Transforming to serve a changing world

Strategy Report
Olam Group Limited
Annual Report 2021

About Olam

Olam is a leading food and agribusiness supplying food, ingredients, feed and fibre to 20,900 customers worldwide. Our value chain spans over 60 countries and includes farming, origination, processing and distribution operations.

Through our Purpose to 'Re-imagine Global Agriculture and Food Systems', Olam aims to address 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.

Headquartered and listed in Singapore, Olam currently ranks among the top 30 largest primary listed companies in Singapore in terms of market capitalisation on SGX-ST and we are a Fortune Global 500 company.

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 its 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

Our 2021 report is made up of three chapters: Strategy Report, Governance Report and Financial Report.

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

Strategy Report

Governance Report

Financial Report

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

Image disclaimer

A number of images used in this report were taken prior to COVID-19. In some instances, images have been used from other Olam locations to illustrate programmes which we have been unable to photograph because of COVID-19 restrictions.

Transforming to serve a changing world

Contents

Re-organising to deliver value on a sustained basis

In January 2020, Olam announced a transformational Re-organisation Plan to split the company into three distinct and coherent operating groups that are Purpose-led and future-ready in order to maximise Olam's long-term value on a sustained basis.

The three operating groups are: **ofi** (Olam Food Ingredients), **Olam Agri** (previously Olam Global Agri) and the **Remaining Businesses of Olam Group**.

We have developed a clear Purpose, compelling vision and a differentiated strategy for each of these new operating groups. Each operating group can now capitalise on specific trends that underpin its sectors, pursue its own strategy, take advantage of new market opportunities, attract new talent, optimise resources and invest in requisite assets and capabilities which will deliver profitable growth and build long-term value on a sustained basis.

We have reached a key milestone at the end of 2021 with the completion of the first three steps of the Re-organisation Plan including i) Re-segmentation, ii) Re-organisation, and iii) Carve-out and separation of the entities.

Preparation to enable **ofi** to seek a primary listing on the London Stock Exchange, with a concurrent secondary listing on the Singapore Exchange, is underway. In conjunction with the IPO, it is intended **ofi** will demerge from the Olam Group (OGL).

With regard to **Olam Agri**, we are exploring various strategic options to maximise its value, including the potential introduction of strategic minority partner(s) via the sale of a significant minority stake in the company and/or the potential IPO and demerger of Olam Agri. These strategic options would unlock significant value for OGL's shareholders, grant Olam Agri the potential to tap capital markets for funds to accelerate its growth, and raise proceeds for OGL to optimise its capital structure by de-gearing and right-sizing its balance sheet.

Similarly, we are exploring strategic options for maximising the value of the **Remaining Businesses of Olam Group comprising Olam Ventures, Olam Technology and Business Services (OTBS) and Olam Global Holdco (OGH).**

ofi

Led by its Purpose, '**Be the Change for Good Food and a Healthy Future', ofi** offers sustainable, natural, value-added food products and ingredients so that consumers can enjoy the healthy and indulgent products they love. It consists of industry leading businesses, cocoa, coffee, dairy, nuts, and spices. It partners with customers, leveraging its complementary and differentiated portfolio of 'on-trend' food products, to co-create solutions that anticipate and meet changing consumer preferences as demand increases for healthier food that's traceable and sustainable.

+ Read more on page 26.

Capitals

Across our footprint, we create value for Olam and our stakeholders by investing in our non-financial Capitals.

- Human
- Natural
- Intellectual
- Social
- Manufactured
- Intangible

+ Read more on pages 66 to 109.

Olam Agri

Led by its Purpose, '**Transform food, feed, and fibre for a more sustainable future**', Olam Agri is a market leading agribusiness, focused on high-growth consumption markets with deep understanding of market needs, a global origination, trading and marketing footprint, with best-in-class logistics, processing and risk management capabilities. It transforms food, feed, and fibre to create value for its customers, enable farming communities to prosper sustainably and strive for a more food secure future. Operating at the heart of global food and agri-trade flows, it has leading market positions across grains and oilseeds, animal feed and proteins, edible oils, rice, specialty grains and seeds, cotton, wood products, rubber and commodity financial services.

+ Read more on page 38.

Remaining Businesses of Olam Group

Led by Olam Group's Purpose, '**Re-imagine global agriculture and food systems**', the Remaining Businesses of Olam Group comprises:

- **Olam Ventures** – an independent incubator for our Engine 2 businesses and start-up growth initiatives focusing on our leading edge digital and sustainability capabilities. Currently, this includes Jiva (Farmer Services Platform), Adva (Sustainable Lifestyle platform), Terrascope (Smart carbon management platform – previously GreenPass), Re~ (purpose brand business in food), and a co-created food and agri industry digital sustainability platform built on our proprietary AtSource solution.
- **Olam Technology and Business Services (OTBS)** – delivers digital and technology services to each operating group and will utilise its capabilities to offer services to third-parties in the future.

+ Read more on page 48.

- **Olam Global Holdco (OGH)** – holds and develops our gestating assets with a view to partially and/or fully monetise these assets over time and oversee the responsible divestment of our de-prioritised businesses and assets.

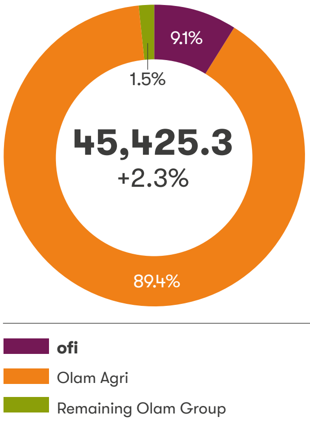
Enablers

We have identified four key enablers to help us achieve our strategic priorities and business aspirations.

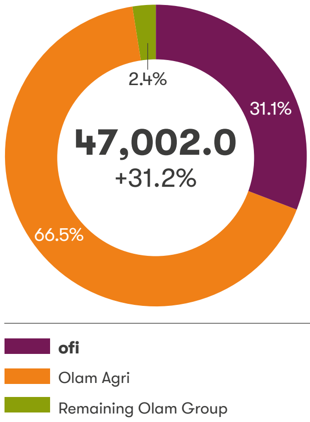
- Digital
- Operational Excellence
- Sustainability
- Talent and Leadership

Financial and performance highlights

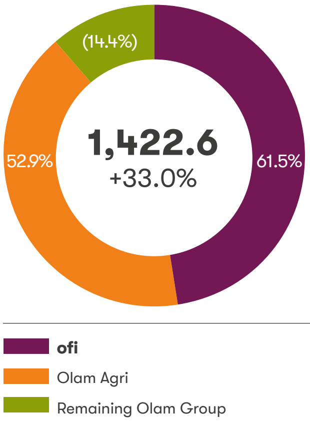
Volume
('000 Metric Tonnes)



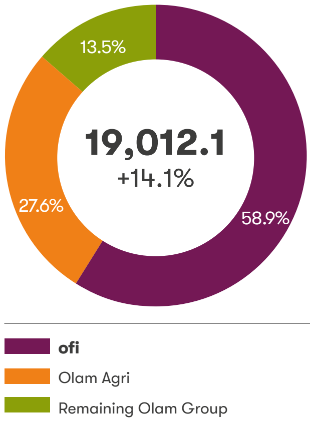
Revenue
(S$million)



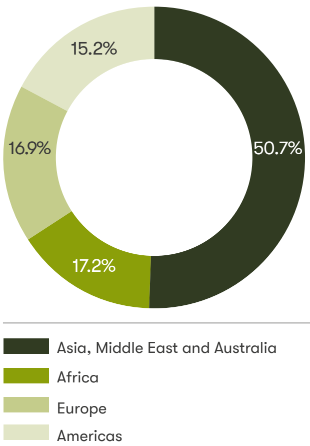
EBIT
(S$million)



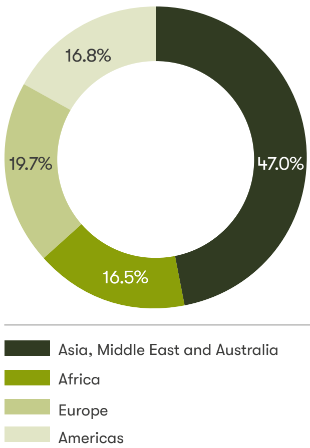
Invested Capital
(S$million)



Group sourcing volume by region
('000 Metric Tonnes)



Group sales revenue by region
(S$million)



Financial highlights

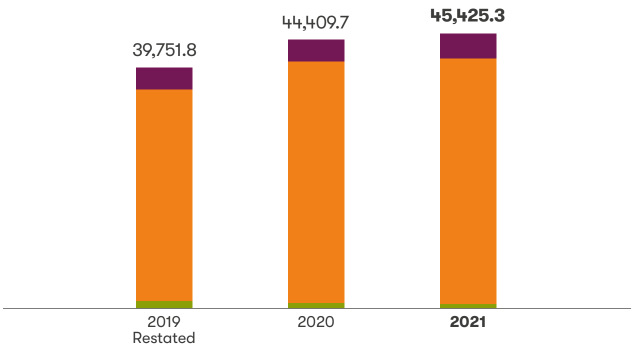
For the 12 months ended 31 December
(S$million)

	2021	2020	% Change
Profit and Loss Statement			
Sales Volume ('000 Metric Tonnes)	45,425.3	44,409.7	2.3
Sales Revenue	47,002.0	35,820.0	31.2
Earnings Before Interest and Tax*	1,422.6	1,069.5	33.0
Profit Before Tax	736.7	221.7	232.3
Profit After Tax and Minority Interest	686.4	245.7	179.4
Operational Profit After Tax and Minority Interest*	961.1	677.8	41.8
Per Share			
Earnings Per Share basic (cents)^	18.3	5.8	215.5
Operational Earnings Per Share basic (cents)*	26.3	19.1	37.7
Net Asset Value Per Share (cents)	180.5	182.3	(1.0)
Net Dividend Per Share (cents)	8.5	7.5	13.3
Balance Sheet			
Total Assets	32,060.7	26,702.6	20.1
Total Invested Capital	19,012.1	16,665.7	14.1
Total Debt	16,710.2	14,159.4	18.0
Cash and Cash Equivalents	4,317.5	3,115.9	38.6
Shareholders' Equity	6,771.2	5,962.5	13.6
Cash Flow			
Operating Cash Flow Before Interest and Tax	1,787.3	1,697.3	5.3
Net Operating Cash Flow After Changes in Working Capital and Tax	1,298.1	536.4	142.0
Free Cash Flow to Firm	(602.8)	(155.2)	(288.4)
Free Cash Flow to Equity	(1,030.5)	(592.2)	(74.0)
Ratios			
Net Debt to Equity (times)**	1.72	1.72	-
Net Debt to Equity (times) adjusted for liquid assets**	0.75	0.63	0.12
Return on Beginning-of-period Equity (%)^^	11.7	3.4	8.3
Return on Beginning-of-period Equity excluding exceptional items (%)^^	16.8	11.2	5.6
Return on Average Equity (%)^^	10.8	3.5	7.3
Return on Invested Capital (%)	5.8	3.7	2.1
EBIT on Average Invested Capital (%)	8.0	6.6	1.4
Interest Coverage (times)#	2.4	1.4	1.0

* Excludes exceptional items
^2020 Earnings Per Share has been adjusted on account of the 2021 Rights Issue as per IFRS standard
** Before Fair Value Adjustment Reserves
# EBIT on total interest expense
^^ Excludes impact of capital securities distribution on net income and capital securities on equity

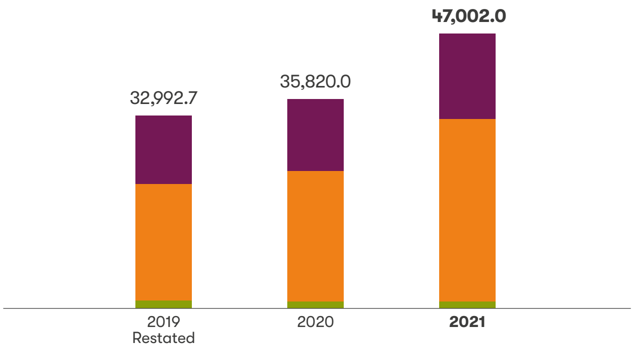
Three-year financial summary

Sales volume*
('000 Metric Tonnes)



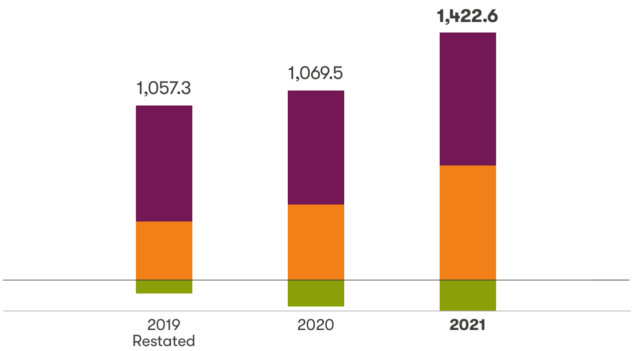
	2019 Restated	2020	2021
ofi	3.584.3	3,647.0	**4,132.6**
Olam Agri	34,948.0	39,925.5	**40,607.1**
Remaining Olam Group	1,219.5	837.2	**685.6**

Sales revenue*
(S$million)



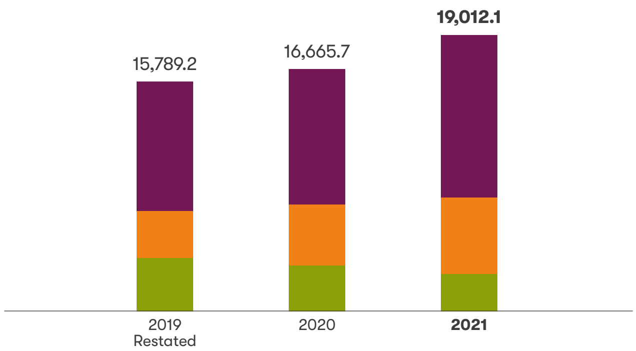
	2019 Restated	2020	2021
ofi	11,765.3	12,290.4	**14,606.2**
Olam Agri	19,862.2	22,407.9	**31,276.9**
Remaining Olam Group	1,365.2	1,121.7	**1,118.9**

Earnings Before Interest and Tax*
(S$million)



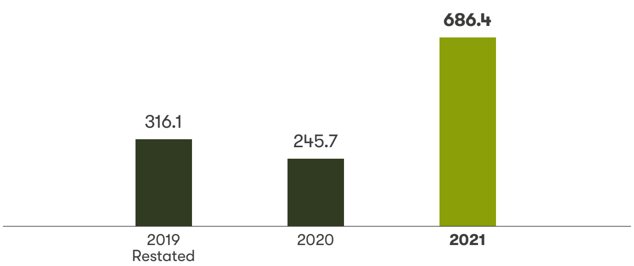
	2019 Restated	2020	2021
ofi	764.8	749.5	**875.3**
Olam Agri	383.6	497.0	**752.9**
Remaining Olam Group	(91.1)	(177.0)	**(205.6)**

Invested Capital*
(S$million)

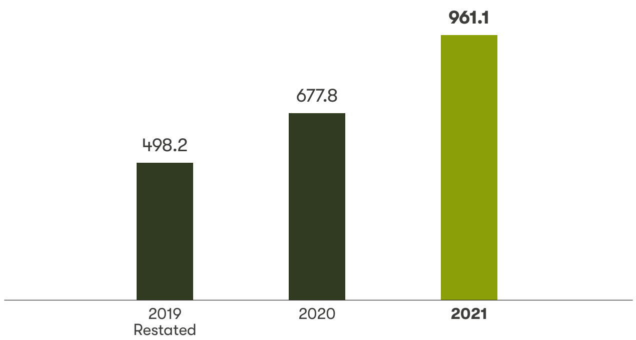


	2019 Restated	2020	2021
ofi	8,901.3	9,312.1	**11,191.8**
Olam Agri	3,214.2	4,210.7	**5,242.0**
Remaining Olam Group	3,673.7	3,142.9	**2,578.3**

Profit After Tax and Minority Interest
(S$million)

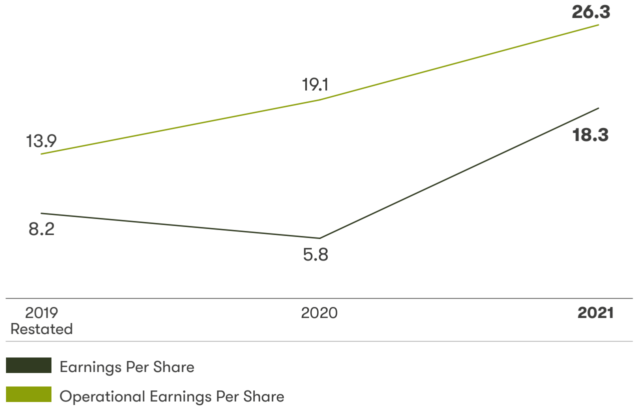


Operational Profit After Tax and Minority Interest**
(S$million)

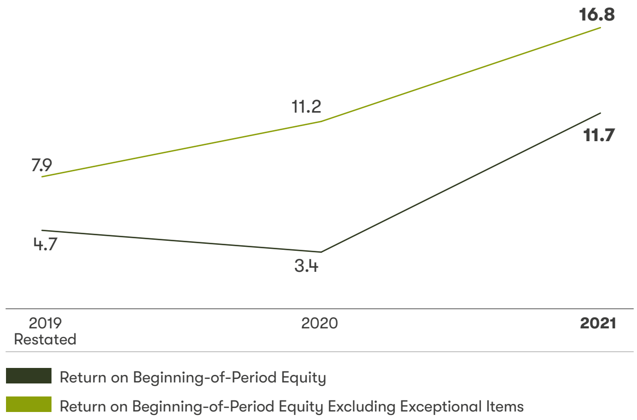


* 2019 and 2020 financial results for the operating groups have been re-stated to reflect intra-group adjustments
** Excludes exceptional items

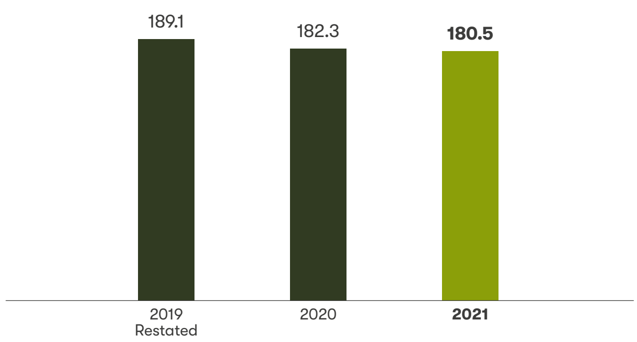
Earnings Per Share
(cents)



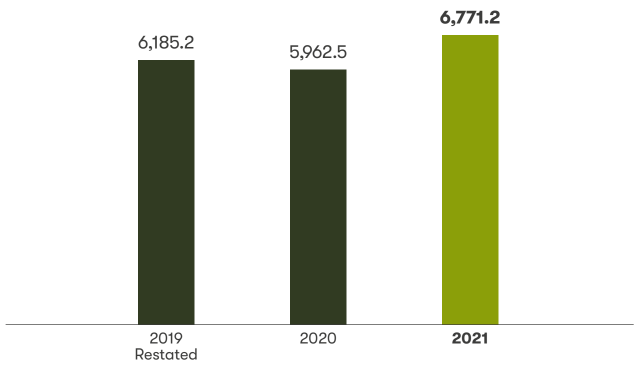
Return On Equity^^
(%)



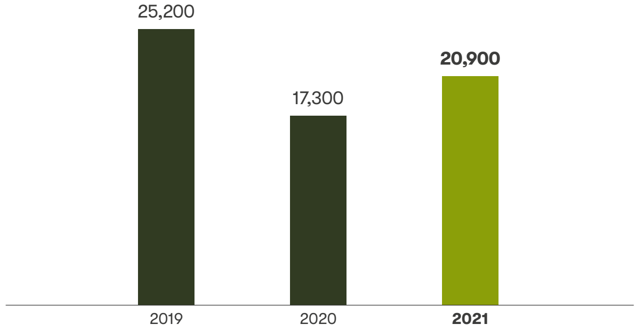
Net Asset Value Per Share
(cents)



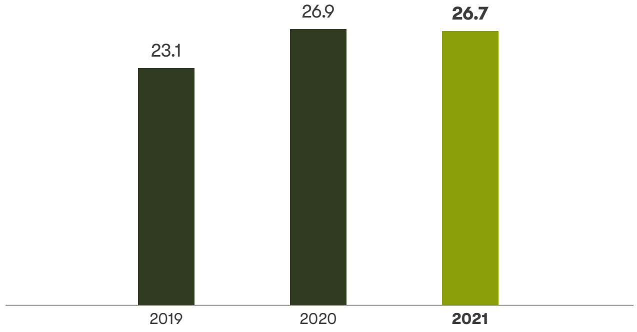
Shareholders' equity
(S$million)



Number of customers



Top 25 customers' share of total sales revenue
(%)



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

Record year lays down a marker for delivering future growth

“The year was ground-breaking as we posted our highest-ever revenues, as well as the reported and operational PATMI[1]. The Group became a Fortune 500 company and laid down a clear marker for our future growth. We continued to progress on our transformation journey, resulting in the creation of three new business groups under our Re-organisation Plan to drive growth and unlock value for our existing shareholders, and attract new investors to provide new capital for growth.”

Lim Ah Doo
Chairman, Non-Executive & Independent Director

For most businesses, 2021 remained a stern test of resilience so it was significant that Olam not only met many challenges, but also set many records.

Focused financial performance

In spite of the continued challenges from the pandemic, the Board and senior management of the Group were committed to strong operational and financial performance. Both reported and operational PATMI for 2021 set new records, growing 179.4% and 41.8% respectively to S$686.4 million and S$961.1 million. Revenue was up 31.2% to S$47.0 billion, while Earnings Before Interest and Tax (EBIT) was 33.0% higher at S$1.4 billion.

ofi and Olam Agri, each with their respective new leadership teams, focused on driving their strategic growth by leveraging their unique strengths, contributed to the sterling financial performance of the Group, partly helped by higher commodities and average selling prices in 2021.

ofi delivered double-digit revenue and EBIT growth, of 18.8% and 16.8% year-on-year at S$14.6 billion and S$875.3 million respectively, reflecting its growth, strategic focus and resilience against COVID-19.

Olam Agri had a record year, with revenue growing 39.6% to S$31.3 billion and EBIT expanding 51.5% to S$752.9 million, as it continued on its strong growth trajectory.

For the third operating group, which now comprises three entities: i) Olam Ventures, which incubates our new platforms for growth or Engine 2 initiatives; ii) Olam Technology and Business Services (OTBS), which provides shared services to the operating groups; and iii) Olam Global Holdco, housing our de-prioritised and gestating assets, revenue was steady at S$1.1 billion while EBIT losses increased to S$205.6 million, as it continued to invest in developing the gestating assets and incubating the Engine 2 initiatives.

Unlocking our new value proposition

We are thankful to our shareholders for supporting our Re-organisation by approving the Scheme of Arrangement on February 18, 2022, and the proposed IPO and demerger of **ofi**. From March 15, 2022, we have a new Group structure with Olam Group Limited (OGL) replacing Olam International Limited as the listed company. Olam Group directly holds **ofi**, Olam Agri, Olam Global Holdco which owns Olam Ventures, and OTBS as separate subsidiaries – a structure that allows us to explore the sequential sale, spin-off or IPO of **ofi**, Olam Agri and potentially the other businesses of the Group.

The successful separation of **ofi** and Olam Agri has created two innovative and industry-leading companies with clear pathways to unlocking their long-term growth potential.

1. PATMI: Profit After Tax and Minority Interest

ofi has established a leading on-trend ingredients portfolio, serving large, attractive and growing end-use categories. We are preparing for a concurrent IPO and demerger with a primary listing on the London Stock Exchange and a secondary listing on the Singapore Exchange, where the Olam Group is also listed. The timing of IPO is dependent on market conditions and regulatory approvals. At IPO, **ofi** will realise value for the Group, and upon demerger Olam shareholders will have the opportunity to share in the potentially significant value unlocked by the IPO and the future growth of **ofi** through direct ownership. We believe there will be keen investor interest in an ingredients business that has an integrated capacity – a physical network to sustainably source products augmented by its digital capacity, underpinned by innovation from plant science to product development – to deliver ingredients and solutions to food companies and consumers wanting to commit to a sustainable, traceable supply chain.

Concurrently, Olam's shareholders continue to benefit from being invested in the rest of the Olam Group of businesses, including Olam Agri, which remains within Olam Group as a market leading, differentiated high-growth, high-return global food and agribusiness. We are exploring various strategic options to maximise the value of Olam Agri and find opportunities that would allow it to profitably grow in areas where it has a proven track record. These options include the potential introduction of strategic partner(s) via the sale of a significant minority stake in Olam Agri and/or a potential IPO and demerger. These strategic options would grant Olam Agri the potential to tap capital markets to accelerate its growth, unlock significant value for our shareholders, and raise proceeds for Olam Group to optimise its capital structure.

Meanwhile, Olam has continued to divest its de-prioritised assets, and nurture gestating businesses to their full potential, while incubating new engines and developing OTBS.

What was gratifying was that all these milestones have been reached, and future opportunities developed, without losing sight of what guides our businesses and decision-making. Cutting across all our operating groups is our commitment to sustainability, even as they chart their own path forward. In the year of COP26, we continued to deliver on environmental responsibilities and innovative initiatives, such as our new Terrascope venture[2], currently in beta testing, which is designed to help companies manage their carbon footprint.

Embarking on new journeys while navigating emerging challenges

As I write this report, new challenges have been emerging, directly and indirectly, as a result of the Russia-Ukraine conflict. Our overriding priority has been to ensure the safety of our people and their families in both countries, even as we closely monitor the situation and prepare ourselves to meet these challenges.

Throughout our 30-plus years in operation, Olam has navigated many cycles of market volatility and socio-economic and geopolitical uncertainties. We will draw on this experience so that Olam emerges stronger and better.

Board Stewardship

Amid a period of significant change and challenges, the Board has provided vital oversight to implement the Re-organisation plan together with the Board Steering Committee and management team, while guiding Olam to observe the Code of Corporate Governance, particularly on key issues of board composition and diversity, talent management and remuneration, as well as corporate transparency and sustainability.

I would like to acknowledge the Directors' commitment to see **ofi**, Olam Agri, and the remaining business of the Olam Group, create value for each and every stakeholder.

During the year in review, Mr A Shekhar stepped down from the Board to focus on his responsibilities as CEO of **ofi**. The Board thanks him for his invaluable contributions to the Group over more than two decades.

Our appreciation

I would like to end this letter by thanking our stakeholders, including shareholders, customers, suppliers, communities and bankers, for their steadfast belief and trust in Olam's Board and management; our executive team and employees for their extraordinary response in managing our businesses amid COVID-19 while pushing ahead with our Re-organisation; and the teams and advisors behind the Plan for their resilience and perseverance since January 2020. No one could have foreseen the impact and extent of the pandemic or predict how the current geopolitical crisis will unfold, but it is only with your support that Olam has and will continue to overcome these challenges.

I am confident that the journeys on which **ofi**, Olam Agri and the rest of the Group have embarked will be rewarding ones. Despite the macro uncertainties, the road ahead is still full of opportunities for their new leadership teams to create sustainable, profitable businesses and livelihoods for people around the world. Perhaps we can even look forward to the day they can emulate or surpass the Group in achieving high profile recognitions in their own right.

Thank you.

Lim Ah Doo
Chairman, Non-Executive
& Independent Director

2. Read about Terrascope, previously and provisionally known as GreenPass, on page 54 of this report.

Transforming to serve a changing world

"We had a banner year despite the continued impacts from COVID-19 and the adverse macro-economic and geopolitical environment, announcing our strongest reported and operational PATMI since Olam was founded. This reflects the resilience, continued strength and differentiation of our business model. The benefits of focus through the Re-organisation exercise have yielded strong growth for **ofi** and Olam Agri, and they are now well poised to succeed and flourish as independent new entities."

Sunny Verghese
Executive Director, Co-Founder & Group CEO

As I write this review in early March 2022, the world has been tested in many ways through the course of 2021 and the early part of this year.

This includes the continuing impact of COVID-19, significant supply chain disruptions, rising inflation, tightening financial conditions, growing income inequalities, worsening food security, growing impact of climate change and loss of biodiversity. Accelerating deglobalisation trends, rising geopolitical tensions between the major superpowers and now the horrific tragedy of war between Russia and Ukraine has ramifications across the world, including spiralling sanction measures being imposed between countries.

These macro developments have tested the resilience of our Company, its strategy, people and operations. I am very grateful and deeply thankful to all my 82,000 colleauges for their resilience, tenacity and ingenuity in navigating through these challenges with heart and skill to deliver a great set of financial and operational results for 2021. Equally as important, we have successfully delivered on our promise of being a trusted partner, creating real value for our customers, enabling farming communities to be both sustainable and prosperous while striving for a more food secure future.

COVID-19 impact and outlook

On behalf of the Company my thoughts and prayers first go out to the families of our colleagues across our operations who tragically lost their lives to COVID-19 and others who suffered from the impacts of this terrible pandemic. While some of us had the flexibility and option of working from home during the crisis, I would like to particularly acknowledge and thank our front-line workers in our many production facilities and on our farms who have worked tirelessly to keep our factories and farms running under difficult circumstances to meet our customers' needs reliably. I believe we can look back with great pride at 2021 and the way we navigated through COVID-19, given how our collective efforts have combined to limit its impact on our business. The Company has gone the extra mile to maintain our operations, serve our customers and support our communities which is a testament to our spirit and values.

The pandemic continues to affect different economies to varying degrees and the pace of economic recovery across the world is uneven. We have observed a discernible pick-up in demand since 2021 as the major economies, including the USA, EU, UK, China and Japan, as well as emerging markets in Asia and Africa, gradually recover from the worst impacts in 2020. There has been a revival in demand from the food service sector as economies open up across the globe, as well as shifting consumer patterns such as greater emphasis on the quality of food products that are safe, natural, healthy and sustainable. Our customers have had to adapt quickly to these rapidly changing trends, and are on the lookout to partner with innovative, purpose-driven producers and suppliers like Olam, who have the global network and footprint to help them navigate the immediate and longer-term challenges in the food and agri-supply chain.

Russia-Ukraine conflict

Russia initiated a military intervention in Ukraine on 24 February 2022. While the situation is rapidly evolving, there is a great deal of uncertainty as to how this conflict will be resolved, and when. It is first and foremost a humanitarian crisis and a horrific tragedy with a mounting death toll and rising casualities and more than 2 million people already becoming refugees. Our top most priority has been the safety and well-being of our colleagues in Ukraine, who we are happy to report are safe and well. Their fortitude and grit in coping through this crisis is a true inspiration for all of us.

In addition, this war will have significant impact on global food prices with more than 400 million people around the world estimated to be food-dependent on exports from Russia and Ukraine.

It has already led to immediate and sharp rises in both the broader commodity complex and food prices given the importance of Ukraine and Russia as significant producers and exporters of key food and feed staples including corn (20% of world trade), wheat (30%), barley (30%), sunflower oil (80%), rapeseed (20%), lumber (50%), fertilisers including Belarus (ammonia (20%), urea (25%), phosphates (15%) and potash (30%).

Russia and Ukraine both have a comparative advantage in agriculture production being endowed with some of the best fertile black soils, plenty of water and very suitable agro-climatic conditions to produce food and feed staples competitively.

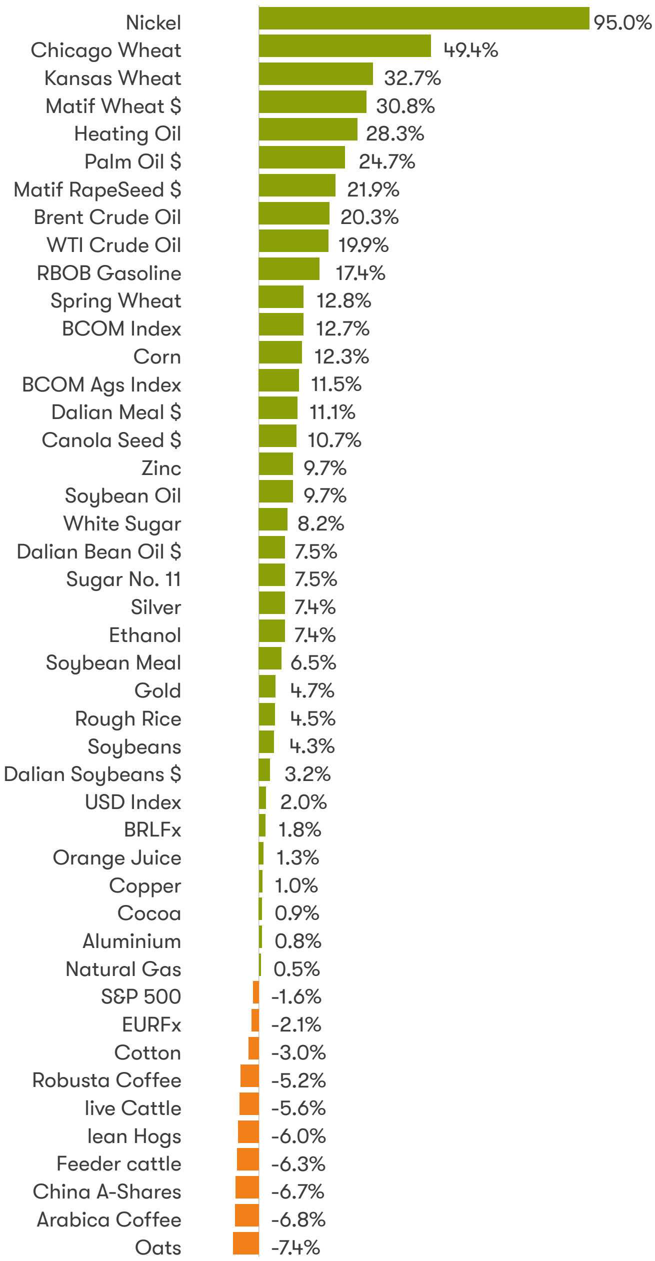
The impact of the war has significantly exacerbated the disruptions to farming operations including harvesting and planting operations, availability of farm-workers and Russia's military operations in the primary grain and oilseed growing regions of Ukraine directly impacting farming activities in the region.

These impacts have added to an already high food price inflation situation that was developing before the war, driven by (i) adverse weather conditions in South America due to La Niña, (ii) port congestions and shipping-related disruptions mainly due to COVID-19, (iii) high agriculture input prices (fertilisers) and higher on-farm and ex-farm transportation costs due to sharply higher oil prices, (iv) higher operating costs on the farm triggered by higher fuel costs (v) labour shortages and factory closures, and (vi) the growing diversion of food crops for biodiesel production. High food price inflation has serious adverse impacts on livelihoods, especially in emerging markets where food spend makes up a high proportion of the total consumption expenditure basket.

The fallout from the Ukraine war will potentially pose a significant drag to global GDP growth in 2022 with its attendant consequences.

We are closely monitoring the situation regarding the short-term impacts and potential longer-term implications for global food and agri supply chains. Given our global network, diversified sourcing and origination footprint, we are focused on serving our customers by offering other sources of these products from alternative origins to cope with the expected supply disruption from this region.

Commodity Price increases from 22 February 2021 to 8 March 2021



Source: Peak Trading Research

Highlights

Revenue

S$47.0 bn

+31.2%

EBIT

S$1.4 bn

+33.0%

PATMI

S$686.4 m

+179.4%

Operational PATMI

S$961.1 m

+41.8%

EBIT/IC

8.0%

+140 Basis Points

Operational ROE

16.8%

+560 Basis Points

2021 Performance review

2021 delivered our strongest reported and operational PATMI since Olam was founded despite the continued impacts from COVID-19 and the adverse macro-economic and geopolitical environment. This reflects the resilience, continued strength and differentiation of our business model as well as our ability to respond with speed and agility to the external environment.

The benefits of focus through the Re-organisation exercise have yielded strong growth momentum for both **ofi** and Olam Agri, and they are now well poised to succeed and flourish as independent new entities.

Responding quickly and decisively to the key events combined with a sharper focus on the operational basics contributed significantly to the step-up in our overall performance in 2021. There was broad based performance contribution from all operating groups, segments and business units with strong top-line, bottom-line performance as well as improving capital efficiency and returns.

We maintained a strong balance sheet in 2021 even as we committed significant growth capital to investing in organic initiatives as well as acquisitions, one of which (Olde Thompson) was a transformational acquisition.

We are also proud that we have now been included in the Fortune's Global 500 list of companies for the first time.

We continue to be optimistic regarding the prospects for all three operating groups as they are right at the centre of key global food and consumer trends. For **ofi** this is the growing demand for more plant-based, on-trend, natural, healthy and sustainably sourced food ingredients (read more on pages 26 to 37 of this report); for Olam Agri, it is the growing demand for food, feed and fibre from a growing population, the transition of dietary habits from cereals to more protein-based diets and growing concern for food security (read more on pages 38 to 47 of this report); and for the Remaining Businesses of Olam Group, the growing market opportunities for digital and sustainability solutions to transform the food and agribusiness sector (read more on pages 48 to 60 of this report).

Executing our Re-organisation Plan

In January 2020, Olam announced a transformational Re-organisation Plan to split the Company into three distinct and coherent operating groups that are Purpose-led and future-ready in order to maximise Olam's long-term value on a sustained basis.

Our Plan was to simplify and focus our current diverse portfolio of businesses by re-organising them into three operating groups that are more similar in nature, linked by an underlying logic and aligned to different consumer food and agribusiness trends that underpin these businesses.

Each entity has now developed a compelling vision, a differentiated strategy and a reliable new game plan for profitable growth and value creation on a sustained basis which can be explored in more detail in their respective sections of this report.

ofi's industry-leading platforms are well positioned to meet the growing demand for sustainable, natural, value-added food products and ingredients. Preparation to enable **ofi** to seek a primary listing on the London Stock Exchange, with a concurrent secondary listing on the Singapore Exchange, is underway. In conjunction with the IPO, it is intended **ofi** will demerge from the Olam Group.

Olam Agri brings together our food, feed, fibre, agri-industrials and ag services businesses. Operating at the heart of global food and agri-trade flows, it is focused on high-growth consumption markets with deep understanding of market needs, a global origination, trading and marketing footprint, with best-in-class logistics, processing and risk management capabilities.

We are exploring various strategic options to maximise its value, including the potential introduction of strategic minority partner(s) via the sale of a significant minority stake in the company and/or the potential IPO and demerger of Olam Agri. These strategic options would unlock significant value for Olam Group's shareholders, attract strategic minorities to catalyse growth, provide Olam Agri the potential to tap capital markets for funds to accelerate its growth, and raise proceeds for Olam Group to optimise its capital structure by de-gearing and right-sizing its balance sheet.

The Remaining Businesses of Olam Group include: Olam Ventures – an independent incubator for our Engine 2 businesses and start-up growth initiatives; Olam Technology and Business Services (OTBS) – delivering digital and technology services; Olam Global Holdco (OGH) - which is responsible for partially and/or fully monetising our gestating assets and overseeing the responsible divestment of de-prioritised businesses and assets. We are exploring strategic options for maximising the value of the Remaining Businesses of Olam Group.

We have reached a key milestone at the end of 2021 with the completion of the first three steps of the Re-organisation Plan including i) Re-segmentation, ii) Re-organisation, and iii) Carve-out and separation of the entities.

Our transformation journey

1

Status:

Completed

Re-segmentation

- Re-segmented the current business into three distinct operating groups under Olam Group.
- Developed new reporting segments and key financial metrics for each operating group.
- Reported 2020 and 2021 results on basis of new operating groups and segments with historical comparative financials.

2

Status:

Completed

Re-organisation

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

3

Status:

Completed

Carve-out and separation

- Dedicated implementation teams for separation.
- Programme Office, independent financial advisors, legal and tax advisors, PR and IR advisors appointed.
- Carve-out and separation substantially completed for **ofi** and Olam Agri at end 2021.

