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ofi's sustainability strategy for delivering transformative change by 2030

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## A message from our CEO

It's over thirty years since I visited my first farming village in West Africa. I was struck by how little the farmers got for their hard labour through the year. And how much we could transform their lives by offering access to timely farm inputs and pre-financing, and effective training to help improve their yields and incomes. We did not call these efforts 'sustainability programs' at that time, but that acute realization and focus to 'be the change' for farming communities is still at the core of our business model and guides the **ofi** Purpose even today.

Beyond impacting farmer livelihoods, which remains a key imperative, our expert teams are working with our many partners, including customers, NGOs, certification agencies, development finance institutions, local governments and of course, the farmers themselves to tackle the entrenched social issues in the communities where we work and climate change, which is increasingly affecting farmers and their crops. Regenerating landscapes where agriculture and nature co-exist is equally vital.

We are able to do this because of our presence in the heart of farming communities, and the integrated capacity that we have built to deliver the final ingredients and solutions to our customers globally through our manufacturing plants and innovation centres in the major consumption markets. This enables us to create real impact across the supply chain and equip customers with a powerful provenance narrative for their consumers, while also catering to the increasing regulatory reporting and compliance requirements.

Our purpose – to 'Be the change for good food and a healthy future' – constantly guides us in making these choices and driving the major change that the farmers, communities, and nature need.

I am proud to share with you our Choices for Change strategy including our concrete **ofi** wide 2030 sustainability targets. Our ambition is to be the preferred partner for positive change for every stakeholder in our value chain, from plant to palate.

So come 'Be the change' with us.



A. Shekhar, Executive Director & CEC





## Who we are

ofi is a global leader offering naturally good food and beverage ingredients and solutions. Pioneers at heart, we operate at the forefront of consumer trends to provide food & beverage manufacturers with products and ingredients that will delight their consumers.

With our exciting portfolio of cocoa, coffee, dairy, nuts and spices, we can offer sustainable, natural, value-added food products and ingredients across multiple categories, from bakery to snacking.













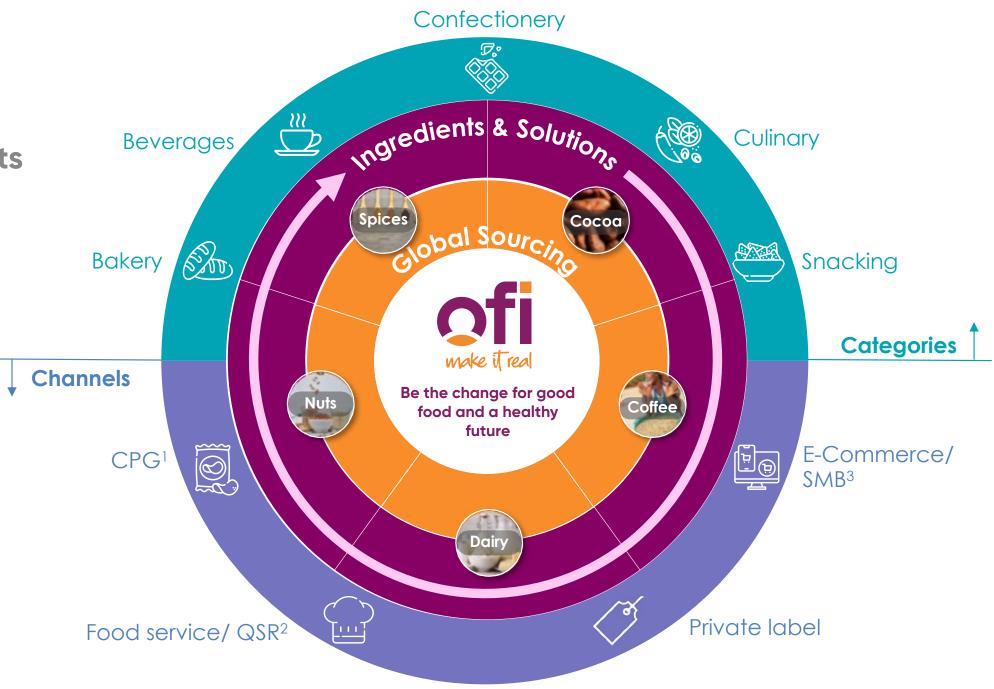








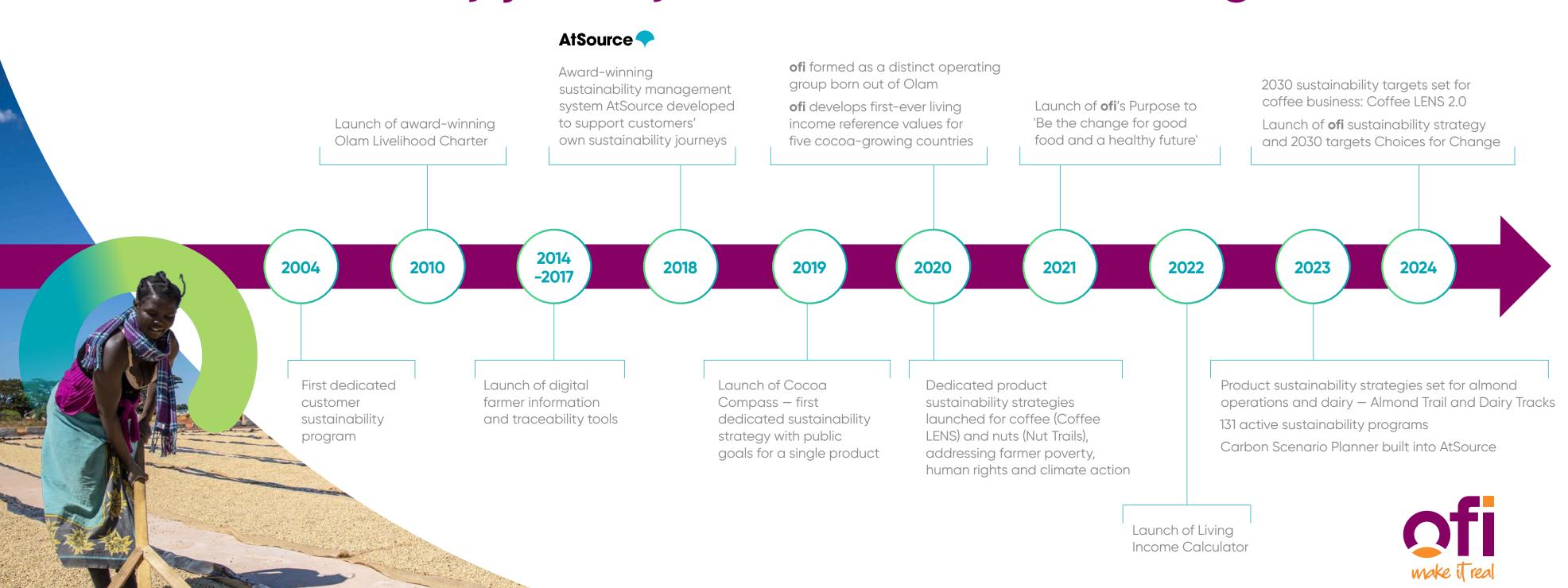




- 1. CPG = Consumer Packaged Goods
- 2. QSR = Quick Service Restaurants
- 3. SMB = Small & Medium Business



## Our sustainability journey started two decades ago





# We partner at every step to create real change from plant to palate

Sourcing at farmgate

Long-standing heritage in sourcing origins, with deep-rooted presence across major cocoa, coffee, nuts, and spices origins, offering reliability and security of supply

Convening partnerships for impact

Multi-stakeholder programs, with expert ofi country teams, help drive the right practices, building resilience in farming communities, sustainability impact, and risk reduction for customers

Manufacturing with care

Global manufacturing teams deliver high-quality ingredients, while focusing on decarbonization

Delivering good food choices

Sustainable ingredients and solutions from a globally integrated supply chain help delight consumers as well as help support corporate and regulatory requirements



Processing at origin

Processing facilities in origin help to improve market access for local farming communities, enhance chain of custody, and reduce waste transportation

Innovation everywhere

Sustainability and culinary expertise enables innovation across the value chain, from enhancing transparency with digital tools, to responding to latest health, nutrition, and flavor trends



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## Introduction from our CSO

As sustainability experts embedded in farming communities, we offer our partners and customer the traceability, capability, insights and choices to drive positive change.

