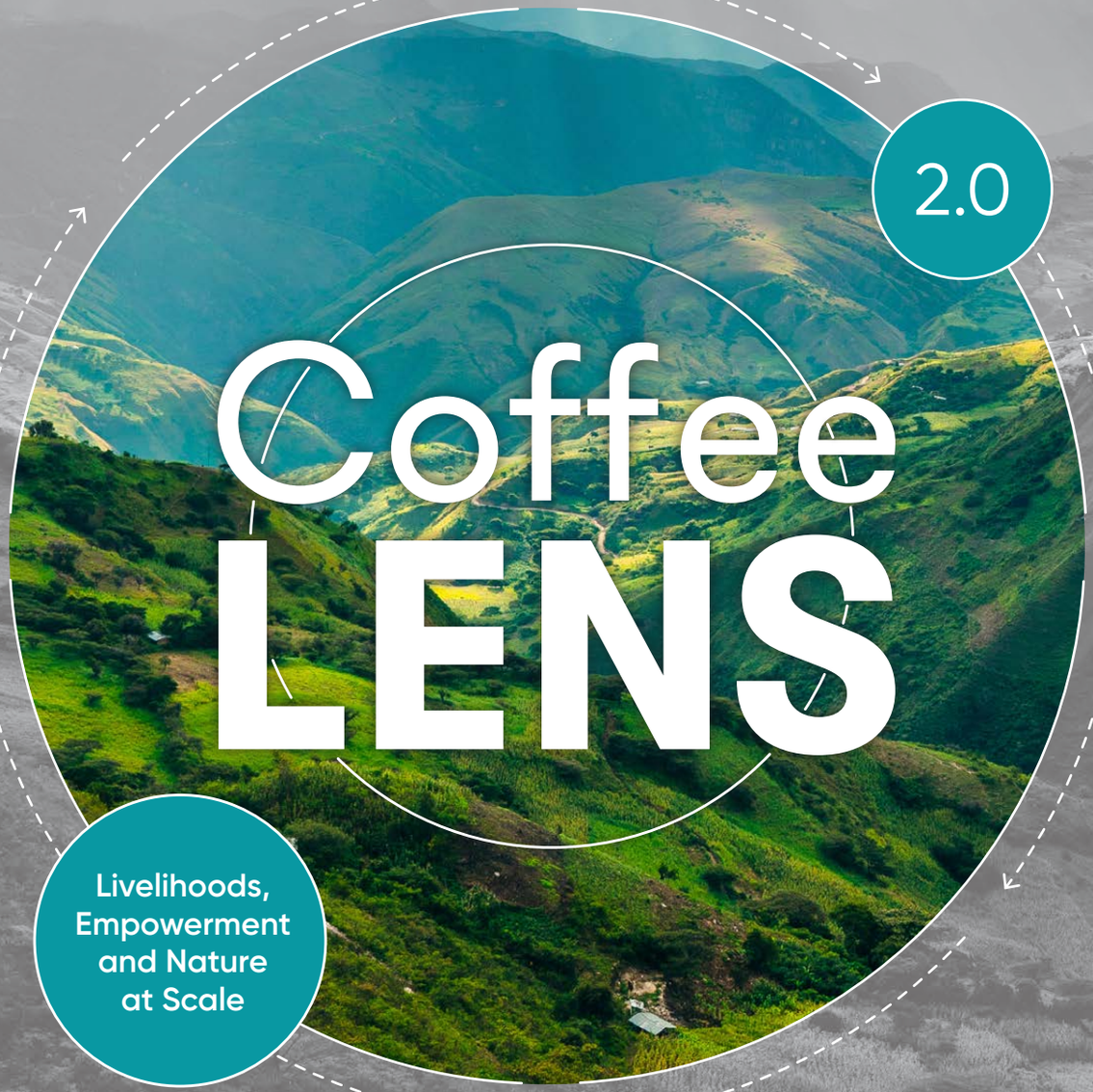

2.0

Coffee LENS

Livelihoods, Empowerment and Nature at Scale

2024 and beyond

qfi
make it real

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Glossary

A word from our CEO - Vivek Verma

Scaling up our ambition & impact for 2030

Four years since launching our sustainability strategy for our coffee business, I'm delighted to introduce the next milestones in our long-term ambition to build a more resilient and sustainable coffee supply chain. Coffee LENS (Livelihoods, Empowerment, Nature at Scale) 2.0 means that our coffee business can become more socially and environmentally sustainable by 2030.

I've been involved from the start of our 30-plus year sustainability journey and can see that our sector needs to find better ways to channel the unwavering consumer appetite for coffee into positives for the communities and landscapes it comes from.

Our history of effective action for farmers, rural communities, climate and nature, as highlighted in our recent **Impact Report**, shows that we understand and can develop effective actions to address the most pressing challenges in the industry. We're proud of the progress we've made so far, working closely with our partners we have reached 117,000* farmers with sustainability support, improved soil health across 34,000* hectares, and achieved between regional and farm level traceability for the majority of our volumes.

In this time, our expert partnerships and award-winning digital tools have also generated new insights into how to enhance traceability and scale up cost-effective living income and decarbonization strategies. And together with the constantly evolving requirements of a sustainable coffee supply chain, there is fresh momentum to drive change and positive impact beyond 2025.

So, we're looking to scale up our efforts and action with bigger and bolder targets for 2030 across four interconnected impact areas: Prosperous Farmers, Thriving Communities, Climate Positive, and Regenerating the Living World. We are aiming to reduce Scope 3 GHG emissions by 30%, enable 20,000 farmer households to earn a living income, protect human rights, and apply regenerative agriculture to half a million hectares. This puts us well ahead of global regulations on responsible sourcing requirements and allows us to offer our customers coffee and ingredients that are naturally good for consumers, farmers, and the world around us.

