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.

About this 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.

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

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 demerger 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).

Please see page 54 for more information

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

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

<table>
<thead>
<tr>
<th>Integrated sustainable sourcing and value-added ingredient solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Large, attractive and growing key end-use categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverages</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Food &amp; Feed (Grains and Animal Feed &amp; Protein, Edible Oils and Rice)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Origination &amp; Merchandising</td>
</tr>
</tbody>
</table>

Please see page 42 for more information

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)

- OFI: 88.6%
- OGA: 8.5%
- OIL: 2.9%

44,409.7 +11.7%

Revenue (S$million)

- OFI: 350%
- OGA: 60.1%
- OIL: 4.9%

35,820.0 +8.6%

EBIT ($million)

- OFI: 16.2%
- OGA: 16.3%
- OIL: 72.1%

1,069.5 +1.2%

Invested Capital (S$million)

- OFI: 56.7%
- OGA: 22.7%
- OIL: 20.6%

16,665.7 +5.6%

Group Sourcing Volume by Region

- Asia, Middle East and Australia: 44.3%
- Africa: 16.3%
- Europe: 16.2%
- Americas: 23.2%

Group Sales Revenue by Region

- Asia, Middle East and Australia: 46.1%
- Africa: 20.2%
- Europe: 17.1%
- Americas: 16.6%
## Financial highlights

### For the 12 Months Ended 31 December

### (S$million)

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

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.
** Excludes impact of capital securities distribution on net income and capital securities on equity.
# EBIT on total interest expense.

olamgroup.com 5
Our financial and performance highlights continued

Four-year financial summary

Sales Volume
(‘000 Metric Tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>OFI</td>
<td>22,534.6</td>
<td>32,867.6</td>
<td>39,751.8</td>
<td>44,409.7</td>
</tr>
<tr>
<td>OGA</td>
<td>18,035.5</td>
<td>26,615.1</td>
<td>34,367.7</td>
<td>39,355.6</td>
</tr>
<tr>
<td>OIL</td>
<td>2,496.1</td>
<td>2,461.5</td>
<td>1,571.9</td>
<td>1,267.5</td>
</tr>
</tbody>
</table>

Sales Revenue
($million)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>OFI</td>
<td>15,832.4</td>
<td>14,812.2</td>
<td>15,789.3</td>
<td>16,665.7</td>
</tr>
<tr>
<td>OGA</td>
<td>31,935.5</td>
<td>26,615.1</td>
<td>34,367.7</td>
<td>39,355.6</td>
</tr>
<tr>
<td>OIL</td>
<td>2,496.1</td>
<td>2,461.5</td>
<td>1,571.9</td>
<td>1,267.5</td>
</tr>
</tbody>
</table>

Earnings Before Interest and Tax
($million)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>OFI</td>
<td>947.2</td>
<td>3,791.0</td>
<td>3,812.2</td>
<td>3,786.6</td>
</tr>
<tr>
<td>OGA</td>
<td>16,035.5</td>
<td>26,615.1</td>
<td>34,367.7</td>
<td>39,355.6</td>
</tr>
<tr>
<td>OIL</td>
<td>2,496.1</td>
<td>2,461.5</td>
<td>1,571.9</td>
<td>1,267.5</td>
</tr>
</tbody>
</table>

Invested Capital
($million)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>OFI</td>
<td>667.8</td>
<td>677.9</td>
<td>793.6</td>
<td>771.1</td>
</tr>
<tr>
<td>OGA</td>
<td>312.4</td>
<td>225.4</td>
<td>329.5</td>
<td>462.4</td>
</tr>
<tr>
<td>OIL</td>
<td>(33.0)</td>
<td>(60.3)</td>
<td>(65.8)</td>
<td>(164.0)</td>
</tr>
</tbody>
</table>

Profit After Tax and Minority Interest
($million)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>OFI</td>
<td>580.7</td>
<td>347.8</td>
<td>316.1</td>
<td>245.7</td>
</tr>
<tr>
<td>OGA</td>
<td>4,137.7</td>
<td>3,921.3</td>
<td>3,779.6</td>
<td></td>
</tr>
<tr>
<td>OIL</td>
<td>2,538.0</td>
<td>2,415.2</td>
<td>1,757.4</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>OFI</td>
<td>431.5</td>
<td>346.6</td>
<td>498.2</td>
<td>677.8</td>
</tr>
</tbody>
</table>

* Excludes exceptional items.

Olam International Limited Annual Report 2020
**Earnings Per Share** (cents)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019 Restated</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Per Share</td>
<td>18.6</td>
<td>13.3</td>
<td>9.2</td>
<td>5.9</td>
</tr>
<tr>
<td>Operational Earnings Per Share</td>
<td>19.5</td>
<td>13.9</td>
<td>8.2</td>
<td>5.9</td>
</tr>
</tbody>
</table>

**Return on Equity^^** (%)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019 Restated</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Beginning-of-Period–Equity</td>
<td>10.8</td>
<td>7.7</td>
<td>5.3</td>
<td>3.4</td>
</tr>
<tr>
<td>Return on Beginning-of-Period–Equity Excluding Exceptional Items</td>
<td>11.2</td>
<td>7.9</td>
<td>4.7</td>
<td>3.4</td>
</tr>
</tbody>
</table>

**Net Asset Value Per Share** (cents)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>200.1</td>
<td>193.4</td>
<td>189.1</td>
<td>182.3</td>
<td></td>
</tr>
</tbody>
</table>

**Shareholders’ Equity** ($$million)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019 Restated</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,443.6</td>
<td>6,325.4</td>
<td>6,185.2</td>
<td>5,962.5</td>
<td></td>
</tr>
</tbody>
</table>

**Number of Customers**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>22,000</td>
<td>19,800</td>
<td>25,200</td>
<td>17,300</td>
<td></td>
</tr>
</tbody>
</table>

**Top 25 Customers’ Share of Total Sales Revenue** (%)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.1</td>
<td>22.7</td>
<td>23.1</td>
<td>26.9</td>
<td></td>
</tr>
</tbody>
</table>

^^ 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 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.

“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
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.

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**Re-organisation update**

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Re-segmentation</strong></td>
<td><strong>Re-organisation</strong></td>
<td><strong>Carve-out and Separation</strong></td>
<td><strong>OFI IPO and Concurrent Demerger, OGA Strategic Options</strong></td>
</tr>
<tr>
<td>- Re-segmented the current business into two new operating groups (OFI and OGA) under Olam International (OIL).</td>
<td>- Developed Targeted Operating Model (TOM) for the new operating groups, including embedded business, country/regional structures and central functions.</td>
<td>- Dedicated implementation teams for Separation, IPO and Demerger set up.</td>
<td>Subject to shareholder and regulatory approvals:</td>
</tr>
<tr>
<td>- Developed new reporting segments, key financial metrics for each operating group.</td>
<td>- Dedicated leadership and management teams for each of the operating groups in place.</td>
<td>- Programme Office, independent financial advisors, legal and tax advisers, PR and IR advisers appointed.</td>
<td>- Target OFI listing by H1 2022.</td>
</tr>
<tr>
<td>- Reported H1 2020 and 2020 results on basis of new operating groups and segments with historical comparative financials.</td>
<td>- Hiring of new talent for the key capabilities required to pivot both the OFI and OGA businesses is underway.</td>
<td>- Carve-out and Separation to be completed for OFI and OGA by end-2021.</td>
<td>- 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.</td>
</tr>
<tr>
<td>Status: Completed</td>
<td>Status: Completed</td>
<td>Status: Underway</td>
<td>Status: Underway</td>
</tr>
</tbody>
</table>

Target completion by und 2021

Target completion by H1 2022

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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.

