholders will only be able to vote at the Meeting by appointing the Chairman as proxy to vote on their behalf in respect of all the Shares held by them. Duly completed Proxy Forms must be deposited with the Company (i) via post to the Share Registrar's office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or (ii) via electronic mail to **olamagm@olamnet.com** enclosing a clear scanned completed and signed Proxy Form, and must be received by the Company by **Tuesday, 20 April 2021, 2.00 p.m. Singapore time** (being 72 hours before the time appointed for the holding of the Meeting). Proxy Forms can be downloaded from SGXNET or the Company's website. In the Proxy Form, a Shareholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the Meeting. If no specific direction as to voting is given, the Chairman of the Meeting will vote or abstain from voting at his/her discretion. All valid votes cast via proxy on each resolution will be counted. In view of the COVID-19 situation, we encourage shareholders to submit the completed and signed Proxy Form via electronic mail. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

(d) **Voting by Investors holding Shares through Relevant Intermediaries (including CPF and SRS investors):** Investors holding Shares through Relevant Intermediaries (as defined under Section 181 of the Companies Act), including CPF/SRS investors, that wish to vote should not make use of the Proxy Form and should instead approach their respective relevant intermediary as soon as possible to specify voting instructions. CPF and SRS investors who wish to vote should approach their respective CPF Agent Bank/SRS Operator at least seven working days before the Meeting (i.e. by **Wednesday, 14 April 2021, 5.00 p.m. Singapore time**), to ensure that their votes are submitted.

(e) **Voting Results:** An independent scrutineer will be appointed by the Company to direct and supervise the counting and validation of all valid votes cast through Proxy Forms received as of the above-mentioned deadline. Based on the report of the independent scrutineer, the voting results will be announced during the Meeting (and displayed on-screen for the "live" video webcast) in respect of each motion put to the vote at the Meeting in turn, following which the Chairman of the Meeting shall declare the outcome of the relevant resolution. The Company will also issue an announcement on SGXNET on the results of all of the resolutions put to vote at the Meeting.

Important Dates and Times

Date/Time	Actions
By Wednesday, 14 April 2021, 5.00 p.m.	Investors that wish to vote should approach their respective CPF Agent Bank/SRS Operator to submit their votes.
By Tuesday, 20 April 2021, 2.00 p.m.	Shareholders/Investors to: • pre-register online at **https://www.olamgroup.com/investors.html** to attend Meeting • submit questions relating to the business of the Meeting either via (i) post to the Share Registrar's office, or (ii) email to olamagm@olamnet.com. Shareholders that wish to vote should also deposit completed Proxy Forms either by (i) post to the Share Registrar's office, or (ii) email to olamagm@olamnet.com. **In view of COVID-19 situation, we encourage Shareholders to submit the completed and signed Proxy Form via email.**
By Thursday, 22 April 2021	Verified Shareholders/Investors will receive an email with details on how to attend the Meeting ("**Confirmation Email**"). Shareholders/Investors that have validly pre-registered but have not received any Confirmation Email by this date should contact the Share Registrar at srs.teamc@boardroomlimited.com.
Friday, 23 April 2021, 2.00 p.m. **Day of Meeting**	Shareholders/Investors to log-in/dial-in to the Meeting using the details received in the Confirmation Email.

Documents and Information Relating to the Meeting

Documents and information relating to the Meeting (including the Notice, Annual Report, Letter to Shareholders dated 8 April 2021 (the "**Letter**") and Proxy Form) have been published on SGXNET (www.sgx.com) and the Company's website (**www.olamgroup.com**). For your convenience, printed copies of the Notice and Proxy Form will also be sent by post to Shareholders.

In view of the evolving COVID-19 situation, Shareholders are advised to continue to check SGXNET and the Company's website regularly for any updates relating to the Meeting.

NOTICE IS HEREBY GIVEN that the Meeting of the Company will be conducted wholly by electronic means, on Friday, 23 April 2021 at 2.00 p.m. Singapore time for the following purposes:

Ordinary Business	**Ordinary Resolutions**
1. To receive and adopt the Directors' Statement and the Audited Consolidated Financial Statements of the Company for the financial year ended 31 December 2020 together with the Auditors' Report thereon. Please refer to the explanatory note (i) provided.	**Resolution 1**
2. To declare a second and final dividend of 4.0 cents per share, tax exempt (one-tier) for the financial year ended 31 December 2020. Please refer to the explanatory note (ii) provided.	**Resolution 2**
3. To re-elect the following Directors retiring pursuant to Regulation 107 of the Constitution of the Company (the "**Constitution**"), and who, being eligible, offer themselves for re-election:	
(a) Mr. Sanjiv Misra	**Resolution 3**
(b) Mr. Yap Chee Keong	**Resolution 4**
(c) Ms. Marie Elaine Teo	**Resolution 5**
(d) Mr. Shekhar Anantharaman	**Resolution 6**
Please refer to the explanatory note (iii) provided.	
4. To approve the payment of Directors' fees of up to S$3,300,000 for the financial year ending 31 December 2021 ("**FY2021**") (2020: S$3,300,000). Please refer to the explanatory note (iv) provided.	**Resolution 7**
5. To re-appoint Messrs Ernst & Young LLP as the auditors of the Company and to authorise the Directors to fix their remuneration. Please refer to the explanatory note (v) provided.	**Resolution 8**

Special Business	**Ordinary Resolutions**

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. **General Authority to Issue Shares** — **Resolution 9**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**"), the Directors be authorised and empowered to:

(a) (i) issue ordinary shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company ("**Shareholders**") shall not exceed ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:

(A) new Shares arising from the conversion or exercise of any convertible securities;

(B) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(C) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company ("**AGM**") or the date by which the next AGM is required by law to be held, whichever is the earlier.

Please refer to the explanatory note (vi) provided.

7. **Renewal of the Share Buyback Mandate** **Resolution 10**

That:

(a) for the purposes of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(i) market purchase(s) (each a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless revoked or varied by the Company in a general meeting, the authority conferred on the Directors pursuant to this Resolution may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM is held or required by law to be held; or

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earlier;

(c) in this Resolution:

"**Maximum Limit**" means that number of issued Shares representing not more than five per cent. (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time and subsidiary holdings);

Special Business **Ordinary Resolutions**

"**Relevant Period**" means the period commencing from the date of passing of this Resolution and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed 105% of the Average Closing Price.

where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days (a "**Market Day**" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days and the day on which the On-Market Purchase was made; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

Please refer to the explanatory note (vii) provided.

8. **Authority to Issue Shares under the Olam Share Grant Plan** **Resolution 11**

That the Directors be and are hereby authorised to:

(a) grant awards in accordance with the provisions of the Olam Share Grant Plan; and

(b) allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of awards under the Olam Share Grant Plan,

provided that the total number of Shares which may be allotted and issued and/or Shares which may be delivered pursuant to awards granted under the Olam Share Grant Plan on any date, when added to:

(i) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares delivered and/or to be delivered in respect of all awards granted under the Olam Share Grant Plan; and

(ii) all Shares, options or awards granted under any other share schemes of the Company then in force,

shall not exceed ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier.

Please refer to the explanatory note (viii) provided.

9. **Renewal of the IPT Mandate** **Resolution 12**

That:

(a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual for the Company, its subsidiaries and associated companies that are "entities at risk" (as that term is used in Chapter 9 of the Listing Manual), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter with any interested person who is described in the Annex to the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

(b) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time;

(c) the approval given in paragraph (a) above (the "**IPT Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

Please refer to the explanatory note (ix) provided.

By Order of the Board

Michelle Tanya Kwek
Company Secretary
Singapore

Date: 8 April 2021

Please read the following notes and the explanatory notes to the resolutions as set out below before deciding how to vote.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) recordings and transmitting images and/or voice recordings when broadcasting the AGM proceedings through webcast, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Website

The Company's website, www.olamgroup.com, provides more information about the Company, including the latest Annual Report, the Letter, the Notice of AGM and the Proxy Form.

Explanatory notes of the resolutions to be proposed at the AGM

Resolutions 1 to 12 are proposed as ordinary resolutions. For an ordinary resolution to be passed, more than half of the votes cast must be in favour of the resolution.

(i) Ordinary Resolution 1

The Companies Act requires the audited consolidated financial statements of the Company for each financial year to be tabled before the Shareholders in a general meeting. The audited consolidated financial statements are to be accompanied by the Directors' Statement and the Auditors' Report thereon. The Directors' Statement and the audited consolidated financial statements for the financial year ended 31 December 2020 ("**FY2020**") together with the Auditors' Report thereon are provided in the Financial Report of the Annual Report. A copy may also be read on our website at olamgroup.com/investors/investor-library.html.

(ii) Ordinary Resolution 2

Ordinary Resolution 2 is to declare a final tax-exempt dividend of 4.0 cents per Share for FY2020. Together with the sum of 3.5 cents per Share of interim dividend declared for the first-half of FY2020, the total dividend for FY2020 is 7.5 cents per Share (approximately S$240 million). The Company does not have a fixed dividend policy. The Directors' policy is to recommend dividends consistent with the Company's overall governing objective of maximising intrinsic value for its continuing Shareholders. Dividend payments are affected by matters such as the level of the Company's future earnings, results of operations, capital requirements, cash flows, financial conditions, the Company's plans for expansion, general business conditions and other factors, including such legal or contractual restrictions as may apply from time to time or which the Directors may consider appropriate in the interests of the Company. The Directors will consider all these factors before proposing any dividends. The Company may, by ordinary resolution at a general meeting of Shareholders, declare dividends, but the amount of such dividends shall not exceed the amount recommended by the Directors. The Directors may also declare an interim dividend without seeking Shareholders' approval. Potential investors should note that this statement is a statement of the Company's present intention and shall not constitute a legally binding commitment in respect of the Company's future dividends and dividend pay-out ratio which may be subject to modification (including reduction or non-declaration thereof) in the Directors' sole and absolute discretion. All dividends are distributed as tax-exempt dividends in accordance with the Income Tax Act, Chapter 134 of Singapore.

(iii) Ordinary Resolutions 3, 4, 5 and 6

Mr. Sanjiv Misra will, upon re-election as a Director, continue his office as Non-Executive Director. He will remain as Chairman of the Capital and Investment Committee ("**CIC**") and a member of the Board Risk Committee ("**BRC**") and Nomination & Remuneration Committee ("**NRC**"). He will be considered independent.

Mr. Yap Chee Keong will, upon re-election as a Director, continue his office as Non-Executive Director. He will remain as Chairman of the Audit Committee ("**AC**") and a member of the BRC and NRC. He will be considered independent.

Ms. Marie Elaine Teo will, upon re-election as a Director, continue her office as Non-Executive Director. She will remain as Chairperson of the BRC and a member of the AC and Corporate Responsibility & Sustainability Committee ("**CRSC**"). She will be considered independent.

Mr. Shekhar Anantharaman will, upon re-election as a Director, continue his office as Executive Director and will remain as a member of the BRC and Board Steering Committee ("**BSC**").

Please refer to the Addendum for the additional information on the aforementioned Directors provided pursuant to Rule 720(6) of the Listing Manual. You may also refer to the Governance Report of the 2020 Annual Report for the profile of each of these Directors.

The aforementioned Directors will refrain from making any recommendation on and, being Shareholders, shall abstain from voting on respective ordinary resolution in relation to their re-election. Other than the Chairman of the Meeting who will be voting as proxy pursuant to the Order and the Joint Guidance, the aforementioned Directors will not be able to accept appointment as proxies for any Shareholder to vote in respect of these resolutions unless specific directions as to voting have been specified in the relevant proxy form.

(iv) Ordinary Resolution 7

Ordinary Resolution 7 seeks the payment of up to S$3,300,000 to all Directors (other than the Executive Directors) as Directors' fees for FY2021. The Directors' fees approved for FY2020 were S$3,300,000 with the aggregate fees paid quarterly in arrears to the Non-Executive Directors. For Non-Executive Directors entitled to receive Directors' fees in the form of shares, approximately 70% of the Directors' fees was paid in cash and approximately 30% in the form of Olam shares. The amount of Directors' fees paid to each Director for FY2020 is disclosed in full on page 21 of the Governance Report of the 2020 Annual Report.

For Directors' fees payable to the Non-Executive Directors for FY2021 (excluding certain Non-Executive Directors who, under their separate arrangements with their employer, do not retain their Directors' fees), the equity component (comprising approximately 30% of the Directors' fees) is intended to be paid out after the AGM with the actual number of Shares to be awarded to each such Non-Executive Director holding office at the time of payment to be determined by reference to the volume weighted average price of a Share on SGX-ST over the 10 trading days after the date of the announcement by the Company of its unaudited full year financial statements for FY2021. The number of Shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. In the event the Non-Executive Director leaves the Company prior to the acquisition of the Shares, the directors' fees due to him up to his date of cessation will be paid to him in cash. If Resolution 7 is passed, it is intended that such equity grant will be made in the form of awards under the Olam Share Grant Plan.

The Non-Executive Directors will refrain from making any recommendation on and, being shareholders, shall abstain from voting on Ordinary Resolution 7. Other than the Chairman of the Meeting who will be voting as proxy pursuant to the Order and the Joint Guidance, the aforementioned Directors will not be able to accept appointment as proxies for any Shareholder to vote in respect of this resolution unless specific directions as to voting have been specified in the relevant proxy form.

Ordinary Resolution 7, if passed, will facilitate the quarterly payment in arrears of Directors' fees during FY2021 in which the fees are incurred.

(v) Ordinary Resolution 8

Ordinary Resolution 8 seeks the re-appointment of Ernst & Young LLP as independent auditors to the Company (the "**Auditors**") and requests authority for the Directors to set the remuneration of the Auditors. The Board is careful that the Auditors' independence should not be compromised and the AC takes responsibility for reviewing the performance of the Auditors and making recommendations about the scope of their work and fees. The AC has recommended to the Board that the appointment of Ernst & Young LLP should be renewed until the conclusion of the next AGM.

More details on the external auditors and the review by the AC may be found in the Governance Report on pages 27 to 33 of the 2020 Annual Report.

(vi) Ordinary Resolution 9

Ordinary Resolution 9, if passed, will empower the Directors, effective until the earlier of (1) the conclusion of the next AGM, or (2) the date by which the next AGM is required by law to be held (unless such authority is varied or revoked by the Company in a general meeting), to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent. (50%) of the total number of issued Shares, of which up to ten per cent. (10%) may be issued other than on a *pro rata* basis to Shareholders. Although the Listing Manual enables the Company to seek a mandate to permit its Directors to issue Shares up to the fifty per cent. (50%) limit if made on a *pro rata* basis to Shareholders, and up to a sub-limit of twenty per cent. (20%) if made other than on a *pro rata* basis to Shareholders, the Company is nonetheless only seeking a sub-limit of ten per cent. (10%).

For determining the aggregate number of Shares that may be issued, the total number of issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution 9 is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution 9 is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(vii) Ordinary Resolution 10

Ordinary Resolution 10, if passed, will empower the Directors from the date of the passing of this Ordinary Resolution 10 until the earlier of the date of the next AGM, or the date by which the next AGM is required by law to be held, to purchase or otherwise acquire, by way of Market Purchases or Off-Market Purchases, up to five per cent. (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Ordinary Resolution 10 on the terms of the Share Buyback Mandate as set out in the Letter accompanying this Notice of AGM, unless such authority is earlier revoked or varied by the Company in a general meeting.

The Company may use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of AGM as these will depend on, *inter alia*, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares. For illustrative purposes only, the financial effects of an assumed purchase or acquisition of the maximum number of Shares by way of Market Purchase or Off-Market Purchase, at a purchase price equivalent to the Maximum Price per Share based on the audited financial statements of the Company and its subsidiaries for FY2020 and certain assumptions, are set out in paragraph 2.4.6 of the Letter.

(viii) Ordinary Resolution 11

Ordinary Resolution 11, if passed, will empower the Directors to grant awards under the Olam Share Grant Plan and to issue new Shares in respect of such awards, subject to the limitations described in this Ordinary Resolution 11. Unless such authority has been revoked or varied by the Company in a general meeting, such authority shall expire at the conclusion of the next AGM, or the date by which the next AGM is required by law to be held, whichever is the earlier.

More details on the Olam Share Grant Plan may be found in the Governance Report and the Financial Report of the 2020 Annual Report.

(ix) Ordinary Resolution 12

Ordinary Resolution 12, if passed, will renew the mandate to allow the Company, its subsidiaries and associated companies that are "entities at risk" (as that term is used in Chapter 9 of the Listing Manual) or any of them, to enter into certain interested person transactions with certain classes of interested persons as described in the Letter. The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM. Please refer to the Letter for more details.

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, Mitsubishi Corporation and its associates shall abstain from voting in respect of each of their shareholdings on Ordinary Resolution 12 as set out in this Notice. Further, Mitsubishi Corporation and its associates will not be able to accept appointment as proxies for any Shareholder to vote in respect of this resolution. Any votes cast by such person in contravention of this requirement shall be disregarded.

Notice of Record Date and Payment Date

As stated in the Notice of Record Date and Payment Date set out in the Company's announcement dated 26 February 2021, the Company wishes to notify Shareholders that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 3 May 2021 for the preparation of dividend warrants. Duly completed registrable transfers of Shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services (Pte) Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 3 May 2021 will be registered to determine members' entitlements to the proposed final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 3 May 2021 will be entitled to the proposed final dividend. Payment of the final dividend, if approved by the members at the AGM to be held on 23 April 2021, will be made on 10 May 2021.

Addendum to the Annual Report 2020

Additional Information on Directors seeking Re-election pursuant to Rule 720(6) of the Listing Manual of the SGX-ST

Mr. Sanjiv Misra, Mr. Yap Chee Keong, Ms. Marie Elaine Teo and Mr. Shekhar Anantharaman are the Directors seeking re-election at the Meeting under Ordinary Resolutions 3, 4, 5 and 6 as set out in the Notice of AGM dated 8 April 2021 (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

Name of Director	Mr. Sanjiv Misra	Mr. Yap Chee Keong	Ms. Marie Elaine Teo	Mr. Shekhar Anantharaman
Date of Appointment	1 November 2013	1 December 2015	1 December 2015	1 April 1998
Date of Last Re-appointment	24 April 2019	25 April 2018	25 April 2018	24 April 2019
Age	60	60	54	57
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	N.A.	N.A.	N.A.	N.A.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Executive/Chief Executive Officer, Olam Food Ingredients (OFI)
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Independent Non-Executive Director • Chairman, Capital & Investment Committee ("**CIC**") • Member, Board Risk Committee ("**BRC**") • Member, Nomination & Remuneration Committee ("**NRC**")	• Independent Non-Executive Director • Chairman, Audit Committee ("**AC**") • Member, BRC • Member, NRC	• Independent Non-Executive Director • Chairman, BRC • Member, AC • Member, Corporate Responsibility & Sustainability Committee ("**CRSC**")	• Executive Director • Chief Executive Officer, OFI • Member, BRC • Member, Board Steering Committee ("**BSC**")
Professional qualifications	• Master in Management, JL Kellogg Graduate School of Management, Northwestern University, Chicago, IL, USA • Postgraduate Degree in Management, University of Delhi, Indian Institute of Management, Ahmedabad, India • Bachelor's Degree (Honours) in Economics, St Stephen's College, University of Delhi, India	• Bachelor of Accountancy, National University of Singapore • Fellow, Institute of Singapore Chartered Accountants and Certified Public Accounts, Australia	• Bachelor of Arts (Honours) in Experimental Psychology, Oxford University, UK • MBA, INSEAD	• Bachelor's Degree in Aeronautical Engineering, Panjab University, India • Postgraduate Degree in Business Management, Panjab University, India • Advanced Management Program, Harvard Business School, USA

Name of Director	Mr. Sanjiv Misra	Mr. Yap Chee Keong	Ms. Marie Elaine Teo	Mr. Shekhar Anantharaman
Working experience and occupation(s) during the past 10 years	Mr. Sanjiv Misra's career in investment banking spanned mergers and acquisitions advisory, capital markets and restructuring in the US and Asia Pacific. Over this period, he held several senior roles at Goldman Sachs, Salomon Brothers/ Salomon Smith Barney and Citigroup in New York, Hong Kong and Singapore. These roles included Head of Asia Pacific Investment Corporate and Investment Banking at Citigroup and CEO of Citi's institutional businesses based in Singapore. He has subsequently been deeply engaged in investing in private markets; board roles at corporates, national educational, cultural and healthcare institutions in Singapore. These board roles include Singapore Management University, National University Healthcare System, Edelweiss Financial Services Ltd and OUE Hospitality Trust. Mr. Misra is also an active investor in early stage growth companies globally.	Mr. Yap Chee Keong's career included being the Executive Director of The Straits Trading Company Limited and the Chief Financial Officer of Singapore Power Ltd. Mr. Yap has also worked in various senior management roles in multinational and listed companies. He was a board member of the Accounting and Corporate Regulatory Authority and a member of the Public Accountants Oversight Committee, the MAS/SGX/ ACRA Work Group to review the Guidebook for Audit Committees in Singapore and the MAS/SGX/ACRA/SID Review Panel to develop a Guide for Board Risk Committees in Singapore.	Ms. Marie Elaine Teo brings investment experience across a broad range of industries and markets to bear in assessing opportunities and challenges in the future. She has over 20 years of investment experience, primarily with the Capital Group companies where she focused on Asian banks and global emerging markets, both as an analyst and an investment manager. Ms. Teo was formerly the Chairman of Capital International Research, Inc. and Managing Director of Capital International Inc., Asia.	Mr. Shekhar Anantharaman has been with the Group since 1992. In January 2020, Mr. Anantharaman was appointed as the CEO of OFI and relinquished his role as the Group Chief Operating Officer (GCOO) of Olam. Prior to his role as GCOO, he was the Executive Director – Finance and Business Development for the Group leading the Company's overall Strategy and Business Development activities along with responsibility for various functions including the Group's Finance and Accounts, Treasury and IR, IT and Shared Services, Legal and Corporate Secretarial and Manufacturing and Technical Services. He has incubated and managed various global businesses for the Group including its Edible Nuts, Spices and Vegetable Ingredients and Packaged Foods businesses. As the Global Head of these businesses, Mr. Anantharaman has been directly involved in identifying and leading many of the Company's organic and inorganic growth initiatives. He has also played a variety of country management and regional oversight roles across Africa, Asia, Russia, South and North America.
Shareholding interest in the listed issuer and its subsidiaries?	• 45,799 Ordinary Shares	• 65,501 Ordinary Shares	• 47,482 Ordinary Shares	• 16,769,702 Ordinary Shares • 1,239,400 Performance Share Awards *(subject to performance targets being met)* • 698,105 Restricted Share Awards • 3,250,000 share options
Any relationship (including immediate family relationship) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil	Nil
Conflict of interests (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes

Other Principal Commitments Including Directorships

Name of Director	Mr. Sanjiv Misra	Mr. Yap Chee Keong	Ms. Marie Elaine Teo	Mr. Shekhar Anantharaman
Past (for the last 5 years)	• Edelweiss Financial Services Ltd • Edelweiss Capital (Singapore) Pte Ltd • National University Health System	• Citibank Singapore Ltd • Malaysia Smelting Corporation Berhad • Rahman Hydraulic Tin Sdn Bhd • The Straits Trading Company Limited • ARA Asset Management Limited • CityNet Infrastructure Management Pte Ltd *(Trustee-Manager of NetLink Trust)* • Accounting & Corporate Regulatory Authority • Public Accountants Oversight Committee (Board Committee of ACRA) • Interoil Corporation • Tiger Airways Holdings Limited	• Caregivers Alliance Ltd • CIMB Group Holdings Berhad (Member, International Advisory Panel)	• Caraway Pte Ltd • Far East Agri Pte. Ltd.
Present	Listed company Nil Non-listed company • Apollo Global Management, LLC (Chairman of the Asia Pacific Advisory Board) • Clifford Capital Pte. Ltd. (Chairman) • Clifford Capital Holdings Pte. Ltd. (Chairman) • Clix Capital Services Private Limited (Non-Executive Director) • Bayfront Infrastructure Management Pte. Ltd. (Chairman) • EDBI Pte Ltd (Director and Chairman, Audit Committee) • Singapore Symphony Group (Director and Member, Investment Committee) • Phoenix Advisers Pte. Ltd. (President and Director)	Listed company • Maxeon Solar Technologies Ltd (Director) • Sembcorp Industries Ltd (Director) • Shangri-La Asia Limited (Director) Non-listed company • Ensign Infosecurity Pte Ltd (Director) • Certis CISCO Security Pte Ltd (Director) • MediaCorp Pte Ltd (Director)	Listed company • G. K. Goh Holdings Limited (Director) Non-listed company • ICHX Tech Pte Ltd (Director) • Amiradou Pte Ltd (Director) • Mapletree Investments Pte Ltd (Director) • Mapletree Oakwood Holdings Pte Ltd (Director) • The Teng Ensemble Ltd (Chairman)	Nil

Information required pursuant to Listing Rule 704(7) or Catalist Rule 704(6)

Name of Director		Mr. Sanjiv Misra	Mr. Yap Chee Keong	Ms. Marie Elaine Teo	Mr. Shekhar Anantharaman
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No

Name of Director		Mr. Sanjiv Misra	Mr. Yap Chee Keong	Ms. Marie Elaine Teo	Mr. Shekhar Anantharaman
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:				
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?				
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

Proxy Form

IMPORTANT:
For investors holding shares of Olam International Limited through relevant intermediaries (as defined under Section 181 of the Companies Act (Chapter 50 of Singapore)), including CPF/SRS investors, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least **seven working days** before the Meeting (i.e. by **Wednesday, 14 April 2021, 5.00 p.m.**) to ensure that their votes are submitted.

Olam International Limited

(Company Registration No. 199504676H)
(Incorporated in The Republic of Singapore with limited liability)

(Please see notes overleaf before completing this Form)

*I/We, ______________________________

Of ______________________________

being a *member/members of Olam International Limited (the "**Company**"), hereby appoint the Chairman of the Twenty-Sixth Annual General Meeting of the Company (the "**Meeting**") as *my/our proxy to vote for *me/us on *my/our behalf at the Meeting to be held on **Friday, 23 April 2021 at 2.00 p.m.**, and at any adjournment thereof.

*I/We direct *my/our proxy to vote for or against or to abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting or abstention is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the Chairman of the Meeting will vote or abstain from voting at his/her discretion.

(If you wish to exercise all your votes "For" or "Against" or to "Abstain" from the relevant Resolution, please tick [✓] within the box provided. Alternatively, if you wish to exercise your votes "For", "Against" or to "Abstain" from the relevant Resolution, please indicate the number of Shares in the boxes provided.)

No.	Resolutions relating to:	For	Against	Abstain
	Ordinary Business			
1.	Directors' Statement and the Audited Consolidated Financial Statements of the Company for the financial year ended 31 December 2020 ("**FY2020**") together with the Auditors' Report thereon			
2.	Payment of a second and final dividend of 4.0 cents per share for FY2020			
3.	Re-election of Mr. Sanjiv Misra as a Director retiring under Regulation 107			
4.	Re-election of Mr. Yap Chee Keong as a Director retiring under Regulation 107			
5.	Re-election of Ms. Marie Elaine Teo as a Director retiring under Regulation 107			
6.	Re-election of Mr. Shekhar Anantharaman as a Director retiring under Regulation 107			
7.	Approval of payment of Directors' fees of up to S$3,300,000 for the financial year ending 31 December 2021			
8.	To re-appoint Messrs Ernst & Young LLP as the auditors of the Company			
	Special Business			
9.	General authority to issue Shares			
10.	Renewal of the Share Buyback Mandate			
11.	Authority to issue Shares under the Olam Share Grant Plan			
12.	Renewal of the IPT Mandate			

Dated this ____________ day of ____________ 2021

Total number of Shares Held

____

Signature of Shareholder(s) or
Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

Personal Data Privacy:

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2021.