Every day, we make choices. Many of these choices depend on others: consumers rely on the makers of their chocolate bar, chilli sauce or cappuccino to make the right choices when it comes to ethical production. Those manufacturers and retailers rely on the choices made further down the value chain, including those made by their ingredient partners, who in turn rely on choices made by governments, and their own suppliers, including farmers. But farmers facing a daily struggle with poverty, lack of knowledge, and climate change, may have few if any choices that are good for both them and for nature.

Choices create both opportunities and consequences. Enabling better choices to be made, right across the value chain, is the essence of this strategy. We aim to view every choice we make through the lens of our Purpose to 'Be the change for good food and a healthy future'. And every choice must seek to deliver an impact that is real and measurable. This has driven our focus on four priority areas: Prosperous farmers, Thriving communities, Climate action and Regenerating the living world.

Success relies on a strong foundation of **supply chain excellence**. This means traceability through the supply chain, the collection of data which can be shared with farmers and with customers, and the understanding of risks and ways to mitigate them, so we can collectively drive positive impact.

**ofi** can only make these positive choices today because of the investment choices we have already made, building a 500 people-strong sustainability team across multiple supply chains, origins, and products.

This strategy lays out what our ambitions are, what we aspire to deliver by 2030 and how we aim to make this real – with our farmers, our customers and other partners across our supply chains. It is how we will achieve our vision to be the **preferred partner of choice for positive change**.



**pel van Poppel,** Chief Sustainability Officer



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As sustainability experts embedded in farming communities, we offer our customers and partners the traceability, capability, insights and choices to drive positive change.

Through this collaborative approach, we aim to continue:

- Helping farmers andworkers in our supply chains to prosper
- 2. Safeguarding human and children's rights in thriving communities

Achieving net zero

GHG emissions

by 2050

Regenerating the living world in farming landscapes

And realize our vision to be the preferred partner for positive change.



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# Looking to 2030

Focused on four interconnected pillars, built on the foundation of supply chain excellence

Climate **Thriving** communities action choices for Regenerating **Prosperous** change the living farmers world Supply chain excellence



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## Our 2030 targets

Prosperous farmers	2. Thriving communities	3. Climate action	4. Regenerating the living world
<ul> <li>1 million ofi farmer households received enhanced livelihood support</li> <li>200,000 ofi farmer households achieve a living income</li> </ul>	<ul> <li>100% identified human rights and child labor cases received remediation actions</li> <li>750,000 households received enhanced nutrition or health support</li> </ul>	<ul> <li>Scope 1 &amp; 2: &gt; 50% reduction</li> <li>Scope 3: &gt; 30% reduction</li> </ul>	<ul> <li>2 million ha under regenerative agricultural practices</li> <li>Becoming forest positive across our business</li> <li>20 living landscapes partnerships to regenerate nature</li> </ul>

### Supply chain excellence

Traceability | Supplier engagement | Risk and compliance | Data and insights | Verification

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# How we set our targets and action plans

Choices for Change is the culmination of years of experience and expertise. It represents learnings from the successes and setbacks of programs and partnerships spanning hundreds of farming communities across our products and origins.

ofi's different product businesses already have specific strategies or programs to help address the challenges and opportunities of their respective supply chains. For the first time, Choices for Change creates an overarching strategy that makes it easy for customers and stakeholders to understand our approach, progress, and impact across all products and ingredients.

The sections that follow show the deep dive we have taken into each of the four pillars and our supply chain excellence foundations. Our ambitious 2025 and 2030 targets, set for the whole of **ofi**, are based on the best available data and insights from each product platform. Given the incredible diversity of **ofi**'s crops and origins, this required intensive technical work across our whole field of expertise, including data collection, governance, and verification for each set of metrics, to help drive consistency and reporting integrity. Behind our comprehensive glossary lies a meticulous job to align definitions across products for key terms such as regenerative agriculture and living income, where different views from across the sector inform industry approaches.

Critically, we have taken a highly structured approach to laying out the 'how' – outlining in each pillar our action plan to achieve the targets and deliver impact. This gives extra clarity to our customers and partners when first establishing partnerships with us. However, we know that these action plans are more powerful in combination. The wide view we take across the value chain means we know how to bring those individual plans together, and set targets that deliver interconnected benefits – farmer livelihoods influence every link of the chain from safeguarding children's rights to restoring the ecosystems that regulate global climate. These action plans are further supported by a suite of policies, specialist manuals, digital tools and our sustainability management system AtSource. Read our case studies to know more.

**Dr Christopher Stewart, ofi** Global Head, Sustainability Impact



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# Prosperous farmers

To create positive change that impacts our long-term ambitions, the farmers who supply our crops and products must prosper.

### Hear from our expert

"Climate change, rising production costs, and lack of diverse economic opportunities are making it increasingly hard for farmers to afford a decent standard of living.

Our approach is designed to tailor support to farmers' realities and build resilience in farming communities.

"Our field staff and agronomists continually seek the best techniques and interventions to help farmers optimize their crop yields, quality and efficiency. By segmenting farmers, for example, based on farm size and yield, we can customize interventions to address more specifically farmers' needs and help them get closer to achieving a <u>living income</u>.

"In 2023, together with our partners, our in-country field teams helped enhance farmer livelihoods by providing support such as training, agricultural inputs, credit and infrastructure to nearly 500,000 farmers across our global supply chains.

And we've seen that when supported farmers earn a decent income, they're more likely to invest in their farms, send their children to school and cover essential costs like food, clothing and healthcare, all of which can support other benefits like improving soil health

or reducing the risk of child labor."

Yves-Pascal Suter, ofi Social Sustainability Lead

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## Here's what we're doing



#### **Training**

The right training can help farmers improve yield and quality, yet many smallholder farmers lack access to it. Our programs include:

- Good Agricultural Practices (GAP), post-harvest techniques and inclusion of women and youth
- Personalized farm development plans for cocoa farmers via ofi's farmer information system
- Intercropping and agroforestry to promote a whole-farm approach
- Diversification, regenerative agriculture and professionalizing farmer groups
- Literacy, numeracy and business skills to improve planning and cost management



#### Resources

Access to adequate resources is vital to farmer success. Through many of sustainability programs, we provide our farmers with improved varieties, credit, fertilizer inputs, tools and other equipment to help reduce production costs.



#### Social and economic support

In addition to supporting farmer incomes, we're helping other members of the farming community thrive through tailored outreach like setting up Village Savings & Loan Associations (VSLAs), vocational traineeships, and scholarships for women and youth.



#### **Living Income Calculator**

ofi has developed an innovative Living Income Calculator to assess the spread, size and nature of the living income gap. This work has been used to identify living income gap hotspots, simulate the impact of specific income drivers, and assess progress of livelihood programs.





