

# Olam Food Ingredients

Taskforce on Nature-  
related Financial  
disclosures

**TNFD**

2025



## Introduction

As a global leader in naturally good food and beverage ingredients and solutions, **ofi** remains committed to improving transparency and strengthening its approach to managing nature-related dependencies, impacts, risks and opportunities. For the year ended 31 December 2025, **ofi** has prepared its response to the Taskforce on Nature-related Financial Disclosures (TNFD) framework, reflecting its evolving understanding of nature across its global operations and supply chains. These disclosures have been prepared on behalf of the **ofi** Group of companies (the “Group”, “**ofi**”, or “we”) of which OFI Group Limited is the Parent Company, and are in reference to the TNFD’s recommended disclosure framework.

This report builds on our previous nature-related disclosures as part of the Olam Group and marks a step towards further integrating nature into strategic decision-making and enterprise risk management within **ofi**. The Group is actively enhancing its understanding of nature-related risks, opportunities, impacts and dependencies and intends on progressing to full alignment with the TNFD framework in the future.



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# Our Sustainability Governance

Effective governance is central to **ofi's** approach to managing nature-related risks and opportunities. Oversight is structured across the Board, dedicated committees, and executive leadership, allowing for nature to be embedded into strategic decision-making and operational execution.

## Board oversight of nature-related matters

The Board of Directors (the "Board") of OFI Group Limited is ultimately responsible for aligning strategic priorities with sustainability objectives, including nature-related matters. The Board is supported by the Executive Committee ("ExCo") whose mandate includes delivering the strategic plan and Group-wide initiatives related to nature. The Chief Sustainability Officer (CSO), a member of the ExCo, supports the integration of sustainability considerations into **ofi's** business strategy and decision processes.

The Sustainability and Governance Committee ("SusCo") supports the Board in overseeing nature-related strategy and performance. The SusCo reviews the implementation of nature-related commitments, including nature-related targets disclosed within **ofi's** sustainability strategy, Choices for Change. The SusCo oversees alignment of nature-focused initiatives, policies, investments, and disclosures with the Group's wider business strategy. Where necessary, matters are escalated to the full Board. SusCo meets at least four times annually and comprises six non-executive directors and one executive director of the Board.

## Audit & Risk Committee

The Audit & Risk Committee ("ARC") oversees enterprise risk management, including nature-related risks. It supports a clear understanding of nature-related risks and promotes their appropriate mitigation. In addition, the ARC oversees the consideration of nature-related risks in the Group's financial reporting and disclosures. The ARC meets at least three times annually and comprises four non-executive directors of the Board.

## Management oversight

Each of **ofi's** five product platforms (cocoa, coffee, dairy, nuts, and spices) has a dedicated Head of Sustainability with dual reporting lines to the CSO and the respective product platform CEO. The five heads of sustainability are part of the extended Sustainability Leadership team, which tracks progress

against nature-related targets and commitments and provides regular updates to senior management.

Additionally, **ofi** has built an extensive global network of experts dedicated to implementing its regenerative agriculture and forest-positive action plans. Reporting to the sustainability leadership team, these regional teams operate across key sourcing origins and product platforms, working directly with farmers, suppliers, and local communities to promote nature-positive practices. Their work includes restoring degraded ecosystems, enhancing soil health, improving water stewardship, and protecting biodiversity, all of which are critical to **ofi's** nature-related strategy and risk mitigation efforts.

## Human rights governance and engagement with Indigenous Peoples, Local Communities and Other Stakeholders

Oversight of human rights issues is provided by the Board and SusCo, with operational execution led by regional teams and supported by an extensive sustainability workforce.

**ofi's** policies are guided by recognized international standards, including the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. We work with international expert organizations, donors and customers to implement multi-year projects and programs to improve livelihoods, inclusion, living incomes and wages. Through these programs, we strive to uphold customary and legal tenure, and access rights of indigenous people, as well as local and cultural traditions.

**ofi's** Agri Supplier Code (ASC), Fair Employment Policy and Living Landscapes Framework and Environmental Policy set clear expectations for respecting human rights and environmental stewardship across all supply chains.

Human rights risk identification is informed by country-product risk scores developed in conjunction with Wageningen University & Research, and field assessments conducted with international and local experts. These assessments inform the deployment of targeted systems such as the Child Labor Monitoring and Remediation System (CLMRS) and the Forced Labor Monitoring and Remediation System (FLMRS) which are active in high-risk supply chains.

# Our Sustainability Governance

**ofi** sources the majority of its crops from smallholder farmers who own and manage their own land. As a result, the risk of infringing on land access or use rights is assessed as relatively low based on current sourcing models and available information. We address any potential risks through ongoing community dialogue and our established human rights due diligence processes. When sourcing indirectly through suppliers, they are required to comply with the ASC, which specifies that they must obtain the free, prior, and informed consent of local communities for any project or development that could affect their legal or traditional ownership or customary use of land, territories, or resources. In regions where indigenous peoples and local communities are present, our engagement protocols are designed to uphold traditional rights and respect cultural sensitivities.

For more information on how we support our farmers, *farming* communities and other stakeholders within our value chains with regards to human rights, please refer to the **ofi** [Modern Slavery Statement \(MSS\)](#), available [here](#).

## Strategy

**ofi**'s sourcing activities are inextricably linked to nature. As a food and beverage solutions business, **ofi**'s activities are closely connected to natural ecosystems within production landscapes. We depend on ecosystem services, including climate and water regulation, pollination and pest and disease control to support our sourcing and production activities. As an agricultural business we understand that most dependencies occur within our upstream value chain<sup>1</sup> which includes owned estates, orchards and farms and third-party farms (collectively: 'farms') from which we source our ingredients.

