

FOCUSED ON FARMERS

TRACEABILITY
The story behind 100%

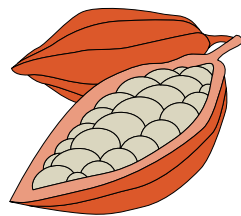
COCOA COMPASS

INVESTING IN NATURE

EMPOWERED TO GROW

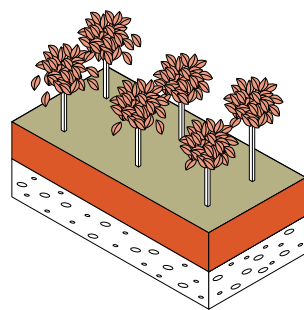
Anchoring our progress

ANCHORING OUR PROGRESS



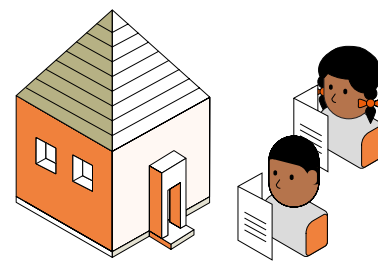
100%

TRACEABILITY OF THE COCOA
WE SOURCE DIRECTLY IN OUR
GLOBAL SUPPLY CHAIN



5.2M+

IMPROVED COCOA SEEDLINGS
DISTRIBUTED TO FARMERS IN
SIX PRODUCING COUNTRIES
SINCE 2018



FIRST

PROFESSIONALISED CHILD
LABOUR MONITORING
INTRODUCED TO CAMEROON

In October 2019 we launched Cocoa Compass, our sustainability ambition for the future of cocoa. We set out challenging goals that go to the heart of the issues facing the sector, from supporting farmers to earn a living income and putting children first by eliminating child labour and increasing access to education, to protecting forests and mitigating our environmental impact.

We know that these interconnected problems cannot be solved overnight. And delivering transformational change for cocoa communities and landscapes on a global scale relies on achieving certain milestones that anchor us along the way. We have now met the first of these; our Cocoa Compass goal to have 100% traceability of the cocoa we purchase directly in our global supply chain.

Why is this so important? Because it is a crucial key in unlocking the answers to eradicating child labour and deforestation. Via a centralised system, we can now trace cocoa in our direct supply chain on its extensive journey from the farm or community

to one of our ingredient processing facilities across the world. This means that our customers, and their consumers, can be sure that their cocoa or chocolate product has been produced in a way that supports the most vulnerable people and environments in the supply chain.

The content of this update reveals what that means in real terms. From bringing the first professionalised child labour monitoring to Cameroon, to distributing over 5.2 million improved cocoa seedlings to farmers in six producing countries. These are the stories of how we are putting our Cocoa Compass ambition into action. And to further underline our efforts to drive transparency in the sector, we are now sharing details of our [supplier network](#) across Africa, Asia and South America.

Getting to this point has been a huge undertaking that has relied not only on the dedication of our team, but also on our customers. I want to thank them for their ongoing support and commitment to driving sustainable impact. And similarly, the cooperation

of national governments, NGOs and industry collaborators has been vital. In particular, the governments of Côte d'Ivoire and Ghana continue to be valued partners in our efforts to make cocoa more sustainable. The introduction of the Living Income Differential (LID) and its adoption is a clarion call to industry to double down on sustainability efforts so that the spirit of the LID is fulfilled.

I am deeply encouraged by the way the cocoa and chocolate industry continue to come together to improve the livelihoods of cocoa communities. Although there is still much to do, multi-stakeholder partnerships like the Cocoa & Forests Initiative with the World Cocoa Foundation, Grow Cocoa, the Just Rural Transition and Beyond Chocolate are essential elements for driving lasting change. However, we realise that this cannot be achieved without a strong enabling policy environment which is why, along with other European Cocoa Association members, we are calling for EU due diligence regulation to come into force.

"I AM DEEPLY
ENCOURAGED BY THE
WAY THE COCOA AND
CHOCOLATE INDUSTRY
CONTINUE TO COME
TOGETHER TO IMPROVE
THE LIVELIHOODS OF
COCOA COMMUNITIES."

Above all, meeting the first of our Cocoa Compass goals is thanks to cocoa farmers and the relationships we have built with cocoa communities over the last 25 years and strengthened through our on the ground sustainability programmes. As the world today reels from the impact of [COVID-19](#), we now have an even bigger responsibility to ensure that the health and livelihoods of cocoa farmers are protected.

Clearly, every achievement pushes us towards even greater impact, so we will be publishing our Cocoa Compass report in Q1 2021 to measure how we are faring against our longer term goals. There will be many challenges ahead, and times when we don't have all the answers, but I have every confidence that we will see our vision through. Much like the response to the global health pandemic, we are stronger when we act together as an industry to make our collective ambition for the cocoa sector a reality.