# Prosperous farmers: our targets

Impact area	By 2030	By 2025	Where we are today*
Livelihoods	1 million <b>ofi</b> farmer households have received enhanced livelihood support	600,000	499,000
	All <b>ofi</b> livelihood programs are customized to farmers' needs	All product platforms are delivering livelihood programs customized to farmers' needs	Coffee and Nuts product platforms are delivering customized livelihood programs
Living income	200,000 <b>ofi</b> farmer households achieve a living income	80,000	>50,000**
Women	250,000 <b>ofi</b> women farmers have received enhanced livelihood support	115,000 have received livelihood support	94,000 have received livelihood support
Youth	85,000 youth in farming communities have received livelihood support	35,000	20,000

**Prosperous** farmers

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## Collaborating for change: our partners for prosperous farmers

The Living Income





"We're grateful for the active involvement of ofi in our community. Since its inception, they have funded publicly available living income benchmarks, created opensource tools, such as the forthcoming LIGHT tool, shared best practices and openly discussed challenges they've encountered. Their thoughtful involvement in numerous meetings, webinars and research with partners helps to move the conversation forward and we look forward to their continued support."

Kaitlin Sampson Murphy, Sustainable Food Lab for LICOP



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# Our action plan for prosperous farmers

Strategic goals



Governance and key policies

Risk assessment and diagnostics

Actions

Impacts and outcomes

Customize livelihood support to the specific needs of farmer households

Help farmer households achieve a living income

Improve work choices and opportunities for women in farming communities

Provide vocational and work opportunities for youth in agriculture

**ofi** Supplier Principles

ofi Agri Supplier Code

AtSource system documentation

Program verification

**Collect farmer program data** in real time via **ofi** Direct and digital systems

#### Design customized support packages

using farmer segmentation model based on data from **ofi**'s farmer information system

Use **our Living Income Calculator** to identify living income gap hotspots, simulate impact of specific income drivers and assess progress

#### Improve yield and quality

GAP training, inputs, tools, finance, farming services

#### Conserve and maximize harvest value

Post-harvest tools, storage facilities, logistics, premiums

#### **Build resilience**

Whole-farm approach (including crop diversification), improved food crops, social capital, regenerative agri-practices training

#### Be inclusive

Identify opportunities for better inclusion of women and youth providing tailored support

#### Impact areas

Improved income / reduction of the living income gap

More resilient farmers and supply chains

More productive farmers delivering better quality raw materials

Capacity to invest in farms / in climate smart practices and other income generating opportunities

Better nutrition and health

Ability to provide better education to children / reduced risk of child labor

#### **Further outcomes**

Supplier loyalty and positive community impact

Products with living income benefits

Opportunity to scale up

Reporting

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# Thriving communities

Many of our supply chains start in rural areas with limited or hard-to-access education and health infrastructure. Safeguarding human rights requires looking at the enabling environment needed for people to thrive and taking a holistic approach at individual, community and national levels to address the barriers.

### Hear from our expert

"We continue to roll out systems to identify and address human rights issues and promote improved livelihoods, the inclusion of women and youth, good nutrition and health and access to education to support communities to thrive.

"Together with our partners, we've pioneered solutions to tackle the multiple drivers of child labor, while our education support efforts reached 34,000 children in 2023. By taking a holistic and

collaborative approach, we can make a difference in peoples' lives."

Billie Elmqvist Thurén, ofi Human Rights Lead



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## Here's what we're doing



#### Child labor monitoring and change

Increasing the number of farmer households covered by Child Labour Monitoring and Remediation Systems (CLMRS) to identify children at risk and tailor remediation actions; building partnerships with government and local authorities to tackle root causes.



Creating formal labor contracts, training farmers on good labor practices, distributing PPE, and improving access to grievance processes.

#### Improving access to education

Supporting farmers to obtain birth certificates, providing school materials and improving school infrastructure, delivering numeracy and literacy training, and access to scholarships.



#### Improving rural nutrition and health

Supporting rural access to healthcare, nutrition, water, sanitation and hygiene; delivering nutrition and health education; prevention, testing and treatment for infectious and chronic diseases; offering health check-ups and insurance schemes.



#### Improving workers' nutrition

Using the Workforce Nutrition Alliance's scorecard and guidance to improve access to healthy food at work, nutrition education, nutrition-focused health checks and support for pregnant and breastfeeding women.





# Thriving communities: our targets

Impact area	By 2030	By 2025	Where we are today*
Protecting Children	All identified child labor cases have received remediation actions	All high-risk supply chains have systems in place to identify, prevent, and remediate child labor	31% high-risk supply chains with systems in place to identify, prevent and remediate child labor
	150,000 children received education support	50,000	34,000
Protecting human rights	All identified human rights cases received remediation actions	All supply chains have systems in place to address human rights	Human Rights risk assessment completed for all supply chains 99% of directly sourced volumes covered by the
			ofi Agri Supplier Code ofi's new grievance platform globally accessible
Nutrition and health	750,000 households received enhanced nutrition or health support in the communities where we operate	300,000 households received nutrition or health interventions	187,000 households receiving nutrition or health support

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# Collaborating for change: our partners for thriving communities















"We are delighted to count **ofi** amongst our funding partners in the CLEF coalition. We are an active coalition committed to improving education for children in cocoagrowing regions of Côte d'Ivoire. We came together for three simple reasons: we want to see children in school instead of working on farms, we want to ensure that children learn, and we want to achieve impact at scale."

**Mr. Faustin Koffi,** Inspector General, Ministry of National Education and Literacy, Côte d'Ivoire



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# Our action plan for safeguarding children's and human rights

Strategic goals

Governance and key policies

Risk assessment and diagnostics

**Actions** 

Impacts and outcomes

Protect children's rights and human rights in our supply chains



**ofi** Supplier Principles

ofi Agri Supplier Code

ofi Code of Conduct

ofi Whistleblowing Policy

ofi Anti-Bribery & Corruption Policy

AtSource system governance

Wageningen University & Research (WUR), human rights risk assessments (updated regularly)

Community surveys

Agri Supplier Code compliance and verification assessments, in-depth human rights risk assessments and management systems e.g. CLMRS (Child Labour Monitoring and Remediation Systems) or FLMRS (Forced Labour Monitoring and Remediation Systems)

AtSource system verification

#### Sensitization and capacity building

Sensitization at individual, household and community level, grievance mechanism promotion, building capacity of child protection committees, age-verification systems

#### Access to education

School materials and fees, scholarships, birth certificates, literacy for women, infrastructure, education funds, kindergartens

#### Labor services

Mechanization, labor-saving equipment, community service groups, self-help groups

#### Social protection

Health insurance, community grievance mechanism, labor contracts, health centers, potable water facilities

#### Tackling farmer poverty

Tailored support packages, Village Savings and Loans Associations (VSLAs), community empowerment programs Children no longer in situations of child labor

Reduced risk of human rights incidents

More inclusive and resilient communities

Transparent and granular data to support

- Customer reporting
- Annual reporting
- Regulatory compliance and due diligence

Tools CLMRS and FLMRS to identify, remediate and monitor human rights

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# Our action plan for improved nutrition and health

Strategic goals

Governance and key policies

Risk assessment and diagnostics

**Actions** 

Impacts and outcomes

Support households in the communities where we operate to improve their nutrition and health



WHO and UNICEF nutrition and health global guidelines

Joint monitoring programme for WASH standards

Workforce Nutrition Alliance guidance and tools

Country-level nutrition and health risk analysis

Farmer household data collected through **ofi**'s farmer information system

Nutrition assessment

#### Infrastructure, Screening, Supplies, Training

#### Preventing and treating chronic and infectious diseases

Health sensitization, testing, mobile clinics, water sanitation, vaccination

#### **Enabling wellbeing**

PPE, equipment safety training, clean cook stoves, health insurance, eye and dental checks, mental health

#### Promoting women's health

Maternity services, family planning, menstrual health and hygiene, breastfeeding, vitamin supplements

#### Improving access to nutritious foods

Nutrition training, cooking demos, vegetable gardens, farm diversification, biofortified crop seeds, school canteens

#### **Tackling malnutrition**

Malnutrition screening, micronutrient supplements, therapeutic foods, deworming tablets, breastfeeding support

Verified program impacts

Increased productivity

Healthier and happier communities

Annual reporting

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# Climate action

Impacts of climate change, like drought, heatwaves and flooding, may affect crop yield and quality. That's a threat to farmers, businesses and consumers alike. To bring about real change, we're working hard across the supply change, finding ways to reduce emissions and sequester carbon — as well as helping our customers meet their own targets.