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**Cautionary Statement on Re-organisation 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

<table>
<thead>
<tr>
<th>Prosperous Farmers and Food Systems</th>
<th>Thriving Communities</th>
<th>Re-generation of the Living World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re-designing farming and food value chains so that all players profit fairly from their work</td>
<td>Re-vitalising rural communities so that the people who produce food can live well</td>
<td>Re-generating nature, to restore the balance between agriculture and ecosystems in living landscapes</td>
</tr>
</tbody>
</table>

- 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)
- 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
- 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
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.
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 agril 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, Caffè 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)

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.
- 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)

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

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019 Restated</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume ('000 MT)</td>
<td>44,409.7</td>
<td>39,751.8</td>
<td>11.7</td>
</tr>
<tr>
<td>Revenue</td>
<td>35,820.0</td>
<td>32,992.7</td>
<td>8.6</td>
</tr>
<tr>
<td>EBIT*</td>
<td>1,069.5</td>
<td>1,057.3</td>
<td>1.2</td>
</tr>
<tr>
<td>PAT</td>
<td>178.2</td>
<td>277.1</td>
<td>(35.7)</td>
</tr>
<tr>
<td>PATMI</td>
<td>245.7</td>
<td>316.1</td>
<td>(22.3)</td>
</tr>
<tr>
<td>Operational PATMI*</td>
<td>677.8</td>
<td>498.2</td>
<td>36.0</td>
</tr>
</tbody>
</table>

* 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

<table>
<thead>
<tr>
<th>Volume</th>
<th>44.4m MT</th>
<th>+11.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>S$1,070m</td>
<td>+1.2%</td>
</tr>
<tr>
<td>Operational PATMI</td>
<td>S$678m</td>
<td>+36.0%</td>
</tr>
<tr>
<td>Free Cash Flow to Equity</td>
<td>S$(592)m</td>
<td>-727.1m</td>
</tr>
<tr>
<td>Invested Capital</td>
<td>S$16.7bn</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Gearing</td>
<td>1.72x</td>
<td>+0.22</td>
</tr>
</tbody>
</table>
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 Cotonièrre 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.

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 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.

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.

Sources of Capital

(S$million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets</th>
<th>Equity and Reserves</th>
<th>Non-controlling interests</th>
<th>Short-term debt</th>
<th>Long-term debt</th>
<th>Short-term lease liabilities</th>
<th>Long-term lease liabilities</th>
<th>Fair value reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>20,195</td>
<td>6,425.4</td>
<td>73.5</td>
<td>6,466.5</td>
<td>6,780.9</td>
<td>96.5</td>
<td>815.5</td>
<td>(462.9)</td>
</tr>
<tr>
<td>2019</td>
<td>19,373</td>
<td>6,589.3</td>
<td>108.1</td>
<td>6,675.5</td>
<td>5,403.4</td>
<td>118.5</td>
<td>881.8</td>
<td>(404.1)</td>
</tr>
</tbody>
</table>

Uses of Capital

(S$million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed capital</th>
<th>Rights-of-use assets</th>
<th>Working capital</th>
<th>Cash</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>8,309.9</td>
<td>712.2</td>
<td>7,455.7</td>
<td>3,115.9</td>
<td>601.7</td>
</tr>
<tr>
<td>2019</td>
<td>8,616.0</td>
<td>719.3</td>
<td>6,627.8</td>
<td>3,179.6</td>
<td>229.8</td>
</tr>
</tbody>
</table>

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.

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.

### Free cash flow

<table>
<thead>
<tr>
<th>$Million</th>
<th>2020</th>
<th>2019 Restated</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt</td>
<td>11,043.5</td>
<td>9,899.6</td>
<td>1,143.9</td>
</tr>
<tr>
<td>Less: Readily marketable inventory (RMI)</td>
<td>5,849.6</td>
<td>5,733.1</td>
<td>116.5</td>
</tr>
<tr>
<td>Less: Secured receivables</td>
<td>1,138.5</td>
<td>1,672.1</td>
<td>(533.6)</td>
</tr>
<tr>
<td>Adjusted net debt</td>
<td>4,055.4</td>
<td>2,494.4</td>
<td>1,561.0</td>
</tr>
<tr>
<td>Equity (before fair value adjustment reserve)</td>
<td>6,425.4</td>
<td>6,589.3</td>
<td>(163.9)</td>
</tr>
<tr>
<td>Net debt/Equity (Basic)</td>
<td>1.72</td>
<td>1.50</td>
<td>0.22</td>
</tr>
<tr>
<td>Net debt/Equity (Adjusted)</td>
<td>0.63</td>
<td>0.38</td>
<td>0.25</td>
</tr>
</tbody>
</table>

### Operating Cash flow (before Interest and Tax)

<table>
<thead>
<tr>
<th>$Million</th>
<th>2020</th>
<th>2019 Restated</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>1,697.3</td>
<td>1,455.8</td>
<td>241.5</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>(1,160.9)</td>
<td>(95.6)</td>
<td>(1,065.3)</td>
</tr>
<tr>
<td>Net Operating Cash Flow</td>
<td>536.4</td>
<td>1,360.2</td>
<td>(823.8)</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(177.8)</td>
<td>(106.8)</td>
<td>(71.0)</td>
</tr>
<tr>
<td>Capex/Investments</td>
<td>(513.8)</td>
<td>(562.7)</td>
<td>48.9</td>
</tr>
<tr>
<td>Free cash flow to firm (FCFF)</td>
<td>(155.2)</td>
<td>690.7</td>
<td>(845.9)</td>
</tr>
<tr>
<td>Net interest paid</td>
<td>(437.0)</td>
<td>(555.8)</td>
<td>118.8</td>
</tr>
<tr>
<td>Free cash flow to equity (FCFE)</td>
<td>(592.2)</td>
<td>134.9</td>
<td>(727.1)</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Tenor</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 29</td>
<td>US$176.0 million loan from IFC and JICA</td>
<td>5-year due 2025</td>
</tr>
<tr>
<td></td>
<td>· US$120.0 million</td>
<td>7-year due 2027</td>
</tr>
<tr>
<td></td>
<td>· US$56.0 million</td>
<td></td>
</tr>
<tr>
<td>June 18</td>
<td>US$250.0 million Sustainability-linked RCF</td>
<td>1-year due 2021</td>
</tr>
<tr>
<td></td>
<td>· US$50.0 million</td>
<td>2-year due 2022</td>
</tr>
<tr>
<td></td>
<td>· US$100.0 million</td>
<td>3-year due 2023</td>
</tr>
<tr>
<td></td>
<td>· US$100.0 million</td>
<td></td>
</tr>
<tr>
<td>July 1</td>
<td>US$375.0 million RCF</td>
<td>1-year due 2021</td>
</tr>
<tr>
<td>July 13</td>
<td>US$50.0 million fixed rate notes at 3.27%</td>
<td>5-year due 2025</td>
</tr>
<tr>
<td>August 17</td>
<td>¥38.85 billion (US$370 million) upsized Samurai Loan</td>
<td>3-year due 2023</td>
</tr>
<tr>
<td></td>
<td>· ¥27.6 billion</td>
<td>5-year due 2025</td>
</tr>
<tr>
<td></td>
<td>· ¥11.25 billion</td>
<td></td>
</tr>
<tr>
<td>August 18</td>
<td>US$200.0 million loan from EBRD</td>
<td>3.58-year due 2024</td>
</tr>
<tr>
<td>August 25</td>
<td>$500.0 million fixed rate notes at 4.0%</td>
<td>5.5-year due 2026</td>
</tr>
<tr>
<td>September 28</td>
<td>$200.0 million SORA-pegged loan</td>
<td>1-year due 2021</td>
</tr>
<tr>
<td>October 10</td>
<td>US$1,975.0 million upsized RCF</td>
<td>1-year due 2021</td>
</tr>
<tr>
<td></td>
<td>· US$790.0 million</td>
<td>2-year due 2022</td>
</tr>
<tr>
<td></td>
<td>· US$790.0 million</td>
<td>3-year due 2023</td>
</tr>
<tr>
<td></td>
<td>· US$495.0 million</td>
<td></td>
</tr>
<tr>
<td>December 9</td>
<td>US$93.75 million loan from ADB</td>
<td>3-year due 2023</td>
</tr>
<tr>
<td>December 11</td>
<td>¥7.0 billion (US$67.0 million) Sustainability-linked fixed rate notes to DBJ</td>
<td>5-year due 2025</td>
</tr>
<tr>
<td></td>
<td>at 2.05%</td>
<td></td>
</tr>
</tbody>
</table>
Group CFO’s review continued