4

Status:

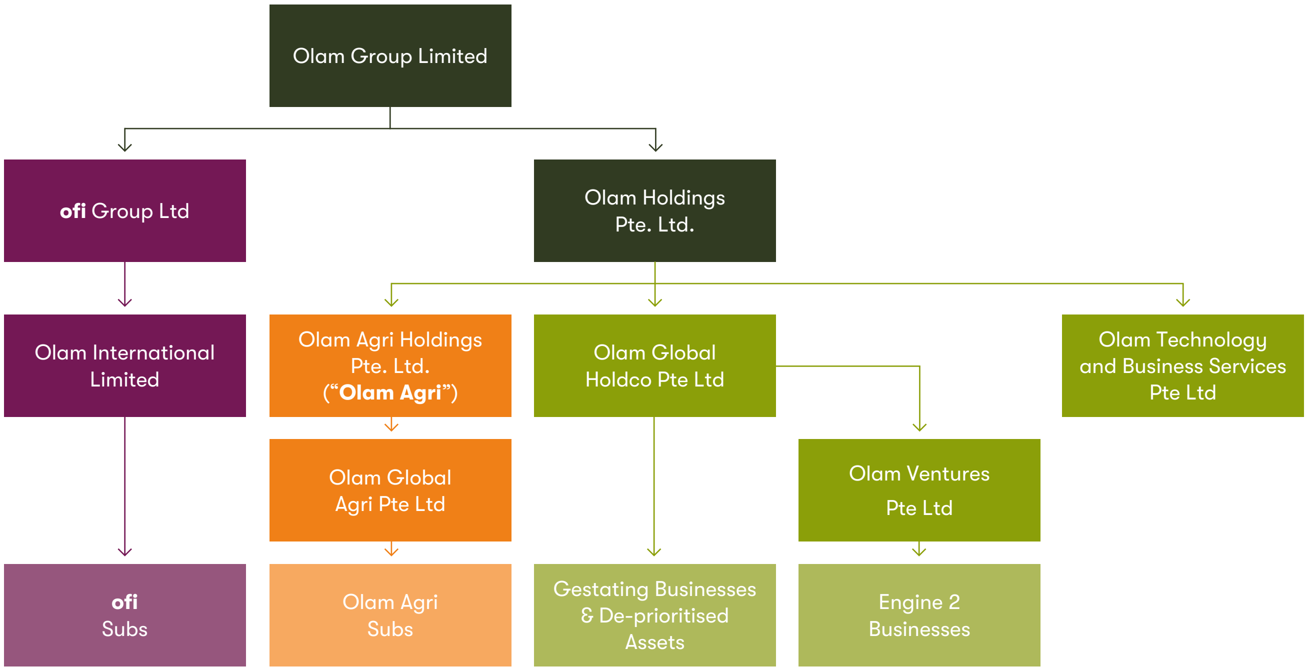
On track

ofi IPO and concurrent demerger, Olam Agri strategic options subject to shareholder and regulatory approvals:

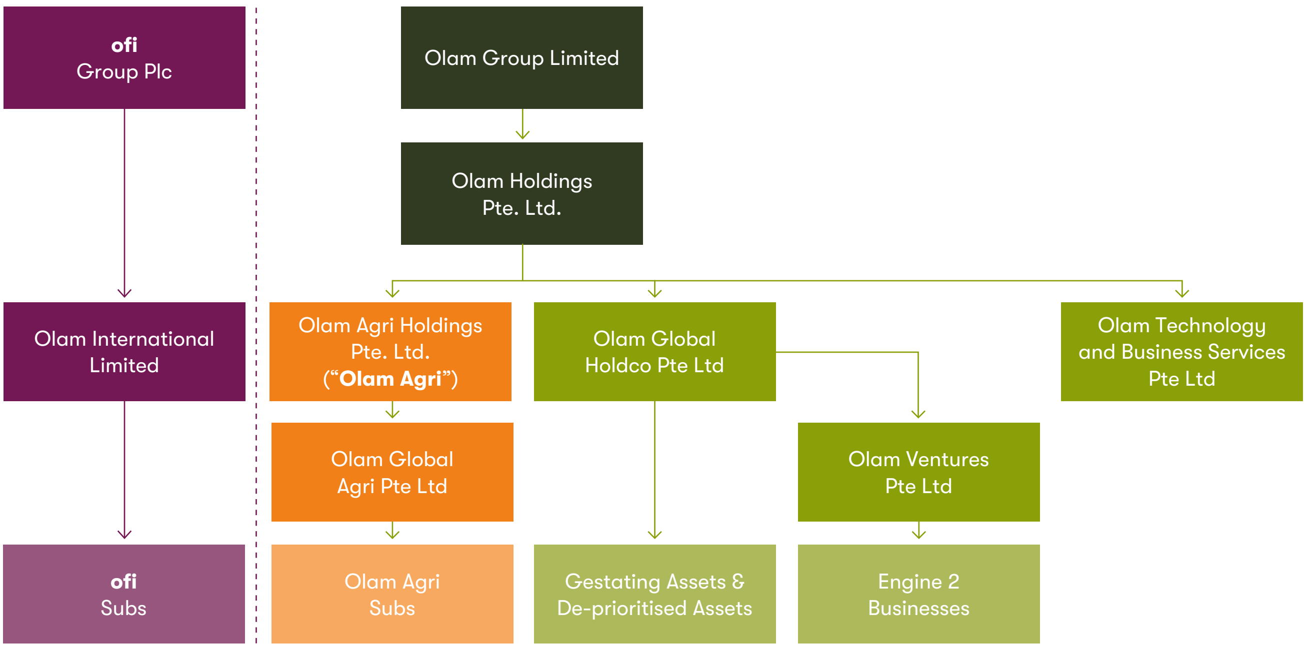
- **ofi** to be listed and demerged from the Olam Group by way of a distribution in specie of shares in **ofi** to Olam shareholders at the point of demerger.
- Exploring various strategic options to maximise the value of Olam Agri, which include potential introduction of strategic partner(s) via secondary sale of shares by OGL for a significant minority stake in Olam Agri and/or the potential IPO and demerger of Olam Agri.

Note: Shareholders should note that there is no certainty or assurance that such listing and demerger of **ofi** or the strategic options being explored in respect of Olam Agri and/or other businesses will take place.

Corporate structure after Scheme of Arrangement and Dividend in Specie



Corporate structure after Scheme of Arrangement, and proposed listing and demerger of ofi



We would like to thank our shareholders for their strong and overwhelming support in approving the Scheme of Arrangement which was subsequently sanctioned by the Court and was effective from March 15, 2022.

The approval of the Scheme has enabled us to achieve a group structure that will allow the proposed IPO and demerger of **ofi** from the Group, and facilitate us to explore various strategic options for Olam Agri to maximise its value, including the potential introduction of strategic minority partner(s) via the sale of a significant minority stake in the company and/or the potential IPO and demerger of Olam Agri and potentially the other businesses of the remaining Olam Group, so as to unlock long-term shareholder value.

Olam Group Limited has replaced Olam International Limited as the listed company. OGL holds 100% of **ofi** Group Limited and Olam Holdings Pte Ltd, which through separate subsidiaries holds Olam Agri and the Remaining Businesses of Olam Group that are not part of **ofi** or Olam Agri.

Building our Capitals

In addition to our financial and economic Capital, we have made great progress in building our key non-financial Capitals. Investment in these Capitals will allow us to create strong strategic assets that drive sustained long-term value.

Human Capital: As a result of COVID-19 in 2020 and 2021, companies across the globe have had declining engagement scores as employees coped with the anxiety and concerns caused by the pandemic. Surveys have shown that 40% of companies reported a negative impact on engagement during this period, the External Best Employer Engagement Score survey indicated a 4% drop in engagement, there was a 3% drop in the Global Top Quartile Engagement Score (74%) and a 7% drop in employees' intent to stay scores. In addition, re-organisations generally have a net negative impact on engagement as it is typically a long drawn-out process, causing a sense of loss of familiar environment, and anxiety brought about by the changes in roles, expectations and reporting lines. It is encouraging to see the employee engagement scores for Olam increased to 71% compared to 69% in 2020 and 56% in 2017. 84% of the employees believe Olam truly cares for them and 79% feel leaders inspire hope for the future.

Natural Capital: In 2021, for Scope 1 and 2 emissions (in relation to our own processing operations) we have continued to increase our GHG efficiency from 0.13 in 2020 to 0.12 MT CO_2e/MT of product in 2021. For Scope 1 and 2 emissions in our plantations, concessions and farms, we have improved our emissions to 1.72 MT CO_2e/MT of product, driven in the most part by improvements in palm oil, dairy, rice and coffee production. Our Scope 3 (supply chain) emissions account for nearly 97% of total GHG. In 2021 we are reporting a significant increase in total emissions to 87.5 MMT CO_2e, against 72.3 MMT reported in 2020. This increase is as a result of a greater accuracy in the way we apply emissions factors for grains, which make up 56% of our Scope 3 (procured goods) emissions, rather than changes in the overall mix of products and volumes.

In 2021, 26% of Olam's total energy use for (Scope 1 and 2) was covered by renewable energy and biomass sources in comparison to 22.3% in 2020. The improvement was driven for the most part by an increase in energy use efficiency in cocoa, edible oils, rice and coffee platforms in Tier 1 processing facilities.

We also completed a study of the emissions reductions pathways for 27 supply chains and started development of a Climate Action Playbook with AtSource.

At COP26, we were proud to join 12 global agricultural trading and processing firms to pledge a shared roadmap for enhanced supply chain action consistent with a 1.5°C pathway.

Intellectual Capital: We have fully leveraged our digital capabilities across our supply chains, pioneering the adaption of digital technology in emerging markets where we have a significant presence. One example is Olam Markets' mobile app which is now used by more than 90% of our distributors in our key markets, such as Cameroon, Ghana, Nigeria and Senegal. The shift in revenues coming from this digital platform has grown from 17% in 2019 to more than 80% with monthly online sales reaching almost US$200 million.

In Brazil, we are transforming the lives of coffee farmers by digitally connecting them to the marketplace. We customised a mobile app which allows them to view coffee prices on the market, set their own competitive prices and digitally agree and sign all documents. Our goal is to have 100% of transactions done digitally on the platform by next year.

Through digital technology, we are also helping to eradicate child labour in the cocoa industry. We were one of the first to introduce in West Africa a new digital solution that enables our employees and community leads to easily collect data to track children at high risk of child labour. The Child Labour Monitoring and Remediation Solution is transparent and integrates with AtSource, our digital platform which gives our customers much greater visibility of the supply chain of their products.

Social Capital: Our Olam Healthy Living Programme has reached almost one million people worldwide and we are delighted to have been recognised by the Workforce Nutrition Alliance as a ‘Lighthouse Leader’ in promoting nutritional health. We continue to to support the Ten Principles of the UN Global Compact and engage with our customers, financial institutions, civil society, governments and communities about where and how we can improve. We are pleased that in the World Benchmarking Alliance’s (WBA) inaugural food and agri-sector scorecard, Olam ranked 22nd amongst 350 companies, and in Oxfam’s ‘Shining a spotlight’ report we ranked first amongst agribusiness companies. While our progress is being recognised, we acknowledge there is still a lot of work needed to achieve the UN Sustainable Development Goals (SDGs).

Manufactured Capital: We continued to invest across the Group to grow both our capacity and our capabilities.

Our efforts over the past two years have been focused on manufacturing and non-commodity procurement, to sharpen our ability to command product premiums and bring down costs while improving customer service and productivity, digital-readiness and capability building. In terms of operational excellence, in 2021 we are proud we enabled US$54.5 million in savings within the context of our Cost and Capital Transformation Programme. Some examples of improvement include: Overall Equipment Effectiveness (OEE) at our cocoa processing facility in Abidjan, Côte d’Ivoire, and impressive improvements in our spices business in productivity and reduced cost in just one year of implementation in our processing facility in Vietnam.

95% of **ofi** Tier 1 manufacturing and processing facilities are certified to a Global Food Safety Initiative (GFSI) recognised standard that includes SQF, FSSC 22000, and BRC. Within Olam Agri we have continued on the third-party certification path for key food manufacturing facilities, with Crown Flour Mill Limited in Nigeria achieving FSSC 22000 certification in 2021.

Intangible Capital: The new **ofi** brand supports its Purpose to ‘Be the change for good food and a healthy future’ by offering fresh ideas, ingredients and solutions to deliver value to customers and create real change for people and the planet. Central to the new brand is the concept of ‘Make it real’ at every step, from plant to plate; innovating to meet customers’ needs and offering end-to-end traceability, sustainability and quality across its supply chains.

The refreshed brand for Olam Agri brings together its food, feed, fibre, agri-industrials and ag services businesses with one single brand identity. It preserves the Olam logo and trademark rights to build on the valuable Olam heritage, while signalling a bold new chapter of growth. The refreshed branding reflects Olam Agri’s Purpose ‘to transform food, feed and fibre for a more sustainable future’ by being a trusted partner that unlocks value for customers, enables farming communities to prosper sustainably, and strives for a food-secure future.

Working collaboratively with our stakeholders, serving on the Rainforest Alliance’s Land Scale Advisory Group, we participated in field testing of the assessment framework, as well as advancing the Rainforest Alliance’s Integrated Pest Management Strategy. We also worked with The Anker Research Institute on ways to measure regional differences in living wages and living incomes. This methodology will provide living wage estimates for six selected countries and be used to identify living wage gaps for Olam workers in these countries.

Read more about our non-financial Capitals on pages 66 to 109 of this report.

Acknowledgements

I would like to thank all the Olam employees worldwide for how they have pulled together as one Olam in delivering our best-ever financial and operational performance in 2021, particularly given the need to manage our business dynamically and respond quickly and decisively to the many challenges that confronted us in 2021, including the far reaching impacts of COVID-19, rising geopolitical tensions and related challenges.

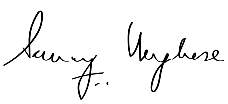
We have at the same time served our customers reliably under challenging circumstances, positively impacting the communities where we operate, while partnering with other like-minded stakeholders who share our vision to transform global food and agriculture systems to be more sustainable.

I would also like to applaud employees for their focus, drive, stewardship mentality and dedication to successfully execute on a transformational and complex Re-organisation Plan.

As we close one chapter spanning the last 32 years in which we have built a market-leading, Purpose-led, global food and agribusiness, we have now embarked on the next chapter of our journey with new independent entities positioned for a bright future. I would like to wish each of the new entities and their teams the very best for the next leg of their journey.

On behalf of our Board, I wish to thank our shareholders for their overwhelming support and strong mandate to execute our transformational Re-organisation Plan. We will work very hard to repay the trust that you have put in us.

I am also deeply grateful to our Board for their insights, counsel and support, in stewarding the business through the pandemic and the restructuring exercise. Their foresight and leadership have made the Company even stronger and given us greater strategic flexibility to consider more transformative portfolio moves that can create further long-term shareholder value on a sustained basis.



Sunny Verghese
Executive Director, Co-Founder & Group CEO

Cautionary statement on Re-organisation Plan

The Company wishes to highlight that any such listing, demerger and strategic options 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, 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 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 should note that there is no certainty or assurance that the listing and demerger of **ofi** or the strategic options being explored in respect of Olam Agri and/or other businesses will take place.

As the Re-organisation progresses, the Company will provide updates to shareholders and stakeholders on the process, 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 SGX-ST and other relevant regulators, as applicable.

Group Financial and Operating Results

Strongest financial performance since inception

"We maintained a strong balance sheet in 2021 even as we committed significant capital for transformational acquisitions such as Olde Thompson and for several organic growth initiatives. With the legal separation of the new operating groups now complete, we are working closely with each of them to find the most optimal capital structure so they can meet their operational needs and deliver profitable growth."

N Muthukumar
Group CFO

During the year under review, we recorded sales volume of 45.4 million tonnes, a 2.3% increase over 2020. More importantly, because of the rising structural demand, particularly for Olam Agri as well as the recovery from COVID-19, there has been an upsurge in commodity prices, which resulted in a 31.2% increase in revenues at S$47.0 billion.

Our EBIT grew 33.0% to S$1.4 billion, up from S$1.1 billion in 2020 as both **ofi** and Olam Agri reported strong results. (A detailed management discussion of the performance by operating group is found on pages 26 to 37, 38 to 47 and 48 to 60 respectively.)

PATMI grew 179.4% to S$686.4 million from S$245.7 million while Operational PATMI, the key metric we track and report on recurring income, grew 41.8% to S$961.1 million for 2021. These were achieved on the back of strong EBIT growth as well as significantly reduced exceptional losses in 2021 compared with 2020.

Our earnings per share jumped more than three-fold from 5.8 cents in 2020 to 18.3 cents in 2021 with both periods adjusted for the rights issue that was completed in July 2021. Operational earnings per share were also higher at 26.3 cents versus 19.1 cents in the previous year. Return on Equity on Operational PATMI basis was notably better, rising by 560 basis points from 11.2% to 16.8%.

S$ million	2021	2020	% Change
Volume ('000 MT)	**45,425.3**	44,409.7	2.3
Revenue	**47,002.0**	35,820.0	31.2
Net gain/(loss) in fair value of biological assets*	**97.7**	(60.3)	n.m.
Depreciation and Amortisation	**(627.2)**	(561.3)	11.7
EBIT*	**1,422.6**	**1,069.5**	**33.0**
Net Finance costs*	**(411.2)**	(415.7)	(1.1)
Taxation*	**(133.9)**	(43.5)	207.8
Exceptional items	**(274.7)**	(432.1)	(36.4)
PAT	**602.8**	178.2	238.3
PATMI	**686.4**	245.7	179.4
Operational PATMI*	**961.1**	**677.8**	**41.8**

* Excluding exceptional items

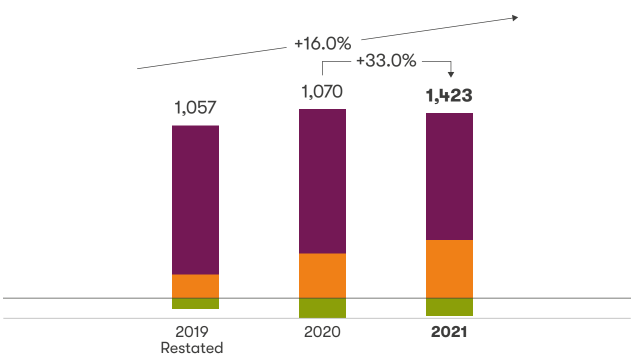
Strategic progress

We are proud of the strategic progress we have made for all three operating groups as they are right at the heart of key global food and consumer trends – for **ofi**, the growing demand for more plant-based, on-trend, natural and sustainably sourced food ingredients, for Olam Agri is the demand for food, feed and fibre from a growing population, the transition to protein-based diets and growing concern for food security, and for the Remaining Olam Group, the commitment to divest de-prioritised assets and recycle capital to focus on the growing market opportunities for digital and sustainability solutions.

ofi acquired USA-based dehydrated onion ingredients business (Cascade Specialties) which diversifies the growing regions of its Spices business in the USA, expands its manufacturing capabilities and deepens its supply of organic onion products. It also acquired the USA-based green chilli pepper business from Mizkan America, Inc., for US$108.5 million.

Building on the two acquisitions in the North American spices sector, **ofi** acquired Olde Thompson, a leading USA private label spices and seasonings manufacturer, at an enterprise value of US$950.0 million, to further expand its private label offerings across the portfolio.

Group EBIT
(S$million)



	2019 Restated	2020	2021
ofi	72.3%	70.0%	**61.5%**
Olam Agri	36.3%	46.5%	**52.9%**
Remaining Olam Group	(8.6%)	(16.5%)	**(14.4%)**

Highlights

Volume
45.4 m MT
+2.3%

Revenue
S$47.0 bn
+31.2%

EBIT
S$1.4 bn
+33.0%

PATMI
S$686.4 m
+179.4%

Operational PATMI
S$961.1 m
+41.8%

Invested Capital
S$19.0 bn
+14.1%

Gearing
1.72X
unchanged

Free Cash Flow to Equity
S$(1.0) bn
-438.3 M

ofi also formed a 50:50 joint venture with Mondelēz International, Inc. to develop a sustainable commercial cocoa farm in Indonesia through the subscription of 50.0% interest in AztecAgri B.V. for an aggregate consideration of US$10.8 million. During the year, it continued to develop a greenfield soluble coffee manufacturing facility in Brazil and a dairy processing plant in New Zealand, both which are expected to complete in H1 2023.

Olam Agri took a 10.0% interest in Food Security Holding Company, one of the flour milling companies tendered for privatisation by the National Centre for Privatization and the Saudi Grains Organization, for approximately US$13.3 million. As the technical partner, Olam Agri has the responsibility for managing its plants and operations.

The Group completed several divestments, including the sale of coffee plantations in Brazil to a third-party; sale of our entire 15.2% stake in Open Country Dairy to Talley Group Limited for approximately NZ$80.9 million through the latter's takeover offer; the disposal of 100.0% stake in Ahenk Helva whose main business is sesame processing in Turkey, its 50.0% stake in wholly owned subsidiary PT SDW and its entire 30.0% interest in Long Son (Vietnam).

Early this year, we entered into definitive agreements with Africa Transformation and Industrialization Fund, a management led buy-out group, for the sale of our remaining equity stakes in ARISE Integrated Industrial Platforms (ARISE IIP) and ARISE Infrastructure Services (ARISE IS), part of the ARISE group, for an aggregate cash consideration of US$189.0 million, which is in line with the carrying value of these investments. Upon completion in Q2 2022, Olam will fully exit its investments in ARISE IIP and ARISE IS. Our remaining investment in the group is a minority 32.4% stake in ARISE Ports & Logistics (ARISE P&L).

We recorded lower net exceptional losses of S$274.7 million for 2021. This was mainly due to the one-off exit and closure costs of de-prioritised assets, namely the closure of Olam Tomato Processors (OTP) in the USA and the restructuring and impairment of dairy farming assets in Uruguay (NZFSU), and costs incurred for the Re-organisation, including separation costs. These were offset in part by net gains from the partial stake sale in PT SDW and sale of our remaining interest in Long Son (Vietnam). 2020 had recorded higher net exceptional losses of S$432.1 million arising mainly from the impairment on Olam Palm Gabon (OPG), which was in part offset by gains from the divestments of non-core assets.

S$ million	**2021**	2020
Profit on sale of partial stake in ARISE P&L	–	121.0
Profit on sale of stake in Subsidiary, net	**4.9**	–
Profit on sale of Sugar plant in India	–	1.5
Profit on Sale of stake in JV/Associate, net	**8.6**	48.3
Acquisitions related cost	**(6.3)**	–
Re-organisation cost	**(134.1)**	–
Exit/Closure costs	**(147.8)**	(119.0)
OPG Impairment	–	(483.9)
Exceptional Items	**(274.7)**	**(432.1)**

Disciplined capital management

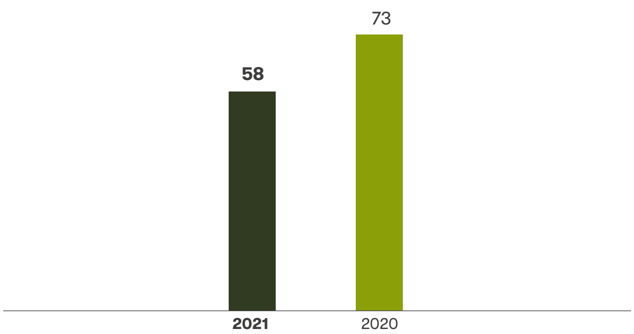
We continued to maintain a healthy balance sheet despite a significant rise in commodity prices. As of end 2021, the Group's total assets[1] were S$23.5 billion, comprising S$9.5 billion of fixed capital, S$782.7 million of right-of-use assets, S$8.1 billion of working capital and S$4.3 billion of cash to meet ongoing business requirements and manage near-term repayment obligations on borrowings.

The total assets were funded by S$7.2 billion of equity, S$6.9 billion of short-term debt and S$8.8 billion of long-term debt, as well as short-term and long-term lease liabilities of S$138.0 million and S$839.8 million respectively.

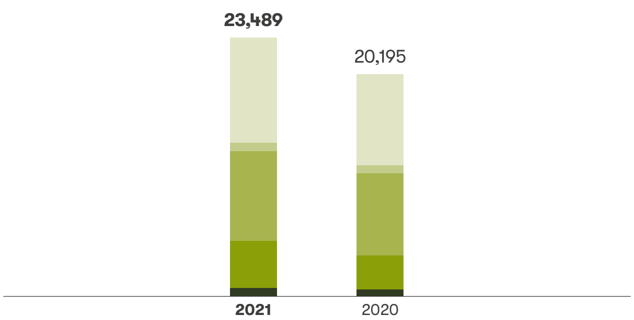
Compared with a year ago, the overall balance sheet in 2021 grew by S$3.3 billion. Our fixed capital base increased by S$1.2 billion during the year on account of the acquisitions by **ofi** in the USA spices business as well as organic growth capital expenditure (Capex) across other prioritised businesses. Working capital also rose by S$659.9 million on higher commodity prices.

Despite higher levels in stock and receivables due to increasing commodity prices, the resumption of supplier credit in 2021 as against 2020, which saw less favourable credit terms on liquidity concerns, helped moderate the increase in overall working capital. With disciplined capital management, we were able to reduce our working capital cycle from 73 days in 2020 to 58 days in 2021.

Cash-to-cash cycle
(Days)

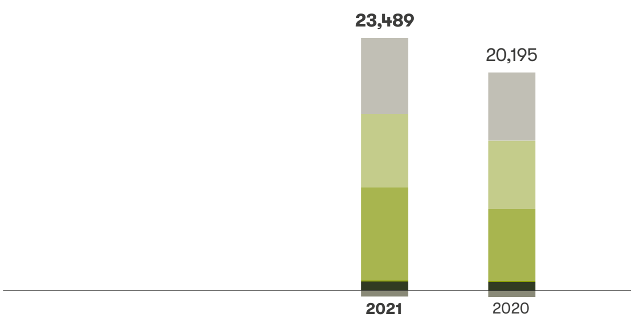


Uses of capital
(S$million)



	2021	2020
Fixed capital	9,538	8,310
Right-of-use	783	712
Working capital	8,116	7,456
Cash	4,317	3,116
Others	735	601

Sources of capital
(S$million)



	2021	2020
Equity and Reserves[2]	7,210	6,425
Non-controlling interests	7	74
Short-term debt	6,938	6,466
Long-term debt	8,795	6,781
Short-term lease liabilities	138	97
Long-term lease liabilities	840	815
Fair value reserve	(439)	(463)

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 2020, while net debt grew by S$1.3 billion to finance acquisitions and organic Capex as well as increases in working capital due to higher commodity prices, equity also increased by S$785.1 million on higher retained earnings as well as the rights issue during 2021. As a result, net gearing remained unchanged at 1.72 times. Adjusting for readily marketable inventory and secured receivables, our net gearing for 2021 would be 0.75 times (2020: 0.63 times), reflecting the true indebtedness of our Group.

Free cash flow reflects strategic investments

Following a COVID-19 impacted year in 2020 during which working capital had increased significantly, our net operating cash flow for 2021 normalised and improved by S$761.7 million to S$1.3 billion. Gross Capex was however significantly higher at S$1.9 billion due to the strategic acquisitions completed during 2021, including the acquisition of Olde Thompson (2020: S$753.5 million). As net Capex after disposals and divestments amounted to S$1.7 billion in 2021 (2020: S$513.8 million), Free Cash Flow to Firm (FCFF) became negative at -S$602.8 million (2020: -S$155.2 million). Net of interest, FCFE ended negative at S$1.0 billion (2020: -S$592.2 million), reflecting the key strategic investments made during the year, in line with the growth priorities for our operating groups.

Liquidity and financing

We had ample liquidity to support our working capital and Capex requirements, with a total of S$22.5 billion in available liquidity, including unutilised bank lines of S$11.2 billion and a clear S$5.8 billion of headroom over and above our gross borrowings as at end of 2021.

During 2021, we continued to diversify our funding sources and explore innovative financing solutions, such as a unique two-tier AtSource linked sustainability financing facility aggregating US$1,450 million loans, and a US$150 million loan to support our purchase of sustainable cotton under the Better Cotton Initiative. We exercised our option to fully redeem and cancel the US$500.0 million perpetual securities issued in 2016, and completed the rights issue raising net proceeds of S$590.5 million. We also refinanced our borrowing facilities by securing revolving credit facilities (RCF), and bank loans, while issuing notes and perpetual securities not only to support our working capital and Capex requirements, but also to ensure that our facilities are supportive of the Group's sustainability objectives and can be allocated to the operating groups post the carve-out, separation, demerger and IPO of **ofi**:

- Benchmark S$250.0 million of subordinated perpetual securities which bears a distribution rate of 5.375% for 5.5 years, before it is reset and subject to a step-up margin at the end of this period and on each date falling every five years thereafter, with an option to redeem in whole on each distribution payment date. The Company further issued an additional S$100.0 million, S$50.0 million, S$125.0 million and S$25.0 million separately to form a single series, aggregating S$550.0 million of 2021 perpetuals.

S$ million	31 Dec 2021	31 Dec 2020	Change vs Dec 2020
Gross debt	**16,710.2**	14,159.4	2,550.8
Less: Cash	**4,317.5**	3,115.9	1,201.6
Net debt	**12,392.7**	11,043.5	1,349.2
Less: Readily marketable inventory (RMI)	**5,937.9**	5,849.6	88.3
Less: Secured receivables	**1,064.7**	1,138.5	(73.8)
Adjusted net debt	**5,390.1**	4,055.4	1,334.7
Equity (before FV adj reserves)	**7,210.5**	6,425.4	785.1
Net debt/Equity (Basic)	**1.72**	1.72	–
Net debt/Equity (Adjusted)	**0.75**	0.63	0.12

S$million	2021	2020	Change
Operating Cash Flow (before Interest and Tax)	**1,787.3**	1,697.3	90.0
Changes in working capital	**(489.2)**	(1,160.9)	671.7
Net Operating Cash Flow	**1,298.1**	**536.4**	**761.7**
Tax paid	**(179.9)**	(177.8)	(2.1)
Capex/Investments	**(1,721.0)**	(513.8)	(1,207.2)
Free cash flow to firm (FCFF)	**(602.8)**	**(155.2)**	**(447.6)**
Net interest paid	**(427.7)**	(437.0)	9.3
Free cash flow to equity (FCFE)	**(1,030.5)**	**(592.2)**	**(438.3)**

- Additional S$100.0 million 4.0% fixed rate senior notes due 2026 via a private placement on the existing consolidated S$500.0 million issued in August and September 2020.
- US$100.0 million five-year notes due 2026 via a private placement under Olam's US$5.0 billion Euro Medium Term Note Programme at a fixed coupon of 3.25% payable semi-annually in arrears.
- Unique two-tier AtSource linked sustainability financing facility aggregating US$1,450.0 million and consisting of a multi-year RCF of US$950 million and a three-year term loan facility of US$500.0 million. The RCF is further split into three tranches i) a one-year tranche of US$190.0 million, ii) a two-year tranche of US$380 million and iii) a three-year tranche of US$380.0 million. Proceeds from this Facility will be used to procure various agricultural raw materials under our proprietary AtSource digital sustainability platform.
- A two-year committed loan facility aggregating US$1.0 billion to finance the acquisition of Olde Thompson, which will be partially repaid with proceeds from the Rights Issue.
- Annual refinancing of its European RCF aggregating US$375.0 million by wholly owned subsidiary Olam Holdings.
- Three committed loan facilities aggregating US$5.2 billion which comprise a US$1.2 billion three-year term loan and two 18-month bridge loan facilities of US$2.0 billion each. The term loan facility will be used for general corporate purposes of the Group while the bridge loan facilities will be used to facilitate the Re-organisation. The terms of all the facility agreements include provisions that allow Olam to allocate the facilities to the three operating groups post the carve-out and separation.
- JPY 9 billion (approximately US$81.0 million) five-year notes due 2026 via a private placement at a fixed coupon of 1.61% payable semi-annually in arrears which will mature in September 2026.
- Second sustainability-linked fixed rate issuance of JPY 5.5 billion (approximately US$50.0 million) Medium Term Notes issued at a fixed coupon of 1.403% payable semi-annually in arrears, with a tiered, one-time step-down adjustment to the coupon rate linked to the achievement of agreed Sustainability Performance Targets.
- Medium-term samurai loan facility aggregating JPY 26.7 billion (approximately US$231.0 million) consisting of two tranches: (i) a three-year tranche of JPY 20.7 billion, and (ii) a five-year tranche of JPY 6.0 billion.
- A multi-tranche RCF aggregating US$1,250.0 million consisting of a multi-year term loan of US$1,025.0 million and a three-year term loan facility of US$225.0 million. The RCF is further split into three tranches i) a one-year tranche of US$205.0 million, ii) a two-year tranche of US$410.0 million and iii) a three-year tranche of US$410.0 million.
- A two-year US$150.0 million loan to support its purchase of sustainable cotton under the Better Cotton Initiative.
- A one-year club loan referencing the USD Secured Overnight Financing Rate (SOFR[1]) of US$150.0 million which also allows Olam to allocate the facilities to the three operating groups post the carve-out and separation.

1. SOFR has been identified by the Alternative Reference Rates Committee, a group of private market participants convened by the Federal Reserve Board and the New York Fed, as the recommended alternative to USD LIBOR.

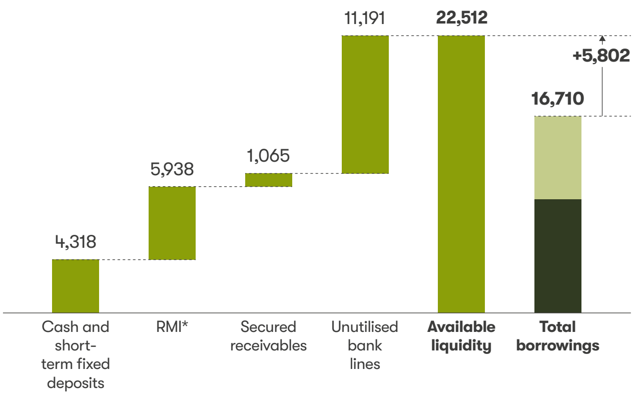
Post 2021, the Group priced a US$275.0 million fixed rate note via a private placement, which comprised US$200.0 million of five-year fixed rate notes at a coupon of 3.05% and US$75.0 million of seven-year fixed rate notes at a coupon of 3.25%. It also secured multiple bank facilities aggregating US$4.0 billion, as it continues to progress on its Re-organisation. The facilities comprise a US$1.5 billion committed facility with a flexible tenor of up to three years, a US$1.0 billion working capital facility and an US$1.5 billion total increase across the two bridge loan facilities described above and will be used to facilitate the allocation of existing debt to the operating groups.

On the allocation of debt across operating groups, relevant consents for material credit facilities to the new operating groups have been obtained. The relevant consents required from bondholders and perpetual securities holders have also been obtained.

Improved return on invested capital

Despite a 14.1% increase in invested capital due to our fixed capital investments and higher working capital on rising commodity prices, our EBIT on average invested capital or EBIT/IC improved from 6.6% to 8.0%, thanks to our strong EBIT growth in 2021.

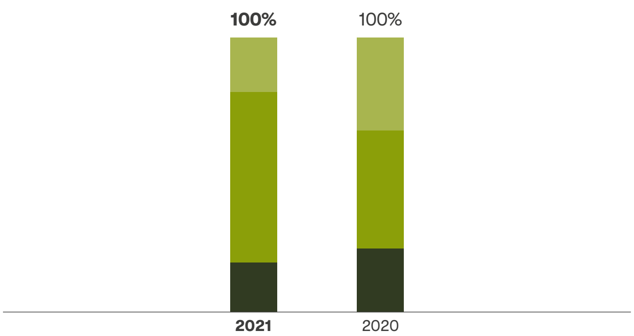
Total borrowings and available liquidity
(S$million as at 31 December 2021)



Short-term: 7,075
Long-term: 9,635

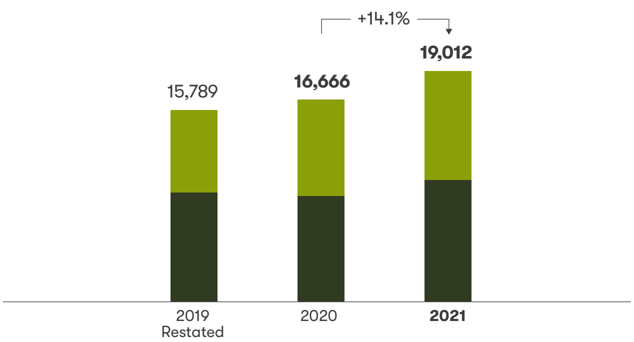
* RMI: readily marketable inventories that are liquid, hedged and/or sold forward.

Borrowing Mix[1]
(%)



	2021	2020
Bilateral banking lines	**20**	34
Bank syndication	**62**	43
Debt capital markets	**18**	23

Invested Capital[2]
(S$million)



	2019 Restated	2020	**2021**
Working Capital	6,766	7,931	**8,976**
Fixed Capital	9,023	8,735	**10,036**
EBIT/IC	6.9%	6.6%	**8.0%**

1. Excludes capital securities.
2. Excludes:
   a. Gabon Fertliser Project (2021: S$253.7 million; 2020: S$262.6 million); and
   b. Long-term Investment (2021: S$31.3 million; 202: S$24.3 million)

Performance by operating group

Segment	Sales Volume ('000 MT)		Revenue		EBIT		Invested Capital[2]		EBIT/IC (%)	
S$million	**2021**	2020 Restated	**2021**	2020 Restated	**2021**	2020 Restated	**2021**	2020 Restated	**2021**	2020 Restated
ofi	**4,132.6**	3,647.0	**14,606.2**	12,290.4	**875.3**	749.5	**11,191.8**	9,312.1	**8.5**	8.2
Global Sourcing	**3,451.6**	3,417.1	**10,044.9**	9,804.3	**454.7**	367.5	**5,094.9**	5,490.6	**8.6**	6.7
Ingredients & Solutions	**1,252.0**	993.1	**6,633.6**	5,254.2	**420.6**	382.0	**6,096.9**	3,821.5	**8.5**	10.6
Inter-segmental sales	**(571.0)**	(763.2)	**(2,072.3)**	(2,768.1)	**–**	–	**–**	–	**–**	–
Olam Agri	**40,607.1**	**39,925.5**	**31,276.9**	**22,407.9**	**752.9**	**497.0**	**5,242.0**	**4,210.7**	**15.9**	**13.4**
Food & Feed - Origination & Merchandising	**33,878.1**	33,617.8	**21,952.6**	15,267.5	**266.9**	187.0	**851.1**	813.2	**32.1**	34.7
Food & Feed - Processing & Value-added	**4,500.2**	4,294.9	**4,124.3**	3,166.5	**275.1**	250.9	**2,074.0**	1,859.1	**14.0**	13.3
Fibre, Agri-Industrials & Ag Services	**2,228.8**	2,012.8	**5,200.0**	3,973.9	**210.9**	59.1	**2,316.9**	1,538.4	**10.9**	4.6
Remaining Olam Group	**685.6**	**837.2**	**1,118.9**	**1,121.7**	**(205.6)**	**(177.0)**	**2,578.3**	**3,142.9**	**(7.2)**	**(5.2)**
De-prioritised/ Exiting Assets	**195.7**	473.1	**322.4**	535.5	**(26.5)**	(34.7)	**563.9**	923.2	**(3.6)**	(3.2)
Gestating Businesses	**442.5**	351.8	**773.6**	581.6	**(102.1)**	(86.5)	**2,000.2**	2,219.2	**(4.8)**	(3.7)
Incubating Businesses (including corporate adjustments)	**47.4**	12.3	**22.9**	4.6	**(77.0)**	(55.8)	**14.2**	0.5	**n.m**	n.m
Total	**45,425.3**	**44,409.7**	**47,002.0**	**35,820.0**	**1,422.6**	**1,069.5**	**19,012.1**	**16,665.7**	**8.0**	**6.6**

A management discussion of the performance by operating group and segmental review and analysis is found on pages 26 to 37 for **ofi**, 38 to 47 for Olam Agri and 48 to 60 for Remaining Olam Group.

Strong operational and strategic performance in 2021

"I am proud of the strong growth and strategic progress we are delivering as we continue to accelerate our focus to provide natural and on-trend ingredients and solutions to our established and diverse customer base across the global food and beverages industry. The strength and breadth of our sustainable ingredients portfolio and the determination of our people have been key drivers of our performance in 2021 and helped in our resilient recovery from the COVID-19 impact in 2020."

A Shekhar
CEO, **ofi**

2021 was an important year for **ofi**. We made substantial investments in expanding the portfolio as well as in developing our talent pool and capabilities to support our future growth ambitions.

Q. As you look back, how do you reflect on **ofi**'s business performance in 2021?

A. Our strong performance in 2021 clearly demonstrates the rationale and strength of the **ofi** portfolio following its creation in January 2020. Our global Ingredients & Solutions business with its range of on-trend and natural ingredients sits at the forefront of enduring consumer trends in the food and beverage industry. Supported by our ability to deliver products that are both sustainable and traceable, we have continued to leverage the benefits of our highly diversified yet complementary portfolio as we continue to pivot towards a more solutions-led and customer-centric organisation.

2021 saw continued trajectory of strong growth in **ofi**, which had already started recovering in H2 2020 from the initial adverse impact of the pandemic in H1 2020. Market conditions remained volatile through 2021, as different cycles of COVID-19 impacted different parts of the world at different points of time during the year, compounded by supply chain and logistics related disruptions, and overall inflationary conditions impacting most markets around the world. I am particularly pleased with the strong performance against the above backdrop in the markets, which proves the strength and resilience of our business and the committed organisation behind it.

We have continued to invest in our organisational capabilities to embrace the significant opportunities that arise from our highly complementary product portfolio. Developing greater customer insights and a targeted and unified customer service model has enabled our sales organisation to drive integration and synergies across the portfolio, allowing us to grow by serving common customers via multiple channels across large and attractive end-use categories.

Our global innovation infrastructure continues to grow, and we are building capabilities across the organisation to embrace common technology platforms and competencies to deliver innovative solutions at scale, and in a cost-effective way. We added new locations and capabilities to our network of Customer Solutions Centers in the USA, Europe and Asia to better demonstrate the power of our portfolio to our customers. We use these facilities to showcase and leverage our complementary and differentiated product portfolio, and to co-create solutions that anticipate and meet changing consumer preferences as demand increases for food that is traceable and sustainable.

In our Ingredient Excellence Centers, our ongoing focus on producing ingredients of the highest quality and yield continues to deliver innovative practices to support our customers while sustainability programmes support our farmer networks.

All of this progress has been delivered by a talented team of 24,500+ employees, who bring global experience and local context to manage our large and diverse business. The strong entrepreneurial spirit in **ofi** is shared by both long tenured and more recently acquired high calibre talent, both of which are going to be critical for the next stage of **ofi**'s evolution.

Q. How is the business developing strategically?

A. We made a number of disciplined and strategic investments in 2021 to expand our on-trend product portfolio and our channel and category capabilities.

We continued to invest in two substantial new greenfield developments. In New Zealand we are developing a dairy processing facility where we will produce high-quality dairy ingredients in one of the largest dairy producing countries and exporters in the world, operations for which are expected to commence in 2023. In Brazil, the largest coffee-producing country in the world, a new greenfield soluble coffee manufacturing facility is under construction. Our focus on technical superiority, product development and innovation in the soluble coffee business will give us the capabilities for significant future growth. The plant is expected to commence operations in 2023 and, once live, will complement our existing assets in Vietnam and Spain thereby enabling us to service our soluble coffee customers across the globe.

In May, we completed the transformative acquisition of Olde Thompson, a leading USA private label spices and seasonings manufacturer with expertise in blending and product formulation. The integration of Olde Thompson is underway, thereby driving the expansion of our private label channel capabilities across **ofi** in North America. Other acquisitions completed during the year include the purchase of Mizkan America's USA green chilli pepper business, and the purchase of the Dehydrated Ingredients Division of Cascade Specialties, the third largest USA-based processor of dried onions.

Collectively, these investments and acquisitions demonstrate the ongoing focus and disciplined investments in the value-added areas of our business as we continue to execute on our growth strategy.

Q. How are your plans progressing for demerger and IPO?

A. We made significant progress in 2021 towards the carve-out of **ofi** from the Olam Group and for the proposed initial public offering (IPO) and concurrent demerger. Our teams have worked tirelessly to prepare for this Re-organisation whilst ensuring our business operations continue seamlessly.