### Hear from our expert

"Emissions on farms (Scope 3) are by far the biggest part of our footprint. We work closely with farmers to incentivize and apply climate-smart practices and our award-winning Carbon Scenario Planner—built into AtSource – is allowing us to model and recommend the most cost-effective way to reduce or remove carbon. It's a key activation tool supporting decarbonization projects across our products, including improved agroforestry in cocoa and coffee, improved fertilizer and wastewater management in spices, and testing regenerative agricultural practices in our own almond orchards.

"Beyond the farm, we're finding ways to reduce Scope 1 and 2 emissions in our processing facilities with the introduction of renewable and clean energy initiatives including biomass boilers."

Brenda Makona, ofi Climate Action Manager



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### Here's what we're doing



## Developing smart tools to measure and monitor carbon footprint

We're able to offer customers climate insights through the footprint calculator on AtSource+, providing data on 28 different metrics across the supply chain, from the farm through to processing and final delivery. These include land-use change, fertilizer, transportation, electricity and machinery use, as well as how much carbon is sequestered in soil and trees.

Additionally, our Carbon Sequestration Monitoring (CSM) tool uses
Al-powered analysis to provide high-quality data on tree cover and
loss. This also enables us to understand and monitor the impact of
interventions like agroforestry and shade tree planting on carbon capture.



#### Helping customers to act on their carbon footprints

Our Carbon Scenario Planner allows us to model and propose the most efficient ways to reduce emissions and store carbon, building on the granular farm data in AtSource, and has been used with multiple customers to design programs to reduce supply chain emissions with impact.



#### Sector program participation and corporate reporting

Participation in alliances such as the Cocoa & Forests Initiative, Agriculture Sector Roadmap to 1.5°C, Global Coffee Platform and Food and Land Use Coalition to scale our impact. Public commitment and reporting via the Science-based Target Initiative (SBTi) and CDP.



## Building resilience with climate-smart agriculture (CSA)

Supporting farmers to improve yields and crop health to generate cost savings and reduce GHG emissions, building climate-smart practices into a regenerative agriculture approach, including varietal selection, nutrient management, shade trees and cover crops, residue management, water management, renewable energy and energy efficiency. Crop residue management, such as composting, mulching and recycling residues prevent methane emissions, while wastewater treatment systems and eco-filters promote aerobic decomposition.



## Minimizing emissions, maximizing renewables

Installing biomass boilers and fitting solar panels in selected **ofi** processing facilities, switching to green grid energy where available, powering more equipment on our own farms with renewable energy, supporting decarbonization agendas of local business and governments.



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# Climate action: our targets

Impact area	By 2030	By 2025	Where we are today*	
Climate action toward net zero	Reduce our scope 1, 2 & 3 emissions in line with our approved SBTi targets  • Scope 1 & 2: > 50% reduction  • Scope 3: > 30% reduction	Submit our new Science Based Targets following SBTi FLAG & GHG Protocol guidance	10% reduction Scope 1 & 2 emissions (2023 v 2022) 13% reduction Scope 3 emissions (2023 v 2022)	
	Increase renewable energy use to 50% of total energy use in Tier 1 & 2 operations	>40% (Tier 1 Operations)	27% (Tier 1 Operations)	
npact numbers are undergoing ex	sternal verification at the publication time of this document and subject	et to change.		

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# Collaborating for change: our partners for climate action











"The CGIAR's Excellence in Agronomy Initiative, facilitated by IITA, has been privileged to work with **ofi** on farming systems and topics that matter to smallholder farmers in the tropics. In the climate action space, efforts have focused on the sustainable intensification of cocoa production, the scaling of climate-smart coffee systems, and the development of metrics for regenerative agriculture and decarbonization of production systems."

Bernard Vanlauwe, IITA (CGIAR) Research Director and Global Lead of EiA

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## Our climate action plan

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Accelerate decarbonization on a path to net-zero

Offer our customers a verified carbon footprint and a pathway to low-carbon food

SBTi

**GHG** Protocol

Land sector and removals guidance

Carbon footprint and hotspot analysis via AtSource Digital Footprint Calculator (DFC)

ofi traceability system and spatial database

Polygon mapping

Land use change analysis

#### Reduce farm emissions

Varietal selection, soil health, nutrient management and composting, integrated pest management, crop-residue management, no-till or low-till, wastewater treatments, farm energy use and water management

#### On- and off-farm carbon removal and insets

E.g. soil carbon management, agroforestry, beneficial tree planting, conservation and catchment protection, living landscapes and forest restoration

#### Reducing emissions in our facilities

Concrete emission reduction plans in place across all Tier 1 & 2 sites, renewable energy targets set and development plans in place, and focused plans in place to increase our circularity in Tier 1 & 2 sites

Verifiable, low carbon products and ingredients

Emissions reductions in ongoing supply chains

Corporate reporting and regulatory compliance

**Tools** AtSource data system and Digital Footprint Calculator for verified footprints

Carbon Scenario Planner to plan and cost climate actions

Carbon Sequestration Monitoring tool for scaled monitoring of removals

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# Regenerating the living world

Agriculture must shift from an extractive model, where cheap food is produced at the expense of nature, to a regenerative model, where food is produced in balance with nature in living landscapes.

### Hear from our expert

"We have to find ways to partner to restore nature by working with farmers and their communities. Implementing regenerative agriculture needs to be context-specific, promoting nature-friendly practices that help farmers improve their incomes. Farming affects soil health, water use, biodiversity and carbon, so together with farmers we co-design practices ranging from precision soil management, to recycling the nutrients in crop residues, and planting to attract beneficial insects.

"In the landscapes where our cocoa, coffee and some nuts originate, deforestation is a key risk. It is often caused by poverty: farmers clear more land so they can earn enough to survive. Simply pulling out of high-risk supply chains does not solve the underlying problems.

"Last year, our teams delivered sustainability support to half a million farmers across **ofi** supply chains to help make their existing land more profitable and incentivize more environmentally-sound practices. In turn, this

can help our customers comply with deforestation-free policies and laws, and ultimately deliver real change."