GERARD A. MANLEY, CEO, OLAM COCOA

COCOA COMPASS GOALS

2020

2024

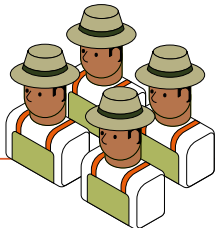
2030

AtSource

100%

TRACEABILITY* ✓	ATSOURCE COMPLIANT* ✓
CHILD LABOUR MONITORING IN MANAGED PROGRAMMES**	DEFORESTATION MONITORING**

*FROM DIRECT COCOA SUPPLY CHAIN
**IN PROGRESS




60,000

COCOA FARMERS IN OLAM COCOA'S SUPPLIER NETWORK ARE ACHIEVING A LIVING INCOME

10%

REDUCTION IN NATURAL CAPITAL COSTS

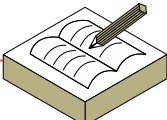
FOCUSED ON FARMERS




150,000

COCOA FARMERS IN OLAM COCOA'S SUPPLIER NETWORK ARE ACHIEVING A LIVING INCOME

EMPOWERED TO GROW

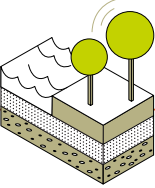


CHILD LABOUR IS ELIMINATED FROM OUR SUPPLY CHAIN



ALL COCOA FARMERS' CHILDREN IN OUR SUPPLY CHAIN HAVE ACCESS TO EDUCATION

INVESTING IN NATURE



PROTECTING FORESTS: CREATE AN INCREASE IN TREE CARBON STOCK

ENVIRONMENT: 30% REDUCTION IN NATURAL CAPITAL COSTS

100%

TRACEABILITY

OUR APPROACH

In an increasingly connected world, consumers want to know how the cocoa or chocolate product they enjoy links back to the farming communities where it grows. They expect this story to be one of positive environmental stewardship and support for farmer livelihoods.

However, the cocoa supply chain is long and highly complex which makes traceability a challenge. When faced with a lack of basic infrastructure or internet connectivity, it becomes very difficult to gather the reliable and consistent data required to measure and assess whether social and environmental programmes are having the desired impact.

We have now developed an end-to-end traceability system which makes this possible. It tracks the cocoa at every link in our direct supply chain, with the journey information recorded and uploaded into a centralised system. With the rich data that this provides, we can better tailor our sustainability interventions to the needs of a specific farmer or cocoa community.

And traceability does not stop at the cocoa bean level. To give our customers – and ultimately the consumer – the assurance of knowing exactly where the cocoa in their confectionery treat has come from, we have invested in the infrastructure

to produce high quality, segregated cocoa ingredients. Our single origin cocoa powders, cocoa liquors and cocoa butters from countries like Ghana, Ecuador and Côte d'Ivoire can be crafted from 100% traceable cocoa beans at our processing facilities around the world. Through AtSource, our digital sustainability platform, customers can then access insights on the environmental and social impact of these ingredients from data on carbon footprinting to information on specific community initiatives.

As part of our effort to provide robust and transparent information, we have published the details of our direct supplier network across Africa, Asia and South America. All of our suppliers, including those we source from indirectly, are required to identify the risks in their supply chains related to human rights, child labour and deforestation as part of Olam's [supplier code](#). We cease working with any supplier found to be in breach of this agreement unless they take steps to rectify their actions.



"We've been working for nearly two decades to bring farmers and our customers closer together in the cocoa supply chain. Reaching our traceability goal is a breakthrough moment, and one that has only been possible due to the expertise of our teams on the ground and a sustained investment in digital innovation. The door is now open to making our vision of a professionalised, sustainable cocoa supply chain a reality"

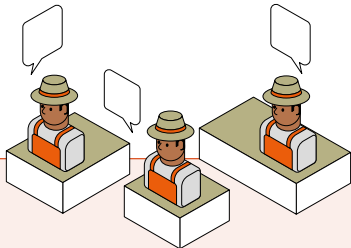
ANDREW BROOKS, GLOBAL HEAD OF SUSTAINABILITY,
OLAM COCOA



THE STORY BEHIND 100% TRACEABILITY

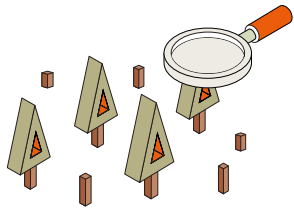
By channelling insights from our existing digital tools, like the **Olam & Farmer Information System (OFIS)**, we can provide customers with even greater levels of transparency on where their cocoa comes from and how it makes its way to them. From farm and community metrics, and the cocoa bean purchasing and transportation process, through to one of our cocoa ingredient processing facilities, the data points and key information are recorded in one centralised system.

This means that our field teams can more easily collect, transmit and analyse data in even the most remote locations. It also supports our ambition to make cocoa more sustainable with detailed information at our fingertips and provided to our customers through AtSource. All of us can better help farmers to professionalise their practices and work towards increasing their incomes in ways that do not negatively impact their families, their communities, or the natural world.



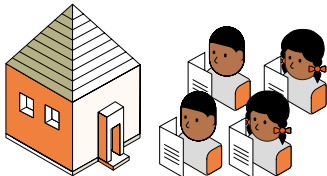
**OVER 325,000
COCOA FARMERS**

in sustainability programmes
are registered on the OFIS platform.
This allows us to:



GPS MAP DEFORESTATION HOTSPOTS

We have a clearer picture of what support is needed for communities at risk of deforestation, like one-on-one farmer sensitisation training



RECORD SOCIAL DATA TO REMEDiate CHILD LABOUR

Information about farmers and their families means we can act more quickly if there is an occurrence of child labour

TRACKING COCOA



FARMER

One of the farming suppliers we work with harvests, ferments, dries and fills bags of cocoa. At this stage, we record vital details about the farmers in our direct source supply chain, such as the size of their farm, the age of their trees, the number of children they have and how far they are from a school.



OLAM COCOA BUYING STATION/FARMER COOPERATIVE OR GROUP

The bags of cocoa are often emptied at the cooperative store for further cleaning and then re-bagged before being uniquely tagged and logged in our traceability system.



PORT

The farming cooperative will then transport the bags to our warehouse at the nearest port, where they are individually unloaded, and the quality carefully checked.