Highlights

Volume

4.1 m MT

+13.3%

EBIT

S$875.3 m

+16.8%

Invested Capital

S$11.2 bn

+20.1%

EBIT/IC

8.5%

+30 basis points

An integrated value-added ingredients business

Diversified offering across cocoa, coffee, nuts, spices and dairy

Global Sourcing

Farming, origination and sourcing

Global footprint and presence in all key origins

Direct and indirect network of farmers globally

Sustainability and traceability at the heart of business with social, environmental and economic impact

Deep market research and risk management expertise

Supply chain expertise and global presence enabling differentiated sustainability and traceability impact

ofi make it real

Ability to provide complete package to customers – from single ingredients to value-added finished products

Ingredients & Solutions

Value-added processing, innovation and co-creation

Global manufacturing presence in both origin and destination markets

Strong innovation capabilities across the value chain from plant science to customer solutions

Ecosystem partnerships and co-creation with customers

Categories and channels expertise

One-stop, vertically integrated and value-added solutions with global footprint and strong innovation capabilities serving customers globally

In October we launched a new brand identity which reflects **ofi**'s ability to drive innovation in all areas of its business to deliver growth and impact for customers. The brand underlines **ofi**'s thrust and focus as it shakes up the market with fresh thinking and ingredients that help food and beverage companies meet the growing consumer demand for natural, healthy, and sustainably sourced cocoa, coffee, dairy, nuts, and spices products. The new **ofi** brand carries the strong origination and supply chain heritage of Olam, but equally signals our exciting aspirations for the future. It conveys the distinct and accelerated changes being made in the business to continuously improve and deliver a differentiated customer value proposition.

We also started to build the inaugural Board of Directors for **ofi**. Chaired by Niall FitzGerald, the Board welcomed three Non-Executive Directors during the year (Penny Hughes, Brian May and Belinda Richards), with a further two Non-Executive Directors appointed in early 2022 (Patrick Coveney and Amanda Sourry). Each Director brings extensive experience and complementary skills gained from distinguished executive and board careers. This skilled and diverse board intends to meet best practice corporate governance standards and will provide the necessary stewardship for delivering sustainable and profitable growth for all stakeholders. Rishi Kalra, the **ofi** CFO, and I also sit on the Board of Directors.

ofi's separation from Olam was substantially completed by 31 December 2021 and on 18 February 2022 the scheme of arrangement to create the Olam group structure to allow for **ofi**'s concurrent demerger and IPO was approved by the shareholders of Olam. The scheme of arrangement became effective on 15 March 2022 which was a significant milestone in **ofi**'s journey towards the proposed IPO and concurrent demerger.

Q. Does the proposed Re-organisation change your focus on sustainability?

A. Sitting behind **ofi**'s Global Sourcing and Ingredients & Solutions segments are five product platforms – cocoa, coffee, dairy, nuts and spices. Sustainability is central to these businesses, and with growing consumer demand for sustainable and traceable solutions in the end-use categories that we serve, the need for sustainability is now even greater.

During the year, our employees created **ofi**'s new Purpose, which reinforces and reiterates that sustainability is at the core of our business. The new purpose clearly articulates and empowers our people, customers, suppliers and consumers to 'Be the change for good food and a healthy future'. We have developed a comprehensive sustainability framework which focuses on 'Farmers and Communities', the 'Living World' and 'Naturally Good Food', with very specific visions, goals and measurable targets so that, together with our customers, industry participations, NGOs, governments and civil society, we can aim to deliver measurable impact and 'Make it real' across our portfolio.

We expanded our sustainability reporting framework in 2021 with the launch of three new dedicated product sustainability strategies - Cashew Trail, Hazelnut Trail and Milk Matters. Each programme has specific goals and targets to tackle the biggest challenges in their respective global supply chains. In addition, we achieved our 2020 milestones and published our first impact report for Cocoa Compass, and we also published our interim progress for our Coffee LENS programme.

We continue to drive sustainable impact through collaboration with our customers and other partners including a new collaboration in Indonesia to create a sustainable commercial cocoa farm with Mondelēz International, Inc., and in the Democratic Republic of Congo with the United States Agency for International Development's (USAID's) Gorilla Coffee Alliance with Nespresso among other partners.

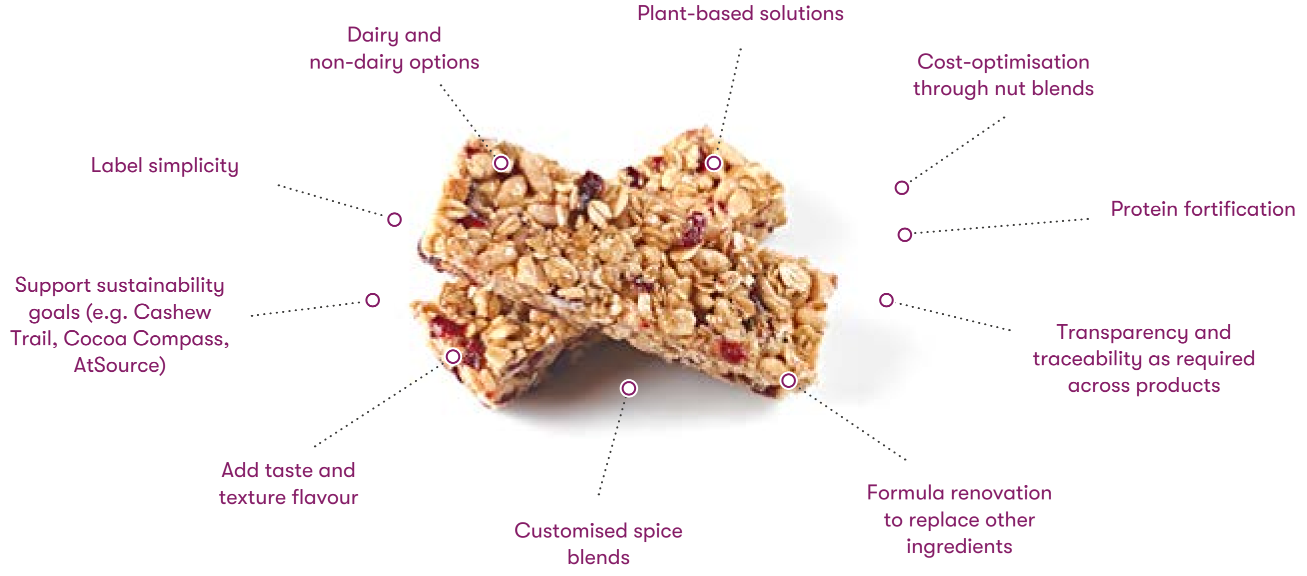
With our unique insights platform AtSource, we support our customers' own sustainability journeys with a comprehensive suite of data and metrics to report on the social and environmental impacts across the entire value chain. The scope of AtSource continues to grow, with the platform now offering over 350 metrics across 32 origins, 36 products and 400,000+ farmers.

Q. What is in store for 2022?

A. We have an exciting growth journey ahead. Our strong performance in 2021 demonstrates the strength of our business model and the rationale for our highly diversified, yet complementary product portfolio with which we can deliver differentiated ingredients and solutions to our diverse and established customer base.

We remain confident about our future growth prospects arising from our compelling new purpose and growth strategy, and our ability to leverage the portfolio to deliver sustainable value creation for all stakeholders. We believe that the proposed IPO and demerger has the potential to generate significant value both for existing Olam Group shareholders and for new long-term investors who join **ofi** in the journey forward.

ofi Innovation – Infinite possibilities in one little bar



Making it real: a taste of ofi

Innovation across our business

Farm level

Confectionery

Collaborating to create a sustainable commercial cocoa farm

In April, **ofi** and Mondelēz International, Inc. announced a new collaboration in Indonesia to create a sustainable cocoa farm in Indonesia. The model builds on Mondelēz International's experience with the company's signature sustainable sourcing programme, Cocoa Life, and **ofi**'s ambition for sustainable cocoa, Cocoa Compass, to test a scalable approach for the future of commercial cocoa farming.

From sensors in fields to irrigation systems, the project will use advanced climate smart and plant science technology – rarely used to grow cocoa at this scale – as innovations included in this 2,000-hectare cocoa farm on Seram Island. The model tests a modernised and professional blueprint for best practice cocoa farming, optimal land usage and farming community planning which will be explored as a potential model for replication across the region.

Demand for cocoa is growing across Asia and Indonesia is a key cocoa-producing country, but farmers have struggled with rising temperatures, low yields, and crop disease. Combining expertise in cocoa growing research and development, sustainable cocoa farm management, and good agricultural practices, Mondelēz International and **ofi** will aim to tackle these problems by improving the livelihoods of partner cocoa farmers, empowering communities, and restoring the environmental productivity of a previously deforested landscape.

The partnership aims to deliver:

- 700 jobs for local people (almost 50% for women).
- 2,000 ha of previously deforested brown field land will be planted with cocoa, shade trees, forest and fruit trees to promote biodiversity and carbon capture. More than 1,000 ha have already been planted across the total plantation area of 3,380 ha.
- An area of 47 ha protected as High Conservation Value forest.
- A seedling nursery which can grow up to 1 million high-yielding cocoa seedlings each year.
- Access to healthcare and education for all employees and their families, as well as housing, electricity, water, and day care for the 200 families who live on site.

Primary processing

Beverages

Elevating coffee's sensory attributes and quality

Coffee's taste and aroma remain the highest drivers of cup quality. 'Project Capture' uses processing methods as a driver to elevate commercial coffees to specialty grade.

- We used different processing methods during the transformation of our coffee cherries into green beans to develop quality and sensory attributes. 'Project Capture' combined various processing methods, time periods and temperatures, and introduced specific starter cultures. Through multiple field experiments, we were able to develop combinations which led to bold differentiation.
- The average 'cupping' score of Huatusco region Arabica coffee was boosted by three points, with the highest score achieved being an impressive 86, versus typical scores of 81 or 82 for coffees of the same variety processed through the traditional wet method. These higher scores elevate these coffees from commercial to specialty grade.
- Collaboration between smallholder farmers, **ofi**'s innovation team, Coffee Quality Institute-qualified cuppers and third-party independent analytical data were vital to the project's success, ensuring that this innovative process could be replicated on a larger scale across different coffee origins. By applying a specific combination of processing variables on a larger scale, coffee premiums can be increased from 10-15% to 25-30%, creating greater value for smallholder farmers, producers, and coffee companies.
- Since the launch of 'Project Capture' in 2021, **ofi** has been undertaking several large-scale trial runs with major beverage customers.

Ingredient innovation

Culinary/Snacking

Creating authentic spice blends for regional cuisine

At a time when 50% of USA consumers are looking to try new, exciting flavours, in October **ofi** launched 17 ready-to-use dry blends inspired by some of America's most popular cuisines – modern Mexico, the Caribbean and the USA Southwest.

- The blends give manufacturers, foodservice companies, and retailers a simple, clean-label solution for creating consistent and authentic flavours all year round in dishes such as grilled meat, fish and vegetables, traditional stews, sauces, and snacks.
- Given the **ofi** spices sourcing network, blends are authentic to dishes with individual ingredients grown in their true provenance, including chillies from the Hatch Valley in New Mexico, and cinnamon powder from the Yen Bai province of Vietnam.
- Co-creation opportunities with the **ofi** portfolio include cocoa and coffee for the Chocomole and Cuppa Ancho Rancho blends respectively.

Product application

Beverages/Culinary

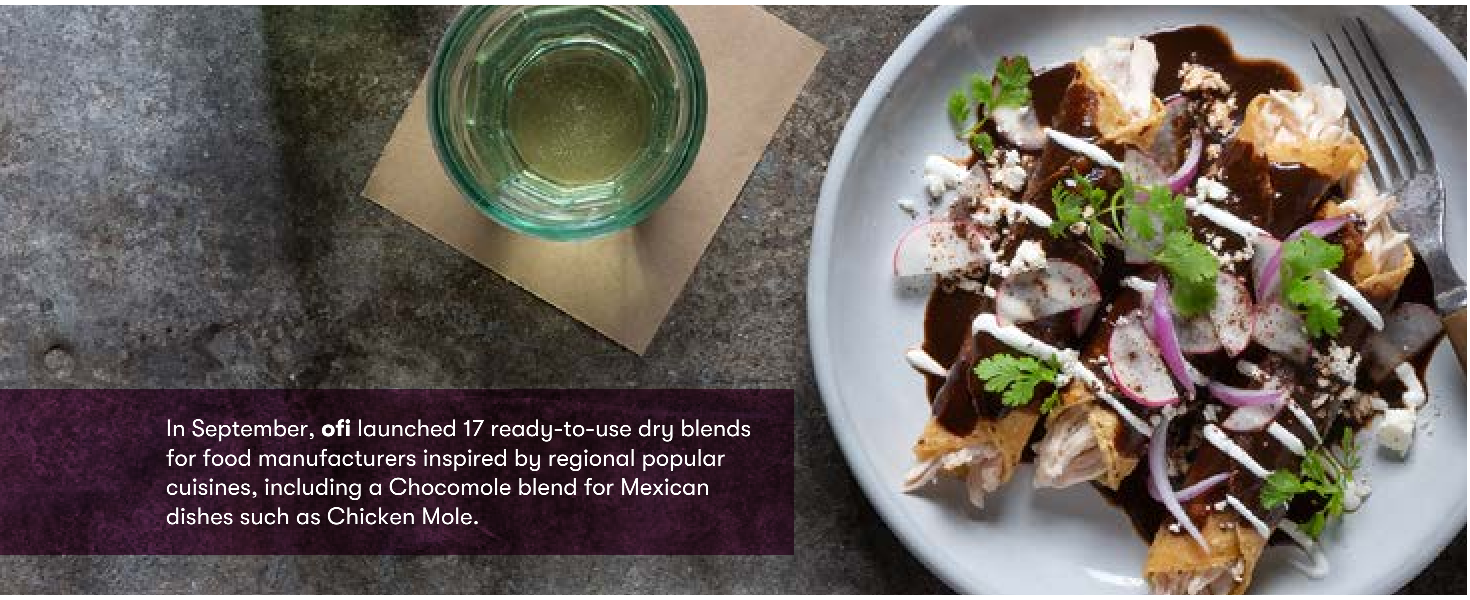
Combining the whole portfolio for cloud kitchen frappés

With the advance of 'cloud kitchens' – commercial facilities purpose-built to produce food specifically for delivery – the **ofi** End User Marketing team identified new beverage opportunities for a cloud kitchen operator based in Southeast Asia.

Armed with research from conducting an on-site study of the customer's cloud kitchen and trend insights from a data-driven AI platform, **ofi** supported the customer with the launch of a new beverage menu featuring flavoursome frappé premix drinks that can be quickly produced in a cloud kitchen.

Collaboration between **ofi**'s food service and innovation teams, as well as the dairy, cocoa, coffee, nuts and spices platforms, was integral to the development of the flavoured frappé blends.

This project has created further opportunities for **ofi** to extend its relationship with the cloud kitchen customer.



In September, **ofi** launched 17 ready-to-use dry blends for food manufacturers inspired by regional popular cuisines, including a Chocomole blend for Mexican dishes such as Chicken Mole.

Being the change for good food and a healthy future

Delivering our growth agenda

"**ofi** has delivered strong growth in 2021 as we continue our journey to focus on the higher value-added areas within our complementary product portfolio. This performance has reaffirmed the strength of our differentiated business model that has proven itself to be robust and repeatable following our recovery from the COVID-19 impacts of 2020. Alongside a very disciplined approach to strategic investments, we will continue to leverage our significant scale from Global Sourcing and Ingredients & Solutions activities to execute on our future growth agenda."

Rishi Kalra
CFO, **ofi**

Q. What have been the key drivers of financial performance in 2021?

A. Sales volume growth of 13.3% in 2021 contributed to an 18.8% increase in revenue which grew to S$14.6 billion, and this growth was driven by the Ingredients & Solutions segment. EBIT grew strongly at 16.8% to S$875.3 million, demonstrating the robust recovery from the impact that COVID-19 had on some of **ofi**'s businesses in 2020, with growth coming from both the Global Sourcing and Ingredients & Solutions segments.

Invested capital increased by 20.1% or S$1.9 billion reflecting the significant strategic investments made in the Ingredients & Solutions segment during the year, and in particular the acquisition of Olde Thompson. Higher input prices for some raw materials also led to increased working capital.

Even with substantially higher invested capital, EBIT over invested capital (EBIT/IC) for the year increased from 8.2% in 2020 to 8.5% in 2021 driven by the strong growth in EBIT.

Q. Talk me through your segment performance in 2021

A. ofi operates two valuable and inextricably linked segments, Global Sourcing and Ingredients & Solutions (Global Sourcing was previously named Ingredient Sourcing & Supply chain, Ingredients & Solutions was previously named Value-added Ingredients & Solutions). Whilst we report on performance for each segment separately, they are two strong pillars of one integrated and valuable business.

Global Sourcing

Global Sourcing reported a 0.8% increase in sales volume in 2021 with an increase in dairy production and strong demand for some nut products being offset by reduced cocoa volumes. Revenues grew 2.1%, slightly higher than volume growth, due to higher prices for some products like coffee and dairy. The segment reported strong EBIT growth of 23.7% to S$454.7 million, reflecting a bounce-back from the impact of COVID-19 in the prior year, particularly in the coffee, cocoa, dairy and nuts platforms. The nuts upstream (almonds) business on the other hand performed below plan due to lower selling prices.

Invested capital decreased by 7.2% or S$395.7 million during 2021 driven principally by improvements in operational cycle times which were partly offset by increased input prices for some products. EBIT/IC for the year increased from 6.7% in 2020 to 8.6% in 2021 driven by a combination of strong growth in EBIT as well as a lower invested capital base.

Ingredients & Solutions

The Ingredients & Solutions segment reported a strong 26.9% growth in both volumes and revenues in 2021, driven by capacity expansion, product extensions and acquisitions. EBIT increased by 10.1% to S$420.6 million in 2021. The segment saw improved performance from the cocoa, coffee, dairy and nuts ingredients and solutions platforms. The margins in the spices business especially in the USA were impacted by lower farming and manufacturing yields, increasing costs and supply chain disruptions, which were partially offset by contribution from the new acquisitions.

Invested capital increased significantly by 59.4% or S$2.3 billion on higher fixed and working capital. Fixed capital grew with the acquisitions in the USA, as well as organic growth initiatives, such as the greenfield projects in soluble coffee and dairy processing in Brazil and New Zealand respectively, and capacity expansion in cocoa processing and co-manufacturing facilities in Côte d'Ivoire and Vietnam respectively. Working capital also grew on acquisitions as well as increased inventory carrying value, mainly due to higher input prices. Despite EBIT growth, EBIT/IC for the year reduced from 10.6% in 2020 to 8.5% in 2021, principally reflecting the substantial organic and inorganic growth investments made during the year, for which the related earnings have either yet to commence or were only recognised for part of the year.

Q. You made a number of acquisitions in 2021 - will this be part of your future strategy too?

A. ofi's growth strategy does not rely only on acquisitions. Wherever strategic growth opportunities are identified, we will explore opportunities to build or buy, and will make sure that any investments are made in a disciplined manner to enhance earnings growth and returns. Strategic investments will therefore be made on both an organic and an inorganic basis.

On 17 May 2021, **ofi** completed the acquisition of Olde Thompson, a leading USA private label spices and seasonings manufacturer, for an enterprise value of US$950 million. This acquisition reinforced **ofi**'s growth strategy, enabling it to expand its offering of private label solutions as well as its spices offering, which is one of the most attractive and growing categories, especially in the USA. This acquisition was considered transformative for the spices product platform, which is an attractive and growing part of **ofi**'s overall portfolio, and strategically important for the Ingredients & Solutions segment and its capabilities in the private label channel.

The acquisition contributed to the increase in revenue in 2021. The impact will continue into 2022, when Olde Thompson will be consolidated for the full year, and begins to start extracting planned synergies. The Group is targeting full-year EBITDA synergies ranging from US$25 million to US$30 million in the medium-term.

Integration of the Olde Thompson acquisition continues to proceed well, and the business has been able to identify additional synergies from the transaction. However, in 2021, labour cost inflation and supply chain disruptions in the USA had an adverse impact on margins, which are expected to return to normal levels in 2022. We also expanded our spices products range with the acquisition of the green chilli pepper business from Mizkan and the dried onion ingredients business in the USA.

On an organic basis, we have continued to invest in new manufacturing and processing facilities to support our future growth in higher value areas in our business. New facilities in Brazil and New Zealand are expected to commence operations in 2023 and contribute to growth in the Ingredients & Solutions segment.

Q. What are your priorities for 2022?

A. We are excited by the opportunities ahead and are well positioned with a robust and resilient business model to navigate the ongoing market uncertainties. Our focus will continue to be on driving growth in the higher value-added areas within our Ingredients & Solutions portfolio, on product extensions, category solutions and channel expansion. In addition, we will serve our customers' growing needs for value-added ingredients by selling more, cross-selling and upselling both within and across our product platforms.

For recently completed acquisitions we expect to realise the annualised impact of earnings and to build momentum and deliver synergies as we continue to integrate the businesses into **ofi**.

We hope to successfully transition **ofi** into the public markets with the planned IPO and demerger, and, with the support of new long-term investors, to continue and execute on our future growth journey.

The ofi investment proposition

A leading on-trend ingredients portfolio:

Serving large, attractive and growing end-use categories

Delivering global, innovative and integrated solutions

Offering end-to-end traceability and sustainability impact

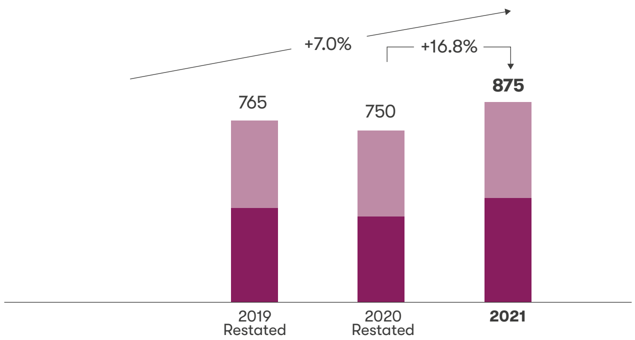
By being a trusted partner to a diversified customer base

Delivered by an experienced, global, and inspired talent pool

With a proven and repeatable growth model

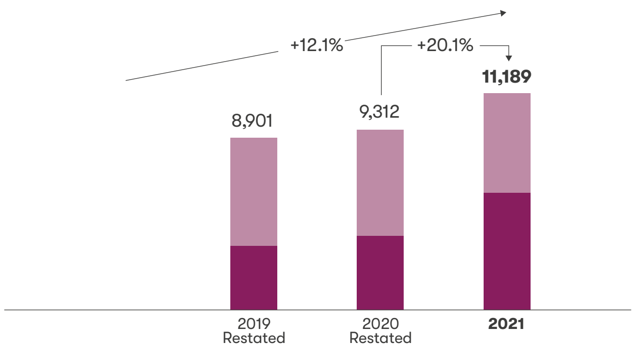
Highlights in 2021

EBIT
(S$million)



	2019 Restated	2020 Restated	2021
Global Sourcing	50%	49%	**52%**
Ingredients & Solutions	50%	51%	**48%**
EBIT Margin	6.5%	6.1%	**6.0%**

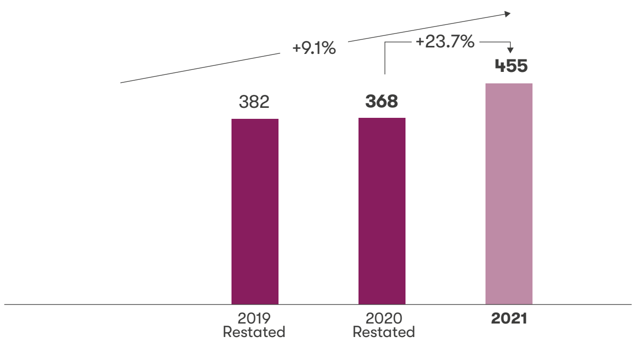
Invested Capital
(S$million)



	2019 Restated	2020 Restated	2021
Global Sourcing	62%	59%	**46%**
Ingredients & Solutions	38%	41%	**54%**
EBIT/IC	8.8%	8.2%	**8.5%**

Global Sourcing

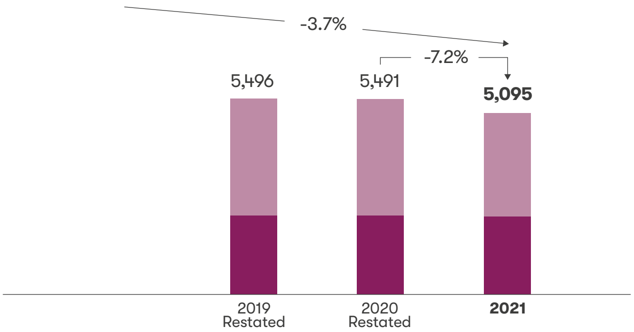
EBIT
(S$million)



	2019 Restated	2020 Restated	2021
EBIT Margin	4.1%	3.7%	**4.5%**

Global Sourcing

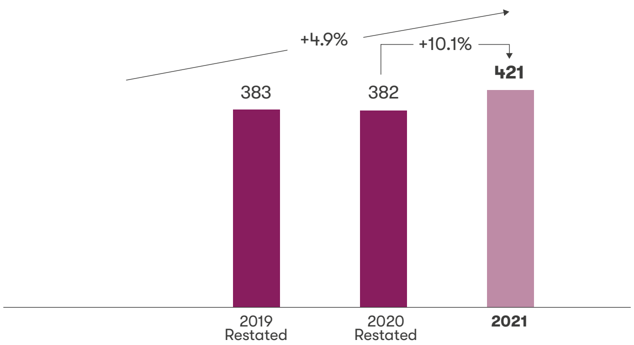
Invested Capital
(S$million)



	2019 Restated	2020 Restated	2021
Working capital	3,278	3,279	**2,907**
Fixed capital	2,218	2,212	**2,188**
EBIT/IC	7.3%	6.7%	**8.6%**

Ingredients & Solutions

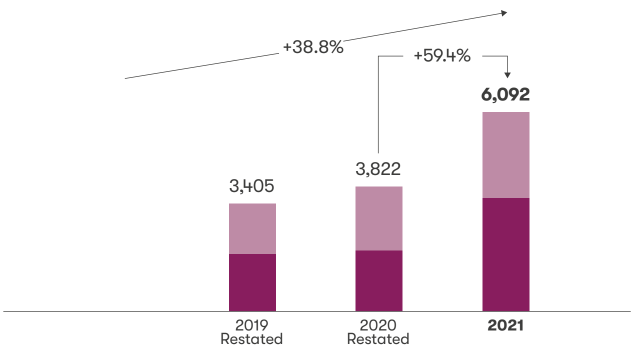
EBIT
(S$million)



	2019 Restated	2020 Restated	2021
EBIT Margin	7.9%	7.3%	**6.3%**

Ingredients & Solutions

Invested Capital
(S$million)



	2019 Restated	2020 Restated	2021
Working capital	1,662	1,967	**2,633**
Fixed capital	1,743	1,855	**3,459**
EBIT/IC	11.2%	10.6%	**8.5%**

In numbers

11,000+
customers

24,500+
employees

22,500+
secondary workforce

428,000+
farmers receiving sustainability support

113*
manufacturing and processing assets across 34 countries

15
innovation centres

12
R&D chefs

130+
food scientists

* Including recent acquisitions and two greenfield plants under construction.

Helping customers meet increasing demand for traceable and sustainable ingredients

With deep-rooted presence in origin countries, **ofi** can influence how products are made.
We are closer to farmers, enabling better quality, and more reliable, traceable supply.
We aim to reduce risk and deliver positive impact and value for farmers, customers, and partners by:

Constantly improving data and insights to offer transparency across the supply chain:

2021 highlights include:

- By the end of 2021, over 428,000 farmers receiving sustainability support with 22% women (uplift of 2% and 29% respectively).
- Over 6,300 **ofi** supply chains and approximately one million hectares mapped under AtSource (cumulative total; uplift of 23% and 17% respectively).
- Over 109,000 farmers registered on the Olam Direct app, versus 84,900+ in 2020 (cumulative total; uplift of 29%).
- AtSource Entry Verified[1] and AtSource+ added as new sustainable sourcing schemes to the Global Coffee Platform's programme: Reporting on Sustainable Coffee Purchases[1].

Building collaborative partnerships to deliver sustainability impact at scale:

2021 highlights include:

- The ALDI SOUTH Group announced it is partnering with **ofi** on a four-year project in Honduras, which aims to narrow the living income gap for coffee farmers by improving market access and quality.
- In October, USAID's Gorilla Coffee Alliance was launched with the United States Agency for International Development (USAID); Nespresso; **ofi**; international nonprofits, TechnoServe and the Wildlife Conservation Society; and Congolese social enterprise, Asili. See page 88 for more detail.
- Together with Mondelēz International, Partnerships for Forests, and The Nature Conservancy, **ofi**'s cocoa team announced the scaling up of efforts to halt deforestation and restore degraded land in Pará, Brazil, helping to bring 48,000 hectares of land under sustainable management by 2023. The project is an expansion of a successful first phase which won Nature-Based Project of the Year at the Business Green Leaders Awards 2021.

Defining metrics, setting targets, tracking, and reporting on continuous progress:

2021 highlights include:

- Consulted with product teams and sustainability leads on customer and other stakeholder priorities for new sustainability framework and 2030 targets; framework launched in 2022.
- First full-year impact report for the Cocoa Compass sustainability strategy, with all 2020 milestones achieved: 100% deforestation monitoring across the direct global supply chain, covering almost 12,000 suppliers; 100% traceability across the direct global supply chain, and child labour monitoring established across all managed sustainability programmes, covering 183,000 households in nine countries.
- Interim report of Coffee LENS published in November highlighting lessons learned. Progress against targets up to the end of 2021 includes:
  - ~105,000 farmers getting more value from their crop thanks to training, other field interventions and certification premiums. Nearly 67,000 farmers have been trained on agricultural or business skills.
  - Approximately two million non-coffee trees planted since 2020 to help restore degraded land and help farmers diversify their incomes. The full impact report will be published in 2022.
- Launch of Milk Matters – the first goals for the Rusmolco dairy business in Russia, including carbon net zero dairy by 2050.
- The first publicly stated goals for the nuts portfolio with the launch of Cashew Trail in June and Hazelnut Trail in December, addressing farmer poverty, human rights, water scarcity and climate change. Almond Trail will launch in 2022.
- A similar sustainability report for Spices will be launched in 2022.

+ For more information on **ofi**'s sustainability performance, refer to the Capitals and Material Areas section of this report (pages 66 to 109).

1. Especially created for **ofi**'s coffee customers in line with industry sustainability standards

AtSource sustainability insights platform, delivering a differentiated customer proposition

AtSource offers different levels of data through the insights platform, and with different requirements in terms of sustainability management system:

AtSource ∞

Bespoke programmes for transformational net positive impact

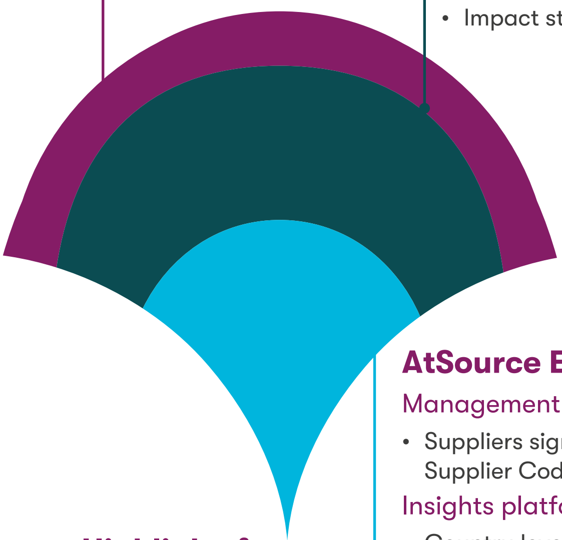
AtSource +

Management System:

- Social and environmental requirements
- Traceability system

Insights Platform:

- Metrics
- Environmental Footprinting
- Impact stories



AtSource Entry

Management system:

- Suppliers sign Supplier Code

Insights platform:

- Country level environmental footprinting
- Country level third-party risk screening

Highlights[2]

36 products
on the platform
(vs. 11 in 2019)

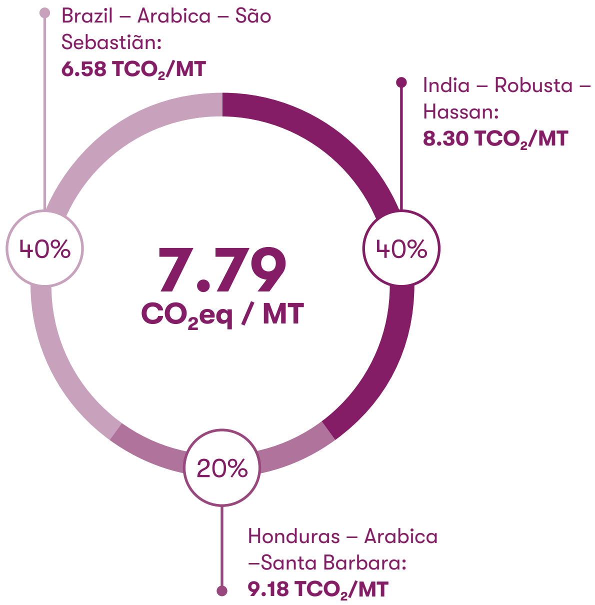
32 origins
(vs. 21 in 2019)

400,000+ farmers
(vs. 120,000+ in 2019)

>350 metrics
(vs.150 in 2019)

Enabling customers to understand and act on their carbon footprint

In this example we can help a coffee roaster calculate the overall GHG emissions for specific blends of coffee. The blend is made of Brazil Natural Arabica, Honduras washed Arabica and Indian Robusta. With the footprinting calculator, the customer can see the carbon emissions from each of our three AtSource+ supply chains, including agriculture, processing and transport. This data allows the roaster to calculate the overall carbon footprint. It also identifies where we can make the most impact according to the carbon reduction pathways we have developed. In this case, increase farm yields, reduce fertiliser use in the Brazil supply chain, and improve residue management practices in Honduras and India.



2. AtSource+ statistics are for Olam overall

Olam Agri, a market-leader in food, feed and fibre

Olam Agri brings together our food, feed, fibre, agri-industrials and ag services businesses. At the heart of global food and agri-trade flows, it has developed a global origination footprint, processing capabilities and deep market understanding that create value for customers and enable farming communities to prosper sustainably.

Sunny Verghese
Executive Director, Co-Founder & Group CEO

KC Suresh
CEO, Food & Feed

Ashok Hegde
CEO, Fibre, Agri-Industrials & Ag Services

N Muthukumar
CEO, Operations

Q. How is Olam Agri distinct as a global agribusiness?

A. Olam Agri is a global agribusiness with a focus on high-growth emerging markets and proven market-leadership across food, feed, and fibre. Our global origination footprint, processing capabilities and deep market understanding has allowed us to carve a distinct competitive edge that have enabled us to deliver superior growth and returns. Our differentiated asset-light model offers agility and cost efficiency and our unique position as an independent trader allows us to trade with both local players and global majors in origin and destination markets, giving us a strong cost advantage and offering us flexibility to respond to shifting trade flows. Alongside our world-class trading team and best-in-class risk management, we are well placed to respond to changing markets and to meet customers' needs.

Our global sourcing capabilities – through our own growing operations and partnerships with both large- and small-scale producers – allow us to reliably source and deliver high-quality products to customers around the world. Our world-class processing operations and our expertise in supply chain management across food and agricultural value chains – from cotton to rice, and from animal feed to specialty grains and seeds – means we can unlock value for farmers and customers.

Q. How is Olam Agri positioned for the future following the Re-organisation?

A. Olam Agri's demonstrated capacity to deliver consistent and strong results rests on its ability to take advantage of key secular trends underpinning the food and agricultural sector. These trends, together with a differentiated business model, leading sustainability credentials, strong trading and risk management capabilities and operational capabilities in processing and logistics, will drive Olam Agri's continued profitable growth.

We have a clear focus on high-growth emerging markets and Olam Agri is well placed to meet the growing demand for living essentials across high-growth markets and the opportunities shaping global food and agriculture; namely food security, rising protein consumption, emerging market growth, increasing adoption of technology, and the focus on sustainability. Our extensive sourcing networks and deep experience in emerging markets offer unparalleled origination capabilities and the ability to manage operational risks and market disruptions and to respond quickly to changes in market behaviours. This is a highly repeatable model across adjacent products, adjacent value chain steps and new geographies.

Olam Group is exploring various strategic options to maximise the value of Olam Agri and find opportunities for further investment that would allow Olam Agri to profitably grow its business in areas where it has a proven track record. In connection with this, the options being

Highlights

Volume

40.6 m MT

+1.7%

Earnings Before Interest and Tax

S$752.9 m

+51.5%

Sales Revenue

S$31.3 bn

+39.6%

Invested Capital

S$5.2 bn

+24.5%

6,800+

customers

9,100+

employees

9,000+

secondary workforce

30+

countries

50+

Processing faciliities

Olam Agri Structure

Food & Feed

- Grains and oilseeds
- Edible oils
- Rice, specialty grains and seeds
- Integrated feed and protein

Fibre, Agri-Industrials & Ag Services

- Cotton
- Rubber
- Wood products
- Commodity financial services (CFS)

Origination & Merchandising

- Asset-light offering flexibility and delivering cost advantages
- Low overhead costs covered by fee income streams
- Independent traders providing liquidity and risk off-take
- World-class traders with risk management expertise

Processing & Value-Added

- B2B complemented by higher value B2C downstream products
- Unparalleled operational capabilities, efficiency, and scale in Africa
- Proven ability to execute and integrate pioneering projects and acquisitions

Fibre, Agri-Industrials & Ag Services

- Unique integrated ginning model delivering better returns; large grower and State board buying
- Customer relationships with leading textile mills in South and Southeast Asia
- FSC® certified natural forest concessions
- Strong risk management capabilities

explored include the potential introduction of strategic minority partner(s) by way of a secondary sale of shares by Olam Group for a significant minority stake in Olam Agri and/or the potential IPO and demerger of Olam Agri.

These strategic options would unlock significant value for Olam Group's shareholders, grant Olam Agri the potential to tap capital markets to accelerate its growth, bring in strategic partners to catalyse growth and gain access to key markets and raise proceeds for Olam Group to optimise its capital structure by de-gearing and right-sizing its balance sheet.

Q. With its broad business portfolio, where is Olam's Agri's focus for growth?

A. Our strategy for growth is focused on building on our operating capabilities in high-growth emerging markets by leveraging our deep market understanding and our global reach. We are at the heart of global food and agri-trade flows with leading market positions in key production and consumption markets across food, feed and fibre including #1 flour and pasta manufacturer in Africa; #2 largest global rice merchant; #2 global cotton merchant; and #1 integrated animal feed and supplier in Nigeria, alongside proven and fast-growing grain and oilseeds, edible oils, rice, specialty grains and seeds player.

Olam Agri's growth strategy is focused on four pillars:

- maximise returns from recent strategic investments: this includes operational improvements in our wheat milling and pasta manufacturing operation, maintaining leading positions in Nigerian poultry and aqua feed market and improving cotton out-grower yields in our integrated ginning business
- expand our geographic footprint into new, high-growth markets: such as the Middle East, North Africa and Southeast Asia, focusing on growing our animal feed business in emerging markets with increasing protein consumption, as well as exploring new markets for branded rice distribution
- enhance the contribution from the Processing and Value-added businesses: investing in processing capacity and capabilities including wheat milling and pasta, rice milling, sesame hulling and ingredients manufacturing, pulses processing and superfoods

manufacturing, increasing our processing capacity in our rubber business and fully leveraging our sustainable forestry concessions
- explore expansion in adjacent businesses: through complementary capabilities such as oilseed processing, expanding our food and feed trading, increasing our third-party freight volumes, growing our portfolio of our commodity financial services business and risk management solution business.

Q. How did Olam Agri perform in 2021?

A. Olam Agri is a global, market leading food, feed, fibre and agri-industrials agribusiness, focused on high growth emerging markets. Given the nature of our participation and our asset-light model, it delivers significantly higher returns than the industry. There are two broad platforms under which Olam Agri is organised: Food & Feed platform; Fibre, Agri-Industrials & Ag Services platform. Within Food & Feed, there are two subsegments – Origination & Merchandising and Processing & Value-Added.

Olam Agri had strong growth between 2019 and 2021, with EBIT rising from S$383.6 million to S$752.9 million, representing an annual growth rate of 40.1%. We are also trending north in terms of EBIT per tonne – a key measure of our margins for Olam Agri – and growing the capital efficiency parameter EBIT/IC from 13.4% to 15.9% between 2019 and 2021. Invested capital has grown by S$1.0 billion, largely from the Fibre, Agri-Industrials & Ag Services segment.

2020 saw one of our best performances in recent years and we are pleased to see that Olam Agri established yet another record in 2021 as it continued to deliver on a strong growth trajectory across all three segments.

Revenues grew by 39.6% year-on-year to S$31.3 billion on higher prices in food staples and industrial products, particularly in grains, rice, cotton, edible oils and rubber, even as sales volume grew at a moderated pace of 1.7% in 2021. All three segments contributed to the growth in volumes and revenues. Olam Agri recorded a strong EBIT growth rate of 51.5% at S$752.9 million with per tonne margin rising from S$12 in 2020 to S$19 in 2021.

In the Food & Feed platform, grains, integrated feed and proteins had an exceptional year in 2021. The rice business reported an all-round, strong performance across its farming, milling, origination and merchandising, and distribution activities, which continued to benefit from our sourcing capabilities, strong demand, market share gains from the exit of certain market participants and the resulting market consolidation in Africa since the second half of 2020. Edible oils experienced a recovery amid strong market demand growth in key markets.

Fibre, Agri-Industrials & Ag Services platform showed a sharp turnaround from the prior year as it bounced back strongly from the adverse impacts of COVID-19 in 2020, with strong growth in cotton, rubber and wood products.

Leadership positions

Food & Feed

No.1
- Wheat miller in Africa
- Branded rice distributor in select African markets
- Edible oils merchant in South Africa
- Animal feed supplier in Nigeria
- Soybean shipper from Brazil to China

No.2
Rice merchant globally

Fibre, Agri-Industrials & Ag Services

No.1
Integrated cotton ginner in Africa

No.2
Cotton merchant globally

Leading
FSC®[1] certified natural hardwood concession

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

Innovation to serve smallholder catfish farmers

Nigeria's aquaculture sector has grown by over 20% CAGR in the last four years and our world-class aqua feed plant has nearly doubled the country's feed milling capacity, helped reduce the reliance on imported feed, and made quality affordable feed available to many farmers.