#### Piet van Asten,

**ofi** Head of Sustainable Production Systems

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## Here's what we're doing



#### Promoting conservation on and around farms

Implementing agroforestry systems with farmer training, access to rural credit and planting materials to integrate beneficial trees in farming and help maximise crop value on existing land

Working with farming communities to conserve and restore trees around farms, including windbreaks, hedgerows and protection buffers, tree lots, working forests and conservation areas

Protecting and conserving valuable ecosystems including wetlands, water catchments and protected areas



#### **Acting to end deforestation**

Using geo-spatial technology for more accurate risk assessments of farms and the surrounding landscape

Progressively rolling out polygon mapping and end-to-end traceability to track the history of deforestation in suppliers' farms and comply with emerging regulations

Implementing alert system to warn managers of active deforestation events detected by satellites in near-real time

Engaging with our suppliers to end deforestation and working to ensure that our customers are supplied with all required due diligence, including traceability data

Working with local stakeholders in high-risk landscapes to end deforestation through tailored programs



#### Promoting a regenerative approach to farming

Working with farmers to understand the context specific solutions which benefit soil, water, biodiversity and climate e.g.:

- Nurturing healthy soil through fertility management, composting, cover cropping and erosion control
- Implementing smart irrigation to reduce water use and wastewater treatment to prevent pollution
- Applying integrated pest management to reduce or even eliminate the use of farm chemicals
- Reducing carbon impact through slow-release or low carbon fertilizers and other measures



#### Generating holistic change in living landscapes

Forming multi-stakeholder partnerships to scale up program impacts beyond the farm and supply chain, resulting in better governance and effective protection of nature while supporting community needs for essential services like nutrition, health, sanitation and education



#### **Embedding natural capital accounting**

Starting with cocoa, tracking natural capital costs, from the farmers or farmer groups we work with in sustainability programs to our global cocoa processing operations



Regenerating the living world

# Our targets: regenerating landscapes

Impact area	By 2030	By 2025	Where we are today*
Regenerating landscapes  25 million beneficial trees distributed for agroforestry systems  20 living landscape partnerships establish	2 million ha brought under regenerative agricultural practices in our supply chains	Regenerative Agriculture playbook of practices in place for all <b>ofi</b> product platforms	~ 1 million ha (land managed by supported farmers in AtSource) <b>ofi</b> regenerative agriculture framework adopted and tested across products
		15 million beneficial trees distributed for agroforestry systems	11.4 million native trees distributed to farmer groups (cumulative)
	20 living landscape partnerships established	10 living landscape partnerships established	7 origins with established landscape-scale partnerships
	Demonstrating natural capital regeneration and value creation in living landscapes	Living landscape framework in place for regenerating natural capital at scale: ecosystems, soils and water, and carbon in key landscapes	Work in progress to update <b>ofi</b> 's living landscape framework and benchmark against other standards
Forest positive Negligit supply Increase	All <b>ofi</b> direct supply chains are deforestation-free	Transparent monitoring across all <b>ofi</b> supply chains for deforestation risks	Forest loss risk assessed across 100% direct supply chains (coffee and cocoa) across all <b>ofi</b> AtSource supply chains**
	Negligible risk of deforestation in indirect supply chains	Deforestation action plans in place across all high-risk supply chains	>960,000 farmer plots mapped
	Increase in tree carbon stock across ten  ofi strategic landscapes		Development of a carbon sequestration monitoring tool to assess aboveground biomass at scale

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## Collaborating for change: our partners for regenerating the living world









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# Our regenerative agriculture action plan

Strategic goals

Governance and key policies

Risk assessment and diagnostics

Actions

Impacts and outcomes

Support our farmers and suppliers to adopt regenerative agricultural practices

Develop living landscape multi-stakeholder partnerships to regenerate natural capital at scale



Living Landscapes Policy

Agri Supplier Code

Code of Conduct

**ofi** traceability system

AtSource system governance and regenerative agri framework

ofi farmer household surveys

Farmer and land data

**ofi** spatial data, forest mapping, bespoke and shared risk indices

#### Improving soil health

Fertility management, composting, cover crops, erosion control, sustainable biochar

#### Water management

Irrigation technology, riparian buffers, catchment management

#### Biodiversity on farm

Crop varietals, pruning and green manure, intercropping, agroforestry, wildlife corridors, Integrated Pest Management (IPM) and avoidance of banned pesticides

#### Carbon

Other climate-smart practices

Nature-friendly farms, and healthy soils and crops

Long term farm resilience to climate related and natural disturbance

Products with verified positive natural impact

Forest-positive outcomes

Impact at scale in living landscapes

Environmental and social reporting

Reputation management

Regenerating the living world

sustainability



## Our forest-positive action plan

Strategic goals

Governance and key policies Risk assessment and diagnostics

**Actions** 

Impacts and outcomes

Becoming forest positive EU Deforestation Regulation SBTI / GHG Protocol FLAG Commitments to aim for zero deforestation Living Landscapes Policy, Agri Supplier Code AtSource system and

traceability governance

Deforestation risk benchmarking across ofi sourcing

Hotspot analysis and priority setting for action and impact

ofi farmer mapping and traceability

Participation in major stakeholder alliances to end deforestation and promote landscape restoration

Targeted expansion of farm mapping, improved remote sensing of **ofi** crops with machine learning

Global Forest Watch Premier monitoring alerts and compliance dashboard

Create deforestation action plans for all high-risk areas

Convene durable forest partnerships in high-risk sourcing areas

More beneficial trees on and around farms

Deforestation-free products and verifications

Forest conservation and restoration in landscapes

Increased CO<sub>2</sub> removal in trees and soils

Food production decoupled from deforestation

End Scope 3 emissions due to Land Use Change (LUC)

Reduced reputational risk and due diligence costs

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# Supply chain excellence

The social and environmental challenges faced by the world's food systems are a matter of survival—for our suppliers, our customers, ourselves and, ultimately, our planet.

Necessarily, governments are passing laws on human rights and environmental due diligence.

So there's only one real choice: create supply chains that meet new levels of excellence.

### Hear from our expert

"Our teams on the ground in all major growing countries engage with suppliers often in very remote areas to help drive the right practices and mitigate risks. Whether it's our extension workers conducting farm inspections and household surveys, or program coordinators engaging local authorities and community leads, this presence gives us a deep understanding of the realities on the ground.

"But customers and regulatory bodies also need to see the big picture. This is where technology can play a crucial role in making our supply chains more transparent and traceable and why we deploy proprietary digital tools like AtSource offering access to actionable data, to help deliver the impact and traceability the law demands and the Earth needs."

Flora Coffi Sika,

**ofi** Africa Sustainability Head



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### Here's what we're doing



#### **Traceability**

Continual investment in putting teams on the ground in all major growing countries – including 9 cocoa, 18 coffee, 15 nuts and 10 spices origins

Investing in digital tools to drive traceability and transparency right back to farmer groups and estates



#### **Supplier engagement**

Engaging suppliers through the **ofi** Agri Supplier Code, detailing the environmental, social and governance principles stated in our corporate policies that we require suppliers to uphold

Sourcing from **ofi** direct suppliers under the Code (99% of volumes in 2023)

Investing in farming communities through bespoke training programs, infrastructure, healthcare, sanitation and education



#### Verification

We are using independent, third-party auditors to verify data on our AtSource sustainability management system

AtSource Verification Protocol ensures that audits are conducted consistently, with decisions based on a truthful, accurate and fair representation of the level of implementation vs. requirements



#### Risk and compliance

Keeping regulation and law developments in our sights, being ready and helping, where possible, customers to meet certain requirements, such as the EU Deforestation Regulation (in force end of 2024), the European Commission's Corporate Sustainability Due Diligence Directive, and similar global regulations, and US Customs' increased enforcement of human rights

Rolling out initiatives to ensure compliance with relevant local and regional laws — such as the Child Labour Monitoring and Remediation Systems (CLMRS) in our cocoa origins

Delivering on our Purpose to *Be the change for* good food and a healthy future, by supplying healthy, nutritious and delicious food from sustainable food systems and regenerative agriculture, free from contamination, fertilizers, pesticides, fungicides and heavy metals, following strict quality and food safety standards



#### Data and insights

Offering our customer rich, granular social and environmental data via our sustainability management system, AtSource

