

Livelihoods, Education and Nature at Scale



OUR ROADMAP TO GUIDE IMPACTFUL PARTNERSHIPS FOR A RESILIENT COFFEE SECTOR



For well over a decade, Olam Coffee has played a leading role in helping to build a sustainable coffee supply chain. With our presence on the ground in 18 coffee origins, our networks and sustainability teams, we have focused on programmes that make a lasting and tangible impact on the livelihoods of farmers, their communities, and the landscapes on which we all depend.

Our ambitions have grown each year, promoting the importance of traceability, quality, profitable farmers and bio-diverse ecosystems, so as to advance sustainable practices. But despite our collective efforts, many of the complex challenges in coffee remain. Several years of low prices, together with the impact of climate shocks being felt in growing regions, continue to raise doubts about the economic viability of coffee production.

Farmers need us to step up even further. We have a mountain to climb, but through this new lens we will achieve our vision of a living landscape where high-yielding and resistant coffee varieties are grown in fertile soils. They are planted by farmers who are equipped with the knowledge and means to invest in adaptation methods for the

future and whose more predictable income prospects are encouraging the next generation.

Coffee LENS challenges us to do more. It is the first stage of a roadmap that we have set to increase the impact of what we are already doing through a more structured approach, and our scope for action through collaboration with partners – customers, governments, and multi-lateral organisations. It is where our sustainability efforts and business objectives are inextricably linked.

AtSource will be the platform through which we deliver the ambitions of our Coffee LENS strategy, as well as our customers' own sustainability goals. Via the 100+ economic, social and environmental metrics available, we



are able to report on and better understand the interventions required to meet our goals. Progress will be conveyed one year from now in our first impact report.

This is our commitment to create living coffee landscapes, where farmers prosper in thriving communities, and how, together with our partners, we can re-imagine the future of coffee.

MOUNT

Vivek Verma CEO, Olam Coffee "Through this new lens, we will achieve our vision of a living landscape where high-yielding and resistant coffee varieties are grown in fertile soils."

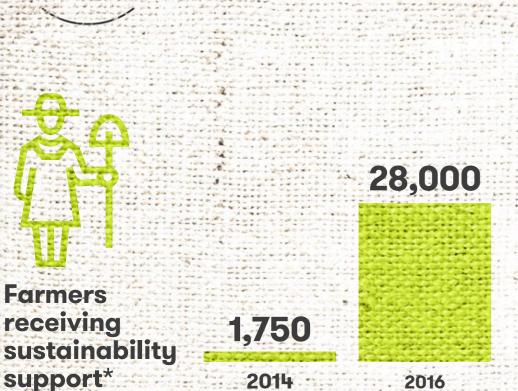
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COFFEE

OUR SUSTAINABILITY PROGRESS TO DATE

61,600

2019



1st

In 2016, our Tanzania
estate was the first
agri-business site
globally to achieve
Alliance for Water
Stewardship
certification

coffee volumes responsibly sourced under the Olam Supplier Code

Sales of sustainable coffee have doubled since 2016, reaching over 19% of total sales in 2019^Δ

Sustainability projects with 25+ partners

farmer groups
on AtSource+, from
15 origins

OLAM COFFEE THROUGHOUT THE YEARS

1994
GREEN COFFEE
OPERATIONS
STARTED IN
INDIA

1995-99
ROBUSTA BUSINESS
EXTENDED TO
VIETNAM, INDONESIA
CÔTE D'IVOIRE AND UGANDA

2004
ARABICA
OPERATIONS
OPENED IN
BRAZIL

2006
EXPANSION INTO
CENTRAL
AMERICA
AND
AND
AND
REGION ORIGINS,
PRESENT IN
10 ORIGINS

2010
LAOS
FIRST OF FOUR
ORIGINS FOR
OWN ESTATES
(OTHERS ARE
BRAZIL, TANZANIA
AND ZAMBIA)

2015
EXPANSION OF SPECIALTY BUSINESS
TO EUROPE WITH ACQUISITION OF SCHLUTER

2020
GLOBAL
LEADER
IN COFFEE
ORIGINATION AND
SUSTAINABLE
FARMING, PRESENT IN
18 ORIGINS

^{*}From Olam Coffee sustainability programmes and/or certification premiums

^aVolumes certified and/or verified by private schemes and AtSource

TOWARDS THE FUTURE

BY 2025:

ECONOMIC OPPORTUNITY

200,000 coffee households with

cottee households with enhanced livelihoods

100,000

coffee households trained on sustainable agricultural practices and/or basic business skills

EDUCATION AND SKILLS

Education remediation plans implemented in all high-risk coffee supply chains

Vocational training in agriculture promoted to

10,000

children and youth*

* Youth =15-24 years' old

CLIMATE ACTION

15% reduction

of GHG⁰ emission intensity from our global coffee footprint

Greenhouse Gas

HEALTHY ECOSYSTEMS

5 million

native trees planted

Deforestation remediation plans implemented in all high-risk sourcing areas

1 million m³

water savings

Soil health improved on

>20,000ha



Livelihoody

COFFEI

Increasing the viability of coffee for producers today, to secure supply for tomorrow.