To meet local farmers' needs, we have harnessed our expertise to create an innovative high protein pelleted feed for Nigeria's earthen pond farmers.

Due to budget and a belief that it engenders better weight gain, sinking pelleted feed has remained popular amongst a section of earthen pond farmers despite its variable quality, high wastage, and tendency to pollute. In 2021, when raw material scarcity and high pricing threatened this market segment, our nutrition and engineering teams created a high protein pelleted feed offering maximum feed consumption, low wastage, and negligible water pollution.

Our resulting Alpha pelleted fish feed provides balanced nutrition and high-water stability – four times more than other products – at a price farmers can afford. Using a flour by-product from our Crown Flour Mills pasta line and a special pellet dye, it harnesses the best of innovation and cross-business unit collaboration to benefit farmers. Within three months of launch, sales crossed the 1,000 MT mark and today it has established a strong market share as a fast-growing branded aqua feed.

Invested capital increased by 24.5% or S$1.0 billion in 2021 primarily due to the significant rise in the Fibre, Agri-Industrials & Ag Services segment, which was largely caused by the decade-high cotton prices. Despite higher invested capital, overall EBIT/IC grew from 13.4% in 2020 to 15.9% in 2021 on the strong improvement in earnings.

Food & Feed - Origination & Merchandising

The Food & Feed - Origination & Merchandising segment of Olam Agri posted a revenue growth of 43.8% as a result of higher grains, rice and edible oils prices. Sales volumes were up marginally in 2021. Volume growth is expected to stabilise going forward in existing markets.

EBIT was up by 42.7% at S$266.9 million, raising margin per tonne from S$6 in 2020 to S$8 in 2021. Our grains origination and merchandising volumes in corn and wheat from Brazil and the Black Sea into Asia and Middle East, combined with strong customer relationships, disciplined risk management and good freight management, led to its improved performance in both top line and EBIT compared with the prior year.

The surge in rice exports from India amid the supply squeeze in the key producing countries in Asia in 2020 positioned us well for entering new markets, including North Africa and the Middle East during 2021 where there was a strong pick up in demand. Overall, our margins for rice were up, contributing to the significant improvement in EBIT for the segment.

Edible oils trading also contributed to the growth in EBIT as out-of-home consumption of edible oils largely resumed in Asia and Africa at pre-COVID-19 levels. The Indian ban on refined palm olein imports was also lifted in June 2021, boosting its results.

The increase in invested capital for the segment was a modest 4.7% or S$37.9 million in 2021 due to the recognition of right-of-use assets on freight vessels. The segment ended the year with an EBIT/IC of 32.1% against 34.7% in 2020.

Food & Feed – Processing & Value-added

The Food & Feed - Processing & Value-Added segment recorded a 4.8% increase in sales volume as we gained higher market share for grains, wheat milling and pasta, animal feed and proteins, edible oils processing, rice milling and distribution in 2021. Revenues surged by 30.2% primarily due to higher selling prices and market share growth.

EBIT rose by 9.6% to S$275.1 million in 2021 and margin per tonne increased from S$58 in 2020 to S$61 in 2021. Wheat milling and pasta manufacturing and the animal feed business performed well during the year as capacity utilisation across these operations and margins for poultry and fish feed manufacturing improved. Our branded and premium rice distribution business continued to enjoy all-round performance across markets in Africa, particularly in Ghana, Cameroon and Mozambique where we have built our own distribution networks along with a strong brand franchise. Amid growing local demand, our integrated rice farming and milling in Nigeria also fared better than 2020. Despite the ban on the import of crude palm oil (CPO) into Nigeria, our edible oil processing business was able to source CPO locally for processing and distribution to meet the increase in local consumption.

The good performance was however partly offset by the underperformance of the sesame business. The sesame business has since been restructured to focus on trading from selected origins and value-added processing in Nigeria.

Invested capital increased by 11.6% or S$214.9 million in 2021 as we expanded our rice inventory in Africa to ensure we could meet anticipated demand in the face of COVID-19 and supply chain disruptions. We also procured additional paddy at competitive prices to ensure certainty of feedstock availability for our expanded milling capacity in 2022. Overall, returns for the segment improved as EBIT/IC grew from 13.3% in 2020 to 14.0% in 2021.

Fibre, Agri-Industrials & Ag Services

Sales volume in the Fibre, Agri-Industrials & Ag Services platform grew by 10.7% in 2021 on higher cotton volumes while revenues went up by 30.9% on both volume growth and higher prices across most products.

EBIT more than trebled during the year to reach S$210.9 million. Strong recovery in cotton demand and the significant improvement in capacity utilisation of textile mills in the major textile producing centres, such as China, the Indian sub-continent, Vietnam and Indonesia, supported the recovery and growth of our cotton business. Australia's cotton production, which was affected by the drought in 2020, also normalised during the year, leading to higher ginning income compared with 2020. Its results were further enhanced by the integrated ginning operations with a strong full year contribution from Nouvelle Société Cotonnère du Togo (NSCT) in 2021.

The rubber processing business in Côte d'Ivoire benefited from improved volumes and margins as prices rebounded during the year. Our sustainable forestry concessions and saw milling operations in the Republic of Congo fared better than the year before as the demand for sustainable forestry products in developed markets improved with higher government spending for the construction sector, particularly in Europe. Commodity Financial Services had a steady performance in 2021.

As a result of the above, EBIT per tonne jumped from S$29 in 2020 to S$95 in 2021. Invested capital was significantly higher, rising by 50.6% or S$778.6 million during 2021. This was mainly due to working capital rising as a result of the decade-high cotton prices in Q4 2021 as well as the prepayment for cotton purchases to secure the contracts. Despite the increase in invested capital, EBIT/IC recovered strongly from a low of 4.6% in 2020 to deliver 10.9% in 2021.

Strengthening our responsible forestry capacity

Our wood products business has opened its third timber processing unit, a huge step forward in modernising our capabilities in the Republic of Congo. The new processing unit at our subsidiary Congolaise Industrielle des Bois (CIB) is one of the most advanced manufacturing operations in West Africa. It will process 2,500 m^3 of finished products per month, increasing our capacity to meet rising demand for sustainably certified wood products. Additionally, we have invested to upgrade and expand our storage, air drying, and workshops as well as constructing 75 houses for employees with a further 50 to be built in the coming years.

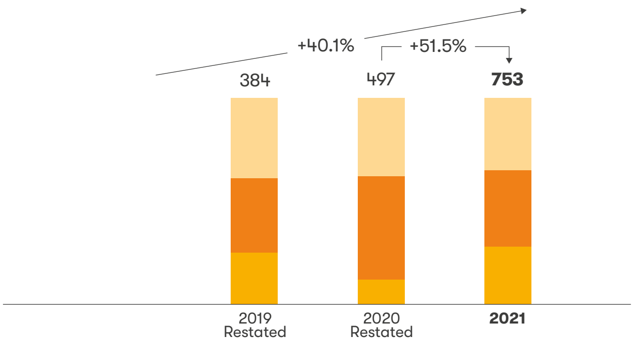
Sustainability is fundamental to our business, and CIB has maintained its FSC®[1] certification across all its natural forest concessions – in Pokola, Loundoungou, Enyelle and Kabo – a demonstrable commitment to responsible and sustainable forestry.

In 2021, CIB renewed its partnership agreement with the Ministry of Forest Economy (MEF) and the Wildlife Conservation Society (WCS) to protect the wildlife around the Nouabalé-Ndoki National Park in northern Congo. The National Park is a UNESCO World Heritage site, recognised for the importance of its animal and plant biodiversity. Since first signing in 1999, this agreement has created a crucial buffer zone, utilising ecoguards, biomonitoring, and community collaboration to protect the park's wildlife population – including critically endangered forest elephants, chimpanzees, and western lowland gorillas – and local biodiversity.

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

Highlights in 2021

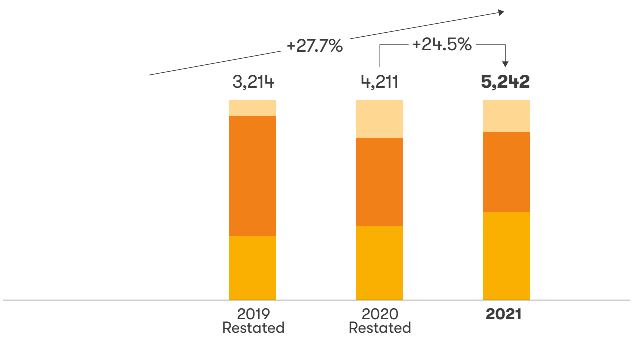
EBIT
(S$million)



	2019 Restated	2020 Restated	2021
Food & Feed – Origination & Merchandising	39%	38%	**35%**
Food & Feed – Processing & Value-Added	36%	50%	**37%**
Fibre, Agri-Industrials & Ag Services	25%	12%	**28%**
EBIT/MT (S$)	11	12	**19**

+48.9%

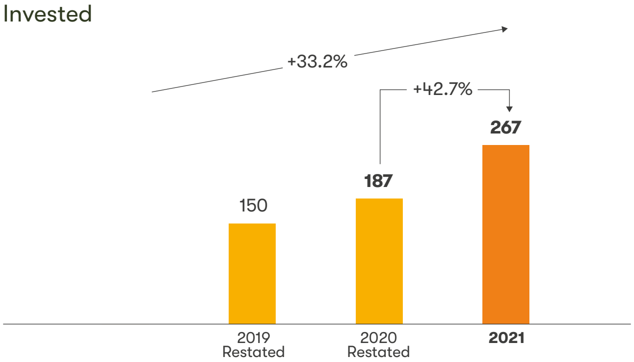
Invested Capital
(S$million)



	2019 Restated	2020 Restated	2021
Food & Feed – Origination & Merchandising	8%	19%	**16%**
Food & Feed – Processing & Value-Added	60%	44%	**40%**
Fibre, Agri-Industrials & Ag Services	32%	37%	**44%**
EBIT/IC	13.2%	13.4%	**15.9%**

Food & Feed – Origination & Merchandising

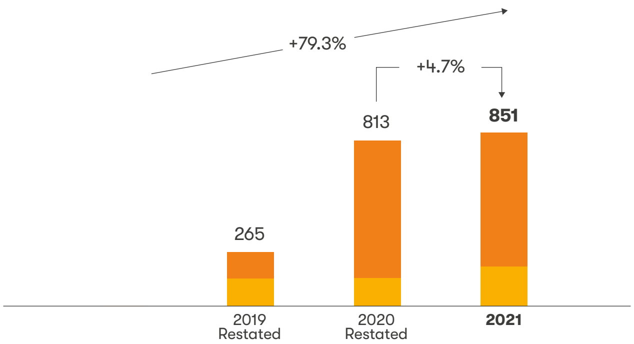
EBIT
(S$million)
Invested



	2019 Restated	2020 Restated	2021
EBIT/MT (S$)	5	6	**8**

+41.6%

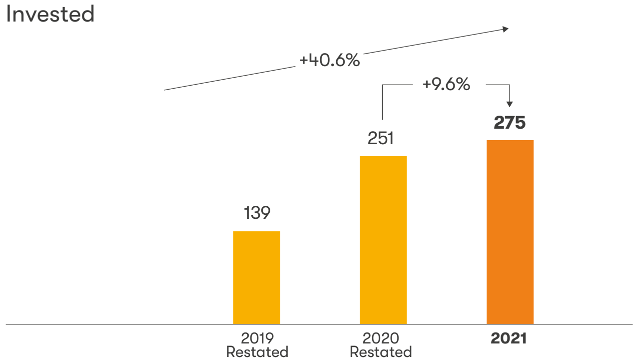
Invested Capital
(S$million)



	2019 Restated	2020 Restated	2021
Working capital	131	677	**657**
Fixed capital	134	136	**194**
EBIT/IC	42.1%	34.7%	**32.1%**

Food & Feed – Processing & Value-Added

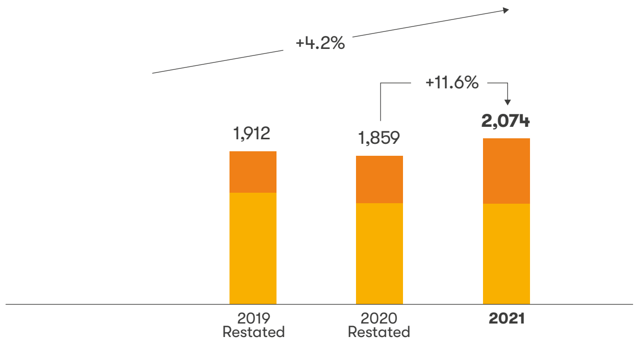
EBIT
(S$million)
Invested



	2019 Restated	2020 Restated	2021
EBIT/MT (S$)	42	58	**61**

+4.6%

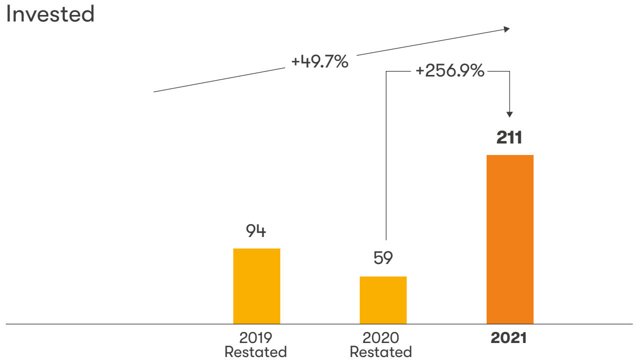
Invested Capital
(S$million)



	2019 Restated	2020 Restated	2021
Working capital	514	591	**816**
Fixed capital	1,398	1,268	**1,258**
EBIT/IC	8.6%	13.3%	**14.0%**

Fibre, Agri-Industrials & Ag Services

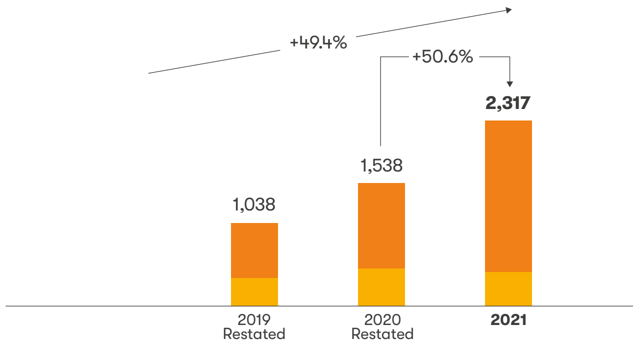
EBIT
(S$million)
Invested



	2019 Restated	2020 Restated	2021
EBIT/MT (S$)	47	29	**95**

+222.3%

Invested Capital
(S$million)



	2019 Restated	2020 Restated	2021
Working capital	689	1,073	**1,894**
Fixed capital	349	465	**423**
EBIT/IC	10.2%	4.6%	**10.9%**

Improving the lives of rice farmers in Thailand

Over 90% of rice in the world is consumed and produced in Asia. In Thailand (the third largest exporter of rice) 3.7 million farmers depend on rice cultivation to live. Despite its importance, most of these farmers live below the poverty line.

Since 2016, we have been actively involved in the Better Rice Initiative Asia to help farmers to improve their livelihoods. Training is provided by the Thai Rice Department, GIZ, and Olam and focuses on trusted quality standards and sustainable farming practices that include Good Agricultural Practices (GAP), Integrated Pest Management (IPM), and Sustainable Rice Platform (SRP). In addition, the project brings farmers together into cooperatives to give them more leverage to access services, share knowledge, and undertake joint marketing activities. The project also helps to reduce water use and lower carbon emissions.

Starting with 77 farmers in 2016, the project has helped more than 18,000 Thai rice smallholder farmers. They have lowered their production costs by 15% to 25% thanks to improved labour productivity, management of water, soil and nutrients, and more effective pest management. On average, these farmers have increased their income by 10% while reducing GHG emissions by 40%.

The project has given us renewed confidence in working closely with farming communities and governments to help them improve their cultivation practices so that they can live better lives. As Khampha Bunchansee, a Thai rice farmer who was interviewed about her experience in the trial phase said, “It was very easy to learn. I will use the extra money to invest in a tractor. If I can do it, anyone can. Everyone can come and learn.”

Q. Where do you see opportunities with the Food & Feed platform?

A. In the Origination & Merchandising segment, we continue to strengthen our core capabilities. We are identifying fast-growing production origins to source directly from local exporters and using our asset-light model to leverage third-parties’ storage and elevation capacity, as well as focusing on fast-growing trade corridors where we have competitive edge in origination and procurement, freight management and risk management. We have strengthened and expanded our ocean freight business, which has delivered an increase in volumes of almost 50% for our internal and third-party business combined over the past year. Our asset-light strategy allows us to be nimble, agile, cost efficient and responsive to market volatilities and supply disruptions when meeting market demands, without compromising on our ability to deliver on our commitments to our customers.

In the Processing & Value-Added segment, we are focused on food staples and products in Africa, Middle East, and Asia, where consumption is fast shifting from caloric to protein-based diets as urbanisation continues and disposable incomes increase. We are looking to drive more vertical integration in our branded rice business, expand our animal feed milling capabilities, strengthen wheat milling and pasta production and expand our product portfolio. In December 2021, we acquired a 10% stake with operational responsibility for a flour milling company privatised by the National Centre for Privatization and the Saudi Grains Organization. We are established as the leading miller in Africa and this acquisition supports our strategy to expand our wheat milling footprint in key markets across Africa and the Middle East.

Q. How are you positioned within the Fibre, Agri-industrials & Ag services platform?

A. The Fibre, Agri-Industrials & Ag Services platform, especially our cotton business, faced the worst impacts of COVID-19 in 2020 but there has been a sharp turnaround as most of the economies globally have begun their recovery, and we can look optimistically at the opportunities for growth.

We participate in selected upstream farming operations in Brazil, Australia and Africa, where we practice and promote sustainable agriculture to make a positive impact on production yields and smallholder livelihoods, thereby benefiting the farming, forestry and supplier communities.

We are firmly placed as one of the leading global cotton merchants and ginners and we believe there are opportunities to expand our integrated ginning model, which we are successfully implementing in Côte d'Ivoire, Togo and Chad, to new markets across Africa. Since we entered into partnership with the government in Chad in 2018, the cotton sector there has undergone a substantial revival with over 250,000 farmers planting cotton on 250,000 hectares. We believe there are significant opportunities for growth in other African markets that can deliver benefits to farming communities, as well as support agricultural and economic development.

In Australia, our Queensland Cotton business celebrated its 100-year anniversary in 2021 and we are sharing the learnings of our industry-leading cotton operations to provide custom product offerings, advice, and support to cotton farming communities in growing markets in Africa.

Rubber demand has been growing in 2021 and our operations in Côte d'Ivoire have been able to capitalise on greater demand from customers and secure larger contracts. With a stronger outlook, we are investing to double our factory capacity by 2023, as well as implementing 'Ocean insights' to provide greater supply chain visibility to customers. Similarly, we are seeing increasing demand in our wood products business, and we have increased capacity with the opening of our third manufacturing unit. One of the most modern processing units in West Africa, it will produce around 2,500 m^3 of Forest Stewardship Council (FSC®) certified finished products per month, to meet the growing demand for sustainable, certified wood products.

Our risk management services continue to strengthen with the introduction of new product solutions and expansion to establish a direct presence in China and the Central American and Andean (CA&A) regions. We have built the capability to provide hedging solutions referenced to onshore Chinese exchanges and are working on obtaining an OTC license to be able to provide our services directly to mainland clients in China.

A sustainable supplier of choice for quinoa and chia

Our specialty grains and seed business has invested to expand our capabilities and capacity to meet the growing demand for quinoa and chia seeds.

We have installed a crop dryer and automated retail packaging with an annual capacity of 5,000 MT at our BRC AA certified facility in Peru, where we supply customers with both bulk and retail packs. The packaging machine enhances our commitment to food safety as it requires no manual intervention, which is enabling us to serve more private label retail customers.

Over the last year, we added 18 new customers and are now supplying private label products to retailers, brands and packaging companies across North America, Latin America and Europe. Our high food quality and safety, along with our transparent, traceable and sustainable product, differentiates our business. We work closely with our growing communities to make a positive impact, with 2,080+ quinoa and chia farmers AtSource+ certified, and our organic supply chain totalling over 2,100 farmers.

We are honoured that our business has been selected as a flagship project by the Food Action Alliance for our work with local nutritionists, female farmers and farming communities. With support from USAID, we are training smallholder quinoa farmers to build their sustainable organic capacity, enabling them to achieve better yield and organic and AtSource+ certification.

Remaining Businesses of Olam Group

"We believe each of these three entities under the Remaining Businesses of Olam Group, namely Olam Ventures, Olam Technology and Business Services (OTBS) and Olam Global Holdco (OGH), all have strong potential to grow and create significant value on a sustained basis."

Sunny Verghese
Executive Director, Co-Founder & Group CEO

Q. Which businesses are included in the Remaining Olam Group and what are their intended future?

A. The businesses are:

- **Olam Ventures** – an independent incubator for our Engine 2 businesses and start-up growth initiatives focusing on our leading edge digital and sustainability capabilities. Currently, this includes Jiva (farmer services platform), Adva (sustainable lifestyle platform), Terrascope (smart carbon management – previously GreenPass), Re~ (purpose brand business in food), and a co-created food and agri-industry digital sustainability platform, built on our proprietary AtSource solution.
- **Olam Technology and Business Services (OTBS)** – delivers digital and technology services to each operating group and will utilise its capabilities to offer services to third-parties in the future.
- **Olam Global Holdco (OGH)** - holds and develops our gestating assets with a view to partially and/or fully monetise these assets over time and oversee the responsible divestment of our de-prioritised businesses and assets.

We are exploring strategic options for maximising the value of the Remaining Businesses of Olam Group.

Q. As part of the Re-organisation, why have these separate entities been established within Olam Group?

A. In the initial iteration of the Re-organisation Plan, we had envisaged an equity carve-out of the two new operating entities, **ofi** and Olam Agri with the majority being held by Olam Group and not a full spin-off and demerger as independent stand-alone entities. However, after evaluating the potential of the holding company discount in an equity carve-out structure, we changed our plan to a full spin-off of the new entities via an IPO and concurrent demerger. As a result, **ofi** and Olam Agri are on a path to being listed and demerged sequentially over a period of time.

We believe all of these entities have strong potential to grow and create significant value on a sustained basis.

Q. How did the Remaining Businesses of Olam Group perform in 2021?

A. The results of the Remaining Businesses of Olam Group are reported across three segments De-prioritised/Exiting Assets, Gestating Businesses (which include OTBS) and Incubating Businesses (Olam Ventures).

We continued to see top line decline as sales volumes fell by 18.1% in 2021 post the divestments and closures of de-prioritised assets, including the shutdown of Olam Tomato Processors (OTP) and the restructuring of NZ Farming Systems Uruguay (NZFSU) in 2021, the exit from sugar refining in Indonesia and the disposal of one of our two sugar mills in India in 2020. However, revenues were down just slightly, helped by higher prices during 2021. It ended the year with EBIT losses of S$205.6 million (2020: -S$177.0 million) as it continued to invest in developing Gestating Assets to maturity and incubating the new Engine 2 initiatives.

Invested capital decreased by 18.0% or S$564.7 million primarily on divestments, closures and the related restructuring.

De-prioritised/Exiting Assets

The reduction in losses for the De-prioritised/Exiting Assets from S$34.7 million in 2020 to S$26.5 million in 2021 was primarily due to lower operating losses from NZFSU and the wood products business in South East Asia, and higher profits from edible oil processing in Mozambique.

Approximately S$359.3 million in invested capital was released during 2021. By end of 2021, we have fully exited most of the de-prioritised businesses and are expected to complete the divestment of the remaining seven assets by end of 2024.

Gestating Businesses

Gestating Assets reported higher losses at S$102.1 million (2020: -S$86.5 million) due to the rising period costs incurred by Olam Palm Gabon (OPG) as its plantations reached maturity levels, although some of these costs were offset by packaged foods business' better performance. Packaged foods reported higher volumes, revenues and margins. Most of its product categories improved their market shares across both Nigeria and Ghana.

Highlights

9,000+
employees

7,500+
secondary workforce

2,560+
customers

6
engine 2 initatives

Largest
fully RSPO-certified palm plantation in Africa

The ARISE infrastructure and logistics businesses, however, continued to be affected by the COVID-19 restrictions and the associated economic impact on the region's ports, logistics and industrial sectors. The ARISE group's airport, general cargo and mineral cargo operations had therefore been operating below capacity since the onset of the pandemic, resulting in an overall weaker performance by the segment. By mid-2022, we expect to complete our exit from the ARISE IIP and ARISE IS with our remaining stake in ARISE P&L targeted to be fully divested in 2022.

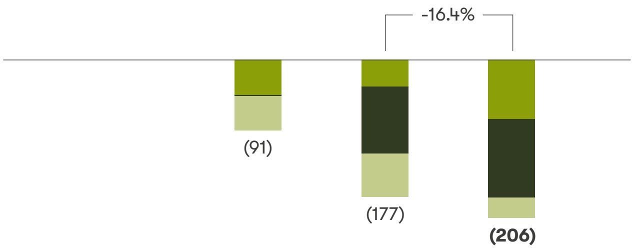
Invested capital in Gestating Businesses came down by 9.9% or S$219.0 million mainly on depreciation and currency translation impact.

Incubating Businesses

We continued to invest and make good progress in incubating the six Engine 2 growth initiatives through Olam Ventures, including a digital farmer services platform Jiva, a B2C sustainability lifestyle platform Adva, a B2B smart carbon management platform Terrascope (previously and provisionally GreenPass), a carbon trading and sustainable landscapes investment platform, the Re~, B2C purpose brands business, and a food and agri-sector digital and sustainability platform, built on our proprietary AtSource solution.

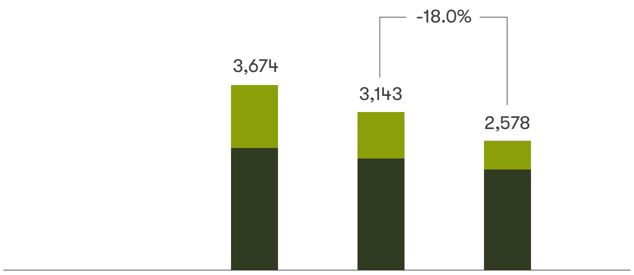
Highlights in 2021

EBIT
(S$million)



	2019 Restated	2020 Restated	**2021**
De-prioritised/Exiting Assets	(46)	(35)	**(27)**
Gestating Businesses	(1)	(87)	**(102)**
Incubating Businesses (including corporate adjustments)	(45)	(56)	**(77)**

Invested Capital
(S$million)



	2019 Restated	2020 Restated	**2021**
De-prioritised/Exiting Assets	1,251	923	**564**
Gestating Businesses	2,423	2,219	**2,000**
Incubating Businesses (including corporate adjustments)	0	0.5	**14.2**
EBIT/IC	(2.4%)	(5.2%)	**(7.2%)**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Olam Ventures, an independent incubator for start-up initiatives

Olam Ventures brings together our Engine 2 businesses, and acts as an independent incubator for start-up growth initiatives focusing on twin engines of digital and sustainability.

Suresh Sundararajan
CEO, Olam Ventures, &
Olam Technology Business Services

Ramanarayanan Mahadevan
CEO, Jiva

Siddharth Satpute
Senior Vice President, Digital & New Ventures

Rahul Verghese
President, Purpose Brands

Q. What is Olam Ventures focused on?

A. Olam Ventures is focused on identifying, nurturing and growing exciting, next-generation growth opportunities – or what we term as Engine 2 businesses - as part of the Olam Group's Strategic Plan. It is Purpose-led, leveraging Olam's assets and capabilities, and has the potential of being successful independent businesses.

These ideas were born out of Olam's digital transformation journey that began in 2017. The past five years have seen us develop a suite of supply chain solutions – both farmer and customer-related - and some of them have become truly industry-leading. These include AtSource, Olam Direct and the Olam Farmer Information System, which have matured well and have become widely embedded into Olam's businesses. Olam Ventures is set up to pursue some of the ideas from this journey as separate business ventures – building them into something broader and unconstrained by Olam's current portfolio of businesses. Olam Ventures brings together our leadership in sustainability, successful experiments with technology and our attitude of being an insurgent.

Currently, Olam Ventures is focused on Jiva, Re~, Terrascope, Adva, and a co-created sustainability platform, built on our proprietary AtSource solution.

Q. What is your approach and criteria to assessing an idea?

A. The primary concept behind Olam Ventures is to explore ideas and innovations intersecting within the golden triangle of agriculture, sustainability and technology. We are always asking ourselves: "What do we have that others don't?" How can we leverage these to create impact for profit?

We focus on the agribusiness space to see how we can expand an idea or provide the breakthrough needed to transcend supply chain challenges. Not everything has to be 'new' – there are some fundamental needs for our sector to tackle and improve on at scale: such as digitisation of the supply chain, engaging directly with farmers, solving first-mile logistics, and ensuring crop resilience.

While we have developed many of our own opportunities over the last few years, we are open to exploring opportunities with partners. We have cultivated deep relationships with many Venture Capital firms, start-ups and incubators and we are optimistic that we can further develop these relationships to collaborate and develop new ideas together as we chart a new path forward.

Q. How do you compete with other start-up ventures to attract talent?

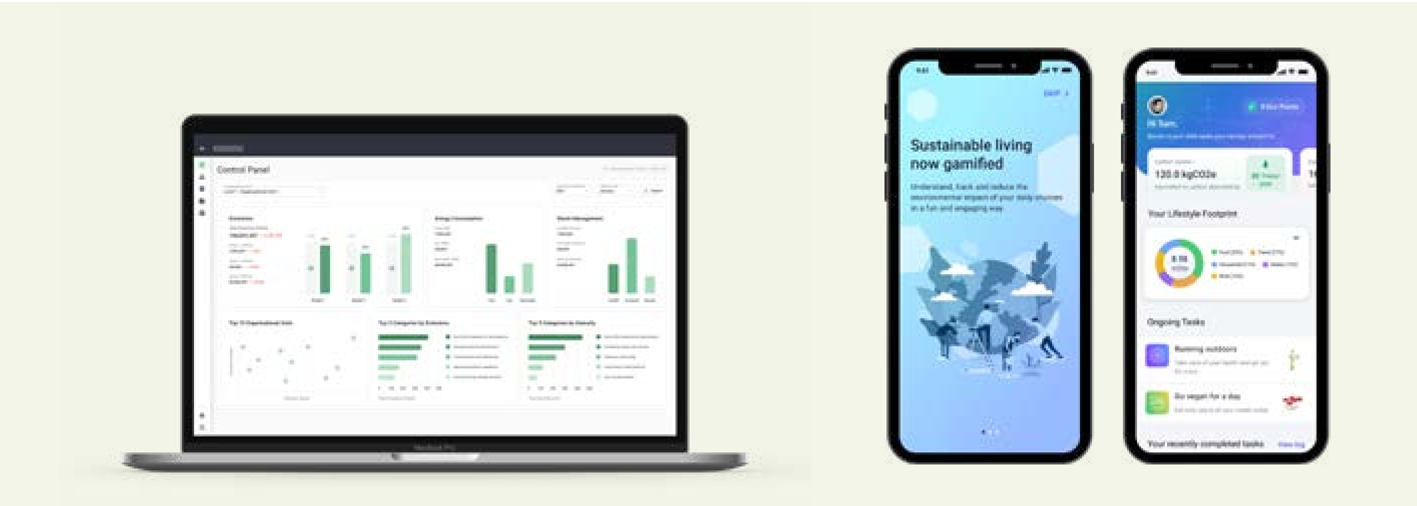
A. Fortunately, we have been able to attract high-calibre talent for our ventures, whether it is Jiva, Re~, Adva or Terrascope, and see strong responses to the positions available because of the power of our ideas and ambitions and the purpose of these ventures; they reflect that we can attract talent with the skills and passion to develop businesses and tackle key issues in the agriculture and sustainability sectors.

One major source of continuing talent for us as Olam Ventures grows will be from our current ventures; we have been developing our people and we believe we have a strong talent pipeline that will be able to assume bigger challenges and further responsibilities within the organisation.

Q. What have you achieved in the last 12 months and what is in the pipeline?

A. Each of our ventures is at a different phase of their journey and has made progress over the past 12 months. While we have ambitious goals for them, they are all still relatively early in their growth journey and their progress should be seen from a longer-term perspective.

- Jiva - we are pleased to have been able to ramp up our operations significantly in India, and Indonesia, and have completed two seasons successfully. Moving ahead, we are targeting strong top line growth, increasing the number of participating farmers and exploring adjacent commodities, expanding a suite of services and new markets.
- Terrascope - the opportunity is clear in that increasingly companies will want to measure and decarbonise their operations. We intend to move forward on three pilots with companies from different sectors in the year ahead. As we build up more capacity and bandwidth, we will consider further collaborations with more companies. Terrascope will demystify carbon measurement and management for companies providing a simple yet powerful tool to help them in this journey.
- Re~ - has launched a new set of food brands in Singapore initially, that are Purpose-led and sustainable.
- Adva - we are determining the optimal path ahead. The key to encouraging individuals to take action on their carbon footprint is to make the science less daunting, and incentivise users to take positive action to reduce their carbon footprint through mini climate-positive missions.
- We continue to explore opportunities and collaborations to develop an externalised digital sustainability platform built on our successful proprietary AtSource platform.



Helping companies and individuals accelerate their decarbonisation journey

Terrascope

We have utilised our deep, first-hand experience of the challenges faced by companies in their decarbonisation journey to provide a digital platform to enable companies to measure, monitor, manage and verify the impact of their climate action strategies.

Developed internally, Terrascope builds on the sustainability work we have been engaged in over the past two decades and leverages the digital tools we have developed, such as AtSource. It stems from the Singapore Emerging Stronger Taskforce's (EST) Alliance for Action on Sustainability and our partnership with the Monetary Authority of Singapore's (MAS) Project Greenprint, which aims to enable a more open, trusted and efficient ecosystem to support the financial sector's sustainability agenda.

Many current carbon measurement approaches are not sufficiently comprehensive, particularly to meet companies' need to measure external emissions produced along their supply chains (Scope 3), which typically – and crucially – make up the bulk of their carbon footprint. Terrascope leverages Olam's existing carbon accounting expertise alongside internal and external databases to better measure, manage/abate, verify and collaborate on carbon emissions. It offers an easy-to-use, end-to-end emissions measurement tool that can apply across industries to help establish clear baselines and identify potential hotspots, as well as modelling a carbon reduction roadmap that can track progress.

Terrascope has successfully been implemented within Olam and has already impressively shown data measurements that are more comprehensive, accurate and less time consuming than previous approaches.

The platform allows companies to complete their entire greenhouse gas (GHG) emission footprint within an average of six weeks, which is five times faster than a typical exercise. We are in the process of piloting this platform with a number of other corporates as well.

The platform will help create greater transparency so companies and their stakeholders can be sure that they are making verifiable real impact. We believe that this will accelerate more comprehensive ESG data and help drive greater mobilisation of Green Finance.

Adva

Adva is a sustainable lifestyle app for consumers who want to live in an environmentally friendly manner and need some practical guidance. It is built around gamified experiences to promote and reinforce sustainable choices with rewards and contextual nudges, providing a clear action plan towards mitigating an individual's environmental impact. To date, the app has been launched in Singapore and India, and downloaded by circa 7,500 users.

In addition to consumers, we are working with a small selection of our customers to explore rolling out across their organisations. Our research shows HR, Communication and Sustainability teams view Adva as a differentiated engagement tool to raise awareness of sustainability topics among employees and reinforce the importance of personal actions. The footprint calculator also helps employers assess the employees' carbon impact on their corporate footprint and achieve some of their own sustainability targets.

Re~, celebrating sustainable behaviour one consumer at a time

A year since it started, Purpose-driven start-up Re~ continues its journey to offer consumers healthy, all-natural and minimally processed plant-based food that is good for farmers, communities and the planet.

Re~ offers a selection of premium products that include muesli, cashew butter and a variety of nuts – whose major ingredients are sourced directly from Olam's sustainable supply chains and can be traced back to their origins, connecting the consumer to the farmer. All products are free from preservatives, artificial flavours, GMO, peanuts, lactose, gluten, soy and cane sugar.

Focused on Singapore consumers, Re~ is responding to many health-conscious, sustainability-aware consumers who want to understand more about the food they eat and where it comes from.

This growing group of consumers is driven by a need to protect the planet, which in essence emboldens Re~ to make sustainable behaviour the new normal. In addition to keeping its food all-natural, the start-up avoids plastic packaging and uses 100% recyclable pouches for all products[1]. Re~ works closely with farmers and their communities to help them grow and live happier lives.

1. Re~ is the only mass brand in Singapore to have a 100% recyclable pouch in the nuts category. We are aiming to have all our products in 100% recyclable packaging and in the future to evolve to compostable packaging.

Jiva, a digital platform for smallholders

Leveraging Olam's smallholder supply chain capabilities and expertise in innovative Ag-tech, we have accelerated the roll-out of our digital smallholder farmer platform, Jiva.

Jiva is designed to solve critical challenges facing smallholders by offering key services to farmers: digital loans, app-based ecommerce for farm supplies, personalised agronomic advice and the opportunity to sell crops at harvest. In the global pandemic, Jiva's ability to offer critical services at the farmgate reduced farmers' need to travel and minimised virus exposure during movement restrictions.

In Indonesia, Jiva surpassed 60,000 registered farmers across South Sulawesi and expanded to East Java with 47,000 metric tonnes of crops purchased and more than US$1.4 million in financing to more than 5,000 farmers.

This increase has spurred 180 new hires in Singapore, India, and Indonesia and over 1,100 new on-the-ground agents aiming to transact with 1 million farmers in Indonesia by 2025.

The technology is evolving, and the team is working on building technologies to diagnose pests and diseases and plan maturity through image recognition. The platform is continuing to improve supply chain efficiencies at scale and drive simpler and more intuitive interface for farmers and agents.

Olam Technology Business Services

Drawing on our many years of understanding, building and supporting the Olam Group, Olam Technology and Business Services (OTBS) has a unique portfolio of offerings for clients in the food and ag space. Its expertise spans core areas of Technology services, Cybersecurity, Digital and Global Business Services covering the entire spectrum of operations from farm to fork.

Suresh Sundararajan
CEO, Olam Ventures, &
Olam Technology Business Services

Siddharth Satpute
Senior Vice President, Digital & New Ventures

Thiagaraja Manikandan
President & Group CIO

G Venkataramanan
Head of Olam Global Business Services

Venkatesh Subramaniam
Group CISO & Privacy Head

Q. What is the vision behind creating OTBS as a separate business?

A. When considering structure and needs as part of the Re-organisation, the decision was taken not to embed the capabilities under OTBS within each of the operating groups. This would have been more expensive, time-consuming and complex. Instead, we recognised the opportunity to create a separate entity that would provide structure and support to each of the operating groups and allow us to develop a new business that would draw on our accumulated expertise in the agri sector.

We see OTBS as a vibrant organisation where we can be different, focused and proud of what we do. We're not going to be like any other large IT company; our experience of, and focus on, the agri sector provides a clear purpose to our offering.

There's an imperative to bind employees together in terms of what they're doing – and by bringing their accumulated expertise to focus exclusively on the agri sector, they can continue to help work towards improving the lives of farmers and communities and global food security.

Many people within and outside of OTBS are excited by the prospects and scope we have to design our future as an independent entity.

Q. How will OTBS address the challenge of winning and servicing third-party clients going forward?

A. We can understand that some companies might initially be hesitant, but the separation as part of the Re-organisation is establishing OTBS as an independent entity. We believe that as we continue on our Re-organisation, companies will appreciate that we are independent but are able to apply some of the best learnings and expertise gained from our experience with Olam.

Our Digital vertical offers one prime example. We have developed a suite of digital solutions that have been implemented by Olam - Olam Direct, Olam Farmer Information System, and Olam Markets. All the experience that went into these tools can be leveraged for other companies. Any company that wants to buy from a farmer – whether apples, tomatoes, oranges, cocoa, or coffee - can look at the success of these tools and see the potential value offered by adapting them for their own requirements.

We recognise that global business services is a competitive sector. There are many competitors, but we have developed some unique capabilities in financial reporting and management and if we can create strategic partnerships with other companies that can bring in complementary strengths, we will create new business opportunities.

Major IT services companies' strengths lie in their deep experience across project management, implementation, support maintenance, and continuous business implementation initiatives. We have developed our strengths across our core areas, because over the years, we have not outsourced much of our work, which means we have accrued and kept our experience and expertise internally within OTBS.

Even for Cybersecurity, we have developed first-hand experience of creating the security function at Olam from the ground up, developing a strategic roadmap. We have developed a team with expertise that can consult and support small or large organisations on how to start the cybersecurity journey; about how to create governance, and how to protect their critical assets.

Q. What will be the biggest challenges for the team and the management going forward?

A. One important factor is talent acquisition and retention; that's vital to any organisation at any time but more so when we are transitioning in the way that we are. This is a highly competitive market but with highly attractive prospects. We need people to be excited about the purpose of OTBS and the future we are creating together.

Another focus area is to strengthen processes and governance. Our people are used to working with counterparts as their colleagues and peers, but now we will have to learn to work together as a third-party. So, we have been emphasising building and maintaining relationships to underpin our brand equity – after all, if you drop the ball and do not deliver, there are ramifications. So far, we've been doing well but if there are project overruns, project delays in the future, we will be held directly accountable.

One other thing we are aware of is that we must address our capability gaps. We are still a young organisation, and we need to establish and build on various business functions, for example in sales and marketing and business development. These are essential for any IT services organisation to grow, and we have identified what we need to do to create these capabilities and a plan to make it happen.

Olam Global Holdco

Olam Global Holdco holds and develops our gestating assets with a view to partially and/or fully monetising these assets over time, and overseeing the responsible divestment of our non-core de-prioritised businesses and assets.

Darshan Raiyani
President & Global Head, Gabon Plantations

Mukul Mathur
President & CEO, Caraway, & Regional Controller, Nigeria

Gagan Gupta
Managing Director & CEO, Infrastructure & Logistics, & Regional Head Central Africa

ARISE, Supporting infrastructure and economic development in Africa

ARISE has established itself as a major industrial ecosystem developer and operator of large-scale infrastructure projects in Africa. Through impactful partnerships with governments and both local and global investors, ARISE has transformed local infrastructure to unlock value and create new industries across the continent.