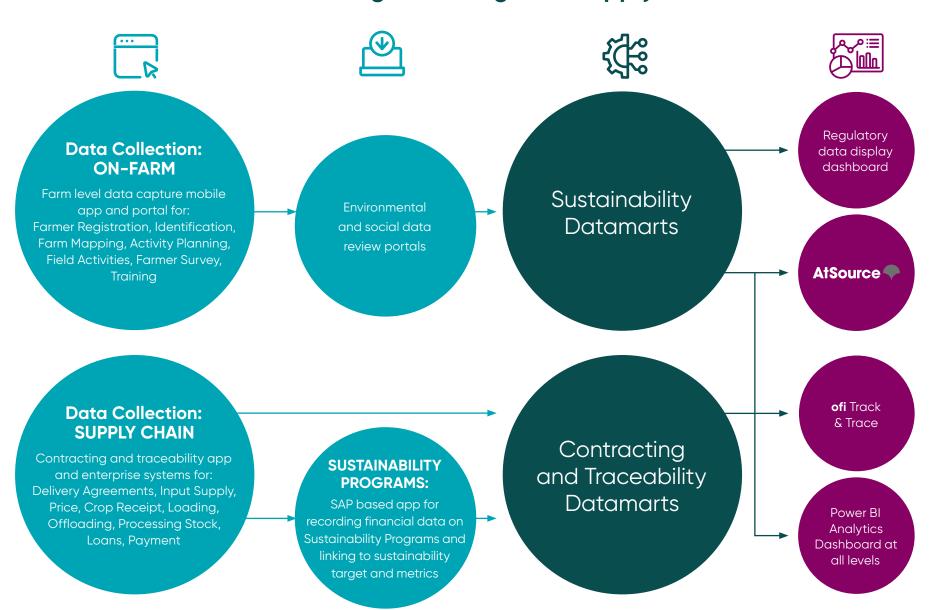
Working with global experts on data and measurement to develop insights that drive action





# The technology supporting supply chain excellence

How we deliver data and insights through the supply chain



Alongside our global sourcing network and on the ground intel, data plays a key role in our ability to offer a safe, secure supply of traceable and sustainable ingredients. This is why we are constantly innovating and developing new tools to gather even better data, improve traceability, and deliver more efficient and impactful sustainability programs.

**ofi**'s farmer information system helps us gather, process and analyze information about farmers and the first mile of the supply chain. The data is collected by field teams and includes farm GPS locations, yields, and information about communities like the nearest schools.

**ofi** Direct is a mobile app that allows farmers to transact directly with **ofi** and gives them more control over their sales and earnings. It also offers farmers access to advice, financing and supplies, as well as the ability for **ofi** to digitally trace crops back to them.

ofi Track and Trace integrates information from our on-the-ground digital apps and ERP systems to enable traceability from farm plots to customers and provide visibility into across the supply chain. The enhanced Track and Trace system is the backbone of meeting EUDR compliance.

Making sustainability real for our customers

AtSource <

Find out more here

# Offering sustainable choices to customers with AtSource

Making our impact real measurable comes down to the vast wealth of data that we're collecting from across the full supply chain. From this data, we can generate relevant insights and verified traceability that customers can access through our sustainability management system AtSource.

It provides customers with key sustainability metrics which can support corporate reporting and help them better understand their environmental, social, and economic impact, as well as enabling better choices on how to partner with **ofi** and scale positive impacts where it matters most.

#### AtSource allows our customers to:

- Manage and take action to reduce sustainability risks
- Efficiently improve performance and impact through a combination of verified and data-based insights
- Report on metrics relevant to sustainability commitments
- Effectively communicate the impact of in-origin sustainability programs and partnerships

It offers a three-tier solution, with each level providing increasingly enhanced data, metrics, and insights to support customers' particular areas of sustainability focus:

## **AtSourceV**

For customers starting out on their sustainability journey and or those who want to manage reputational risk:

- Traceability back to farmer group level or our estates
- Assurance through risk and performance assessment
- Targeted action plans for continuous improvement
- Country-level risk profiles and generic carbon and water footprints
- Deforestation due diligence
- Third-party verification every three years

#### AtSource+

For customers wanting a more detailed picture on the conditions at the source of their products. In addition to AtSourceV:

- Risk and performance assessment in additional sustainability requirements that go beyond our reference practices
- Granular metrics with comprehensive insights specific to each supply chain
- Advanced environmental footprints based on primary data
- Annual third-party verification
- Impact through targeted programs with stories from the field covering sustainability outcomes

#### **AtSource**∞

For customers who want to drive transformative, net-positive impact at scale. In addition to AtSourceV and AtSource+, this tier includes bespoke programs co-created with communities, customers and other partners like NGOs and government bodies. These are designed to regenerate landscapes in which farmers prosper and communities thrive, benefitting wider populations and the earth's ecosystems.

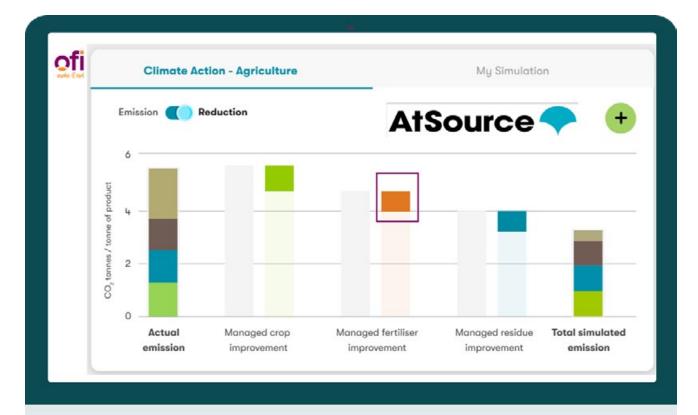




# Generating actionable insights with industry-recognized AtSource tools

AtSource is constantly evolving with new metrics and features that better equip us and our customers to make effective interventions and account for impact.

Our award-winning **Carbon Scenario Planner**—built into AtSource—allows us to model and recommend the most cost-effective way to reduce greenhouse gas emissions. Our climate footprinting experts have also developed a **Carbon Sequestration Monitoring** tool, a finalist in the edie <u>2024 "Net-Zero Innovation of the Year" Award</u>, with Google geospatial partner <u>NGIS</u>, to measure carbon gains and losses across supply chains. It uses satellite imagery and machine learning to track changes in forest cover and carbon stocks, helping us identify areas at risk of deforestation and prioritize our conservation efforts.



These tools support multiple **ofi** programs to decarbonize our supply chains, targeting farm-level (Scope 3) emissions which make up >95% of the total **ofi** GHG footprint, with customers able to access key results, calculations and outputs via AtSource+ performance metrics.

"We created our AtSource sustainability management system to deliver sustainability to our customers. Our extensive primary data and our suite of tools developed with world-class technical partners – such as our Living Income tool, Digital Footprint Calculator and award-winning Climate Scenario Planner – are driving granular insights into specific supply chains that enable us, together with our customers and partners, to deliver more targeted interventions for real and measurable impact towards our mutual sustainability goals."

**Juan Antonio Rivas**, **ofi** Global Head – Sustainable Business Development





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### **Summary**

Thank you for reading Choices for Change. It takes a collaborative approach to drive the transformational change we all want to see, so we hope we've inspired you with choices on how to be the change with us. Together we have the expertise, partnerships, and strategy to make our collective ambitions real.

Now it's time to scale our efforts. Let's join forces in making a positive change.

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### Appendix

Aligning our targets to material sustainability topics

Targets and metrics hub

ofi Glossary



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# Materiality assessment

#### Aligning our targets to material sustainability topics

We wanted to ensure that the focus areas within our new sustainability strategy reflected the expectations of our stakeholders and are guided by where we can have the greatest impact and mitigate our most material risks. To be able to do this, a comprehensive double materiality assessment was completed, allowing us to identify our most material sustainability topics. In addition, the assessment aimed to forecast the scale of the potential impact (represented by the size of each bubble). Through the performance of the double materiality assessment, five distinct topics were identified as being material to off and our stakeholders: Economic opportunity, Human rights, Climate action, Ecosystems & biodiversity and Traceability

Each of these five material areas can be linked back to the five interconnected sustainability pillars of **ofi**'s Choices for Change strategy.