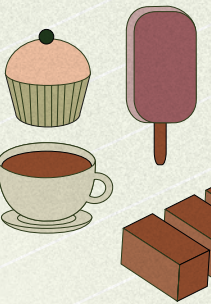
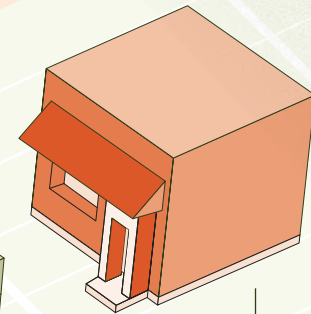
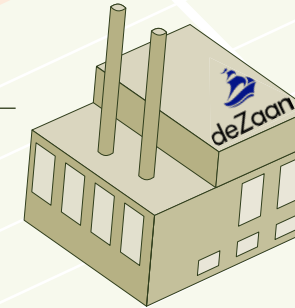
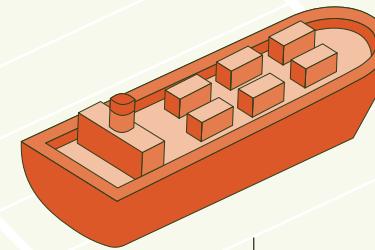
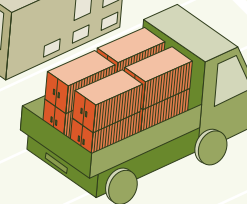
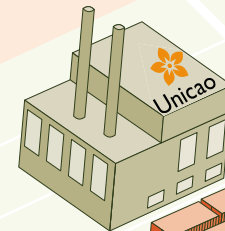
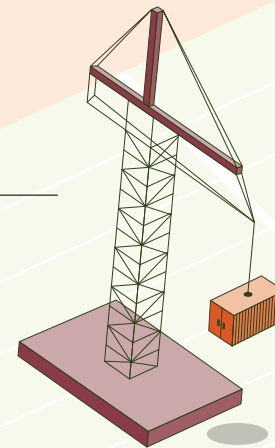
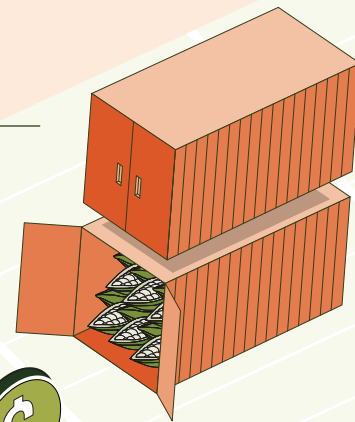
PROCESSING IN CONSUMER MARKET (HOLLAND, USA)

Once it has landed, it is then processed into our cocoa ingredients.



CUSTOMERS

Chefs and manufacturers of chocolate, confectionery, bakery, beverages, desserts, dairy and ice creams worldwide.



IN ORIGIN PROCESSING

The traceable cocoa beans that are ready for export are then either processed into cocoa liquor, cocoa butter or cocoa cake/powder, the main ingredients for chocolate, at one of our local cocoa processing facilities. Our cocoa ingredients can also be crafted from 100% traceable cocoa beans and segregated from end-to-end to meet customer requirements. This year, 30% of the cocoa liquor produced at our processing facility in Abidjan in Côte d'Ivoire, from our African origin brand Unicao, was fully segregated.



BUYING AGENT

An intermediary, such as a farming cooperative, buys the bags of cocoa and a payment is made in cash or via mobile money back to the farmer.



SHIP

...Or they are transported either in break bulk or barcoded containers and shipped for direct sale or ingredient processing in primary consumer markets in the Americas, Europe and Asia.

EMPOWERED TO GROW

Child labour is rooted in complex societal and economic issues ranging from migration and poverty, to proximity to schools and community infrastructure. This complexity means that one intervention will never be enough – what is required is a broad range of preventative and remedial actions at the individual, community, and national levels.

Achieving our traceability goal is a vital step forward on the road to eradicating child labour completely and putting children first in the cocoa supply chain. Our digital Child Labour Monitoring and Remediation System (CLMRS) app, which is part of OFIS, is currently being rolled out in all our managed sustainability programmes, covering over 325,000 cocoa farmers across nine sourcing origins. Building on the 406 CLMRS and Child Protection Committees that we have already established in Côte d’Ivoire, Ghana and Nigeria, the app allows us to more effectively tailor our community interventions based on needs and risk, as well as better measure the impact of remediation activities.

Tackling child labour effectively calls for concerted effort across different stakeholder groups. When we know where best to focus resources and share the data we record with customers, partners, governments and farming cooperatives on the ground, we can co-create the right solutions, in the right places, together.

One example is the Child Learning and Educational Facility (CLEF). We are partnering with the Ivorian government, key chocolate manufacturers, cocoa processors and the Jacobs Foundation, in a new, decade-long initiative to promote effective learning at scale for five million children in Côte d’Ivoire, improving the quality of education available to children in our supply chain and beyond.

“To effectively address child labour, you need to consider the national context. The vast majority of the 2 million children estimated to be in child labour in cocoa in West Africa carry out such work within the family unit, a finding which is corroborated by the data we collect in our own supply chain, often to help their parents on the farm during weekends or after school. While this does not detract from the severity of the issue and its root causes, tackling it will require very different measures than addressing forced child labour or child labour occurring within a company’s direct operations. The multi-faceted and complex drivers of this issue mean that we need to move away from solely remediating on a case-by-case basis and instead take a more holistic approach to child protection.”