Notes:

1. Please insert the total number of Shares held by you. If you only have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you only have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the Shares held by you (in both the Register of Members and the Depository Register).

2. A member who wishes to vote on the Resolutions to be tabled at the Meeting must appoint the Chairman of the Meeting to act as his/her proxy to vote on behalf of him/her at the Meeting in respect of all the Shares held by him/her. In the Proxy Form, a member should specifically direct the proxy on how he/she is to vote for, vote against, or to abstain from voting, on the resolutions. If no specific direction as to voting is given, the Chairman of the Meeting will vote or abstain from voting at his/her discretion.

3. The instrument appointing a proxy must be deposited by post to the office of the Share Registrar of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or by electronic mail to olamagm@olamnet.com enclosing a clear scanned completed and signed Proxy Form, and must be received by the Company not less than 72 hours before the time appointed for the Meeting.

4. (i) The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing.

   (ii) Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   (iii) Where the instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified true copy thereof shall (failing previous registration with the Company) be duly stamped (if required by law) and be deposited by post to the office of the Share Registrar, or by electronic mail to olamagm@olamnet.com, and must be received by the Company not less than 72 hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

General:

The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy. The Company shall not be responsible to confirm nor be liable for the rejection of any incomplete or invalid proxy instrument. In addition, in the case of Shares entered in the Depository Register, the Company shall reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Stay up to date

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Olam

Unlocking long-term value and driving sustainable growth

Financial Report
Annual Report 2020
Olam International Limited

About Olam

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 17,300 customers worldwide. Our value chain spans over 60 countries and includes farming, a direct and indirect sourcing network of an estimated five million farmers, processing, distribution and trading operations. We are organised by two operating groups – Olam Food Ingredients (OFI) and Olam Global Agri (OGA) both held by the parent Olam International Limited (OIL) which provides stewardship and acts as an accelerator, incubating new growth engines.

Through our Purpose to 'Re-imagine Global Agriculture and Food Systems', Olam aims to address the many challenges involved in meeting the food, feed and fibre needs of a growing global population, while achieving positive impact for farming communities, our planet and all our key stakeholders.

Headquartered and listed in Singapore, Olam currently ranks among the top 30 largest primary listed companies in terms of market capitalisation on SGX-ST.

Since June 2020, Olam has been included in the FTSE4Good Index Series, a global sustainable investment index series developed by FTSE Russell, following a rigorous assessment of Olam's supply chain activities, impact on the environment and governance transparency. The FTSE4Good Index Series identifies companies that demonstrate strong Environmental, Social and Governance (ESG) practices and is used by a variety of market participants to create and assess responsible investment funds.

Image Right:

Through our Purpose, we seek to achieve three outcomes, one of which is Re-generating the Living World. With one in three bites of food requiring insect pollination, it's critical that we consider all aspects of biodiversity and our ecosystem.

About this report

Our 2020 report is made up of three chapters: Strategy Report, Governance Report and Financial Report.

Financial Report: Our statutory accounts notes are enclosed within this chapter. It should be read in conjunction with the Strategy Report to give a balanced account of internal and external factors.

Strategy Report

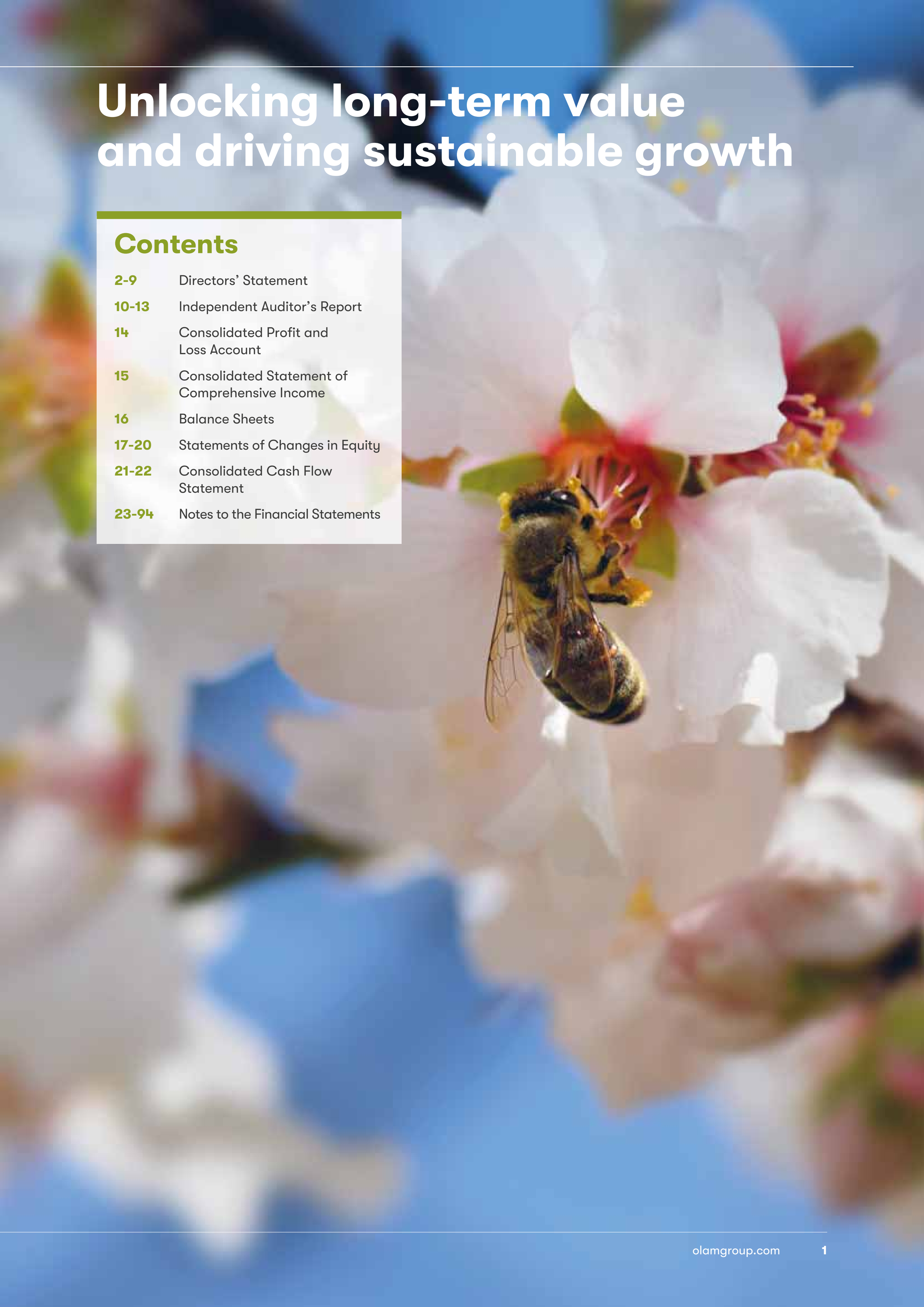
Governance Report

Financial Report

The full report is available online at olamgroup.com/investors

Image disclaimer

A number of images used in this report were taken prior to COVID-19.



Unlocking long-term value and driving sustainable growth

Contents

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Olam International Limited (the 'Company') and its subsidiary companies (the 'Group') and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2020.

1. Opinion of the directors

In the opinion of the directors,

(i) the financial statements set out on pages 14 to 94 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, changes in equity of the Group and of the Company, the financial performance and the cash flows of the Group for the financial year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:-

Lim Ah Doo	
Ajai Puri (Dr.)	
Joerg Wolle (Dr.)	
Kazuo Ito	
Marie Elaine Teo	
Nagi Adel Hamiyeh	
Nihal Vijaya Devadas Kaviratne CBE	
Norio Saigusa	(Appointed on 20 May 2020)
Sanjiv Misra	
Yap Chee Keong	
Sunny George Verghese	
Shekhar Anantharaman	

3. Arrangements to enable directors to acquire shares and debentures

Except as disclosed in this report, neither at the end of nor at any time during the financial year ended 31 December 2020 was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' interests in shares and debentures

According to the register of the directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Held in the name of the director or nominee			Deemed interest		
Name of directors	As at 1.1. 2020 or date of appointment, if later	**As at 31.12.2020**	**As at 21.1.2021**	As at 1.1.2020 or date of appointment, if later	**As at 31.12.2020**	**As at 21.1.2021**
The Company						
Olam International Limited						
(a) Ordinary shares						
Lim Ah Doo [1]	–	**139,300**	**139,300**	–	**–**	**–**
Sunny George Verghese	133,589,470	**136,530,385**	**136,530,385**	–	**–**	**–**
Sanjiv Misra	–	**45,799**	**45,799**	–	**–**	**–**
Nihal Vijaya Devadas Kaviratne CBE	–	**23,842**	**23,842**	–	**–**	**–**
Yap Chee Keong	–	**65,501**	**65,501**	–	**–**	**–**
Marie Elaine Teo	–	**47,482**	**47,482**	–	**–**	**–**
Shekhar Anantharaman	16,261,136	**16,769,702**	**16,769,702**	–	**–**	**–**
Joerg Wolle (Dr.)	–	**4,586**	**4,586**	–	**–**	**–**
Ajai Puri (Dr.)	–	**4,117**	**4,117**	–	**–**	**–**
(b) Options to subscribe for ordinary shares						
Sunny George Verghese	15,000,000	**–**	**–**	–	**–**	**–**
Shekhar Anantharaman	3,250,000	**3,250,000**	**3,250,000**	–	**–**	**–**

4. Directors' interests in shares and debentures continued

Name of directors	Held in the name of the director or nominee: As at 1.1. 2020 or date of appointment, if later	**As at 31.12.2020**	**As at 21.1.2021**	Deemed interest: As at 1.1.2020 or date of appointment, if later	**As at 31.12.2020**	**As at 21.1.2021**
Subsidiaries of the Company's ultimate holding company						
Temasek Group of companies						
(a) Mapletree North Asia Commercial Trust Management (fka Mapletree Greater China Commercial Trust Management Ltd) (Unit holdings in Mapletree North Asia Commercial Trust (fka Mapletree Greater China Commercial Trust))						
Sunny George Verghese [1]	510,000	–	–	–	–	–
(b) Mapletree Logistics Trust Management Ltd (Unit holdings in Mapletree Logistics Trust)						
Sunny George Verghese [1]	505,000	–	–	–	–	–
Lim Ah Doo [1]	185,000	**185,000**	**185,000**	–	–	–
(c) Singapore Technologies Engineering Ltd (Ordinary Shares)						
Lim Ah Doo [1]	72,400	**87,300**	**87,300**	–	–	–
(d) Starhub Ltd (Ordinary Shares)						
Nihal Vijaya Devadas Kaviratne CBE	45,000	**87,500**	**87,500**	–	–	–
Sanjiv Misra [2]	60,000	**60,000**	**60,000**	–	–	–
(e) Mapletree Industrial Trust Management Ltd. (Ordinary Shares in Mapletree Industrial Trust)						
Marie Elaine Teo	11,800	**11,800**	**11,800**	–	–	–
(f) Astrea IV Pte Ltd (4.35% bonds due 2028)						
Yap Chee Keong	$250,000	**$250,000**	**$250,000**	–	–	–
(g) Ascott Residence Trust (3.88% fixed rate perpetual securities)						
Yap Chee Keong	$250,000	**$250,000**	**$250,000**	–	–	–
(h) Musel Private Trust (Unit holdings)						
Marie Elaine Teo	800	**800**	**800**	–	–	–
(i) CapitaLand Integrated Commercial Trust Management (Ordinary Shares in CapitaLand Integrated Commercial Trust (fka CapitaLand Commercial Trust))						
Sanjiv Misra [2]	–	**111,618**	**111,618**	–	–	–
Sunny George Verghese [1]	617,980	–	–	–	–	–
(j) CapitaLand Limited (Ordinary Shares)						
Sunny George Verghese [1]	16,000	–	–	–	–	–

1. Held in trust by a trustee or nominee on behalf of the director.
2. Held in trust by Windsor Castle Holding Ltd for Sanjiv Misra and spouse.

5. Olam employee share option scheme and Olam share grant plan

The Company offers the following share plans to its employees:

(a) Olam Employee Share Option Scheme, and
(b) Olam Share Grant Plan.

These share plans are administered by the Nomination & Remuneration Committee ('NRC'), which comprises the following directors and co-opted member:-

Lim Ah Doo	
Sanjiv Misra	
Yap Chee Keong	
Joerg Wolle (Dr.)	
Norio Saigusa	(Appointed on 20 May 2020)
Chan Wai Ching	(Co-opted)

Olam Employee Share Option Scheme

The Olam Employee Share Option Scheme ('the ESOS') was approved by the shareholders on 4 January 2005 at the Extraordinary General Meeting of the Company. The ESOS Rules were amended on 29 October 2008 at the Extraordinary General Meeting of the Company. Under the amended rules, the directors (including Non-Executive directors and Independent directors) and employees of the Group are eligible to participate in the ESOS, and all subsequent options issued to the Group's employees and Executive directors shall have a life of ten years instead of five. For options granted to the Company's Non-Executive directors and Independent directors, the option period shall be no longer than five years. Controlling Shareholders and associates of Controlling Shareholders are not eligible to participate in the ESOS.

Pursuant to the voluntary conditional cash offer by Breedens International Pte Ltd approval was sought and granted on 8 April 2014 such that all outstanding options which have not been exercised at the expiry of the accelerated exercise period shall not automatically lapse and become null and void but will expire in accordance with their original terms. The ESOS has expired on 3 January 2015. The terms of the ESOS continue to apply to outstanding options granted under the ESOS. The ESOS rules amended on 29 October 2008 may be read in the Appendix 1 of the Company's circular dated 13 October 2008.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS outstanding as at 31 December 2020 are as follows:-

	Exercise price ($)	Number of options
14 March 2021	2.70	770,000
30 December 2021	2.16	1,790,000
15 June 2022	1.76	15,967,000
Total		18,527,000

The details of options granted to the directors, are as follows:-

Name of Participant	Options granted during financial year under review	Exercise Price for options granted during the financial year under review	Aggregate options granted since the commencement of the scheme to the end of financial year under review	Aggregate options exercised since the commencement of the scheme to the end of financial year under review	Aggregate options expired since the commencement of the scheme to the end of the financial year under review	Aggregate options outstanding as at the end of financial year under review
Sunny George Verghese	–	–	30,000,000	15,000,000	15,000,000	–
Shekhar Anantharaman	–	–	5,800,000	800,000	1,750,000	3,250,000

The 15,000,000 options granted to Sunny George Verghese in financial year 2010 were exercisable in three equal tranches of 5,000,000 each on or after the first, second and third anniversaries of the grant date (17 February 2010) at the exercise price of $2.35 where the vesting conditions were met. The aforesaid options were not exercised and had expired on 17 February 2020.

The 1,750,000 options granted to Shekhar Anantharaman in financial year 2010 were exercisable in tranches of 25% and 75% at the end of the third and fourth anniversary from the date of grant (21 July 2009) at the exercise price of $2.28 where the vesting conditions were met. These options were not exercised and had expired on 21 July 2019. The 3,250,000 options granted to Shekhar Anantharaman in financial year 2012 are exercisable in tranches of 25% and 75% at the end of the third and fourth anniversary respectively from the date of grant (15 June 2012) at the exercise price of $1.76 if the vesting conditions are met. The options will expire ten years after the date of grant.

5. **Olam employee share option scheme and Olam share grant plan** continued

Olam Share Grant Plan

The Company had adopted the Olam Share Grant Plan ('OSGP') at the 2014 Annual General Meeting, which was amended at the 2020 Annual General Meeting.

The OSGP helps retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees and executive directors of the Group who have contributed to the growth of the Group. The OSGP gives participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- motivate participants to optimise their performance standards and efficiency, maintain a high level of contribution to the Group and strive to deliver long-term shareholder value;
- align the interests of employees with the interests of the Shareholders of the Company;
- retain key employees and executive directors of the Group whose contributions are key to the long-term growth and profitability of the Group;
- instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company; and
- attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders of the Company.

The OSGP was amended in May 2020 to enable non-executive directors of the Group (the 'Group Non-Executive Directors') to participate in the OSGP. The Company had also updated the OSGP to take into account the relevant changes to the Companies Act introduced since the OSGP was adopted to ensure consistency with the listing rules of the SGX-ST as well as to streamline and rationalise certain other provisions.

An employee's Award under the OSGP will be determined at the absolute discretion of the NRC. In considering an Award to be granted to an employee, the NRC may take into account, *inter alia*, the employee's performance during the relevant period, and his capability, entrepreneurship, scope of responsibility and skills set. The OSGP contemplates the award of fully-paid Shares, when and after pre-determined performance or service conditions are accomplished. Any performance targets set under the OSGP are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Examples of performance targets include targets based on criteria such as total shareholders' return, return on invested capital, economic value added, or on the Company meeting certain specified corporate target(s). It is also currently intended that a Retention Period, during which the Shares awarded may not be transferred or otherwise disposed of (except to the extent set out in the Award Letter or with the prior approval of the NRC), may be imposed in respect of Shares awarded to the employees under the OSGP.

In the case of a Group Non-Executive Director, no performance condition may be specified in relation to Awards granted to Group Non-Executive Directors under the OSGP. Where an award is to be made to a Group Non-Executive Director under the OSGP as part of his/her directors' remuneration in lieu of cash, approximately 30% (or such other percentage as may be determined for the relevant financial year) of his/her remuneration for a particular financial year will be paid out in the form of shares comprised in such awards (with the balance being paid out in cash). These awards will consist of the grant of fully paid shares outright, with no performance conditions attached and no vesting periods imposed.

Details of the Awards granted (including to the directors), are as follows:-

Type of Grant	Performance share awards ('PSA')	Restricted share awards ('RSA')
Date of Grant	3 April 2020	3 April 2020
Number of Shares which are subject of the Awards granted	16,443,135	9,736,488
Number of employees receiving Shares Awards	767	767
Market Value of Olam Shares on the Date of Grant	1.36	1.36
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 1,213,235	Sunny George Verghese 720,588
	Shekhar Anantharaman 647,100	Shekhar Anantharaman 382,400
Vesting Date of Shares awarded	April 2023	Tranche 1 – 25%: 1 April 2021 Tranche 2 – 25%: 1 April 2022 Tranche 3 – 25%: 1 April 2023 Tranche 4 – 25%: 1 April 2024

5. **Olam employee share option scheme and Olam share grant plan** continued

Olam Share Grant Plan continued

Type of Grant	Performance share awards ('PSA')	Restricted share awards ('RSA')
Date of Grant	12 April 2019	12 April 2019
Number of Shares which are subject of the Awards granted	7,974,087	4,946,477
Number of employees receiving Shares Awards	661	661
Market Value of Olam Shares on the Date of Grant	$1.98	$1.98
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 368,687	Sunny George Verghese 367,677
	Shekhar Anantharaman 290,500	Shekhar Anantharaman 176,800
Vesting Date of Shares awarded	April 2022	Tranche 1 – 25%: 1 April 2020 Tranche 2 – 25%: 1 April 2021 Tranche 3 – 25%: 1 April 2022 Tranche 4 – 25%: 1 April 2023

Type of Grant	Performance share awards ('PSA')		Restricted share awards ('RSA')	
Date of Grant	16 April 2018	12 April 2018	16 April 2018	12 April 2018
Number of Shares which are subject of the Awards granted	779,800	8,183,700	491,500	4,932,400
Number of employees receiving Shares Awards	2	712	2	712
Market Value of Olam Shares on the Date of Grant	$2.34	$2.36	$2.34	$2.36
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 478,000	–	Sunny George Verghese 286,800	–
	Shekhar Anantharaman 301,800	–	Shekhar Anantharaman 204,700	–
Vesting Date of Shares awarded	April 2021	April 2021	Tranche 1 – 25%: 1 April 2019 Tranche 2 – 25%: 1 April 2020 Tranche 3 – 25%: 1 April 2021 Tranche 4 – 25%: 1 April 2022	Tranche 1 – 25%: 1 April 2019 Tranche 2 – 25%: 1 April 2020 Tranche 3 – 25%: 1 April 2021 Tranche 4 – 25%: 1 April 2022

Type of Grant	Performance share awards ('PSA')		Restricted share awards ('RSA')	
Date of Grant	24 April 2017	5 May 2017	24 April 2017	5 May 2017
Number of Shares which are subject of the Awards granted	9,711,173	40,000	4,456,173	20,000
Number of employees receiving Shares Awards	320	1	319	1
Market Value of Olam Shares on the Date of Grant	$1.91	$1.90	$1.91	$1.90
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 392,147	–	Sunny George Verghese 392,147	–
	Shekhar Anantharaman 323,026	–	Shekhar Anantharaman 323,026	–
Vesting Date of Shares awarded	April 2020	April 2020	Tranche 1 – 25%: 1 April 2018 Tranche 2 – 25%: 1 April 2019 Tranche 3 – 25%: 1 April 2020 Tranche 4 – 25%: 1 April 2021	Tranche 1 – 25%: 1 April 2018 Tranche 2 – 25%: 1 April 2019 Tranche 3 – 25%: 1 April 2020 Tranche 4 – 25%: 1 April 2021

The actual number of shares to be delivered pursuant to the PSA granted in the table above will range from 0% to 200.0% of the base award and is contingent on the achievement of pre-determined targets set out in the three year performance period and other terms and conditions being met.

Type of Grant	Restricted share awards ('RSA')
Date of Grant	15 April 2016
Number of Shares which are subject of the Awards granted	5,423,000
Number of employees receiving Shares Awards	294
Market Value of Olam Shares on the Date of Grant	$1.72
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 410,000
	Shekhar Anantharaman 232,000
Vesting Date of Shares awarded	Tranche 1 – 25%: 1 April 2017 Tranche 2 – 25%: 1 April 2018 Tranche 3 – 25%: 1 April 2019 Tranche 4 – 25%: 1 April 2020

5. **Olam employee share option scheme and Olam share grant plan** continued

Olam Share Grant Plan continued

The details of awards granted to the directors, are as follows:-

Name of Participant	Share awards granted during financial year under review	Aggregate share awards granted since the commencement of the scheme to the end of financial year under review	Aggregate share awards vested since the commencement of the scheme to the end of financial year under review	Aggregate share awards cancelled since the commencement of the scheme to the end of the financial year under review	Aggregate share awards outstanding as at the end of financial year under review
Performance Share Awards:					
Sunny George Verghese	1,213,235	3,262,069	734, 359	467,788	2,059,922
Shekhar Anantharaman	647,100	2,162,426	547,934	375,092	1,239,400
Restricted Share Awards:					
Sunny George Verghese	720,588	2,177,212	939,430	–	1,237,782
Shekhar Anantharaman	382,400	1,318,926	620,821	–	698,105

Apart from that which is disclosed above, no directors or employees of the Group received 5% or more of the total number of options/shares available under the ESOS/OSGP.

The options/shares granted by the Company do not entitle the holder of the options, by virtue of such holding, to any right to participate in any share issue of any other company.

There were no incentive options/shares granted from commencement of ESOS/OSGP to the financial year end under review.

There were no options/shares granted at a discount.

There were no options/shares granted to controlling shareholders of the Company and their associates.

6. Audit Committee

The Audit Committee (the “AC” or “Committee”) comprises five Non-Executive directors of which majority are independent. The members of the AC are Mr. Yap Chee Keong (Chairman), Mr. Nihal Vijaya Devadas Kaviratne CBE, Ms. Marie Elaine Teo, Mr. Kazuo Ito and Dr. Ajai Puri.

The AC performed its functions in accordance with the Companies Act, Chapter 50, the Listing Manual of the SGX-ST and the Code of Corporate Governance 2018, which include, amongst others, the following:

- Review of the Group’s half-yearly and annual financial statements and quarterly business performance for recommendation to the Board;
- Review of the salient accounting matters and legal and regulatory matters that may have a material impact on the financial statements and related compliance policies and programmes;
- Review, with the external auditors, their scope of work, audit plans, the results of their examinations and evaluation of the Group’s internal accounting control systems, the adequacy of the Company’s system of accounting controls, the cooperation given by the Management of the Company to the external auditors;
- Review the adequacy of the Group’s material internal controls, including financial, operational, compliance and information technology controls and risk management systems through the integrated risk assurance framework;
- Review the assurance given by the Group CEO, CEO-OFI and GCFO in relation to the adequacy and effectiveness of the Group’s risk management and internal control systems;
- Review, with the internal auditors, their scope of work and organisation, their audit plans, quarterly report of the results of their audits of the business, operations and functions and whistle-blowers’ reports;
- Review the adequacy, independence and effectiveness of the internal auditors;
- Review the adequacy, independence and objectivity of the external auditors; and
- Review the interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST).

During the year under review, the AC:

- held meetings with the external auditors and internal auditors in separate executive sessions to discuss any matters that these groups believed should be discussed privately with the AC;
- made recommendations to the board of directors in relation to the external auditor’s reappointment; and
- reported key issues discussed and actions taken from the AC meetings to the board of directors with such recommendations as the AC considered appropriate.

The AC has reviewed and considered the audit and non-audit arrangements and services provided by Ernst & Young LLP and considered the nature and extent of such arrangements and services performed by the external auditors. The Committee has opined that these arrangements and services would not affect the independence of Ernst & Young LLP.

The AC has recommended to the Board the re-appointment of Ernst & Young LLP as independent external auditor of the Company at the forthcoming Annual General Meeting of the Company on 23 April 2021.

Please refer to the additional disclosures on the AC provided in the Corporate Governance Report in the Company’s Annual Report to shareholders.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as independent external auditor.

On behalf of the board of directors,

Lim Ah Doo
Director

Sunny George Verghese
Director

23 March 2021

Independent Auditor’s Report

For the financial year ended 31 December 2020
To the Members of Olam International Limited

Report on the financial statements

We have audited the accompanying financial statements of Olam International Limited (the ‘Company’) and its subsidiaries (collectively, the ‘Group’) set out on pages 14 to 94, which comprise the balance sheets of the Group and the Company as at 31 December 2020, the statements of changes in equity of the Group and the Company and the consolidated profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) in Singapore (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1 Valuation of goodwill, intangible assets and tangible assets/liabilities through business combinations

During the year, the Group completed various acquisitions as disclosed in Note 12. The Group has determined these acquisitions to be business combinations for which the purchase price is to be allocated between acquired assets and liabilities, identified intangible assets and contingent liabilities, and leading to the resultant recognition of goodwill at their respective fair values. As a policy, for significant acquisitions, independent professional valuers were engaged by the Group to perform purchase price allocation exercise, fair valuation of acquired assets and liabilities and/or identification and valuation of intangible assets. The identification of such assets and liabilities, including intangible assets and contingent liabilities and their measurement at fair value is inherently judgemental, thus we considered this to be a key audit matter.

We have obtained the valuations prepared by independent valuers engaged by the Group for the assets and liabilities acquired through business combinations. We, together with our valuation specialists, assessed the competence and capabilities of the valuers and objectivity of the valuers, and assessed the reasonableness of their conclusions having regard to the key assumptions including forecast cash flows focusing on revenues and earnings before interest, tax, depreciation and amortisation (‘EBITDA’), appropriateness of discount and growth rates and cross-checking valuation calculations against comparable companies, whilst considering the risk of management bias and also the reasonableness of the useful lives of the intangible and tangible assets and the consideration given.