Since the launching of the GSEZ Nkok Industrial Zone near Libreville in Gabon in 2010, ARISE has leveraged its expertise to support the official launch of PIA in Togo in June 2021, which is expected to be operational in 2022, while the construction of GDIZ in Benin was kickstarted in February 2021. An agreement has also been reached to open a second industrial zone, GSEZ Ikolo, near Lambarene in Gabon.

Backed by shareholders Africa Finance Corporation and Olam, ARISE manages special economic zones which are rapidly expanding across a variety of African countries. The ARISE group operates under three distinct verticals – ARISE Integrated Industrial Platforms (ARISE IIP), ARISE Infrastructure Services (ARISE IS), and ARISE Ports & Logistics (ARISE P&L).

In February 2022, we announced definitive agreements with the Africa Transformation and Industrialization Fund, a management-led buy-out group, for the sale of our remaining equity stakes in ARISE IIP and ARISE IS. Subject to customary closing conditions, the transaction is expected to close in Q2 of 2022. Our remaining investment is a minority 32.4% stake in ARISE P&L.

Olam Palm Gabon, Setting a benchmark for sustainable palm production in Africa

Olam Palm Gabon (OPG) – a joint venture with the government of Gabon – achieved the milestone recommendation for certification for all its palm plantations this year, becoming the largest fully certified RSPO player in Africa. It underlines its sustainable and responsible approach to production and to conserving the unique ecosystems, including equatorial forests.

In 2021 the business delivered 34% year-on-year growth in yields. Net volumes of crude palm oil (CPO) were close to 100,000 tonnes including 22,000 tonnes of refined palm oil. The business strengthened its customer relationships and retained its preferred supplier status for customers in Europe and Cameroon. A third palm oil mill has been commissioned, which will increase processing capacity to meet the future increase in yields. Supply chain facilities are being enhanced to offer fully segregated as well as identity preserved palm products.

The business also initiated a two-year project to implement sub-surface drip irrigation for 23,089 ha of planted area to improve yields. This is the largest irrigation project in palm plantations in the world. The introduction of mechanical spraying improved productivity eight-fold. One third of the plantation was included in 2021, to be extended to half the plantation in 2022. Productivity and efficiency are being enhanced by the construction and repair of 1,700 km of roads for efficient crop transportation.

Over 97% of the circa 4,000 workforce is Gabonese and the focus on developing local talent to assume supervisory and managerial roles is delivering positive results. In 2021, the number of Gabonese nationals in estate manager positions increased to 58% with a further 32% of critical positions held by local talent.

Caraway, winning with consumers in West Africa

Our packaged foods business, Caraway, operates in the Culinary and Snacks categories. Our aspiration is to 'Surprise and delight the West African consumer through loved brands that offer tasty and nourishing food!'.

We have market leading positions in the countries where we participate, and a focused portfolio and strong Master Brands. Over the past year the business has performed well, delivering robust growth and increased market share across its product categories.

The continued growth of our Master Brands in 2021 can be attributed to:

- **Deep consumer insights** translated into relevant communication, unique experiential activations and enticing packaging.
- **Added value to existing brands** such as fortifying FreshYo drinking yoghurt, reducing sugar in biscuits while maintaining the taste and improving product performance, for example Tasty Tom Jollof Mix in Ghana.
- **Premiumisation** of the portfolio with launches such as Perk Shortbread in 2021.
- **Enhanced value for consumers** by re-engineering products to make them more affordable without compromising on product performance, which became increasingly important during this challenging economic period for consumers. Caraway has introduced portion packs during the year to drive penetration for premium offerings like Pure Bliss Wafers.
- **Go-to-market structure changed from category-based, to geogrpahy-based**. We have started the journey of moving from category wholesalers as distributors, to key distributors. We have implemented new digital systems to drive secondary sales, improve productivity and our capability for in-outlet execution.
- **Improved quality and stability of our supply**, by strengthening our sales and operations planning, and procurement processes to ensure continuity of production and the agility to respond to changes in demand in the wake of global supply chain issues.

Other significant activities in 2021 included:

- We commenced tomato farming and a farmer outgrower programme in North Nigeria to reduce our reliance on imports for our tomato paste range. We will start sourcing from our own farms and 1,500 farmers from 2022.
- We had our first full year of operation in Côte d'Ivoire where we established our biscuits portfolio.
- Our Culinary Application Centre was opened in Lagos, Nigeria, working along with our Innovation Centre in Bangalore, India to develop new products.
- Our manufacturing team continued to focus on ensuring our practices are world class, addressing key areas of food safety, quality, productivity, and cost control.
- We continued to support our employees and focus on their health and well-being. In addition, we intensified our capability building efforts across functions.

Risk management

Olam's Risk Office monitors and controls the key risks (trading risks such as price and basis risk, credit risk, counterparty risk and transactional currency risk) across the businesses.

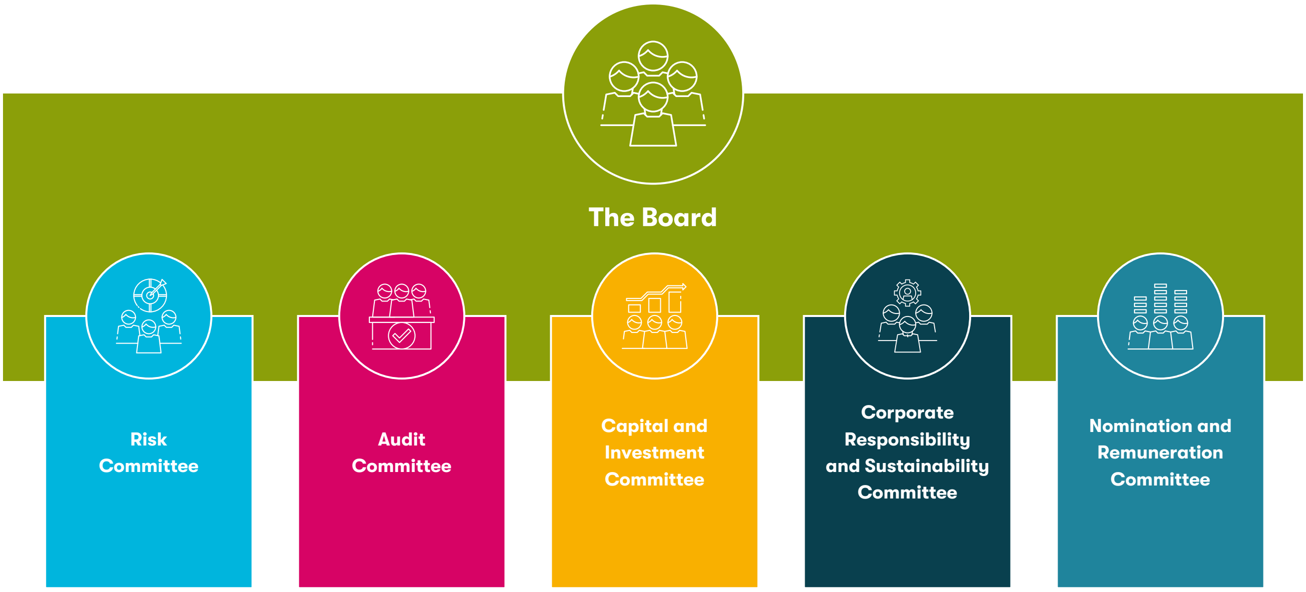
The Group tracks 52 risks across 11 categories. Of these, strategic risk is monitored and overseen by the Board. Each of the other 51 risks is monitored by a specific function and overseen by a specific Board Committee, and assessed on the likelihood of occurrence and potential impact on three-point scales (high/medium/low). Additionally, potential impacts on earnings are estimated for 16 of the 52 risks which are considered as quantitative.

The Internal Audit function collates inputs from the relevant functions every quarter for presentation to and discussion by the Board, Board Audit Committee and Board Risk Committee. The risk assessments assist the Board with identifying the main risks and their associated processes, systems and mitigation plans.

The Risk Office monitors and controls trading risks, credit risk, counterparty risk and transactional currency risk. Value-at-Risk (VaR) is measured for trading risks and transactional currency risk. The table on the following page provides an overview of how the Group mitigates each risk and whether it has stayed stable, increased, or decreased over the year.

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 the Group, Chief Risk Officer roles have been established for both **ofi** and Olam Agri.

Five Board Committees oversee risk management



Principal risks and ownership matrix

Risk type	Ownership and sub-risks	Mitigation	Developments in 2021	Risk status
Trading Risks	Risk Committee • Price Risk • Basis Risk • Structure Risk • Arbitrage Risk • Liquidity Risk	The Board sets Group-level risk envelopes (including market risk VaR) as part of the annual risk budgeting exercise. The Risk Office allocates risk limits across businesses and tracks exposures for adherence to set limits. The Group hedges price risk on various futures exchanges across the world.	Demand for agri-commodities was robust through the year. This drove a general increase in prices, with coffee and cotton the largest gainers. The strong demand supported basis levels in the futures-traded commodities. Freight rates increased sharply due to supply issues and other constraints caused by the pandemic.	Stable
Operational Risks	Risk Committee • Credit Risk • Counterparty Risk • Transactional Currency Risk	The Board sets Group-level risk envelopes (including nominal credit and counterparty risk limits) as part of the annual risk budgeting exercise. The Risk Office allocates limits across businesses, and on individual parties, set in accordance with defined approval hierarchies. The Risk Office tracks exposures. Credit insurance, bank guarantees, post-dated cheques and cash advances are employed as risk mitigants.	Supplier and customer performance was strong, driven by high prices and robust downstream demand.	Stable
	Audit Committee • Stock Risk • Quality Risk • Fraud Risk • Systems and Controls Failure Risk	Documented procedures and audit programmes are in place to ensure physical inventory verification in terms of quantity and quality, grade, age, shelf-life and liquidity; that procedures for payments, receipts and confirmations are properly implemented and governed to ensure fraud risk is mitigated.	We continued remote working for several locations, increasing some vulnerabilities to fraud risk and supply chain disruptions. The Group was able to implement control measures and leverage its digital/IT capabilities to enhance remote oversight, coverage and continuity.	Stable
	Capital & Investment Committee • Project Execution Risk • Asset Utilisation Risk	A thorough analysis of the project economics is undertaken to stress and evaluate potential impacts to project returns; documented procedures exist to ensure functional buy-in from all relevant stakeholders; asset utilisation risk is mitigated through procedures and protocols which govern operational excellence.	The Global Pandemic continued with different regions imposing limitations to the movement of people and goods. Most of the processing assets were able to obtain exemptions from local lockdowns and/or remained operational throughout the year. Investments in facilities and equipment continued as far as possible.	Stable
Currency Risks	Risk Committee • Transactional Currency Risk Capital & Investment Committee • Translational Currency Risk	The Group's functional currency is the USA Dollar, which is also the dominant transactional currency. The Board sets Group-level risk envelopes (including transactional currency risk VaR) as part of the annual risk budgeting exercise. The Risk Office allocates risk limits for transactional non-USD exposures across businesses, and tracks exposures for adherence to set limits. The Group accesses spot and forward FX markets as well as local currency borrowings to hedge transactional currency risk.	Currency markets were generally less volatile during 2021.	Stable
Agricultural Risks	Corporate Responsibility & Sustainability Committee • Weather Risk • Pests and Diseases Risk • Agronomy/GAP (Good Agricultural Practices) Risk	To mitigate risks, such as weather, disease, yields, which can impact agricultural production and development, we work in our managed concession and farms and with producers on mitigation and adaptation measures, such as good agricultural practices to optimise resources and we are exploring climate smart agricultural practices. We seek to improve wider understanding of issues in the agri-complex amongst stakeholders.	COVID-19 restrictions continued to create disruptions to the work required on some of our upstream assets. We overcame these through appropriate social-distancing, safety, health and hygiene protocols. We continue to work with producers to promote good agricultural practices to optimise resources and yields, and to adopt climate smart agricultural practices.	Stable
Political and Sovereign Risks	Risk Committee • Duty, Tariff and Export/Import Ban • Asset Nationalisation Risk • Selective Discrimination Risk • Forced Abandonment Risk • Terrorism/Kidnapping Risk	The Group has a deep-seated presence in many of the countries in which it operates, built over many years, and has consequently gained substantial knowledge of local practices. The Group maintains global political risk and terrorism risk insurance.	The COVID-19 crisis has led to a number of countries suffering in some cases severe financial stress due to political weakness, high debt burden, chronic economic stagnation and banking crises. We are very closely monitoring the situation regarding the short-term impacts and potential longer-term implications as a result of the Russia-Ukraine conflict.	Increased
Capital Structure and Financing Risks	Capital and Investment Committee • Interest Rate Risk • Funding Liquidity/Margin all Risk • Credit Metrics Risk • Activist Investor Risk • Short Seller Attack Risk	The Group has a strong base of long-term shareholders. The Company maintains strong banking relationships, providing committed banking lines, thereby assuring good liquidity.	The Group continued to access diversified pools of capital in 2021 across Singapore, USA, Japan and Europe. It also secured an AtSource-linked financing facility as well as the Group's first SOFR-linked club loan. In addition, the Group put in place substantial financing facilities to facilitate the overall Re-organisation plan.	Decreased

Risk type	Ownership and sub-risks	Mitigation	Developments in 2021	Risk status
Reputational Risks	Corporate Responsibility & Sustainability Committee • Social Risk – Economic Opportunity • Social Risk – Safe and Decent Work • Social Risk – Safety and Health Risk • Social Risk – Food Safety and Product Recall Risk • Environmental Risk – Climate Action • Environmental Risk – Healthy Ecosystems • Environmental Risk – Water • Environmental Risk – Healthy Soils • Environmental Risk – Waste	Our brand and reputation are vital to maintaining trust and engagement with our stakeholders, such as employees, customers, investment community, suppliers, partners. To strengthen our ethical and compliance standards, and to meet environmental and social standards, which may impact our reputational risk, the Group has a suite of policies, codes and standards which include the Olam Code of Conduct; the Olam Crisis Escalation Procedure; the Olam Fair Employment Policy; the Anti-Bribery and 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). Read more on page 64.	We proactively maintained ongoing engagement with our stakeholders, and awareness and application of our policies and procedures. COVID-19 and the social disruptions engendered by the pandemic raised some further interest about the impact on smallholder farmers and suppliers, in particular lower income and higher risks on food security, and child-labour risks in specific origins. We have continued to engage with stakeholders, and monitor these issues, sharing updates on actions we are undertaking.	Stable
Regulatory and Compliance Risks	Risk Committee • Market Compliance	The Group's Market Compliance Office is a global function whose role is to ensure that the Group is fully compliant with regulations as they apply on the world's listed derivative exchanges.	The new USA administration continues to fill vacant executive federal agency leadership positions such as the CFTC and SEC. Previously revised CFTC futures position limit and hedge exemption rules were implemented in 2021 and Olam continued to operate within the new requirements in these markets. We anticipate the USA regulatory regimes, as well as other global markets in which Olam participates, will continue to maintain their status quos.	Stable
	Audit Committee • Bribery/Corruption Risk • Other Regulatory Risk • Transfer Pricing Risk • Taxation Risk	Olam has in place a comprehensive Ethical Business Programme (EBP) which includes policies relating to Bribery and Corruption, Conflicts of Interest 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.	We have continued to make appropriate improvements to the programme in line with best-in-class standards.	Stable
Natural Perils	Risk Committee • Pandemic Risk • Fire Risk • Flood Risk • Earthquake Risk • Hurricane/Typhoon/ Storm Risk	The Group maintains insurance cover against risk of natural disasters, such as flood, fire, earthquakes and storms.	We continued to monitor risks and maintain localised business continuity plans and drills where relevant. The CMC continued to operate and was responsible for ensuring business continuity in relation to the pandemic through the management of policies and protocols to promote increased safety and health awareness, rotational working and to ensure the Group's operations were able to continue.	Stable
Other Risks	Audit Committee • Cybersecurity Risk • IT Risk	The Group employs IT security experts, as well as having in place IT cybersecurity infrastructure to mitigate against electronic viruses, ensure currency of software deployed throughout the Group and employing data leakage prevention controls.	As many of the Group's employees worked from home for significant proportions of time, the Group's IT and digital capabilities were leveraged to ensure that the sharp increase in online working could be properly monitored such that cybersecurity risks were minimised.	Increased
	Nomination and Remuneration Committee • Key Persons Risks	Succession plans are in place to provide a second line of leadership from within the Group's Operating Committee and Management Committee.	New organisational structures for operating groups have been developed to support the Re-organised group including a second line of leadership with a balanced representation across the various businesses, regions and functions.	Stable
Strategic Risks	All strategic risks are overseen by the offices of the GCEO and CEO, and by the Executive Committee.			

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

As a leading agribusiness 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.

Olam, along with fellow members from the World Business Council for Sustainable Development – Stora Enso, Nestlé, Unilever, Syngenta, Mondi, and PwC – produced a TCFD guidance document for the agribusiness sector, 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 2021 we completed Phase I of our comprehensive Climate Change Scenario Analysis project, covering the upstream orchards, plantations and farms we own and/or operate.

The objectives of this ongoing project are three-fold:

- To assess climate change-related risks and opportunities to Olam at least to 2050 in three climate scenarios, a 'Business as Usual' (BAU) leading to a 4°C increase, and two 1.5°C 'Transition' scenarios driven by policy changes and technology improvements respectively.
- To drive climate change resilience across Olam by forecasting the potential financial implications to businesses across different commodities, geographies and business units.
- To support future disclosures in line with the recommendations of the TCFD.

Supported by Vivid Economics we modelled the impact of physical risks (e.g. chronic climatic shifts and acute weather events), and of transition risks (e.g. impacts of the regulatory, tax and consumer diet shifts, land prices, market conditions, technologies) on the yield, productivity and profitability of our upstream assets.

Based on these findings, we will focus on areas of high value at risk and 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 (IIS), as well as the multiple collaborative partnerships we have on the ground. Refer to the Natural Capital section of this report for more information. In the table below we map where the recommended TCFD disclosures can be found in our mainstream reports. We will continue to enhance our disclosures in future reporting cycles.

Governance	Strategy	Risk management	Metrics and targets
Disclose the organisation's governance around climate-related risks and opportunities	**Disclose the impacts of climate risks and opportunities on your business, strategy and financial planning**	**Disclose how your organisation identifies, assesses and manages climate risks**	**Disclose the metrics and targets used to assess and manage climate risks and opportunities**
Board oversight Governance Report	**Risks and opportunities** Page 65	**CO_2 risk identification and integration** Pages 61 - 65	**Reporting CO_2 metrics and targets** Page 84
Management's role CDP[1] GRI and SASB Index[2] Pages 80 - 91	**Scenario planning** Page 65	**CO_2 risk management** CDP[1] Pages 61 - 65	**Details of Scope 1, 2 and 3** GRI and SASB Index[2] CDP[1] Pages 84 - 91

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

The climate transition: examples of risks and opportunities for Olam

Risk type[1]	Risk	Opportunity
Policy/ Legal Risk	Increased pricing of greenhouse gas emissions and other costs to comply with regulation (e.g. taxes on waste) leads to increase in operating costs, capital investment etc.	• Diverse landscapes in Olam farming, supply chain and forestry operations offer business opportunities for low-carbon/carbon neutral products and climate insetting (new engine for growth).
	Requirements to provide detailed environmental information at product level (e.g. Scope 3 emissions or sequestered carbon) in different jurisdictions.	• Integrated Impact Statement (IIS) enables Olam to identify Natural Capital stocks and flows (pages 110 - 116). • AtSource enables Olam to provide customers with Scope 3 emissions, which leads to preferred supplier status.
	Regulations that promote biomass-based energy production and green building materials. Regulations to drive reforestation and afforestation of degraded areas.	• Processing facilities using husks and other biomass waste, which reduces emissions and energy costs. Olam Palm Gabon enabling government to partially replace fossil fuels through biofuel. • Reforestation supports ecosystem services which benefit pollination etc. – improved crop quality, and reduction of bought-in services.
Physical Risk	Increased incidence and severity of extreme weather events, such as cyclones and floods, impact crop volume and quality as well as assets e.g. warehousing.	• Local, national and sector initiatives open up new partnerships to share/increase resources and develop new tools e.g. partnerships to deliver sustainability programmes; supporting the development of Terrascope and a Climate Action Playbook participating in the Sustainable Rice Landscapes Initiative.
	Failure of farmers to adapt to climate change and build physical resilience to extreme weather events exacerbates poverty cycle and future ability to grow required volumes for Olam and a growing population.	• Training and support for farmers secures volumes and quality, increases loyalty versus competitors. • Focus on economic inclusion even for those farmers beyond our physical reach through Olam Direct, Jiva and other digital apps and plaforms.
	Rising mean temperatures and changes in precipitation patterns causing water scarcity, which in turn impacts crop quality and operational costs e.g. irrigation.	• AtSource enables Olam's customers to track their water, as well as carbon footprint.
Product Risk	Consumer preference towards products that are better for the environment – risk that customers de-list suppliers who cannot supply traceable and sustainable volumes.	• Strategies and value propositions of **ofi**, Olam Agri and the Remaining Businesses of Olam Group are built on responsible and sustainable sourcing. • AtSource developed to support customers; individual product sustainability strategies e.g. Cocoa Compass, Coffee LENS and Cashew Trail; Re~ Purpose brand; and Adva footprinting app for consumers. • Up-cycling of waste into desired new products, as well as reducing energy costs through turning waste into biomass.
Reputational Risk	Increased stakeholder concern or negative/positive stakeholder feedback if a company is perceived not to be living up to customer or societal expectations on climate action – loss of customers and higher cost of capital. Companies face reputational risks and a threat to their licence to operate if they take strategic decisions to ensure business resilience that neglect to account for the resilience of communities in which they operate and depend upon.	• Reduced cost of capital and partnerships with Development Finance Institutions and others e.g. foundations. • Implementation of policies including Olam Living Landscapes Policy; Plantations, Concessions and Farms Code; Olam Supplier Code, coupled with proactive action to support communities under AtSource+ and AtSource∞ as well as support for industry standards e.g. Sustainable Rice Platform.

Enhancing non-financial Capitals

Non-financial Capitals

In addition to the creation of Financial Capital, we recognise a broader set of non-financial Capitals are fundamental to our continued business performance and profitability, and our relationships with our stakeholders. Our management of these non-financial Capitals can enhance or erode value, as well as strengthen or erode trust with stakeholders.

While each of these Capitals are distinct in their own right, they are interconnected as the challenges of addressing climate change, deforestation and conserving natural resources cannot be dissociated from improving farmer livelihoods, strengthening food security and greater transparency across supply chains. The following section sets out progress and examples of our activity to enhance our non-financial Capitals.

Defining materiality

To determine what is material to our business, we have collated over 400 environmental and social indicators across 10 Materials Areas connected and aligned with the UN Sustainable Development Goals (SDGs) and the 10 Principles of the UN Global Compact. The continued development of AtSource – our sustainability insights platform – has enabled us to gain insights into environmental and social indicators.

The indicators have been informed and influenced by inputs from various sources including customer audits, enquiries from NGOs and banks, international standards, civil society scorecards and frameworks, and industry platforms. The resultant Material Areas have been mapped against our operations and supply chains to identify risks and opportunities.

To make progress in each of our Material Areas we have set challenging goals to prioritise actions and resources to deliver impact across the Group and with individual businesses. Olam's sustainability legacy will continue to remain central to both **ofi** and Olam Agri as they develop their sustainability frameworks, goals and targets to support their respective business strategies.

For this year, we have continued to report against our existing goals; the Global Reporting Initiative (GRI); and against Sustainability Accounting Standards Board (SASB).

Sustainability framework

Our sustainability framework translates our Purpose into actionable areas and helps us to identify relevant activities which support us in achieving our Purpose and the three sustainability outcomes:

- prosperous farmers and food systems;
- thriving communities; and
- re-generation of the living world.

It also helps partners and interested parties understand our priorities and see where we align and can work together or support each other's goals and values.

Sustainability framework

Our Purpose — Re-imagining global agriculture and food systems

Our Vision — To be the most differentiated and valuable global food and agribusiness by 2040

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

Relevant Capitals

Financial Capital

The funds and access to finance which support business operations and execution of strategy.

Manufactured Capital

+ See pages 104-107

The equipment, tools, and infrastructure owned, leased or controlled by our organisation and required to serve our customers safely, consistently, and efficiently.

Intellectual Capital

+ See pages 92-93

The knowledge and IP that we create to keep us ahead of our competitors.

Intangible Capital

+ See pages 108-109

The trust in our brand and our reputation which helps establish stakeholder partnerships.

Human Capital

+ See pages 70-79

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.

Social Capital

+ See pages 94-103

The relationships we forge and nurture with suppliers and communities where we operate, for long-term commercial success.

Natural Capital

+ See pages 80-91

The land, water, biodiversity and other ecosystem services required for food, feed and fibre crops to grow.

Purpose Outcomes

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

Material Areas

- Prosperous Farmers and Food Systems: Economic Opportunity; Safe and Decent Work
- Thriving Communities: Education and Skills; Nutrition and Health; Diversity and Inclusion
- Re-generation of the Living World: Climate Action; Healthy Ecosystems; Healthy Soils; Water; Reduced Waste

UN SDGs

- Economic Opportunity: 1, 2
- Safe and Decent Work: 8, 5
- Education and Skills: 4
- Nutrition and Health: 3, 2
- Diversity and Inclusion: 5, 10
- Climate Action: 13, 7
- Healthy Ecosystems: 15, 13
- Healthy Soils: 15, 2
- Water: 6
- Reduced Waste: 12, 6

UN SDG Enablers

16, 17

Partnering for greater scale and impact across our value chain

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 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.

Also indicated below are examples of sector collaborations mapped to UN SDGs, that are supporting our work. Given the inter-connected nature of our Material Areas, most initiatives positively impact beyond the area where they are listed, particularly with regard to improving farmer livelihoods and reducing climate change impacts.

Material Areas	Farming	Sourcing	Processing, Manufacturing and R&D	Distribution	Customer	Consumer
Economic Opportunity SDG 1	High	High	Medium	Low		
	Anker Research Network and the Living Income Community of Practice; Global Coffee Platform; Global Living Wage Coalition (GLWC); Sustainable Nut Initiative; Sustainable Spices Initiative.					
Safe and Decent Work SDG 8	High	Medium	High	High		
	WBCSD Call to Action for Business Leadership on Human Rights.					
Education and Skills SDG 5	Medium	Medium	Medium	Medium		
	WE Connect International; UN Women's Empowerment Principles.					
Nutrition and Health SDG 3	High	High	High	Medium	Medium	Medium
	WBCSD Food Reform for Sustainability and Health (FReSH); UN Food Systems Summit.					
Diversity and Inclusion SDG 8	High	High	High	Medium		Low
	WBCSD Call to Action for Business Leadership on Human Rights.					
Climate Action SDG 13	High	Medium	Low	Low	Low	Low
	Accounting for Sustainability; Food and Land Use Coalition; Natural Capital Coalition; TCFD; WBCSD Scaling Positive Agriculture.					
Healthy Ecosystems SDG 15	High	High	Low			
	HCV Resource Network; Cocoa and Forests Initiative; Tropical Forest Alliance; The Forest Dialogue; WBCSD Food and Nature Programme; Taskforce for Nature-related Financial Disclosures.					
Healthy Soils SDG 15	High	High				
	HCV Resource Network; Cocoa and Forests Initiative; Tropical Forest Alliance; The Forest Dialogue; WBCSD Food and Nature Programme; Taskforce for Nature-related Financial Disclosures.					
Water SDG 6	High	Low	High			
	California Water Action Collaborative					
Reduced Waste SDG 2	High	High	Medium	Low	Low	Low
	Global Alliance for Improved Nutrition; Sustainable Rice Landscapes Initiative; Sustainable Rice Platform.					

Level of impact

H High M Medium L Low

Issues important to our stakeholders and potential impact

Impact	Level of stakeholder interest	Potential impact on business/ reputation	Relevant SDG indicators	Read more
Economic opportunity				
Living income	High	High	1.2, 1.4	Page 99
Farmers' productivity	High	High	1.2, 1.4, 2.3, 2.4, 2.a, 8.2	Pages 44, 94 - 101
Land rights	Medium	Medium	1.4	Page 99
Resilience to external shocks including COVID-19 and climate	High	High	1.5, 2.4, 3.3, 13.1 13.3	Pages 44, 98, 99
Safe and decent work				
Health and safety	Medium	High	8.8	Page 74
Living wage	Medium	High	1.2, 1.4	Pages 96, 99
Collective bargaining and freedom of association/labour relations	Medium	Medium	8.8	Page 76
Grievance mechanisms	High	Medium	8.8	Page 100
Human rights	High	High	8.5, 8.7, 8.8, 10.2, 16.2	Pages 76, 96, 100
Child labour	High	High	8.7, 16.2	Pages 36, 93, 96, 98, 100
Forced, bonded labour	Medium	High	8.7, 16.2	Page 76
Education and skills				
Supporting access to schools	Medium	Medium	4.1, 4.2	Pages 98, 100, 103
Literacy and numeracy	Low	Medium	4.6	Page 100
Youth and next-generation skills	Medium	High	4.3, 4.4	Pages 90, 99
Nutrition and health				
Product safety	Medium	High	2.1	Pages 43, 60, 106, 107
Disease	High	High	3.3	Pages 101, 103
Food and nutrition security	High	High	2.1, 2.2	Pages 73, 76, 88, 95, 101
Consumer access to nutritious/fortified food	Medium	High	2.1	Pages 98, 101, 107
Water, Sanitation and Hygiene (WASH) provision	Medium	Medium	6.1, 6.2, 6.a, 6.b	Pages 73, 76
Diversity and inclusion				
Women in senior roles in the workplace	Medium	High	5.5, 10.2	Pages 71, 76, 77
Female farmer empowerment	Medium	High	5.5, 10.2, 5.a, 5.b	Pages 72, 103
Discrimination/racism in the workplace	Medium	High	10.2	Pages 77
Climate action				
Science Based Target (SBTi)	High	High	2.4, 13.2	Pages 64, 83,86,97
GHG emissions	High	High	9.4, 13.2	Pages 37, 44, 54, 83-117
% renewable energy	Medium	High	7.2	Pages 84, 106
NO2 and SO2 emissions	Low	Medium	3.9, 13.2	Pages 83 - 117
Packaging (renewable, recyclable etc.)	Low	Low	12.5	Pages 55, 60, 106
Healthy ecosystems				
Deforestation	High	High	11.4, 15.1, 15.2	Pages 36, 81-83, 88, 91
Biodiversity	High	Medium	15.5, 15.7	Pages 81, 88
Healthy landscapes	Medium	High	15.1, 15.2, 15.3, 15.b	Page 88
Healthy soils				
Soil degradation	Medium	High	15.3	Pages 44, 81, 91, 95
Pesticides/herbicides	Medium	Medium	15.3	Page 106
Fertiliser access/overuse	Medium	High	15.3	Pages 37, 89, 91, 116
Water				
Water stress/scarcity	Medium	High	6.4	Pages 85, 86,89
Protection of water courses	Medium	Medium	6.3, 6.6	GRI and SASB Index
Effluent/wastewater	Low	Medium	6.3	GRI and SASB Index
Food loss and waste				
Post-harvest losses	Medium	Medium	12.3	Pages 90, 101
Consumer food waste	Low	Low	12.3	Not material
How we work				
Anti-bribery and corruption	Medium	High	16.5	Governance
Ethics and compliance	High	High	16.5	Governance
Transparency	High	Medium	16.6	Page 109

Human Capital

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

"Our people are our greatest asset. We recognise the importance of an inclusive and safe working environment which supports diversity and protects the health and well-being of our employees."

Joydeep Bose
Managing Director & Global Head of Human Resources

COVID-19 has created a sense of uncertainty and insecurity across businesses globally. We have tried to ensure that our employees have a secure, safe, and flexible working environment, and access to channels for support. We are conscious that individuals deal with change differently and have tried to avoid additional anxiety which a Re-organisation may naturally cause by being open and transparent, sharing regular communications and providing training to help managers support team members.

Q. How have working practices and employee policies adapted to meet the continuing challenges of COVID-19?

A. There has been a shift from 'COVID-19 as a crisis' to 'COVID-19 as a way of life' – we're not in a fully endemic state but we have accepted that we will continue to feel its impacts for some time to come. We continue to monitor the changes brought about by the pandemic, and address challenges as they arise. Our priority continues to be the physical and mental health of our employees. We created six building blocks to keep our colleagues safe and engaged during this challenging period:

- **Listen actively**
  Our online survey Hello@Olam was distributed approximately every quarter during COVID-19, to gauge how colleagues were feeling, and identify areas of concern. It created opportunities to address issues in real-time and localise solutions-based responses.
- **Focus on mental well-being**
  The survey revealed how much COVID-19 and the associated changes have impacted our employees' lives both inside and outside of work, and the resultant effect on mental well-being. We promoted our Employee Assistance Programme more widely, and made it accessible to more employees.

  We trained managers to identify early signs of stress and how to sensitively approach colleagues with support. We want to create an environment where people feel safe opening up to managers without fear of repercussions or judgement so they gain access to the right support, which will have a legacy long after COVID-19 measures are reduced.

  We made mindfulness programmes available to employees via an online platform, allowing colleagues to remain anonymous if they wish, and self-serve at a time and in a place which best suits them. Individuals can use these systems to assess their own resilience and are given recommendations of how to manage anxiety levels accordingly. We hope the multiple channels and approach to supporting mental well-being offers something for all those who may need it and help to create a more supportive environment for all.

- **Revising the scope of the COVID-19 Management Committee (CMC)**
  The CMC was established in 2020 to guide the organisation as the COVID-19 pandemic evolved and to ensure effective protocols were adopted across our business. Through 2021, the Committee turned its focus towards more proactive planning, pre-empting short- and long-term issues and developing scenario plans. As we move into 2022, the CMC will be disbanded and the activities will transfer back to the Human Resources function, including monitoring any effects of long-COVID on our employees.
- **Changing our working format**
  During 2020 we revised our working policies to protect the safety of our employees by reflecting the local circumstances in each country. During 2021, we launched a new policy facilitating working from home for non-factory-based employees where the risks are still high, and hybrid working arrangements where free movement is advised in places such as the USA and some of Europe. The hybrid model allows employees the flexibility of working from home for up to 40% of their time, whilst still recognising the importance of social interactions and the need for belonging with the remaining 60% in their work environment. We believe that one of the factors that drives innovation is people co-working and brainstorming so continuing a culture of connectedness and integration remains imperative. In addition to new hot desks, we have changed the set-up of some of our offices to allow more collaboration spaces to reflect this.

  Whether driven by COVID-19 or an existing desire for more flexibility, expectations of employees have changed towards more flexible working. This move has not only supported our safety agenda but helped to engage and inspire teams. For some skills which are in high demand and where supply is limited, we have agreed a 'work from anywhere' policy, especially for technology-based roles where it does not impact risk levels or disadvantage other employees who may be reliant on them. We are however cognisant of potential inequities for frontline staff who make up 35% of the workforce as their roles require them to be in a more formal working environment. Our existing buddy system continues to support new joiners to access and build networks in situations where they aren't able to build them as quickly as their longer standing peers.
- **Delivering education programmes around vaccination**
  Through our surveys, we identified sizable groups who were unwilling to receive a vaccination even when it was available. We targeted these colleagues to educate them and ensure their decision was based on fact rather than misinformation. We have introduced policies and guidelines to encourage vaccination of our employees and implemented regular testing cycles where legally allowed. For some of our sites, we have restricted access to non-vaccinated employees within the parameters of the local law. There are some roles which we have identified where a vaccination is a prerequisite, for example customer facing roles and roles travelling regularly between sites. We have done this to protect the wider employee population, our suppliers and communities.
- **Implementing contact tracing in some of our facilities**
  We adopted a new technology from Singapore, giving colleagues a portable electronic token to carry around some of our plants such as Nigeria and Indonesia when COVID-19 cases increased in-country. This allowed us to trace contacts and mitigate the spread further.

Q. How do you benchmark your performance as an employer?

A. We use our employee survey to understand how our employees feel about working at Olam and what we can change to improve their environment and role. In addition, we benchmark our business against our peers on overall engagement, retention and attrition rates.

Another guide is through third-party awards. In 2021 Vietnam, China, Thailand and Indonesia all received an individual country-level Kincentric best employer award, and to reinforce this, the business received an overall best employer award for the APAC region. Our Africa region received an award for Top Employer 2021 (Africa). Côte d'Ivoire, Ghana, Nigeria and South Africa all won the award individually at a country-level. In the Americas, Olam was recognised as a Great Place to Work in the GATW Awards, specifically Brazil and USA.

Olam's India and Vietnam businesses were recognised as inclusive places for women, collecting the UN Women WEP Award for a Gender-inclusive workplace, and recognised as a Best Workplace for Women by The Economic Times of India respectively.

We have received a great many awards through the year and regard all of them as valuable reassurance that we're moving in the right direction. We continue to build a strong employer brand and make Olam and its respective operating groups engaging, rewarding and fair places to work.

Q. How have the challenges of the pandemic and the Re-organisation influenced engagement with employees?

A. It has been front of mind that our employees have been working through both enormous challenges and disruption as a result of the pandemic, as well as significant changes due to the Re-organisation. We focused on engagement for the initial part of the year, ensuring we addressed people's insecurities particularly in relation to health and safety, well-being and job security.

We have endeavoured to listen to our employees – being sensitised as an organisation, as individuals, as managers. Our employee surveys provided insight into those areas of concern amongst employees but also enabled us to be more targeted with our engagement with specific groups of employees. While the pandemic has proved challenging, employees have seen a lot of positives in the last 18 months and we would like to sustain and embed these in the organisation, such as the flexible working practices and more accessible digital learning. Becoming more sensitised to the mental health and well-being of employees has come to the forefront and we believe this can be a positive legacy that will allow us to continue to better engage and support our employees.

The Re-organisation has seen changes that have resulted in new leadership and management operating models, and organisational structures across businesses, regions and functions being put in place. In some cases, roles and responsibilities have increased, while others may have reduced, though fortunately no significant roles have had to be eliminated.

We have been careful in the way we have approached these changes throughout the process to ensure updates have been shared with all employees across the organisation, alongside country and business-specific updates where more detailed information has been shared. In instances where employees' roles have changed, we have addressed these directly through one-to-one conversations to explain, listen, identify concerns, and provide appropriate support for any transition.

Q. How will the new Operating Groups preserve and develop their cultures to support their success?

A. Over the past 32 years, Olam's distinctive culture and values have helped drive our growth and success by shaping how we work and setting the standard for what it means to be part of Olam. This strong unifying culture encourages people to be entrepreneurial, demonstrate a high level of stretch and ambition and take ownership of their work. This is inherent within Olam and will be an integral foundation as each of the operating groups carve out its own distinct future.

While certain core elements of Olam will provide building blocks, culture is strongly dependent on strategy. The Re-organisation provides an opportunity for both **ofi** and Olam Agri to define their own respective cultures aligned to their business focus and stakeholders. Both have developed their own brand identities to support their strategy, unite employees together and distinguish them in the market. It will allow each to build a culture that enables employees to achieve their potential and to build trust with stakeholders.

Goals dashboard

2020 goals have been retained and aligned for 2021 during the Re-organisation. Each operating group is developing relevant goals to ensure maximum impact.

Material Area: Safe and decent work

SDGs 3.6, 8.8

Timeframe	Goal	Status	Read more
By end of 2021	Reduce Lost Time Injury Frequency Rate (LTIFR) to 0.30 in Tier 1 processing and manufacturing facilities	**Ahead of target** 2021 Tier 1: 0.20	Pages 74 - 75
By end of 2021	Reduce LTIFR for Tier 2 operations (plantations, forest concessions, farms; processing; cotton gins and sawmills; infrastructure business and R&D centres)	**Ahead of target** 2020 baseline for Tier 2: 2.62. In 2021 our LTIFR for Tier 2 operations was 1.62. We continue to idenfity ways to reduce this futher.	Pages 74 - 75
Ongoing	All locations routinely report unsafe acts and unsafe conditions, and near misses	**Ongoing**	Pages 74 - 75
Ongoing	No moderate or severe breaches of compliance reported or observed in audits	**Ongoing**	Pages 74 - 75

Material Area: Diversity and inclusion

SDGs 5.5, 10.2

Timeframe	Goal	Status	Read more
Ongoing	Replace expat managers with national talent and improve gender diversity	**Ongoing** We have made progress in a number of regions and continue to improve gender diversity across the Group.	Page 77
By end of 2021	Support 100,000 women to access economic opportunities, including female farmers, processors, distributors, and workers supported or employed by Olam	**Achieved in 2020** We continue to support women to access economic opportunities. Read more in the Social Capital section of this report.	Pages 76 - 78, 102

Material Area: Nutrition and health

SDG 3.3

Timeframe	Goal	Status	Read more
By end of 2021	100% of Olam's direct operations are compliant with the Olam WASH Standard	**Behind target** Of 343 worksites with 4 or more employees present simultaneously, 97% fulfill all four requirements for WASH.	Page 76
By end of 2021	Olam Healthy Living Campaign reaches 250,000 people, including worker and community beneficiaries of health, water and sanitation infrastructure, health education campaigns, HIV testing, health check-ups, access to insurance initiatives, and similar services	**Achieved in 2020** We continue to use Olam Healthy Living Campaign to support workers and communities, and to raise awarehess of key health initiatives. In 2021 we reached over 955,000 employees, farmers and community members in over 30 countries.	Pages 76, 88, 101

Our Life Saving Rules

1. Take safety precautions when driving
Wear your seat belt (a helmet while on a motorbike), obey traffic rules and load limits.

2. Be a responsible driver
Only drive vehicles fit for the purpose, and ensure you are appropriately trained.

3. Protect yourself against a fall
Use the correct protective equipment when working at heights.

4. Beware of energised systems
Isolate electricity sources before working on them.

5. Be on guard in confined spaces
Only enter confined spaces when trained and authorised.

6. Secure a valid work permit
Obtain the correct work permit when required.

7. Check contractors' credentials
Complete due process as defined by the code of practice for all contractors before allowing them to work.