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

<table>
<thead>
<tr>
<th></th>
<th>Total Borrowings</th>
<th>Available liquidity</th>
<th>Unutilised bank lines</th>
<th>Secured receivables</th>
<th>RM*</th>
<th>Total borrowings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and short-term fixed deposits</td>
<td>3,116</td>
<td>1,139</td>
<td>7,186</td>
<td>17,291</td>
<td>5,850</td>
<td>14,159</td>
</tr>
<tr>
<td>Short-term: 6,563</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term: 7,596</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Borrowing Mix
(%)  

- **2020**
  - Bilateral banking lines: 34.0%
  - Bank syndication: 43.0%
  - Debt capital markets: 23.0%

- **2019**
  - Bilateral banking lines: 38.7%
  - Bank syndication: 32.0%
  - Debt capital markets: 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
($million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Working Capital</th>
<th>Fixed Capital</th>
<th>EBIT/IC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7,705</td>
<td>8,127</td>
<td>5.8%</td>
</tr>
<tr>
<td>2018</td>
<td>6,844</td>
<td>7,968</td>
<td>5.5%</td>
</tr>
<tr>
<td>2019</td>
<td>6,766</td>
<td>9,023</td>
<td>6.9%</td>
</tr>
<tr>
<td>Restated</td>
<td>8,735</td>
<td></td>
<td>6.6%</td>
</tr>
<tr>
<td>2020</td>
<td>7,931</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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
## Performance by operating group

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales Volume ('000 MT)</th>
<th>Revenue</th>
<th>EBIT</th>
<th>Invested Capital (IC)*</th>
<th>EBIT/IC (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OFI</td>
<td>3,786.6</td>
<td>3,812.2</td>
<td></td>
<td>12,546.7</td>
<td>12,144.8</td>
</tr>
<tr>
<td>Ingredient Sourcing &amp; Supply Chain*</td>
<td>3,524.1</td>
<td>3,669.7</td>
<td></td>
<td>10,015.6</td>
<td>9,733.1</td>
</tr>
<tr>
<td>Value-added Food Ingredients &amp; Solutions*</td>
<td>1,025.6</td>
<td>930.2</td>
<td></td>
<td>5,299.3</td>
<td>4,854.5</td>
</tr>
<tr>
<td>OGA</td>
<td>39,355.6</td>
<td>34,367.7</td>
<td></td>
<td>21,515.9</td>
<td>18,850.3</td>
</tr>
<tr>
<td>Food &amp; Feed – Origination &amp; Merchandising</td>
<td>33,739.4</td>
<td>29,743.5</td>
<td></td>
<td>15,410.3</td>
<td>13,530.6</td>
</tr>
<tr>
<td>Food &amp; Feed – Processing &amp; Value-added</td>
<td>4,023.2</td>
<td>3,060.0</td>
<td></td>
<td>2,754.8</td>
<td>1,793.8</td>
</tr>
<tr>
<td>Fibre &amp; Ag Services</td>
<td>1,593.0</td>
<td>1,564.2</td>
<td></td>
<td>3,350.8</td>
<td>3,525.9</td>
</tr>
<tr>
<td>OIL</td>
<td>1,267.5</td>
<td>1,571.9</td>
<td></td>
<td>1,757.4</td>
<td>1,997.6</td>
</tr>
<tr>
<td>De-prioritised/Exiting Assets</td>
<td>916.2</td>
<td>1,328.4</td>
<td></td>
<td>1,185.1</td>
<td>1,543.0</td>
</tr>
<tr>
<td>Gestating Businesses</td>
<td>351.3</td>
<td>243.5</td>
<td></td>
<td>572.3</td>
<td>454.6</td>
</tr>
<tr>
<td>Incubating Businesses (including corporate adjustments)</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>44,409.7</td>
<td>39,751.8</td>
<td></td>
<td>35,820.0</td>
<td>32,992.7</td>
</tr>
</tbody>
</table>

* 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
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.

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

Financial highlights

| S$771m | EBIT  
| --- | ---  
| 6.1% | EBIT Margin  
| 8.4% | EBIT/IC  

olamgroup.com 29
A. How did OFI perform in 2020?

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.
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.
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.”
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

<table>
<thead>
<tr>
<th>Key end-use categories</th>
<th>Beverages</th>
<th>Bakery</th>
<th>Confectionery</th>
<th>Snacking</th>
<th>Culinary</th>
</tr>
</thead>
</table>

Key end-use category size\(^1,2\) (US$m)

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<tbody>
<tr>
<td>+6.0%</td>
<td>+6.2%</td>
<td>+4.5%</td>
<td>+5.8%</td>
<td>+5.7%</td>
</tr>
</tbody>
</table>

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, 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.

**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.

**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.

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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:  
- 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).

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.

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

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
- 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**

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

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<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume (39.4m MT)</td>
<td></td>
</tr>
<tr>
<td>Revenue (S$21.5bn)</td>
<td></td>
</tr>
<tr>
<td>EBIT (S$462m)</td>
<td></td>
</tr>
<tr>
<td>EBIT/IC (13.7%)</td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019 Restated</th>
<th>2020 Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Feed – Origination &amp; Merchandising</td>
<td>16%</td>
<td>30%</td>
<td>45%</td>
<td>44%</td>
</tr>
<tr>
<td>Food &amp; Feed – Processing &amp; Value-added</td>
<td>53%</td>
<td>38%</td>
<td>36%</td>
<td>47%</td>
</tr>
<tr>
<td>Fibre &amp; Ag Services</td>
<td>31%</td>
<td>32%</td>
<td>19%</td>
<td>9%</td>
</tr>
<tr>
<td>EBIT/MT (SS)</td>
<td>19</td>
<td>8</td>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (S$million)</th>
<th>EBIT/MT (S$)</th>
<th>Invested Capital (S$million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>50</td>
<td>4</td>
<td>428</td>
</tr>
<tr>
<td>2018</td>
<td>66</td>
<td>3</td>
<td>551</td>
</tr>
<tr>
<td>2019</td>
<td>150</td>
<td>5</td>
<td>185</td>
</tr>
<tr>
<td>2020</td>
<td>203</td>
<td>6</td>
<td>385</td>
</tr>
</tbody>
</table>

In 2020, 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)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019 Restated</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT/MT (S$)</td>
<td>66</td>
<td>33</td>
<td>38</td>
<td>54</td>
</tr>
</tbody>
</table>

EBIT/MT (S$) increased from 66 in 2017 to 54 in 2020, a rise of +86.2%.

**Invested Capital (S$ million)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019 Restated</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working capital</td>
<td>1,010</td>
<td>982</td>
<td>1,573</td>
<td></td>
</tr>
<tr>
<td>Fixed capital</td>
<td>677</td>
<td>698</td>
<td>1,300</td>
<td>1,186</td>
</tr>
<tr>
<td>EBIT/IC</td>
<td>16.2%</td>
<td>8.6%</td>
<td>8.6%</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

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, Senegal and 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)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019 Restated</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT/MT (S$)</td>
<td>70</td>
<td>46</td>
<td>40</td>
<td>26</td>
</tr>
</tbody>
</table>

EBIT/MT (S$) decreased from 70 in 2017 to 26 in 2020, a fall of -24.9%.