Sustainable coffee depends on farmers being profitable.
The price crisis, coupled with climate shocks, is threatening coffee production along with the primary income of farmers.
Therefore, to protect coffee we need to support the livelihoods of those who grow and harvest it, providing them with the resources and knowledge they need to increase their productivity and profitability.

| SDGs* | Goal | 2025 Targets |
|--|---|--------------|
| 1 No poverty of coffee farming is improved through higher productivity and profitability. | Enhance livelihoods of 200,000 coffee households through access to highervalue markets and technical assistance to build producers' knowledge and skills. | |
| | Facilitate training for 100,000 coffee households on sustainable agricultural practices and/or business skills (reaching >10% youth and >20% women). | |

^{*}United Nations Sustainable Development Goals (SDGs)

As part of these efforts, Olam Coffee will continue to work with partners and participate in sector initiatives to support living income gap strategies and solutions.

Raising coffee quality and incomes

Applying post-harvest techniques to produce superior quality beans in a competitive market is a differentiator for which the farmers are rewarded with a higher price.

~US\$6mn
in premiums paid
to farmers in 2019

"Our coffee was of mediocre quality both visually and in the cup until the Olam team visited our farm and helped us to improve the quality to achieve better premiums for our coffee."

Thrilotham Gowda Bynekere Estate, Chikmagalur, India



Digitising coffee chains to reach more farmers

The Olam Direct platform gives farmers the ability to negotiate and transact with us directly. By connecting them to markets, they can access daily prices and retain more value of their coffee.

4,000+
coffee farmers registered
on Olam Direct

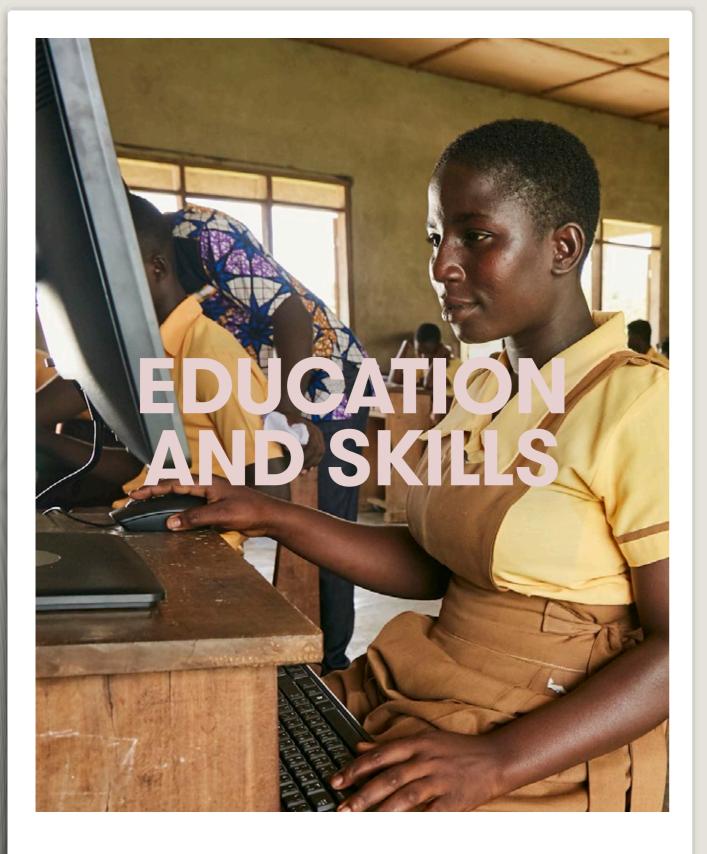


Meet our expert

Catalina González, Head of Sustainability and Differentiated Coffee, Colombia:

"It makes me very proud when a farmer compliments our agronomists and attributes their improved yields or livelihoods to the learnings they received."