Key audit matters continued

2 Impairment assessment of property, plant and equipment, goodwill and indefinite life intangible assets

The Group has significant property, plant and equipment, goodwill and indefinite life intangible assets as disclosed in Notes 11 and 12. Management performs periodic and annual impairment reviews of goodwill, intangible assets with indefinite life and impairment assessments for identified property, plant and equipment where there are indications of impairment. Recoverable values of the property, plant and equipment, goodwill and indefinite life intangible assets are determined based on fair value less costs to sell or value-in-use assessment where relevant, and are performed by management with the help of independent professional valuers where applicable. These assessments involve judgement exercised in fair value less costs to sell, forecasting and discounting future cash flows. The COVID-19 pandemic has resulted in uncertainty in the current and future economic environment in which the Group operates. As a result, the estimates and assumptions used in the cashflow projections which form the basis of the recoverable amounts require significant judgement due to the high degree of estimation uncertainty inherent in assessing the duration and severity of the economic downturn. These judgements require estimates to be made over areas including those relating to future revenues (yield), operating costs, growth rates and discount rates. As such, we have considered this to be a key audit matter.

For fair value less costs to sell calculation where independent professional valuers are involved, we have reviewed, with the assistance of our internal valuation specialist where required, the competence, capabilities and objectivity of the independent professional valuers, and evaluated the appropriateness of the fair valuation prepared by independent professional valuers, including considerations of the impact of COVID-19 pandemic on the fair value.

For the value-in-use assessment, we reviewed management's impairment assessment process including their considerations of the impact of COVID-19 pandemic has on the operations and evaluated the reasonableness of management's conclusions on key assumptions including forecast cash flows focusing on revenues and earnings before interest, tax, depreciation and amortisation ('EBITDA'). We also assessed the appropriateness of discount rates with the assistance of our internal valuation specialist where required and growth rates to assess the reliability of management's forecast.

We also reviewed the adequacy of the Group's disclosures in relation to property, plant and equipment, goodwill and indefinite life intangible assets as disclosed in Notes 11 and 12.

3 Valuation of biological assets

The Group operates various farms and plantations for which the dairy cows, poultry, agricultural produce ('fruits on trees') and annual crops are subject to fair valuation. These significant biological assets are fair valued by management and/or independent professional valuers engaged by the Group using industry/market accepted valuation methodology and approaches. As the measurement of fair value involves judgement on the assumptions and estimates used, we have considered this to be a key audit matter.

We obtained the valuations of biological assets prepared by management and/or independent professional valuers engaged by the Group. We reviewed the fair value reports, together with our internal valuation specialists where required, for appropriateness of the fair value methodology used and reasonableness of the key assumptions used, including forecast cash flows, discount rates and yield rates for the plantations and market prices of the fruits or nuts/crop and livestock. To the extent where independent professional valuers are involved, we reviewed the competence, capabilities and objectivity and evaluated the appropriateness of the valuation models prepared by independent professional valuers.

We also reviewed the adequacy of the Group's disclosures in relation to biological assets as disclosed in Note 13.

4 Valuation of financial instruments

The Group entered into various financial instruments which are required to be carried at fair value as disclosed in Notes 35 and 36. These include fair value of financial assets and financial liabilities relating to Level 3 financial instruments. Estimation uncertainty is high for these financial instruments where significant valuation inputs are unobservable and judgement is involved on the assumptions and estimates used and therefore, this is considered a key audit matter.

Key audit matters continued

4 Valuation of financial instruments continued

We have reviewed and assessed the controls over identification, measurement and management of valuation risk, and evaluated the methodologies, inputs and assumptions used by the Group in determining fair values as at year end. We have also evaluated the assumptions and models used or performed an independent valuation to assess the reasonableness of the computed fair value with the help of our internal valuation specialist where required. The review also included testing of the evidence supporting significant unobservable inputs utilised in Level 3 measurements in the fair value hierarchy as outlined in Notes 35 and 36 to the financial statements, which included assessing management's valuation assumptions against independent price quotes, recent transactions and other verifiable supporting documentation.

Additionally, we have reviewed the adequacy of disclosures of fair value risks and sensitivities in Notes 35 and 36 to the financial statement to reflect the Group's exposure to valuation risk.

5 Accounting for tiered revenue sharing arrangement in a sale and leaseback transaction

In accounting for lease contracts containing a tiered revenue sharing arrangement in a sale and leaseback transaction, the Group's accounting policy was to recognise a full gain on sale in the profit or loss in the accounting period for which the sale was concluded with no right-of-use asset recognised due to the lease payments being totally variable. In June 2020, the IFRS Interpretations Committee clarified that regardless for sale and leaseback transactions where lease payments are fully variable, the seller-lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the seller-lessee. Accordingly, the seller-lessee shall recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

Following the clarification, the Group has restated the previous year's assessment of such transactions and determine the right-of-use assets retained using the present value of expected payments for the lease. We have determined this as a key audit matter as significant judgement and estimation have been applied in determining the present value of the expected lease payments which are totally variable.

We have evaluated management's approach and key assumptions used in the determination of the present value of expected lease payments which are tiered to future revenues. The present value of these revenues is subjected to volatilities related to the expected future harvest yields and future market prices of agriculture products at each point of harvest. We have also evaluated the management's approach and inputs used in the determination of the incremental borrowing rates of the leases. We have also reviewed the adequacy of the Group's disclosures in relation to the restatement, right-of-use assets and lease liabilities as disclosed in Notes 2.2, 10 and 25 respectively.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information in the Annual Report 2020 comprises the information included in (i) Strategy Report, (ii) Governance Report and (iii) Directors' Statement (within the Financial Report) sections, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Christopher Wong.

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore
23 March 2021

Consolidated Profit and Loss Account

For the financial year ended 31 December 2020

	Note	Group 2020 $'000	2019 (As restated) $'000
Sale of goods and services	4	**35,820,043**	32,992,722
Other income	5	**136,175**	188,488
Cost of goods sold	6	**(32,663,155)**	(30,053,735)
Net (loss)/gain from changes in fair value of biological assets	13	**(60,277)**	1,857
Depreciation and amortisation	10, 11, 12	**(561,264)**	(500,626)
Other expenses	7	**(2,147,572)**	(1,822,637)
Finance income		**102,772**	88,649
Finance costs	8	**(518,475)**	(629,483)
Share of results from joint ventures and associates		**113,929**	67,872
Profit before taxation		**222,176**	333,107
Income tax expense	9	**(43,987)**	(55,937)
Profit for the financial year		**178,189**	277,170
Attributable to:			
Owners of the Company		**245,697**	316,165
Non-controlling interests		**(67,508)**	(38,995)
		178,189	277,170
Earnings per share attributable to owners of the Company (cents)			
Basic	26	**5.93**	8.19
Diluted	26	**5.85**	8.10

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2020

	Group	
	2020 **$'000**	2019 (As restated) $'000
Profit for the financial year	**178,189**	277,170
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net (loss)/gain on fair value changes during the financial year	**(39,318)**	93,243
Recognised in the profit and loss account on occurrence of hedged transactions	**20,241**	(105,532)
Foreign currency translation adjustments	**(163,942)**	(86,200)
Share of other comprehensive income of joint ventures and associates	**21,583**	(5,948)
	(161,436)	(104,437)
Items that will not be reclassified subsequently to profit or loss:		
Net fair value loss on equity instrument at fair value through other comprehensive income	**(39,738)**	(64,274)
Other comprehensive income for the year, net of tax	**(201,174)**	(168,711)
Total comprehensive income for the year	**(22,985)**	108,459
Attributable to:		
Owners of the Company	**62,242**	155,521
Non-controlling interests	**(85,227)**	(47,062)
	(22,985)	108,459

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 31 December 2020

	Note	Group 2020 $'000	Group 2019 (As restated) $'000	Group 1 January 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current assets						
Property, plant and equipment	11	**5,904,563**	6,186,963	5,809,948	**6,110**	8,898
Right-of-use assets	10	**712,249**	719,250	–	**62,565**	53,524
Intangible assets	12	**1,242,798**	1,165,231	1,199,912	**336,323**	292,103
Biological assets	13	**473,165**	531,178	511,931	**–**	–
Subsidiary companies	14	**–**	–	–	**9,099,919**	9,004,517
Deferred tax assets	9	**227,802**	183,273	166,785	**–**	–
Investments in joint ventures and associates	15	**664,946**	661,105	691,692	**448,078**	403,708
Long-term investment	16	**24,342**	71,503	135,777	**24,342**	71,503
Other non-current assets	22	**34,384**	44,956	27,786	**–**	2,019
		9,284,249	9,563,459	8,543,831	**9,977,337**	9,836,272
Current assets						
Amounts due from subsidiary companies (net)	17	**–**	–	–	**–**	2,435,290
Trade receivables	18	**1,910,362**	2,316,519	2,435,168	**711,530**	991,427
Margin accounts with brokers	19	**121,663**	–	–	**96,593**	–
Inventories	20	**7,380,615**	7,211,465	6,468,157	**1,958,979**	1,985,021
Advance payments to suppliers	21	**621,943**	563,537	805,472	**125,425**	92,669
Advance payments to subsidiary companies	21	**–**	–	–	**496,552**	358,804
Cash and short-term deposits	34	**3,115,877**	3,179,584	2,480,374	**1,032,192**	1,200,479
Derivative financial instruments	35	**3,243,054**	1,847,715	1,835,043	**2,609,137**	1,374,556
Other current assets	22	**985,624**	1,129,743	878,772	**257,809**	313,603
		17,379,138	16,248,563	14,902,986	**7,288,217**	8,751,849
Non-current assets held for sale	22	**39,255**	–	–	**–**	–
		17,418,393	16,248,563	14,902,986	**7,288,217**	8,751,849
Current liabilities						
Amounts due to subsidiary companies (net)	17	**–**	–	–	**(2,833,243)**	–
Trade payables and accruals	23	**(3,070,057)**	(3,983,485)	(3,633,860)	**(1,424,718)**	(2,174,563)
Margin accounts with brokers	19	**–**	(12,961)	(121,017)	**–**	(110,918)
Borrowings	25	**(6,466,457)**	(6,675,458)	(4,766,411)	**(1,318,482)**	(3,597,553)
Lease liabilities	25	**(96,472)**	(118,517)	(10,710)	**(24,981)**	(18,513)
Derivative financial instruments	35	**(2,276,851)**	(1,162,135)	(928,631)	**(2,006,753)**	(959,691)
Provision for taxation		**(203,655)**	(259,077)	(151,994)	**(33,724)**	(26,037)
Other current liabilities	24	**(533,710)**	(596,936)	(456,399)	**(92,410)**	(88,214)
		(12,647,202)	(12,808,569)	(10,069,022)	**(7,734,311)**	(6,975,489)
Net current assets/(liabilities)		**4,771,191**	3,439,994	4,833,964	**(446,094)**	1,776,360
Non-current liabilities						
Deferred tax liabilities	9	**(369,230)**	(407,337)	(422,625)	**(836)**	(1,893)
Borrowings	25	**(6,780,887)**	(5,403,423)	(6,407,718)	**(1,863,756)**	(3,082,230)
Lease liabilities	25	**(815,546)**	(881,761)	(83,396)	**(39,600)**	(35,308)
Other non-current liabilities	24	**(53,798)**	(17,695)	–	**–**	–
		(8,019,461)	(6,710,216)	(6,913,739)	**(1,904,192)**	(3,119,431)
Net assets		**6,035,979**	6,293,237	6,464,056	**7,627,051**	8,493,201
Equity attributable to owners of the Company						
Share capital	27	**3,748,994**	3,748,994	3,748,994	**3,748,994**	3,748,994
Treasury shares	27	**(140,172)**	(158,807)	(166,280)	**(140,172)**	(158,807)
Capital securities	27	**1,045,732**	1,045,867	1,046,406	**1,045,732**	1,045,867
Reserves		**1,307,905**	1,549,111	1,696,246	**2,972,497**	3,857,147
		5,962,459	6,185,165	6,325,366	**7,627,051**	8,493,201
Non-controlling interests		**73,520**	108,072	138,690	**–**	–
Total equity		**6,035,979**	6,293,237	6,464,056	**7,627,051**	8,493,201

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2020

31 December 2020 Group	Share capital (Note 27) $'000	Treasury shares (Note 27) $'000	Capital securities (Note 27) $'000	Capital reserves[1] $'000	Foreign currency translation reserves[2] $'000	Fair value adjustment reserves[3] $'000	Share-based compensation reserves[4] $'000	Revenue reserves $'000	Total reserves $'000	Total $'000	Total non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company											
At 1 January 2020	**3,748,994**	**(158,807)**	**1,045,867**	**280,168**	**(1,156,708)**	**(404,108)**	**135,255**	**2,941,327**	**1,795,934**	**6,431,988**	**108,072**	**6,540,060**
Effect of change in accounting policy related to SFRS(I) 16 (Note 2.2.1)	–	–	–	–	1,169	–	–	(247,992)	(246,823)	(246,823)	–	(246,823)
At 1 January 2020, restated	3,748,994	(158,807)	1,045,867	280,168	(1,155,539)	(404,108)	135,255	2,693,335	1,549,111	6,185,165	108,072	6,293,237
Profit for the financial year	–	–	–	–	–	–	–	245,697	245,697	245,697	(67,508)	178,189
Other comprehensive income												
Net loss on fair value changes during the financial year	–	–	–	–	–	(79,056)	–	–	(79,056)	(79,056)	–	(79,056)
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	–	–	20,241	–	–	20,241	20,241	–	20,241
Foreign currency translation adjustments	–	–	–	–	(146,223)	–	–	–	(146,223)	(146,223)	(17,719)	(163,942)
Share of other comprehensive income of joint ventures and associates	–	–	–	(20,876)	42,459	–	–	–	21,583	21,583	–	21,583
Other comprehensive income for the financial year, net of tax	–	–	–	(20,876)	(103,764)	(58,815)	–	–	(183,455)	(183,455)	(17,719)	(201,174)
Total comprehensive income for the year	–	–	–	(20,876)	(103,764)	(58,815)	–	245,697	62,242	62,242	(85,227)	(22,985)
Contributions by and distributions to owners												
Issue of treasury shares for Restricted Share Award (Note 27)	–	18,635	–	–	–	–	(18,635)	–	(18,635)	–	–	–
Share-based expense	–	–	–	–	–	–	25,335	–	25,335	25,335	–	25,335
Dividends on ordinary shares (Note 28)	–	–	–	–	–	–	–	(253,708)	(253,708)	(253,708)	–	(253,708)
Accrued capital securities distribution	–	–	56,440	–	–	–	–	(56,440)	(56,440)	–	–	–
Payment of capital securities distribution	–	–	(56,575)	–	–	–	–	–	–	(56,575)	–	(56,575)
Total contributions by and distributions to owners	–	18,635	(135)	–	–	–	6,700	(310,148)	(303,448)	(284,948)	–	(284,948)
Changes in ownership interests in subsidiaries												
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	50,675	50,675
Total transactions with owners in subsidiaries	–	–	–	–	–	–	–	–	–	–	50,675	50,675
Total transactions with owners in their capacity as owners	–	18,635	(135)	–	–	–	6,700	(310,148)	(303,448)	(284,948)	50,675	(234,273)
At 31 December 2020	**3,748,994**	**(140,172)**	**1,045,732**	**259,292**	**(1,259,303)**	**(462,923)**	**141,955**	**2,628,884**	**1,307,905**	**5,962,459**	**73,520**	**6,035,979**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

31 December 2019 Group	Share capital (Note 27) $'000	Treasury shares (Note 27) $'000	Capital securities (Note 27) $'000	Capital reserves[1] $'000	Foreign currency translation reserves[2] $'000	Fair value adjustment reserves[3] $'000	Share-based compensation reserves[4] $'000	Revenue reserves $'000	Total reserves $'000	Total $'000	Total non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company											
At 1 January 2019	3,748,994	(166,280)	1,046,406	295,563	(1,069,917)	(327,545)	127,315	2,670,830	1,696,246	6,325,366	138,690	6,464,056
Profit for the financial year	–	–	–	–	–	–	–	564,157	564,157	564,157	(38,995)	525,162
Effect of change in accounting policy related to SFRS(I) 16 (Note 2.2.1)	–	–	–	–	–	–	–	(247,992)	(247,992)	(247,992)	–	(247,992)
Profit for the financial year, as restated	–	–	–	–	–	–	–	316,165	316,165	316,165	(38,995)	277,170
Other comprehensive income												
Net gain on fair value changes during the financial year	–	–	–	–	–	28,969	–	–	28,969	28,969	–	28,969
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	–	–	(105,532)	–	–	(105,532)	(105,532)	–	(105,532)
Foreign currency translation adjustments, as restated (Note 2.2.1)	–	–	–	–	(78,133)	–	–	–	(78,133)	(78,133)	(8,067)	(86,200)
Share of other comprehensive income of joint ventures and associates	–	–	–	1,541	(7,489)	–	–	–	(5,948)	(5,948)	–	(5,948)
Other comprehensive income for the financial year, net of tax, as restated	–	–	–	1,541	(85,622)	(76,563)	–	–	(160,644)	(160,644)	(8,067)	(168,711)
Total comprehensive income for the year, as restated	–	–	–	1,541	(85,622)	(76,563)	–	316,165	155,521	155,521	(47,062)	108,459
Contributions by and distributions to owners												
Buy back of treasury shares (Note 27)	–	(8,274)	–	–	–	–	–	–	–	(8,274)	–	(8,274)
Issue of treasury shares for Restricted Share Award (Note 27)	–	15,747	–	–	–	–	(15,747)	–	(15,747)	–	–	–
Share-based expense	–	–	–	–	–	–	23,687	–	23,687	23,687	–	23,687
Dividends on ordinary shares (Note 28)	–	–	–	–	–	–	–	(238,606)	(238,606)	(238,606)	–	(238,606)
Accrued capital securities distribution	–	–	55,054	–	–	–	–	(55,054)	(55,054)	–	–	–
Payment of capital securities distribution	–	–	(55,593)	–	–	–	–	–	–	(55,593)	–	(55,593)
Total contributions by and distributions to owners	–	7,473	(539)	–	–	–	7,940	(293,660)	(285,720)	(278,786)	–	(278,786)
Changes in ownership interests in subsidiaries												
Acquisition of non-controlling interests without a change in control	–	–	–	(16,936)	–	–	–	–	(16,936)	(16,936)	(10,005)	(26,941)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	26,449	26,449
Total transactions with owners in subsidiaries	–	–	–	(16,936)	–	–	–	–	(16,936)	(16,936)	16,444	(492)
Total transactions with owners in their capacity as owners	–	7,473	(539)	(16,936)	–	–	7,940	(293,660)	(302,656)	(295,722)	16,444	(279,278)
At 31 December 2019, as restated	3,748,994	(158,807)	1,045,867	280,168	(1,155,539)	(404,108)	135,255	2,693,335	1,549,111	6,185,165	108,072	6,293,237

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

31 December 2020 Company	Share capital (Note 27) $'000	Treasury shares (Note 27) $'000	Capital securities (Note 27) $'000	Capital reserves[1] $'000	Foreign currency translation reserves[2] $'000	Fair value adjustment reserves[3] $'000	Share-based compensation reserves[4] $'000	Revenue reserves $'000	Total reserves $'000	Total $'000
				Attributable to owners of the Company						
At 1 January 2020	**3,748,994**	**(158,807)**	**1,045,867**	**140,486**	**(109,081)**	**(409,771)**	**135,255**	**4,100,258**	**3,857,147**	**8,493,201**
Loss for the financial year	–	–	–	–	–	–	–	(410,651)	(410,651)	(410,651)
Other comprehensive income										
Net loss on fair value changes during the financial year	–	–	–	–	–	(73,307)	–	–	(73,307)	(73,307)
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	–	–	20,241	–	–	20,241	20,241
Foreign currency translation adjustments	–	–	–	–	(117,485)	–	–	–	(117,485)	(117,485)
Other comprehensive income for the financial year, net of tax	–	–	–	–	(117,485)	(53,066)	–	–	(170,551)	(170,551)
Total comprehensive income for the year	–	–	–	–	(117,485)	(53,066)	–	(410,651)	(581,202)	(581,202)
Contributions by and distributions to owners										
Issue of treasury shares for Restricted Share Awards (Note 27)	–	18,635	–	–	–	–	(18,635)	–	(18,635)	–
Share-based expense	–	–	–	–	–	–	25,335	–	25,335	25,335
Dividends on ordinary shares (Note 28)	–	–	–	–	–	–	–	(253,708)	(253,708)	(253,708)
Accrued capital securities distribution	–	–	56,440	–	–	–	–	(56,440)	(56,440)	–
Payment of capital securities distribution	–	–	(56,575)	–	–	–	–	–	–	(56,575)
Total contributions by and distributions to owners	–	18,635	(135)	–	–	–	6,700	(310,148)	(303,448)	(284,948)
Total transactions with owners in their capacity as owners	–	18,635	(135)	–	–	–	6,700	(310,148)	(303,448)	(284,948)
At 31 December 2020	**3,748,994**	**(140,172)**	**1,045,732**	**140,486**	**(226,566)**	**(462,837)**	**141,955**	**3,379,459**	**2,972,497**	**7,627,051**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Attributable to owners of the Company									
31 December 2019 Company	Share capital (Note 27) $'000	Treasury shares (Note 27) $'000	Capital securities (Note 27) $'000	Capital reserves[1] $'000	Foreign currency translation reserves[2] $'000	Fair value adjustment reserves[3] $'000	Share-based compensation reserves[4] $'000	Revenue reserves $'000	Total reserves $'000	Total $'000
At 1 January 2019	3,748,994	(166,280)	1,046,406	140,486	(2,053)	(327,539)	127,315	3,781,319	3,719,528	8,348,648
Profit for the financial year	–	–	–	–	–	–	–	612,599	612,599	612,599
Other comprehensive income										
Net gain on fair value changes during the financial year	–	–	–	–	–	23,300	–	–	23,300	23,300
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	–	–	(105,532)	–	–	(105,532)	(105,532)
Foreign currency translation adjustments	–	–	–	–	(107,028)	–	–	–	(107,028)	(107,028)
Other comprehensive income for the financial year, net of tax	–	–	–	–	(107,028)	(82,232)	–	–	(189,260)	(189,260)
Total comprehensive income for the year	–	–	–	–	(107,028)	(82,232)	–	612,599	423,339	423,339
Contributions by and distributions to owners										
Buy back of treasury shares (Note 27)	–	(8,274)	–	–	–	–	–	–	–	(8,274)
Issue of treasury shares for Restricted Share Awards (Note 27)	–	15,747	–	–	–	–	(15,747)	–	(15,747)	–
Share-based expense	–	–	–	–	–	–	23,687	–	23,687	23,687
Dividends on ordinary shares (Note 28)	–	–	–	–	–	–	–	(238,606)	(238,606)	(238,606)
Accrued capital securities distribution	–	–	55,054	–	–	–	–	(55,054)	(55,054)	–
Payment of capital securities distribution	–	–	(55,593)	–	–	–	–	–	–	(55,593)
Total contributions by and distributions to owners	–	7,473	(539)	–	–	–	7,940	(293,660)	(285,720)	(278,786)
Total transactions with owners in their capacity as owners	–	7,473	(539)	–	–	–	7,940	(293,660)	(285,720)	(278,786)
At 31 December 2019	3,748,994	(158,807)	1,045,867	140,486	(109,081)	(409,771)	135,255	4,100,258	3,857,147	8,493,201

1 Capital reserves

Capital reserves represent the premium paid and discounts on acquisition of non-controlling interests, gain on partial disposal of subsidiary which did not result in loss of control, residual amount of convertible bonds net of proportionate share of transaction costs, after deducting the fair value of the debt and derivative component on the date of issuance and the share of capital reserve of a joint venture.

2 Foreign currency translation reserves

The foreign currency translation reserves are used to record exchange differences arising from the translation of the financial statements of the Company and the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the share of foreign currency translation reserves of joint ventures and associates.

3 Fair value adjustment reserves

Fair value adjustment reserves record the portion of the fair value changes on derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be effective hedges as well as fair value changes of long term investment.

4 Share-based compensation reserves

Share-based compensation reserves represent the equity-settled shares and share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shares and share options and is reduced by the expiry of the share options.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

For the financial year ended 31 December 2020

	2020 $'000	2019 (As restated) $'000
Cash flows from operating activities		
Profit before taxation	**222,176**	333,107
Adjustments for:-		
Allowance for doubtful debts	**30,791**	14,474
Amortisation of intangible assets, depreciation of property, plant and equipment and depreciation of right-of-use assets	**561,264**	500,626
Share-based expense	**25,335**	23,687
Negative goodwill arising from acquisition of subsidiary	**–**	(7,857)
Fair value of biological assets (Note 13)	**60,277**	(1,857)
Gain on disposal of subsidiary	**–**	(593)
Gain on disposal/partial divestment of joint venture and associate	**(74,160)**	(39,214)
Loss/(gain) on disposal of property, plant and equipment and intangible assets	**3,508**	(86,210)
Impairment of investment in associate	**6,913**	–
Impairment of goodwill, property, plant and equipment and intangible assets	**500,950**	206,452
Interest income	**(102,772)**	(88,649)
Interest expense	**518,475**	629,483
Inventories written down, net	**58,478**	40,271
Share of results from joint ventures and associates	**(113,929)**	(67,872)
Operating cash flows before reinvestment in working capital	**1,697,306**	1,455,848
Increase in inventories	**(166,051)**	(514,572)
Decrease in receivables and other current assets	**268,695**	222,290
(Increase)/decrease in advance payments to suppliers	**(60,084)**	282,489
Increase in margin account with brokers	**(137,429)**	(112,060)
(Decrease)/increase in payables and other current liabilities	**(1,066,077)**	26,211
Cash flows from operations	**536,360**	1,360,206
Interest income received	**102,772**	88,649
Interest expense paid	**(539,806)**	(644,464)
Tax paid	**(177,821)**	(106,835)
Net cash flows (used in)/generated from operating activities	**(78,495)**	697,556
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	**26,161**	12,925
Purchase of property, plant and equipment	**(595,614)**	(601,324)
Purchase of intangible assets (Note 12)	**(83,351)**	(18,385)
Acquisition of subsidiaries, net of cash acquired (Note 12)	**(74,389)**	(445,895)
Net proceeds from associates and joint ventures	**36,587**	6
Proceeds from partial stake sale of long term investment	**7,423**	–
Dividends received from associate and joint venture	**4,226**	4,617
Proceeds on disposal of intangible asset	**–**	463,270
Proceeds from disposal/partial divestment of joint venture and associate	**165,260**	20,281
Proceeds from divestment of subsidiary	**–**	1,817
Net cash flows used in investing activities	**(513,697)**	(562,688)

	2020 $'000	2019 (As restated) $'000
Cash flows from financing activities		
Dividends paid on ordinary shares by the Company	**(253,708)**	(238,606)
Proceeds from borrowings, net	**1,019,750**	877,130
Repayment of lease liabilities	**(98,753)**	(79,819)
Payment of capital securities, net of distribution	**(56,575)**	(55,593)
Purchase of treasury shares	**–**	(8,274)
Net cash flows generated from financing activities	**610,714**	494,838
Net effect of exchange rate changes on cash and cash equivalents	**(145,544)**	(45,936)
Net (decrease)/increase in cash and cash equivalents	**(127,022)**	583,770
Cash and cash equivalents at beginning of period	**2,976,916**	2,393,146
Cash and cash equivalents at end of period (Note 34)	**2,849,894**	2,976,916

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements for the financial year ended 31 December 2020 were authorised for issue by the Board of Directors on 23 March 2021.

1. Corporate information

Olam International Limited (the 'Company') is a limited liability company, which is domiciled and incorporated in Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The Company's immediate holding company is Temasek Capital (Private) Limited and its ultimate holding company is Temasek Holdings (Private) Limited, both companies are incorporated in Singapore.