Our goals are aspirational, but the progress we've achieved to date against our 2025 milestones, together with our expertise, partners, systems, and data, enable us to scale up what we are doing already to make them real. The proof of our progress is rooted in ground truth data which is integral to reporting on our impact, as well as informing and driving action towards our Coffee LENS ambition for 2030 and beyond.

Vivek Verma,
Managing Director & CEO,
Coffee - **ofi**

*FY 2022 | **Cumulative FY 2019-2022

Our 2030 Coffee LENS 2.0 targets

We aim to create a **significant and positive impact** on farmer livelihoods and the environment in coffee growing regions **worldwide**.

Prosperous farmers

Our focus: Enhancing coffee farmer livelihoods and resilience through customized support that optimizes inclusive economic opportunities.

300,000
farmer households receive customized support to **enhance their livelihoods**

60,000
women in coffee receive **livelihood support**

20,000
farmer households achieve a **living income**

15,000
youth in coffee access **vocational support**

Thriving communities

Our focus: Supporting empowerment of the coffee communities of today and tomorrow, to protect health, safety and human rights.

Child labor monitoring & remediation system (CLMRS)
implemented in all **high-risk supply chains** with any identified cases of human rights violations remediated

50,000
children benefit from **educational support and infrastructure**

3
partnerships established to support **good food and nutrition** in coffee growing landscapes

45,000
households receive **health or nutrition support**

Climate positive

Our focus: Accelerating the decarbonization of our supply chain through climate-smart actions and resource efficiency that supports sustainable growth.

100%
of our **directly sourced volumes** have **verified decarbonization pathways** to help customers meet their targets

30%
reduction of **Scope 3 GHG emissions***

50%
reduction of **Scope 1 & 2 GHG emissions** in our processing plants*

* Baseline year: 2020

Regenerating the living world

Our focus: Working towards a regenerative production system that will restore coffee landscapes and preserve healthy ecosystems.

Remediation actions
are taken whenever **deforestation** is an **identified risk** in our **supply chains**

500,000
hectares under **regenerative agricultural practices**

10 million
beneficial trees planted

6
coffee living landscapes with **measurable benefits for nature**

1.5 million m^3
of **water saved** annually

Our sustainability journey started 30 years ago

Our sourcing expertise and farmer relationships run deep, based on Olam's 30-year legacy. Today we source green coffee from an estimated 400,000 farmers, and we have year-round presence in 18 origins across Africa, Asia and Latin America.

We focus on programs that make a lasting and tangible impact on the livelihoods of farmers, their communities and the landscapes we rely on. Our ambitions have grown each year, promoting sustainable practices through traceability, quality, profitable farmers and bio-diverse ecosystems.

1994

Green coffee operations started in **India**

1995-1999

Robusta business extended to **Vietnam**, **Indonesia**, **Côte d'Ivoire** and **Uganda**

2004

Arabica operations started in **Brazil**

2006

Expansion into **Latin America**, establishing a presence in **10 origins**

2010-2012

- Our own estate operations launched in **Laos**
- **Olam Specialty Coffee** launched in **US**
- Developed **soluble coffee** manufacturing capabilities in **Spain** and **Vietnam**
- **Olam Livelihood Charter** launched

2015

Expansion of **specialty** business to **Europe** with acquisition of **Schluter Coffee**

2018

Sustainability management system **Atsource** developed to support customers' own sustainability journeys

2020

Launch of **Coffee LENS** Sustainability strategy

2021

Olam Coffee rebranded as **ofi** (olam food ingredients) coffee

2022

Olam Specialty Coffee rebranded as **Covoya** and **ofi** acquisition of **Club Coffee**

2023

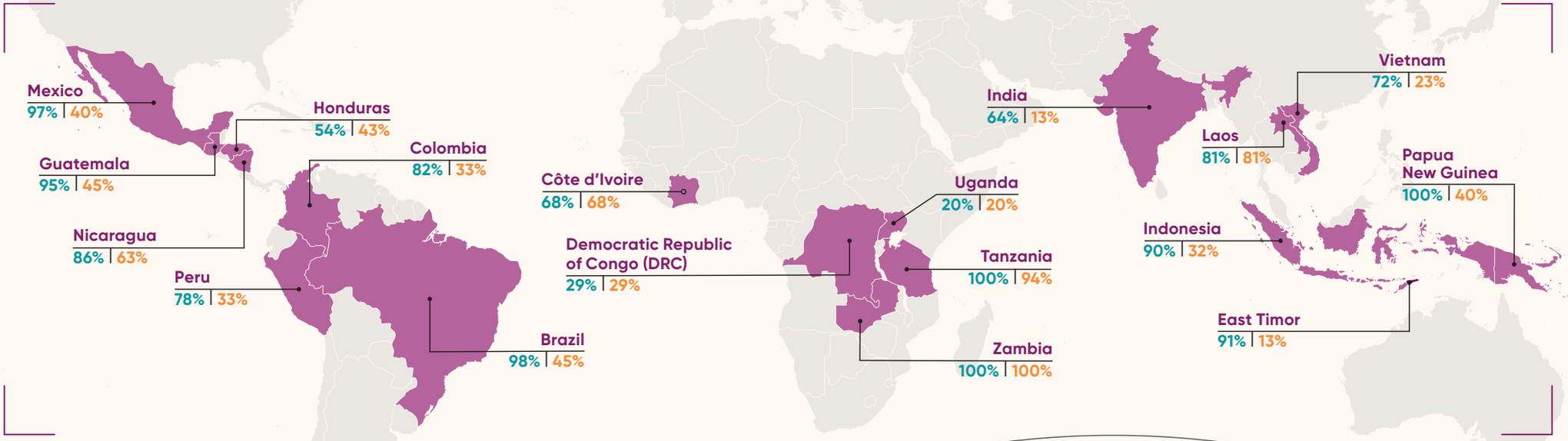
- A **Global Leader** in coffee origination and sustainable farming - present in **18 origins**
- Commisioning of **Brazil soluble** coffee plant

Our coffee journey continues...