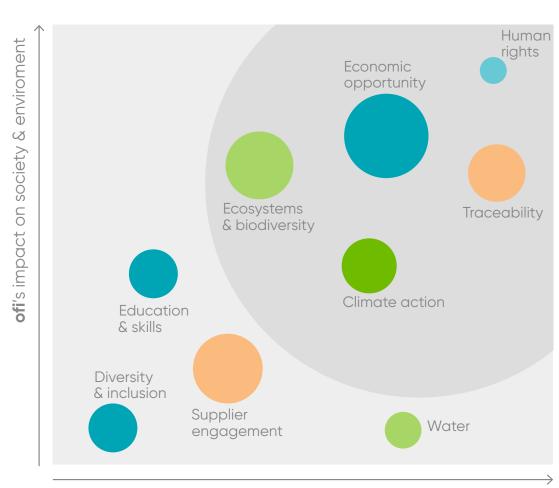
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Economic opportunity	Human rights	Climate change	Ecosystems & biodiversity	Traceability

Having identified our material topics, we developed targets for each topic, along with associated metrics to track our annual performance. In doing so, we have set ambitious, yet realistic targets that we believe will maximise our positive impacts on society and the environment, while helping **ofi** to monitor and mitigate some of its most important risks.

Our material areas will form the basis of our sustainability reporting.

#### Data Governance and Assurance

One of the fundamentals underpinning our Choices for Change strategy and the targets we have set will be robust data, governed by sound processes and controls, assured by an external third party. **ofi** continues to develop in this regard, aiming for limited assurance over all of our Choices for Change metrics in the near future.



Impact on **ofi** 

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Prosperous farmers: targets and metrics

Impact area	2025 targets	2030 targets	Primary metrics
Livelihoods	1m <b>ofi</b> farmer households received enhanced livelihood support customized to their needs		<ul> <li># ofi Farmer households that received livelihood support</li> <li># ofi Farmer households that received enhanced livelihood support</li> </ul>
	600,000 <b>ofi</b> farmer households received livelihood support	<ul> <li>1m ofi farmer households received enhanced livelihood support</li> </ul>	<ul> <li>% of product platforms that delivered customized livelihood programs</li> <li>% of ofi livelihood programs that are customized to farmers' needs</li> </ul>
	Coffee and Nuts product platforms aredelivering livelihood programs customized to farmers' needs	All <b>ofi</b> livelihood programs are customized to farmers' needs	
Living income	80,000 <b>ofi</b> farmer households achieve a living income	200,000 <b>ofi</b> farmer households achieve a living income	# <b>ofi</b> Farmer households that achieve a living income
Women	115,000 <b>ofi</b> women farmers received livelihood support	<ul> <li>250,000 ofi women farmers received enhanced livelihood support</li> </ul>	<ul> <li># ofi Women farmers that received livelihood support</li> <li># ofi Women farmers that received enhanced livelihood support</li> </ul>
Youth	35,000 youth in farming communities received livelihood support	<ul> <li>85,000 youth in farming communities received livelihood support</li> </ul>	# Youth in farming communities that received livelihood support



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# Thriving communities: targets and metrics

Impact area	2025 targets	2030 targets	Primary metrics	Supporting metrics
Protecting children	<ul> <li>All high-risk supply chains have systems in place to identify, prevent, and remediate child labor</li> </ul>	All identified child labor cases received remediation action	<ul> <li>% of high-risk supply chains covered by CLMRS</li> <li>% of identified child labor cases that received remediation actions</li> <li># of children that received education support</li> </ul>	
	50,000 children received education support	<ul> <li>150,000 children received education support</li> </ul>		
Human rights	All supply chains have systems in place to address human rights	All identified human rights cases received remediation actions	<ul> <li>% of supply chains covered by ASC verification</li> <li>% of supply chains with grievance procedures in place to protect human rights</li> <li>% of identified human rights cases that received remediation actions</li> </ul>	<ul> <li>% of high-risk supply chains covered by FLMRS</li> <li>Number of Education Infrastructures Completed</li> <li>Estimated # of Children with access to Education Infrastructure</li> <li>% Grievances addressed</li> </ul>
Nutrition and health	300,000 households received nutrition or health interventions	750,000 households received enhanced nutrition or health support	<ul> <li># ofi farmer households that received enhanced nutrition or health support</li> <li># community households that received enhanced nutrition or health support</li> <li># ofi farmer households that received nutrition or health interventions</li> <li># community households that received nutrition or health interventions</li> </ul>	



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# Climate action: targets and metrics

Impact area	2025 targets	2030 targets	Primary metrics		
Climate Action	<ul> <li>Accelerate decarbonization on a path to net-zero. Submit our new Science Based Targets following SBTi FLAG &amp; GHG Protocol guidance</li> </ul>	Reduce our Scope 1, 2 and 3 emissions in line with our approved SBTi targets:  Scope 1 + 2: >50% reduction  Scope 3: >30% reduction	<ul> <li>Submission to SBTi Network, targets under 1.5°C pathway</li> <li>Scope 1 &amp; 2 absolute emissions</li> <li>Scope 3 emissions intensity or absolute emissions</li> <li>Renewable Energy (RE) as % of total energy use</li> </ul>	Of the state of th	
	<ul> <li>Increase renewable energy use to &gt; 40% of total energy use in Tier 1 operations</li> </ul>	<ul> <li>Increase renewable energy use to 50% of total energy use in Tier 1 &amp; 2 operations</li> </ul>	in our operations	Ofi	

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% of Grievances/Cases removed

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# Regenerating landscapes: targets and metrics

stock across 10 **ofi** 

strategic landscapes

Impact area	2025 targets	2030 targets	Primary metrics	Supporting metrics
Climate Action	playbook of practices in regenerative agricultural • # Farmers included in <b>ofi</b> Regen  place for all <b>ofi</b> supply chains practices in our Ag programs  supply chains • # FG included in <b>ofi</b> Regen Ag prog		<ul> <li># Farmers included in ofi Regen</li> <li>Ag programs</li> <li># FG included in ofi Regen Ag programs</li> </ul>	
	15 million beneficial trees     distributed for     agroforestry systems	25 million beneficial trees distributed for agroforestry systems	<ul> <li># Ha brought under regenerative agricultural practices in our supply chains</li> <li># of non-ofi crop trees distributed for agroforestry programs</li> </ul>	
Living landscape	10 living landscape     partnerships established	20 living landscape     partnerships established	# Partnerships leveraging investment in living landscape programs	
	<ul> <li>Living Landscape framework         in place for regenerating         natural capital at scale:         ecosystems, soils and         water, and carbon         in key landscapes</li> </ul>	Demonstrating natural capital regeneration and value creation in living landscapes		
Becoming forest positive	<ul> <li>Transparent monitoring across all ofi supply chains for Deforestation risks</li> <li>Deforestation action plans in place across all high-risk suppliers</li> </ul>	<ul> <li>All ofi direct supply chains are deforestation free</li> <li>Negligible risk of deforestation in indirect supply chains</li> <li>Increase in tree carbon</li> </ul>	<ul> <li>Direct Supply Chains: % of ofi volumes under traceable deforestation monitoring</li> <li>Indirect Supply Chains: % of ofi suppliers under deforestation risk monitoring, due diligence</li> <li>% of high-risk sourcing with deforestation action plan in place</li> </ul>	<ul> <li>% of of suppliers that have signed the Agri Supplier Code (ASC)</li> <li># of beneficial trees distributed for agroforestry programs</li> <li>% change in tree carbon</li> </ul>

 % change in tree carbon stock across ofi sourcing areas



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# ofi Sustainability Glossary (A-C)

#### **Agri Supplier Code**

Agri Supplier Code (ASC): 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).