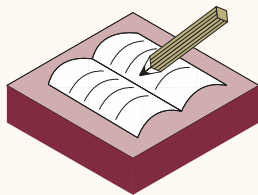
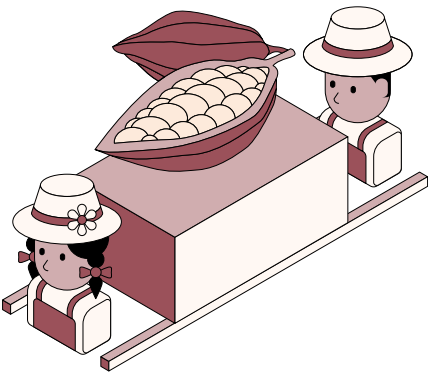
BILLIE ELMQVIST THURÉN, CHILD LABOUR ANALYST IN CÔTE D’IVOIRE, OLAM COCOA

ADDRESSING CHILD LABOUR

In our 2018/2019 cocoa supply chain in Côte d’Ivoire, we identified 7,059 suspected cases of child labour in the sustainability programmes that we run with customers out of a total of 118,000 cocoa farmer households.

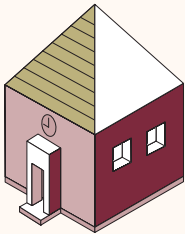
The majority of these are helping their own parents and relate to hazardous tasks such as using sharp tools to weed the farm or break cocoa pods, as well as carrying heavy loads. We are committed to remediating all instances of child labour found in our supply chain to the greatest extent possible, while also tackling the broader causes of child labour by ensuring access to education through the provision of school infrastructure and birth certificates to the establishment of Village Savings and Loans Associations.

In total, an estimated 40,000 children have already benefited from these child protection interventions.



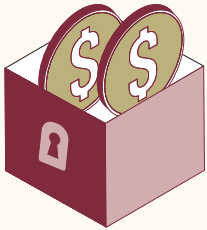
3,034*

BIRTH CERTIFICATES HAVE BEEN ESTABLISHED FOR CHILDREN TO FACILITATE SCHOOL ATTENDANCE



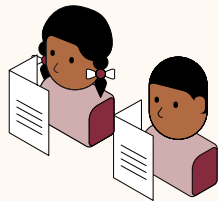
176*

CLASSROOMS, 6 TEACHERS' RESIDENCES AND 5 CANTEENS CONSTRUCTED FROM SUSTAINABILITY PREMIUMS FUNDED IN PARTNERSHIP WITH OUR CUSTOMERS



687*

VILLAGE SAVINGS AND LOANS ASSOCIATIONS HAVE BEEN ESTABLISHED IN CÔTE D'IVOIRE AND GHANA WITH SAVINGS OF USD\$1,200,000 MOBILISED, OFTEN USED FOR EDUCATIONAL EXPENSES



25,600*

SCHOOL KITS DISTRIBUTED

*SINCE 2018

CAMEROON



SAFER AT SCHOOL

AN APP THAT HELPS KEEP
CHILDREN OUT OF CHILD LABOUR
AND IN THE CLASSROOM

"Olam Cocoa proactively partnered with
the Fair Labor Association...to understand
the root causes of child labour."

RICHA MITTAL, DIRECTOR,
SUPPLY CHAIN INNOVATION & PARTNERSHIPS,
THE FAIR LABOR ASSOCIATION





Photo: World Cocoa Foundation

SAFER AT SCHOOL IN CAMEROON

It is estimated that around 20% of school-aged children in Cameroon do not attend school.

The reasons for this are complex. Many smallholder cocoa farmers there have a challenging combination of small plots with comparatively low yields, which makes it difficult to earn a living income. When parents cannot afford to pay for farm labour, they may keep children at home to work the land rather than attend school.

To help to overcome this issue, we worked with the Fair Labor Association (FLA) to conduct a baseline assessment and provide recommendations for developing a comprehensive Child Labour Monitoring and Remediation System (CLMRS) – the first time this has been introduced professionally, and at scale, in Cameroon. The process involves digitally registering 7,000 farmer suppliers and their households and educating local communities about child labour.

To further facilitate this, we introduced a new mobile app, part of OFIS, that makes it easier to collect data on the ground. After being trained and equipped with a smartphone, community leads can collect social data, making it possible to identify children who are potentially at risk and act more quickly. The data then feeds into AtSource, giving our customers unprecedented transparency and an enhanced ability to target sustainability programme and intervention investment.

Beyond Cameroon, we are rolling out the app to cover over 325,000 cocoa farmers in sustainability programmes across all our cocoa sourcing origins in West Africa, Asia and South America. We are also working with the FLA to conduct further child labour risk assessments in Indonesia, Papua New Guinea, Brazil, Nigeria and Uganda to help ensure best practices.

"Olam Cocoa proactively partnered with the FLA to map the working conditions in its smallholder cocoa supply chain in Cameroon. The FLA team alongside Olam Cocoa's local team engaged government stakeholders, civil society organisations, local community leaders, farmers, workers, and their families to understand the root causes of child labour.

The findings informed Olam Cocoa's development of CLMRS in Cameroon. The FLA will continue to independently monitor and then publicly report on the company's efforts to improve the conditions for the cocoa farmers and their families in the country."

RICHA MITTAL, DIRECTOR, SUPPLY CHAIN INNOVATION & PARTNERSHIPS AT THE FAIR LABOR ASSOCIATION



INDONESIA



REBUILDING A SCHOOL DEVASTATED BY DISASTER

"Teacher morale is higher thanks
to their improved living facilities."

HELENA, SCHOOL PRINCIPAL

REBUILDING A SCHOOL DEVASTATED BY DISASTER IN INDONESIA

The devastating earthquake and tsunami that hit Indonesia in September 2018 has left a lasting impact on communities in the Sulawesi region where most of the country's cocoa is grown. The primary school in Lawua village in South Kulawi, Central Sulawesi, was one of the most heavily damaged schools in the cocoa growing communities where we work.