Safety

We operate in over 60 countries and across multiple products and parts of the value chain. Each presents different challenges. Our activities are broad, from working with farmers on smallholdings, to large mechanised operations, to driving in challenging environments, processing and packing in factories, managing inventories in warehouses, transporting goods to customers, and working in offices. Our core safety goal continues to be to embed a zero-harm culture across all our businesses, to protect our employees, contractors, and visitors.

Our safety programme – An Even Safer Olam – was launched in 2019 and continues today. It helps us deliver training and to identify and assess risks so we can eliminate them where possible or reduce them to an acceptable level where we cannot remove them altogether. We promote an open and honest culture and shared responsibility in reporting issues promptly that may cause harm.

We reviewed all serious incidents which occurred between 2016 and 2020 and identified activities that present the highest risk to employees. Using the data collected and reviewed from all of the incidents, in 2021 we introduced our 'Seven Life Saving Rules'. These have been developed to protect our colleagues, contractors, and visitors in the workplace, and serve as a valuable guide at home. We continue to raise the profile of these rules to improve adoption and reduce risks.

Reporting and remediation

We monitor safety across all facilities, of which there are circa 321. Facilities are categorised into four different tiers to group sites with similar characteristics, risks and requirements.

- Tier 1 relates to our large manufacturing plants
- Tier 2 is our primary processing plants and upstream operations
- Tier 3 is our warehouses
- Tier 4 is our offices

We have continued to make significant progress overall. The Lost Time Injury Frequency rate (LTIFR) for Olam Group (Tier 1, 2, 3 and 4) reduced to 0.95 in 2021 from 1.48 in 2020; however, for Tier 1 facilties it increased on last year (0.20 in 2021 vs 0.17 in 2020).

The Total Recordable Frequency Rate (TRFR) for Olam Group (Tier 1, 2, 3 and 4) reduced to 2.04 in 2021 from 3.45 in 2020, and the Leading Indicators Frequency Rate (LIFR) for Olam Group (Tier 1, 2, 3 and 4) also improved to 121 in 2021 from 72 in 2020.

Despite the overall progress and our best efforts, we could not prevent the loss of 14 precious lives in our business last year. The majority (11) of these incidents involved road accidents, and we are intensifying our focus on vehicle related safety as part of the implementation of our 7 Life Saving Rules as well as implementing key actions to help reduce risks. For every incident we have conducted a detailed investigation using ICAM (Incident Cause Analysis Methodology) to learn all possible lessons, to reduce the likelihood of future incidents occurring.

COVID-19

The pandemic presented challenges due to new ways of working with reduced supervision, minimal team building opportunities, knowledge sharing and culture building, leading to increased risk to mental and physical well-being. The reduced face-to-face interactions have also impacted training, auditing, and investigations, with all of them migrating to a virtual environment.

Two years on, we continue to have virtual interactions, a rotational work-from-home policy, travel restrictions and rules to minimise exposure. We have proactively helped our workers to stay safe by not only abiding by the local government regulations on precautionary measures but also promoting stricter controls and best practices at the workplaces. We have continued to raise awareness levels amongst employees and their families through ongoing education campaigns. In some operations, we also deployed technology such as Bluetooth-based personal trackers that made contact tracing very effective. In terms of emergency response, notable efforts included setting up COVID-19 isolation and treatment facilities and providing aid in the form of cash and medical supplies to local communities in geographies lacking in preparedness.

Olam Group

	Fatalities in 2021	LITFR in 2021
Africa	13	1.18
Americas	0	1.12
Asia Pacific	1	0.11
Europe	0	0.58
Total	**14**	**0.95**

Tier 1 facilities

	Fatalities in 2021	LITFR in 2021
Africa	1	0.08
Americas	0	0.74
Asia Pacific	0	0.12
Europe	0	1.48
Total	**1**	**0.20**

Employee and labour rights

We are committed to ensuring all our employees are treated with dignity and fairness. Through our Fair Employment Policy, we have set out a clear approach to providing a workplace where the rights of all our employees are respected.

The Policy reaffirms our commitment to adhering to national laws and to fully comply with the conventions of the International Labor Organization (ILO) and United Nations Global Compact's (UNGC) guiding principles on human rights and labour, to protect employee rights and provide a non-discriminatory workplace where diversity is valued. It covers key areas such as the prohibition of child and forced labour; workplace conditions; wages and benefits; diversity and inclusion; workplace health and nutrition; freedom of association and right to collective bargaining.

Our approach enables our operational sites to meet Policy requirements, while implementing further actions as they move through a maturity process. All our operational sites are required to meet and implement Level One of the Policy. Our aim is to audit locations with more than 100 employees on a two-year cycle; due to restrictions as a result of COVID-19 the planned 2021 was postponed and we will recommence as locations and access return to normal.

Our Internal Audit team carries out internal assessments across Olam-owned operations as to whether all policies are being implemented. During 2021, the team identified issues including non-compliance relating to over-time and minimum wage payment by a contractor, and an inconsistency in a local staff handbook which excluded reference to Olam's policy that it does not tolerate child or forced labour. Issues are addressed by the respective local teams.

To support our employees and workers, we have continued to provide training on employment laws, workplace rights and sessions for managers to build understanding and raise awareness of employment and labour rights. This includes:

- Almost 16,000 employees receiving sexual harassment training
- Over 12,600 employees trained on children's rights, women's rights and labour rights
- Almost 16,500 employees attending diversity and inclusion training
- Over 30,000 employees provided with health, hygiene and wellness training.

We are advancing on our commitments to improve access to good nutrition and nutrition education for employees across our workplaces, as part of our workforce nutrition goals. During the year we rolled out revised WASH (Water, Sanitation and Hygiene) standards for all our locations with over 97% of worksites with over 20 employees fulfilling all four minimum requirements relating to access to toilets, basins and fresh drinking water. See page 101 for more information.

Diversity, inclusion and equality

The diversity of our talent across our Company is fundamental to our continued success, yet we recognise the need to make progress to ensure inclusion, diversity and equality for every employee. To enhance our focus on diversity and inclusion, in 2020 we formed our IDEO – Inclusion, Diversity and Equality Council of Olam. The 14-strong Committee is tasked with embedding a culture of equality, openness and belonging by identifying and removing barriers to success for minority groups.

The IDEO has six key goals, to:

1. Create an inclusive and safe work environment that supports diversity
2. Encourage behaviours that reinforce an inclusive work environment
3. Ensure equality for all minority groups in Olam
4. Prioritise gender balance by;
   - Increasing women manager representation 20% by 2025 and 30% by 2030
   - Increasing senior women leader representation 15% by 2025 and 25% by 2030
5. Increase representation of ethnic and cultural minorities; and to
6. Drive nationalisation of managerial roles in countries with significant expat presence (Africa and Asia); 50% by 2025 and 60% by 2030.

More broadly, the IDEO will be measured on the successful creation of an environment where every employee feels welcome and a sense of belonging irrespective of their gender, ethnicity, sexual orientation, culture, age or religious beliefs. Each should feel they are afforded equal opportunities and fairness. Achieving all of this will help Olam become a more resilient, equitable organisation, one which attracts and retains a broad range of talent. We have set high targets to achieve by 2025 and higher still by 2030.

Voices for Change

To explore the representation of women across the organisation and any potential disengagement, we sought to gain a better understanding of current policies, practices and behaviours. In March 2021, 68 focus groups were conducted including almost 500 employees of mixed genders. The women surveyed collectively represented 60% of Olam's female managers. Participants shared their experience of working at Olam and identified barriers and concerns to their engagement and success.

The findings from the programme have been used to inform leaders and have helped the IDEO to address workplace practices, talent development and initiate a programme to review policies covering family benefits and health and wellness. These will be relaunched as progressive policies supported by country best practices.

GROW

Despite the name behind the acronym - Globally Reaching Olam Women – GROW is open to all individuals across our business, irrespective of how they identify. It is an annual programme which runs from March to December, matching mentors with mentees to deliver mutual benefits of personal and professional growth. Individuals are coached to develop career goals, to navigate current personal and professional challenges, and to build business knowledge. It has opened up broad opportunities to network and build greater reciprocal understanding of roles and areas of the business.

To complement our policy changes identified through 'Voices of Change', we have sought different ways of promoting the value of women across the Group. We leveraged our GROW network to run 15 seminars led by Olam women who were able to share their experiences of working in the organisation to help build a broad understanding of barriers and culture, as well as to share successes to inspire colleagues of all genders and levels in the organisation.

GLOW

GLOW – Globally Lifting Olam Women was launched in April 2021 and focuses on three chapters:

- Discover your potential
- Influence and collaborate
- Create impact

This programme complements GROW, offering women an on-demand learning programme with both internal and external resources to develop their career, including structured learning from some of the world's best business schools. Individuals can get involved in flagship initiatives across the Olam group and work closely with peer mentors. Over 150 women engaged in mentoring during the year.

Diversity in hiring

We ensure diversity in our hiring practices, and we are proactively filling 20% of management roles with women. The selection panels include diverse representatives to remove any gender and racial bias. This year we successfully recruited several senior females into positions in Africa. They were also nationals, which supported our localisation agenda to advance our focus on creating more opportunities for local talent. By 2025, our goal is that local talent should hold 50% of leadership roles in their own market.

Empowering women to start a career in the Republic of Congo

Construction and carpentry are jobs often associated with men and that was true at Congolaise Industrielle des Bois (CIB) until a year ago.

CIB wanted to challenge that gender stereotype. They started Project MaC - 'Ménagère à Constructrice' or 'Home Maker to Home Builder' in the village of Pokala to offer women more and new opportunities.

The three-month programme trains women to build wooden houses and craft furniture, after which they can secure roles with CIB. When they finish the course, each is assigned a specific project.

One critical step in operationalising the programme was shifting the mindsets of people – especially men – on gender issues, women's rights and sexual harassment to ensure the working environment was welcoming and inclusive.

Since the programme started in March last year 46 women have been enrolled, including 23 in 2021. The initiative has received strong support from the community and NGOs. Partners like The Wildlife Conservation Society, the Congo Conservation Company and the Fondation Nouabale Ndoki (FNN) have been inspired to either join the programme or start similar ones in other parts of the country.

+ Read more in our blog series on olamgroup.com

Providing support for working parents

Many of our employees strive to manage the balance between parenthood and work. We have progressed our policies and practices around parenthood to support employees' need to care for their families, to offer flexibility at different life stages and to look after employees' physical and mental well-being, especially in trying times.

All forms of parenthood and family structures mean that every family is unique. Guided by our focus on inclusion and diversity, we seek to support all employees to be better working parents. We have moved away from a maternity and paternity policy, and instead promote policies which support primary and secondary care givers. This is in line wiht the ILO and WHO norms.

We are introducing 8 weeks paid leave for primary and 4 weeks paid leave for secondary caregivers, with 14 weeks paid leave for a new biological mother. Alongside flexible work arrangements (work from home, flexi hours and job sharing), we offer assistance for parents including child care and nursing facilities, employee counselling, miscarriage support, special needs child support and guidance services for adoption, fertility and surrogacy.

Adopting family-friendly, inclusive workplaces allow us to be an employer of choice, retaining and attracting diverse talent, and enabling employees to have the opportunity to excel both as a parent and an employee and achieve a work life balance.

Employee engagement

Listening to our employees and providing a regular opportunity to gain feedback and assess engagement is critical. We invite feedback formally and anonymously through a pulse survey every two years, as well as informal monitoring and our Hello@Olam survey.

In 2021, 83% (8,255) of the employees who received the pulse survey responded. Despite COVID-19 and a significant global Re-organisation, we achieved an overall employee engagement score of 71%, an increase of 2% on 2020.

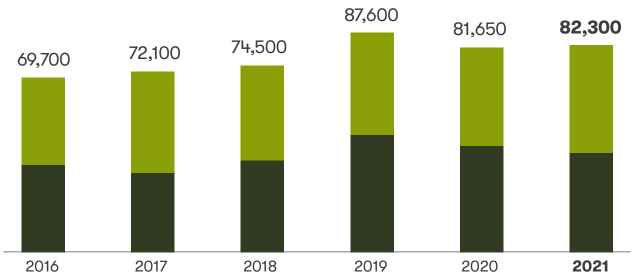
We have been able to use the information along with the responses from our Hello@Olam surveys to glean actionable insights and take quick and localised action, in addition to longer-term policy reviews and programmes.

Some of the changes we made during 2021 to maintain or improve engagement are:

- **Refining processes**
  We have digitised many of our HR processes, allowing colleagues access from any location 24/7. We have worked with front line employees to ensure we address grievances quickly through an effective employee feedback and resolution process.
- **Evolving managerial skills**
  We have improved the engagement culture through the milestone intervention of Leading Engaged Teams (LET). Based on the Manager Scorecard, the LET involved blended learning sprints over 6-9 months for managers of more than three direct reports. We focused on building skills around inclusivity, trust, mitigating bias, holding meaningful conversations and recognition. Circa 200 leaders participated, achieving a cascading impact on over 600 reports globally.
- **Changes to the workplace**
  With more individuals working from home, how we use our office space has changed. To support changes to our more flexible working policy, we've converted areas into hot desks which has allowed more collaboration spaces.
- **Scaled access to learning**
  iQuest - our first integrated Digital Learning Experience Platform - allows democratised learning globally. Each year we conduct over 30 iQUEST Insights webinars which reach over 5,000 colleagues. Topics include sustainability, customer centricity, operational excellence, digitalisation and AtSource. Strategic sessions are anchored by Olam leaders. External speakers have anchored themes of diversity, inclusion, resilience and personal leadership.
- **Recognition and performance management**
  Recognition and performance management continue to be key to maintaining an engaged and inspired workforce. In 2021 we expanded our Aspire platform to include frontline employees and below. We have also continued our local, national and global awards platforms and appreciation weeks.

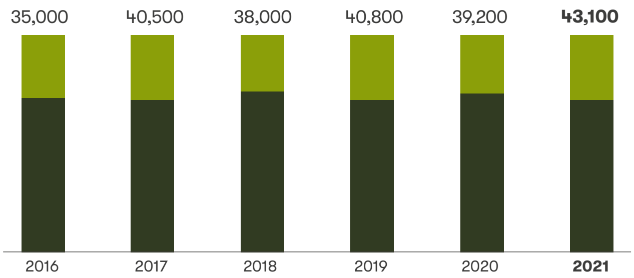
In numbers

Our workforce[1]
(%)



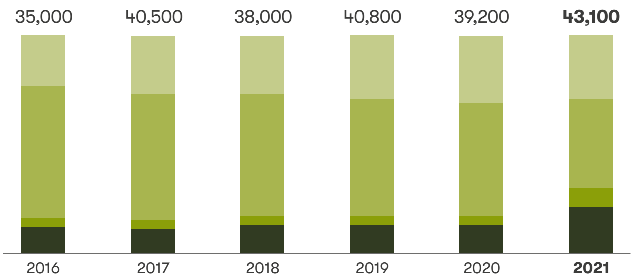
	2016	2017	2018	2019	2020	**2021**
Primary	50%	56%	51%	47%	48%	**52%**
Secondary	50%	44%	49%	53%	52%	**48%**

Primary workforce by gender



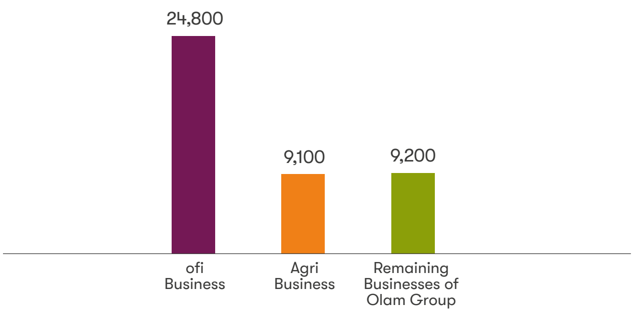
	2016	2017	2018	2019	2020	**2021**
Women	29%	30%	26%	30%	27%	**30%**
Men	71%	70%	74%	70%	73%	**70%**

Primary workforce by region



	2016	2017	2018	2019	2020	**2021**
Americas	12%	11%	13%	13%	13%	**21%**
Europe	4%	4%	4%	4%	4%	**9%**
Africa	61%	58%	56%	54%	52%	**41%**
Asia, Middle East and Australia	23%	27%	27%	29%	31%	**29%**

Primary workforce by operating group (2021)



1. Secondary workforce includes seasonal, casual, temporary and contract employees.

Natural Capital

The land, water, biodiversity and other ecosystem services required for food, feed and fibre crops to grow.

"The urgency for action to combat the climate crisis is clearer than ever and we are pleased we are delivering concrete steps towards our goals. Our focus has been on enabling each business to make tangible progress as well as working more closely with partners to reduce our value chain's greenhouse gas (GHG) emissions and increase transparency and sustainability of supply chains."

Dr Christopher Stewart
Global Head, Sustainability

Q. What progress has been made in the past 12 months to address the environmental impacts of your operations and supply chains?

A. In the year of Glasgow's COP26, we have focused on climate action, a major responsibility in a sector which is the planet's second biggest GHG emitter. This has included not just looking at what we can do better within our own organisation but also prioritising how to work better with partners and peers. We have been focused on the reduction of GHGs, including 'Scope 3 emissions', i.e. emissions from our third-party suppliers (such as farmers and farmer groups), as these are by far (>95%) the biggest part of our footprint, which requires us to work with and influence farmers and suppliers to implement climate-smart measures.

Our businesses and climate footprinting experts are collaborating on a Climate Action Playbook. It helps us to identify hotspots of GHG emissions from the primary data we collect at farmer group level, identify actions to reduce those emissions and estimate the potential overall reductions in a given farming system. It uses the digital footprint calculator that we developed for AtSource[1] and models the outcome of different interventions, which allows us to plan and cost climate actions. Ultimately, we want to create a suite of practical tools to help us forecast GHG reductions and link these with product profiles on our AtSource sustainability insights platform. We have been engaging with customers directly on testing this approach. This includes working with coffee, cocoa and nuts customers, so that we can provide verified GHG reductions for their supply chains with sustainability programmes in place.

With improved GHG data collection and reporting, we've worked with the consultancy South Pole on a Fast Track Climate Assessment, reviewing seven products[2] across 14 geographies in 27 different supply chains. We have concluded the potential for GHG reductions on-farm is on average around 31% and can be more – in rice for example, by using alternate wet and drying systems that eliminate methane, a potent greenhouse gas, reductions can exceed 50%. The big challenge is that decarbonisation requires both investment and behaviour change, and farmers will not readily adopt methods for GHG reductions that lower their yields or incomes.

Accurate data is the key to unlocking the potential for making further reductions and one tool we have developed – Terrascope[3] – will enable us and other businesses to address the frictions and data uncertainties around GHG emissions; it leverages Olam's existing carbon accounting expertise and both internal and external databases to create a product that enables companies to better measure, manage/abate, verify and collaborate on carbon emissions.

1. Visit AtSource.io for more information
2. Cashew, cocoa, coffee, cotton, hazelnut, palm and rubber
3. Read more about Terrascope, on page 54

We have worked with Vivid Economics on climate risk assessments – in line with Intergovernmental Panel on Climate Change (IPPC) scenarios – at our upstream farms, estates, and associated assets. The findings include transitional risks which are regulatory, market risks and other non-direct physical risks and potential financial impact. In 2022 we expect to complete a full risk assessment of all our Tier 1 processing plants.

Another significant assessment we have progressed in the past year is improved mapping of deforestation threats and issues, including working with Satelligence, a remote sensing specialist, to better understand satellite data and what it tells us about deforestation risks in our supply chains. In our own farms and plantations, we have direct oversight and control but understanding deforestation close to, or linked to, smallholder suppliers is a huge task. We are going beyond what we achieved with our Forest Loss Risk Index tool, which helped identify hotspots predominantly in cocoa and coffee supply chains, by mapping the actual land use change in individual farms over the last 20 years.

With Metabolic, a specialist consultancy, we have defined planetary boundaries for our pepper plantations in Vietnam and our coffee supply chains in Peru. We are looking at soil, water, and biodiversity findings to develop strategies for achieving a net positive impact on the environment, aiming to create programmes to achieve this from 2022 onwards.

Q. Why does Olam place such importance on the value of Natural Capital?

A. Natural Capital affects every industry and business model but in the agricultural sector we survive and thrive every day because nature provides direct services to our business. The value of these services is often taken for granted, but if it's threatened or depleted, the impact – on yields, communities and the entire value chain – becomes apparent very quickly.

When the Dasgupta Report on the economic value of biodiversity was published in early 2021, our Executive Director, Co-Founder and Group CEO Sunny Verghese highlighted how, now, more than ever, it is vital to recognise the interdependence of protecting our natural resources and improving social equality alongside economic growth. It is clear that measuring economic success has to be done in the context of how we protect and enhance the natural world.

We need to understand where Natural Capital costs are highest, so that we can act to reduce them efficiently. Earlier this year, our Cocoa Compass Impact Report set out Natural Capital costs. See the Climate Action section of this report on page 86.

Highlights

2.53 million ha

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

28%

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

~1.6 million ha

land area where farmers are given sustainability support

826,000

smallholders given sustainability support[2]

10.3 million ha

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

1. Includes almonds, cocoa, coffee, dairy, cotton, black pepper, palm, rice and rubber
2. Excludes poultry and fishfeed smallholders to whom the Animal Feed and Protein business provides economic opportunity support but does not buy their produce

The importance we place on the value of Natural Capital demonstrates that we understand that it is an essential response to the impacts of agriculture on the living world, where forest loss has occurred.

It is why we consider our Finance for Sustainability (F4S) team to be so critical to our multi-capital accounting model and our ability to address the most important supply chain sustainability issues. By reporting better on Natural Capital impact, we hope to catalyse action with programme partners, finance institutions and customers to focus investments efficiently on the key drivers of environmental impact. Read more about Finance for Sustainability (F4S) and our work on Integrated Impact Statements (IIS) on page 110.

Q. Olam has been an advocate for more transparent and sustainable supply chains. How have you demonstrated your commitment to these objectives?

A. In 2021, we published our first Cocoa Compass Impact Report, which provided a detailed perspective on many of our Natural Capital priorities and our progress during the previous year. We achieved our first milestone of 100% traceability in our direct supply chain – we can now track cocoa at every stage of its journey from the farm or community. This is the equivalent of 12% of the world's cocoa.

By 2030, we aim to reduce cocoa's Natural Capital costs by 30% across our global cocoa supply chain. We have moved closer to achieving that goal after introducing satellite technology to map tree cover across the entire direct cocoa supplier network.

With data about both large-scale land use change Forest Loss Risk Index (FLRI) and farm-level tree loss (farm-level mapping), we can better understand the responsibility of farmers and farmer groups who grow our products for land use change, as well as other actors, ask better questions, and take more effective action to eliminate deforestation in our supply chains. All of this means we can now better identify deforestation risk hotspots and take more targeted action. Combining better detection of deforestation with a better baseline helps ensure that the risks assigned to the farms are more accurate. This deepening of our monitoring methods allows us to refine our on-the-ground interventions to further combat deforestation, prevent biodiversity loss, and increase carbon stock, all of which takes us a step closer to achieving our 2030 goals.

In 2021, we launched our Cashew Trail strategy which aims to help the farmers who supply us with cashew, most of them smallholders in rural areas across Africa and Asia. The Cashew Trail sets 2030 targets across **ofi**'s cashew business – in line with the United Nation's Sustainable Development Goals (SDGs). These include increasing average yields by 50% and helping 250,000 cashew households to improve their livelihoods. We have also set goals on health, education, diversity and climate.

All these build on our previous successes. For example, 'Coffee LENS' - standing for 'Livelihoods, Education and Nature at Scale' – our coffee business' first formal sustainability targets for 2025 across its global, direct coffee supply chain. Also, our Sustainable Rice Platform programme in Thailand continues the strong partnership with the Thai government and the German development agency GIZ to reduce the GHG footprint while improving rice yields and farmer livelihoods.

Finally, our AtSource platform continues to deliver data to our customers on their sustainability programmes with us. This data means they know where action is required to fulfill the expectations of their consumers, as well as highlighting social and environmental benefits and impacts. We have now added animal welfare metrics and waste metrics. AtSource+ enables us to measure and communicate with customers on how we are doing with sustainability programmes.

Q. How is Olam engaging suppliers and farmers in its supply chains to persuade them to adopt more sustainable practices?

A. In the past year, individual businesses have been extremely active in delivering training and skills programmes. Some 352,000 farmers globally have received GAP training, including improving yield and quality, managing soil fertility, preventing pests and diseases and protecting the environment. Coffee closed in on a milestone figure of two million useful tree seedlings distributed since 2020.

Amongst our significant new projects, USAID's Gorilla Coffee Alliance in the Democratic Republic of the Congo stands out. This is a new partnership with USAID, Nespresso, TechnoServe, the Wildlife Conservation Society, and the Congolese social enterprise Asili to support sustainable agriculture and rural enterprise, and to reduce threats to the critically endangered Grauer's gorilla. Over five years, this initiative will partner with 8,500 farming households to improve their coffee production and sales and reduce poaching and deforestation around Kahuzi-Biega National Park in DRC's South Kivu province.

In 2020 we showed that our pilot programme with Wageningen University & Research to supply simple mechanisation for rice harvesting in Nigeria resulted in gains of US$200 per hectare, and a reduction in GHG of 1.7 tonnes CO_2 equivalent per tonne; we're now scaling up to reach a target of 32,000 farmers by 2025.

Q. How are governmental and industry-wide regulations and voluntary requirements driving action by Olam?

A. There are increasing expectations around industry action and transparency on climate change, and we are signatories of the Business Ambition for 1.5°C coordinated by the Science Based Targets (SBTi) initiative and follow the guidance of The Task Force on Climate-Related Financial Disclosures.

At COP26, we were one of 12 of the largest global agricultural trading and processing companies that pledged a shared roadmap for enhanced supply chain action consistent with a 1.5°C pathway in time for COP27.

Many of our customers are increasingly aware of the need to act on GHG emissions in their supply chain and some have set their own SBTs. Thanks to the granular data we collect at farm and farmer group level, and the industry-leading climate calculator embedded in AtSource, we are exploring pathways to low-carbon raw materials and ingredients that meet our customers' needs and ambitions.

We support regulations such as the European Green Deal, which covers cocoa and other deforestation risk commodities, that are likely to require mandatory due diligence for companies to carry out checks on supply chains to prevent human rights abuses and environmental damage, particularly deforestation, as well as UK regulation on forest risk commodities. Olam has signed up to a multi-stakeholder initiative asking the UK and EU to put together a mix of measures including better regulation to create a level playing field in importing countries, and incentives for producing countries to tackle deforestation.

Q. How will Olam continue to maintain its focus and actions across its operations and supply chains following the Company's Re-organisation?

A. The Re-organisation will allow each business to thrive in the most efficient manner – it will mean we can be even more focused on what works best and where, but the commitment to sustainability remains integral to Olam's new operating groups. Different farming systems and origins pose different challenges, and it is vital that each operating group has a sustainability strategy that matches their configuration of assets, origins, customers, and stakeholders, focusing on what is material.

We will carry forward some goals – for instance our Climate-Commitment, and will be setting these out in 2022. AtSource will continue to provide information and insights which support new partnerships, and we will continue to build on our metrics and methodologies to monitor our operations and supply chains.

Engaging with stakeholders

Across our businesses and geographies, we collaborate, engage and listen to our customers, NGOs, certification bodies and communities. Through multi-stakeholder forums including as Co-Chair of Champions 12.3 on food loss and waste; as a founding member of the Sustainable Rice Platform (SRP); member of the Cocoa & Forests Initiative; and the Roundtable on Sustainable Palm Oil (RSPO).

We are partnering to develop and implement projects to deliver tangible impacts, such as with the Wildlife Conservation Society in the Congo Basin to protect wildlife, improve habitats and support communities (see page 88) and with the Rainforest Alliance to promote sustainable practices and protect landscapes amongst cocoa and coffee farmers.

We also continue to engage through sector scorecards:

- SPOTT Sustainable Palm Oil – ranked 20th out of 100 companies; score declined 3.0% points
- SPOTT Timber and Pulp – ranked 4th out of 100 companies; score increased 1.7% points
- VOICE Network Cocoa Barometer and Hivos/NGO Coffee Barometer

In relation to grievances, we continue to publicly report and publish grievances related to our palm supply chain. In April 2020, we voluntarily commenced a process with the Forest Stewardship Council (FSC®) on a complaint by Mighty Earth that the development of our palm plantations in Gabon contravened FSC's Policy of Association. The process slowed due to the challenges of organising field visits as a result of COVID-19, but we remain committed to an open and transparent process with FSC®.

During the year, we received some minor environment-related fines from local authorities related to handling of solid waste, subsoil use and construction issues.

+ Read more in the GRI and SASB Index on olamgroup.com/investors/investor-library.html

Goals dashboard

2020 goals have been retained and aligned for 2021 during the Re-organisation. Each operating group is developing relevant goals to ensure maximum impact.

Material Area: Climate action

SDGs 2.4; 7.2; 13.1; 13.2

Timeframe	Goal	Status	Read more
By end of 2021	All Olam farms, plantations and Tier 1 facilities to have implemented their 2020 GHG Reduction Plans 1. Operational efficiency 2. Avoid High-Carbon Stocks for land development 3. Climate-smart agricultural practices	**Achieved**	Pages 80, 86
By end of 2021	36% of renewable energy and biomass sources at Olam's Tier 1 facilities (from 2015 baseline of 15%)	**Achieved** In 2021, 26% of Olam's total energy use for (Scope 1 and 2) was covered by renewable energy and biomass sources in comparison to 22.3% in 2020. The improvement was driven in the most part by an increase in energy use efficiency in cocoa, edible oils, rice and coffee platforms in Tier 1 processing facilities.	Page 106
By end of 2021	Implement the Olam 2020 climate-smart Agriculture (CSA) programme	**On track** Completed study of the emissions reductions pathways for 27 supply chains and started development of a Climate Action Playbook with AtSource.	Pages 80, 86
By 2030	Reduce GHG emissions by 50% both in own operations and Olam-managed farmer programmes	For Scope 1 and 2 in relation to our own processing operations, we have continued to increase our GHG efficiency from 0.13 in 2020, to 0.12 MT CO_2 e/MT of product in 2021. This is driven by increased processing efficiencies in our cocoa, grains and spices platforms. For Scope 1 and 2 emissions in our plantations, concessions and farms, we have improved our emissions to 1.72 MT CO_2e/MT of product, driven in the most part by improvements in our palm, dairy, rice and coffee production. Our Scope 3 (supply chain) emissions account for nearly 97% of total GHG. In 2021 we are reporting a significant increase in the total emissions to 87.5 MMT CO_2e, against 72.3 MMT reported in 2020. This increase is as a result of a greater accuracy in the way we apply emissions factors for our grains platform, which make up 56% of our Scope 3 (procured goods) emissions, rather than changes in the overall mix of products and volumes. However, the other major contributor to Scope 3 emissions is cocoa which has reduced significantly both in overall emissions and in GHG intensity per metric tonne of product.	Pages 54, 80, 86, 87, GRI report on olamgroup.com

Material Area: Healthy ecosystems

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

Timeframe	Goal	Status	Read more
By end of 2021	100% of Olam-managed plantations, concessions and farms to have implemented their Land Management Plan	**Achieved**	olamgroup.com
By end of 2021	100% of direct suppliers are covered by the Supplier Code based on a prioritised product approach. Priority products: cashew, cocoa, coffee, cotton, hazelnut, palm and rubber	**Largely achieved** In 2021, 92% of the directly originated volumes in the priority supply chains were sourced through suppliers we engaged on the Olam Supplier Code. Another 3% of the total volume can be added through addition of the CMIA Cotton sourced responsibly, bringing the total to 95%.	Pages 37, 96, 100
By end of 2021	Implement the relevant Living Landscapes Policy commitments	**Achieved** The timebound targets of the Policy were achieved in 2020 and are being maintained. In addition, in 2021 we brought on new landscape programmes including the renewal of the Ghana Cocoa Landscape Partnership, and the Gorilla Coffee Alliance in DRC.	Page 88

Material Area: Water

SDGs 6.1; 6.2; 6.4; 6.6

Timeframe	Goal	Status	Read more
Ongoing	Increased water use efficiency in Olam's direct operations	**On track** We have improved our plantations' water use efficiency by 9% against 2020 and have maintained our processing water use at 1.62 M^3/MT of product.	Page 89
By end of 2021	100% of priority supply chains to have water resource management plans	**Behind target**	Page 89

Material Area: Reduced waste

SDGs 12.2; 12.3

Timeframe	Goal	Status	Read more
By end of 2024	100% utilisation of by-products in own operations	**Behind target**	Page 41
By end of 2024	Zero waste to landfill in own operations	**Behind target**	Pages 41, 90
By 2030	Reduce post-harvest loss by 50% in own operations and Olam-managed farmer programmes	**On track**	Pages 90, 94, 101

Improving environmental impact and incomes of rice farmers in India

Our climate-smart sustainable rice cultivation project in Haryana state is reducing the environmental impact of producing Basmati rice while improving the livelihoods of farmers in the region. As a founding member of the Sustainable Rice Platform (SRP), we are partnering to create sustainable production of rice, a staple that feeds half of the planet.

The project, started in 2019 with fewer than 100 farmers, reached 700 in 2021 to improve the production of quality, sustainable, traceable, and safe Basmati rice across 4,000 ha – in line with the SRP Standard – while also improving farmers' livelihoods. We have introduced water-saving techniques including alternate wet and dry (AWD) drip irrigation and laser land-levelling. The successful implementation of AWD in 217 farms reduced the water withdrawal per kilo of rice produced from approximately 3,800 litres to 3,200 litres. So far, this has reduced total water withdrawal by about 300 million litres, with respect to rice purchased by Olam. We plan to scale up the AWD training programme to 1,000 farmers by 2023.

The project has delivered 20% reduction in costs, 12% yield increase and 30% net income increase for farmers by providing support to improve practices and an app to share information and demonstrations.

The project was recognised as a Finalist for the Reuters Responsible Business Awards (Partnership of the Year) and at The Federation of Indian Chambers of Commerce & Industry Sustainable Agriculture Awards in 2021.

We aim to harness technologies, digitalisation and health and safety initiatives to target GHG emission reductions of 50%, water savings of 10%, 80% increase in incomes and 100% traceability by 2025.

Climate action

A changing climate poses significant risks to agricultural supply chains, farms, businesses, and consumers that rely on them. We have worked on multiple aspects of GHG footprinting, climate change risk modelling, and GHG reductions and valorisation, to improve emissions measurement and reporting, identify priorities for mitigating risk, develop effective methods and strategies to reduce supply chain emissions, and understand how the necessary changes can be financed.

We significantly enhanced our confidence in our emissions reporting and our capacity to analyse, visualise and manage our emissions at many levels, from whole operating groups to individual businesses and regions, through the development of Terrascope, leveraging it to report our 2021 corporate emissions and taking it to others to improve the quality and usefulness of their emissions reporting.

On GHG footprinting for our operations and direct supply chains, we increased the number of farmers and farmer groups for which we have detailed emissions footprints, representing over 400,600 farmers across 31 countries and 32 products, and a land footprint of nearly 1.2 million ha. We can supply our AtSource+ customers with the GHG footprint of their raw materials and ingredients from farmer groups, across over 8,000 unique destination supply chains.

We have improved the models in the AtSource Digital Footprint Calculator by updating land use change emissions for farmer groups based on actual farm polygons recorded in the Olam Farmer Information System (OFIS), rather than a point and radius approach. Farm-level maps provide a more accurate GHG impact of the raw material produced; however, they are time and resource-intensive. We have updated farm polygons for over 250,000 individual farms on AtSource+. Other improvements include an update to our dairy products model to supply the GHG impact for fat and protein corrected milk, in line with industry standards, reducing the variance of milk's water content.

With the support of climate experts South Pole, we completed a Fast Track Assessment of GHG emissions hotspots and decarbonisation potential in cocoa, coffee, nuts, spices, palm oil, dairy and rice in 27 supply chains across 14 countries, representing around 2.93 MMT with a potential for 1.3 million tCO_2e carbon reduction. For example, changing from flooded rice to an alternate wet and dry irrigation system reduces methane emissions from anaerobic decomposition, with a potential reduction of 63% of GHG emissions, as well as significant livelihood benefits (see the adjacent case study). At the other end of the scale, it suggested potential reduction in onion and garlic farming for our USA operations is a much more modest 6%, which means we need to find other ways to reduce our footprint. The potential Science Based Target reductions across all products averaged 31% with technologies and practices available today.

Building on our learnings, and leveraging the data available in AtSource, we are developing a Climate Action Playbook to scale up our ability to pinpoint emissions hotspots in each farming system and supply chain, identify suitable measures to reduce or eliminate emissions, estimate the potential GHG reduction impact, and cost the intervention required. The ability to do this systematically as part of our normal way of business is key to meeting our SBTi targets. Identifying hotspots and estimating emissions means our customers can come with us on the journey to tackle emissions cost-effectively.

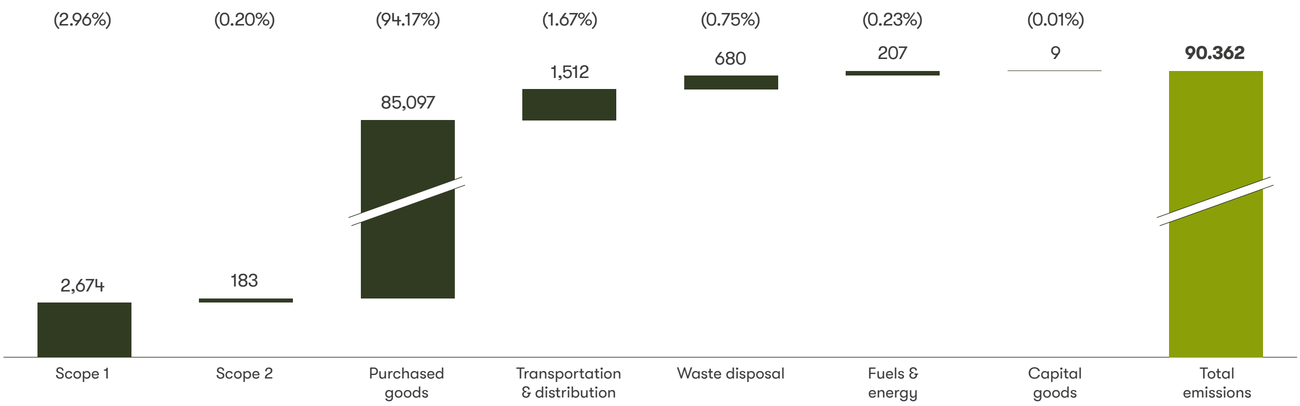
Reducing emissions requires investment, training, new skills, and behaviour change from farmers. We cannot persuade producers to adopt practices that will reduce their income or return on investment: this cost cannot be borne by farmers, especially smallholders who already struggle to earn a living income. Neither can we do this alone. Implementing a Net Zero pathway in agriculture requires a global realignment of regulations, technologies, finance, land use allocation and farming practices, and a willingness by customers and consumers to share the cost of decarbonising food, which has yet to be demonstrated at meaningful scale.

We, like others in our sector, are awaiting clarity on the rules which will govern GHG emissions accounting for SBTi (e.g. the publication of the SBT FLAG guidelines in 2022 and the GHG Protocol Land Sector and removals guidance, due in 2023) and will explain how food, fibre and forestry companies should account for emissions and removals from land use and land use change. Nature Based Solutions (locking up carbon in trees, soils and natural ecosystems) are a critical part of the Net Zero journey, and the accounting rulebooks need to be clear to unlock the necessary finance for farm-level removals, community or landscape level insetting and nature-based offsets further afield. Despite this, the second half of 2021 was marked by intensive discussions with leading customers on decarbonising coffee and cocoa in particular.

Another major advance was the first Natural Capital Valuation for the cocoa platform (Cocoa Compass Impact Report 2021). Cocoa has committed to a 30% Natural Capital cost reduction by 2030. The 2018 baseline agricultural Natural Capital cost of a tonne of cocoa beans from those farmer groups who are part of our managed sustainability programmes, was over US$1,402 per tonne, of which 85-90% came from GHG emissions primarily from land use change which we are addressing through the programmes to end deforestation. In 2020, the cost was reduced to US$1,283 per tonne.

We have made significant progress on Climate Risk assessment, working with climate experts Vivid Economics to complete assessments for 10 products where Olam owns and operates significant upstream farms, plantations and orchards. We examined three 2050 scenarios, including business as usual (BAU) where carbon pricing and regulations prove impotent to curb emissions (a 4°C increase), and two 1.5°C 'Transition' scenarios driven by policy changes and technology improvements respectively, and modelling the impact on upstream profitability of physical risks (chronic shifts in local climate as well as acute events such as extreme heat, flooding, fires etc.) and transition risks (regulatory changes, carbon pricing, consumer trends, technology shifts etc.). Our upstream businesses vary in their sensitivity to these risks but are expected to on average be 9-14% more profitable under the 'Transition' scenarios than under BAU. The models predict climate risks are immediate, with impacts felt this decade. A second phase is underway to cover all Olam's Tier 1 processing facilities and their supply chains, with results expected in 2022.

Olam's total emissions in 2021, collected through Terrascope



Revitalising livelihoods, landscapes, protecting Gorillas and some of the world's rarest coffees

Despite the world's most exclusive Arabica beans growing in the DRC, coffee production has not reached its potential due to years of civil conflict. ofi works with over 2,000 vulnerable smallholder farmers living between Lake Kivu and the Kahuzi-Biega National Park, to reach 8,500 smallholders by 2026, within USAID's Gorilla Coffee Alliance (GCA) Activity initiated through the USA Agency for International Development (USAID)'s HEARTH in partnership with Nestlé Nespresso (Nespresso), ofi, TechnoServe (TNS), Asili and the Wildlife Conservation Society (WCS) to develop a robust and inclusive cofeee sector in South Kivu.

Under GCA, a revitalised coffee industry in South Kivu will become a stabilising force in the region by improving human well-being through increased incomes and investment in critical services, generating economic benefits tied to the protection of the Kahuzi-Biega National Park (KBNP) and its biodiversity.

KBNP is a UNESCO World Heritage Site and one of the few remaining habitats of the critically endangered eastern lowland or Grauer's gorillas. The GCA is working to improve park–people relations by supporting local communities to organise activities around conservation issues and link the coffee produced in the landscape to KBNP. More than 8,100 smallholder farmers will adopt regenerative agronomy best practices to increase coffee yields and incomes while rejuvenating landscapes and protecting biodiversity. Additionally, 65,000 people will gain access to safely managed water services, as part of efforts to improve the health, nutrition, and resilience of households around the park.