Our global footprint

Our on-the-ground presence in **18 origins** supports the sustainability ambitions of coffee customers worldwide.

We continue to work towards full farm-level traceability in our direct supply chains.



- Total traceable to region (2022)*
- Total traceable to farmer group (2022)

*nationally recognized coffee-growing region or jurisdiction such as a province, district, or municipality.

Prosperous farmers

Our focus: Enhancing coffee farmer livelihoods and resilience through customized support that optimizes inclusive economic opportunities.

2030 targets

300,000
farmer households receive customized support to **enhance their livelihoods**

60,000
women in coffee receive **livelihood support**

15,000
youth in coffee access **vocational support**

20,000
farmer households achieve a **living income**

UN Sustainable Development Goals (SDGs)

Our progress so far

117, 242
farmers received livelihood support (2022)

1,526
youth have received vocational training (2022)

Enhanced livelihoods

The **livelihood support** we provide means households are more likely to **invest** in their **farms**, send their children to **school** and cover basic household costs such as **food**, **clothes** and **healthcare**.

We aim to enhance the impact of our livelihood programmes by combining complementary types of support including:

1. Good Agricultural Practices (GAP) training
2. At least one other form of support including: farmer services, inputs, tools and infrastructure

Farmer segmentation

We use segmentation to develop **customized interventions** that categorize farmers based on factors such as **farm size**, **yields**, **skills** and **willingness to invest**.

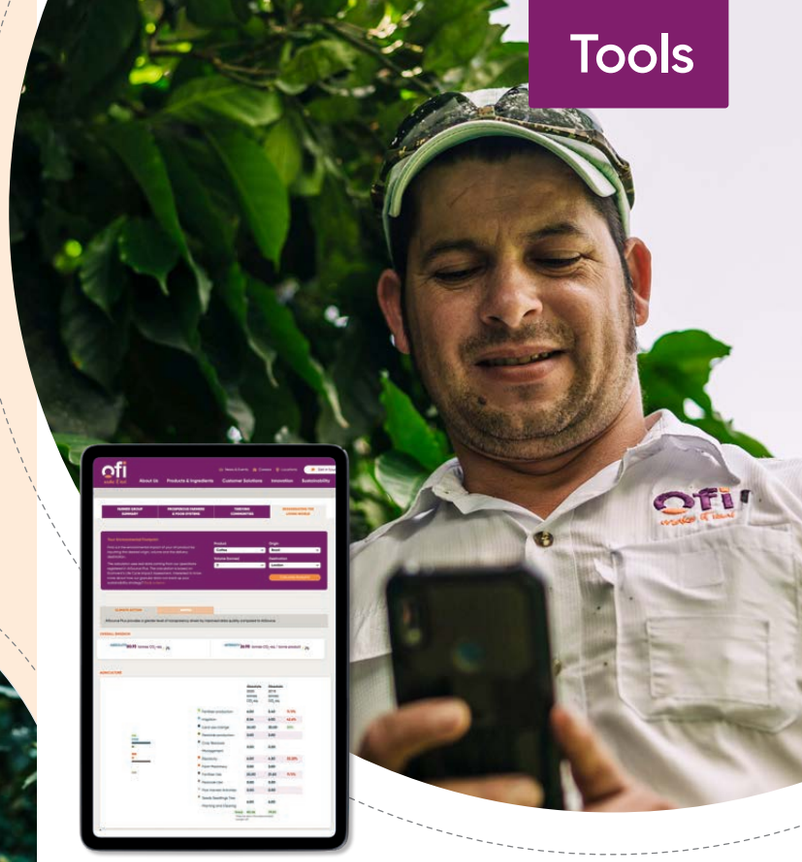
This helps to better understand farmers' diverse challenges and opportunities to target interventions accordingly.

Living income

We adopt the guidance of the **Living Income Community of Practice** (LICOP) which defines living income as the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of which include **food, water, housing, education,** and **healthcare**.

Helping farmers achieve a living income is a **shared responsibility**. Everyone has a role to play in making living income a reality for farmers.

We help our farmers and suppliers on a pathway to a living income by supporting them with the relevant **tools** and **resources** to **increase** the **yield** and **value** of their crops and **diversify** their income.



In focus:
Living Income Calculator

ofi's Living Income Calculator allows us to estimate the proportion of farmers living below or above the living income threshold, identify income gaps and poverty hotspots across our supply chains.

This tool utilizes farm-level data collected and stored in the **Olam Farmer Information System (OFIS)** and incorporates additional inputs from household surveys, partner projects and literature reviews.

The calculator allows us to simulate the impact of various income improvement scenarios. By applying different income drivers such as quality premiums, yield increases or income diversification, we can assess the effects of targeted interventions on household income.

Since developing our **Living Income Calculator** in 2021, it has been calibrated to design income generating strategies for 20 farmer groups across Guatemala, Honduras, Indonesia and Uganda.

Our progress so far

14
CLMRS education remediation plans implemented
(2022)

Thriving communities

Our focus: Supporting the empowerment of coffee communities of today and tomorrow, to protect health, safety and human rights.

2030 targets

CLMRS implemented in all **high-risk supply chains** with any identified cases of human rights violations remediated

50,000 **children** benefit from **educational support and infrastructure**

3 **partnerships** established to support **good food and nutrition** in coffee growing landscapes

45,000 **households** receive **health or nutrition support**

UN Sustainable Development Goals (SDGs)

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

Nutrition and health

Good **health and nutrition** are essential for individuals and communities to develop and thrive. Many farming communities experience high rates of **malnutrition** and have limited access to **clean water**, **hygiene**, **sanitation** and **healthcar**e support. Farmer households cannot always grow sufficient food or do not have the means to invest in **nutritious food** or **health and nutrition services**, further hampering productivity and earning potential. Compounding this, households, in both rural and urban settings, are often not equipped with the necessary knowledge to contribute to improved nutrition and health outcomes.