To help the community rebound, we funded the complete rebuild of three classrooms, housing for teachers, and an area for storing bicycles, all of which had been damaged beyond repair. We also created a new miniature cocoa farm on site to give schoolchildren the opportunity to learn first-hand about agriculture, the responsibility of caring for crops, and preserving the natural world.

The new facilities have made a big difference to the 210 pupils and 14 teachers at the school. Its principal, Helena, says:

"The classrooms are now more comfortable and teacher morale is higher thanks to their improved living facilities."

We will continue to support the school in the future by providing IT equipment to enhance the children's learning process even further.



CÔTE D'IVOIRE



KIDS FOR CONSERVATION

TEACHING THE NEXT GENERATION
ABOUT SUSTAINABILITY

"We're educating children on the value
of trees by teaching them to grow forest
tree seedlings in a nursery."

NANGA KONE, RAINFOREST ALLIANCE
COUNTRY MANAGER FOR CÔTE D'IVOIRE



KIDS FOR
CONSERVATION

In conjunction with Rainforest Alliance and the Ivorian government, with funding from the Mitsubishi Corporation Fund for Europe and Africa (MCFEA), we have partnered on an innovative education programme that teaches school children from farming communities about the devastating impact of climate change and deforestation.

Nine schools* – comprising almost 1,800 school children – have participated so far, and we are working to extend it to three more before the end of this year. The children are taught about protecting the environment and asked to maintain a shade tree nursery, plant trees and build awareness in their communities. They receive rewards for their conservation activities, such as new school supply kits and uniforms.

This is a ground-up, community-driven approach to environmental preservation. Because the majority of cocoa farmers in the region produce low yields on their farms, and because the low production volumes will not always fully support their families, it creates environmental risk. The reality is that often these low yields could be improved by adapting simple farming techniques. However, a lack of knowledge means that farmers may instead resort to clearing more land. This joint initiative aims to create a long-term change in this mindset.

By educating the next generation in sustainable, climate-smart practices and encouraging them to share that knowledge with their families, we hope this programme will help efforts to stop deforestation in Côte d'Ivoire, which has witnessed one of the highest deforestation rates in Africa.



* Écoles publiques primaires Djouroutou A, Djouroutou B, Coofadjou, Gbarou, Beoue, Youkou, Poutou, Diaoudi and Petit-Grabo



“EDUCATING CHILDREN ON THE VALUE OF TREES AND TEACHING THEM TO GROW FOREST TREE SEEDLINGS IN A NURSERY HAS A DOUBLE BENEFIT – NOT ONLY FOR THE STUDENTS’ EDUCATION BUT ALSO IN REINFORCING THE MESSAGING TO FARMERS, BECAUSE THE CHILDREN GO HOME AND TALK TO THEIR PARENTS ABOUT WHAT THEY ARE DOING AT SCHOOL.”

NANGA KONE, COUNTRY MANAGER
FOR CÔTE D’IVOIRE, RAINFOREST ALLIANCE

FOCUSED ON FARMERS

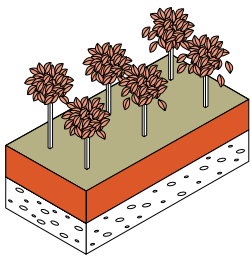
Most of the world’s cocoa is produced by smallholder farmers, with many living below the poverty line. The average Ivorian cocoa farmer earns USD\$2,000 a year according to Fairtrade International, significantly less than the USD\$7,300 it defines as a living income for a cocoa farmer in Côte d’Ivoire. Low incomes can in turn lead to child labour and deforestation as farmers seek to clear more land and keep children home to help out on the farm.

There is no silver bullet to this problem. The introduction in 2019 of a Living Income Differential (LID) in Côte d’Ivoire and Ghana for the 2020/21 crop should secure additional revenue for cocoa farmers, but we must continue working to solve underlying issues that lead to low incomes. Along with our customers and industry partners, we are taking meaningful and tangible actions on the ground to help cocoa farmers futureproof their businesses. Plant science and agronomy play an essential role.

"We are working hard at developing sustainable and scalable solutions to improve cocoa quality and farm productivity. Our dedicated research agronomists based in West Africa and Indonesia provide technical guidance backed by scientific knowledge to field agronomists who directly assist farmers."

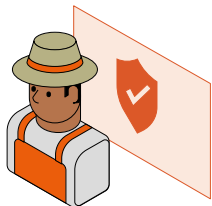
PIERRE BROUN, HEAD OF COCOA
AND COFFEE PLANT SCIENCE

By using insights from plant science and investing in technical assistance, tools, seedlings, training, and access to credit, we can support more cocoa farmers to emerge from a life of relative poverty and to earn a living income whilst at the same time investing in the health of the planet.



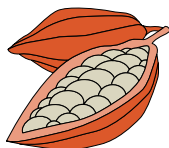
94,601*

TAILORED FARM DEVELOPMENT
PLANS HAVE BEEN ISSUED TO
HELP COCOA FARMERS GET THE
MOST FROM THEIR FARMS



167,056*

COCOA FARMERS HAVE
BEEN TRAINED IN GOOD
AGRICULTURAL PRACTICES



5,254,032*

IMPROVED COCOA SEEDLINGS
HAVE BEEN DISTRIBUTED TO
BOOST FARMER PRODUCTIVITY

*SINCE 2018



CÔTE D'IVOIRE



HELPING LAZARE INCREASE HIS YIELDS AND EARN MORE

"I want to save enough to get some
cattle and a fishery for extra income."