Education

COFFEE

Improving access to education for rural communities to thrive.

Education is a powerful contributor to socio-economic development and the prevention of child labour, but in the remote, rural settings of many coffee-growing communities, access can be limited or non-existent. Through supporting children of coffee farmers, our aim is to create new opportunities, so that they become part of a thriving local community.

| SDGs | Goal | 2025 Targets |
|---|--|--|
| 4 QUALITY EDUCATION 5 GENDER EQUALITY 10 REDUCED INEQUALITIES | Generational succession in coffee farming is encouraged through vocational training in agriculture and respect of children's rights. | Implement education remediation plans in all high-risk coffee supply chains (areas with low school attendance as defined by UNESCO). |
| | | Promote opportunities for vocational training in agriculture to 10,000 children and youth. |

Putting coffee education on the curriculum

Olam's 'Teach Me Coffee' project in Uganda is giving school children a taste of the farming life. Pupils from 13 schools are learning the basics of coffee as a business using specially-designed notebooks and developing practical agricultural skills on communal garden plots where they learn how to sow and nurture nutritious vegetables like spinach and okra.





4,400+

pupils involved in the 'Teach Me Coffee' project*



Building better access to education

In Santa Barbara, Honduras, Olam has refurbished seven schools, attended by 400 children aged 6-12, with brand new classrooms, water and sanitation facilities, kitchens and canteens.

school infrastructure projects*

94%

school-aged children in AtSource supply chains attending school *



Meet our expert

Brahim Banda, General Manager, NCCL, Zambia:

"We run a primary school as part of our education programme on our Zambia estates. The contributions we make now to children's education will yield positive results for society at large in the future."

*All numbers to end of 2019



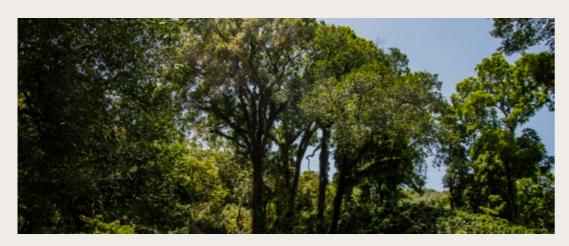


Nature

Reducing coffee's carbon footprint from farm to factory.

Without strong action to reduce carbon emissions, climate change is projected to negatively impact the suitability of half the global area for coffee production. Coffee production is in itself a source of carbon emissions through significant use of fertiliser, energy and land. Stepping up on-farm carbon capture activities and efficient processing is integral to mitigate and adapt to the impacts of climate change for a resilient coffee supply chain.

| SDGs | Goal | 2025 Target |
|---|---|--|
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | Climate-smart agricultural practices and improved resource-use efficiency are implemented to reduce carbon emissions. | Reduce greenhouse gas (GHG) emission intensity in our supply chains by 15% through improved land-use management, |
| 13 CLIMATE ACTION | | farming and post-harvest practices, and more efficient energy use. |





138,000

non-coffee trees distributed to farmers in 2019

Diversifying production to reduce carbon emissions

Diversified coffee farms can serve as carbon sinks. Growing pepper, avocado and other crops alongside coffee creates more biomass, sequestering CO_2 . At the same time, farmers can also broaden the range of income sources available to them, increasing their climate resilience.

Improving resource-use efficiency in processing

In the mills on our Zambia estates, systems have been introduced to conserve energy and water at every stage of the processing journey – from bean separation all the way through fermentation and drying.

>15%

reduction in electricity consumption - due to automation and centrifugal process*



Meet our expert

Tom Hunter, Coffee Trader, Specialty Coffee, United Kingdom:

"Olam's holistic approach to supporting regenerative practices and investing in post-harvest efficiency offer real proactive solutions for the myriad of challenges climate change brings."

* Numbers between 2016-2019

Promoting climate-resilient production systems

In the Daklak province of Vietnam, we have been working with coffee farmers to reduce GHGs through agroforestry practices, lower use of agrochemicals and training on resource-use efficiency, while improving productivity.

"IDH highly appreciates the cooperation that Olam created and maintained with stakeholders, especially local authorities and farmers. We acknowledge the great efforts and professionalism of Olam's managers, experts and agronomy team in implementing project activities and providing sufficient guidance and support to ensure success and scale up the project."

