



Olam International

**Our approach to sustainable supply chain
management**

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Olam - a diverse agricultural portfolio



Adjacent businesses

Packaged Foods

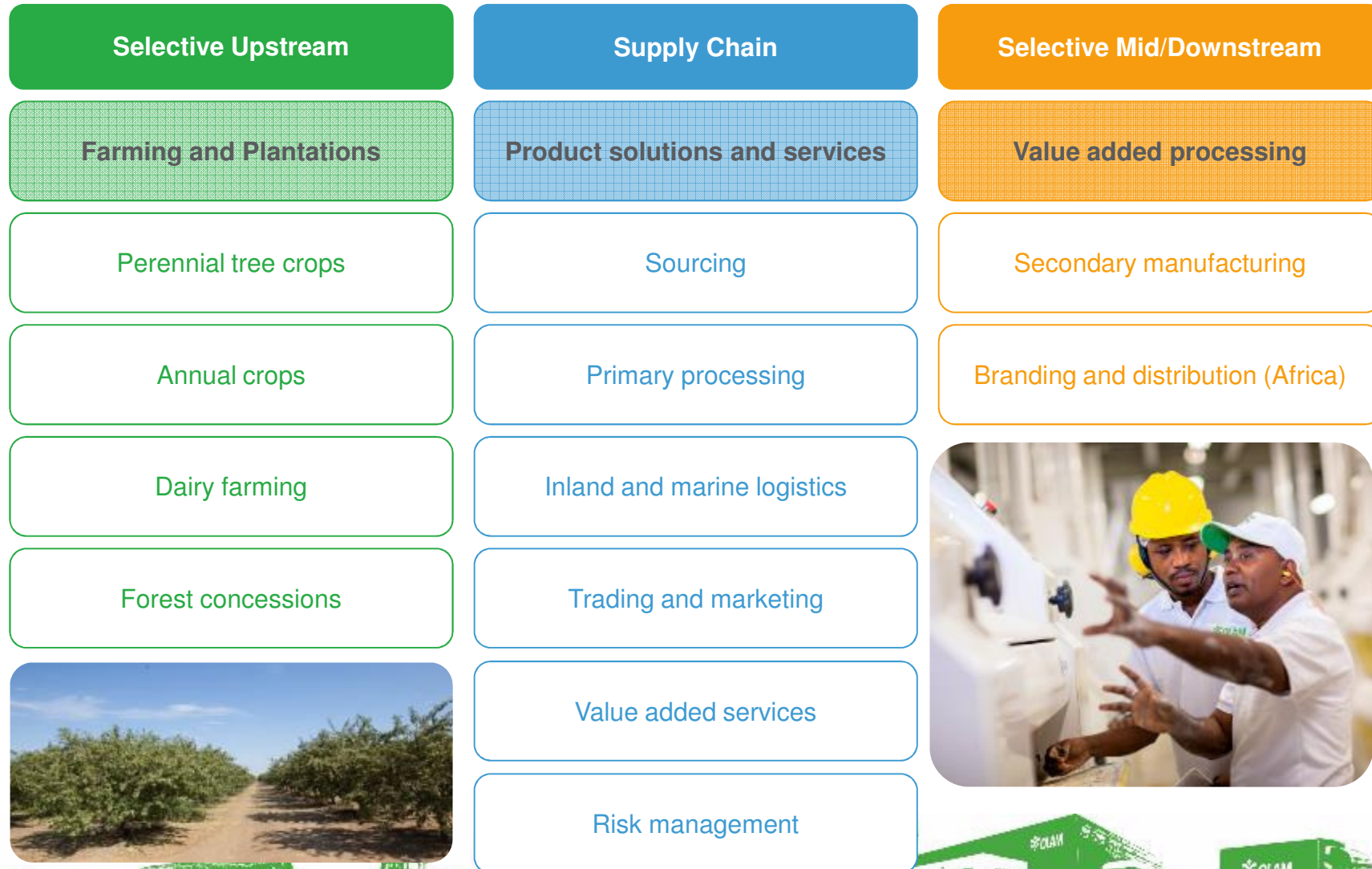


Fertilisers

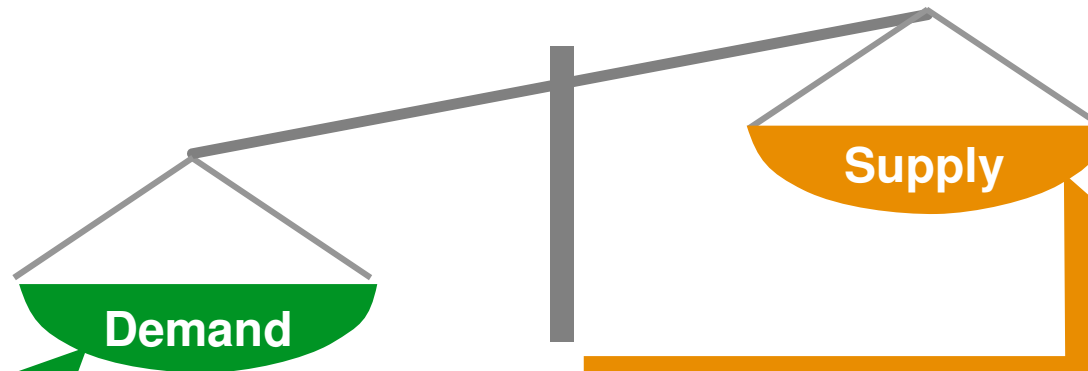
Special Economic Zone



Our value chain



Growing imbalance between supply and demand for agri-commodities over the long-term



- **Population growth** increasing demand for food
- Increased per **capita food consumption** driven by **rising incomes** and **urbanisation**