In line with the aims of **UN Sustainable Development Goals 2 and 3**, **ofi** plans to enhance the impact of our household based Nutrition and Health interventions through a combination of complementary approaches.

At least **one** health or nutrition **training** intervention + At least **one non-training** health or nutrition intervention = ofi **Nutrition or Health Support package**

supplies - screening - infrastructure

Human rights

At **ofi**, we are committed to **implementing due diligence to protect human rights across our operations and supply chains** which helps us to drive monitoring, prevention, and remediation initiatives.

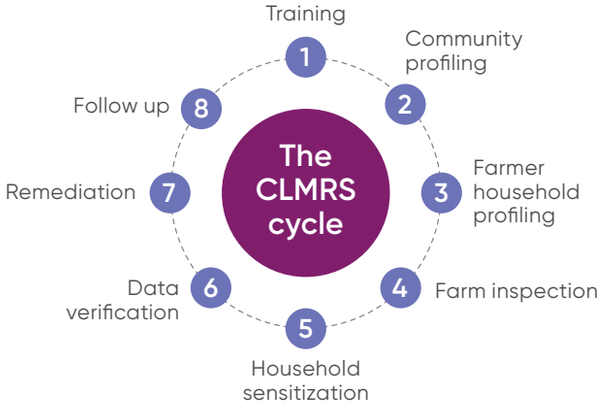
With the support of our partners, our 2030 targets aim to **improve conditions for people working in coffee and help safeguard the rights of children**. Where remediation measures are required, we work with the suppliers, communities, and local authorities to address the specific case uncovered as well as the root causes of human rights abuses, such as poverty and lack of educational opportunities.

In focus: Child Labor Monitoring & Remediation Systems (CLMRS)

Child labor is a complex, sector issue that no one company can solve. Limited access to education and financial constraints, coupled with the labor-intensive nature of the coffee harvest, mean child labor and school absenteeism can at times be linked to coffee production.

Designed in collaboration with the **Fair Labor Association** (FLA), **ofi** has established a **Child Labor Monitoring and Remediation System program** (CLMRS) that we are rolling out across our coffee origins to respond to these issues.

With training and the help of a smartphone, field officers collect detailed **social data** on communities and individual farming households, **identifying children at risk** and tailor interventions based on the issues identified.



Climate positive

Our focus: Accelerating the decarbonization of our supply chain through climate-smart actions and resource efficiency that supports sustainable growth.

2030 targets

100%
of our **directly sourced volumes** have **verified decarbonization pathways** to help customers meet their targets

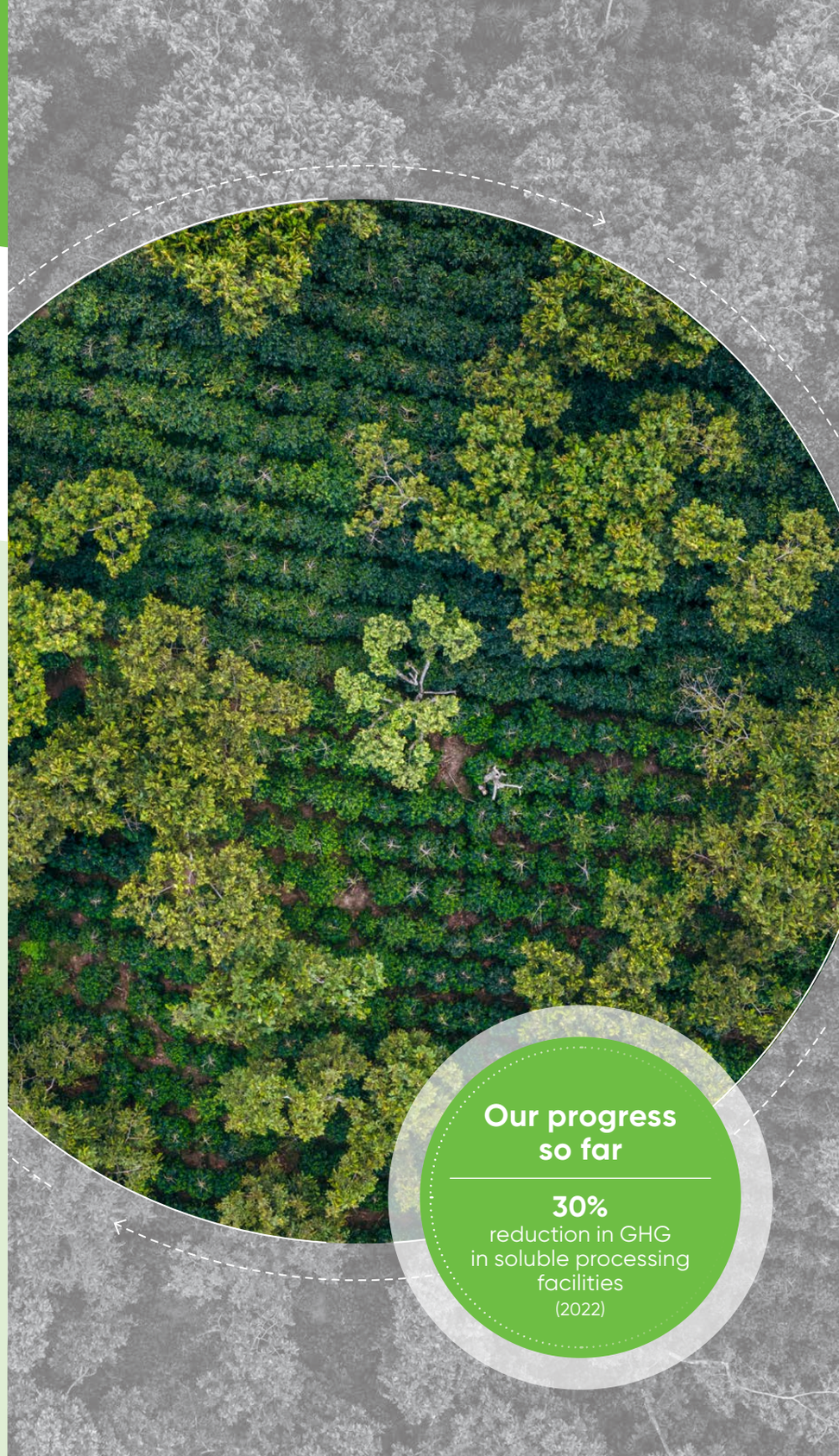
50%
reduction of **Scope 1 & 2 GHG emissions** in our processing plants