Tran Thi Quynh Chi, Regional Director Asia Landscapes, IDH (Sustainable Trade Initiative)





Nature

COFFEE

Creating and sustaining living coffee landscapes

The tropical regions where coffee is typically grown is vulnerable to deforestation as farmers encroach into protected forests and biological corridors to expand cultivation. The mountain springs and other rural water sources in these growing regions are also impacted by wastewater that's discharged untreated after the wet-milling process. We need to scale up our impact in vulnerable areas through partnerships to secure the future of these vital landscapes.

| SDGs | Goals | 2025 Targets |
|--|--|--|
| 12 RESPONSIBLE CONSUMPTION | with improved soil health and biodiversity at landscape level. Ecosystems are | Plant 5 million native trees. |
| AND PRODUCTION COO 15 LIFE ON LAND TO THE COOL OF T | | Implement remediation plans in all high-risk sourcing areas, as defined by the Forest Loss and Risk Index (FLRI). |
| | | Improve soil health over >20,000 ha. |
| | | Save 1 million cubic meters of water annually in coffee cultivation and processing. |
| | | Reduce untreated coffee wastewater effluent by 50%. |

Blending coffee with agroforestry

In the biological corridor of Chiapas, Olam in partnership with Rainforest Alliance and USAID Mexico, is working with coffee farmers to replace old planting stock while reforesting 4,000ha, allowing farmers to enjoy a profitable and sustainable coffee business on their existing land.

"These 65,000 plants that are already planted, have increased production and quality of life for our families, and we are giving life to the environment!"

Abelardo Guzman Perez, coffee farmer, Chiapas, Mexico.



200,000 native forest trees planted*

Collaborating to achieve deforestation-free coffee

We have shared our OFIS (Olam Farmer Information System) technology with the Wildlife Conservation Society to support farmers and reduce the risk of future deforestation in the Bukit Barisan Selatan National Park in Sumatra, Indonesia.

28,840 🙊

coffee farm boundaries GPS mapped worldwide to identify high-risk areas*

"Olam's involvement in this partnership is catalytic in moving from commitments to action."

Cristián Samper,
President and CEO, WCS



Meet our expert

Jose Henao, Supply Chain Manager, Indonesia:

"Our experience and presence on the ground help us direct resources to where we can generate the most impact, for example with agroforestry projects targeting deforested areas in Java."

*All numbers to end of 2019 During 2019 crop year



Over 95% of our volumes are directly sourced, stored, GLOBAL REACH. LOCAL DEPTH. and processed by our 18 origin operations. MEX LAO HND COL DRC PNG Coffee Belt Brazil ESP KOR South Korea TLS East Timor O Sourcing origins Switzerland Japan LAO Laos TZA Tanzania CHN China HND Honduras MEX Mexico UGA Uganda Olam estates Nicaragua United States CIV Côte d'Ivoire IDN Indonesia NIC VNM Vietnam ITA PNG Papua New Guinea Italy Olam marketing offices Colombia RUS Russia GBR United Kingdom SGP Singapore GTM Guatemala SVN

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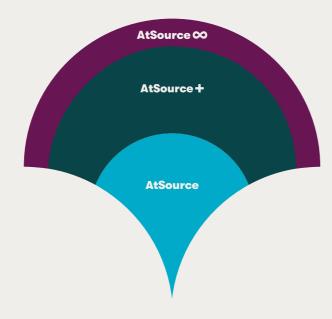
Coffee supply chains are under pressure and consumers are becoming more aware.

To help tackle this issue and establish more resilient supply chains, we created AtSource, Olam's revolutionary sustainability insights platform for agricultural supply chains, purposefully designed to demonstrate social and environmental impact and drive change for farmers, communities and ecosystems.

How it works

Covering value chains end-to-end from the farm through logistics, processing, right to the factory gate.

- Three ascending tiers feature increasingly granular data and insights
- Each tier builds on and carries forward the benefits from previous tiers
- Developed to meet multiple needs; from environmental reporting and risk mitigation to transformational change
- Provides valuable content to inform and steer every customer's sustainability journey, from new entrants to mature leaders.



THE BENEFITS

AtSource Entry

Information and Assurance

- Supply chain reassurance via Olam Supplier Code (OSC)
- Internal verification against OSC principles
- · Supply chain mapping and supplier training
- · Country level footprinting and third-party risk scores.

AtSource +

Driving measurable impact

- Origin traceability to farmer group
- Information across nine sustainability topics covering 100+ metrics
- Granular metrics and footprinting specific to the customer's supply chain
- 3rd party verified
- Ongoing insights support more effective and efficient interventions via continuous improvement plans
- Impact narratives bring metrics to life on the digital dashboard.