- **Dietary shift** towards **protein and fats** in developing countries resulting in **multiplier impact** on demand for food and feed raw materials
- **Biofuels** increasing demand for food and feed raw materials

- Growing scarcity of arable land due to **urbanisation, soil erosion, soil degradation**
- Slowing rate of **agricultural productivity improvement**
- **Water scarcity** due to **climate change**, and other **environmental degradation**
- **Logistical inefficiencies** and **storage bottlenecks**



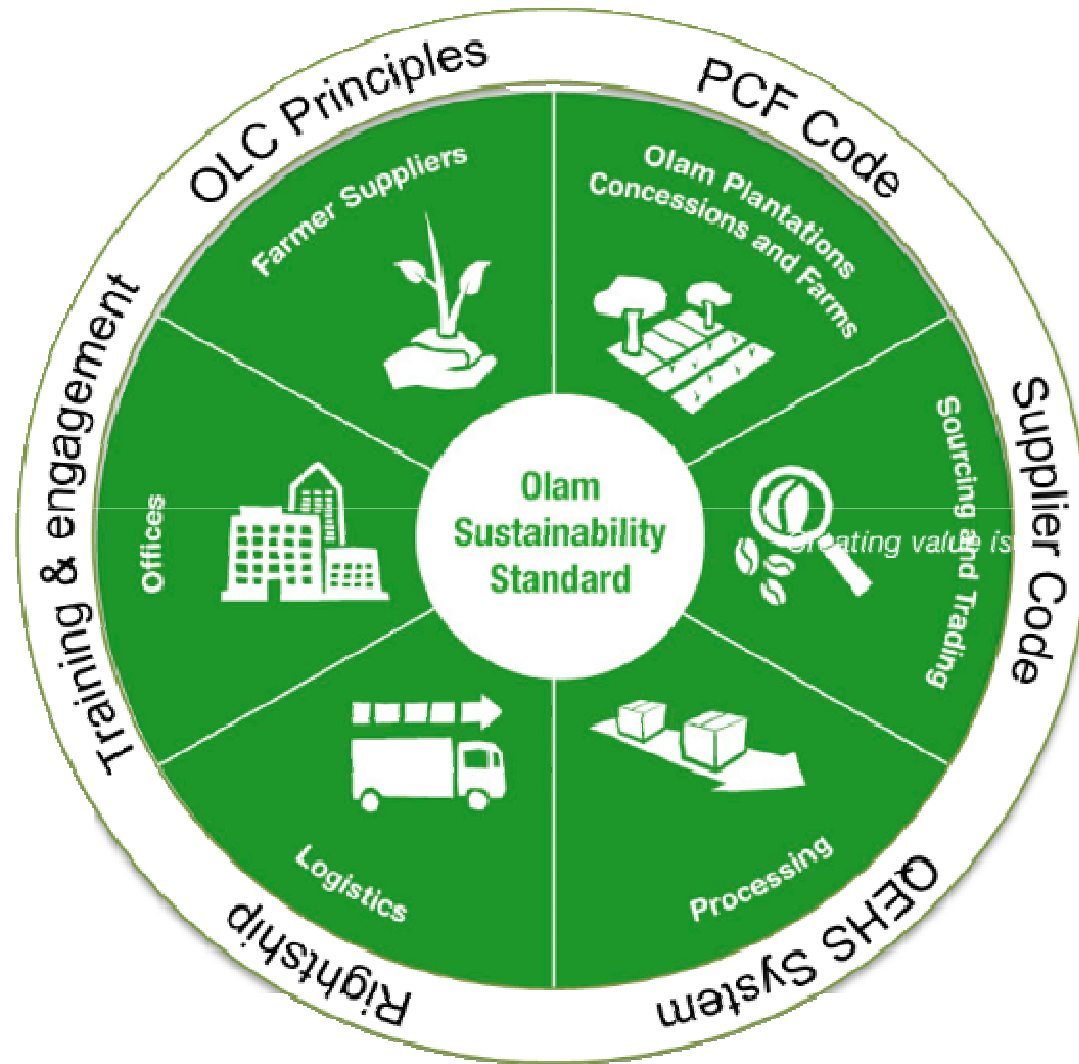
7 focus areas - environmental and social