LAZARE KOUAME KONAN, COCOA FARMER





Photo: World Cocoa Foundation

LAZARE

Cocoa farmer in
Côte d'Ivoire

Across all of the cocoa growing countries from which we source, we are helping farmers to earn a living income by giving them the training, resources and support necessary to improve farming practices and increase yields.

Lazare, 56, has farmed cocoa in the village of Dagadji, near San Pedro in Côte d'Ivoire, for over 30 years and is one of hundreds of farmers benefitting from Olam Cocoa's Farmer Business Schools.

"It taught me how to manage my money and spend it on the right things," he says. "It made me open my first bank account. I want to save enough to get some cattle and a fishery for extra income."

With 11 children to support, finding ways to save money and increase productivity is a priority. "I have a Farm Development Plan (FDP) which the farmer trainers use to show me where I can improve. They also brought in a team to help me prune my trees because I didn't know how and was afraid I would damage them. Now that the bad branches are gone, the cocoa pods can grow."

The FDP was created using Olam Cocoa's OFIS technology. By inputting information about Lazare's farm, his farmer trainer was able to give him tailored advice about how much pesticide and fertiliser he should be using, what he could be doing to take better care of his farm to prevent cocoa tree diseases and what shade trees he needs to plant. Lazare says he is already seeing the difference in his yields.

"They also brought in a team to help me prune my trees... Now that the bad branches are gone, the cocoa pods can grow."



Photo: World Vision

PAPUA NEW GUINEA



CREATING COCOA ENTREPRENEURS

"This is a professional business system
that enables farmers to own a share of
the wealth generated from their cocoa."

BOTO GAUPU,
CEO OF THE COCOA BOARD
OF PAPUA NEW GUINEA



Photo: World Vision

CREATING COCOA ENTREPRENEURS

We are now partners with the Papua New Guinea Agriculture Company (PNGAC), a farmer owned business that aims to boost cocoa yields, quality and incomes for local farmers.

PNGAC provides basic business and finance training for farmers, helps them to develop personal farm business plans, and encourages an entrepreneurial mindset. It also provides important financial services, including loan services that can help farmers to grow their businesses.

This new partnership sees Olam Cocoa provide seed funding to help more farmers join PNGAC, which significantly increases their access to market. Firstly, by providing a working capital facility which increases purchasing and first mile processing capability.

Secondly, by funding the necessary infrastructure that helps farmers produce higher quality cocoa beans, for example through practices like improved bean drying techniques with solar driers. This means that farmers no longer need to rely on the use of ember drying which can create a smoky flavour profile that is preferable to some customers but not others. This gives the regional and global markets greater confidence that the country can produce consistent, high quality cocoa that works for even more customers.

Boto Gaupu, CEO of the Cocoa Board of Papua New Guinea said, “This is a professional corporate business system that enables farmers to own a share of the wealth generated from their cocoa.”

"This partnership is another example of how we are helping put Papua New Guinea cocoa on the map. It's taken time to build strong farmer relationships but through offering transparent and fair pricing, improved market access and training programmes, we are helping cocoa farmers to increase their yields and quality in an environmentally sound manner, while also contributing to the communities in which we operate."

BASAVARAJ MASHETTY,
HEAD OF OLAM COCOA BUSINESS OPERATIONS
IN PAPUA NEW GUINEA

NIGERIA



SAFEGUARDING HEALTH AND LIVELIHOODS

"It's critical that we help farmers to still
earn an income in times of COVID-19."

JENNIFER ABUAH,
HEAD OF COCOA SUSTAINABILITY
IN NIGERIA, OLAM COCOA





SAFEGUARDING HEALTH AND LIVELIHOODS

Rural farming communities in all of our direct sourcing supply chains around the world need help fighting COVID-19. We are helping cocoa communities by donating personal protective equipment (PPE) and important medical supplies to farming cooperatives, hospitals and health centres. The scale of this challenge, and the efforts being made to overcome the difficulties presented, is exemplified by the work of our on-the-ground teams in Nigeria.

There we have donated 40,000 face masks to farmers and health workers, provided 3,000 bottles of hand sanitiser, and installed easy to set-up, hands-free washing stations in 200 farming communities. We are also broadcasting vital public health information across radio stations throughout southern Nigeria.

Many cocoa farming families are struggling with the rising price of basic food staples as a result of the pandemic.

In some cases, food prices have already doubled. In response we have donated 9,600 boxes of food, with each box providing enough meals to feed a family of four for three days.

"As well as supplying this urgent healthcare support, we recognise how critical it is that we help farmers to still earn an income in these challenging times, so we are continuing to deliver Good Agricultural Practice training to help farmers improve yields, but in novel, safer ways."

JENNIFER ABUAH, HEAD OF COCOA SUSTAINABILITY IN NIGERIA

For example, we are developing new training videos that can be delivered via LED screens attached to mobile vans, allowing for learning sessions to continue even when it is not possible to safely visit farmers in person.