The principal activities of the Company are those of sourcing, processing, packaging and merchandising of agricultural products. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

The registered office and principal place of business of the Company is at 7 Straits View, #20-01 Marina One East Tower, Singapore 018936.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements are presented in Singapore Dollars ($ or SGD) and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted the following standards as in the table below. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company except for change in accounting policy as described in Note 2.2.1. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

Description	Effective for financial year beginning on
Amendments to SFRS(I) 3/FRS 103: Definition of a Business	1 January 2020
Amendments to SFRS(I)1-1 and SFRS(I) 1-8 / FRS 1 and FRS 8: Definition of Material	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7/FRS 109, FRS 39, FRS 107: Interest Rate Benchmark Reform	1 January 2020
Amendment to SFRS(I) 16/ FRS 116: COVID-19-Related Rent Concessions	1 June 2020

2. Summary of significant accounting policies continued

2.2 Changes in accounting policies continued

2.2.1 Accounting for tiered revenue sharing arrangements in a sale and lease back transaction

SFRS(I) 16 on lease accounting has been in effect from January 1, 2019, and the Group had adopted the same in its financial statements for FY2019. Adoption of this standard had resulted in most leases being recognised on the balance sheet, as a “right-of-use asset” which represented the right to use the underlying leased asset and a “lease liability” representing an obligation to make lease payments. However, for lease contracts where it contains a tiered revenue sharing arrangement in a sale and leaseback transaction, the Group’s accounting policy was to recognise a full gain on sale in the profit or loss in the accounting period for which the sale was concluded with no right-of-use asset recognised due to the lease payments being totally variable.

In June 2020, the IFRS Interpretations Committee (IFRIC Committee) clarified that regardless for sale and leaseback transactions where lease payments are fully variable, the seller-lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the seller-lessee. Accordingly, the seller-lessee shall recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

Following the clarification, the Group has adopted the treatment set out by the IFRIC Committee. This change in accounting treatment has been accounted for retrospectively and earliest prior period financial statements has been restated.

The tables below and in the following page show all adjustments recognised for each individual line item as a result of the change discussed above. Line items that were not affected by the change have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

	Group		
Consolidated Profit and Loss – Extract	2019 (As previously reported) $'000	Effect of Change $'000	2019 (As restated) $'000
Other income (Note 5)	531,537	(343,049)	188,488
Cost of goods sold	(30,055,135)	1,400	(30,053,735)
Depreciation and amortisation (Note 10 and 11)	(500,334)	(292)	(500,626)
Finance cost (Note 8)	(628,381)	(1,102)	(629,483)
Profit before Tax	676,150	(343,043)	333,107
Income tax expense (Note 9)	(150,988)	95,051	(55,937)
Profit for the period	525,162	(247,992)	277,170
Earnings per share attributable to owners of the Company (cents)			
Basic	15.98	(7.79)	8.19
Diluted	15.79	(7.69)	8.10

2. **Summary of significant accounting policies** continued

2.2 Changes in accounting policies continued

2.2.1 Accounting for tiered revenue sharing arrangements in a sale and lease back transaction continued

	Group		
Consolidated Balance sheet -Extract	2019 (As previously reported) $'000	Effect of Change $'000	2019 (As restated) $'000
Right-of-use assets (Note 10)	577,589	141,661	719,250
Non-current assets	9,421,798	141,661	9,563,459
Lease liabilities (Note 25)	(82,032)	(36,485)	(118,517)
Current liabilities	(12,772,084)	(36,485)	(12,808,569)
Net current assets	3,476,479	(36,485)	3,439,994
Deferred tax liabilities (Note 9(c))	(502,031)	94,694	(407,337)
Lease liabilities (Note 25)	(435,068)	(446,693)	(881,761)
Non-current liabilities	(6,358,217)	(351,999)	(6,710,216)
Net assets	6,540,060	(246,823)	6,293,237
Reserves	1,795,934	(246,823)	1,549,111
Total equity	6,540,060	(246,823)	6,293,237
Statement of changes in equity (extract):			
Foreign currency translation reserve	(1,156,708)	1,169	(1,155,539)
Revenue reserves	2,941,327	(247,992)	2,693,335
Total reserves	1,795,934	(246,823)	1,549,111
Total equity	6,540,060	(246,823)	6,293,237

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations applicable to the Group that have been issued but are not yet effective:

Description	Effective for financial year beginning on
Amendments to SFRS(I) 9/ FRS 109, SFRS(I) 1-39/ FRS 39, SFRS(I) 7/ FRS 107, SFRS(I) 4/ FRS 104, SFRS(I) 16/ FRS 116: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to SFRS(I) 3/ FRS 103: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16/ FRS 16: Property, Plant and Equipment—Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37/ FRS 37: Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s / FRSs 2018-2020	1 January 2022
Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1/ FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 17/ FRS 117	1 January 2023
Amendments to SFRS(I) 10 & SFRS(I) 1-28/FRS 110 & FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2. Summary of significant accounting policies continued

2.4 Functional and foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars as the Company is domiciled in Singapore.

The Company's functional currency is the United States Dollar ('USD'), which reflects the economic substance of the underlying events and circumstances of the Company as most of the Company's transactions are denominated in USD. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the balance sheet date and their profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or joint ventures that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(c) Translation to the presentation currency

The financial statements are presented in Singapore Dollar ('SGD') as the Company's principal place of business is in Singapore.

The financial statements are translated from USD to SGD as follows:-

- Assets and liabilities for each balance sheet presented are translated at the closing rate ruling at that balance sheet date;
- Income and expenses for each profit and loss account are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

All exchange differences arising on the translation are included in the foreign currency translation reserves.

2. Summary of significant accounting policies continued

2.5 Subsidiary companies, basis of consolidation and business combinations

(a) Subsidiary companies

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

A list of the Group's significant subsidiary companies is shown in Note 14.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(c) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date. The accounting policy for goodwill is set out in Note 2.10(a).

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

2. Summary of significant accounting policies continued

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated profit and loss and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.8.

2.8 Joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

2. **Summary of significant accounting policies** continued

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.16. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated. Buildings and improvements are depreciable over the shorter of the estimated useful life of the asset or the lease period, where applicable.

Depreciation of an asset begins when it is available for use and is computed on a straight line basis over the estimated useful life except for ginning assets of Queensland Cotton Holdings Pty Ltd., which are depreciated using the units of use method. The estimated useful life of the assets is as follows:-

Bearer plants	• 15 to 30 years
Buildings and improvements	• 5 to 50 years
Plant and machinery	• 3 to 25 years; 30 years for ginning assets
Motor vehicles	• 3 to 5 years
Furniture and fittings	• 5 years
Office equipment	• 5 years
Computers	• 3 years

Bearer plants - Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, farming inputs and maintenance, capitalisation of borrowing costs incurred on loans used to finance the development of immature plantations and an allocation of other indirect costs based on planted hectarage.

Capital work-in-progress is not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

2. Summary of significant accounting policies continued

2.10 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit and loss account. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or that are not yet available for use are not subject to amortisation and they are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

2. Summary of significant accounting policies continued

2.11 Biological assets

(a) Agricultural produce ('Fruits on trees') and annual crops

The agricultural produce ('fruits on trees') are valued at fair value less costs to sell, with any changes recognised in the profit or loss. The fair value amount is an aggregate of the fair valuation of the current financial year and the reversal of the prior year's fair valuation. The fair value takes into account current selling prices and related costs. The calculated value is then discounted by a suitable factor to take into account the agricultural risk until maturity.

The annual crops have been valued using adjusted cost, which is the estimate of the yield and cost of the crop at harvest discounted for the remaining time to harvest, which approximate fair value.

(b) Livestock

Livestock are stated at fair value less estimated costs to sell, with any resultant gain or loss recognised in the profit or loss. Costs to sell include all costs that would be necessary to sell the assets. The fair value of livestock is determined based on valuations by an independent professional valuer using the market prices of livestock of similar age, breed and generic merit.

(c) Poultry

Poultry are stated at fair value less estimated costs to sell, with any resultant gain or loss recognised in the profit or loss. Costs to sell include all costs that would be necessary to sell the assets. The fair value of poultry is determined based on estimated market price of livestock of similar age, breed and generic merit.

Breeding chickens are carried at fair value, which approximates cost and are amortised over the economic egg-laying lives of the breeding chickens after it starts producing eggs.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. The Group makes an estimate of the asset's recoverable amount with the help of independent professional valuers where applicable.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2. Summary of significant accounting policies continued

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instruments. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments – amortised costs

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Equity instruments

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at FVOCI are recognised in OCI and are not reclassified to profit or loss. Consequently, there is no need to review such instruments for impairment.

On derecognition of the equity instrument in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income may however be transferred to another component of equity.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Impairment

For trade receivables, the Group applies a simplified approach in calculating expected credit losses ('ECLs'). The Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. This is similar for other financial assets on the balance sheet. Impairment losses are reflected in the allowance account of the respective financial asset class on the balance sheet:

- Trade receivables (Note 18)
- Loans to joint ventures and associates (Note 15)
- Other current assets – Sundry receivables, export incentives and subsidies receivable, deposits, staff advances, insurance receivables, amount due from joint venture, associates and a shareholder related company (Note 22)
- Amount due from subsidiary companies (Note 17)

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments, is recognised in profit or loss.

2. **Summary of significant accounting policies** continued

2.13 Financial instruments continued

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts are recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management. Cash and cash equivalents carried in the balance sheets are classified and accounted as measured at amortised cost under SFRS(I) 9. The accounting policy for this category of financial assets is stated in Note 2.13.

2.15 Inventories

Inventories for commodity trading businesses are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in the profit or loss in the period of the change.

Other inventories are stated at the lower of cost and net realisable value and are valued on a first-in-first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for damages and slow-moving items.

For fruits on trees that are harvested, are stated at fair value less estimated point-of-sale costs at the time of harvest (the 'initial cost'). Thereafter these inventories are carried at the lower of initial cost and net realisable value.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Summary of significant accounting policies continued

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Employee benefits

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

(c) Employee share options scheme/share grant plan

Employees (including senior executives) of the Group receive remuneration in the form of share options or shares as consideration for services rendered ('equity-settled transactions').

The cost of these equity-settled share-based payment transactions with employees is measured with reference to the fair value at the date on which the share subscriptions/options are granted which takes into account market conditions and non-vesting conditions.

This cost is recognised in the profit or loss, with a corresponding increase in the share-based compensation reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

Where the terms of an equity-settled award are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for a modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

2. Summary of significant accounting policies continued

2.19 Leases

Lease contracts, as defined by SFRS(I) 16 Leases, are recorded in the balance sheet, which leads to the recognition of:

- an asset representing a right-of-use of the asset leased during the lease term of the contract;
- a liability related to the payment obligation.

Right-of-use assets

Right-of-use assets are measured at cost, which comprise the following - lease liability, lease payments made at or prior to delivery, less lease incentives received, initial direct costs and restoration obligations.

Following initial recognition, right-of-use assets are subsequently measured at amortised cost and depreciated over the term of the lease using the straight-line method.

Lease liability

The lease liability at commencement date is recognised for an amount equal to the present value of the lease payments over the lease term.

The lease liability is subsequently measured based on a process similar to the amortised cost method using the discount rate: where the liability is increased by the accrued interests resulting from the discounting of the lease liability, at the beginning of the lease period and less payments made. The interest cost for the period as well as variable payments, not taken into account in the initial measurement of the lease liability and incurred over the relevant period are recognised as costs.

Variable lease payments

The Group enters into 'Tiered Revenue Sharing Arrangements' for certain leases of land, buildings, plant and machinery and other assets. Arising from such arrangements are variable lease payments that do not depend on an index or rate and are based on production volumes or revenues of the underlying performance of the respective business units. Such variable lease payments are recognised in profit or loss in the period in which the event that triggers the occurrence of payments.

To the extent that the lease contract is a tiered revenue sharing arrangement in a sale and leaseback transaction, the Group shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the Group. Accordingly, the Group shall recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

Short term leases and low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of land, buildings, plant and machinery and other assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to other assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Summary of significant accounting policies continued

2.20 Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods as performance obligation is judged to have been satisfied and revenue is therefore recognised.

Revenue is measured at the consideration promised in the contract with a customer, less discounts and rebates.

(b) Sale of services

Revenue from services rendered is recognised in the accounting period in which services are rendered.

2.21 Interest income

Interest income is recognised using the effective interest method.

2.22 Government grants, export incentives and subsidies

Government grants, export incentives and subsidies are recognised at their fair values when there is reasonable assurance that the grant will be received and all conditions attached will be complied with. When the grant relates to an expense item, it is recognised in the profit or loss over the period necessary to match it on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.23 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. **Summary of significant accounting policies** continued

2.23 Taxes continued

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:-

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:-

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would be treated either as a reduction to goodwill (as long as it does not exceed goodwill) if incurred during the measurement period or in profit or loss.

2. Summary of significant accounting policies continued

2.23 Taxes continued

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:-

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- where receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from or payable to the taxation authority is included as part of receivables or payables in the balance sheet.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company which regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issue expenses

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

2.26 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost (including directly attributable expenses) and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.27 Perpetual capital securities

The perpetual capital securities do not have a maturity date and the Company is able to elect to defer making a distribution subject to the terms and conditions of the securities issue. The Company is considered to have no contractual obligation to make principal repayments or distributions in respect of its perpetual capital securities issue. Accordingly, the perpetual capital securities do not meet the definition for classification as financial liability and are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual capital securities are deducted against the proceeds from the issue.

2. **Summary of significant accounting policies** continued

2.28 Contingencies

A contingent liability is:-

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

2.29 Derivative financial instruments and hedging activities

Derivative financial instruments include forward currency contracts, commodity futures, options, over-the-counter ('OTC') structured products, commodity physical forwards, foreign currency swap, interest rate swap contracts and power purchase agreements. These are used to manage the Group's exposure to risks associated with foreign currency, commodity price and interest rate fluctuations. Certain derivatives are also used for trading purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts and interest rate derivatives are calculated by reference to current forward exchange rates and interest rates respectively for contracts with similar maturity profiles. The fair values of commodity futures, options, OTC structured products and physical forwards are determined by reference to available market information and market valuation methodology. Where the quoted market prices are not available, fair values are based on management's best estimates, which are arrived at by reference to market prices.

Hedge accounting

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:-

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

2. Summary of significant accounting policies continued

2.29 Derivative financial instruments and hedging activities continued

Hedge accounting continued

(a) Fair value hedges

Fair value hedge accounting is applied to hedge the Group's exposure to changes in the fair value portion of such an asset or liability or an identified portion of such an asset or liability that is attributable to a particular risk – commodity price risk that could affect the profit and loss account. For fair value hedges, the carrying amount of the hedged item (inventories) is adjusted for gains and losses attributable to the risk being hedged, the derivative (hedging instrument) is remeasured at fair value, gains and losses from both are taken to the profit and loss account.

When inventories are designated as a hedged item, the subsequent cumulative change in the fair value of these inventories attributable to the hedged commodity price risk is recognised as part of inventories with a corresponding gain or loss in the profit and loss account. The hedging instrument is recorded at fair value as an asset or liability and the changes in the fair value of the hedging instrument are also recognised in the profit and loss account.

The application of hedge accounting is discontinued in cases where the Group revokes the hedging relationship. Effective from SFRS(I) 9, hedging relationships may not be voluntarily revoked unless there is a change in risk management objective. Accordingly, in cases where a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective remains unchanged, the Group adjusts the hedging ratio to re-establish the effectiveness of the hedging relationship. Furthermore, the Group discontinues the application of hedge accounting in cases where there is a change in the risk management objective for the hedging relationship.

(b) Cash flow hedges

For each cash flow hedge relationship, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the profit and loss account at the time hedge effectiveness is tested.

When a cash flow hedge is discontinued, any cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur. If the hedged future cash flows no longer expected to occur, the net cumulative gain or loss is immediately reclassified to profit and loss account.

2. Summary of significant accounting policies continued

2.30 Related parties

A related party is defined as follows:-

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:-

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimating uncertainty as at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Valuation of goodwill, intangible and tangible assets/liabilities through business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The fair value of such assets and liabilities are estimated by independent professional valuers where significant, or using the discounted cash flow model, which requires the Group to make an estimate of the expected future cash flows of the acquired business and choosing a suitable discount rate. The business combinations completed during the current financial year are disclosed in Note 12 to the financial statements.

3. Significant accounting judgements and estimates continued

Key sources of estimation uncertainty continued

(b) Impairment of goodwill and intangible assets with indefinite useful life

Management performs periodic reviews of goodwill, intangible assets with indefinite life for indication of impairment. The Group estimates the value in use of the cash-generating units to which the goodwill and intangible asset with indefinite useful life is allocated. Estimating the value in use requires the Group, with the help of independent professional valuers where applicable, to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The impairment tests are sensitive to forecasted EBITDA, growth rates and discount rates. Changes in these assumptions may result in changes in recoverable values. The carrying amount of the Group's goodwill and indefinite life intangible assets at the balance sheet date is disclosed in Note 12 to the financial statements.

(c) Impairment of property, plant and equipment

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The Group had engaged independent professional valuers, where relevant to assess the fair values for certain assets using recognised valuation techniques.

The value in use calculation is based on a discounted cash flow model and requires the Group, with the help of independent professional valuers where applicable, to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The value in use calculations are sensitive to forecasted EBITDA, growth rates and discount rates.

Changes in these above assumptions may result in changes in recoverable values. The carrying amount of the Group's property, plant and equipment at the balance sheet date is disclosed in Note 11 to the financial statements.

(d) Biological assets

The fair value of biological assets (other than livestock and poultry) is estimated using the discounted cash flow model, which requires the Group to make an estimate of the expected future cash flows from the biological assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows, which is referenced to professional valuations or fair valued by independent professional valuers where significant. The valuation of these biological assets is particularly sensitive to discount rates and they are disclosed in Note 13.

(e) Fair value of financial instruments

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values (Level 3). The judgements include considerations of model inputs regarding forward prices, credit risk, volatility and counterparty risk that are not supported by observable market data. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more detail in Note 36.

3. Significant accounting judgements and estimates continued

Key sources of estimation uncertainty continued

(f) Taxation

The Group establishes provisions, based on reasonable estimates, of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues including transfer pricing arrangements which vary by tax jurisdiction. In addition to the complexity of its tax environment, there is a level of unpredictability of tax authority's assessment of the Group's tax filings, which results in the application of management judgment in ascertaining reasonable estimates.

In addition to the above, deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised and when temporary differences are created if the carrying amount of an asset is less than its tax base.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the estimated unwinding of the deferred tax against taxable income or taxable temporary differences, together with future tax planning strategies. The carrying amounts of the Group's provision for taxation, deferred tax assets and deferred tax liabilities as at 31 December 2020 is disclosed in Note 9 to the financial statements.

(g) Accounting for tiered revenue sharing arrangement in a sale and lease back transaction

For sale and leaseback transactions with variable lease payments, management is required to measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the seller-lessee. Accordingly, the seller-lessee shall recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

The approach and key assumptions used in the determination of the present value of expected lease payments are tiered to future revenues which are subject to volatilities related to the expected future harvest yields and future market prices of agricultural products. The carrying amount of the Group's right-of-use assets and lease liabilities at the balance sheet date is disclosed in Note 10 and 25 to the financial statements.

4. Revenue from contracts with customers – disaggregation of revenue

	Group	
	2020 $'000	2019 $'000
Types of goods or services		
Sale of goods	**35,561,529**	32,773,684
Sale of services	**258,514**	219,038
Total revenue from contracts with customers	**35,820,043**	32,992,722
Timing of revenue recognition		
Goods transferred at point in time	**35,561,529**	32,773,684
Services transferred at point in time	**257,837**	212,610
Others	**677**	6,428
Total revenue from contracts with customers	**35,820,043**	32,992,722

Revenue from sale of services mainly represents ginning and toll processing income and freight charter income.

For further disaggregation disclosure of revenue from contracts with customers by business and geographical segments – refer to Note 39.

5. Other income

Other income included the following:-

	Group	
	2020 $'000	2019 (As restated) $'000
Gain on disposal of subsidiary (Note 14)	**–**	593
Gain on disposal of property, plant and equipment and intangible assets, net [1]	**–**	86,210
Gain on partial divestment of joint venture and associate (Note 15)	**75,008**	40,371
Negative goodwill arising from business combination (Note 12)	**–**	7,857
Commissions and claims, sale of packaging materials, sales of scrap and others	**61,167**	53,457
	136,175	188,488

1. As restated (note 2.2.1): In the previous financial year, net gain on disposal of property, plant and equipment and intangible asset included gain on sale of real estate assets of onion and garlic processing facility ('Facility') in USA amounting to $21,663,000 and gain on sale of permanent water rights in Australia amounting to $61,630,000 in a Tiered Revenue Sharing Arrangement.

6. Cost of goods sold

The significant portion of the cost of goods sold pertains to the purchase costs of inventories sold (Note 20). There are other directly attributable costs associated with cost of goods sold and these include:-

	Group	
	2020 $'000	2019 $'000
Shipping, logistics, commission and claims	**(3,556,399)**	(3,233,710)
Foreign exchange on cost of goods sold [1]	**(84,493)**	(76,894)
Gains on derivatives net of fair value changes	**346,403**	465,438
Inventories written down, net (Note 20)	**(58,478)**	(40,271)
Export incentives, subsidies and grant income received [2]	**28,220**	41,943

1. Foreign exchange on cost of goods sold relate to foreign exchange movement arising between the time of purchase of goods and the time of sale of such goods.
2. Export incentives and subsidies relate to income from government agencies of various countries for the export of agricultural products.

7. Other expenses

Other expenses are stated after (charging)/crediting:-

	Group	
	2020 $'000	2019 $'000
Loss on disposal of joint venture and associate	**(848)**	(1,157)
Loss of disposal of property, plant and equipment and intangible assets, net	**(3,508)**	–
Employee benefits expenses (Note 31)	**(1,045,581)**	(914,758)
Gain/(loss) on foreign exchange, net	**34,377**	(73,881)
Bank charges	**(73,047)**	(68,617)
Travelling expenses	**(38,946)**	(71,360)
Transaction costs incurred in business combinations (Note 12)	**(1,088)**	(4,043)
Impairment loss on financial assets – Trade receivables (Note 18)	**(26,705)**	(7,190)
Allowance for doubtful debts – Advance payments to suppliers (Note 21)	**(4,086)**	(7,284)
Impairment of intangible assets (Note 12)	**(2,315)**	(40,885)
Impairment of property, plant and equipment (Note 11)	**(498,635)**	(165,567)
Auditor's remuneration:		
• Ernst & Young LLP, Singapore	**(2,279)**	(2,174)
• Other member firms of Ernst & Young Global	**(6,955)**	(6,560)
Non-audit fees:		
• Ernst & Young LLP, Singapore	**(361)**	(956)
• Other member firms of Ernst & Young Global	**(1,694)**	(649)

8. Finance costs

Finance costs include the following:-

	Group	
	2020 $'000	2019 (As restated) $'000
Interest expense:		
• On bank overdrafts	**33,884**	26,099
• On bank loans	**371,253**	451,236
• On medium-term notes	**101,184**	161,044
• On bonds	**15,712**	25,468
• On lease liabilities (Note 10, 25)	**52,063**	29,482[1]
• Others	**24,628**	27,031
	598,724	720,360
Less: interest expense capitalised in:		
• Property, plant and equipment and biological assets	**(80,249)**	(90,877)
	518,475	629,483

1. As restated: Refer to Note 2.2.1 for details.

Interest was capitalised to capital work-in-progress, plant and machinery, buildings and biological assets by various subsidiaries of the Group at rates ranging from 2.70% to 7.50% (2019: from 3.50% to 7.50%) per annum.

9. Income tax

(a) Major components of income tax expense

	Group	
	2020 $'000	2019 (As restated) $'000
Profit and loss account		
Current income tax:		
• Singapore	**14,754**	29,480
• Foreign	**139,610**	140,616
Under/(over) provision in respect of prior years	**86**	(8,407)
	154,450	161,689
Deferred income tax:		
• Singapore	**(368)**	816
• Foreign	**(110,095)**	(106,568)[1]
Income tax expense	**43,987**	55,937

1. As restated: Refer to Note 2.2.1 for details.

	Group	
	2020 $'000	2019 $'000
Statement of comprehensive income:		
Deferred income tax related to items credited directly to other comprehensive income:		
Net change in fair value adjustment reserves for derivative financial instruments designated as hedging instruments in cash flow hedges	**(168)**	(979)
Deferred tax recorded in other comprehensive income	**(168)**	(979)

(b) Relationship between tax expense and accounting profit

A reconciliation of the statutory tax rate to the Group's effective tax rate ("ETR") is as follows:-

	Group	
	2020 %	2019 (As restated – Note 2.2.1) %
Tax using Singapore tax rate 17% (2019: 17%)	**17.0**	17.0
Tax effect of non-deductible expenses	**17.0**	20.3
Higher statutory tax rates of other countries [1]	**2.5**	5.7
Tax effect on under/(over) provision in respect of prior years	**0.0**	(2.5)
Tax effect of income taxed at concessionary rate [2]	**(7.6)**	(21.6)
Tax effect on non-taxable/exempt income [3]	**(20.2)**	(5.8)
Tax effect of joint ventures/associates	**(1.5)**	(3.5)
Tax effect of deferred tax assets not recognised	**12.2**	4.2
Tax effect of others, net	**0.4**	3.0
Effective tax rate	**19.8**	16.8

1. The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.
2. The Company is an approved company under the Global Trader Programme ('GTP') of Enterprise Singapore and Development and Expansion Incentive ('DEI') under the International Headquarters ('IHQ') award of Singapore Economic Development Board. By virtue of this, the Company is entitled to a concessionary income tax rate of 5% and 5.5% respectively for a period of 5 years from 1 July 2018 until and including 31 December 2022 on qualifying activities, products and income.
3. There are eight (2019: seven) subsidiaries within the Group that are taxed at the preferential tax rate of 0% (as opposed to the local headline/statutory tax rates ranging from 20% to 35%) by the local tax authorities for periods ranging from 0.7 to 3 years (2019: 0.5 to 4 years), except one subsidiary which does not have an expiry date on preferential tax rate.