**Invested Capital (S$ million)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019 Restated</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working capital</td>
<td>836</td>
<td>425</td>
<td>591</td>
<td>911</td>
</tr>
<tr>
<td>Fixed capital</td>
<td>173</td>
<td>168</td>
<td>253</td>
<td>359</td>
</tr>
<tr>
<td>EBIT/IC</td>
<td>9.0%</td>
<td>9.1%</td>
<td>8.7%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

Olam Global Agri continued
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.

**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.
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.
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.

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.
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.
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.

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.
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.

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.

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
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.

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**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

<table>
<thead>
<tr>
<th>EBIT (S$million)</th>
<th>2017</th>
<th>2018</th>
<th>2019 Restated</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>De-prioritised/Exiting Assets</td>
<td>(33)</td>
<td>(65)</td>
<td>(60)</td>
<td>(16%)</td>
</tr>
<tr>
<td>Gestating Businesses</td>
<td>34</td>
<td>57</td>
<td>19</td>
<td>69</td>
</tr>
<tr>
<td>Incubating Businesses (including corporate adjustments)</td>
<td>–</td>
<td>–</td>
<td>(59)</td>
<td>(59)</td>
</tr>
</tbody>
</table>

### Invested Capital (S$million)

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019 Restated</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>De-prioritised/Exiting Assets</td>
<td>2,138</td>
<td>1,965</td>
<td>1,360</td>
</tr>
<tr>
<td>Gestating Businesses</td>
<td>1,820</td>
<td>2,173</td>
<td>2,083</td>
</tr>
<tr>
<td>EBIT/IC</td>
<td>(0.8%)</td>
<td>(1.5%)</td>
<td>(4.5%)</td>
</tr>
</tbody>
</table>
**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 Olo-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 cyclicalit 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.

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.

Read more
• refoods.com
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).

Natural Capital

Supporting ‘Living Landscapes’ where biodiversity can thrive

In 2020, subsidiary Congolaise Industrielle des Bois (CIB) achieved Forest Stewardship Council (FSC)-certification 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.

Sustainability highlights

1.4bn
servings of fortified foods in Ghana and Nigeria

4,000
people given literacy and numeracy support

40,400
people supported with access to healthcare

630,400
hectares protected

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, Kobo, 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
• 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
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.

“ 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
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

<table>
<thead>
<tr>
<th>Risk type</th>
<th>Ownership and sub-risks</th>
<th>Mitigation</th>
<th>Developments in 2020</th>
<th>Risk status (Increased/ Stable/ Decreased)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trading Risks</strong></td>
<td>Risk Committee</td>
<td>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.</td>
<td>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.</td>
<td>Increased</td>
</tr>
<tr>
<td><strong>Operational Risks</strong></td>
<td>Risk Committee</td>
<td>Field operational 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.</td>
<td>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.</td>
<td>Increased</td>
</tr>
<tr>
<td><strong>Audit Committee</strong></td>
<td>Stock Risk</td>
<td>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.</td>
<td>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.</td>
<td>Increased</td>
</tr>
<tr>
<td><strong>Capital &amp; Investment Committee</strong></td>
<td>Project Execution Risk</td>
<td>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.</td>
<td>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.</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>Currency Risks</strong></td>
<td>Capital &amp; Investment Committee</td>
<td>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.</td>
<td>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.</td>
<td>Increased –&gt; Stable</td>
</tr>
<tr>
<td><strong>Agricultural Risks</strong></td>
<td>Corporate Responsibility &amp; Sustainability Committee</td>
<td>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.</td>
<td>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.</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>Political and Sovereign Risks</strong></td>
<td>Risk Committee</td>
<td>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.</td>
<td>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 weaknesses, 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.</td>
<td>Increased</td>
</tr>
<tr>
<td><strong>Capital Structure and Financing Risks</strong></td>
<td>Capital and Investment Committee</td>
<td>The Group has a strong base of long-term shareholders. The Company maintains strong banking relationships, providing committed banking lines, thereby assuring good liquidity.</td>
<td>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.</td>
<td>Stable</td>
</tr>
<tr>
<td>Risk type</td>
<td>Ownership and sub-risks</td>
<td>Mitigation</td>
<td>Developments in 2020</td>
<td>Risk status (Increased/ Stable/ Decreased)</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td><strong>Reputational Risks</strong></td>
<td>Corporate Responsibility &amp; Sustainability Committee</td>
<td>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 &amp; 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.</td>
<td>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 88 on TCFD.</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>Regulatory and Compliance Risks</strong></td>
<td>Risk Committee • Market Compliance</td>
<td>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.</td>
<td>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.</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>Audit Committee</strong></td>
<td>• Bribery/Corruption Risk • Other Regulatory Risk • Transfer Pricing Risk • Taxation Risk</td>
<td>Olam has in place a comprehensive Ethical Business Programme (EBP) which includes policies relating to Bribery &amp; 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.</td>
<td>EBP has been further fortified to include practices and protections to bring the programme in line with best-in-class standards.</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>Natural Perils</strong></td>
<td>Risk Committee • Pandemic Risk • Fire Risk • Flood Risk • Earthquake Risk • Hurricane/Typhoon/ Storm Risk</td>
<td>The Group maintains insurance cover against risk of natural disasters, such as flood, fire, earthquakes and storms.</td>
<td>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.</td>
<td>Increased</td>
</tr>
<tr>
<td><strong>Other Risks</strong></td>
<td>Audit Committee • Cybersecurity Risk • IT Risk</td>
<td>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.</td>
<td>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.</td>
<td>Increased</td>
</tr>
<tr>
<td><strong>Strategic Risks</strong></td>
<td>All strategic risks are overseen by the offices of the GCEO and CEO, and by the Executive Committee.</td>
<td>Succession plans are in place to provide a second line of leadership from within the Group’s Operating Committee and Management Committee.</td>
<td>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.</td>
<td>Stable</td>
</tr>
</tbody>
</table>
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 – Stora 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.

<table>
<thead>
<tr>
<th>Governance</th>
<th>Strategy</th>
<th>Risk Management</th>
<th>Metrics and Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclose the organisation’s governance around climate-related risks and opportunities</td>
<td>Disclose the impacts of climate risks and opportunities on your business, strategy and financial planning</td>
<td>Disclose how your organisation identifies, assesses and manages climate risks</td>
<td>Disclose the metrics and targets used to assess and manage climate risks and opportunities</td>
</tr>
<tr>
<td>Board oversight</td>
<td>Risks and opportunities</td>
<td>CO₂ risk identification and integration</td>
<td>Reporting CO₂ metrics and targets</td>
</tr>
<tr>
<td>Governance Report Page 12 and 36</td>
<td>Page 69</td>
<td>Page 64-69</td>
<td>Page 92</td>
</tr>
<tr>
<td>Management’s role</td>
<td>Scenario planning</td>
<td>CO₂ risk management</td>
<td>Details Scope 1, 2 and 3</td>
</tr>
<tr>
<td>CDP¹</td>
<td>CDP¹</td>
<td>CDP¹</td>
<td>GRI and SASB Index²</td>
</tr>
<tr>
<td>GRI and SASB Index²</td>
<td>Pages 64-69</td>
<td>Pages 92-95</td>
<td></td>
</tr>
</tbody>
</table>

1. cdp.net/en
2. olamgroup.com/investors/investor-library.html
The Climate Transition: examples of risks and opportunities for Olam