URGENT SUPPORT PROVIDED


PPE AND MEDICAL SUPPLIES

DONATED TO FARMING COOPERATIVES, HOSPITALS AND HEALTH CENTRES

40,000 FACE MASKS

DONATED TO FARMERS AND HEALTH WORKERS



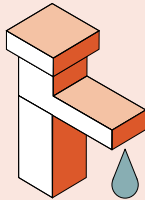


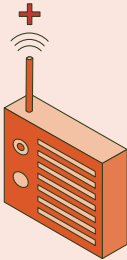
3,000 BOTTLES OF HAND SANITISER

PROVIDED TO COMMUNITIES

HANDS-FREE WASHING STATIONS


INSTALLED IN 200 FARMING COMMUNITIES





PUBLIC HEALTH INFORMATION

BROADCAST ACROSS RADIO STATIONS THROUGHOUT SOUTHERN NIGERIA



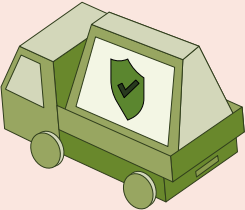
NIGERIA

9,600 BOXES OF FOOD

DONATED TO COCOA FARMING FAMILIES

GOOD AGRICULTURAL PRACTICE TRAINING

CONTINUES TO BE DELIVERED IN SAFE WAYS, TO HELP FARMERS IMPROVE YIELDS



TRAINING VIDEOS

DELIVERED VIA LED SCREENS ATTACHED TO MOBILE VANS

"THE IMPORTANCE OF PROTECTING AND RESTORING FORESTS IN WEST AFRICA CANNOT BE OVERSTATED. NOT ONLY ARE THEY VITAL FOR ECOLOGICAL AND ENVIRONMENTAL REASONS, BUT BECAUSE THRIVING LANDSCAPES PROVIDE A SOURCE OF HOPE FOR TACKLING THE SOCIAL AND ECONOMIC CHALLENGES FACED BY MANY COCOA COMMUNITIES. IN ORDER TO ACHIEVE REAL IMPACT, WE MUST TAKE A HOLISTIC AND MULTI-STAKEHOLDER APPROACH, SUCH AS OUR PARTNERSHIP WITH THE IVORIAN MINISTRY FOR WATER AND FORESTS. TOGETHER, WE ARE WORKING TO DEVELOP AN ACTION PLAN TO PROTECT 460,000 HECTARES IN TWO CLASSIFIED FORESTS, HELPING TO SECURE A SUSTAINABLE FUTURE FOR COCOA FARMING IN CÔTE D'IVOIRE. "

AROUNA COULIBALY, HEAD OF COCOA
IN CÔTE D'IVOIRE, OLAM COCOA

INVESTING
IN NATURE

Deforestation is still prevalent in a lot of key cocoa sourcing origins and we are working with farmers to reverse the trend in a way that balances environmental stewardship whilst supporting farmer livelihoods. As with child labour, it's fundamentally linked to the issue of low farmer incomes. As we assist cocoa farmers to improve productivity and better earn a living income from their existing land, we are working with communities to restore degraded landscapes.

The starting point is to have a clear picture of where there is the greatest risk of deforestation taking place. We have developed the Forest Loss Risk Index (FLRI) which involves GPS mapping tens of thousands of cocoa farms and suppliers across our entire direct supplier network, and combining the data with historic deforestation rates, existing forest cover and national park boundaries. We then highlight risk hotspots, assigning an individual risk rating to each supplier and take targeted action. If any farmer is found operating within a protected area, we request that the farmer group, in association with the respective national authority, conduct the required on the ground assessment. If the farm location

is confirmed to be within the protected area boundaries, we further request that the farmer group no longer source from this farmer.

Simultaneously, we are introducing agroforestry systems where selected forest and fruit trees are planted alongside cocoa to help restore forest tree cover and provide alternative sources of income for farmers and their families. And we are encouraging farmers to adopt better farming techniques, such as pruning, and composting to increase cocoa yields without the need for more land. Our Plant Science Unit is also continuing to explore more natural alternatives for cocoa crop protection.

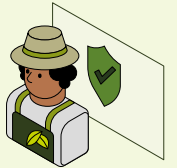
As part of our commitments under the Cocoa & Forests Initiative, we recently shared the impact that these activities are having on the ground in Côte d'Ivoire and Ghana. For example, we have distributed over one million forest and fruit trees.

We are also working across our global cocoa supply chain to reverse deforestation and create the right environment for sustainable cocoa production.



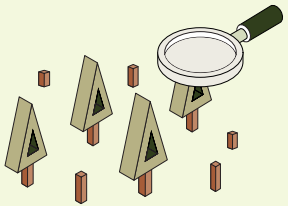
141,476*

FARMERS HAVE BEEN SENSITISED
ON DEFORESTATION



139,256*

COCOA FARMERS HAVE BEEN
TRAINED ON AGROFORESTRY



254,020*

COCOA FARMERS HAVE BEEN GPS MAPPED

* SINCE 2018

BRAZIL



RAINFOREST RETURNS

HELPING FARMERS GET MORE
FROM THEIR LAND WHILE RESTORING
THE FORESTS AROUND THEM

"Joining forces enables us to support
farming families to grow cocoa as a
sustainable business, generating social
and economic benefits...and encouraging
farmers to protect and restore forests."

JENS HAMMER, HEAD OF COCOA LIFE BRAZIL,
MONDELÉZ INTERNATIONAL





RAINFOREST RETURNS

Deforestation has had a devastating impact on the Amazon and nowhere more so than in Pará, the state with the highest rate of deforestation in Brazil. Overall, 1.2 million hectares of forest have been lost there in the last 5 years, mainly due to slash and burn for cattle ranching.

Cocoa agroforestry, where other native fruits are planted alongside cocoa trees, offers an opportunity to restore vegetation on thousands of hectares of degraded pastureland and guarantee farmers a better living income. But many farmers are held back by a lack of technical assistance, a stable route to market, and low rural credit access.

To address these issues, we have partnered with The Nature Conservancy, Mondelēz International, Partnerships for Forests and Instituto Humanize to support the planting of 436 hectares

of cocoa agroforestry in the Amazon, benefiting hundreds of families, and restored 110 hectares of degraded forest land to help increase forest cover. In particular, we are supporting a Technical Assistance Hub in Pará which provides specific agroforestry training, hands-on ‘in the field’ training days for farmers and supports them with credit applications and financial management skill training.