9. **Income tax** continued

(c) Deferred income tax

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The amounts, after such offsets, are disclosed on the balance sheet as follows:-

	Group			Company	
	2020 $'000	2019 (As restated – Note 2.2.1) $'000	1 January 2019 $'000	**2020 $'000**	2019 $'000
Deferred tax assets	**227,802**	183,273	166,785	**–**	–
Deferred tax liabilities	**(369,230)**	(407,337)	(422,625)	**(836)**	(1,893)
Net deferred tax liabilities	**(141,428)**	(224,064)	(255,840)	**(836)**	(1,893)

Details of deferred tax assets and liabilities before offsetting is as follows:-

	Group			Company	
	2020 $'000	2019 (As restated – Note 2.2.1) $'000	1 January 2019 $'000	**2020 $'000**	2019 $'000
Deferred tax liabilities on:					
Property, plant and equipment	**185,050**	287,289	221,717	**302**	494
Right-of-use asset/lease liability	**2,586**	1,108	–	**–**	–
Intangible assets	**11,209**	8,165	6,073	**–**	–
Fair value adjustment on business combinations	**169,609**	169,680	125,203	**2,375**	2,471
Biological assets	**106,839**	85,079	75,132	**–**	–
Revaluation of financial instruments to fair value	**19,106**	15,973	16,014	**–**	86
Others	**22,723**	14,823	25,314	**–**	–
	517,122	582,117	469,453	**2,677**	3,051
Amount offset against deferred tax assets	**(147,892)**	(174,780)	(46,828)	**(1,841)**	(1,158)
	369,230	407,337	422,625	**836**	1,893
Deferred tax assets on:					
Property, plant and equipment	**33,305**	36,507	46,971	**–**	–
Right-of-use asset	**61,696**	92,261	–	**–**	–
Intangible assets	**134,481**	77,293	83,777	**–**	–
Allowance for impairment	**2,362**	1,939	2,462	**–**	–
Inventories written down	**3,973**	6,103	3,120	**1,222**	1,143
Revaluation of financial instruments to fair value	**518**	860	8,706	**518**	–
Unabsorbed losses	**44,805**	54,421	6,738	**–**	–
Others	**94,554**	88,669	61,839	**101**	15
	375,694	358,053	213,613	**1,841**	1,158
Amount offset against deferred tax liabilities	**(147,892)**	(174,780)	(46,828)	**(1,841)**	(1,158)
	227,802	183,273	166,785	**–**	–
Net deferred tax liabilities	**(141,428)**	(224,064)	(255,840)	**(836)**	(1,893)

9. **Income tax** continued

(c) Deferred income tax continued

Movements in deferred tax during the financial year is as follows:-

	Group		
	2020 $'000	2019 (As restated – Note 2.2.1) $'000	1 January 2019 $'000
As at beginning of year	**(224,064)**	(255,840)	(321,120)
Business combinations (Note 12)	**(12,311)**	(81,375)	(2,530)
Tax income recognised in profit and loss	**110,463**	105,752	55,324
Tax income recognised in equity	**168**	979	3,324
Foreign currency translation adjustments	**(15,684)**	6,420	9,162
	(141,428)	(224,064)	(255,840)

Unrecognised tax losses and capital allowances for which no deferred tax assets have been recognised

The Group has tax losses of approximately $488,502,000 (2019: $456,667,000) and capital allowances of $39,597,000 (2019: $46,958,000) that are available for offset against future taxable profits of the companies in which the losses arose for which no deferred tax asset has been recognised. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate and there is no expiry date on the utilisation of such tax losses and capital allowances for offset against future taxable profits, except for amounts of $431,252,000 (2019: $365,180,000) which will expire over financial years 2020 to 2039.

Unrecognised temporary differences relating to investments in subsidiaries and joint ventures

At the end of the financial years ended 31 December 2019 and 31 December 2020, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries and joint ventures as:-

- The Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future; and
- The joint ventures of the Group cannot distribute its earnings until it obtains the consent of both parties. At the end of the reporting period, the Group does not foresee giving such consent.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $74,261,000 (2019: $184,087,000). The deferred tax liability is estimated to be $12,624,000 (2019: $31,295,000).

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements in respect of the current and previous financial year (Note 28).

10. Right-of-use assets

Group	Leasehold land $'000	Leasehold buildings $'000	Water rights $'000	Other assets[1] $'000	Total $'000
Cost					
As at 1 January 2019 – effects of adoption of SFRS(I) 16	381,352	202,149	–	46,498	629,999
Finance lease assets reclass from property, plant and equipment (Note 11)	63,561	–	–	13,258	76,819
As at 1 January 2019 – as adjusted	444,913	202,149	–	59,756	706,818
Additions in relation to business combinations (Note 12)	26,713	–	–	8,059	34,772
Additions/(disposals), net (as restated)	(139,356)	43,292	132,874	51,341	88,151
Charge for the year	(21,100)	(52,555)	–	(26,217)	(99,872)
Foreign currency translation adjustments	(6,198)	(3,529)	–	(892)	(10,619)
As at 31 December 2019 and 1 January 2020, as restated	304,972	189,357	132,874	92,047	719,250
Additions in relation to business combinations (Note 12)	734	–	–	–	734
Additions/(disposals), net	460	33,297	–	62,756	96,513
Charge for the year	(16,252)	(56,336)	(5,513)	(41,079)	(119,180)
Foreign currency translation adjustments	6,801	(1,970)	9,941	160	14,932
As at 31 December 2020	**296,715**	**164,348**	**137,302**	**113,884**	**712,249**
Average remaining amortisation period (years) – 31 December 2020	1-40	1-40	1-24	1-4	
Average remaining amortisation period (years) – 31 December 2019	1-41	1-39	–	1-5	

1. Other assets comprise of vessel charter contracts, motor vehicles, office equipment and computers.

Company	Leasehold buildings $'000	Other assets[1] $'000	Total $'000
Cost			
As at 1 January 2019	18,437	14,128	32,565
Additions	567	35,034	35,601
Charge for the year	(4,743)	(9,216)	(13,959)
Foreign currency translation adjustments	(177)	(506)	(683)
As at 31 December 2019	**14,084**	**39,440**	**53,524**
Additions	12,152	27,080	39,232
Charge for the year	(7,365)	(21,422)	(28,787)
Foreign currency translation adjustments	(459)	(945)	(1,404)
As at 31 December 2020	**18,412**	**44,153**	**62,565**
Average remaining amortisation period (years) – 31 December 2020	1-3	1-4	
Average remaining amortisation period (years) – 31 December 2019	1-3	1-4	

Amount recognised in profit and loss

	Group	
	2020 $'000	2019 (As restated – Note 2.2.1) $'000
Interest expense on lease liabilities (Note 8)	**52,063**	29,482
Expenses relating to variable leases (included in Cost of Goods Sold)	**29,830**	9,389
Expenses relating to short-term leases (included in Other Operating Expenses)	**62,223**	66,782
Expenses relating to leases of low value assets (included in Other Operating Expenses)	**2,683**	2,077

These leases have no contingent rent provision included in the contracts. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing. The Group had total cash outflows for leases of $241,602,000 in the current financial year (2019: $183,586,000).

11. Property, plant and equipment

Group	Freehold land $'000	Buildings and improvements $'000	Plant and machinery $'000	Other assets[1] $'000	Capital work-in-progress $'000	Bearer plants $'000	Total $'000
Cost							
As at 1 January 2019	349,708	2,172,278	2,461,747	298,980	396,522	1,828,355	7,507,590
Additions in relation to business combinations	50,225	147,636	343,571	57,644	7,573	–	606,649
Additions	1,057	42,405	103,129	37,935	184,989	240,806	610,321
Disposals	(11,556)	(80,826)	(136,437)	(21,407)	(3,037)	(23,726)	(276,989)
Reclassification	12,357	38,070	94,406	(1,212)	(156,037)	12,416	–
Finance Lease Assets reclass to Right-of-use assets (Note 10)	–	–	(17,138)	(524)	–	(63,561)	(81,223)
Sale of subsidiary	(824)	(6,343)	(1,838)	(390)	–	–	(9,395)
Foreign currency translation adjustments	(3,867)	(30,573)	(46,650)	(4,519)	(10,551)	(52,472)	(148,632)
As at 31 December 2019 and 1 January 2020	397,100	2,282,647	2,800,790	366,507	419,459	1,941,818	8,208,321
Additions in relation to business combinations (Note 12)	15,212	20,784	5,853	5,681	3,899	–	51,429
Additions	27,037	50,232	89,115	43,979	265,316	165,568	641,247
Disposals	(25,013)	(24,774)	(58,057)	(13,846)	(1,650)	–	(123,340)
Reclassification	3,320	59,604	68,093	7,771	(141,358)	2,570	–
Non-current assets held for sale (Note 22)	(206)	(7,211)	(95,516)	(325)	–	–	(103,258)
Foreign currency translation adjustments	(6,594)	(15,073)	(88,973)	(7,232)	5,580	91,555	(20,737)
As at 31 December 2020	**410,856**	**2,366,209**	**2,721,305**	**402,535**	**551,246**	**2,201,511**	**8,653,662**
Accumulated depreciation and impairment loss							
As at 1 January 2019	–	391,061	903,757	188,163	–	214,661	1,697,642
Charge for the year	–	91,989	189,590	43,142	–	42,609	367,330
Disposals	(2,469)	(33,643)	(127,782)	(19,750)	–	(688)	(184,332)
Reclassification	–	1,456	414	(1,870)	–	–	–
Finance Lease Assets reclass to Right-of-use assets (Note 10)	–	–	(4,206)	(198)	–	–	(4,404)
Impairment	52,947	14,350	45,935	158	–	52,177	165,567
Sale of subsidiary	–	–	(499)	(450)	–	–	(949)
Foreign currency translation adjustments	(644)	(2,006)	(11,310)	(547)	–	(4,989)	(19,496)
As at 31 December 2019 and 1 January 2020	49,834	463,207	995,899	208,648	–	303,770	2,021,358
Charge for the year	–	100,102	196,716	52,132	–	57,137	406,087
Disposals	(10,485)	(27,679)	(39,787)	(12,624)	–	–	(90,575)
Re-classification	(1,901)	3,134	(2,921)	1,688	–	–	–
Non-current assets held for sale (Note 22)	–	(4,503)	(59,173)	(327)	–	–	(64,003)
Impairment	81	3,415	5,495	251	–	489,393	498,635
Foreign currency translation adjustments	(273)	(322)	(33,110)	(621)	–	11,923	(22,403)
As at 31 December 2020	**37,256**	**537,354**	**1,063,119**	**249,147**	**–**	**862,223**	**2,749,099**
Net carrying value							
As at 31 December 2020	**373,600**	**1,828,855**	**1,658,186**	**153,388**	**551,246**	**1,339,288**	**5,904,563**
As at 31 December 2019	347,266	1,819,440	1,804,891	157,859	419,459	1,638,048	6,186,963

1. Other assets comprise of motor vehicles, furniture and fittings, office equipment and computers.

11. Property, plant and equipment continued

Company	Buildings and improvements $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Total $'000
Cost							
As at 1 January 2019	563	897	1,607	9,420	1,133	25,473	39,093
Additions	–	–	–	5	18	2,497	2,520
Disposals	–	(384)	(582)	(271)	(292)	(3,140)	(4,669)
Foreign currency translation adjustments	(7)	(6)	(13)	(114)	(10)	(309)	(459)
As at 31 December 2019 and 1 January 2020	556	507	1,012	9,040	849	24,521	36,485
Additions	–	–	–	172	62	1,457	1,691
Disposals	(155)	–	–	–	(22)	(7)	(184)
Foreign currency translation adjustments	(3)	(9)	(18)	(167)	(17)	(497)	(711)
As at 31 December 2020	**398**	**498**	**994**	**9,045**	**872**	**25,474**	**37,281**
Accumulated depreciation							
As at 1 January 2019	431	586	757	3,013	614	22,970	28,371
Charge for the year	43	90	170	1,839	157	1,812	4,111
Disposals	–	(313)	(572)	(274)	(278)	(3,110)	(4,547)
Foreign currency translation adjustments	(6)	(4)	(4)	(58)	(6)	(270)	(348)
As at 31 December 2019 and 1 January 2020	468	359	351	4,520	487	21,402	27,587
Charge for the year	41	27	179	1,866	148	2,175	4,436
Disposals	(155)	–	–	–	(17)	(7)	(179)
Foreign currency translation adjustments	(3)	(8)	(14)	(162)	(14)	(472)	(673)
As at 31 December 2020	**351**	**378**	**516**	**6,224**	**604**	**23,098**	**31,171**
Net carrying value							
As at 31 December 2020	**47**	**120**	**478**	**2,821**	**268**	**2,376**	**6,110**
As at 31 December 2019	88	148	661	4,520	362	3,119	8,898

In the current financial year, the sale of real estate assets of onion and garlic processing facility ('Facility') in USA was terminated and the Facility was bought back by the Group and recognised at its fair value under 'Building and improvements' and 'Plant and machinery'.

In the current financial year, an impairment loss of $489,393,000 was recognised on bearer plants, which relate mainly to palm plantation assets in Gabon. The impairment was recognised in "Other expenses" (Note 7) in the profit and loss account, against the recoverable amount based on its value in use.

The Group's land, buildings, plant and machinery with a carrying amount of $136,922,000 (2019: $169,092,000) have been pledged to secure the Group's borrowings as set out in Note 25 to the financial statements.

Bearer plants consist of mature and immature almond orchards, coffee, cocoa, palm and rubber plantations.

The almond orchards and coffee plantations presently consist of trees aged between 1 and 30 years and 1 and 9 years respectively (2019: 1 and 30 years and 1 and 15 years respectively). The cocoa plantations presently consist of trees aged between 1 and 6 years (2019: 1 and 18 years).

Immature plantations mainly consist of almond, palm and rubber trees aged between 1 and 7 years (2019: 1 and 6 years) amounting to $633,134,000 (2019: $858,360,000).

At the end of the financial year, the Group's total planted area of plantations is approximately 107,655 (2019: 109,393) hectares, excluding hectares for those commodities whose plantations are not managed by the Group.

12. Intangible assets

Group	Goodwill $'000	Customer relationships $'000	Brands and trademarks[1] $'000	Software $'000	Water Rights[2] $'000	Concession Rights[3] $'000	Others[4] $'000	Total $'000
Cost								
As at 1 January 2019	654,197	134,690	147,763	92,095	171,173	84,615	129,572	1,414,105
Additions in relation to business combinations	196,200	5,044	–	–	–	–	6,020	207,264
Additions	–	–	–	16,605	–	–	1,780	18,385
Disposals	–	–	–	(5,685)	(168,447)	–	(377)	(174,509)
Re-classification	–	–	(9)	42	–	–	(33)	–
Foreign currency translation adjustments	(10,690)	(1,790)	(1,843)	(1,517)	(2,726)	577	(1,757)	(19,746)
As at 31 December 2019 and 1 January 2020	839,707	137,944	145,911	101,540	–	85,192	135,205	1,445,499
Additions in relation to business combinations (Note 12)	7,016	8,296	18,665	–	–	–	15,623	49,600
Additions	–	–	–	72,718	10,109	–	524	83,351
Disposals	–	–	–	(8,024)	–	–	(71)	(8,095)
Foreign currency translation adjustments	(14,531)	(2,847)	(3,397)	(5,801)	445	9,217	(2,414)	(19,328)
As at 31 December 2020	**832,192**	**143,393**	**161,179**	**160,433**	**10,554**	**94,409**	**148,867**	**1,551,027**
Accumulated amortisation and impairment								
As at 1 January 2019	3,717	67,792	–	47,274	–	47,819	47,591	214,193
Amortisation	–	11,384	–	9,560	–	4,553	7,635	33,132
Impairment	11,837	4,918	24,130	–	–	–	–	40,885
Disposals	–	–	–	(3,617)	–	–	(376)	(3,993)
Re-classification	–	–	–	(12)	–	–	12	–
Foreign currency translation adjustments	(199)	(1,100)	(308)	(830)	–	(785)	(727)	(3,949)
As at 31 December 2019 and 1 January 2020	15,355	82,994	23,822	52,375	–	51,587	54,135	280,268
Amortisation	–	11,726	–	15,010	–	4,625	4,636	35,997
Impairment	–	–	–	–	–	–	2,315	2,315
Disposals	–	–	–	(3,576)	–	–	(2)	(3,578)
Foreign currency translation adjustments	(388)	(2,026)	(421)	(2,656)	–	(556)	(726)	(6,773)
As at 31 December 2020	**14,967**	**92,694**	**23,401**	**61,153**	**–**	**55,656**	**60,358**	**308,229**
Net carrying value								
As at 31 December 2020	**817,225**	**50,699**	**137,778**	**99,280**	**10,554**	**38,753**	**88,509**	**1,242,798**
As at 31 December 2019	824,352	54,950	122,089	49,165	–	33,605	81,070	1,165,231

Average remaining amortisation period (years)								
– 31 December 2020	**–**	**1–11**	**–**	**1–13**	**–**	**6–16**	**1–45**	
– 31 December 2019	–	1–12	–	1–14	–	7–17	1–46	

12. Intangible assets continued

Company	Goodwill $'000	Brands and trademarks $'000	Software $'000	Others[4] $'000	Total $'000
Cost					
As at 1 January 2019	198,282	862	58,092	67,156	324,392
Additions	–	–	15,402	1,369	16,771
Disposals	–	–	(2,750)	–	(2,750)
Foreign currency translation adjustments	(2,473)	(11)	(887)	(855)	(4,226)
As at 31 December 2019 and 1 January 2020	195,809	851	69,857	67,670	334,187
Additions	–	–	69,430	479	69,909
Disposals	–	–	(9,426)	–	(9,426)
Foreign currency translation adjustments	(3,463)	(15)	(3,861)	(1,218)	(8,557)
As at 31 December 2020	**192,346**	**836**	**126,000**	**66,931**	**386,113**
Accumulated amortisation					
As at 1 January 2019	–	–	20,577	13,757	34,334
Amortisation	–	–	6,780	2,229	9,009
Disposals	–	–	(726)	–	(726)
Foreign currency translation adjustments	–	–	(333)	(200)	(533)
As at 31 December 2019 and 1 January 2020	–	–	26,298	15,786	42,084
Amortisation	–	–	11,064	1,279	12,343
Disposals	–	–	(3,504)	–	(3,504)
Foreign currency translation adjustments	–	–	(796)	(337)	(1,133)
As at 31 December 2020	**–**	**–**	**33,062**	**16,728**	**49,790**
Net carrying amount					
As at 31 December 2020	**192,346**	**836**	**92,938**	**50,203**	**336,323**
As at 31 December 2019	195,809	851	43,559	51,884	292,103
Average remaining amortisation period (years)					
– 31 December 2020	**–**	**–**	**2–10**	**1–45**	
– 31 December 2019	–	–	1–9	1–46	

1. Brands and trademarks include 'Dona', 'OK Foods' and 'OK Sweets' brands. The useful lives of the brands are estimated to be indefinite as management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash flows for the Group.
2. Water rights relate to perpetual access to share of water from a specified consumptive pool.
3. Concession rights consist of rights to harvest trees in designated areas. Amortisation is charged over the estimated useful life of the concession rights.
4. Others comprise land use rights, trade names, marketing agreements and non-compete fees. Land use rights relate to rights to land where the Group has acquired plantations. Amortisation is charged over the estimated useful lives of the land use rights.

12. **Intangible assets** continued

Impairment testing of goodwill and other intangible assets

Goodwill and intangible assets with indefinite lives arising from business combinations have been allocated to the following cash-generating units ('CGU'), for impairment testing:-

	Goodwill		Brands and trademark		Water rights	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
Nigeria Wheat Milling Business [1]	**264,240**	268,998	**–**	–	**–**	–
Cocoa Processing Business [2]	**242,844**	247,176	**–**	–	**–**	–
Olam Peanut Shelling Company Inc	**122,046**	124,243	**–**	–	**–**	–
Universal Blanchers	**65,505**	66,684	**–**	–	**–**	–
Packaged Foods brands	**31,166**	31,727	**119,093**	121,236	**–**	–
Caraway Africa Nigeria Limited	**42,584**	43,350	**–**	–	**–**	–
Progida Group	**12,369**	12,591	**–**	–	**–**	–
Olam Spices & Vegetables Ingredients	**9,111**	9,233	**838**	853	**–**	–
Olam Investment Australia Holdings	**–**	–	**–**	–	**10,554**	–
Others	**27,360**	20,350	**17,847**	–	**–**	–
Acacia Investments Limited [3]	**–**	–	**–**	–	**–**	–
	817,225	824,352	**137,778**	122,089	**10,554**	–

1. In the current financial year, the Group achieved full integration of Nigeria wheat flour milling business of Dangote Flour Mills Limited ("DFM") and Quintessential Foods Nigeria Limited ("Quint") with Crown Flour Mills Limited. As a result, the goodwill of $190,270,000 and $73,970,000 (2019: $193,696,000 and $75,302,000) for DFM and Quint respectively have been assessed as one CGU for goodwill impairment testing.
2. In the current financial year, entire Cocoa Processing business have been integrated together. As a result, goodwill of Olam Food Ingredients Holdings UK Limited $7,643,000 (2019: $7,741,000) and Olam Food Ingredients Spain, S.L. $5,778,000 (2019: $5,882,000) were assessed together with goodwill of Cocoa Processing business $229,423,000 (2019: $233,553,000) as single CGU for goodwill impairment testing.
3. The recoverable amount of Acacia Investment Limited as at 31 December 2019 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period. As a result of this analysis, management has recognised a full impairment charge in the previous financial year against both goodwill and indefinite life brand. The impairment charge is recorded within Other Expenses in the profit or loss account and is not to be reversed.

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five year period. The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the five year period are as follows:-

	Growth rates		Discount rates	
	2020 %	2019 %	**2020 %**	2019 %
Nigeria Wheat Milling Business	**–**	–	**11.40**	11.50
Cocoa Processing Business	**2.00**	2.00	**10.00**	10.00
Olam Peanut Shelling Company Inc	**1.50**	1.50	**8.00**	8.00
Universal Blanchers	**2.00**	2.00	**8.00**	8.00
Packaged Foods brands	**3.00**	3.00	**13.50**	13.50
Caraway Africa Nigeria Limited	**3.00**	3.00	**14.00**	14.00
Progida Group	**2.00**	2.00	**12.50**	12.50
Olam Spices & Vegetables Ingredients	**2.00**	2.00	**12.00**	12.00
Olam Investment Australia Holdings	**–**	–	**7.40**	–
Acacia Investment Limited	**–**	3.00	**–**	17.70
Others	**Range from 0.00 – 2.00**		**Range from 9.00 – 13.00**	

The calculations of value in use for the CGUs are most sensitive to the following assumptions:-

Forecasted EBITDA – Forecasted EBITDA are based on average values achieved at prevailing market conditions at the start of the budget period.

Growth rates – The growth rates indicated are as estimated by the management based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Discount rates – Discount rates reflect management's estimate of risks specific to each CGU. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

12. **Intangible assets** continued

Business combinations

During the current financial year, the Group entered into two business combinations:-

	Total $'000
Fair value of assets and liabilities	
Right-of-use assets (Note 10)	734
Property, plant and equipment (Note 11)	51,429
Intangible assets (Note 12)	42,584
Trade and other receivables	40,914
Advance payment to suppliers	460
Inventories	34,594
Other current assets	29,771
Cash and bank balances	24,394
	224,880
Trade and other payables	10,408
Short term loans	34,334
Other current liabilities	19,024
Fair value of derivative financial instruments	80
Lease liabilities (non-current)	730
Deferred tax liabilities	12,311
	76,887
Total identifiable net assets at fair value	147,993
Non-controlling interest measured based on proportionate share of net identifiable assets	(50,675)
Foreign currency translation reserve	970
Net identifiable assets	98,288
Goodwill arising from acquisitions (Note 12)	7,016
	105,304
Consideration transferred for the acquisitions:	
Cash paid	98,783
Deferred consideration	9,609
Settlement of pre-existing intercompany balance	(3,088)
Total consideration	105,304
Less: Cash and cash equivalents acquired	(24,394)
Less: Non-cash items	(6,521)
Net cash outflow on acquisition of subsidiaries	**74,389**

12. Intangible assets continued

Business combinations continued

Acquisitions of subsidiaries

On 30 November 2020, the Group completed the acquisition of 51.0% interest in Togo's state-owned cotton company Nouvelle Société Cotonnière du Togo ("NSCT"). NSCT is responsible for all activities related to cotton in Togo, including engaging with farmers, ginning, sales and marketing of cotton and cottonseed.

On 4 November 2020, the Group through its wholly owned subsidiaries, Global Agri Marketing Inc. and Olam Brands BV completed the acquisition of the assets of Western Commodities Trading, Ltd and Eastern Commodities Trading, Ltd which facilitated a strategic partnership with Jess Smith & Sons ("JSS") in The United States of America, on origination, storage and marketing of US cotton. This will enable the Group to enhance its supply footprint in the US and deliver traceable cotton and customised solutions to its customers worldwide.

Trade and other receivables acquired

Trade and other receivables acquired comprise gross trade and other receivables amounting to $40,914,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

Transaction costs

Total transaction costs related to all acquisitions of $1,088,000 have been recognised in the 'Other expenses' line item in the Group's profit and loss account for the financial year from 1 January 2020 to 31 December 2020.

Goodwill arising from acquisitions

Goodwill of $7,016,000 represents the synergies expected to be achieved from integrating the supply chain business of the subsidiaries into the Group's existing business.

Impact of the acquisitions on profit and loss

From acquisition date, subsidiaries acquired during the financial year have increased the Group's sales of goods by 0.07% and decreased the Group's profits for the financial year, net of tax by 0.91%. Had the acquisitions taken place at the beginning of the financial year, the sales of goods for the financial year would have increased by 0.50% and the Group's profit for the financial year, net of tax would have decreased by 7.30%.

13. Biological assets

Group	Fruits on trees and annual crops $'000	Livestock $'000	Poultry $'000	Total $'000
As at 1 January 2019	340,446	160,371	11,114	511,931
Net (reductions)/additions	(43,408)	(70,662)	7,326	(106,744)
Capitalisation of expenses	42,488	83,339	–	125,827
Net change in fair value less estimated costs to sell	24,138	(22,281)	–	1,857
Foreign currency translation adjustments	(8,171)	6,778	(300)	(1,693)
As at 31 December 2019 and 1 January 2020	355,493	157,545	18,140	531,178
Net (reductions)/additions	(133,183)	(50,536)	(6,079)	(189,798)
Capitalisation of expenses	134,711	61,353	–	196,064
Net change in fair value less estimated costs to sell	(81,117)	20,840	–	(60,277)
Foreign currency translation adjustments	15,240	(17,608)	(1,634)	(4,002)
As at 31 December 2020	**291,144**	**171,594**	**10,427**	**473,165**

Fruits on trees

During the financial year, the Group harvested approximately 55,272 metric tonnes (2019: 50,662 metric tonnes) of almonds, which had a fair value less estimated point-of-sale costs of approximately $483,060,000 (2019: $427,798,000). The fair value of almonds was determined with reference to the market prices at the date of harvest.

The fair value of fruits on trees (almonds) is estimated using the present value of expected net cash flows from the biological assets. The following table shows the key inputs used:-

Key inputs	Inter-relationship between key inputs and fair value measurement
Discount rates of 8.5% (2019: 8.5%) per annum	The estimated fair value increases as the estimated discount rate per annum decreases, and vice versa.
Market prices approximating $7,934 (2019: $9,553) per metric tonne	The estimated fair value increases as the respective inputs increase, and vice versa.

Annual crops

Annual crops consist of various commodities such as cotton, onions, tomatoes and other vegetables, rice and grains. For cotton, onions, tomatoes and other vegetables, the Group provides seeds to farmers to sow and grow while for rice and grains, the Group manages its own farms. For annual crops where seeds are provided, the farmers take all the harvest risks and bear all the farming costs. However, the Group has the first right to buy the produce from these farmers, when these annual crops are harvested.

At the end of the financial year, the Group's total planted area of annual crops is approximately 116,819 (2019: 115,794) hectares, excluding for those commodities where farms are not managed by the Group.

The annual crops have been valued using adjusted cost, based on the estimate of the yield and cost of the crop at harvest discounted for the remaining time to harvest, which approximates fair value.

13. Biological assets continued

Livestock

Livestock relates mainly to dairy cattle in Uruguay and Russia. At the end of the financial year, the Group held approximately 34,000 (2019: 42,000) cows, which are able to produce milk (mature assets) and approximately 41,000 (2019: 45,000) heifers and calves, being raised to produce milk in the future (immature assets). The cows produced approximately 282 million litres (2019: 275 million litres) of milk with a fair value less estimated point-of-sale costs of $182,871,000 (2019: $166,382,000) during the financial year.

The fair value of livestock is determined based on valuations by an independent professional valuer using market prices ranging from $476 to $4,544 (2019: $485 to $4,304) of livestock of similar age, breed and generic merit.