Area	Pledge
 Land	Selecting and managing land responsibly
 Water	Responsible use of water for our own needs without impacting the needs of others
 Climate change	Adapting to climate risks and opportunities for Olam and communities
 Livelihoods	Supporting thriving communities
 Labour	Providing a safe workplace where everyone's rights are respected
 Food security	Improving access to affordable food
 Food safety	Improving food safety and quality across our business



Olam Sustainably Standard



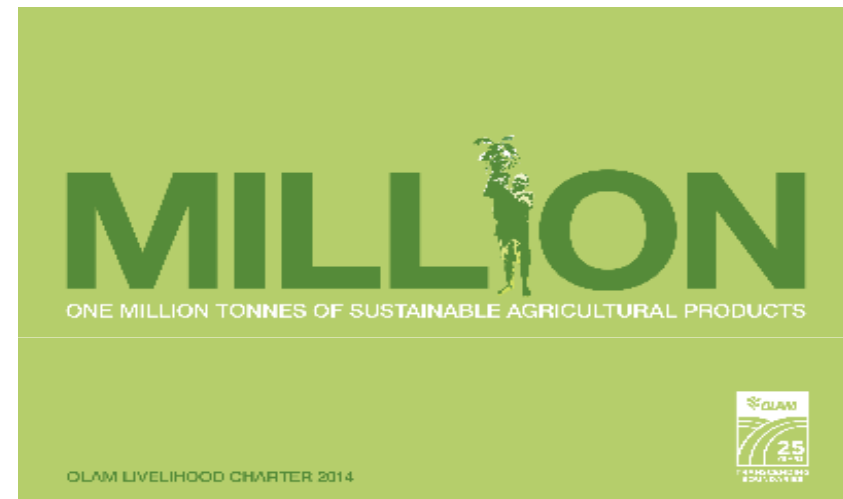
Olam Livelihood Charter (OLC)



Our Purpose: Build resilient smallholder supply chains

How: Adopt 8 Principles:

1. Finance
2. Improved Yield
3. Labour Practices
4. Market Access
5. Quality
6. Traceability
7. Community Development
8. Environmental Impact



Benefit: Customers want reassurance of sustainable supply chains / traceability but not necessarily 3rd party certification. OLC being externally verified. Opens up joint partnerships (eg Nestle, US AID)



Olam Livelihood Charter (OLC) 2014 highlights



FARMERS
↑12% on 2013



**SUSTAINABLE
AGRICULTURAL
PRODUCTS**
↑400% on 2013



**GLOBAL
INITIATIVES**



**QUALITY
PREMIUM PAID TO
FARMERS**
↑53% on 2013



NEW PRODUCTS
Sugar, Chilli and
Black Pepper



**SHORT AND MEDIUM-
TERM FINANCING**
↑57% on 2013



**SMALLHOLDER
LAND**
↑21% on 2013



FARMER TRAINING
↑184% on 2013



Going Forward - challenges



Delivering small-holder sustainable supply chains will be based on multi-stakeholder collaboration. Development investments are required to promote production of all viable crops creating local **food security** and the sale of surplus food and cash crops into the national and international markets, this will include:

- donors and governments developing and applying new small-holder business models with the private sector;
- demand led research into localised varieties;
- national land registry and tenure agreements;
- small-holder farmer access to applicable financial products, both in terms of loans and viable insurance products; and
- inclusive growth through the application of technology that will link transparently farmers to markets.



Thank you



Further information is available at: <http://olamgroup.com/sustainability/>