Healthy ecosystems

Maintaining a positive, sustainable relationship between agriculture and nature is critical to conserving biodiversity while producing the crops needed for the world's population and protecting the livelihoods of farming families who depend on them. We believe farmers, communities and healthy ecosystems can not only co-exist but can prosper.

During the past year, we have continued to advance our approach to protect High Conservation Value (HCV) and High Carbon Stock (HCS) areas, as well as conserve species and biodiversity in line with our Living Landscapes Policy (LLP).

In the Republic of Congo, our wood business subsidiary, Congolaise Industrielle des Bois (CIB), renewed its agreement with the Wildlife Conservation Society (WCS) and the Ministry of Forest Economy (MEF) to protect wildlife around the Nouabalé-Ndoki National Park in northern Congo as part of an ecosystem protection project.

The national park is a UNESCO World Heritage site, recognised for the importance of its animal and plant biodiversity, and the agreement protects a crucial biodiversity corridor allowing endangered forest elephants, chimpanzees, and western lowland gorillas to move freely between the park and the Lac Télé Community Reserve. Supported by eco-guards and the local community, it is tackling poaching and protecting endangered animals. In 2021, 432 patrols were carried out, including joint patrols with the Lobéké National Park of Cameroon, leading to 166 arrests relating to the capture, trafficking and possession of African grey parrots, and killing of gorillas.

During the past year, our Olam Palm Gabon operation achieved its goal to become fully RSPO-certified by 2021. This milestone underlines its focus on being the leading certified producer of palm oil in Africa and its commitment to sustainable practices that are protecting 99,000 ha of HCV areas (50% of its overall oil palm concession). The elimination of former commercial hunting has led to routine sightings of endangered species such as gorillas, chimpanzees, forest elephants and even a hippopotamus (a species not seen by locals since the 1950s).

Transparency and traceability are at the heart of our approach to preventing forest loss and restoring existing cocoa landscapes. We are investing in GPS technology to monitor and map deforestation risk, plant forest trees to increase carbon capture and deliver the tools and training farmers need to grow more cocoa on less land. In 2021, we distributed 2.4 million trees for agroforestry and income diversification and trained 287,000 farmers on the importance of preserving forests.

Water

Water is the lifeblood of agriculture and food production and managing freshwater is fundamental to our operations and supply chains, as well as to the communities and environments in which we operate.

We use the WRI Aqueduct Tool to assess and inform our water risk management. At the last assessment in 2020, 30% of our upstream plantations, concessions, farms and Tier 1 processing plants were found to be in high or extremely high water stressed regions.

All processing, manufacturing, and farming operations have plans to reduce wastewater and improve water efficiency:

- In Indonesia we are developing – with Mondelēz – a sustainable commercial cocoa farm equipped with a drip irrigation system for 1,000 ha planted area. In addition, it allows tailored application of fertilisers adjusting to soil conditions and trees' production.
- Our coffee facility in Vietnam has installed a pH correction system to enable condensate water from evaporators to be reused. It has updated the reverse osmosis system to recover and reuse reject water, reducing water intensity.
- In our palm plantations in Gabon, work on the irrigation project delayed by COVID-19 restarted in Q1 2021; this will help irrigate 23,089 ha and support yields during extended dry periods in Gabon.

98.5% of our freshwater footprint is in our supply chain and, for our third-party supply chains. We engage with large-scale producers to improve efficiency, for example, we work with onion growers in Egypt to transform practices and increase water efficiency.

Sustainable drip irrigation in California, USA

In California's Central Valley, which can be vulnerable to droughts, we are working on approaches and technologies to improve yields for onions grown for dehydration and significantly reduce water usage and costs.

Onions are shallow-rooted and unless moisture supply is constant, they bulb early and may be small. Currently, onions are mostly grown using sprinklers; however, we are seeing increased yields using drip irrigation.

There are several challenges growing onions this way. One is the upfront expense to remove sprinkler pipes and install drip equipment. Once in place, the mechanical harvesting of onions means that drip tape needs to be shallow enough to be removed before the soil is dried out and harvest begins; the thickness of drip tape, depth, soil type, and number of lines is also critical in ensuring that water spreads evenly.

To address this, a system is being designed specifically for dehydrated onions. For growers, the results will be fewer inputs and reduced water use in drought-prone California; while Olam will benefit from strengthened partnerships, increased yields, and access to land near processing facilities. Critical to the success of the project is creating a method for removing and recycling drip tape at the end of the season that will not affect the quality of processing onions.

Our aim is to improve grower economics – including lower water costs, reduced fertiliser and fungicide application – and build relationships with growers.

Reducing post-harvest losses for Nigerian rice farmers

Food loss and waste initiatives are a key component in achieving Olam's 2030 sustainability goal of a 50% reduction in post-harvest loss in both our own operations and Olam-managed farmer programmes.

In 2018, a study conducted by Olam with Wageningen University & Research (WUR) found that Nigerian rice farmers were losing an average of 35% of their harvest because of inefficient harvesting practices; 12% of the problem arose from manual harvesting, 11% from manual threshing and the remainder from inefficiencies in winnowing, packing, transportation and others.

The findings led us to provide – in partnership with the Japanese Government's Grassroots Programme and Nasarawa Government – 20 mechanised reaper harvesters and 20 mechanised threshers for 700 farmers in our outgrower programme. In partnership with the German development agency GIZ, we also trained 40 youth as operators and engaged them to distribute the equipment across 700 hectares.

This first mechanisation pilot, completed in 2021, saw immediate results: an increase in paddy yields by 14% per hectare boosting farmers' net income by US$189 per hectare as well as significantly reducing greenhouse gas emissions by 1,696 kg CO_2-equivalent per hectare. Labour costs were halved because of the shift to mechanisation.

We are in discussions about scaling up the 2020-21 pilot to all of Olam's 32,000 smallholder rice farmers in Nigeria by 2025 through partnership with Heifer International, farmer cooperatives and Hello Tractor.

Food loss and waste

Crop losses have a significant impact not only on the livelihoods and welfare of farmers and their families, but also on global food security when nearly one in ten people worldwide are undernourished.

We have continued to advance work in our own supply chains to reduce post-harvest loss by 50% in both our own operations and Olam-managed farmer programmes by 2030, as well as maintaining our engagement on this topic with private and public sector stakeholders through our Executive Director, Co-Founder and Group CEO, Sunny Verghese's role as Co-Chair of Champions 12.3, our membership of the WBCSD task force on Post-Harvest Loss and co-leadership of the Sustainable Rice Platform (SRP) Food Loss and Waste task force.

Following our study, in partnership with Wageningen University & Research, on post-harvest losses amongst rice farmers in Nigeria, we have implemented a programme to increase mechanisation. Access to threshers and harvesters has delivered impacts with farmers' yields and incomes rising, labour costs halving and GHG emissions per tonne of rice falling. The programme is being scaled-up to 32,000 rice farmers in Nigeria, while learnings from the study are informing similar potential post-harvest loss interventions in cashew and sesame in Nigeria, quinoa in Peru, cocoa in Cameroon, and chilli and black pepper in Vietnam.

As the co-lead with Mars for the SRP Food Loss and Waste workstream, we have worked on a practice-based approach to loss and waste across smallholder rice value chains. This approach aims to reach 10,000 rice farmers across Vietnam, Thailand and India.

The winners of the 2021 Olam Food Prize for Innovation in Food Security are making an important contribution to reducing the impact of on-farm food loss during harvesting and storage. The prize was awarded to a research team led by Luwieke Bosma, from MetaMeta Research, Wageningen, in The Netherlands, and Dr Meheretu Jonas from Mekelle University in Ethiopia, that has developed a highly effective botanical rodenticide to help curb rats and reduce crop loss in Africa. They are poised to scale-up the roll-out of their innovation which could be a game-changer in tackling rodents, responsible for significant crop loss in the field and during storage in Africa.

"The often-forgotten rodent problem can cause up to 15% loss in food production and 10% in food storage. The Olam Food Prize bolsters our plans to expand the activities to more agricultural operations – both commercial and smallholder – and become the practical centre for integrated rodent management."

Letty Fajardo Vera,
MetaMe

Healthy soils

Land is the greatest asset for farmers, and it is founded on healthy soil. Our goal is to protect and restore degraded soil, which because of poor land management and farming practices has significant environmental and economic impacts.

Our primary efforts are focused on supporting and educating smallholder farmers, and over the year our businesses have delivered education and training to 268,000 farmers on best soil practices. Our coffee platform planted 1,053,984 trees in 2020 and a further 932,237 in 2021.

We are implementing programmes to tackle issues such as soil erosion and improving soil moisture, in order to help farmers to protect and rejuvenate soil.

Soil health is central to farmer livelihoods and climate action. In Côte d'Ivoire our team worked with cotton farmers on a practical soil health programme supported by Africa Cotton Foundation to support cotton yield and farmer income, involving erosion control, mulching, and composting; 530 ha of land was prepared with improved practices in the pilot phase and the programme aims to scale up to reach around 6,000 farmers in 2022. Since 2008, farmers in our cotton programmes have improved their yields to around 1,100 kg seedcotton per ha, a significant uplift. Land pressures force farmers to use the same land year after year, without being able to fallow, and continuous use of nitrogen fertilisers, without sufficient organic matter, acidifies the soil. SECO is working with farmers to increase Soil Organic Carbon (SOC) to improve soil quality through regular organic matter, such as farmyard manure, crop residue and kitchen waste compost. In 2021, SECO collected and tested over 4,300 soil samples to identify and map soil quality across the region.

Our cocoa business is participating in the CocoaSoils initiative alongside research centres, universities, and cocoa industry players to deliver improved cocoa plant nutrition and soil fertility management for cocoa farmers in Côte d'Ivoire, Ghana, Nigeria, and Cameroon. The five-year initiative aims to improve yields and avoid deforestation. Olam is supporting 170 farmer trials, out of a total 328 trials, in the four West African countries. The trials are focused on better understanding cocoa nutrient needs, and impact on productivity and on farmer income. The results are being used to develop recommendations for fertiliser use, assess the impact of composting on soil health, and develop tools for intensifying cocoa production sustainably to improve yields and reduce GHG impacts.

Implementing best practices for soil protection, Tchologo, Côte d'Ivoire

Soil is the key building block for food, feed, and fibre production. Yet degraded soil affects nearly one-third of the Earth's land, resulting in enormous costs to the environment, communities and the economy.

In 2021, our cotton subsidiary SECO undertook a major research project and introduced a four-part Soil Health Improvement Plan. The plan covers more than 90,000 ha in the Tchologo region of Côte d'Ivoire which are under cotton cultivation – alongside other cash crops – by more than 20,000 producers. The plan focuses on soil analysis, erosion control, composting, cover crops and green manure.

By linking soil health to yield and crop quality, the plan is teaching communities the importance of soil management. It has analysed 14 parameters and is compiling GPS data to roll out soil nutrient maps.

To prevent erosion and maintain nutrients in the fields it has landscaped 530 ha with gully treatment and stone walls for the 2021/22 season. Other preventive measures are being planned for the 2022/23 season including contour farming, grass strips and revegetation.

The plan is also educating farmers about a range of composting, including soil enrichment with organic matter, recycling of nutrients and reduction in chemical fertiliser usage. It developed two-week-ready compost and is exploring anaerobic compost, compost pits, vermicompost, and mulching.

To prevent topsoil erosion by harsh weather and enrich soil health 406 ha of cover crops have been sown, as well as introducing new varieties and different cropping systems.

Intellectual Capital

The knowledge and IP that we create to keep us ahead of our competitors.

"COVID-19 disrupted and transformed our ways of working. While we were already advancing our digital capabilities, it has sparked rapid adoption of our digital technologies across our own organisation and the way we engage and transact with farmers, suppliers and customers."

Siddharth Satpute
Senior Vice President, Digital & New Ventures

Q. How has the pandemic impacted the adoption of digital technology in your company?

A. You will be hard-pressed to find multi-national companies which haven't put in place or expanded their virtual connectivity and productivity tools. We accelerated the adoption of virtual solutions for employees to interact with each other and with external parties safely and securely. Today, this seamless connectivity across our organisation has given our employees the freedom to work remotely while still having access to an office.

Q. What role is digital technology playing in your company's business strategy?

A. Digital technology is integral to the way we do business and is adopted across our entire value chain. It helps us to be a lean organisation and be able to quickly adapt to changing market demands to deliver our services to our customers more efficiently.

For example, CRM application has enabled our global teams to engage more deeply and collaboratively within our organisation and with customers. And thanks to advanced data analytics and using AI-powered predictive analytics we are able to analyse millions of data points to deliver more insightful and meaningful solutions to our customers.

We are using digital technology to make food value chains more environmentally and socially sustainable. Through mobile apps, we provide greater market access and value-added services to our farmers, suppliers and distributors which, in turn, facilitates more profitable business decisions. Our customers are able to track and trace the source of food products through a digital platform so that end consumers and customers know where their food is coming from.

Q. How is Olam advancing the adoption of digital technology in food supply chains?

A. In the food supply chains, we are pioneering the adoption of digital technology in emerging markets where we have a significant presence.

An example is the introduction of our Olam Markets mobile app to food distributors in West Africa. These distributors are crucial partners in connecting food manufacturers to retailers. Olam Markets transformed food distribution from a laborious manual process into a simplified digital one.

The app allows distributors to place and track orders, view their account balances and get recommendations on products based on their usage patterns. What used to take up to five days can now be done within minutes. The distributors can see the immediate and tangible improvement in operations.

In the past, we were limited to working with large distributors or wholesalers, who distribute to smaller businesses. Digital technologies allowed us to work directly with these small and medium sized businesses.

Launched in 2019, the app was a product of intensive research and close collaboration with distributors to cater to their specific needs, with new features being periodically added to enhance the user experience.

Olam Markets app is now live in Cameroon, Ghana, Nigeria and Senegal covering our snacks, culinary, rice, wheat flour, semolina and pasta businesses. Today, Olam Markets is used by more than 90% of our distributors in these markets including small and medium sized businesses. We have seen a major shift from offline to online transactions, with share of online growing from 17% in 2019 to more than 80% now. The adoption is such that monthly online sales have reached almost US$ 200 million.

In Brazil, we are helping to transform the lives of coffee farmers by digitally connecting them to the marketplace. Our multi-award winning Olam Direct mobile app allows them to view coffee prices on the market, set their own competitive prices and digitally review and sign all contract documents. Our goal is to have 100% of transactions done digitally on the platform by next year. This innovation is helping to transform how coffee is being traded in Brazil, and contributing to reshaping the industry.

Through digital technology, we are also helping to eradicate child labour in the cocoa industry. We were one of the first to introduce in West Africa a new digital solution that enables our employees and community leads to easily collect data to track children at high risk of child labour. The Child Labour Monitoring and Remediation Solution is transparent and integrates with AtSource, our digital platform which gives our customers much greater visibility of the supply chain of their products.

There is still a huge potential for disruption in farming in emerging markets thanks to digital technology. We will continue to collaborate closely with our partners, customers, distributors and farmers to make farming a sustainable profession.

Q. What are some of the opportunities and challenges you see in the future for the adoption of digital technology?

A. One big opportunity is to make food supply chains more sustainable. As we adopt more innovative climate-smart agriculture, such as tracking information on the quality of the soil, availability of water and changing crop patterns, we'll be better able to mitigate the impact of food production on the environment.

Making farming more profitable is another big opportunity. Using Olam's digital platforms, farmers get better access to markets and services and can make more informed decisions that improve their livelihoods. Digital technology is bridging the gap between the customer and the farmer and, as that happens, farmers are more able to set competitive prices and make better business decisions.

However, a challenge we face is to get farmers and suppliers more digitally-savvy. Digital technology allows them to improve their productivity and yields while reducing costs. As technology evolves, so will our ability to help the farmers. It is reassuring that the new generation of farmers does see the value in digital technology and is willing to work with us to digitise their operations where possible.

Social Capital

The relationships we forge and nurture with suppliers and communities where we operate, for long-term commercial success.

"We continue to stand with our farmers and their communities, delivering on our commitments towards a living income, promoting health and nutrition and leveraging trusted partnerships. We remain sharply focused on shared values that create our Social Capital and committed and confident about delivering on our pledges to create a social framework that allows our deeply valued relationships to thrive, and to build business resilience."

Julie Greene
Vice President, Corporate Responsibility & Sustainability

Q. Why is it so important that Olam ensures the broader prosperity and well-being of all its farming communities rather than just focusing on farmer output?

A. Naturally, there's a strong business case for wanting farmers and the communities behind them to be prosperous. If farmers see the financial and social benefits of working with Olam, then it gives them an incentive to continue to supply us and our stakeholders with high-quality produce; they will also be attracted by the finance, training, inputs and the reliable market access we offer to them year after year.

As a company we have to look beyond that aspect of our partnerships to our societal obligations to each other and to the planet; it's only in doing so that the value of our Social Capital can grow exponentially and have an impact well beyond Olam's immediate value chains.

For example, if we want to make more progress in areas like deforestation, then farmers need a certain level of income to allow them to make that commitment; they simply cannot see a reason to commit to environmentally sound practices – and eliminate cheaper but damaging or unacceptable practices – unless they are able to earn a good living. Every farmer, family and community will be stronger and more motivated partners if they can see the value beyond only a financial benefit to working with Olam.

Q. What programmes has Olam put in place to foster the prosperity of farmers?

A. Olam sources from a large network of farmers and supports 826,000 in sustainability programmes. We have developed a well-structured approach to equip farmers to improve their output, conserve and maximise the value of their crops and help them build their overall resilience.

Our first priority is to improve farmers' yields and the quality of their crops. This can include offering Good Agricultural Practices (GAP) training, essential farming tools, fertilisers and seeds, support services and tools such as for pruning and spraying and even the provision of tractors. Very often, we offer access to financial services and credit, including loans or entering into partnerships with banks.

We help farmers to avoid post-harvest losses to maximise earnings from their harvest. We do so by supplying post-harvest tools such as mechanised rice threshers and tarpaulins to stop crops landing on the ground, assisting with storage capacity like warehouses and quality bags. We make it easier and faster for farmers to access markets, with lower costs and less spoilage in transport or storage, by helping with improved infrastructure, pick up services and the ability to sell directly to us using our Olam Direct[1] platform.

1. Olam Direct is a smartphone app developed in-house that enables farmers to actuate sales contracts directly online.

We recognise we must help farmers to build resilience – and this has been especially important in the context of the challenges of the past two years. This includes crop diversification – enabling farmers to produce crops both for consumption and for sale – and investments in soil regeneration, erosion control and biodiversity. Building resilience in the field is critical to the ongoing development and appreciation of Social Capital. We are committed to positively impacting the livelihoods and well-being of farmers in our supply chain.

Q. What has been the impact of COVID-19 on farmers and communities; and is it a long-term problem?

A. COVID-19 has had a humanitarian and economic impact around the world, and we have seen setbacks in terms of progress towards the SDGs, particularly with respect to ending poverty and zero hunger.

Olam undertook a Farmer Barometer survey[2] in March 2021 and, unsurprisingly, we found widespread issues created by the pandemic. We spoke to over 3,400 Olam farmers in 19 countries and compared the results with our 2020 survey. Farmers indicated they had earned less during the prior six months, compared to the same period before COVID-19.

If there is an upside against this worrying backdrop it is that we were able to continue providing farmers and communities with the support, inputs and services that are part of our ongoing programmes and helped to minimise impact. Clearly, a fall in farmer income in one year means less available for re-investment in the following year; establishing a steady path to recovery will take time for the majority of smallholders and the scope of actions needed to improve farmers' outlook may need to be broader, deeper, and more sustained the longer the impacts of the pandemic are felt.

The need for partnerships will be more critical. Companies, governments, donors, civil society and communities will need to work together to deliver the essential support needed to safeguard investments, livelihoods, and to enable farmers to make a full and prosperous recovery.

Q. How do you demonstrate leadership and what third-party recognition have you had this year?

A. Our Code of Conduct commits us to 'do what is right' and we're constantly inspired to take action because every day we witness the benefits of building farmer relationships and the impact we can have on local communities.

Highlights

5.57 m

farmers getting digital agronomy advice[3]

826,000

farmers getting sustainability support

15%

of our farming network is female

5.9 m

crop seedlings distributed

We're constantly learning from the examples of our peer groups and collaborating with industry, academic and business bodies. We are proud of our continued progress and the recognition Olam has received. In 2021, Olam was ranked as the leading agribusiness and 22nd out of 350 businesses on the World Benchmarking Alliance's (WBA) first ever Food and Agri sector scorecard which assessed companies' contributions to transforming our global food system and their environmental, nutritional, and social impact. The WBA highlighted the progress still needed by the food and agriculture sector to transition the world to a sustainable food system and there is still a lot of work to be done to achieve the Sustainable Development Goals.

We are pleased to see our efforts recognised in Oxfam's agri-business scorecard, published within its report 'Shining a spotlight', a critical assessment of food and beverage companies' delivery of sustainability commitments. We are a leader in three out of five categories: Women, Climate and Small-scale producers. We constantly strive for improvement and are considering the recommendations to see where we can strengthen and scale our positive impact.

Q. How will Olam maintain its focus and goals across its operations and supply chains following the Company's Re-organisation?

A. While each entity will define its own culture and strategy going forward, the values and Purpose of Olam will be foundational to these new organisations.

The Re-organisation will ensure that each entity is recognising every opportunity to build and contribute to our overall Social Capital by investing in the right technologies and solutions suited to their respective strategies, products, and businesses.

2. Read more about the Farmer Barometer on olamgroup.com/content/dam/olamgroup/news-press-releases/blog-posts-pdfs/farmer-barometer-april-2021.pdf
3. Active farmers registered on OFIS, Olam Direct, Agri Central and Jiva platforms.

As the global economy is at a critical juncture to achieve the SDGs by 2030 – with the food and agriculture sector key to transitioning to a more sustainable future – it will allow us to sharpen our sustainability focus on delivering positive impacts and outcomes across the entities.

Our Social Capital commitments will remain central to delivering a more sustainable food system that has positive impacts for farmers, communities and nature. We will continue to engage with key platforms, organisations and stakeholders to make progress towards the UN SDGs and to support us achieving a more equitable, sustainable food system.

Q. Have there been any notable commitment updates in the past 12 months?

A. We have continued to work on advancing our programmes and partnerships during the past year and we have made every effort to ensure that our long-term goals and commitments have been safeguarded despite the pandemic.

In parallel with our commitment towards farmers earning a living income, we are carrying out a study to assess the Living Wage gap. We have been working closely with leaders in living wage initiatives including the Anker Research Network, Sustainability Accounting International, The Living Wage Coalition and IDH, joining the 'Living Wage Call to Action'.

We have been active as a member of the Workforce Nutrition Alliance – which brings together the Global Alliance for Improved Nutrition and the Consumer Goods Forum – and we were a co-developer of the Workforce Nutrition Scorecard. During the year, we rolled out the scorecard to 50 worksites, to begin to build a baseline and inform action towards our 2030 goal of having nutrition programmes accessible to 100% of the workforce. We have been recognised by the Workforce Nutrition Alliance as a 'Lighthouse Leader' and by the World Benchmark Alliance as demonstrating best practice in the sector for workforce nutrition, an encouraging sign that we are making a significant contribution.

In addition to nutrition, we are working closely with fellow members of Champions 12.3 in focusing on the SDG 12.3 target of halving per capita global food waste at retail and consumer level and reducing food losses along supply chains.

We continue to focus on improving human and labour rights. Together with Wageningen University & Research, we commissioned a risk mapping of 60 businesses across more than 30 countries looking at labour rights and in particular the risk of child labour or forced labour in Olam's supply chains. Based on the study, we have identified several locations at higher risk of child labour issues including Côte d'Ivoire, Ghana, Chad, Nigeria, Turkey and Brazil. We are identifying opportunities to mitigate risks. It is vital that we identify problem hotspots and continue to raise awareness amongst our employees, which we are doing through mandatory training for managers across our businesses.

Q. What steps are you taking to strengthen compliance with suppliers and to investigate reported grievances?

A. We reviewed our Olam Supplier Code with input from various stakeholders and benchmarking against industry standards and commitments. We continue to use our Sustainability Assessment Checklist, which we require our businesses to submit as part of the AtSource+[1] process to make sure they have no critical non-compliances among their suppliers. If a major compliance issue is identified, action plans must be developed, implemented and monitored to show progress towards resolution.

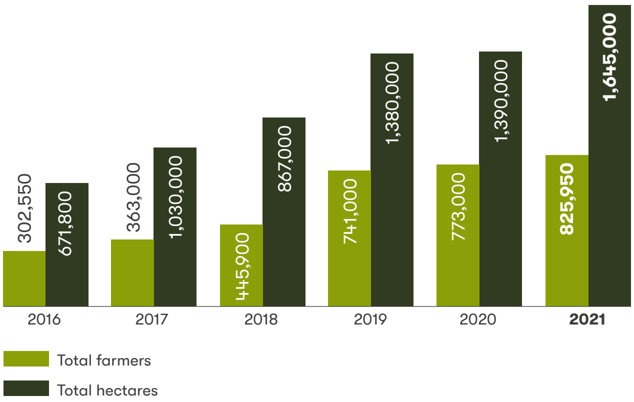
We are rolling out our new programme of human rights training to 3,500 managers to raise awareness and understanding of the root causes of issues, such as child labour, to support our objectives of ensuring greater realisation of human rights throughout the supply chain.

We are reviewing our grievance reporting mechanisms to increase awareness of local channels and to improve follow up, monitoring and record keeping. This helps individuals and communities raise concerns which can be addressed promptly and consistently, and allows for transparency.

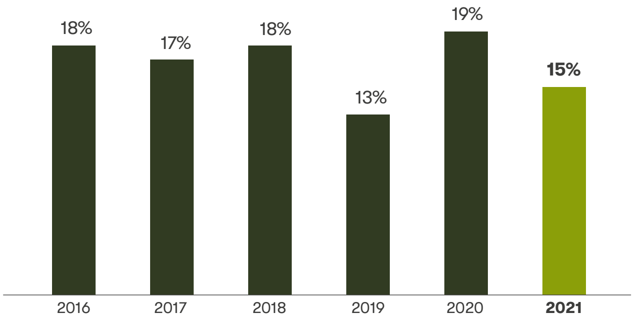
1. Learn more on AtSource.io

In numbers

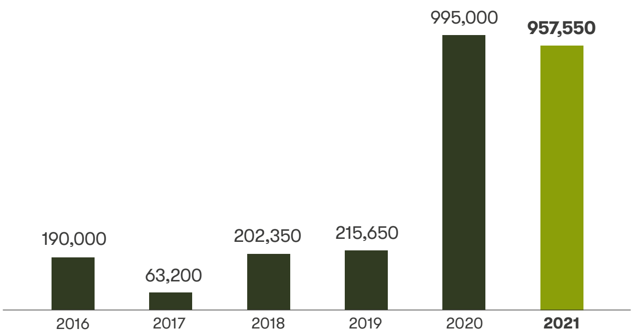
Economic opportunity – Smallholders in sustainability programmes



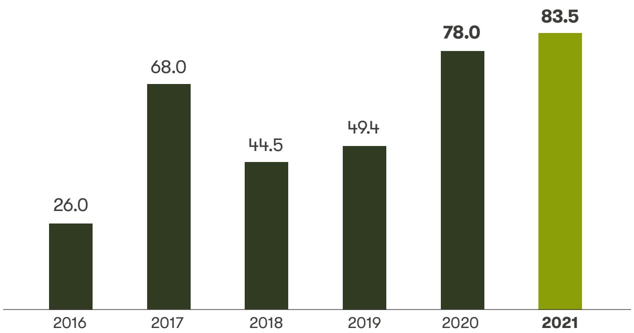
Diversity and inclusion – Women economically empowered within our supply chain (% female farmers)



Nutrition and health – Employees and communities reached under the Olam Healthy Living Campaign



Nutrition and health – Increasing availability of micro-nutrient fortified foods (servings in billions)



Goals dashboard

2020 goals have been retained and aligned for 2021 during the Re-organisation. Each operating group is developing relevant goals to ensure maximum impact.

Material Areas: Economic opportunity; skills and education; safe and decent work

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

Timeframe	Goal	Status	Read more
By end of 2021	Bring 1 million hectares under Olam sustainability programmes with an estimated 0.5 million smallholders	**Achieved** 1.64 million hectares (18% increase on 2020).	Pages 27, 36, 100
By end of 2021	Improved livelihood potential: 0.75 million farmers, including an estimated 0.5 million smallholders, plus farmer communities benefiting from cooperative support, school support, access to finance, producer goods, and economic infrastructure initiatives	**Achieved** 826,000 farmers receiving support (7% increase on 2020).	Pages 93, 95, 99, 102

Material Area: Diversity and inclusion

SDGs 5.5; 10.2

Timeframe	Goal	Status	Read more
By end of 2021	Support 100,000 women to access economic opportunities, including female farmers, processors, distributors, and workers supported or employed by Olam	**Achieved** 156,100 women supported of which 127,300 were women farmers, 13,100 in our primary workforce and 15,900 in our secondary workforce.	Pages 76, 77, 99, 102

Material Area: Nutrition and health

SDGs 2.1; 2.2; 3.3; 6.1; 6.2

Timeframe	Goal	Status	Read more
By end of 2021	Olam Healthy Living Campaign reaches 250,000 people, including community beneficiaries of health, water and sanitation infrastructure, health education campaigns, HIV testing, health check-ups, access to insurance initiatives, and similar services	**Achieved** 955,000 people reached	Page 101
By end of 2021	Produce 40 billion servings of micro-nutrient fortified foods	**Achieved** 83.5 billion servings (7% increase on 2020).	Pages 60, 101, 107

Economic opportunities

Reducing living income gaps of farmer households is critical to farmer livelihoods and to supply-chain sustainability. We have undertaken a living income assessment across six origins to understand the challenges and pinpoint actions to boost farmers' incomes.

With the Sustainable Food Lab, Global Living Wage Coalition (GLWC), the Anker Research Network and the Living Income Community of Practice, we contributed to the development of the first living income reference values for cocoa farmers in Cameroon, Democratic Republic of Congo, Gabon, Nigeria, and Papua New Guinea. These reference values allow our businesses, but also many other stakeholders, to determine living income gap, and for our cocoa business to progress towards 150,000 farmers earning a living income by 2030.

To support coffee farmers' incomes against price fluctuations and climate shocks, our 2025 goal is to enhance the livelihoods of 200,000 coffee households. We aim to improve access to higher value markets and technical assistance, and facilitate training for 100,000 coffee households on sustainable agricultural practices and/or business skills (reaching >10% youth and >20% women).

To advance our own – and sector-wide – progress, we have joined the IDH Living Wage Call to Action and the Steering Committee for the IDH Living Income Roadmap, which aims to help companies take actions. Olam also joined the WBCSD Business Commission to Tackle Inequality (BCTI), an initiative that will seek to mobilise the global business community to tackle inequality and generate shared prosperity for all.

We have continued our efforts to positively impact farmer livelihoods:

- In Côte d'Ivoire, providing maize seeds and inputs to cotton farmers has increased yields by up to 200%
- In Thailand, seed drilling machines have reduced the amount of seed needed by 80% and increased rice farmers' incomes by 10%
- Inputs training for 1,500 sesame farmers in Nigeria has resulted in up to 35% higher yields, up to 11% lower production costs and US$100-200 extra revenue per hectare.

Building yield and diversifying income for cotton farmers in CDI

To boost yields and provide more secure incomes for cotton farmers in Côte d'Ivoire, we helped farmers maximise their crops and diversify their incomes through maize – already a secondary crop.

Our cotton business covers 20,000 cotton growers over 80,000 hectares, generating 90,000 tonnes of seed cotton. Since 2014, our cotton has been Cotton Made in Africa (CMiA) and Better Cotton Initiative (BCI) accredited, with average yields rising from 500 kg per hectare in 2008 to 1,212 kg per hectare in 2021.

We distributed 482 tonnes of de-linted cotton seeds to 4,000 farmers, which has increased plant density from 50,000 to 70,000 plants per hectare, improving yields and revenues by 20%.

We set up 883 quality committees to train 4,927 farmers, transporters, and cooperative managers, and shared reference samples of cotton quality amongst villages. To improve cotton storage, we distributed 7,500 protective tarpaulins in 2021.

For 2021, the proportion of cotton classed as first quality at farmgate rose from 90% to 98%, generating an additional US$321,000 for farmers.

We provided 343 farmers with hybrid maize seeds, inputs and dedicated training. The farmers benefiting from this support produced an average of 4 tonnes per hectare – double the yields of similar farmers using conventional seeds, demonstrating the impact of our initiative for food security.

Putting children first in our cocoa-growing communities globally

In 2021, we broadened our affiliation with the Fair Labor Association (FLA) to conduct baseline assessments of our cocoa sourcing in Uganda, Indonesia, Nigeria and Papua New Guinea to deliver tailored sustainability programmes that put children first. In 2022, the FLA's recommendations will help improve our Child Labour Monitoring and Remediation System in all nine countries where we source cocoa. This is a crucial step towards our 2030 goal to eradicate child labour from our cocoa direct supply chain.

We're focused on preventing child labour by helping more children to go to school, such as providing birth certificates in Cameroon, and setting up scholarships in Ghana, Nigeria and Brazil, and arranging credit facilities for schools in the Pará region of Brazil.

Under the Transforming Education in Cocoa Communities (TRECC) programme, in partnership with the Jacobs Foundation and leading cocoa and chocolate companies, our financial support means over 200,000 children in Côte d'Ivoire have benefited from educational opportunities in the last five years. As part of the Child Learning and Education Facility (CLEF), an initiative with the Ivorian government, key chocolate manufacturers, cocoa processors and the Jacobs Foundation, we aim to provide education for five million children and affect the behaviour of 10 million parents in cocoa communities in CDI by 2030.

In CDI, the FLA has trained our sustainability leads, field officers and programme coordinators. Similar training is planned for other regions to help us tailor our labour standards monitoring and grievance mechanisms for each.

Safe and decent work

We have integrated human rights and child labour considerations into our core business processes and broader due diligence activities. Since undertaking a global human rights risk assessment in 2020 in 33 origins across 19 countries, we've complemented this with field assessments in high-risk areas, for example rice in Nigeria, cotton in Chad and Côte d'Ivoire, and coffee in Nicaragua and Brazil. This approach is enabling us to understand our hotspots and align with our objective to respect human rights and eliminate unacceptable labour practices in our operations.

We are investing in measures to reduce risks to children and to improve access to education, including:

- 256,000 farmer households covered by Child Labour Monitoring and Remediation Systems (CLMRS)
- More than 8,000 child labour cases resolved or under remediation action in the cocoa supply chain
- Developing children's safe spaces in coffee growing communities in Guatemala and hazelnut-growing regions in Turkey to offer education, vocational training and daily meals
- Supporting initiatives, like helping children to obtain a birth certificate, and to obtain scholarships as part of our Cocoa Compass goals
- Piloting a custom hiring model for tractors in Kong, Côte d'Ivoire to disincentivise children's involvement in manual and ox-drawn ploughing.

We are rolling out human rights training for our management team, and implementing robust outcome measures to understand, identify and address root causes of labour risks. Our revised Olam Supplier Code will be rolled out in 2022 to strengthen engagement with suppliers and help eliminate unacceptable practices. We're improving our grievance mechanisms to ensure individuals and communities can raise concerns so we can address these promptly and consistently.

Joining together with other businesses and stakeholders, we continue to support collective action. As part of the International Year of Elimination of Child Labour in 2021 we joined members of the ILO Child Labour Platform to make an Action Pledge to strengthen our efforts in high-risk origins. We're pleased to be ranked as a leader on children's rights for the third time by the Global Child Forum and, as part of its Business Sounding Board, we supported the development of a self-assessment tool, and collaborated with WBCSD and UNICEF on a new resource to give tangible steps for companies to eliminate child labour. We continue to participate in multi-stakeholder and sector-wide initiatives – including WCF and the Child Learning Education Facility (CLEF) – as a board member of the International Cocoa Initiative, and the Sustainable Spices Initiative to advance child protection.

Nutrition

Improving nutrition is central to the sustainable development agenda. One in three people are affected by at least one form of malnutrition, with many smallholder farmers globally facing seasonal food insecurity too. Latest data shows that global hunger is on the rise and that without bold action, 60 million people may still face hunger in 2030.

In 2021, we signed the Responsible Business Pledge at the Nutrition for Growth (N4G) Summit, committing to making nutrition a long-term priority and to making a meaningful contribution to achieving the nutrition-related SDGs.

We continued to implement our nutrition strategy in 2021, focusing on improving the nutrition of consumers, employees and farming communities.

For our consumers, we saw record-setting production of fortified foods in 2021. Fortification is a critical low-cost, high-impact solution to improve nutrition and tackle food poverty. Examples within our Group include Crown Flour Mills investment in Nigeria's first state-of-the-art vitamin premix facility[1], and our fortified rice is now available in Ghana and Cameroon.

Recognition as a leader by the Workforce Nutrition Alliance (WFNA) and the World Benchmarking Alliance was a key endorsement of our work to improve employee health and nutrition. As discussed in the Human Capital section of this report (pages 70 - 79), we completed the WFNA scorecard across 7 countries, covering: healthy food at work; breastfeeding support; health check-ups with a nutrition focus; and nutrition education. An example is the Democratic Republic of Congo, where we support our seasonal coffee workforce to access healthy diets by diversifying the food provided for free on-site. Increasing dietary diversity is one of the most effective ways to hinder hunger.

Our community-focused initiatives are driving meaningful change. Overall, our Olam Healthy Living programme reached more than 955,000 people, with 100,000 of them having access to new or refurbished health and water infrastructure. In farming communities, we supported 290,000 people in food crop production, trained 256,000 on occupational safety, 215,000 on health, wellness and hygiene, and nearly 70,000 on nutrition. In India, as part of our broader sustainability programme with IFC and the Government, we are equipping extension agents and leaders (Krishi Sakhis) of women's Self Help Groups with knowledge on nutrition, home gardening, and first aid.

We're partnering with Global Alliance for Improved Nutrition (GAIN) to create a master nutrition training kit based in behaviour change science. This is being piloted with our cocoa farming communities in Nigeria.

Olam Healthy Living programme

Olam Healthy Living (OHL) aims to improve the well-being of people in the workplace and the communities where we operate. In the more than ten years since its launch, the programme has expanded to promote wellness, prevent infectious disease and advance food security and good nutrition.

Taking a range of approaches to champion health and nutrition, OHL has this year reached over 955,000 employees, farmers, and community members in more than 30 countries worldwide.

In Vietnam, awareness-raising on the importance of continued breastfeeding took place all 12 nuts processing facilities. In Ghana, some 600 factory workers participated in nutrition sessions that focused on balanced diets and the effect of poor diets on health and productivity.

In Peru, in partnership with the Peruvian Association of Nutrition Professionals, training on health and nutrition, cooking demonstrations, and other support has contributed to significant reductions in anaemia among quinoa and chia farmers' children.

As we undertake the Re-organisation of the Olam Group, health and nutrition remain critical parts of our global sustainability strategy. We will build on the OHL legacy by focusing on improving food security and nutrition.

1. Read about our premix facility on page 107.

Empowering female farmers in Nigeria

In 2021, our Crown Flour Mills business in Nigeria launched a 300-million-naira (US$750,00), 10-year project to set up community seed enterprises enabling farmers to increase their wheat production.

The seed project is trialling new heat-tolerant varieties of wheat and improved agronomic practices using a participatory approach that directly engages farmers; but critical to its success is the engagement of at least 10 female farmers' associations to become drivers of change for their communities by training women to lead these community-based enterprises. These enterprises will produce and make available high value seed to farmers in local communities.

The female farmers are being trained on the most advanced agronomic practices for wheat cultivation so they can advise local growers. Periodic feedback sessions will be scheduled among the women farmers, the research organisations and the value chain stakeholders on the status of cultivation to identify areas for change and innovation. The simple concept of 'seeds and thoughts' facilitates the adoption of new technologies and increases economic opportunities for rural women. So far 7 out of the 12 lines trialled are showing promise. The goal is to advance the project with these genotypes in year two planting season. Harvest should be completed within the first two weeks of March 2022.

The project supports the federal government's drive for economic growth, the country's agricultural research capabilities, employment generation and community development, critically, it also embraces diversity and inclusion principles that will contribute to the economic empowerment of women in Nigeria.

Diversity and inclusion

Women play a key role in farming and are critical to tackling poverty and food security. While we have made considerable efforts to address the gender gaps, women farmers in some of our supply chains still face greater constraints in accessing essential productive resources, extension services, technology, and financial assets than their male counterparts. As a responsible company, we have enormous potential to drive inclusive growth and address this inequality in our supply chains, as it is essential for poverty reduction and improving women's socio-economic position.

We are advancing these goals through initiatives such as:

- In partnership with the German development agency GIZ, we have distributed beehives, personal protective equipment, honey presses and training to women in cashew farming communities in Ghana. The hives increase pollination and cashew yields, and are creating jobs and alternative income from the sale of honey and wax for over 2,000 women.
- In the Republic of Congo, 23 Congolese women became part of the 'Ménagère à Constructrice' or 'Home Maker to Home Builder'[1] project. The project aims to enable women to develop the skills necessary for construction of wooden houses in the Pokola region, with the possibility of working for Congolaise Industrielle des Bois – an Olam Group company. The workforce is dominated by men, and this project is part of training to promote an inclusive work environment.
- In its sustainability strategy launched last year, **ofi**'s dairy platform Rusmolco is championing agriculture as a career for women, promoting equal opportunities, flexible working and supporting women to assume leadership roles. 30% of the workforce is female, with 31% in middle management and 28% skilled workers.
- A study at our Kateshi coffee estate to understand the impact on the women's households and communities of our tractor training initiative has emphasised the economic empowerment to the women involved, and how it has encouraged more women to join the programme.
- A study of women farmers in the sesame supply chains in Nigeria revealed they face disparities in terms of access to resources, income, and finance, and that around 90% do not have bank accounts. We plan to use the findings to develop programmes that promote financial inclusion, create economic opportunities and ensure that women farmers equally benefit from our technical training and tailored services.