Poultry

Poultry relates mainly to breeding chickens for meat and laying eggs in Nigeria. At the end of the financial year, the Group held approximately 2,175,000 (2019: 1,703,000) chickens.

Financial risk management strategies related to agricultural activities

The Group is exposed to financial risk in respect of agricultural activity. The agricultural activity of the Group consists of the management of biological assets to produce marketable output. The primary financial risk associated with this activity occurs due to the length of time between expending cash on the purchase or planting and maintenance of biological assets and on harvesting and ultimately receiving cash from the sale of the marketable output. The Group plans for cash flow requirements for such activities and manages its debt and equity portfolio actively.

14. Subsidiary companies

	Company	
	2020 $'000	2019 $'000
Unquoted equity shares at cost	**5,843,582**	5,869,079
Less: Impairment loss	**(184,410)**	(17,981)
Foreign currency translation adjustments	**(59,797)**	(5,060)
	5,599,375	5,846,038
Loans to subsidiary companies	**3,500,544**	3,158,479
	9,099,919	9,004,517

Loans to subsidiary companies denominated in currencies other than functional currency of the Company are as follows:-

	2020 $'000	2019 $'000
Euro	**2,158,832**	1,619,645

In the current financial year, impairment of $166,429,000 was recognised as the carrying value is more than recoverable value of the investment cost (2019: no impairment loss recognised).

Loans to subsidiary companies are unsecured and are not repayable within the next 12 months. The loans are non-interest bearing, except for amounts of $2,070,604,000 (2019: $1,439,018,000) which bear interest ranging from 4.7% to 7.5% (2019: 5.0% to 7.5%) per annum.

The Group did not have any material non-controlling interests as at the balance sheet dates.

Disposal of subsidiary
In the previous financial year, the Group sold its 100% equity interest in wholly owned subsidiary, Olam Alimentos S.A., a company incorporated in Argentina with principal activity in peanut shelling and blanching. Net assets amounting to $11,313,000 were disposed against cash consideration of $11,906,000, resulting in a gain on disposal of $593,000 that has been recognised in 'Other income' in the profit and loss account (Note 5).

14. Subsidiary companies continued

Composition of the Group

Details of significant subsidiary companies are as follows:-

Name of company	Country of incorporation	Principal activities	Effective percentage of equity held by the Group 2020 %	2019 %
Olam Ghana Limited [1]	Ghana	(a)	**100**	100
Olam Cocoa Processing Ghana Limited [1]	Ghana	(a)	**100**	100
Olam Ivoire SA [1]	Ivory Coast	(a)	**100**	100
Outspan Ivoire SA [1]	Ivory Coast	(a)	**100**	100
Olam Cocoa Processing Cote d'Ivoire [1]	Ivory Coast	(a)	**100**	100
Olam Nigeria Limited [1]	Nigeria	(a)	**100**	100
Crown Flour Mills Limited [1]	Nigeria	(a)	**100**	100
Quintessential Foods Nigeria Limited [1]	Nigeria	(a)	**100**	100
Dangote Flour Mills Limited [1]	Nigeria	(a)	**100**	100
Olam Vietnam Limited [1]	Vietnam	(a)	**100**	100
Café Outspan Vietnam Limited [1]	Vietnam	(a)	**100**	100
Olam South Africa (Proprietary) Limited [1]	South Africa	(a)	**100**	100
PT Olam Indonesia [1]	Indonesia	(a)	**100**	100
Olam Agro India Private Limited [1]	India	(a)	**100**	100
Olam Agricola Ltda. [1]	Brazil	(a)	**100**	100
LLC Russian Dairy Company [1]	Russia	(c)	**100**	100
Olam Holdings Inc [3]	The United States of America	(a), (b) & (c)	**100**	100
Olam Orchards Australia Pty Ltd [1]	Australia	(a) & (c)	**100**	100
Queensland Cotton Holdings Pty Ltd [1]	Australia	(a) & (b)	**100**	100
Congolaise Industrielle des Bois SA [1]	Congo	(a)	**100**	100
Seda Outspan Iberia S.L. [1]	Spain	(a)	**100**	100
Progida Tarim Űrűnleri Sanayi ve Ticaret A.Ş. [1]	Turkey	(a)	**100**	100
Progida Pazarlama A.Ş. [1]	Turkey	(a)	**100**	100
Olam Cam SA [1]	Cameroon	(a)	**100**	100
Olam Holdings B.V. [2]	Netherlands	(b)	**100**	100
Olam Cocoa B.V. [2]	Netherlands	(a)	**100**	100
Olam Cocoa Pte Limited [1]	Singapore	(a)	**100**	100
Olam Treasury Pte Ltd [1]	Singapore	(d)	**100**	100
Caraway Pte Ltd [1]	Singapore	(a)	**75**	75
OK Foods Limited [1]	Nigeria	(a) & (b)	**75**	75
Caraway Africa Nigeria Limited [1]	Nigeria	(a)	**75**	75
Nutrifoods Ghana Limited [1]	Ghana	(a)	**75**	75
Olam Sanyo Foods Limited [1]	Nigeria	(a)	**75**	75
Gabon Fertilizer Company SA [1]	Gabon	(a)	**80**	80
Olam Palm Gabon SA [1]	Gabon	(a) & (c)	**60**	60
Olam Rubber Gabon SA [1]	Gabon	(a) & (c)	**60**	60
NZ Farming Systems Uruguay Limited [1]	New Zealand	(a), (b) & (c)	**100**	100
Olam Moçambique, Limitada [1]	Mozambique	(a)	**100**	100

(a) Sourcing, processing, packaging and merchandising of agricultural products and inputs.
(b) Investment holding.
(c) Agricultural operations.
(d) Treasury activities.

1. Audited by member firms of Ernst & Young Global.
2. Audited by Steens & Partners.
3. No statutory audit required as per local laws.

15. Investments in joint ventures and associates

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Joint ventures (Note 15(a))	**28,680**	122,936	**25,404**	110,017
Associates (Note 15(b))	**636,266**	538,169	**422,674**	293,691
	664,946	661,105	**448,078**	403,708

(a) Investments in joint ventures

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Unquoted equity shares at cost [1]	**31,976**	87,782	**25,493**	75,305
Share of post-acquisition reserves	**(2,034)**	2,406	**–**	–
Loans to joint ventures [2]	**–**	35,666	**–**	35,666
Foreign currency translation adjustments	**(1,262)**	(2,918)	**(89)**	(954)
	28,680	122,936	**25,404**	110,017

1. In the current financial year, the Group divested the remaining 50% stake in Far East Agri Pte Ltd for sales consideration of $105,618,000 and net gain of $49,114,000 was recorded in 'Other Revenue' in the profit and loss account. The Group had also sold its stake in Mungindi gin, Australia for sales consideration of $4,665,000 and net loss of $848,000 was recorded in 'Other operating expenses' in the profit and loss account. In the previous financial year, the Group divested the 50% stake in Collymongle Ginning Pty Ltd for sales consideration of $3,922,000 and net loss of $1,157,000 was recorded in 'Other expenses' in the profit and loss account.

2. In the prior financial year, loans to joint ventures were unsecured, not expected to be repayable within the next 12 months and bears interest ranging from 3.25% to 4.00%. The loans were fully paid up and received during the year as part of the divestment of Far East Agri Pte Ltd disclosed above.

List of key joint ventures of the Group are as follows:-

Name of company (Country of incorporation)	Principal place of business	Principal activities	Effective percentage of equity held **2020 %**	2019 %
Held by the Company				
Far East Agri Pte Ltd [1] (Singapore)	Singapore	Processing and trading of agricultural commodities	**–**	50
Long Son Joint Stock Company [2] (Vietnam)	Vietnam	Sourcing, processing and trading of agricultural commodities and technical services	**30**	30

1. Audited by Ernst & Young LLP, Singapore.
2. Audited by Vietnam Auditing and Valuation Company Limited.

15. Investments in joint ventures and associates continued

(a) Investments in joint ventures continued

As of 31 December 2020 and 31 December 2019, no joint venture was individually material to the Group. The summarised financial information in respect of the joint ventures, based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investments in the combined financial statements are as follows:-

	Group	
	2020 $'000	2019 $'000
Summarised balance sheet		
Non-current assets	**56,402**	130,669
Current assets	**131,800**	213,347
Total assets	**188,202**	344,016
Non-current liabilities	**9,927**	17,648
Current liabilities	**112,322**	183,352
Total liabilities	**122,249**	201,000
Net assets	**65,953**	143,016
Proportion of the Group's ownership:		
Group's share of net assets	**20,300**	58,819
Goodwill on acquisition	**8,380**	28,451
Loan to joint ventures	**–**	35,666
Carrying amount of the investments	**28,680**	122,936
Summarised statement of comprehensive income		
Revenue	**320,529**	459,519
Profit after tax	**483**	6,503
Other comprehensive income	**912**	1,158
Total comprehensive income	**1,395**	7,661

15. Investments in joint ventures and associates continued

(b) Investments in associates

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Unquoted equity shares at cost	**470,931**	330,615	**486,972**	346,919
Share of post-acquisition reserves	**208,106**	229,004	**–**	–
Loans to associates [1]	**18,121**	18,447	**–**	–
Less: Impairment loss	**(42,509)**	(35,596)	**(42,509)**	(35,596)
Foreign currency translation adjustments	**(18,383)**	(4,301)	**(21,789)**	(17,632)
	636,266	538,169	**422,674**	293,691

1. Loans to associates are unsecured, not expected to be repayable within the next 12 months and are interest-free.

List of key associates of the Group are as follows:-

			Effective percentage of equity held	
Name of company (Country of incorporation)	Principal place of business	Principal activities	**2020 %**	2019 %
Held by the Company				
ARISE Integrated Industrial Platforms (Formally known as ARISE Special Economic Zone) [1] (Mauritius)	Gabon	Managing special economic zones	**30.44**	30.44
ARISE Infrastructure Services [1] (Mauritius)	Gabon	Infrastructure management and development services	**40.49**	40.49
ARISE P&L Limited [2] (United Kingdom)	Gabon	Managing port and logistics infrastructure	**32.73**	40.49
Open Country Dairy Limited [3] (New Zealand)	New Zealand	Processing and trading of agricultural commodities	**15.19**	15.19

1. Audited by member firms of Ernst & Young Global.
2. Audited by BDO LLP UK.
3. Audited by Baker Tilly Staples Rodway Auckland.

Management has assessed and is satisfied that the Group retains significant influence over Open Country Dairy Limited as the Group continues to hold positions in the Board of Directors of the entity and actively participates in all board meetings.

Partial divestment of associate
In the previous financial year, the Group announced that Gabon Special Economic Zone ("GSEZ"), an associate of the Group, is reorganising its infrastructure and logistics business into three verticals - ARISE Port & Logistics ("ARISE P&L"), ARISE Integrated Industrial Platforms ("ARISE IIP") and ARISE Infrastructure Services ("ARISE IS"). On 24 December 2019, as part of this re-organisation, the Company sold an effective equity interest of 10% in ARISE SEZ business. The divestment was against cash consideration of $80,435,000, resulting in a gain on disposal of $40,371,000 that has been recognised in 'Other income' in the profit and loss account (Note 5).

During the current financial year, a new third-party shareholder had invested into ARISE Port & Logistics ("ARISE P&L") through a sale and purchase arrangement. As a result of the transaction, the Group's interest in ARISE P&L reduced from 40.49% to 32.73% and an amount of $25,894,000 and $95,122,000 was recognised in 'Other income' and 'Share of results from joint ventures and associates', respectively, in the profit and loss account.

15. Investments in joint ventures and associates continued

(b) Investments in associates continued

As of 31 December 2020 and 31 December 2019, no associate was individually material to the Group. The summarised financial information in respect of the associates based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investment in the combined financial statements are as follows:-

	Group	
	2020 $'000	2019 $'000
Summarised balance sheet		
Non-current assets	**2,534,403**	1,920,653
Current assets	**1,710,548**	1,397,588
Total assets	**4,244,951**	3,318,241
Non-current liabilities	**754,821**	702,610
Current liabilities	**1,213,183**	864,871
Total liabilities	**1,968,004**	1,567,481
Net assets	**2,276,947**	1,750,760
Proportion of the Group's ownership:		
Group's share of net assets	**628,718**	523,708
Goodwill on acquisition	**7,548**	14,461
Carrying amount of the investments	**636,266**	538,169
Summarised statement of comprehensive income		
Revenue	**2,669,913**	2,308,727
Profit after tax	**300,549**	188,865
Other comprehensive income	**110,719**	(11,061)
Total comprehensive income	**411,268**	177,804

16. Long-term investment

During the year, the Group and Company's long-term investment PureCircle was acquired by Ingredion SRSS Holdings Limited ("Ingredion SRSS") by means of a Scheme of Arrangement.

Upon completion of Scheme of Arrangement on 27 July 2020, PureCircle was delisted from the London Stock Exchange and became a wholly owned subsidiary of Ingredion SRSS. As a result, the Group and Company was issued ordinary shares representing an interest of 5.9% in Ingredion SRSS. The investment continues to be accounted for as fair value through other comprehensive income and the fair value is determined based on Level 3 inputs for the current financial year (Note 36(a)).

17. Amounts due from/(to) subsidiary companies

	Company	
	2020 $'000	2019 $'000
Trade receivables	**2,473,943**	2,398,173
Loans from subsidiaries, net	**(5,251,200)**	96,717
Non-trade payables	**(55,986)**	(59,600)
	(2,833,243)	2,435,290

Loans from subsidiaries, net include loans to subsidiaries amounting to $43,968,000 (2019: $202,110,000) and loans from subsidiaries amounting to $5,593,805,000 (2019: $349,934,000) which are unsecured and bear interest ranging from 2.00% to 7.50% (2019: 3.00% to 7.50%) per annum, repayable on demand and are to be settled in cash. The remaining amounts are non-interest bearing, unsecured, repayable on demand and are to be settled in cash.

The other amounts are non-interest bearing, unsecured, subject to trade terms or repayable on demand, and are to be settled in cash.

Amounts due from/(to) subsidiary companies denominated in currencies other than functional currency of the Company are as follows:-

	Company	
	2020 $'000	2019 $'000
Indian Rupee	**933,581**	360,874
Thai Baht	**406,598**	–
Euro	**69,520**	263,733
Great Britain Pounds	**(15,834)**	29,383

The movement in the allowance accounts for amounts due from subsidiary companies is as follows:-

	Company	
	2020 $'000	2019 $'000
Movement in allowance accounts:-		
As at beginning of year	**13,075**	13,331
Written off	**–**	(90)
Foreign currency translation adjustments	**(231)**	(166)
As at end of year	**12,844**	13,075

18. Trade receivables

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Trade receivables	**1,639,930**	2,024,819	**697,640**	989,332
Indirect tax receivables	**270,432**	291,700	**13,890**	2,095
	1,910,362	2,316,519	**711,530**	991,427

Trade receivables are non-interest bearing and are subject to trade terms of 30 to 60 days' terms. They are recognised at their original invoice amounts, which represent their fair values on initial recognition. Indirect tax receivables comprise goods and services, value-added taxes and other indirect forms of taxes.

Trade receivables denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Euro	**165,813**	280,771	**149,875**	233,837
United States Dollar	**161,819**	160,076	**–**	–
Great Britain Pounds	**37,204**	66,094	**28,052**	56,000

Trade receivables include amounts due from associates of $1,861,000 (2019: $16,099,000), and due from joint ventures of $197,000 (2019: $975,000).

The expected credit loss provision as at 31 December 2020 is determined as follows:-

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Trade receivables measured at amortised cost	**1,757,154**	2,114,434	**772,568**	1,043,169
Less: Lifetime expected credit loss for trade receivables	**(117,224)**	(89,615)	**(74,928)**	(53,837)
Total trade receivables measured at amortised cost	**1,639,930**	2,024,819	**697,640**	989,332
Movement in allowance accounts:-				
As at beginning of year	**89,615**	99,797	**53,837**	62,224
Charge for the year	**26,705**	7,190	**23,054**	–
Written off	**(1,688)**	(6,789)	**–**	–
Written back	**(2)**	(8,955)	**–**	(7,710)
Foreign currency translation adjustments	**2,594**	(1,628)	**(1,963)**	(677)
As at end of year	**117,224**	89,615	**74,928**	53,837

Receivables that are past due but not impaired

The analysis of the Group and Company's ageing for receivables that are past due but not impaired is as follows:-

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Trade receivables past due but not impaired:-				
Less than 30 days	**515,747**	697,839	**211,199**	191,326
30 to 60 days	**87,857**	201,625	**12,336**	44,062
61 to 90 days	**78,668**	54,994	**3,740**	14,318
91 to 120 days	**27,585**	31,125	**361**	4,447
121 to 180 days	**40,221**	13,342	**19,404**	3,882
More than 180 days	**10,195**	40,666	**–**	4,749

19. Margin accounts with brokers

Margin accounts are maintained with recognised futures dealers and brokers for trades done on the futures exchanges. These margin accounts move in relation to trades done on futures, variation margins required and prices of the commodities traded.

These amounts reflect the payments made to futures dealers as initial and variation margins depending on the volume of trades done and price movements.

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Margin deposits with brokers	**275,888**	335,282	**202,502**	237,199
Amounts due to brokers	**(154,225)**	(348,243)	**(105,909)**	(348,117)
	121,663	(12,961)	**96,593**	(110,918)

20. Inventories

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Balance sheets:				
Commodity inventories at fair value	**5,413,888**	5,196,333	**1,803,650**	1,905,995
Commodity inventories at the lower of cost and net realisable value	**1,966,727**	2,015,132	**155,329**	79,026
	7,380,615	7,211,465	**1,958,979**	1,985,021
Profit and loss account:				
Inventories recognised as an expense in cost of goods sold inclusive of the following (charge)/credit	**(29,173,463)**	(27,340,735)	**(25,886,914)**	(23,833,685)
• Inventories written down	**(213,022)**	(79,752)	**(40,067)**	(27,183)
• Reversal of write-down of inventories [1]	**154,544**	39,481	**27,567**	20,036

1. The reversal of write-down of inventories is made when the related inventories are sold above their carrying amounts.

21. Advance payments to suppliers/subsidiary companies

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Third parties	**621,943**	563,537	**125,425**	92,669
Subsidiary companies	**–**	–	**496,552**	358,804
	621,943	563,537	**621,977**	451,473

These represent advance payments to suppliers and subsidiary companies for procurement of physical commodities.

Advance payments to suppliers and subsidiary companies denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Euro	**75,815**	22,444	**977,938**	741,412
United States Dollar	**5,886**	20,422	**–**	–
Great Britain Pounds	**13**	20	**(364)**	(65,505)

21. Advance payments to suppliers/subsidiary companies continued

Advance payments to subsidiary companies are stated after deducting allowance for doubtful debts of $44,615,000 (2019: $48,549,000).

Advance payments to suppliers (third parties) for the Group and Company are stated after deducting allowance for doubtful debts of $14,654,000 and $292,000 (2019: $11,715,000 and $886,000) respectively.

The movement in the allowance accounts for advance payment to suppliers is as follows:-

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Movement in allowance accounts:-				
As at beginning of year	**11,715**	13,474	**886**	852
Charge for the year	**4,086**	7,284	**–**	45
Written off	**(623)**	(5,273)	**(605)**	–
Written back	**–**	(3,464)	**–**	–
Foreign currency translation adjustments	**(524)**	(306)	**11**	(11)
As at end of year	**14,654**	11,715	**292**	886

22. Other current/non-current assets

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Current:				
Sundry receivables	**335,798**	424,750	**49,218**	87,238
Export incentives and subsidies receivable [1]	**58,972**	118,814	**–**	–
Amounts due from joint venture, associates and a shareholder related company [2]	**78,970**	27,822	**70,981**	27,281
Deposits	**59,174**	38,578	**1,960**	1,845
Option premium receivable	**–**	867	**–**	867
Staff advances [3]	**8,385**	10,236	**79**	292
Insurance receivables [4]	**23,386**	33,244	**19,323**	29,935
Short-term investment	**1,206**	4,219	**–**	–
	565,891	658,530	**141,561**	147,458
Prepayments [5]	**317,239**	343,171	**116,248**	166,145
Advance corporate tax paid	**101,050**	126,621	**–**	–
Taxes recoverable	**1,444**	1,421	**–**	–
	985,624	1,129,743	**257,809**	313,603
Non-current:				
Other non-current assets	**34,384**	44,956	**–**	2,019

1. These relate to incentives and subsidies receivable from the Government agencies of various countries for export of agricultural products. There are no unfulfilled conditions or contingencies attached to these incentives and subsidies.
2. Amounts due from joint venture, associates and a shareholder related company are non-interest bearing, unsecured, repayable on demand and are to be settled in cash.
3. Staff advances are interest-free, unsecured, repayable within the next 12 months and are to be settled in cash.
4. Insurance receivables pertain to pending marine and inventories insurance claims. The outstanding claims are currently being processed by the insurance companies for final settlement.
5. Prepayments mainly pertain to prepaid shipping and logistics related expenses incurred for sourcing, processing, packaging and merchandising of agricultural products and inputs.

Non-current assets held for sale

In the current financial year, the Group completed the closure of Olam Tomato Processing business in California and relevant property, plant and equipment amounting to $39,255,000 (Note 11) have been classified as 'Non-current assets held for sale' in accordance with SFRS(I) 05. The sale is expected to be completed within one year from the date of initial classification.

23. Trade payables and accruals

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Trade payables	**2,314,076**	3,198,701	**1,257,485**	1,948,054
Accruals	**594,479**	630,400	**151,265**	217,530
Advances received from customers	**107,986**	102,133	**–**	1,333
GST payable and equivalent	**53,516**	52,251	**15,968**	7,646
	3,070,057	3,983,485	**1,424,718**	2,174,563

Trade payables are non-interest bearing. Trade payables are subject to trade terms of 30 to 60 days' terms while other payables have an average term of two months.

Trade payables and accruals denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Great Britain Pounds	**231,624**	205,262	**231,219**	204,288
Euro	**101,742**	621,198	**79,033**	579,482
United States Dollar	**39,205**	39,108	**–**	–
Australian Dollar	**7,744**	58,684	**7,744**	58,684

Trade payables include amounts of $25,485,000 (2019: $35,059,000) and $3,106,000 (2019: $1,048,000) due to an associate and a joint venture respectively.

Accruals mainly relate to operating costs such as logistics, insurance premiums and employee benefits.

24. Other current/non-current liabilities

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Current:				
Interest payable on bank loans	**44,479**	69,761	**29,317**	55,939
Sundry payables	**474,174**	496,480	**62,418**	17,050
Option premium payable	**–**	15,226	**–**	15,225
Amount due to joint ventures [1]	**–**	658	**–**	–
	518,653	582,125	**91,735**	88,214
Withholding tax payable	**15,057**	14,811	**675**	–
	533,710	596,936	**92,410**	88,214
Non-current:				
Other non-current liabilities	**53,798**	17,695	**–**	–

1. Amount due to joint ventures are non-interest bearing, unsecured, repayable on demand and are to be settled in cash. There are no such balances in the current year.

25. Borrowings and lease liabilities

Borrowings

	Group			Company	
	2020 $'000	2019 (As restated) $'000	1 January 2019 $'000	**2020 $'000**	2019 $'000
Current:					
Bank overdrafts (Note 34)	**261,434**	198,826	84,161	**–**	–
Bank loans	**5,112,892**	3,813,276	2,220,091	**330,525**	995,966
Term loans from banks	**426,799**	1,610,472	1,712,692	**322,625**	1,548,704
Medium-term notes	**665,332**	717,798	749,467	**665,332**	717,798
Other bonds	**–**	335,086	–	**–**	335,085
	6,466,457	6,675,458	4,766,411	**1,318,482**	3,597,553
Non-current:					
Term loans from banks	**4,183,781**	2,773,071	2,848,187	**79,741**	1,212,313
Medium-term notes	**2,597,106**	2,630,352	3,220,467	**1,784,015**	1,869,917
Other bonds	**–**	–	339,064	**–**	–
	6,780,887	5,403,423	6,407,718	**1,863,756**	3,082,230
Total borrowings	**13,247,344**	12,078,881	11,174,129	**3,182,238**	6,679,783
Lease liabilities – Current (Note 2.2.1)	**96,472**	118,517	10,710	**24,981**	18,513
Lease liabilities – Non-current (Note 2.2.1)	**815,546**	881,761	83,396	**39,600**	35,308
Total lease liabilities	**912,018**	1,000,278	94,106	**64,581**	53,821
Total borrowings and lease liabilities	**14,159,362**	13,079,159	11,268,235	**3,246,819**	6,733,604

Borrowings denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Singapore Dollar	**1,180,960**	484,046	**981,265**	484,046
Japanese Yen	**1,288,153**	1,068,238	**412,220**	388,765
United States Dollar	**168,660**	293,648	**–**	–
Australian Dollar	**–**	170,052	**–**	170,052
Euro	**1,883**	20,408	**–**	–

Bank overdrafts and bank loans

The bank loans to the Company are repayable within 12 months and bear interest of 1.15% to 1.24% (2019: 2.39% to 2.44%) per annum.

The bank loans and bank overdrafts of the subsidiary companies are repayable within 12 months and bear interest in a range from 0.01% to 50.00% (2019: 0.90% to 27.00%) per annum.

Bank loans include an amount of $59,187,000 (2019: $78,086,000) secured by the assets of subsidiaries. The remaining amounts of bank loans are unsecured.

Term loans from banks

Term loans from banks to the Company bear interest at floating interest rates ranging from 1.49% to 1.80% (2019: 2.54% to 3.48%) per annum. Term loans to the Company are unsecured and are repayable within five years.

Term loans from banks to the subsidiary companies bear interest at floating interest rates ranging from 0.60% to 10.00% (2019: 2.09% to 10.00%) per annum. Term loans from banks to the subsidiary companies are repayable between one to nine years (2019: one to nine years).

Term loans from banks include an amount of $100,070,000 (2019: $107,587,000) secured by the assets of subsidiaries. The remaining amounts of term loans from banks are unsecured.

25. Borrowings and lease liabilities continued

Medium-term notes

The Company has a US$5,000,000,000 Euro medium-term notes ('EMTN') programme. The drawdowns from the EMTN is unsecured. The EMTN are as follows:-

		Group		Company	
	Maturity	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
Current:					
Euro medium-term note programme:					
• 4.50% fixed rate notes	2021	**594,925**	–	**594,925**	–
• 1.427% fixed rate notes	2021	**70,407**	–	**70,407**	–
• 4.50% fixed rate notes	2020	**–**	403,673	**–**	403,673
• 4.875% fixed rate notes	2020	**–**	170,052	**–**	170,052
• 1.375% fixed rate notes	2020	**–**	76,782	**–**	76,782
• 4.00% fixed rate notes	2020	**–**	67,291	**–**	67,291
		665,332	717,798	**665,332**	717,798
Non-current:					
Euro medium-term note programme:					
• 4.50% fixed rate notes	2021	**–**	605,562	**–**	605,562
• 1.427% fixed rate notes	2021	**–**	67,988	**–**	67,988
• 6.00% fixed rate notes	2022	**484,384**	484,046	**484,384**	484,046
• 0.47% fixed rate notes	2022	**72,943**	70,557	**72,943**	70,557
• 0.9725% fixed rate notes	2022	**76,797**	74,300	**76,797**	74,300
• 3.65% fixed rate notes	2022	**66,072**	67,241	**66,072**	67,241
• 0.9825% fixed rate notes	2022	**102,439**	99,136	**102,439**	99,136
• 4.375% fixed rate notes	2023	**394,865**	401,087	**394,865**	401,087
• 2.05% fixed rate notes	2025	**89,634**	–	**89,634**	–
• 4.00% fixed rate notes	2026	**496,881**	–	**496,881**	–
Other medium-term notes:					
• 3.90% fixed rate notes	2022	**231,369**	235,534	**–**	–
• 3.73% fixed rate notes	2022	**224,757**	228,803	**–**	–
• 4.35% fixed rate notes	2023	**132,210**	134,590	**–**	–
• 3.89% fixed rate notes	2024	**158,651**	161,508	**–**	–
• 3.27% fixed rate notes	2025	**66,104**	–	**–**	–
		2,597,106	2,630,352	**1,784,015**	1,869,917

Other bonds

	Group and Company	
	2020 $'000	2019 $'000
Current:		
7.50% unsecured senior bonds [1]	**–**	335,086

1. On 7 August 2010, the Company issued 7.50% interest bearing unsecured senior bonds of US$250,000,000 due in 2020. The interest is payable semi-annually. On 9 July 2014, the Company repurchased US$917,000 of the senior bonds. Upon settlement, the repurchased portion was cancelled and the aggregate outstanding principal amount following such cancellation is US$249,083,000. The remaining balance has been repaid fully on 11 August 2020.