<table>
<thead>
<tr>
<th>Risk type</th>
<th>Risk</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy/Legal</td>
<td>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.</td>
<td>Diverse landscapes in Olam farming, supply chain and forestry operations offer carbon trading sustainable landscapes investment platform opportunities (new engine for growth).</td>
</tr>
<tr>
<td></td>
<td>Requirements to provide detailed environmental information at product level (e.g. Scope 3 emissions or sequestered carbon) in different jurisdictions.</td>
<td>Integrated Impact Statement (IIS) enables Olam to identify Natural Capital stocks and flows (page 129). AtSource enables Olam to provide customers with Scope 3 emissions, which leads to preferred supplier status (page 95).</td>
</tr>
<tr>
<td></td>
<td>Regulations that promote biomass-based energy production and green building materials. Regulations to drive reforestation and afforestation of degraded areas.</td>
<td>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.</td>
</tr>
<tr>
<td>Physical</td>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>Rising mean temperatures and changes in precipitation patterns causing water scarcity, which in turn impacts crop quality and operational costs e.g. irrigation.</td>
<td>AtSource enables Olam’s customers to track their water, as well as carbon footprint (page 99).</td>
</tr>
<tr>
<td>Product</td>
<td>Consumer preference towards products that are better for the environment – risk that customers de-list suppliers who cannot supply traceable and sustainable volumes.</td>
<td>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.</td>
</tr>
<tr>
<td>Reputational</td>
<td>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.</td>
<td>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.</td>
</tr>
</tbody>
</table>

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 |
| Intellectual Capital | See page 104 |
| Intangible Capital | See page 126 |
| Human Capital | See page 76 |
| Natural Capital | See page 88 |
| Social Capital | See page 106 |

Purpose Outcomes
Prosperous Farmers and Food Systems
Thriving Communities
Re-generation of the Living World

Material Areas

<table>
<thead>
<tr>
<th>Economic Opportunity</th>
<th>Safe and Decent Work</th>
<th>Education and Skills</th>
<th>Nutrition and Health</th>
<th>Diversity and Inclusion</th>
<th>Climate Action</th>
<th>Healthy Ecosystems</th>
<th>Healthy Soils</th>
<th>Water</th>
<th>Reduced Waste</th>
</tr>
</thead>
</table>

Impact on UN SDGs

UN SDG Enablers
### Issues important to our stakeholders and potential impact

<table>
<thead>
<tr>
<th>Impact</th>
<th>Level of stakeholder interest</th>
<th>Potential impact on business/reputation</th>
<th>Relevant SDG indicators</th>
<th>Read more</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic Opportunity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Living income/Fair value distribution</td>
<td>High</td>
<td>High</td>
<td>1.2, 1.4</td>
<td>Page 118</td>
</tr>
<tr>
<td>Farmers’ productivity</td>
<td>High</td>
<td>High</td>
<td>1.2, 1.4, 2.3, 2.4, 8.2</td>
<td>Page 106-118</td>
</tr>
<tr>
<td>Land rights</td>
<td>Medium</td>
<td>Medium</td>
<td>1.4</td>
<td>Page 110</td>
</tr>
<tr>
<td>Resilience to external shocks including COVID-19 and climate</td>
<td>High</td>
<td>High</td>
<td>1.5, 2.4, 3.3, 13.1, 13.3</td>
<td>Page 95, 106</td>
</tr>
<tr>
<td><strong>Safe and Decent Work</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and safety</td>
<td>Medium</td>
<td>High</td>
<td>8.8</td>
<td>Page 81, 85, 116</td>
</tr>
<tr>
<td>Child labour</td>
<td>High</td>
<td>High</td>
<td>8.7, 16.2</td>
<td>Page 112-113</td>
</tr>
<tr>
<td>Forced, bonded labour</td>
<td>Medium</td>
<td>High</td>
<td>8.7, 16.2</td>
<td>Page 113</td>
</tr>
<tr>
<td>Living wage</td>
<td>Medium</td>
<td>Medium</td>
<td>1.2, 1.4</td>
<td>Page 133</td>
</tr>
<tr>
<td>Collective bargaining and freedom of association/labour relations</td>
<td>Medium</td>
<td>Medium</td>
<td>8.8</td>
<td>Page 83</td>
</tr>
<tr>
<td>Grievance mechanisms</td>
<td>High</td>
<td>Medium</td>
<td>8.8</td>
<td>Page 83, 119</td>
</tr>
<tr>
<td><strong>Education and Skills</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting access to schools</td>
<td>Medium</td>
<td>Medium</td>
<td>4.1, 4.2</td>
<td>Page 112-114</td>
</tr>
<tr>
<td>Literacy and numeracy</td>
<td>Low</td>
<td>Medium</td>
<td>4.6</td>
<td>Page 60, 116</td>
</tr>
<tr>
<td>Youth and next-generation skills</td>
<td>Medium</td>
<td>Medium</td>
<td>4.3, 4.4</td>
<td>Page 116</td>
</tr>
<tr>
<td><strong>Nutrition and Health</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product safety</td>
<td>Medium</td>
<td>High</td>
<td>2.1</td>
<td>Page 122</td>
</tr>
<tr>
<td>Disease</td>
<td>Medium</td>
<td>High</td>
<td>3.3</td>
<td>Page 116</td>
</tr>
<tr>
<td>Food and nutrition security</td>
<td>Medium</td>
<td>High</td>
<td>2.1, 2.2</td>
<td>Page 52, 116-117</td>
</tr>
<tr>
<td>Consumer access to nutritious/fortified food</td>
<td>Medium</td>
<td>High</td>
<td>2.1</td>
<td>Page 52, 62, 85</td>
</tr>
<tr>
<td>Water, Sanitation &amp; Hygiene (WASH) provision</td>
<td>Medium</td>
<td>High</td>
<td>6.1, 6.2, 6.a, 6.b</td>
<td>Page 85</td>
</tr>
<tr>
<td><strong>Diversity and Inclusion</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women in senior roles in the workplace</td>
<td>Medium</td>
<td>High</td>
<td>5.5, 10.2</td>
<td>Page 84</td>
</tr>
<tr>
<td>Female farmer empowerment</td>
<td>Medium</td>
<td>High</td>
<td>5.5, 10.2, 5.a, 5.b</td>
<td>Page 108, 115</td>
</tr>
<tr>
<td>Discrimination/racism in the workplace</td>
<td>Medium</td>
<td>High</td>
<td>10.2</td>
<td>Page 84</td>
</tr>
<tr>
<td><strong>Climate Action</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Science-based target</td>
<td>High</td>
<td>High</td>
<td>2.4, 13.2</td>
<td>Page 95</td>
</tr>
<tr>
<td>GHG emissions</td>
<td>High</td>
<td>High</td>
<td>9.4, 13.2</td>
<td>Page 92, 94</td>
</tr>
<tr>
<td>% renewable energy</td>
<td>Medium</td>
<td>Medium</td>
<td>7.2</td>
<td>Page 92</td>
</tr>
<tr>
<td>NO2 and SO2 emissions</td>
<td>Low</td>
<td>Low</td>
<td>3.9, 13.2</td>
<td>Not material</td>
</tr>
<tr>
<td>Packaging (renewable, recyclable etc.)</td>
<td>Low</td>
<td>Low</td>
<td>12.5</td>
<td>Not material</td>
</tr>
<tr>
<td><strong>Healthy Ecosystems</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deforestation</td>
<td>High</td>
<td>High</td>
<td>11.4, 15.1, 15.2</td>
<td>Page 94, 96</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>High</td>
<td>Medium</td>
<td>15.5, 15.7</td>
<td>Page 62, 96, 97</td>
</tr>
<tr>
<td>Healthy landscapes</td>
<td>Medium</td>
<td>High</td>
<td>15.1, 15.2, 15.3, 15.b</td>
<td>Page 62, 96</td>
</tr>
<tr>
<td><strong>Healthy Soils</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soil degradation</td>
<td>Medium</td>
<td>Medium</td>
<td>15.3</td>
<td>Page 101</td>
</tr>
<tr>
<td>Pesticides/herbicides</td>
<td>Medium</td>
<td>Medium</td>
<td>15.3</td>
<td>Page 102</td>
</tr>
<tr>
<td>Fertiliser access/overuse</td>
<td>Medium</td>
<td>High</td>
<td>15.3</td>
<td>Page 102</td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water stress/scarcity</td>
<td>Medium</td>
<td>High</td>
<td>6.4</td>
<td>Page 99</td>
</tr>
<tr>
<td>Protection of water courses</td>
<td>Low</td>
<td>Medium</td>
<td>6.3, 6.6</td>
<td>GRI and SASB Index</td>
</tr>
<tr>
<td>Effluent and waste</td>
<td>Low</td>
<td>Medium</td>
<td>6.3</td>
<td>GRI and SASB Index</td>
</tr>
<tr>
<td><strong>Food Loss and Waste</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-harvest losses</td>
<td>Medium</td>
<td>High</td>
<td>12.3</td>
<td>Page 102</td>
</tr>
<tr>
<td>Consumer food waste</td>
<td>Low</td>
<td>Low</td>
<td>12.3</td>
<td>Not material</td>
</tr>
<tr>
<td><strong>How we work</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anti-bribery and corruption</td>
<td>Medium</td>
<td>High</td>
<td>16.5</td>
<td>Governance, Page 31</td>
</tr>
<tr>
<td>Ethics and compliance</td>
<td>High</td>
<td>High</td>
<td>16.5</td>
<td>Governance, Page 31</td>
</tr>
<tr>
<td>Transparency</td>
<td>High</td>
<td>Medium</td>
<td>16.6</td>
<td>Page 120</td>
</tr>
</tbody>
</table>
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.