30%
reduction of **Scope 3 GHG emissions**

UN Sustainable Development Goals (SDGs)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION



Our progress so far

30%
reduction in GHG in soluble processing facilities
(2022)

Climate-smart agriculture

We are **training farmers** to improve yields and crop health to generate cost savings and **reduce GHG emissions** through climate-smart practices. These practices include varietal selection, nutrient management, shade trees and cover crops, residue management, renewable energy and energy efficiency.

Decarbonization

We work with our supply chain partners to understand and act on **our shared footprints and GHG reduction goals**.

On-farm emissions (Scope 3) are by far the biggest part of our footprint. Reduction requires us to work with farmers to incentivize and implement climate-smart measures.

Beyond farm-gate, we've been working to drive down Scope 1 and 2 emissions in our processing facilities and coffee estates with the introduction of crop biomass and investing in clean energy initiatives.

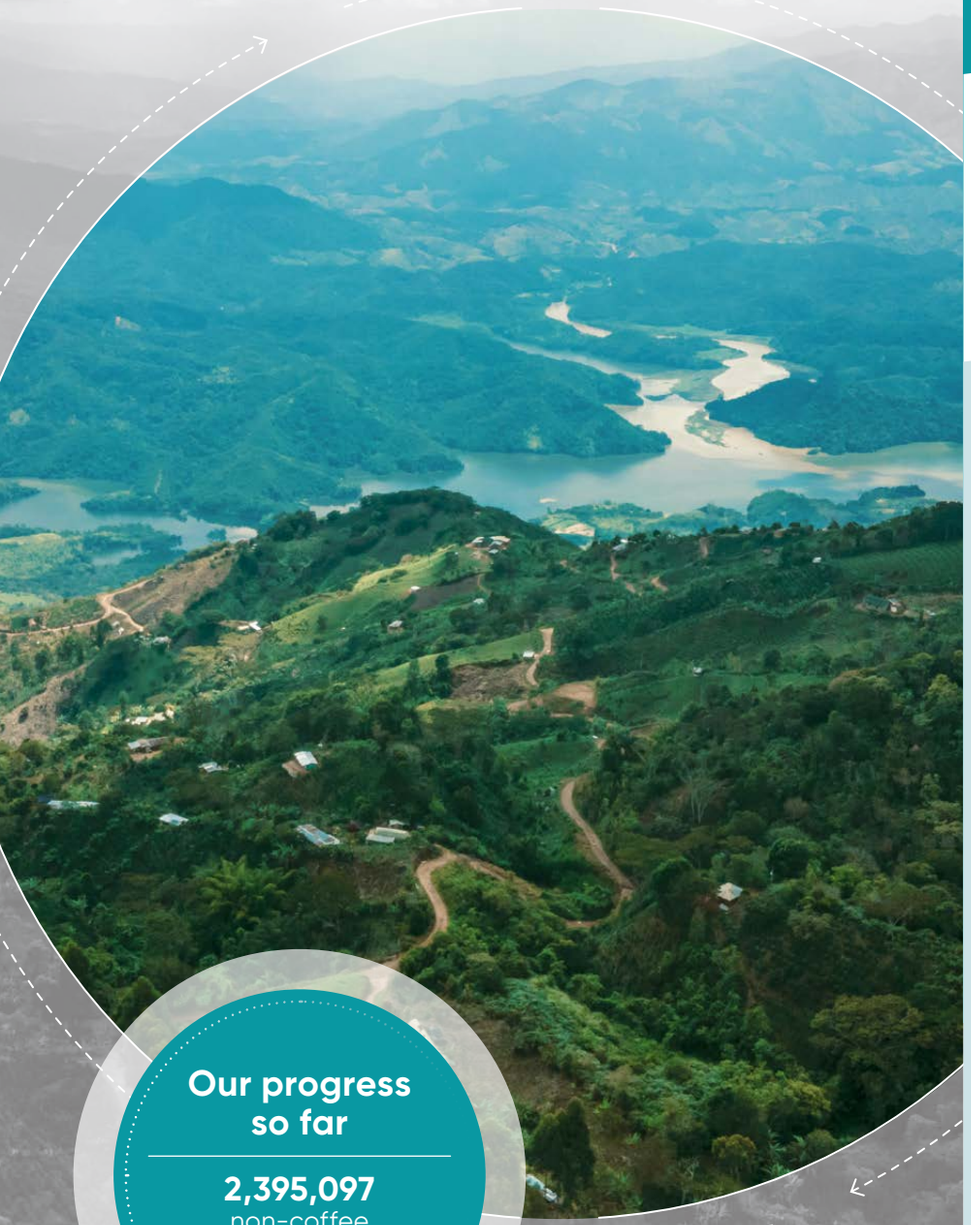
Tools

In focus: Our **Digital Footprint Calculator** and **Carbon Scenario Planner**

ofi's sustainability management system **AtSource**, includes a **Digital Footprint Calculator** (DFC) that provides **ofi** customers a detailed environmental footprint for their coffee products to show where emissions are coming from in their supply chain. We measure the carbon emissions associated with factors like land-use change, fertilizer, electricity, machinery use and transportation. This means we can offer customers a choice of lower-carbon and sustainable products.