25. Borrowings and lease liabilities continued

Lease liabilities

	Group		Company	
	2020 $'000	2019 (As restated) $'000	**2020 $'000**	2019 $'000
As at 1 January	**1,000,278**	–	**53,821**	–
Effect of SFRS(I) 16 adoption	**–**	699,905	**–**	32,565
(Derecognition)/additions, net	**(33,792)**	386,129	**39,355**	35,600
Accretion of interest (Note 8)	**52,063**	29,482	**3,456**	1,025
Payments	**(146,866)**	(105,338)	**(30,562)**	(14,684)
Foreign currency translation adjustment	**40,335**	(9,900)	**(1,489)**	(685)
As at 31 December	**912,018**	1,000,278	**64,581**	53,821
Current	**96,472**	118,517	**24,981**	18,513
Non-current	**815,546**	881,761	**39,600**	35,308

Lease liabilities include variable rent payments amounting to $387,573,000 (2019: $483,178,000) which is based on expected future harvest yields and future market prices of agricultural products.

Leases amounting to $15,679,000 (2019: $20,245,000) are guaranteed by a subsidiary company.

Lease liabilities bear interest ranging from 1.60% to 12.80% (2019: 1.60% to 10.60%) per annum and are repayable between 1 and 40 years (2019: 1 and 41 years).

Change in liabilities arising from financing activities

A reconciliation of liabilities arising from financing activities is as follows:-

	Group					
	2019 $'000	**Cash flows $'000**	**Non-cash changes**			**2020 $'000**
			Net movement in lease liabilities $'000	**Acquisition of subsidiary (Note 12) $'000**	**Foreign exchange movement $'000**	
Bank borrowings (excluding bank overdrafts and lease liabilities)	8,196,819	**1,391,740**	**–**	**34,334**	**100,579**	**9,723,472**
Lease liabilities – as restated	1,000,278	**(98,753)**	**(30,572)**	**730**	**40,335**	**912,018**
Medium-term notes	3,348,150	**(27,610)**	**–**	**–**	**(58,102)**	**3,262,438**
Other bonds	335,086	**(344,380)**	**–**	**–**	**9,294**	**–**

26. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the year.

Diluted earnings per share is calculated by dividing the adjusted net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the year adjusted for the effects of dilutive shares and options.

The following reflects the profit and share data used in the basic and diluted earnings per share computations for the financial years ended 31 December:-

	Group	
	2020 $'000	2019 (As restated) $'000
Net profit attributable to owners of the Company	**245,697**	316,165
Less: Accrued capital securities distribution	**(56,440)**	(55,054)
Adjusted net profit attributable to owners of the Company for basic and dilutive earnings per share	**189,257**	261,111
	No. of shares	No. of shares
Weighted average number of ordinary shares on issue applicable to basic earnings per share	**3,193,284,194**	3,186,355,548
Dilutive effect of share options	**–**	1,021,998
Dilutive effect of performance share plan	**42,861,629**	37,425,900
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	**3,236,145,823**	3,224,803,446

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and the date of these financial statements.

27. Share capital, treasury shares, perpetual capital securities and warrants

(a) Share capital

	Group and Company			
	31 December 2020		31 December 2019	
	No. of shares	**$'000**	No. of shares	$'000
Ordinary shares issued and fully paid [1]				
Balance at beginning of year and at end of year	**3,271,018,657**	**3,748,994**	3,271,018,657	3,748,994

1. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

(b) Treasury shares

	Group and Company			
	31 December 2020		31 December 2019	
	No. of shares	**$'000**	No. of shares	$'000
Ordinary shares issued and fully paid [1]				
Balance at beginning of year	**84,701,879**	**158,807**	88,589,323	166,280
Use of treasury shares for share awards/options [2]	**(9,306,841)**	**(18,635)**	(8,142,544)	(15,747)
Share buyback during the year	**–**	**–**	4,255,100	8,274
Balance at end of year	**75,395,038**	**140,172**	84,701,879	158,807

1. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.
2. The Company used 9,306,841 treasury shares during the current financial period towards the release of the performance share awards and restricted share awards.

(c) Capital securities

US$500,000,000 5.35% Perpetual Capital Securities

On 20 July 2016, the Company issued subordinated perpetual capital securities (the 'capital securities') with an aggregate principal amount of US$500,000,000 under the US$5,000,000,000 EMTN Programme. Issuance costs incurred amounting to $6,126,000 were recognised in equity as a deduction from proceeds.

The capital securities were priced at par and bear a distribution rate of 5.35% for the first five years. The distribution rate will then be reset at the end of five years from the issue date of the capital securities and each date falling every 5 years thereafter. Additionally, Olam may choose to redeem in whole the capital securities on or after the fifth anniversary of the issuance of the capital securities.

Combined S$350,000,000 5.50% Perpetual Capital Securities

On 11 July 2017 and 4 August 2017, the Company issued subordinated perpetual capital securities (the 'capital securities') with an aggregate combined principal amount of S$350,000,000 (S$300,000,000 and S$50,000,000 respectively) under the US$5,000,000,000 EMTN Programme. Issuance costs incurred amounting to $2,273,000 were recognised in equity as a deduction from proceeds.

The capital securities were priced at par and bear a distribution rate of 5.50% for the first five years. The distribution rate will then be reset at the end of five years from the issue date of the capital securities and each date falling every 5 years thereafter. Additionally, Olam may choose to redeem in whole the capital securities on or after the fifth anniversary of the issuance of the capital securities.

28. Dividends

	Group and Company	
	2020 $'000	2019 $'000
Declared and paid during the financial year ended:-		
Dividends on ordinary shares:		
• One tier tax exempted interim dividend for financial year ended 31 December 2020: $0.035 (2019: $0.035) per share	**110,678**	110,427
• One tier tax exempted second and final dividend for financial year ended 31 December 2019: $0.045 (2018: $0.040) per share	**143,030**	128,179
	253,708	238,606
Proposed but not recognised as a liability as at:-		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
• One tier tax exempted second and final dividend for financial year ended 31 December 2020: $0.040 (2019: $0.045) per share	**127,825**	143,384

29. Capital commitments

Capital expenditure contracted for as at the balance sheet date but not recognised in the financial statements is as follows:-

	Group	
	2020 $'000	2019 $'000
Capital commitments in respect of property, plant and equipment	**92,560**	82,253

30. Contingent liabilities

	Company	
	2020 $'000	2019 $'000
Contingent liabilities not provided for in the accounts:		
Financial guarantee contracts given on behalf of subsidiary companies that were drawn-down at 31 December [1]	**11,600,859**	16,576,483

1. Amounts utilised by subsidiary companies on the bank facilities secured by corporate guarantees amounted to $4,330,774,000 (2019: $2,111,311,000).

The Company has agreed to provide continuing financial support to certain subsidiary companies.

31. Employee benefits expenses

Employee benefits expenses (including executive directors):-

	Group	
	2020 $'000	2019 $'000
Salaries and employee benefits	**981,453**	841,682
Central Provident Fund contributions and equivalents	**36,860**	38,594
Retrenchment benefits	**1,933**	10,795
Share-based expense (relates to OSGP only)	**25,335**	23,687
	1,045,581	914,758

(a) Employee share option scheme

The Olam Employee Share Option Scheme (the 'ESOS') was approved by shareholders at an Extraordinary General Meeting held on 4 January 2005. The ESOS rules were amended on 29 October 2008 at the Extraordinary General Meeting of the Company. Under the amended rules, the directors (including Non-Executive Directors and Independent Directors) and employees of the Group are eligible to participate in the ESOS and all subsequent options issued to the Group's employees and Executive Directors shall have a life of 10 years, instead of 5 years. For Options granted to the Company's Non-Executive Directors and Independent Directors, the Option Period shall be no longer than 5 years.

The shares issued upon the options being exercised carry full dividend and voting rights.

Controlling Shareholders and associates of Controlling Shareholders are not eligible to participate in the ESOS.

All these options have a contractual life of 10 years with no cash settlement alternatives.

The fair value of share options as at the date of grant, is estimated by the Company using the Black Scholes Model, taking into account the terms and conditions upon which the options are granted. The expected life of the option is based on the assumption that the options would be exercised within six months of the vesting date. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Pursuant to the voluntary conditional cash offer by Breedens International Pte Ltd approval was sought and granted on 8 April 2014 such that all outstanding options which have not been exercised at the expiry of the accelerated exercise period shall not automatically lapse and become null and void but will expire in accordance with their original terms.

The ESOS has expired on 3 January 2015. The terms of the ESOS continue to apply to outstanding options granted under the ESOS. The ESOS rules amended on 29 October 2008 may be read in the Appendix 1 of the Company's circular dated 13 October 2008.

31. Employee benefits expenses continued

(a) Employee share option scheme continued

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise price of, and movements in, share options during the financial year:-

	2020		2019	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at the beginning of the year	**37,267,000**	**2.13**	68,952,000	2.20
Forfeited during the year	**(18,740,000)**	**2.42**	(31,685,000)	2.29
Exercised during the year [1]	**–**	**–**	–	–
Outstanding at the end of the year [2]	**18,527,000**	**1.84**	37,267,000	2.13
Exercisable at end of year	**18,527,000**	**1.84**	37,267,000	2.13

1. No options were exercised in the current and previous financial year.
2. The range of exercise prices for options outstanding at the end of the financial year was $1.76 to $2.70 (2019: $1.76 to $3.10). The weighted average remaining contractual life for these options is 1.35 years (2019: 1.30 years).

(b) Olam Share Plans

Olam Share Grant Plan (‘OSGP’)

On 30 October 2014, the Company had adopted the new Share Grant Plan (‘OSGP’). The OSGP is a share-based incentive plan which involves the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. Any performance targets set under the OSGP are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The actual number of shares to be delivered pursuant to the award granted will range from 0% to 192.5% and 200% of the base award and is contingent on the achievement of pre-determined targets set out in the three-year performance period and other terms and conditions being met.

The details of OSGP are described below:-

Olam Share Grant Plan (‘OSGP’) – Performance and Restricted Share Awards (‘PSA’ and ‘RSA’)	
Plan Description	Award of fully-paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year performance period based on stretched long-term corporate objectives
Performance Conditions	• Absolute Total Shareholder Return (‘TSR’) • Relative Total Shareholder Return • Return on Equity (‘ROE’) • Profit after Tax and Minority Interest (‘PATMI’) Growth
Vesting Condition	Vesting based on meeting stated performance conditions over a three-year performance period
Payout	0% – 192.5% and 200% depending on the achievement of pre-set performance targets over the performance period.

31. Employee benefits expenses continued

(b) Olam Share Plans continued

Fair value of OSGP

The fair value of services received in return for shares awarded is measured by reference to the fair value of shares granted under the OSGP. The estimate of the fair value of the services received is measured based on a Monte Carlo simulation model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used for the shares granted are shown below:-

Plan:	RSA and PSA	RSA and PSA	RSA and PSA	RSA and PSA	RSA and PSA
Grant date:	3 April 2020	12 April 2019	12 April 2018	24 April 2017	15 April 2016
Dividend yield (%)	5.070	4.387	2.507	2.333	2.753
Expected volatility (%)	23.482	21.023	22.015	22.035	22.747
Risk-free interest rate (%)	0.625	1.873	1.980	1.394	1.197
Expected term (years)	2.99	2.97	2.97	2.94	2.72
Index (for Relative TSR)	Not applicable	Not applicable	Not applicable	Not applicable	FTSE Straits Times Index
Index volatility (%)	Not applicable	Not applicable	Not applicable	Not applicable	14.081
Correlation with Index (%)	Not applicable	Not applicable	Not applicable	Not applicable	35.4
Share price at date of grant ($)	1.360	1.980	2.360	1.910	1.720
Fair value at date of grant - PSA ($)	1.164	1.844	2.221	1.594	1.400
Fair value at date of grant - RSA ($)	1.198	1.781	2.218	1.739	1.620

The number of contingent shares granted but not released for both PSA and RSA awards as at 31 December 2020 was 48,089,659 (2019: 36,802,122).

Based on the achievement factor, the actual release of the PSA awards could range from zero to maximum of 63,285,244 (2019: 49,861,920) fully-paid ordinary shares of the Company.

32. Related party disclosures

An entity or individual is considered a related party of the Group for the purposes of the financial statements if: i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; ii) it is subject to common control or common significant influence.

The following are the significant related party transactions entered into by the Group and Company in the ordinary course of business on terms agreed between the parties:-

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Subsidiary companies:				
• Sales of goods	**–**	–	**4,305,486**	3,870,488
• Sales of services, net	**–**	–	**216**	113,691
• Purchases	**–**	–	**17,181,148**	16,338,577
• Insurance premiums paid	**–**	–	**11,377**	21,251
• Commissions paid	**–**	–	**36,777**	29,040
• Interest received on loans, net	**–**	–	**87,613**	117,549
• Consultancy fee paid	**–**	–	**168,558**	155,636
• Management fee received	**–**	–	**45,752**	63,287
• Trademark income	**–**	–	**41,855**	248,530
• Toll processing charges paid	**–**	–	**215,895**	293,065
• Technical fees received	**–**	–	**50,321**	–
• Corporate guarantee received	**–**	–	**11,222**	–
Joint ventures:				
• Sales of goods	**41,596**	116,770	**41,595**	115,441
• Purchases	**4,566**	–	**3,354**	–
• Management fee received	**49**	3,399	**–**	2,999
• Dividend income	**–**	1,091	**–**	1,091
• Finance income	**223**	284	**223**	284
• Finance cost	**–**	243	**–**	–
• Toll processing fee paid	**–**	841	**–**	–
• Purchase of plant & machinery	**–**	20	**–**	–
Associates:				
• Sales of goods	**180,706**	199,669	**180,681**	192,018
• Purchases	**238,706**	214,764	**238,706**	214,764
• Dividend income	**4,194**	30,593	**4,194**	30,593
• Finance income	**–**	791	**–**	791
• Management fee received	**–**	3,340	**–**	3,340
• Commission paid	**825**	–	**825**	–
Shareholder related companies:				
• Sale of goods	**54**	111	**54**	111
• Purchases	**33,290**	–	**33,290**	–
• Commission paid	**55**	–	**55**	–

33. Compensation of directors and key management personnel

The remuneration of directors and key management personnel during the years is as follows:-

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Directors' fees	**2,597**	2,354	**2,522**	2,279
Salaries and employee benefits	**32,660**	20,503	**29,362**	16,071
Central Provident Fund contributions and equivalents	**726**	579	**195**	140
Share-based expense	**9,058**	5,228	**7,943**	4,317
	45,041	28,664	**40,022**	22,807
Comprising amounts paid to:-				
Directors of the Company	**18,087**	13,240	**18,012**	13,165
Key management personnel	**26,954**	15,424	**22,010**	9,642
	45,041	28,664	**40,022**	22,807

Directors' interests in employee share benefit plans

At the end of the reporting date, the total number of outstanding options/shares that were issued/allocated to the directors and key management personnel under existing employee benefit schemes is given below:-

	2020 Options/shares	2019 Options/shares
Employee Share Option Scheme:		
Directors	**3,250,000**	18,250,000
Key management personnel	**7,240,000**	6,900,000
Olam Share Grant Plan:		
Directors	**5,235,209**	3,585,247
Key management personnel	**6,750,375**	4,091,025

34. Cash and short-term deposits

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Cash and bank balances	**2,239,208**	2,310,648	**1,014,262**	1,114,958
Deposits	**876,669**	868,936	**17,930**	85,521
	3,115,877	3,179,584	**1,032,192**	1,200,479

Cash at banks earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 17.90% (2019: 0.01% to 16.87%) per annum.

Deposits include short-term and capital guaranteed deposits. Short-term deposits are made for varying periods between 1 and 90 days (2019: 1 and 90 days) depending on the immediate cash requirements of the Group, and interest earned at floating rates ranging from 0.34% to 16.00% (2019: 0.25% to 17.00%) per annum and may be withdrawn on demand.

Deposits include capital guaranteed, non-interest bearing, index-linked structured deposits of $4,549,000 (2019: $3,842,000) and may be withdrawn on demand.

Cash and bank balances and deposits denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Euro	**350,248**	300,293	**327,661**	276,764
Great Britain Pounds	**139,702**	97,021	**138,859**	96,082
United States Dollar	**128,758**	75,766	**–**	–
Singapore Dollar	**33,204**	46,173	**18,570**	45,720
Australian Dollar	**3,320**	5,439	**3,311**	5,400
Swiss Franc	**2,137**	4,383	**2,094**	4,369
Japanese Yen	**813**	14,800	**–**	14,800

34. Cash and short-term deposits continued

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:-

	Group	
	2020 $'000	2019 $'000
Cash and bank balances	**2,239,208**	2,310,648
Deposits	**876,669**	868,936
Structured deposits	**(4,549)**	(3,842)
Bank overdrafts (Note 25)	**(261,434)**	(198,826)
	2,849,894	2,976,916

Bank overdrafts are included in the determination of cash and cash equivalents because they form an integral part of the Group's cash management.

35. Financial risk management policies and objectives

The Group and the Company are exposed to financial risks from its operations and the use of financial instruments. The Board of Directors and Board Risk Committee reviews and agrees on policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and Head of Risk. The Board Risk Committee provides independent oversight to the effectiveness of the risk management process.

The Group's principal financial instruments, other than derivative financial instruments and investment in security, comprise bank loans, medium-term notes, term loans from banks, bonds, cash and bank balances, fixed deposits and bank overdrafts. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including interest rate swaps, commodity options, swaps and futures contracts and foreign currency forward contracts. The purpose is to manage the commodity price risk, foreign currency risk and interest rate risk arising from the Group's operations and its sources of financing.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

The main risks arising from the Group's financial instruments are commodity price risk, credit risk, foreign currency risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees on the policies for managing each of these risks and they are summarised below:-

(a) Commodity price risk

Commodities traded by the Group are subject to fluctuations due to a number of factors that result in price risk. The Group purchases and sells various derivative products, primarily exchange traded futures and options with the purpose of managing market exposure to adverse price movements in these commodities. The Group has established policies and exposure limits that restrict the amount of unhedged fixed price physical positions in each commodity.

The Group also enters into commodity derivatives for trading purposes. The Group's trading market risk appetite is determined by the Board of Directors, with detailed exposure limits recommended by the Executive Risk Committee and approved by the Board Risk Committee.

At balance sheet date, if the commodities price index increased by 1.0% with all other variables held constant, the Group's profit net of tax would have increased by $7,120,000 (2019: $10,338,000) given its net long commodity positions, arising as a result of fair value on Group's commodity futures, options contracts, physical sales and purchases commitments as well as the inventory held at balance sheet date.

35. Financial risk management policies and objectives continued

(b) Credit risk

Credit risk is limited to the risk arising from the inability of a customer to make payment when due. It is the Group's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses.

For computation of impairment losses on financial assets, the Group uses a provision matrix as presented below:-

Balance Sheet	Expected credit loss
Trade receivables (Note 18)	
Loans to joint ventures and associates (Note 15)	
Other current assets – Sundry receivables, export incentives and subsidies receivable, deposits, staff advances, insurance receivables, amount due from joint venture, associates and a shareholder related company (Note 22)	Expected credit loss is calculated by applying the default sovereign risk rating of the counterparties' country of domicile based on external benchmarks
Amount due from subsidiary companies (Note 17)	

The carrying amounts of trade receivables, other non-current and current assets, margin accounts with brokers, cash and short-term deposits payments, including derivatives with positive fair value represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. Cash and bank balances and deposits are placed with reputable banks.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the operating segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:-

	Group		Company	
	2020 $'000	2019 (As restated) $'000	**2020 $'000**	2019 (As restated) $'000
By operating segments:				
Olam Food Ingredients ('OFI')	**730,822**	862,954	**146,147**	261,248
Olam Global Agri ('OGA')	**837,817**	1,051,657	**536,353**	705,831
Olam International Limited ('OIL')	**71,291**	110,208	**15,140**	22,253
	1,639,930	2,024,819	**697,640**	989,332

The Group has no significant concentration of credit risk with any single customer.

35. Financial risk management policies and objectives continued

(c) Foreign currency risk

The Group trades its products globally and, as a result, is exposed to movements in foreign currency exchange rates. The primary purpose of the Group's foreign currency hedging activities is to protect against the volatility associated with foreign currency purchases and sales of raw materials and other assets and liabilities created in the normal course of business. The Group primarily utilises foreign currency forward exchange contracts and cross currency interest rate swap to hedge firm commitments.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly United States Dollar (USD), Great Britain Pounds (GBP), Euro (EUR), Australian Dollar (AUD), Singapore Dollar (SGD) and Japanese Yen (YEN).

The following table demonstrates the sensitivity of the Group's profit net of tax and equity to a reasonably possible change in the USD, GBP, EUR, AUD, SGD and YEN exchange rates, with all other variables held constant.

	Group			
	2020		2019	
	Profit net of tax $'000	**Equity $'000**	Profit net of tax $'000	Equity $'000
	Increase/ (decrease)	**Increase/ (decrease)**	Increase/ (decrease)	Increase/ (decrease)
SGD – strengthened 0.5%	**(5,630)**	**2,516**	(2,327)	3,159
GBP – strengthened 0.5%	**(419)**	**(2,867)**	(1,346)	(6,298)
USD – strengthened 0.5%	**267**	**–**	(305)	–
AUD – strengthened 0.5%	**(10)**	**2,912**	(253)	1,166
EUR – strengthened 0.5%	**2,346**	**(17,696)**	(390)	(7,671)
YEN – strengthened 0.5%	**(4,946)**	**–**	(2,378)	–

35. Financial risk management policies and objectives continued

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations associated with its financial liabilities or due to shortage of funds.

To ensure continuity of funding, the Group primarily uses short-term bank facilities that are transaction-linked and self-liquidating in nature. The Group also has a multicurrency medium-term notes programme, as well as term loans from banks, to fund its ongoing working capital requirement and growth needs.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	2020 $'000				2019 (As restated) $'000			
	One year or less	**One to five years**	**Over five years**	**Total**	One year or less	One to five years	Over five years	Total
Group								
Financial liabilities:								
Margin accounts with brokers (Note 19)	–	–	–	–	12,961	–	–	12,961
Trade payables and accruals (Note 23)	**2,908,555**	–	–	**2,908,555**	3,829,101	–	–	3,829,101
Other current liabilities (Note 24)	**474,174**	–	–	**474,174**	512,364	–	–	512,364
Other non-current liabilities	–	**53,798**	–	**53,798**	–	17,695	–	17,695
Borrowings	**6,687,666**	**6,142,350**	**939,878**	**13,769,894**	6,977,281	5,660,225	82,733	12,720,239
Lease liabilities	**140,889**	**478,444**	**1,024,043**	**1,643,376**	136,190	495,218	1,024,259	1,655,667
Derivative financial instruments (Note 35(f))	**2,276,851**	–	–	**2,276,851**	1,162,135	–	–	1,162,135
Total undiscounted financial liabilities	**12,488,135**	**6,674,592**	**1,963,921**	**21,126,648**	12,630,032	6,173,138	1,106,992	19,910,162
Company								
Financial liabilities:								
Margin accounts with brokers (Note 19)	–	–	–	–	110,918	–	–	110,918
Trade payables and accruals (Note 23)	**1,408,750**	–	–	**1,408,750**	2,165,584	–	–	2,165,584
Other current liabilities (Note 24)	**62,418**	–	–	**62,418**	32,275	–	–	32,275
Borrowings	**1,441,928**	**1,504,834**	**503,014**	**3,449,776**	3,816,631	3,234,180	–	7,050,811
Lease liabilities	**27,309**	**40,913**	–	**68,222**	20,422	37,258	–	57,680
Derivative financial instruments (Note 35(f))	**2,006,753**	–	–	**2,006,753**	959,691	–	–	959,691
Total undiscounted financial liabilities	**4,947,158**	**1,545,747**	**503,014**	**6,995,919**	7,105,521	3,271,438	–	10,376,959

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts drawn/undrawn are allocated to the earliest period in which the guarantee could be called.

	2020 $'000				2019 $'000			
	One year or less	**One to five years**	**Over five years**	**Total**	One year or less	One to five years	Over five years	Total
Company								
Financial guarantees	**4,330,774**	–	–	**4,330,774**	2,111,311	–	–	2,111,311

(e) Interest rate risk

The Company's and the Group's exposure to market risk for changes in interest rates relate primarily to its floating rate loans and borrowings. Interest rate risk is managed on an ongoing basis such as hedging the risk through interest rate derivatives with the primary objective of limiting the extent to which net interest exposure could be affected by adverse movements in interest rates. The details of the interest rates relating to the interest-earning financial assets and interest-bearing financial liabilities are disclosed in various notes to the financial statements.

At the balance sheet date, if interest rates had moved by 25 basis points with all other variables held constant, the Group's profit net of tax would have changed inversely by $27,307,000 (2019 restated: $25,324,000).

35. Financial risk management policies and objectives continued

(f) Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage the Group's exposure to risks associated with foreign currency and commodity price. Certain derivatives are also used for trading purposes. The Group and Company have master netting arrangements with certain dealers and brokers to settle the net amount due to or from each other.