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 Dairies. 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

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.

<table>
<thead>
<tr>
<th>Material areas</th>
<th>Farming</th>
<th>Sourcing</th>
<th>Processing</th>
<th>Distribution</th>
<th>Customer</th>
<th>Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Opportunity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Safe and Decent Work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Education and Skills</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nutrition and Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Diversity and Inclusion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Climate Action</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Healthy Ecosystems</td>
<td>3</td>
<td></td>
<td>3</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Healthy Soils</td>
<td>3</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced Waste</td>
<td></td>
<td></td>
<td>3</td>
<td></td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Material areas Low Medium 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 (FRaSH)
- 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

olamgroup.com
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.

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.

“ 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. 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.

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.

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. 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.

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. 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**

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Goal</th>
<th>Status</th>
<th>Read more</th>
</tr>
</thead>
<tbody>
<tr>
<td>By end of 2020</td>
<td>Reduce Lost Time Injury Frequency Rate (LTIFR) to 0.3 in Tier 1 processing and manufacturing facilities</td>
<td>Ahead of target: 0.17 versus 0.21 in 2019</td>
<td>Page 81</td>
</tr>
<tr>
<td></td>
<td>Reduce LTIFR for Tier 2 operations (plantations, forest concessions, farms; processing; cotton gins and sawmills; infrastructure business and R&amp;D centres)</td>
<td>2020 baseline for Tier 2: 2.62</td>
<td>Page 80</td>
</tr>
<tr>
<td>Ongoing</td>
<td>All locations routinely report unsafe acts and unsafe conditions, and near misses</td>
<td>Ongoing</td>
<td>Page 81</td>
</tr>
</tbody>
</table>

**Olam complies with International Labour Organization (ILO) Principles**

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Goal</th>
<th>Status</th>
<th>Read more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>No moderate or severe breaches of compliance reported or observed in audits</td>
<td>On track</td>
<td>Page 82</td>
</tr>
</tbody>
</table>

#### Sustainability Framework Material Area – Diversity and Inclusion
**SDG 5.5, SDG 10.2**

**Diversity strategies are implemented**

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

#### Sustainability Framework Material Area – Nutrition and Health
**SDG 3.3**

**Ensuring Olam operations meet, as a minimum the Olam Water, Sanitation and Hygiene (WASH) Standard⁵**

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Goal</th>
<th>Status</th>
<th>Read more</th>
</tr>
</thead>
<tbody>
<tr>
<td>By end of 2020</td>
<td>100% of Olam’s direct operations are compliant with the Olam WASH Standard⁵</td>
<td>Not yet achieved</td>
<td>Page 85</td>
</tr>
<tr>
<td></td>
<td>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</td>
<td>Achieved: ~995,000 people (361% uplift on 2019)</td>
<td>Page 85, 116</td>
</tr>
</tbody>
</table>

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

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.

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.

<table>
<thead>
<tr>
<th>LTIFR – Tier 1 Plants</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.43</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.17</td>
<td></td>
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</tbody>
</table>

Target 2020: 0.19, a 10% reduction over 2019
Actual 2020: 0.17, a 19% reduction over 2019

<table>
<thead>
<tr>
<th>LTIFR – All Facilities</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.61</td>
<td></td>
<td>1.48</td>
</tr>
</tbody>
</table>

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.
Our Capitals and Material areas: Human Capital

continued

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.

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

<table>
<thead>
<tr>
<th>Region</th>
<th>LTIFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>0.09</td>
</tr>
<tr>
<td>Americas</td>
<td>0.53</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>0.13</td>
</tr>
<tr>
<td>Europe</td>
<td>1.18</td>
</tr>
<tr>
<td>Total</td>
<td>0.17</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>How we report</th>
</tr>
</thead>
<tbody>
<tr>
<td>We track safety performance across all facilities, numbering around 500, and these facilities are categorised into four tiers:</td>
</tr>
<tr>
<td>- Tier 1: Large manufacturing plants.</td>
</tr>
<tr>
<td>- Tier 2: Primary processing plants and upstream operations.</td>
</tr>
<tr>
<td>- Tier 3: Warehouses.</td>
</tr>
<tr>
<td>- Tier 4: Offices.</td>
</tr>
<tr>
<td>This is the first year we are reporting LTIFR for Olam Group.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Olam Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>Africa</td>
</tr>
<tr>
<td>Americas</td>
</tr>
<tr>
<td>Asia Pacific</td>
</tr>
<tr>
<td>Europe</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Tier 1 Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>Africa</td>
</tr>
<tr>
<td>Americas</td>
</tr>
<tr>
<td>Asia Pacific</td>
</tr>
<tr>
<td>Europe</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
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.

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

- 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.

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 workplace 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 Avivo 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 (%)

Primary Workforce by Region 2020

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Americas</td>
<td>12%</td>
<td>11%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Europe</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Africa</td>
<td>61%</td>
<td>58%</td>
<td>56%</td>
<td>54%</td>
<td>52%</td>
<td>52%</td>
</tr>
<tr>
<td>Asia, Middle East and Australia</td>
<td>23%</td>
<td>27%</td>
<td>27%</td>
<td>27%</td>
<td>29%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Note: Data not collected by region in 2015.

Primary Workforce by Gender

Primary Workforce by Gender and Region 2019 vs 2020

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>22,170</td>
<td>20,350</td>
<td>11,950</td>
<td>12,000</td>
<td>5,050</td>
</tr>
<tr>
<td>Europe</td>
<td>5,950</td>
<td>250</td>
<td>1,650</td>
<td>34,600</td>
<td>600</td>
</tr>
</tbody>
</table>

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.

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.

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.

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

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 Congo¹ |
| ~1.4m ha | land area where farmers are given sustainability support |
| ~13.2m ha | land area estimated for all non-supported third-party farmers |
| 762,000 | smallholders given sustainability support² |
| ~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.

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.

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. 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.