Having identified **our GHG baseline** with the **DFC**, we can then use the **Carbon Scenario Planner** (CSP) to model the most cost-effective way to reduce our carbon footprint. It uses the digital footprint calculator and models the outcome of different decarbonization interventions tailored to local contexts, which allows us to plan and cost climate actions.

Together these tools supply a detailed footprint for a customer's product broken down into all its components in line with the GHG Protocol. Most importantly, they allow us to better target emissions hotspots in our joint supply chains, then create and implement a smart mix of practices with farmers to work together in reducing the footprint and tracking our real-world impact and progress towards low carbon and net-zero goals.



Our progress so far

2,395,097
non-coffee trees planted
(2022)

Regenerating the living world

Our focus: Working towards a regenerative production system that will restore coffee landscapes and preserve healthy ecosystems.

2030 targets

Remediation
actions are taken whenever **deforestation** is an **identified risk** in our **supply chains**

10 million
beneficial trees planted

0.5 million
hectares under **regenerative agricultural practices**

6
coffee living landscapes with **measurable benefits for nature**

1.5 million m^3
of **water saved** annually

UN Sustainable Development Goals (SDGs)

Deforestation

Ending deforestation for agricultural expansion is a critical part of our vision.

We help farming communities become stewards of the environment; delivering the **tools and training** to grow more on less land and **reduce or even reverse the environmental impacts of food production**.

Realizing our ambition for forest-positive impacts requires a combined approach. **Protecting and restoring forests and forest cover** in and around **our direct supply chains** and giving farmers a reason to commit to more environmentally sound practices.

We seek to drive **transformational change in strategic landscapes** and offer farmers alternatives that protect and restore forests so that our products become part of the solution, not part of the problem.

Regenerative agriculture

Regenerative agriculture is an approach to food production that works with nature to build and restore Natural Capital (Soil, Water, Biodiversity and Carbon) on and around farms while optimizing inputs and ending harmful and destructive practices.

Soil

Improving soil health composting, cover cropping and erosion control.

Water

Implementing better water management with irrigation technology

Biodiversity

Promoting on-farm biodiversity with IPM, intercropping, agroforestry, wildlife corridors.

Carbon

Applying climate-smart practices

In focus:
Deforestation monitoring

Our deforestation monitoring system includes:

- Targeted **expansion of Olam Farmer Information System (OFIS) farm mapping** and improved remote sensing of **ofi** crops with machine learning.
- **Polygon mapping farmers over four hectares** to track the history of deforestation emissions in our suppliers' farms.
- Using **geo-spatial technology** to strengthen our Deforestation Risk Index for **more accurate risk assessments** of farms, third-party supply chains and the surrounding landscape.
- **Accessing Global Forest Watch Premier Monitoring Alerts & Compliance Dashboard** for the latest data, technology and tools to **better protect forests**.
- Implementing **weekly alert system** to warn managers of active deforestation events detected by satellites immediately.
- **Working with local stakeholders** in high-risk landscapes to end deforestation through targeted programs.

Tracking our progress through traceability tools

At ofi, **our digital solutions constantly improve data and insight to offer transparency across the supply chain. Through integrated tools and systems, we help provide our customers with the information they need to optimize supply chain decisions, ensure compliance and assurance, and measure/amplify their impact.**

What is AtSource?

AtSource is **ofi**'s sustainability management system that provides information and insights into the coffee supply chain.

AtSource

Digital dashboard

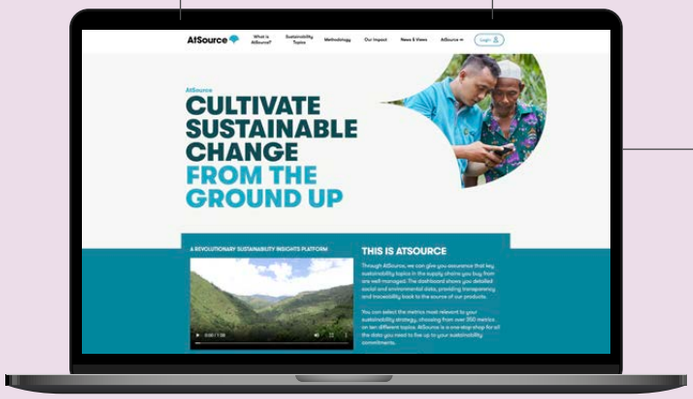
Gives customers access to traceability and transparency data, supply chain mapping, risk assessments and environmental footprint.

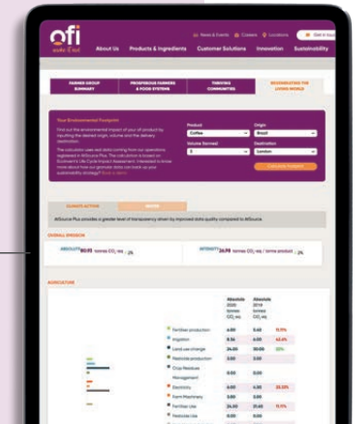
Sustainability Assurance & Verification system

Provides assurance that responsibly sourced coffee complies with AtSource rules, sustainability requirements, and data integrity- providing a cost-effective alternative to certification

Customized reporting for Impact Data & Metrics

Tracks a wide range of metrics across economic, environmental and social sustainability topics





How does AtSource work?

AtSource provides different levels of assurance and information that are externally verified by 3rd party verification bodies. Both **AtSource V** and **AtSource +** are recognized by Global Coffee Platform (GPC) as equivalent to the Baseline Coffee Code – 2nd party assurance.