As at 31 December 2020, the settlement dates on open foreign exchange derivatives and commodity derivatives ranged between 1 and 38 months (2019: 1 and 24 months). The power purchase agreement (2019: 10 years) in the previous financial year has been cancelled in the current financial year

The Group's and Company's derivative financial instruments that are offset are as follows:-

	2020				2019			
	Fair value				Fair value			
	Group		Company		Group		Company	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Derivatives held for hedging:								
Foreign exchange contracts	592,561	(535,630)	504,452	(448,610)	360,778	(354,224)	316,287	(337,803)
Commodity contracts	6,506,895	(5,657,196)	5,877,873	(5,367,867)	2,973,170	(2,323,287)	2,534,673	(2,105,938)
Power purchase agreement	–	–	–	–	–	(13,459)	–	–
Cross currency interest rate swap	46,268	(5,574)	17,657	–	29,668	(12,891)	8,025	(12,891)
Interest rate swaps	–	–	–	–	–	(2,762)	–	(2,762)
Fair value hedge	**7,145,724**	**(6,198,400)**	**6,399,982**	**(5,816,477)**	3,363,616	(2,706,623)	2,858,985	(2,459,394)
Foreign exchange contracts – Cash flow hedge	–	(9,336)	–	(9,336)	–	(1,951)	–	(1,951)
Cross currency interest rate swap – Cash flow hedge	–	–	–	–	5,597	–	–	–
Interest rate swaps – Cash flow hedge	–	(1,014)	–	(1,014)	18,821	(980)	11,105	(980)
Cash flow hedge	**–**	**(10,350)**	**–**	**(10,350)**	24,418	(2,931)	11,105	(2,931)
Total derivatives held for hedging	**7,145,724**	**(6,208,750)**	**6,399,982**	**(5,826,827)**	3,388,034	(2,709,554)	2,870,090	(2,462,325)
Derivatives held for trading:								
Foreign exchange contracts	42,120	(36,570)	42,120	(36,570)	22,342	(16,394)	22,342	(16,394)
Commodity contracts	105,373	(81,694)	105,373	(81,694)	48,755	(47,603)	48,755	(47,603)
Total derivatives held for trading	**147,493**	**(118,264)**	**147,493**	**(118,264)**	71,097	(63,997)	71,097	(63,997)
Total derivatives, gross	**7,293,217**	**(6,327,014)**	**6,547,475**	**(5,945,091)**	3,459,131	(2,773,551)	2,941,187	(2,526,322)
Gross amounts offset in the balance sheet	(4,050,163)	4,050,163	(3,938,338)	3,938,338	(1,611,416)	1,611,416	(1,566,631)	1,566,631
Net amounts in the balance sheet	**3,243,054**	**(2,276,851)**	**2,609,137**	**(2,006,753)**	1,847,715	(1,162,135)	1,374,556	(959,691)

35. Financial risk management policies and objectives continued

(f) Derivative financial instruments and hedge accounting continued

The Group applies hedge accounting in accordance with SFRS(I) 9 for certain hedging relationships which qualify for hedge accounting. The effects of applying hedge accounting for expected future sales and purchases on the Group's balance sheet and profit or loss are as follows:-

	Line item in the Balance Sheets where the hedging instrument is reported:	Group 2020 Assets $'000	Group 2020 Liabilities $'000	Group 2019 Assets $'000	Group 2019 Liabilities $'000
Fair value hedge – Commodity contracts					
Hedged item:					
Inventories	Inventories	**1,754,964**	**–**	1,613,278	–
Sales and purchase contracts	Derivative assets	**170,827**	**–**	93,337	–
Hedging instruments:					
Commodity contracts	Derivative assets	**6,715**	**–**	10,864	–
Fair value hedge – Cross currency interest rate swap					
Hedged item:					
Forecasted transactions relating to borrowings denominated in foreign currency	Borrowings – Bank loans, Term loans and EMTN	**–**	**(1,393,929)**	–	(847,012)
Hedging instruments:					
Cross currency interest rate swap	Derivative assets/(liabilities)	**46,268**	**(5,574)**	29,668	(12,891)
Cash flow hedge – Foreign exchange contracts					
Hedged item:					
Forecasted transactions denominated in foreign currency	Fair value adjustment reserves	**33,290**	**–**	–	(86,634)
Hedging instruments:					
Foreign exchange contracts	Derivative liabilities	**–**	**(9,336)**	–	(1,951)
Cash flow hedge – Cross currency interest rate swap					
Hedged item:					
Forecasted transactions relating to borrowings denominated in foreign currency	Fair value adjustment reserves	**–**	**–**	–	(5,597)
Hedging instruments:					
Cross currency interest rate swap	Derivative assets	**–**	**–**	5,597	–
Cash flow hedge – Interest rate swap					
Hedged item:					
Forecasted transactions denominated in foreign currency	Fair value adjustment reserves	**–**	**(1,014)**	–	(940)
Hedging instruments:					
Interest rate swap	Derivative assets/(liabilities)	**–**	**(1,014)**	18,821	(980)

Fair value hedge – Commodity contracts

The Group is exposed to price risk on the purchase side due to increase in commodity prices, on the sales sides and inventory held to decrease in commodity prices. Therefore, the Group applies fair value hedge accounting to hedge its commodity prices embedded in its inventories, sales and purchase contracts and uses commodity derivatives to manage its exposure. The Group determines its hedge effectiveness based on the volume of both hedged item and hedging instruments.

For the relevant commodity derivatives used for above hedge accounting purposes, the forecasted transactions are expected to occur within 3 to 24 months (2019: 3 to 24 months). These commodity derivatives held for hedge accounting are used to hedge the commodity price risk related to inventories, sales and purchases contracts. The accumulated amount of fair value hedge adjustments included in the carrying amount of the inventories for the current financial year amounts to $178,264,000 (2019: $241,895,000).

Fair value hedge – Cross currency interest rate swaps

The Group entered into cross-currency interest rate swap contracts in order to hedge the currency and interest rate exposures of the (i) JPY Term Loans and SGD Bank Loans and (ii) AUD, SGD and JPY EMTNs issued under the EMTN programme of the Group. The hedge on the exposure linked to future interest payments on these EMTNs and term loans are booked at fair value through profit or loss as a fair value hedge. The hedge on currency and interest rate exposure are booked at fair value through profit and loss, and is recorded in "Other expenses" and "Finance costs" respectively in the profit and loss account. At 31 December 2020, the cross-currency swap is effective until 2025 and is linked to the payment due date of the term loans or EMTNs. The critical terms of these swap contracts and their corresponding hedged items are matched, and the Group expects a highly effective hedging relationship with the swap contracts and the value of the corresponding hedged items to change systematically in opposite direction in response to movements in the underlying interest rate and exchange rates.

35. Financial risk management policies and objectives continued

(f) Derivative financial instruments and hedge accounting continued

Cash flow hedge – Foreign exchange contracts

For the relevant foreign exchange derivatives used for above hedging accounting purposes, the forecasted transactions are expected to occur within 38 months (2019: 24 months). The fair value of these derivatives recorded in the 'Other Comprehensive Income' are reclassified through the profit and loss account upon occurrence of the forecasted transactions and this amounts to $20,241,000 (2019: $105,532,000) for the current financial year. The net hedging loss recognised in the 'Other Comprehensive Income' in relation to such transactions amounts to $9,336,000 (2019: net hedging loss of $1,951,000) in the current financial year.

Cash flow hedge – Cross currency interest rate swaps

In the previous financial year, the Group entered into cross-currency swap contracts in order to hedge the currency and interest rate exposures of two JPY term loans draw down by the Group. The hedge on the interest exposure linked to future interest payments on these term loans is booked at fair value through OCI as a cash flow hedge.

The hedge on currency exposure is booked at fair value through profit and loss, and is recorded in "Other expenses" in the profit and loss account. The critical terms of these swap contracts and their corresponding hedged items are matched, and the Group expects a highly effective hedging relationship with the swap contracts and the value of the corresponding hedged items to change systematically in opposite direction in response to movements in the underlying interest rate and exchange rates.

Cash flow hedge – Interest rate swaps

The Group entered into interest rate swap contracts to hedge against fluctuation in the international rates (LIBOR) on the floating rate exposure of its Structured Letter of Credit ("SLC"). All interest rate derivative financial instruments are in a cash flow hedge relationship resulting in changes in fair value are recognised in other comprehensive income. As at 31 December 2020, these hedges are effective until 2021 (2019: 2020 and 2021) with 1-month to 3-month (2019: 1-month to 3-month) LIBOR rate ranging from 0.15% to 1.58% (2019: 1.5% to 3.0%) per year.

36. Fair values of assets and liabilities

(a) Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

36. Fair values of assets and liabilities continued

(b) Fair value of assets and liabilities that are carried at fair value

The following table shows an analysis of assets and liabilities carried at fair value by level of fair value hierarchy:-

	Group 2020				Group 2019			
	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Recurring fair value measurements								
Financial assets:								
Long-term investment (Note 16)	–	–	**24,342**	**24,342**	–	–	71,503	71,503
Derivative financial instruments:-								
Commodity contracts	**485,859**	**2,000,929**	**75,317**	**2,562,105**	105,516	1,238,066	66,927	1,410,509
Foreign exchange contracts – fair value hedge	–	**634,681**	–	**634,681**	–	383,120	–	383,120
Foreign exchange contracts – cash flow hedge	–	–	–	–	–	–	–	–
Cross currency interest-rate swap – fair value hedge	–	**46,268**	–	**46,268**	–	29,668	–	29,668
Cross currency interest rate swap – cash flow hedge	–	–	–	–	–	5,597	–	5,597
Interest rate swap – cash flow hedge	–	–	–	–	–	18,821	–	18,821
	485,859	**2,681,878**	**99,659**	**3,267,396**	105,516	1,675,272	138,430	1,919,218
Financial liabilities:								
Derivative financial instruments:-								
Commodity contracts	**904,991**	**760,191**	**23,545**	**1,688,727**	120,510	633,565	5,399	759,474
Foreign exchange contracts – fair value hedge	–	**572,200**	–	**572,200**	–	370,618	–	370,618
Foreign exchange contracts – cash flow hedge	–	**9,336**	–	**9,336**	–	1,951	–	1,951
Cross currency interest-rate swap – fair value hedge	–	**5,574**	–	**5,574**	–	12,891	–	12,891
Interest rate swap – cash flow hedge	–	**1,014**	–	**1,014**	–	980	–	980
Interest rate swaps – fair value hedge	–	–	–	–	–	2,762	–	2,762
Power purchase agreement	–	–	–	–	–	–	13,459	13,459
	904,991	**1,348,315**	**23,545**	**2,276,851**	120,510	1,022,767	18,858	1,162,135
Non-financial assets:								
Biological assets (Note 13)	–	–	**473,165**	**473,165**	–	–	531,178	531,178
Inventories (Note 20)	–	**5,183,099**	**230,789**	**5,413,888**	–	4,969,977	226,356	5,196,333

Determination of fair value

Long-term investment (Note 16) is fair valued based on adjusted enterprise valuation model using comparable companies price/book multiples as a basis in computing the fair value per share.

Foreign exchange contracts and interest rate swaps are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

Commodity contracts, inventories, interest rate swaps and cross currency interest rate swaps and power purchase agreement are valued based on the following:-

- Level 1 – Based on quoted closing prices at the balance sheet date;
- Level 2 – Valued using valuation techniques with market observable inputs. The models incorporate various inputs including the broker quotes for similar transactions, credit quality of counter-parties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodities; and
- Level 3 – Valued using inputs that are not based on observable inputs such as historical transacted prices and estimates.

Certain commodity contracts which were valued based on Level 3 in the previous financial year, are valued based on Level 2 in the current financial year as there were available third party quotes unlike in the previous financial year.

The fair value of biological assets has been determined through various methods and assumptions. Please refer to Note 13 for more details.

36. Fair values of assets and liabilities continued

(c) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The significant unobservable inputs used in the valuation of biological assets are disclosed in Note 13.

The following table shows the information about fair value measurements of other assets and liabilities using significant unobservable inputs (Level 3):-

Recurring fair value measurements	Valuation techniques	Unobservable inputs	Percentage
Financial assets/liabilities:			
Long-term investment	Comparable market approach	Price/book multiples	0.5% (2019: 0.5%)
Commodity contracts	Comparable market approach	Premium on quality per metric tonne	0% to 32% (2019: 0% to 31%)
Commodity contracts	Comparable market approach	Discount on quality per metric tonne	0% to 24% (2019: 0% to 16%)
Power purchase agreement	Discounted Cash Flow	Electricity Pricing per megawatt hour	Not applicable as contract was cancelled in the current financial year (2019: 0% to 14%)
Non-financial assets:			
Inventories	Comparable market approach	Premium on quality per metric tonne	0% to 23% (2019: 0% to 25%)
Inventories	Comparable market approach	Discount on quality per metric tonne	0% to 23% (2019: 0% to 25%)

Impact of changes to key assumptions on fair value of Level 3 financial instruments

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	2020			2019		
		Effect of reasonably possible alternative assumptions			Effect of reasonably possible alternative assumptions	
	Carrying amount $'000	**Profit/(loss) $'000**	**Other comprehensive income $'000**	Carrying amount $'000	Profit/(loss) $'000	Other comprehensive income $'000
Recurring fair value measurements						
Financial assets:						
Long-term investment – increased by 0.5%	**24,342**	**–**	**122**	71,503	–	358
Long-term investment – decreased by 0.5%	**24,342**	**–**	**(122)**	71,503	–	(358)
Commodity contracts	**75,317**	**(1,740)**	**–**	66,927	(717)	–
Financial liabilities:						
Commodity contracts	**(23,545)**	**(1,849)**	**–**	(5,399)	177	–
Power purchase agreement	**–**	**–**	**–**	(13,459)	(505)	–
Non-financial assets:						
Biological assets – increased by 0.5%	**473,165**	**(2,018)**	**–**	531,178	(2,317)	–
Biological assets – decreased by 0.5%	**473,165**	**2,028**	**–**	531,178	2,331	–
Inventories	**230,789**	**2,411**	**–**	226,356	(6,913)	–

In order to determine the effect of the above reasonably possible alternative assumptions, the Group adjusted the following key unobservable inputs used in the fair value measurement:-

- For long-term investment, the Group adjusted the share price of the valuation model by 0.5%.
- For certain commodity contracts and inventories, the Group adjusted the market prices of the valuation model by 1%.
- For biological assets, the Group adjusted the key assumptions (discount rate/ pricing) applied to fair values by 0.5%.

36. Fair values of assets and liabilities continued

(c) Level 3 fair value measurements continued

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value, except for biological assets (Note 13), based on significant unobservable inputs (Level 3):-

	Commodity contracts – assets $'000	Commodity contracts – liabilities $'000	Power purchase agreement – assets $'000	Inventories $'000	Long-term investment $'000
At 1 January 2019	64,118	(5,316)	10,438	291,920	–
Transfer into Level 3	–	–	–	–	135,777
Total gain/(loss) for the year					
• Included in profit or loss	2,809	(83)	(23,897)	(13,164)	–
• Included in other comprehensive income	–	–	–	–	(64,274)
Purchases and sales, net	–	–	–	(52,400)	–
At 31 December 2019 and 1 January 2020	**66,927**	**(5,399)**	**(13,459)**	**226,356**	**71,503**
Total gain/(loss) for the year					
• Included in profit or loss	**8,390**	**(18,146)**	**–**	**44,469**	**–**
• Included in other comprehensive income	**–**	**–**	**–**	**–**	**(39,738)**
Purchases and sales, net	**–**	**–**	**13,459**	**(40,036)**	**(7,423)**
At 31 December 2020	**75,317**	**(23,545)**	**–**	**230,789**	**24,342**

(d) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

(i) Cash and short-term deposits, trade receivables, other current assets, margin accounts with brokers, amounts due from/(to) subsidiary companies, trade payables and accruals, other current liabilities and bank overdrafts.

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short-term maturity.

(ii) Loans to joint ventures, bank loans and term loans from banks

The carrying amount of loans to joint ventures, bank loans and term loans from banks are an approximation of fair values as they are subjected to frequent repricing (floating rates) and/or because of their short-term maturity.

36. Fair values of assets and liabilities continued

(e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

(i) Loans to subsidiary companies

Loans to subsidiary companies are repayable only when the cash flow of the entities permits. Accordingly, the fair value of these amounts is not determinable as the timing of the future cash flow arising from these balances cannot be estimated reliably.

(ii) Medium-term notes and other bonds

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:-

	Group		Company	
	Carrying amount $'000	**Fair value $'000**	**Carrying amount $'000**	**Fair value $'000**
31 December 2020				
Financial liabilities:				
Medium-term notes	**3,262,438**	**3,319,979**	**2,449,347**	**2,506,888**
31 December 2019				
Financial liabilities:				
Medium-term notes	3,348,150	3,411,532	2,587,715	2,651,099
Other bonds	335,086	344,031	335,086	344,031

The fair value of medium-term notes and all bonds is determined directly by reference to their published market bid price (Level 1) or valued using valuation techniques with market observable inputs (Level 2), where relevant at the end of the respective financial years.

37. Capital management

The Group manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors vis-a-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long-term capital investments. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2019 and 31 December 2020.

The Group calculates the level of debt capital required to finance the working capital requirements using leverage/gearing ratio and the Group's policy is to maintain the net leverage ratio within 2 times.

As at balance sheet date, leverage ratios are as follows:-

	Group	
	2020	2019 Restated
Gross debt to equity:		
• Before fair value adjustment reserve	**2.20 times**	1.98 times
Net debt to equity:		
• Before fair value adjustment reserve	**1.72 times**	1.50 times

The Group assesses the level of debt capital used to finance capital investment in respect of the projected risk and returns of these investments using a number of traditional and modified investment and analytical models including discounted cash flows. It also assesses the use of debt capital to fund such investments relative to the impact on the Group's overall debt capital position and capital structure.

In order to manage its capital structure, the Group may issue debt of either a fixed or floating nature, arrange credit facilities, issue medium-term notes, issue new shares or convertible bonds and adjust dividend payments.

38. Classification of financial assets and financial liabilities

	Group 2020			Group (As restated) 2019		
	Amortised cost $'000	Fair value through Other Comprehensive Income $'000	Fair value through Profit or Loss $'000	Amortised cost $'000	Fair value through Other Comprehensive Income $'000	Fair value through Profit or Loss $'000
Financial assets:						
Loans to joint ventures (Note 15(a))	–	–	–	35,666	–	–
Loans to associates (Note 15(b))	18,121	–	–	18,447	–	–
Long-term investment (Note 16)	–	24,342	–	–	71,503	–
Trade receivables (Note 18)	1,639,930	–	–	2,024,819	–	–
Margin accounts with brokers (Note 19)	121,663	–	–	–	–	–
Other current assets (Note 22)	565,891	–	–	658,530	–	–
Other non-current assets (Note 22)	34,384	–	–	44,956	–	–
Cash and short-term deposits (Note 34)	3,115,877	–	–	3,179,584	–	–
Derivative financial instruments (Note 35(f))	–	–	3,243,054	–	24,418	1,823,297
	5,495,866	24,342	3,243,054	5,962,002	95,921	1,823,297
Financial liabilities:						
Trade payables and accruals (Note 23)	2,908,555	–	–	3,829,101	–	–
Margin accounts with brokers (Note 19)	–	–	–	12,961	–	–
Other current liabilities (Note 24)	518,653	–	–	582,125	–	–
Other non-current liabilities (Note 24)	53,798	–	–	17,695	–	–
Borrowings (Note 25)	13,247,344	–	–	12,078,881	–	–
Lease liabilities (Note 25)	912,018	–	–	1,000,278	–	–
Derivative financial instruments (Note 35(f))	–	10,350	2,266,501	–	2,931	1,159,204
	17,640,368	10,350	2,266,501	17,521,041	2,931	1,159,204

	Company 2020			Company 2019		
	Amortised cost $'000	Fair value through Other Comprehensive Income $'000	Fair value through Profit or Loss $'000	Amortised cost $'000	Fair value through Other Comprehensive Income $'000	Fair value through Profit or Loss $'000
Financial assets:						
Loans to joint ventures (Note 15(a))	–	–	–	35,666	–	–
Long-term investment (Note 16)	–	24,342	–	–	71,503	–
Amounts due from subsidiary companies (Note 17)	–	–	–	2,435,290	–	–
Trade receivables (Note 18)	697,640	–	–	989,332	–	–
Margin accounts with brokers (Note 19)	96,593	–	–	–	–	–
Other current assets (Note 22)	141,561	–	–	147,458	–	–
Other non-current assets (Note 22)	–	–	–	2,019	–	–
Cash and short-term deposits (Note 34)	1,032,192	–	–	1,200,479	–	–
Derivative financial instruments (Note 35(f))	–	–	2,609,137	–	11,105	1,363,451
	1,967,986	24,342	2,609,137	4,810,244	82,608	1,363,451
Financial liabilities:						
Amounts due to subsidiary companies (Note 17)	2,833,243	–	–	–	–	–
Margin accounts with brokers (Note 19)	–	–	–	110,918	–	–
Trade payables and accruals (Note 23)	1,408,750	–	–	2,165,584	–	–
Other current liabilities (Note 24)	91,735	–	–	88,214	–	–
Borrowings (Note 25)	3,182,238	–	–	6,679,783	–	–
Lease liabilities (Note 25)	64,581	–	–	53,821	–	–
Derivative financial instruments (Note 35(f))	–	10,350	1,996,403	–	2,931	956,760
	7,580,547	10,350	1,996,403	9,098,320	2,931	956,760

39. Segmental information

In the previous financial year, the Group's businesses were organised and managed as five broad segments grouped in relation to different types and nature of products traded namely: (i) Edible Nuts and Spices, (ii) Confectionery and Beverage Ingredients, (iii) Industrial Raw Materials, Infrastructure and Logistics, (iv) Food Staples and Packaged Foods and (v) Commodity Financial Services.

In the current financial year, the Group announced its re-organization wherein all businesses are re-organised and managed as three broad segments grouped in line with key customer trends and market opportunities with the aim of unlocking long-term shareholder value. The Group's supply chain activities of sourcing, processing and merchandising span across a broad range of agricultural products.

The new segmentation has been done in the following manner: -

- Olam Food Ingredients ("OFI") - Cocoa, Coffee, Edible nuts, Spices and Dairy
- Olam Global Agri ("OGA") – Grains, Animal Feed & Protein, Edible Oil, Rice, Cotton and Commodity Financial Services
- Olam International Limited ("OIL") - De-prioritised businesses (Sugar, Wood Products, Rubber and Fertiliser and other de-prioritised assets), Gestating businesses (Olam Palm Gabon, Packaged foods, Infrastructure and Logistics) and Incubating businesses (Engine 2 growth platforms)

Accordingly, the Group has restated previously reported segment information for the year ended 31 December 2019.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate cash, fixed deposits, other receivables and corporate liabilities such as taxation and borrowings. Assets which are unallocated are common and shared by segments and thus it is not practical to allocate them.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The measure used by management to evaluate segment performance is different from the operating profit or loss in the consolidated financial statements, as explained in the table in Note 39(a).

Group financing (including finance cost), which is managed on group basis, and income tax which is evaluated on group basis are not allocated to operating segments.

The turnover by geographical segments is based on the location of customers regardless of where the goods are produced. The assets and capital expenditure are attributed to the location of those assets.

39. Segmental information continued

(a) Business segments

	Olam Food Ingredients		Olam Global Agri		Olam International Limited		Consolidated	
	2020 $'000	2019 (As restated) $'000	**2020 $'000**	2019 (As restated) $'000	**2020 $'000**	2019 (As restated) $'000	**2020 $'000**	2019 (As restated) $'000
Segment revenue:								
Sales to external customers	**12,546,781**	12,144,810	**21,515,887**	18,850,338	**1,757,375**	1,997,574	**35,820,043**	32,992,722
Segment result (EBIT)	**771,082**	793,655	**462,398**	329,487	**(163,917)**	(65,778)	**1,069,563**	1,057,364
Finance costs	**–**	–	**–**	–	**–**	–	**(518,475)**	(629,483)
Finance income	**–**	–	**–**	–	**–**	–	**102,772**	88,649
Exceptional items[1]	**(40,189)**	88,927	**(5,910)**	(9,514)	**(385,585)**	(262,836)	**(431,684)**	(183,423)
Profit before taxation							**222,176**	333,107
Taxation expense							**(43,987)**	(55,937)
Profit for the financial year							**178,189**	277,170
Segment assets	**11,826,217**	11,727,313	**6,174,051**	4,892,100	**4,275,090**	4,585,180	**22,275,358**	21,204,593
Unallocated assets[2]							**4,427,284**	4,607,429
							26,702,642	25,812,022
Segment liabilities	**2,383,350**	2,830,925	**2,394,484**	1,920,455	**569,074**	423,085	**5,346,908**	5,174,465
Unallocated liabilities[3]							**15,319,755**	14,344,320
							20,666,663	19,518,785
Other segmental information:								
Depreciation and amortisation	**294,593**	269,704	**135,616**	100,491	**131,055**	130,431	**561,264**	500,626
Share of results from joint ventures and associates	**7,744**	11,354	**13**	(477)	**106,172**	56,995	**113,929**	67,872
Investments in joint ventures and associates	**105,879**	111,988	**32,628**	37,271	**526,439**	511,846	**664,946**	661,105
Capital expenditure	**342,195**	235,979	**59,092**	61,420	**239,960**	312,922	**641,247**	610,321

(b) Geographical segments

	Asia, Middle East and Australia		Africa		Europe		Americas		Eliminations		Consolidated	
	2020 $'000	2019 (As restated) $'000	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000	**2020 $'000**	2019 (As restated) $'000	**2020 $'000**	2019 $'000	**2020 $'000**	2019 (As restated) $'000
Segment revenue:												
Sales to external customers	**16,515,754**	16,409,323	**5,939,927**	4,490,889	**7,239,921**	6,599,226	**6,124,441**	5,493,284	**–**	–	**35,820,043**	32,992,722
Intersegment sales	**9,744,131**	10,057,104	**2,328,722**	1,790,811	**214,542**	186,864	**1,637,772**	1,149,490	**(13,925,167)**	(13,184,269)	**–**	–
	26,259,885	26,466,427	**8,268,649**	6,281,700	**7,454,463**	6,786,090	**7,762,213**	6,642,774	**(13,925,167)**	(13,184,269)	**35,820,043**	32,992,722
Non-current assets[4]	**4,056,728**	4,001,090	**3,138,556**	3,471,843	**736,041**	686,784	**1,352,924**	1,403,742	**–**	–	**9,284,249**	9,563,459

(c) Information on major customers

The Group has no single customer accounting for more than 10% of the turnover.

39. Segmental information continued

1 Exceptional items included the following items of income/(expenses):-

	Group	
	2020 $'000	2019 (As restated) $'000
Gain on disposal of property, plant and equipment and intangible assets (Note 5)	**1,966**	61,630
Gain on sale of USA spices, vegetables dehydrate facilities (Note 5)	**–**	21,663
Gain on partial divestment of associate (Note 15(b))	**121,016**	40,371
Negative goodwill (Note 5)	**–**	7,857
Gain on disposal of subsidiary (Note 13)	**–**	593
Impairment of property, plant and equipment and intangible assets	**(500,950)**	(206,452)
Closure and restructuring costs	**(101,982)**	(107,928)
Gain/(loss) on disposal of joint venture and associate, net (Note 15(a))	**48,266**	(1,157)
	(431,684)	(183,423)

2 The following unallocated assets items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:-

	Group	
	2020 $'000	2019 $'000
Cash and bank balances	**2,239,208**	2,310,648
Fixed deposits	**876,669**	868,936
Other current/non-current assets	**1,059,263**	1,173,069
Long-term investments	**24,342**	71,503
Deferred tax assets	**227,802**	183,273
	4,427,284	4,607,429

3 The following unallocated liabilities items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:-

	Group	
	2020 $'000	2019 (As restated) $'000
Borrowings	**13,247,344**	12,078,881
Lease liabilities	**912,018**	1,000,278
Deferred tax liabilities	**369,230**	407,337
Other current/non-current liabilities	**587,508**	598,747
Provision for taxation	**203,655**	259,077
	15,319,755	14,344,320

4 Non-current assets mainly relate to property, plant and equipment, intangible assets, biological assets, investments in joint ventures and associates and long-term investments.

40. Events occurring after the reporting period

(a) On 6 January 2021, the Group completed the acquisition of US-based dehydrated onion ingredients business (formerly Cascade Specialties) for US$51,500,000 (approximately S$68,088,000).

(b) On 4 February 2021, the Group through its wholly-owned subsidiary Olam Americas, Inc., completed the acquisition of 100% equity stake in a US-based chile pepper business of major maker of condiments and sauces, Mizkan America, Inc. for US$108,500,000 (approximately S$150,012,000).

(c) On 18 February 2021, the Group divested its entire 15.19% stake in Open Country Dairy ("OCD") to Talley Group Limited ("Talley's") for approximately NZ$80,900,000 (approximately S$76,800,000).

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