AtSource ∞

Regenerating agriculture and landscapes

- Transformational 'net positive' impact where we put more back into landscapes than is taken out
- Based on achieving all of the principles in Olam's Living Landscapes Policy
- · Delivery is scaled at community or landscape level
- Achieved in partnership with communities, customers and other stakeholders.

atsource.io

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JOIN US ON OUR COFFEE JOURNEY

We are looking for dynamic alliances to scale our efforts and deliver greater impact. This will help us achieve our vision of a resilient and sustainable coffee future.

Three ways to engage:

1. By directly contributing to existing or new initiatives. This most flexible option allows space for new ideas and initiatives. It is based on premiums or a one off payment.

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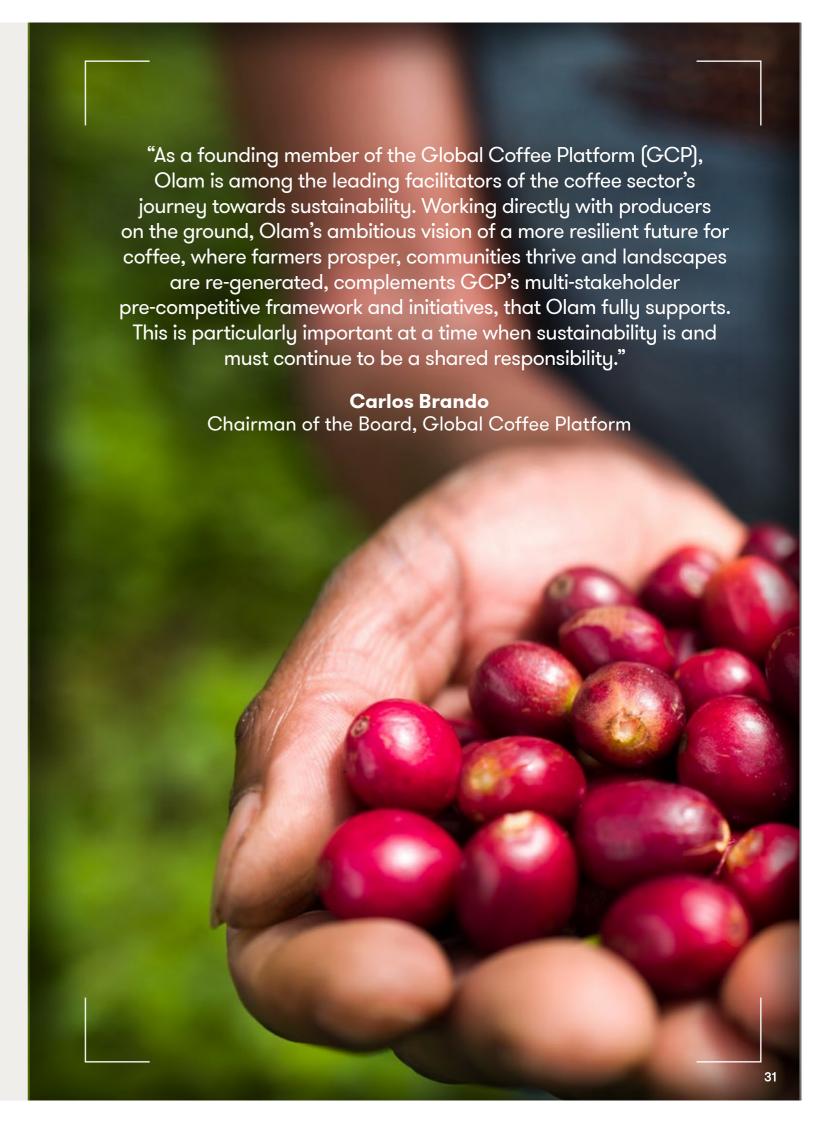
2. Through the AtSource programme: this provides customers with engagement options tailored to individual sustainability ambitions, with clear structures and accountabilities, and a predetermined monitoring and evaluation mechanism.

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3. As a strategic partner, to support with technical expertise and resources for new and existing activities on the ground.

Contact: coffee@olamnet.com

Olam Coffee is part of the Olam Food Ingredients (OFI) Group which offers sustainable, natural, value-added food and beverage ingredients so consumers can enjoy the brands they love. Complementing a drive for innovation in the kitchen, Olam Coffee's commitment to re-imagining agriculture in the field is replicated across the other OFI businesses - Cocoa, Dairy, Nuts and Spices. We connect customers to farmers through integrated supply chains, deep origin expertise, long-lasting partnerships, and Purpose.







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