	AtSource V	AtSource +
Traceability	To farmer group level or **ofi** estates	
Verification	Performance and risk assessments based upon baseline sustainability requirements Targeted action plans for continuous improvement Data verified every 3 years	Performance and risk assessments based on more advanced sustainability requirements that go beyond baseline requirements Targeted action plans for continuous improvement Data verified annually
Reporting & impact data	Country-level risk profiles and generic carbon and water footprints	Granular metrics offering comprehensive insights, specific to each supply chain Advanced environmental footprints for specific farmer groups based on primary data Customizable impact reporting, as well as origin stories focused on sustainability outcomes

AtSource is powered by on the ground data and insight

The ofi **Farmer Information System** (OFIS) provides the farm-level data that feeds into **AtSource**. The data is collected by our field teams and includes farm location, land under coffee and coffee production. This information allows us to take a deep dive into what's happening on the ground and increase the impact of sustainability efforts.

ofi **Direct** is a procurement application that gives farmers direct access to **ofi** buyers, agronomic advice, financing and supplies. The ability to sell, set prices and get paid directly means that farmers can get a better price and that the procurement process is fairer and more transparent.

Cross sectoral collaboration

Global Coffee Platform

ofi is an active member of the **Global Coffee Platform** (GCP), a multi-stakeholder membership association dedicated to advance coffee sustainability towards the vision of a thriving, sustainable coffee sector for generations to come. GCP enables coffee producers, traders, roasters, governments and NGOs to align and multiply their efforts and investments, collectively act on local priorities and critical issues, scale local sustainability programs and grow the global market for sustainable coffee across the coffee world. **ofi** has had representation as an active board member for more than six years.

Sustainable Coffee Challenge

ofi helps guide the direction of the **Sustainable Coffee Challenge**, as a member of their Council. The Sustainable Coffee Challenge is a collaborative effort of companies, governments, NGOs, research institutions and others to transition the coffee sector to be fully sustainable. Challenge partners are urgently working together to increase transparency, align around a common vision for sustainability and collaborate to accelerate progress toward those goals.

International Coffee Organization Coffee Public-Private Task Force

ofi is an active member of **The Coffee Public-Private Task Force**, designed to build common ground for a global partnership between the coffee industry and governments, guided by the overriding vision of the sustainability of the sector and prosperity for grower communities. The overall objective of the Task Force is to build consensus between public and the private actors on priority issues and actions to be implemented in order to ensure a sustainable and fair global coffee sector at the local and global levels.

Sustainability glossary

Agri Supplier Code

The **ofi** Agri Supplier Code details the environmental, social and governance principles stated in our corporate policies that we expect all our suppliers to respect (including respect for laws; corporate governance and integrity; quality and safety; labor rights; respecting the natural environment; and human rights). ofi has been rolling out its Supplier Code on a priority basis for high-risk products and regions to cover our entire direct supply chain, and an increasing number of indirect suppliers. This roll-out involves actively engaging suppliers on the topics covered in the Code and obtaining their signature.

Agroforestry

Agroforestry is the use of woody perennials like trees and shrubs on land that is primarily used for crops or livestock. The integration of trees on farms helps to diversify and sustain production at farm and landscape level and increases social, economic and environmental benefits. The additional value from agroforestry is particularly crucial for improving smallholder resilience. Source: FAO

Carbon removals

Measures that a company take to remove carbon from the atmosphere and permanently store it within or beyond the value chain. (Source: SBTi Corporate Net-Zero Standard | Version 1.0 |)

Child labor

1. Child labor = work that deprives children (any person under the age of 18) of their childhood, their potential and their dignity, and that is harmful to physical and mental development (work that interferes with schooling or is hazardous) (ILO convention 138).

2. The **worst forms of child labor** involve children being enslaved, separated from their families, exposed to serious hazards and illnesses and/or left to fend for themselves on the streets of large cities – often at a very early age. Whilst child labor takes many different forms, a priority is to eliminate without delay the **worst forms of child labour** as defined by **Article 3 of ILO Convention No. 182:**

a. all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict;

b. the use, procuring or offering of a child for prostitution, to produce pornography or for pornographic performances;

c. the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;

d. work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children ("hazardous child labor", see below).

3. "Hazardous work" = One of the WFCL, which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children, e.g., using sharp tools, carrying heavy loads and applying chemicals.

4. "Unconditional WFCL" = The Worst Forms of Child Labor other than Hazardous Work – trafficked, forced and bonded labor, armed conflict, prostitution/pornography, and illicit activities.

Our approach covers all forms of children working on farms which spans a spectrum from light work performed outside of school hours through to child trafficking and slave labor. We have a zero-tolerance approach to forced labor or slave labor, which we distinguish from hazardous work (e.g., weeding with sharp tools or carrying heavy loads). Children performing light work that does not pose a risk to their health and development or does not interfere with schooling is not categorized as child labor in our reporting. (Compare the children of farmers in the UK working on the family farm at the weekends or other family business.)

Child labor remediation

The process of assessing the situation of the child and identifying and implementing solutions for the child that will lead to the child ceasing to undertake dangerous work, as well as facilitating the child's regular school attendance. If the child is in a situation of forced labour, remediation will involve ensuring that the child is brought to safety and referred to the appropriate national authorities.

Climate-positive

We define Climate positive as a state of removing more GHGs than we emit after reducing emissions across all scopes to a minimum level that is aligned to a 1.5°C pathway. A company can achieve this status by rapidly decarbonizing through committing to SBTi Net Zero Standard which includes the following key elements that make up a corporate net-zero target:

- **Near-Term Science-Based Targets:** 5–10-year reduction target in line with 1.5°C or well-below 2°C
- **Long-Term Science-Based Targets:** a target that should be achieved by 2050 latest and aligned to 1.5°C for all Scopes. For companies on a universal pathway, this will consist of a 90% reduction to drive economy-wide alignment and long-term business planning to reach global Net Zero in 2050.
- **Neutralization of residual emissions:** when a company has achieved their long-term SBT, emissions must be counterbalanced through the permanent removal and storage of carbon from the atmosphere (Source: SBTi Corporate Net-Zero Standard | Version 1.0 |)

Climate-smart (agri) practices

Climate-smart agriculture (CSA) practices aim to tackle three main objectives: (i) sustainably increasing agricultural productivity and incomes; (ii) adapting and building resilience to climate change; and (iii) reducing and/or removing greenhouse gas emissions, where possible.