1. Read more about our Homemaker to Homebuilder Project on page 77 of this report.

Maintaining a robust response to COVID-19

COVID-19 has – and continues to have – a long reach. As the risks and impacts of the pandemic persist, we've maintained our approach to protect and safeguard our colleagues, our communities and our customers. Agility has underpinned our response to the pandemic, we have adapted new ways of working, new approaches to address the challenges we all face, and new solutions to keep our business moving forward.

We've worked hard to mitigate the impact of the pandemic on our global operations and supply chains to ensure we continue to best serve our customers. At the heart of our response, the health of our people remains our priority.

In addition to embedding best practice health and safety policies and full compliance with health authority guidance globally and locally, we've made robust resources available to our workforce to best support their physical and mental well-being, offering testing, support to access vaccinations and medical assistance. We've maintained working measures including staggered shift rotations, social distancing, driver screening and home-based working where possible. We've also restricted access to our facilities to critical visits only, limited non-essential domestic travel, and sourced and distributed ventilators, masks, gloves and hazmat suits to local health authorities and hospitals.

Across the communities in which we operate, we've strengthened our ties with local authorities, health organisations and NGOs to better understand the challenges on the ground. Education underpins our approach – we've harnessed the best digital capabilities available to us to ensure public awareness of health messages, recommended guidance and agri-support. Digital apps, 3D mask printing and access to support phone lines all form part of Olam's robust response to COVID-19.

Planning and agility have made business continuity possible. Our workforce has embraced our new working practices, and by continuing to monitor and anticipate supply and demand, we've been able to keep our supply chains and processing facilities open. With remote support from overseas hubs, which includes product formulation, packaging and design, Olam continues to support our customers – existing and new – with the supply of safe food ingredients and agricultural products.

+ Read more about our COVID-19 support on olamgroup.com/news/response-to-covid-19

Supporting the smallholder recovery

It's no exaggeration to say that farming communities are reeling from the impact of the COVID-19 pandemic. Progress towards the Sustainable Development Goals of no poverty and zero hunger has faltered.

In April 2021, Olam surveyed 3,400 farmers across 19 countries. Findings confirmed our experiences on the ground.

Farmers earned less money than they did pre-pandemic. As a result, they're being forced to diversify, by adding new crops, taking on extra labour jobs and starting up new businesses. Such diversification is an important indication of adaptability when times are tough but can impact smallholder farmer numbers and supply chains if livelihoods cannot be protected.

Olam is adapting our on the ground responses to adopt new approaches and extend financial support. Globally, we have overcome movement restrictions by hiring smaller trucks to get closer to farmers. In Côte d'Ivoire and Ghana, Village Savings and Loans Associations (VSLA) helped more than 1,100 women within cocoa farming communities.

40% of surveyed farmers found it hard to ensure an adequate diet with nearly one in five women surveyed having eaten less than men. Children have also been impacted, spending more time contributing to household income and less time in education as schools closed and labour was less available and increasingly less affordable. We continue to support farming communities and mitigate the impacts of the pandemic.

Manufactured Capital

The equipment, tools, and infrastructure owned, leased or controlled by our organisation and required to serve our customers safely, consistently, and efficiently.

"Manufactured Capital is critical to both our operations and ambitions as we chart an exciting new future. The increasing value of Manufactured Capital is reflected in our processes in order to serve our customers safely, efficiently and consistently."

Paul Serra,
President & Global Head of Operations, **ofi**

Q. How important is Manufactured Capital to the success and development of the businesses?

A. It's a bedrock because it represents the means by which we process all of the raw materials and ingredients that we supply to our customers globally. We see its value each day in each tier of our manufacturing – in primary processing at a country level where a commodity is collected from farmers and consolidated in its most basic form; and then as it is sold on to customers or goes to the Tier 1 processing plants which manufacture all our ingredients and products – for example, turning cocoa beans into the products for customers or the wheat we process into flour and pasta. A strong, efficient, safe and sustainable Manufactured Capital base is a vital and tangible strategic growth asset.

Q. What challenges and changes in supply and demand have you had to address during the year?

A. The past year has been incredibly challenging for most industries and for a sector as essential as food and agriculture, this has been especially the case. We are all aware of how the global economy has had to grapple with the challenges of the pandemic and now with recovery efforts. Inevitably, we have seen countries recovering and opening up at different paces and this has presented major challenges operationally as we try to meet changing customer demands.

We have had to deal with issues in sea freight and land logistics. Global supply chain networks were configured over many years to be efficient in a certain type of environment but COVID-19 created unprecedented levels of demand, coinciding with significant delays in major ports worldwide. There have also been some longer-term changes to respond to, such as changes in consumer behaviours. We've had to be nimble in making sure there is close and efficient coordination throughout the supply chain – and I'm proud to say that our teams have reacted and engaged well.

Q. What investments and innovations has the Company focused on in the past year to upgrade or expand operations and capabilities?

A. We continue to invest across the Group to grow our capacity as well as our capabilities for new products. We have invested in the new greenfield manufacturing facilities in our dairy and soluble coffee businesses along with the significant acquisition of Olde Thompson in USA to add to our spices platform. Each of these investments gives us not just capacity, but also new capabilities to meet changing consumer needs.

COVID-19 has been the catalyst for a much more rapid period of digital transformation. We have always aimed to put digital transformation at the centre of our activities, but we have been emboldened to step this up in our manufacturing in the last year. A good example has been our work with external AI partners to start using machine learning to analyse metadata on historical performance, weather patterns, waste levels, yields, etc. inside some of our plants. This information is synthesised in real-time to advise operators on how they should be setting up their equipment to get the most favourable outcomes. We have seen fantastic results in terms of improving waste levels, throughput rates, and consistency of quality of our products. We're now starting to scale this up across the organisation.

Q. How is the Company driving operational excellence and what success stories have you seen in the past year?

A. Operational Excellence is a multi-year transformation journey that has contributed towards our strategic cost savings programmes. It has three key components:

- Performance management and compliance
- Culture and organisational behaviours, and
- Practices and tools.

They are all geared to enable our business to perform better, faster and smarter, as we measure success using a set of 'metrics that matter' and continually sharpen our toolkit to deliver maximum results.

In 2021 we delivered US$54.5 million in savings within the context of our Cost and Capital Transformation Programme. This has been the major contribution from our manufacturing domain wherein a large part of our spends are covered under the operation excellence activities.

Whilst we have achieved a great deal already, operational excellence is a journey. To date;

- 50% of our large manufacturing facilities have embarked on this journey.
- 20% of our large manufacturing facilities transitioned to 2nd phase of maturity in 2021.
- In the upstream part of our value chain, we have 18 profit centres which are part of the Operational Excellence Programme representing >60% of procured volumes.

Our efforts over the past two years have been focused on manufacturing and non-commodity procurement, to sharpen our ability to command product premiums and bring down costs while improving customer service and productivity, digital-readiness and capability building.

In numbers

77

Large manufacturing plants (Tier 1)

174

Processing plants and upstream operations (Tier 2)

70

Offices (Tier 4)

Some examples of improvements include:

1. Cocoa produced outstanding results in OEE improvement of ~17% , followed by positive impact on safety, quality and production throughput in our plant in Illheus, Brazil.
2. Vietnam spices team showed impressive improvements in productivity of 4% and reduced cost in just one year of implementation, in our processing facilities in Loteco and Giang Dien.
3. Our onion and garlic processing facilities in Gilroy, USA significantly improved Quality (Right First Time) reflecting a 10% improvement in customer satisfaction and cost.
4. Our cocoa processing facility recorded a 4% improvement in OEE in our plant in Abidjan, Côte d'Ivoire.

Q. What challenges are there to mitigating environmental impacts across your portfolio and what are your priorities?

A. Environmental impact continues to be a significant focus. Our Manufactured Capital responsibilities take a holistic view of safeguarding our natural resources, encompassing GHG emissions, waste (solid/packaging/water) created through our plants, as well as sustainable packaging options for customers for finished products; for example Olde Thompson are redesigning a line of products and jars for a specific customer. These are now made from recycled PET. Learnings from this project can be applied elsewhere.

The past year has been important in terms of baselining – including understanding our emissions, measuring different energy/waste streams, and what that means for our carbon footprint. We have been working with Schneider Electric to help different regions understand the sustainable energy sources available and how we would best procure those sources; also, to understand what technologies we will need to achieve our targets.

For example, our target for **ofi** is to reduce GHG emissions by 50% by 2030 and our initiatives to date and our plans for the future put us in a good position to achieve that. **ofi** is gradually increasing the total energy consumption coming from biomass and renewable sources. For our cocoa operations in Singapore and Europe, and our soluble coffee plant in Vietnam we've introduced biomass boilers where we use our own waste streams to reduce overall emissions. In countries where buying sustainable energy is difficult, such technology is critical to reducing our emissions. Our own waste streams are not sufficient and sourcing waste streams for our biomass boilers from other businesses in a way that ensures a carbon neutral outcome is one of the biggest complexities. We are working country by country and creatively utilising our global footprint to access these waste streams.

Another complexity is the growing regulatory architecture in developed markets like Western Europe and the USA. It is vital that we have a granular understanding of how energy markets are working and changing so that we are well-placed to procure sustainable energy without incurring significant additional cost. For example in Europe we have been able to procure the majority of our electrical needs from sustainable sources for our very large cocoa business.

Q. What about food safety and quality? What steps are being taken to advance this across your operations?

A. It is essential that we keep on top of the rapidly changing regulatory frameworks across our multiple markets. The EU continues to monitor pesticides and other chemical residues in foods. In the USA, there is a growing focus on heavy metals and pesticide residue testing. We must adopt granular vigilance to keep in step with the standards and requirements of governments and various legislative bodies.

We are committed to building a culture of continuous improvement and we are allocating significant funding and resources to improve food safety, including upgrading equipment and technology such as laboratory testing equipment, metal detectors, screens, X-rays and colour sorting.

In 2021 we rolled out an Olam Group-wide, comprehensive global quality and food safety management system to ensure we consistently work to quality procedures and policies. We review and measure our performance monthly across businesses, through shared performance indicators. We work closely with customers to ensure we are meeting or exceeding expectations. 95% of **ofi** Tier 1 manufacturing and processing facilities are certified to Global Food Safety Initiatives (GFSI) recognised standard that includes SQF, FSSC 22000, and BRC. Within Olam Agri we have continued on the third-party certification path for key food manufacturing facilities, with Crown Flour Mill Limited in Nigeria achieving FSSC 22000 certification in 2021.

Q. How have you redefined or enhanced your offering to customers this year?

A. We have expanded our Customer Solution Centers in Chicago, USA and in Bangalore, India to enhance our product development laboratories, kitchens and food tasting stations to work closely with customers to co-create new recipes and products; a further two centres in Koog, Netherlands and Singapore will be fully open in 2022. We have enhanced this team with 43 new hires including chefs, food scientists and innovators, and strengthened our 15 global Innovation Centres.

In packaging we have continued to respond to customer demand for more convenient and recyclable options, balanced with a lower carbon footprint. We have also developed more options for our private label customers; for example we have invested in an automated retail packaging for our facility in Peru, giving us the flexibility to supply both bulk and retail packs of quinoa and chia.

ofi to develop new plant to produce high-value dairy ingredients, New Zealand

ofi is developing a new dairy processing plant in the North Island town of Tokoroa, New Zealand to produce high-value dairy ingredients. The Tokoroa plant will become part of a global network that spans 20 major milk consumption markets, such as South East Asia, China, the Middle East, and Africa.

The plant will complement and enhance **ofi**'s ability to support its global customers to meet growing consumer demand for products that are natural, nutritious and delicious. It will also help address innovation, traceability, and sustainable sourcing requirements as New Zealand's farming standards and high-quality milk are very well regarded.

Additional facilities at Tokoroa will be added over time to expand the range of high-value ingredients manufactured there, targeting key customer applications in dessert, bakery, beverage, and confectionery categories.

This new investment deepens **ofi**'s relationship with the New Zealand dairy sector which started a decade ago. The investment in this new facility opens up more supply options for farmers in South Waikato and employment opportunities in the community.

Olam's flour business pioneers state-of-the-art vitamin premix facility in Nigeria

In Nigeria, where 60% of people live below the poverty line, malnutrition is a major concern. To help alleviate this issue, Olam Agri is fortifying wheat flour with essential vitamins. Wheat flour derivative foods such as semolina, bread, noodles and pasta are staples in Nigerian households and an estimated 75 million food portions are consumed daily.

Going one step further, Crown Flour Mill Limited (CFM), a subsidiary of Olam Agri, is pioneering a state-of-the-art facility that will prepare vitamin premix to the highest standards and in accordance with the Standards Organisation of Nigeria (SON). The facility will be the first of its kind in Nigeria and is collaborating with non-profit organisation TechnoServe to develop more nutritious vitamin-fortified wheat flour and derivative food staples to help Nigerians live a healthier life.

CFM is committed to the highest food quality and safety standards and in 2021 achieved the Food Safety Standard Certification (FSSC) 22000. The standard ensures that its range of products, that include leading brands Mama Gold Flour, Crown Premium Pasta and Supreme Semolina, comply with the stringent requirements of the Global Food Safety Initiative (GFSI) and those of the International Organization for Standardization (ISO).

Intangible Capital

The trust in our brand and our reputation which helps establish stakeholder partnerships.

"We understand that what we do and how we do it is fundamental to our business and our license to operate. Over the past three decades, Olam has fostered its culture and values to earn and maintain trust with our stakeholders."

Steven Fairbairn
Head of Communications,
Olam Group & Olam Agri

Q. How is Olam maintaining its brand and reputation capital?

A. Our brand and reputation is vital to maintaining trust and engagement with our stakeholders – employees, customers, investors, farmers, partners, civil society and communities. We understand that what we do and how we do it is fundamental to our business and our license to operate. Over the past three decades, Olam has fostered its culture and values to earn and maintain trust with our stakeholders. Every employee has a responsibility to uphold Olam's reputation and our Code of Conduct and Policies set out the standards and behaviours expected.

It is not just about upholding our values, it is also about ensuring open and regular dialogue with our stakeholders. Across each of our businesses and markets, our teams are actively doing this as they serve customers, source from farmers and producers, and support communities. We value feedback and input from stakeholders as we seek to better serve our customers' needs, improve transparency and address the key social and environment challenges facing food and agricultural supply chains.

Q. How will the Re-organisation influence your approach to managing your brand and reputation?

A. The creation of distinct operating groups is providing an opportunity to build on the strong brand and reputation Olam has built. During the past year **ofi** and Olam Agri have unveiled their own distinct brand and positioning that supports their respective strategies, reflects their business focus and value proposition, and differentiates them from competitors in the marketplace.

It is enabling them to build awareness and engage with their stakeholder groups through their own distinct brand positioning. The Olam brand remains in place for the Olam Group, which will retain the existing identity.

ofi

The rebrand of Olam Food Ingredients as ofi has set it out as a distinct company focused on the five complementary ingredient platforms that it's known for – cocoa, coffee, dairy, nuts, and spices. The new brand supports its Purpose to 'Be the change for good food and a healthy future' by offering fresh ideas, ingredients and solutions to deliver value to customers and create real change for people and the planet. Central to the new brand is the concept of 'Make it real' at every step, from plant to plate; innovating to meet customers' needs and offering end-to-end traceability, sustainability and quality across its supply chains.

Olam Agri

The refreshed brand for Olam Agri brings together its food, feed, fibre, agri-industrials and ag services businesses with one single brand identity. It preserves the Olam logo and trademark rights to build on the valuable Olam heritage, while signalling a bold, new chapter of growth. The refreshed branding reflects Olam Agri's Purpose 'to transform food, feed and fibre for a more sustainable future' by being a trusted partner that unlocks value for customers, enables farming communities to prosper sustainably, and strives for a food-secure future. It differentiates Olam Agri as a market-leading agribusiness from its competitors and signifies its ability to meet the changing needs shaping the global food and agricultural landscape.

Listening to stakeholders

Olam and the Rainforest Alliance have worked together for years to enable certified farmers to build resilience against climate change, protect valuable natural landscapes, and access market demand for more sustainably produced coffee and cocoa. Serving on the Rainforest Alliance's LandScale Advisory Group, we participated in field testing of the assessment framework, as well as advancing the Rainforest Alliance's Integrated Pest Management Strategy.

"We welcome the public commitments ofi has set for its coffee and cocoa business; however, real transformation can only be achieved if responsibility is shared across the entire supply chain - from the field to the boardroom. Big businesses have the power and resources to implement sustainability solutions on a massive scale - catalysing positive change across critically important landscapes and fostering better livelihoods for millions of rural people. We invite Olam to continue the journey with the Rainforest Alliance towards a world where people and nature thrive together."

Erica Kostense-Smit,
Strategic Account Manager Trader, Rainforest Alliance

The Wildlife Conservation Society (WCS) has collaborated with Olam's subsidiary CIB in northern Republic of Congo since 1999 to improve wildlife management in forestry concessions buffering the Nouabale-Ndoki National Park. More recently in the Democratic Republic of Congo, WCS and Olam established the multi-stakeholder Gorilla Coffee Alliance to improve habitats and support coffee farming communities in buffer zones of the Kahuzi Biega National Park.

"To scale to the needs of global food production whilst maintaining cost-effective, high environmental and social standards will increasingly require innovative mechanisms of financing and private and public partnerships. Olam has helped pioneer partnerships to improve habitats, conserve wildlife and support communities and we hope this approach can be extended to other commodities in areas of high biodiversity importance and companies like Olam can keep raising the bar for environmental and social standards."

Emma J Stokes,
Regional Director, Central Africa & Gulf of Guinea,
Wildlife Conservation Society

The Anker Research Institute has worked with Olam on ways to measure regional differences in living wages and living incomes. This methodology will provide living wage estimates for six selected countries and be used to identify living wage gaps for Olam workers in these countries.

"It has been a rewarding collaborating with Olam, because it is willing to support and think about new and innovative approaches as it seriously considers improving the wages and incomes of workers and smallholder farmers. The next step for Olam is to figure out how to develop and implement policies that take into account increased productivity and increased prices in agri and food sectors to help large producers to pay living wages and smallholder farmers to earn living incomes."

Martha and Richard Anker,
The Anker Research Institute

Olam Integrated Impact Statement

"In a resource-deprived world, given that the value of an organisation is much beyond what gets reported in its financial statements, the CFOs of today are leading their teams in a shift towards multi-capital accounting and in measuring and assessing the impact of Natural, Human and Social Capitals and not just Financial Capital."

Rishi Kalra
CFO, **ofi**

In today's world, the way in which companies use natural resources and position themselves in the face of critical environmental and social issues will affect performance, access to capital, and long-term value creation. At Olam, we believe finance teams are well-positioned to help businesses embed sustainability issues into a company's risk and performance management to create more resilient organisations, that also positively contribute to the world with the multi-capital accounting statements.

Q. What is Natural Capital accounting under Integrated Impact Statement (IIS)?

A. In our present world, where there is an ever-decreasing stock of Natural Capital (NC) and increasing demands on flows of NC benefits, we recognise that the key to addressing this is to focus on the assets and liability positions of the NC stocks which we have attempted to do within the IIS[1]. Under the conventional financial statements, only the organisation's financial position is included.

Our IIS comprises of a multi-capital[2] Profit and Loss statement, a Balance Sheet and a Risk and Opportunity Statement. Within the IIS, we measure and value our impacts i.e. annual multi-capital flows, and dependencies i.e. accumulated multi-capital stocks, on three capitals – Natural, Human and Social Capital. This helps us to better account for the long-term sustainability of these capitals that Olam relies on to generate future financial returns.

Q. How is the Integrated Impact Statement prepared?

A. The IIS is developed based on our IIS framework which consists of three steps: Scoping; Impact valuation; and Risk and opportunity statement. These are expanded in the diagram opposite.

Q. What is a Natural Capital Profit and Loss statement (NC P&L)?

A. A NC P&L[3] is an annual statement which reports annual NC performance covering the entire supply chain. It comprises accounting for the positive and negative impacts of our operations on NC. NC P&L, like the conventional financial Profit and Loss statement comprise of two sections – Enhancements (Revenue) and Deteriorations (Expenses).

1. We took inspiration from The British Standards Institution's Natural Capital Accounting for Organizations Standard (BS 8632:2021)
2. Multi-capitals include Financial, Natural, Human, Social, Manufactured, and Intellectual Capitals
3. Based on BS 8632

The Enhancements section focuses on the key activities undertaken by Olam that lead to a positive impact on NC or NC contribution to business; and the Deteriorations section focuses on the negative externalities arising from business operations.

Line items under Enhancements and Deteriorations are calculated by applying valuation factors (i.e. monetisation factors) which are based on best available valuation methodologies for the various environmental footprints.

Q. What is a Natural Capital Balance Sheet (NCBS)?

A. A NCBS[4] is a statement accounting for the NC dependencies of the organisation and its value chain on the stock of NC assets. A NCBS, similar to the conventional financial Balance Sheet, comprise of two sections – Assets and Liabilities. However, a NCBS is a forward-looking statement and involves looking at NC asset values into the future, unlike a conventional financial Balance Sheet which is based on historical data and is a statement of financial position as at the end of the period.

The Assets section focuses on assessing and quantifying potential NC assets in future on which our operations are dependent; and the Liabilities section focuses on the spend or 'investments' that we should continue to incur in the future with the aim to avoid any negative externalities.

The future time frame that we have considered for NCBS is 30 years and applied a discount rate of 3.5%[5]. Line items under Assets and Liabilities are included by calculating the net present value of potential business dependencies and impacts as covered in the NC P&L.

Q. How do you account for Natural Capital under IIS?

A. In 2021, we performed monetary valuation of material NC *impacts* and *dependencies* by assigning an approximate monetary impact value to the annual *flows* and the dependencies. These monetised impacts and dependencies are captured under the *NC Profit and Loss statement* (NC P&L) and *NC Balance Sheet* (NCBS) within the IIS respectively.

IIS' NC P&L and NCBS include both the ***value to the business and its value chain*** as well as the ***value to the society and the environment*** which may experience benefits or costs.

The illustration on the following pages shows, the IIS P&L will capture and report both negative impacts due to deteriorations (e.g. generating GHG emissions, biodiversity loss) and positive contributions to and from NC through enhancements (e.g. GHG emissions sequestration, food provisioning, conservation of NC assets over time). We present these positive and negative impacts to both Business and Society/Environment. From a 2018 baseline, we are reviewing where our actions have the most impact, and more importantly, where we need to invest further to reduce our impact on NC.

On an illustrated basis, this IIS P&L shows that during 2020 there was a NC net impact loss. The Combined Total NC Enhancement value to Society/Environment and to Business was reduced by the Combined Total NC Deterioration. Some other insights from the illustrative NC P&L include:

- The NC Enhancement value to Society/Environment increased from 2018 to 2020 primarily due to GHG sequestration initiatives.
- The NC Enhancement value to Business decreased from 2018 to 2020, following the increased production costs.
- The NC Deterioration value to Society/Environment increased from 2018 to 2020. The NC Deterioration primarily comprises of the negative impact contributions of GHG emissions associated with land use change and crop residue management.

1

Scoping

2

Impact valuation

Annual impact valuation for P&L

Accumulated impact valuation for BS

(a) Materiality assessment

(b) Impact and dependency pathway assessment

(c) Data collection

(d) Valuation

3

Risk and opportunity statement

4. Modified from BS 8632
5. Source: The Green Book (2020). The (UK) Central Government Guidance on Appraisal and Valuation https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_d ata/file/938046/The_Green_Book_2020.pdf

Illustration of Integrated Impact Statement - Natural Capital Profit & Loss Statement

Impact Valuation (added/deducted) for the financial years ended 31 December 2018, 2019 and 2020	2018 (US$ m) Value to business/farmer	2018 (US$ m) Value to society /environment	2019 (US$ m) Value to business/farmer	2019 (US$ m) Value to society /environment	2020 (US$ m) Value to business/farmer	2020 (US$ m) Value to society /environment
Natural Capital Enhancement (+ impacts)						
From agriculture						
Product (i.e. Ecosystem Service of Food Provisioning)	150	–	155	–	145	–
GHG sequestration (on-farm agroforestry)	–	10	–	15	–	20
Carbon regulation value (off-farm reforestation)	–	1	–	2	–	3
Biodiversity (forest and fruit trees planting on-farm or off-farm)	–	2	–	3	–	4
Total Natural Capital Enhancement (+ impacts)	**150**	**10**	**155**	**15**	**145**	**21**
Combined Total Natural Capital Enhancement (+ impacts)	**160**		**170**		**166**	
Natural Capital Deteriorations (- impacts)						
From agriculture						
GHG emissions						
Land use change	–	(240)	–	(275)	–	(250)
Crop residue management	–	(20)	–	(30)	–	(35)
Fertiliser and pesticide use	–	(4)	–	(6)	–	(8)
Water consumption						
Water for irrigation (blue water)	–	(1)	–	(2)	–	(3)
Water for non-irrigation purposes (blue water)	–	(2)	–	(3)	–	(4)
Rainwater for irrigation (green water) in water scarce areas	–	(3)	–	(2)	–	(1)
Water pollution						
Fertiliser use	–	(10)	–	(15)	–	(16)
Pesticide use	–	(2)	–	(5)	–	(8)
Biodiversity						
Ecosystem service change due to land use change	–	(10)	–	(14)	–	(16)
From processing						
Water consumption						
Water consumption	–	(2)	–	(3)	–	(4)
Wastewater pollution	–	–	–	–	–	–
GHG emissions						
Energy use	–	(16)	–	(11)	–	(9)
From transportation						
GHG emissions	–	(5)	–	(7)	–	(8)
Total Natural Capital Deteriorations (- impacts)	**–**	**(315)**	**–**	**(373)**	**–**	**(361)**
Combined total Natural Capital Deteriorations (- impacts)	**(315)**		**(373)**		**(361)**	
Natural Capital Profit/(loss) NET IMPACT	**150**	**(302)**	**155**	**(353)**	**145**	**(334)**
Combined Natural Capital Profit/(loss) net impact	**(152)**		**(198)**		**(189)**	

Illustration of Integrated Impact Statement - Natural Capital Balance Sheet

Future time period: 1-30 years	2018 (US$ m) Value to business/farmer	2018 (US$ m) Value to society /environment	2019 (US$ m) Value to business/farmer	2019 (US$ m) Value to society /environment	2020 (US$ m) Value to business/farmer	2020 (US$ m) Value to society /environment
Assets						
Habitat						
Food provisioning service	2.400	–	2.500	–	2.200	–
Land conversion	–	(200)	–	(300)	–	(350)
Soil						
Soil health	80	–	160	–	150	–
Living things						
Pollination	4,500	–	7,000	–	8,000	–
Biodiversity (reforestation and agroforestry)	–	250	–	300	–	350
Water						
Water consumption						
Water used for irrigation (blue water)	1	(2)	2	(3)	3	(4)
Water used for non-irrigation (blue water)	30	(30)	35	(40)	40	(35)
Rainwater needed for irrigation (green water)	100	(100)	50	(50)	50	(45)
Water used in processing (blue water)	20	(30)	30	(40)	15	(20)
Water pollution (regulating service)						
Fertiliser use	–	(200)	–	(300)	–	(350)
Pesticide use	–	(40)	–	(100)	–	(150)
Air						
GHG flow						
Land use change	–	(3,500)	–	(4,500)	–	(4,000)
Crop residue management	–	(400)	–	(700)	–	(800)
Fertiliser use	–	(100)	–	(130)	–	(120)
Transport	–	(100)	–	(150)	–	(140)
Carbon sequestration (on-farm agroforestry)	–	200	–	300	–	400
Carbon sequestration (off-farm reforestation)	–	30	–	100	–	200
Total assets	**7,131**	**(4,221)**	**(9,777)**	**(5,613)**	**(10,458)**	**(5,064)**
Retained profits (from NC P&L)	**150**	**(302)**	**155**	**(353)**	**145**	**(334)**
Liabilities						
Maintenance costs (reforestation and agroforestry)	(70)	–	(80)	–	(90)	–
Maintenance costs (farmer training)	(50)	–	(60)	–	(70)	–
Maintenance costs (renewable energy)	–	–	(2)	–	(2)	–
Total liabilities	(120)	–	(142)	–	(162)	–
Net Natural Capital asset value	**7,161**	**(4,525)**	**9,790**	**(5,966)**	**10,441**	**(5,398)**

Next to accounting for the NC flows in the NC P&L, we need to account for the underlying dependencies on NC in the NCBS. We account for this in the form of the asset and liability positions of the NC, based on the flow of benefits which serves as a sustainability snapshot at any given time.

From the illustration on the previous page, the net NC asset value[1] for Business and the opportunity costs for society/environment provides an indication of the NC position of the company. Some other insights from the illustrative NCBS are:

- Under NC asset 'water', the NC stock of rainwater used for irrigation has a particular value for business which is presently available freely from Mother Nature. This indicates the value of rainwater to Olam in the next 30 years would be similar.
- The net NC asset value has decreased from the baseline year 2018 to 2019 due to the deterioration of NC asset 'air' from emissions from land use change and crop residue management.

Q. Why do we need to account for NC under IIS?

A. To truly understand how NC affects our financial capital, we need to integrate both Capitals to derive a holistic overview of the business using the IIS. NC needs to be measured, analysed, strategised and managed just as we would do for Financial Capital. With the NCA-incorporated IIS, we aim to:

- Provide our management with an overview of the NC stocks and flows that affect the ability of Olam to create and deliver value over time.
- Enhance accountability and stewardship of NC through improved understanding of interdependencies between multi-capitals.
- Incorporate the progress against the goals identified under our selected material area of Land, Water, and Climate Change.

Q. What is the value of a NC Risk and Opportunity Statement?

A. With the consolidated positions of NC stock and its flows, conducted year-on-year we can identify certain critical risks to be mitigated and opportunities worth exploring.

- NCA provides an understanding of long-term value associated with 'free' benefits provided by nature which routes our investments towards nature-based solutions.
- NCA provides a strong case for exploring various Good Agricultural Practices (GAP). These practices will lead to a decrease in NC deterioration.
- NCA enables us to look at the areas that will impact not only the NC but the financial aspects of the business. Areas of most concern, such as carbon emissions and the activities to reduce or offset these, can be planned to use the results of NCBS and NC P&L to meet our Net Zero ambitions.
- NCA highlights other risk areas such as water used in our operations, especially where there are scarcity issues as this may impact the operations aside from the costs. Water scarcity impacts both rainwater dependency and pollination values which demonstrates the interdependencies of the NC impacts and dependencies.

Q. Why is measuring NC benefits and costs a differentiator for Olam?

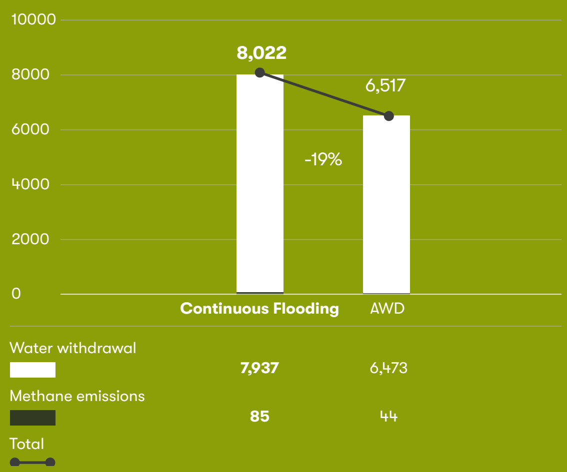
A. We believe that, by harnessing the rigour of finance and economics, we can start measuring and therefore managing our NC impacts and dependencies. The NCA approach will enable us to better prepare and respond to the challenges, risks, and opportunities of tomorrow.

This work supported by Little Blue Research[2] has helped Olam in understanding geographical and value chain hotspots of NC deteriorations and opportunities for enhancements.

1. The net NC asset value = NC asset - NC liabilities (Note: NC asset includes retained NC profits from NC P&L)
2. For more details as to how we worked with Little Blue Research please see https://www.littleblueresearch.com/impact-all/a-balance-sheet-approach-t-natural-capital-accounting

Case study: NC impact valuation of reduced methane emissions and water withdrawal using Alternate Wetting and Drying (AWD), in Haryana, India

Estimated annual NC impact of methane emissions and water use per tonne of rice (US$/tonne)



Olam is committed to mitigating the impacts of rice farming on climate change and ecosystems by training rice farmers on the sustainable rice farming technique of AWD[A] as part of the Sustainable Rice Platform (SRP)-registered training programme.

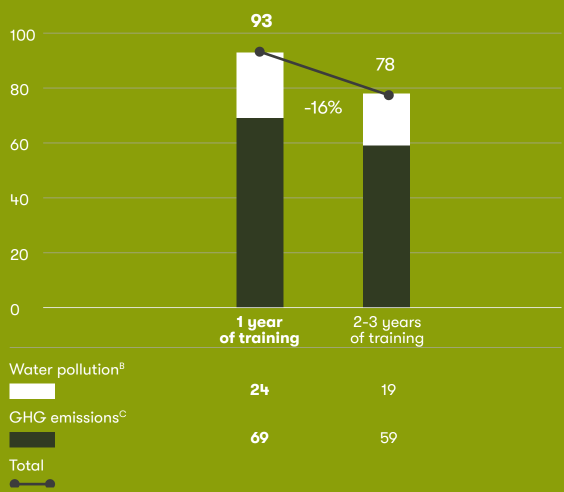
In 2020, Olam piloted the AWD training programme with 300 rice farmers in Haryana, India. We have compared the estimated NC value of methane emissions[D] and water withdrawal[E] between rice farms that implemented AWD and those that use the traditional rice farming method of continuous flooding based on internal data.

The annual value of NC impacts associated with methane emissions and water withdrawal were estimated to be reduced by 48%[F] and 18% per tonne of rice respectively. In total, the farms implementing AWD are estimated to have decreased their NC impacts by 335 tCO_2e of methane emissions and approximately 300,000 m^3 of water with an estimated social value of approximately US$800,000.

Olam plans to scale up the AWD training programme to 1,000 farmers by 2023.

Case study: NC impact valuation of reduced water pollution and GHG emissions following fertiliser training in Ubon, Thailand

Estimated annual NC impact of fertiliser leakage and GHG emissions associated with fertiliser use per tonne of rice (US$/tonne)



Recognising the potential impacts of fertiliser use on GHG emissions and freshwater pollution as a result of potential eutrophication. Olam provides training to farmers with the objective of changing behaviour to reduce synthetic fertiliser use on-farm and to encourage an optimal balance of fertiliser use as part of the SRP-registered training programme.

Olam has estimated the NC impact of changes in fertiliser use by comparing fertiliser use for 2,400 farmers that have received 2-3 years of training to those that have received 1 year of training as at 2020.

Per tonne of rice, the annual societal costs of water pollution and GHG emissions[D] were estimated to be reduced by 14% and 21% respectively. In the 2,400 farms, additional fertiliser training is estimated to have decreased fertiliser leakage into water by approximately 8,700 kg and associated GHG emissions by 270 tCO_2e. This is estimated as a decrease in NC impact of approximately US$75,000 in 2020.

Olam plans to scale up the fertiliser training programme in Thailand to 18,000 farmers by 2022.

Natural Capital valuation assumptions and notes

Carbon emissions: We have applied a Social Cost of Carbon (SCC)[G] of US$90/t$CO_2$e to value the costs to society of climate change impacts due to GHG emissions, measured by a global GDP reduction.

Water use: The shadow price of water[H], which accounts for the value of 'services' provided by water to human health, ecosystems, agriculture and domestic supply, is calculated to be US$2.52/$m^3$ for Haryana. The valuation excludes rainwater as the rainwater anomaly[I] was above the normal range in India in 2020. Olam will continue to update its water use methodology as more appropriate data become available.

Water pollution: Olam has applied the environmental prices[J] of nitrogen (N) and phosphorus (P) emissions to water from fertiliser use. There is a limitation on the use of European values in the context of Thailand as damage costs of environmental pollution can vary widely according to local circumstances. Olam will continue to update its water pollution methodology as more appropriate valuation data become available. The leakage rates (leaching and runoff) of N and P from fertilisers are assumed to be 24%[D] and 40%[K] respectively.

+ For details about IIS and NC P&L and NCBS valuation methodologies, visit olamgroup.com/sustainability/innovation-technology/finance-for-sustainability

Disclaimer

Olam's Natural Capital accounting analyses are not related to financial results or financial reporting. The analyses and insights are specific to the selected operations and are based on the use of environmental economic estimates of non-monetary ecosystems, goods and services; they should not be used outside the context of our analyses. All underlying methodologies are based on well-established databases and frameworks. However, as they depend on third-party expert studies, all values are indicative estimations and are provided as ballpark estimates to inform debate in relation to the management and mitigation of natural capital impacts. There are limitations with respect to some of the methods used to show values in the NCIS and NCBS. Results from the NC valuation analyses may be readjusted according to further methodological refinements.

Supporting notes for rice case studies on page 115, and above assumptions and notes.

A. AWD is a water management practice where irrigation is applied at intermittent intervals resulting in alternating wet and dry soil conditions, according to the SRP Standard for Sustainable Rice Cultivation (Version 2.1), Sustainable Rice Platform, Bangkok, 2020. AWD is also featured in AMS-III.AU. Small-scale Methodology: Methane emission reduction by adjusted water management practice in rice cultivation, Clean Development Mechanism, United Nations Framework Convention on Climate Change.
B. Fertiliser leaked to water.
C. GHG emissions associated with fertliser use.
D. In accordance with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Calvo Buendia, E., Tanabe, K., Kranjc, A., Baasansuren, J., Fukuda, M., Ngarize, S., Osako, A., Pyrozhenko, Y., Shermanau, P., and Federici, S. (eds). Published: IPCC, Switzerland.
E. Water withdrawal is used as a proxy for water consumption due to lack of precise water discharge data. Note for informational purposes only: water consumption is about 80% of water withdrawn in Indian farms, according to Effective rainfall in irrigated agriculture, FAO Irrigation and Drainage Paper, Dastane, N.G., Food and Agriculture Organization, United Nations, 1978.
F. The value of NC impacts associated with methane emissions represents ≤1% of the total NC impacts measured.
G. Mid-point of SCC recommended by Massachusetts Institute of Technology (Pindyck, R S. 2019, The social cost of carbon revisited).
H. We have used the shadow water pricing methodology from the Corporate Bonds Water Credit Risk Tool developed by GIZ/NCD/VfU (2015).
I. Rainfall anomaly is the ratio between rainfall for the current year and the long-term average rainfall in the region, expressed in percentage terms. Values between 90% and 110% are considered as being within the range of normal variability, according to World Food Programme's Vulnerability Analysis and Mapping (VAM). In India, the rainfall anomaly was above 110% in 2020.
J. Environmental prices from CE Delft Environmental Prices Handbook EU28 Version (2015), corrected for inflation and purchase power parity.
K. Johnston, A.E. and Roberts, T.L. (2015), "Phosphorus Use Efficiency and Management in Agriculture", Resources, Conservation and Recycling, Volume 105, Part B, December 2015, Pages 275-281.

General information

This information is intended to help readers understand the basis of our financial reporting and analysis contained in this Annual Report 2021.

Important changes

From 15 March 2022, Olam International Limited and its subsidiaries have been re-organised into three operating groups – **ofi** (Olam Food Ingredients), Olam Agri (formerly Olam Global Agri) and the Remaining Olam Group – which are 100% owned by Olam Group Limited. The Remaining Olam Group of businesses comprises Olam Ventures which incubates Engine 2 growth platforms, Olam Technology and Business Services (OTBS) which provides shared services to the operating groups and develops technology and related solutions to third parties, and Olam Global Holdco (OGH) under which De-prioritised/Exiting Assets and Gestating Businesses are held.

Business segmentation and reporting

For financial reporting purposes, the structure and segmentation of Olam Group's operating groups and businesses are as follows:

Operating groups	Businesses	Reporting segments	Key performance metrics
ofi	Cocoa, Coffee, Dairy, Nuts, Spices	1. Global Sourcing 2. Ingredients & Solutions	**Segment-level** Volume, Revenue, EBIT, EBIT Margin, Invested Capital (IC), EBIT/IC
Olam Agri	Grains & Oilseeds, Integrated Feed & Proteins, Edible Oils, Rice, Specialty Grains and Seeds, Cotton, Wood Products, Rubber, Commodity Financial Services	1. Food & Feed – Origination & Merchandising 2. Food & Feed – Processing & Value-Added 3. Fibre, Agri-industrials & Ag Services	**Segment-level** Volume, EBIT, EBIT per MT, Invested Capital (IC), EBIT/IC
Remaining Olam Group	Olam Ventures (Engine 2 growth platforms), OTBS and OGH (Deprioritised assets and gestating assets, including Olam Palm Gabon, Packaged Foods, Infrastructure and Logistics (ARISE))	1. De-prioritised/Exiting Assets 2. Gestating Businesses (including OTBS) 3. Incubating Businesses	**Segment-level** Revenue, EBIT, Invested Capital (IC), EBIT/IC
Consolidated Olam Group		Volume, Revenue, EBIT, Invested Capital (IC), EBIT/IC, ROIC, ROE, FCF from Operations	

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 and 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 non-current liabilities, and deferred tax liabilities.

Invested Capital (IC): Excludes cash and bank balances, deferred tax assets, fixed deposits, other current/ non-current assets (other than option premiums payable/ receivable) and fair value of derivative assets on bonds.

EBIT/IC: EBIT on average invested capital based on beginning and end-of-period invested capital.

Return on Equity: Excludes impact of capital securities distribution on net income and capital securities on equity.

Operational Return on Equity: Excludes exceptional items and impact of capital securities distribution on net income, and capital securities on equity.

Operational Earnings Per Share: Earnings excluding exceptional items per ordinary share.

Net Gearing: Ratio of Net Debt (gross debt less cash) to Equity (before fair value adjustment reserves).

Net Gearing (adjusted): Net gearing adjusted for readily marketable inventories that are liquid, hedged and/or sold forward, operating as near-cash assets on the balance sheet, and secured receivables are supported by letters of credit or documents through banks.

Free Cash Flow to Firm (FCFF): Operating cash flow less changes in working capital, cash taxes, capital expenditures and investments.

Free Cash Flow to Equity (FCFE): FCFF less net interest paid

ROIC: Return (net operating profit after tax) on invested capital

Disclaimer

Certain sections of our Annual Report 2021 have been audited. The sections that have been audited are set out on pages 8 to 17, and pages 30 to 111 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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