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. 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 CO₂ 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

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Goal</th>
<th>Status</th>
<th>Read more</th>
</tr>
</thead>
<tbody>
<tr>
<td>By end of 2020</td>
<td>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</td>
<td>Achieved</td>
<td>Page 94</td>
</tr>
<tr>
<td></td>
<td>25% of energy derived from renewable and biomass sources at Olam’s Tier 1 facilities (from 2015 baseline – 15%)</td>
<td>Slightly behind</td>
<td>Page 92</td>
</tr>
<tr>
<td></td>
<td>Implement the Olam 2020 Climate-smart Agriculture (CSA) programme</td>
<td>On track</td>
<td>Pages 40, 41, 92, 127</td>
</tr>
<tr>
<td>By 2030</td>
<td>Reduce GHG emissions by 50% both in own operations and Olam-managed farmer programmes</td>
<td>For own volumes (Scope 1 and 2), in 2020 we achieved a significant reduction in GHG emissions intensity in our processing (0.13 TCO2e/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 CO2e/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 CO2e in 2020, achieved a significant reduction in GHG intensity in 2020 from 2.0 to 1.7 TCO2e/MT and an absolute reduction of 14.3m MT CO2e (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.</td>
<td>Page 94</td>
</tr>
</tbody>
</table>

#### 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

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Goal</th>
<th>Status</th>
<th>Read more</th>
</tr>
</thead>
<tbody>
<tr>
<td>By end of 2020</td>
<td>100% of Olam-managed plantations, concessions and farms to have implemented their Land Management Plan</td>
<td>Achieved</td>
<td>Pages 89-91</td>
</tr>
<tr>
<td></td>
<td>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</td>
<td>Largely achieved</td>
<td>Page 89</td>
</tr>
<tr>
<td></td>
<td>Implement the relevant Living Landscapes Policy commitments</td>
<td>Ongoing</td>
<td>Pages 90, 96-98</td>
</tr>
</tbody>
</table>

### Water
SDGs 6.1; 6.2; 6.4; 6.6

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Goal</th>
<th>Status</th>
<th>Read more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>Increased water use efficiency in Olam’s direct operations</td>
<td>In 2020, achieved significant reductions in water use intensity in processing (1.62 m³/MT product vs 1.99 in 2019), due to increased efficiencies (including a 46% reduction in H₂O intensity for Nuts), and additional volumes of low-water intensity products.</td>
<td>Page 93</td>
</tr>
<tr>
<td>By end of 2020</td>
<td>100% of priority supply chains to have water resource management plans</td>
<td>Behind target</td>
<td>Pages 93, 99</td>
</tr>
</tbody>
</table>

### Reduced Waste
SDGs 12.2; 12.3

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Goal</th>
<th>Status</th>
<th>Read more</th>
</tr>
</thead>
<tbody>
<tr>
<td>By end of 2024</td>
<td>100% utilisation of by-products in own operations</td>
<td>On track</td>
<td>GRI and SASB Index at olamgroup.com/investors/investor-library.html</td>
</tr>
<tr>
<td>By end of 2024</td>
<td>Zero waste to landfill in own operations</td>
<td>Started</td>
<td>GRI and SASB Index at olamgroup.com/investors/investor-library.html</td>
</tr>
<tr>
<td>By 2030</td>
<td>Reduce post-harvest loss by 50% in own operations and Olam-managed farmer programmes</td>
<td>On track</td>
<td>Page 102</td>
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</table>
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 CO₂e 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 CO₂e increase to 2.58m MT) for our own farms than in previous years. This work does impact 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
- cdp.net/en
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 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 AU$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.

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.

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-landscape-to-power-broadscale-sustainability-in-mexicos-key-coffee-region/
- atsource.io/impact.html
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.
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.

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 Environment on access to clean water. We also responded to stakeholders regarding unfounded allegations from 2019 by World Rainforest Movement:


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.
Our Capital and Material areas: Intellectual Capital

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.”

Roel Van Poppel
CEO AtSource

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 of 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.

Read more
• Natural Capital page 88
• Social Capital page 106
• www.atsource.io

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

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, 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.

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. 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.

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 Ibiocara 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

<table>
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<tr>
<th>Timeframe</th>
<th>Goal</th>
<th>Status</th>
<th>Read more</th>
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<tbody>
<tr>
<td>By end of 2020</td>
<td>Bring 1 million hectares under Olam sustainability programmes with an estimated 0.5 million smallholders</td>
<td>Achieved 773,000 farmers receiving support (4% increase on 2019); 1.39 million hectares (1.0% increase)</td>
<td>Pages 109, 126-127</td>
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<td>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</td>
<td>Achieved 773,000 farmers and their families. Our emerging market workforce, especially around the coffee estates in Tanzania and Zambia, could also be included.</td>
<td>Page 109</td>
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<tr>
<td></td>
<td>Child labour: No breaches in compliance reported or observed in audits for either Olam or third-party supply chains</td>
<td>Not achieved For third-party supply chains</td>
<td>Page 112</td>
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<tr>
<td></td>
<td>100% of priority product volumes covered by the Supplier Code: cashew, cocoa, coffee, cotton, hazelnut, palm and rubber</td>
<td>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.</td>
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### Diversity and Inclusion
SDG 5.5; 10.2

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<tr>
<td>By end of 2020</td>
<td>Support 100,000 women to access economic opportunities, including female farmers, processors, distributors, and workers supported or employed by Olam</td>
<td>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</td>
<td>Page 115</td>
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### Nutrition and Health
SDG 2.1; 2.2; 3.3; 6.1; 6.2

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<th>Timeframe</th>
<th>Goal</th>
<th>Status</th>
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<tr>
<td>By end of 2020</td>
<td>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</td>
<td>Achieved 995,100 people (361% uplift on 2019)</td>
<td>Page 116</td>
</tr>
<tr>
<td></td>
<td>Produce 40 billion servings of micro-nutrient fortified foods</td>
<td>Achieved 78 billion servings (58% uplift on 2019)</td>
<td>Page 117</td>
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</table>
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 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.

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=alineews
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 through digital 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


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=JyTVdSp3-k

https://www.olamgroup.com
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. 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.

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 Ideria, Afin and Owade-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

Olam International Limited Annual Report 2020
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
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
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.

• 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.

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.

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Highlights

<table>
<thead>
<tr>
<th>Adults benefitting from literacy and numeracy courses</th>
<th>61,700</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults benefitting from vocational and business skills training</td>
<td>86,600</td>
</tr>
<tr>
<td>People in smallholder communities trained on health and hygiene</td>
<td>173,500</td>
</tr>
<tr>
<td>People in smallholder communities trained on nutrition</td>
<td>59,000</td>
</tr>
</tbody>
</table>

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• 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

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
- Purpose: How OFI creates Social and Natural Capital page 40
- Purpose: How OGA creates Social and Natural Capital page 50

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 GIZ1 and IITA2 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.

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 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.

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

4. olamgroup.com/sustainability/grievance.html
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

**In the numbers**

**Economic Opportunity**  
Smallholders in sustainability programmes

```
<table>
<thead>
<tr>
<th>Year</th>
<th>Total farmers</th>
<th>Total hectares</th>
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</thead>
<tbody>
<tr>
<td>2015</td>
<td>34,500</td>
<td>637,000</td>
</tr>
<tr>
<td>2016</td>
<td>702,500</td>
<td>878,000</td>
</tr>
<tr>
<td>2017</td>
<td>1,000,000</td>
<td>1,280,000</td>
</tr>
<tr>
<td>2018</td>
<td>74,000</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>773,000</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1,390,000</td>
<td></td>
</tr>
</tbody>
</table>
```

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)

```
<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20%</td>
<td>18%</td>
<td>17%</td>
<td>18%</td>
<td>13%</td>
<td>19%</td>
</tr>
</tbody>
</table>
```

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)

```
<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24.1</td>
<td>26.0</td>
<td>44.5</td>
<td>49.4</td>
<td>78.0</td>
<td></td>
</tr>
</tbody>
</table>
```

Our 2020 goal was to produce 40 billion servings.