Decarbonization

The process by which CO_2 emissions associated with production activities of a company or the industry e.g.; Energy use, farm inputs use, transport are reduced or eliminated. (Source: SBTi Corporate Net-Zero Standard | Version 1.0 |)

Due diligence

Due diligence means, in the context of supply chains, a bundle of inter-related processes through which enterprises can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts on their supply chains including people, the environment and society, as an integral part of business decision-making and risk management systems.

Farmer

Any individual that owns, manages or is employed by the owner/manager of the farm.

Farmer household

The group of individuals recognized to own or manage an individual farm. This may include one or more registered farmers on OFIS, e.g., husband (male farm owner/manager), wife (female owner/manager) and their adolescent child (young owner/manager – age: 15 – 24).

Sustainability glossary continued

Forced labor

All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself [or herself] voluntarily.

Forest positive

We define this by the CGF - Forest Positive Coalition definition: 1. accelerate efforts to end deforestation in our own supply chains, 2. set higher expectations for suppliers to end deforestation across all their SC, 3. drive transformational change in strategic landscapes, and 4. track and report using common metrics.

GHG emissions

Refers to the release of Greenhous Gas into the atmosphere in tons of carbon dioxide equivalent (tCO2e). We follow the definition of the Greenhouse Gas Protocol, which classifies emissions into scope 1, 2 and 3:

Scope 1: Emissions from sources that are owned or controlled by **ofi**

Scope 2: Indirect emissions from the generation of purchased electricity, steam, heat or cooling consumed by **ofi**

Scope 3: All indirect emissions (not included in scope 2) that occur from sources not owned or controlled by **ofi**, i.e., in ofi's value chain, including both upstream and downstream emissions
(Source: Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard I REVISED EDITION I)

GHG emissions reductions

An amount of Greenhouse Gas emissions that has been reduced from direct or indirect sources through abatement interventions. (Source: SBTi Corporate Net-Zero Standard | Version 1.0 |)

High-risk supply chains/landscapes

- In relation to child labor: Country-product combinations that have scored 3.6 or higher in a Wageningen University Risk Assessment of the **ofi** supply chain.
- In relation to deforestation: defined according to our Forest Risk indices at the farm, jurisdiction and country-level, or where applicable to a relevant regulation e.g., the EU Regulation on Deforestation in Agriculture.

Insets & offsets

Insets are interventions by a company in or along their value chain designed to generate GHG emissions reductions or carbon removals, and at the same time create positive impacts for communities, landscapes and ecosystems. (Source: IPI - A practical Guide to Insetting, March 2022)

Offsets are discrete GHG reductions used to compensate for GHG emissions elsewhere, for example to meet a voluntary or mandatory GHG target or cap. (Source: Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard I REVISED EDITION I)

Integrated Pest Management (IPM)

Also known as integrated pest control and is a broad-based approach that integrates both chemical and non-chemical practices for economic control of pests. IPM aims to suppress pest populations below the economic injury level. This requires sound understanding and monitoring (I.e. scouting) of pests and their natural enemies.

Pesticide: Any substance (mixture) intended for preventing, destroying, repelling, or mitigating pests. The term includes herbicide, insecticides, and fungicide. **MRL** (maximum residue limit/level) is the highest level of pesticide residue that is legally tolerated in or on food or feed when pesticides are applied correctly in accordance with Good Agricultural Practices. Note that MRL's vary per country, with the USA, Europe and Japan having some of the strictest tolerance limits. At ofi, we closely monitor both MRL regulations and work with our origin teams to educate farmers on phasing out harmful or banned pesticides.

Livelihood or sustainability support

Any support—this can be material support or technical knowledge—that can improve income generation opportunities for members of farming communities, including women and/or youth. This can include trainings, input, services and infrastructure.

Living income

We adopt the guidance of the Living Income Community of Practice (LICOP): "The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of a decent standard of living include food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events." ofi is working with LICOP and others to develop living income metrics, acknowledging that consensus for a globally accepted methodology requires time and that specific norms and methods may vary from region to region.

Living wage

We adopt the guidance of the Global Living Wage Coalition "The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events."

Natural capital

Capital has traditionally been thought of as financial capital. However, capital describes any resource or asset that stores or provides value to people. Stocks of the elements of nature that provide benefits to society, such as forests, fisheries, rivers, biodiversity, soils, minerals, the atmosphere and oceans, as well as natural processes and functions. Natural Capital include both the living and non-living aspects of ecosystems (Source BSI NCA Standard pg. 12). Natural capital works in much the same way as traditional capital – if companies invest in them, they create value, and if companies degrade them, they limit their value.
Source: Transparent (EU funded project and in line with the ambition of the European Green Deal)

Net-zero

A status where emissions are reduced to the absolute minimum through deep decarbonization, typically around 90-95% of the baseline emissions (SBTi 2021a). Remaining emissions are neutralized by carbon removals, which can also be from outside an entity's own value chain. (Source: IPI | A practical Guide to Insetting, March 2022 |)

Premiums

A premium is an additional sum of money paid to farmers on top of the commodity farmgate price they receive for their produce. ofi pays premiums directly to the farmers or via cooperatives and intermediaries, in return for achieving certification, implementing sustainable practices, and/or achieving a higher quality standard.

Regenerative agriculture

Regenerative agriculture is an approach to food production, working with nature to build and restore Natural Capital (Soil, Water, Biodiversity and Carbon) on and around farms whilst optimizing inputs and ending harmful and destructive practices. Regenerative practices are context specific, adapted to agro-ecological conditions.

make it real

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