As a result, over 250 families have diversified their farms and there has been an average increase in productivity of 20% among cocoa farmers who applied the training.

Working with our partners, we now plan to expand this project to 1,250 hectares, an 150% increase over the areas already established, by 2021.

“Olam Cocoa is a key partner to this initiative. The families involved have begun selling cocoa to the company, boosting both the local economy and the quality of life of the cocoa farmers. And the first farmer premiums to reward zero deforestation, new agroforestry and restoration commitments are now being distributed under the project.”

RODRIGO MAURO FREIRE, DEPUTY MANAGER FOR RESTORATION STRATEGY, THE NATURE CONSERVANCY BRAZIL



GHANA



COMMUNITIES AGAINST CLEARING

PROTECTING FOREST RESERVES
BY HELPING FARMERS GET MORE
FROM EXISTING LAND

"Olam Cocoa's first AtSource Infinity project uses long-term, community-based solutions to tackle deforestation."

KENNEDY NTOSO, HEAD OF COCOA
SUSTAINABILITY IN GHANA, OLAM COCOA

COMMUNITIES AGAINST CLEARING

Deforestation often occurs when smallholder farmers struggle to make a decent income from their existing land, which creates an incentive for farmers to encroach on forest boundaries.

Alongside Rainforest Alliance and Partnership for Forests (P4F) we are working to conserve the Sui River Forest Reserve in Ghana by supporting 10,000 farmers to increase their yields and incomes through more sustainable agricultural practices and access to new income-generating opportunities. The goal is to completely remove the option of farmers resorting to clearing vital forest lands.

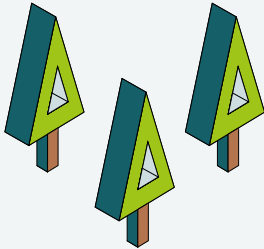
Following the success of this project, there is now potential for it to be expanded into other geographies in Ghana, as well as Nigeria and Cameroon.

We're supporting
**10,000
FARMERS**
to increase their yields
and incomes

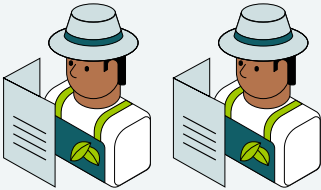


DELIVERING A TRIPLE-POSITIVE IMPACT

1 First, by working with the local community to manage and protect forest landscapes through new Landscape Management Boards.



2 Second, by training farmers on climate-smart agriculture and sustainable farming practices.



3 And third, by training community representatives on business skills like bookkeeping and cooperative governance.



CÔTE D'IVOIRE



A RAY OF HOPE FOR PIERRE

HOW DIVERSIFYING CROPS
IS HELPING BOOST INCOMES
AND RESILIENCE

"I am using the money to build a better
house for my family and to pay
for my children's education."

PIERRE ACHY ABE, COCOA FARMER



A RAY OF HOPE FOR PIERRE

In Côte d'Ivoire, we are helping farmers to earn a living income and become more resilient to the effects of climate change. By encouraging agroforestry, farmers plant forest and fruit trees alongside cocoa to restore lost vegetation and contribute to healthy soils. This means that not only is their farm more likely to withstand potentially devastating impacts such as droughts, pests, and floods, it will also produce extra cash crops to boost their income.

Pierre has been farming cocoa in the village of Abongoua, South-East Côte d'Ivoire, for 18 years. Since he became part of Olam Cocoa's agroforestry programme, he has been trained in agroforestry techniques and received 150 seedlings to get started. Now he plants rubber, banana and avocado trees, which provide food for his family and help him earn a higher income all year round.

Pierre says the programme has made a big difference:

"Before joining the agroforestry programme, I had a small income which wasn't enough to pay the household bills", he says. "I am using the money to build a better house for my family and to pay for my children's education, helping my eldest to find a job in the city."

Many nearby farmers have been motivated to follow his example. Pierre is now teaching his neighbours the agroforestry techniques he has learned, so they can also reap the benefits, and help to protect the environment.



Thank you to our customers, partners and supporters

We are proud to supply leading multinationals and major chocolate confectionery businesses worldwide and support their own sustainability ambitions.

Customers: Blommer Chocolate Company, Costco, Fazer, Ferrero, Fuji Oil, General Mills, Guittard, Lindt & Sprüngli, Mars Inc, Mondelēz International, Nestlé, Orkla, Puratos, Ritter Sport, Starbucks, The Hershey Company.

Key partners, verifiers and certifiers: Bayer, Cocoa Research Institute Nigeria (CRIN), Comité National de Surveillance des Pires Formés des Travail des Enfants, Ecole Supérieure d'Agronomie de Côte d'Ivoire, Fair Labor Association, Fairtrade, Fairtrade USA, Ghana Cocobod, GIZ, IDH-The Sustainable Trade Initiative, International Cocoa Initiative, International Finance Corporation, Intertek, Jacobs Foundation, Le Conseil du Café-Cacao, Mitsubishi Corp, Organic, Partnerships for Forests and World Cocoa Foundation, Rainforest Alliance, Save the Children, Scope Insight, Syngenta, The Nature Conservancy.

OLAM EUROPE LIMITED

New Zealand House
80 Haymarket
London SW1Y 4TE
United Kingdom

T: +44 (0)20 7389 6464

E: cocoa@olamnet.com

 [@olam](https://twitter.com/olam)

[OLAMGROUP.COM](https://www.olamgroup.com)