**Nutrition and Health**  
Employees and communities reached under the Olam Healthy Living Campaign

```
<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>376,340</td>
<td>190,000</td>
<td>63,200</td>
<td>202,350</td>
<td>215,650</td>
<td>995,000</td>
</tr>
</tbody>
</table>
```

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

<table>
<thead>
<tr>
<th>Count</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>large manufacturing facilities</td>
</tr>
<tr>
<td>174</td>
<td>processing facilities and upstream operations</td>
</tr>
<tr>
<td>72</td>
<td>offices</td>
</tr>
<tr>
<td>495</td>
<td>main sites/premises</td>
</tr>
</tbody>
</table>
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

In January, the Spices business opened the new garlic dehydration and milling facility at Jinxiang, China, which includes a 700m² 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.

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 posed 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.
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/
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 400,000m³ 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.


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

In our third year of reporting our Integrated Impact Statement (IIS) – 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.

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

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
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, 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?”.
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. Hence the total dollar cost of the organisation’s workforce can be calculated as:

\[
\text{TotalValue}_{\text{per Employee}} = 2 \times BS
\]

\[
\text{TotalValue}_{\text{All Employees}} = \text{TotalValue}_{\text{per Employee}} \times \text{N}_{\text{employees}}
\]

By applying the going concern principle 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:

\[
\text{IncrVC}_{\text{per Eng Employee}} = \left(\frac{N_{\text{Dis Employees}}}{N_{\text{Eng Employees}}}\right) \times \text{TotalValue}_{\text{per Employee}}
\]

\[
\text{TotalVC}_{\text{per Eng Employee}} = \text{TotalValue}_{\text{per Employee}} + \text{IncrVC}_{\text{per Eng Employee}}
\]

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.


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:

\[
P_{V \text{forgone}} = \text{IncrVC}_{\text{EngEmployee}} \times N_{\text{NeutralEmployees}} + \text{TotalVC}_{\text{EngEmployee}} \times N_{\text{DisEmployees}}
\]

The below figure summarises the approach.

**Figure 1: Economic Value Added (EVA) Model**

<table>
<thead>
<tr>
<th>Engaged employee</th>
<th>Neutral employee</th>
<th>Disengaged employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ value created by each engaged employee</td>
<td>$ value for each neutral employee</td>
<td>$ value for each disengaged employee</td>
</tr>
<tr>
<td>Value of each employee’s cost (2x average base salary)</td>
<td>Forgone $ value</td>
<td>Forgone $ value</td>
</tr>
</tbody>
</table>

**The analysis**

We used 2017 as the baseline year and factors5 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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value Created by Engaged Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>11.97</td>
</tr>
<tr>
<td>2019</td>
<td>16.76</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Forgone Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7.01</td>
</tr>
<tr>
<td>2019</td>
<td>1.78</td>
</tr>
</tbody>
</table>

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.

**Glossary**

- \(\text{TotalValue}_{\text{EngEmployee}}\) total dollar value of one employee at cost per year
- \(\text{TotalValue}_{\text{AllEmployees}}\) total dollar value of one employee at cost per year
- BS annual base salary
- \(N_{\text{employees}}\) number of employees
- \(\text{IncrVC}_{\text{EngEmployee}}\) the incremental dollar value created by each engaged employee beyond cost
- \(N_{\text{DisEmployees}}\) the number of disengaged employees
- \(N_{\text{EngEmployees}}\) the number of engaged employees
- \(\text{TotalVC}_{\text{EngEmployee}}\) the dollar value created by each engaged employee
- \(P_{V \text{forgone}}\) potential forgone dollar value
- \(N_{\text{NeutralEmployees}}\) the number of neutral 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 inequities (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 factor11 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 ($)

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Overall</th>
<th>Living Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Olam wage</td>
<td>17,834</td>
<td>16,770</td>
<td>17,083</td>
<td>9,087</td>
</tr>
</tbody>
</table>

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).
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.

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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.

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

“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.”

“By promoting responsible business practices, we encourage everyone to acknowledge the price of sustainability and to invest in and reward sustainable production.”

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

<table>
<thead>
<tr>
<th></th>
<th>2019 (As previously reported)</th>
<th>Effect of Change</th>
<th>2019 Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Sales</td>
<td>(29,986.5)</td>
<td>1.4</td>
<td>(29,985.1)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,551.7</td>
<td>1.4</td>
<td>1,553.1</td>
</tr>
<tr>
<td>Depreciation &amp; Amortisation</td>
<td>(495.5)</td>
<td>(0.3)</td>
<td>(495.8)</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,056.2</td>
<td>1.1</td>
<td>1,057.3</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>65.9</td>
<td>(248.0)</td>
<td>(182.1)</td>
</tr>
<tr>
<td>Net Finance costs</td>
<td>(538.5)</td>
<td>(1.1)</td>
<td>(539.6)</td>
</tr>
<tr>
<td>PATMI</td>
<td>564.1</td>
<td>(248.0)</td>
<td>316.1</td>
</tr>
<tr>
<td>Operational PATMI</td>
<td>498.2</td>
<td>0.0</td>
<td>498.2</td>
</tr>
</tbody>
</table>

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>2019 (As previously reported)</th>
<th>Effect of Change</th>
<th>2019 Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right-of-use Assets</td>
<td>577.6</td>
<td>141.7</td>
<td>719.3</td>
</tr>
<tr>
<td>Others</td>
<td>135.1</td>
<td>94.7</td>
<td>229.8</td>
</tr>
<tr>
<td>Total</td>
<td>19,136.1</td>
<td>236.4</td>
<td>19,372.5</td>
</tr>
</tbody>
</table>

### Sources of Capital

<table>
<thead>
<tr>
<th></th>
<th>2019 (As previously reported)</th>
<th>Effect of Change</th>
<th>2019 Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity &amp; Reserves(^1)</td>
<td>6,836.1</td>
<td>(246.8)</td>
<td>6,589.3</td>
</tr>
<tr>
<td>Short-term lease liabilities</td>
<td>82.0</td>
<td>36.5</td>
<td>118.5</td>
</tr>
<tr>
<td>Long-term lease liabilities</td>
<td>435.1</td>
<td>446.7</td>
<td>881.8</td>
</tr>
<tr>
<td>Total</td>
<td>19,136.1</td>
<td>236.4</td>
<td>19,372.5</td>
</tr>
</tbody>
</table>

### Gearing

<table>
<thead>
<tr>
<th></th>
<th>2019 (As previously reported)</th>
<th>Effect of Change</th>
<th>2019 Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross debt</td>
<td>12,596.0</td>
<td>483.2</td>
<td>13,079.2</td>
</tr>
<tr>
<td>Less: Cash</td>
<td>3,179.6</td>
<td>–</td>
<td>3,179.6</td>
</tr>
<tr>
<td>Net debt</td>
<td>9,416.4</td>
<td>483.2</td>
<td>9,899.6</td>
</tr>
<tr>
<td>Less: Readily marketable inventory (RMI)</td>
<td>5,733.1</td>
<td>–</td>
<td>5,733.1</td>
</tr>
<tr>
<td>Less: Secured receivables</td>
<td>1,672.1</td>
<td>–</td>
<td>1,672.1</td>
</tr>
<tr>
<td>Adjusted net debt</td>
<td>2,011.2</td>
<td>483.2</td>
<td>2,494.4</td>
</tr>
<tr>
<td>Equity (before fair value adjustment reserves)</td>
<td>6,836.1</td>
<td>(246.8)</td>
<td>6,589.3</td>
</tr>
<tr>
<td>Net debt/Equity (Basic)</td>
<td>1.38</td>
<td>1.50</td>
<td></td>
</tr>
<tr>
<td>Net debt/Equity (Adjusted)</td>
<td>0.29</td>
<td>0.38</td>
<td></td>
</tr>
</tbody>
</table>

---

1. Equity & Reserves are before fair value adjustment reserve.

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:
### 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.

<table>
<thead>
<tr>
<th>Operating groups</th>
<th>Segments</th>
<th>Key performance metrics</th>
</tr>
</thead>
</table>
| **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
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

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.

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.
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