#### Agroforestry (relevant for the trees metric)

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.

#### Beneficial trees distributed in agroforestry systems

A beneficial tree refers to native or non-native trees, not including **ofi**'s target crop species, which are planted in or around farms for any useful purpose (e.g. shade, timber, fodder, fruit and other crops, medicinal products, biological control, windbreaks, soil stabilization, hedging, etc.). An Agroforestry Program refers to the distribution of trees to farmers for use on their farms.

#### Child labor

Work that deprives children 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). The worst forms of child labor include 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.

#### **Child labor remediation actions**

Child labor remediation actions refer to actions taken to remove a child from child labor or mitigate the consequences of child labor by providing alternatives and promoting their safety and wellbeing.

#### Child Labour Monitoring and Remediation Systems (CLMRS)

System to identify and target prevention, mitigation and remediation actions to children involved in or at-risk of child labor.

#### **Climate-smart 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.

#### **Customized Support**

- Two socio-economic groups have been identified by ofi field teams and provided with differentiated support
- The needs of women and youth have been considered.





# ofi Sustainability Glossary (D-E)

#### **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 Glossary I Version 1.0 I).

#### **Deforestation-free**

Deforestation-free supply chains do not cause or contribute to deforestation, as defined by the Accountability Framework Initiative. The EU Deforestation Regulation requires a deforestation-free cut-off date of 31st December 2020.

#### **Direct sourcing / Direct volumes**

Volumes procured by **ofi**, or its subsidiaries, directly from farmers, or from farming co-operatives, farmer groups, community/growing areas or their representatives (Including Local Buying Agents who are restricted to a specific community/growing area). This also includes sourcing from **ofi**'s in-country subsidiary-owned estates, orchards or farms.

#### 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.

#### **Education infrastructure**

Education infrastructure involves the construction or rehabilitation of schools, classrooms, school latrines, school canteens, playgrounds, among others.

#### **Education support**

An intervention aiming to improve children's access to quality education. This excludes any type of infrastructure-related interventions. Examples of interventions that are considered are the establishment of birth certificates and the distribution of school material & equipment (school kits, schoolbooks, etc).

#### **Enhanced livelihoods support**

A package of support combining one or more relevant trainings, and at least one material support including inputs, services, and access to finance and premiums, or infrastructure, designed to improve yields, quality, resilience, or return on investment, as part of a multi-year program. Training and support must have been received during two different years at minimum. These years do not need to be consecutive, and the oldest year of support cannot be more than 5 years in the past. A farmer that did not receive any type of training/support w/in the current year can still count towards this number if the criteria are met. If at the time of reporting, the household is no longer an **ofi** farmer household, this unit still counts as long as the training/support was received when it was still considered to be an **ofi** farmer household.



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# ofi Sustainability Glossary (E-I)

#### Enhanced nutrition and health support

Enhanced nutrition support includes at least one nutrition training intervention and one other type of nutrition intervention (supplies, screening & services, or infrastructure). Similarly, enhanced health support considers one health training intervention and one other type of health intervention.

#### Farmer

Any individual that (1) owns / co-owns a farm holding, (2) is a member of the farmer household who is working on the family farm, or (3) is employed to manage a farm or is a Tenant farmer (sharecropper)

#### ofi Farmer household

A farmer household is composed of the group of people living in the same dwelling space who have at least one common farm plot together and extract a significant part of their income from farming. An "ofi farmer" consists of a farmer that is registered within ofi's supplier base, whether it be in ofi's farmer information system or outside of this app.

#### 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 supply chains, 3. drive transformational change in strategic landscapes, and 4. track and report using common metrics.

#### **GHG** emissions

Refers to the release of Greenhouse Gas into the atmosphere in tons of carbon dioxide equivalent ( $tCO_2e$ ). We follow the definition of the Greenhouse Gas Protocol, which classifies emissions into scopes 1, 2 and 3:

- · Scope 1: Direct GHG emissions occurring from sources owned or controlled by ofi
- Scope 2: Indirect GHG emissions from the generation of purchased electricity, steam, heat and cooling consumed by **ofi**
- Scope 3: Indirect GHG emissions that are a consequence of the operations of ofi but occur
  from sources not owned or controlled by the company

#### Human rights remediation

The proportionate restitution of an affected person or persons or communities to a situation equivalent or as close as possible to the situation they would be in had an adverse impact affecting human rights not occurred.

#### Indirect supply chain

Volumes procured from non-supported farmers, or not associated with any sustainability claim. This is consistent with a vast majority of trade in the past and still occurring today; and include volumes procured from third parties, for example government entities, exchange trading, other national and international companies, as well as from intermediaries (e.g., Local Buying Agents, LBAs) or primary processing partners (e.g., crackeries, milling), who are not restricted to a specific farmer group/community/growing area.



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# ofi Sustainability Glossary (I-N)

#### **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.

#### Livelihood support

At least one relevant training, or one material support including inputs, services, including access to finance and premiums, or infrastructure, designed to improve yields, quality, resilience, or return on investment provided during the year of counting.

#### Living landscape partnerships

A Living Landscape Partnership is a multi-functional sourcing area where ofi has a long-term and large-scale plan to achieve holistic transformational change for nature and people by leveraging multi-stakeholder partnerships that co-design & foster a common vision and goal for managing the landscape sustainably. Living landscapes are strongly rooted in a theory of change that seeks to address root causes of unsustainable outcomes across environmental and socio-economic dimensions, therefore aiming to demonstrate impact beyond program implementation.

#### 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."

#### **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.

#### **Natural Capital Accounting**

Natural Capital Accounting follows a holistic systems approach to understanding the true value of nature, people, society for humans. The economy must be recognized as parts within a deeply interconnected global system and addressed together to deliver value across the capitals. It is an approach to measure the changes in the stock of natural capital at a variety of scales and to integrate the value of ecosystem services into accounting and reporting systems at national, corporate, project and product levels. This will result in better management of natural capital by these different entities.





# ofi Sustainability Glossary (N-Y)

#### **Net-zero**

Reducing scope 1,2 and 3 emissions to zero or residual level consistent with reaching global net-zero emissions in eligible 1.5°C – aligned pathways AND permanently neutralizing any residual emissions at the net-zero target year & any GHG emissions released into the atmosphere thereafter. (Source: SBTi Glossary I Version 1.0 I)

#### 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.

#### Strategic landscapes

Strategic landscapes are geographic sourcing areas where **ofi** has a long-term interest and a commitment to participate in multi-stakeholder efforts to drive positive impacts at scale for farmers, farming communities, the farming environment and associated natural ecosystems.

#### Traceable/traceability

Any volumes for which we can provide chain of custody documentation back to the farm, farming co-operative / community, farmer group, or growing area.

#### **Transparency**

Supply chain transparency refers to the strategy of how to disclose supply chain and sourcing information to stakeholders. Transparency is defined by what data you are going to be transparent about, to whom, and how often, or when. Any company pursuing visibility needs to consider transparency upfront. (Source: BSR, 2019)

#### Tree carbon stock

Carbon Stocks, pools or carbon sequestration is directly related to the above ground biomass of the trees. This only considers additional number of trees delivered in our programs or conservation areas where of shows a positive impact.

#### Youth/Young Adults

Individuals aged 15-24