When managed incorrectly, agricultural practices may create negative impacts, such as land degradation, biodiversity loss, pollution, pollinator loss and result in an increased contribution to climate change. These impacts, in turn, reduce the long-term economic value that can be derived from such natural capital, affecting both local communities who rely on the land for economic prosperity and **ofi**'s ability to source products. Grounded in our purpose *be the change for good food and a healthy future*, **ofi** is committed to managing our impacts on nature

## Our Actions:

- **Promoting conservation on and around farms:** Working with farmers and communities to implement agroforestry systems and protect forests.
- **Implementing practices to reduce deforestation** with expansion of polygon mapping (to help with clarity on an area) and end-to-end traceability. Using geo-spatial technology for risk assessment and implementing deforestation action plans with local partners in high-risk areas.
- **Promoting a regenerative approach to farming:** Working with farmers to understand the context specific solutions which benefit soil, water, biodiversity and climate and maximize crop value from existing farmland.
- **Forming multi-stakeholder partnerships** to generate change at scale in Living Landscapes.
- **Tracking natural capital costs** in cocoa and coffee operations, from the farmers or farmer groups we work with in sustainability programs to our global processing



<sup>1</sup> Our upstream value chain is comprised of Direct and Indirect supply chains. Direct: A supply chain from where volumes are procured directly from farmers, farming cooperatives, farmer groups, or local buying agents, or aggregators restricted to a specific group of farmers. This includes sourcing from **ofi**'s owned estates, orchards, and farms. Indirect: Volumes not procured directly from farmers, farming cooperatives, farmer groups, or local buying agents or aggregators restricted to a specific group of farmers. This may include sourcing from exchange traded volumes, government entities, large national aggregators, or primary processing partners.

# Strategy

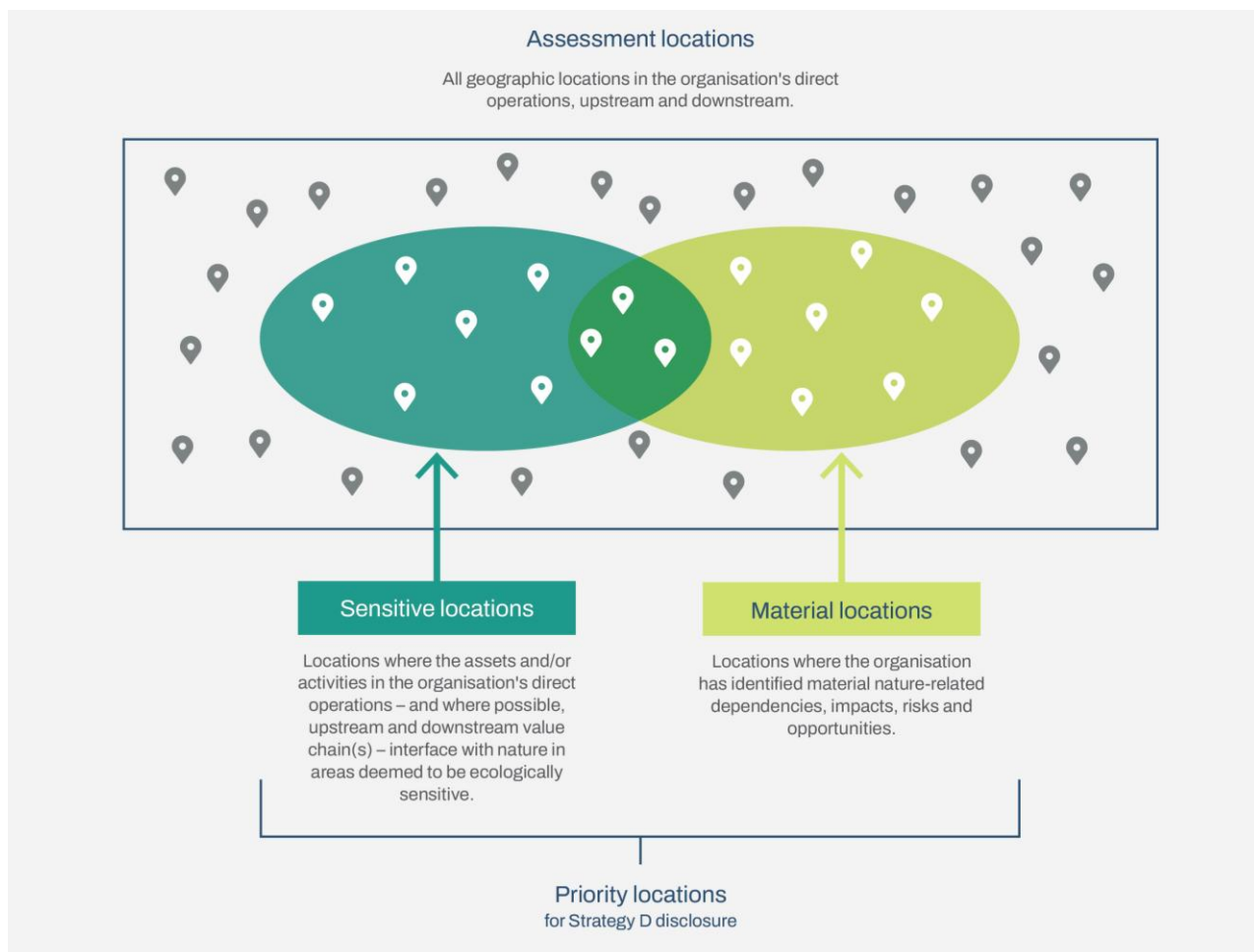
## Locate, Evaluate, Assess, Prepare (LEAP)

To identify and assess nature-related dependencies, impacts, risks and opportunities (DIROs) within our direct operations and value chains, **ofi** followed TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach, and additional sector guidance.

In following the LEAP approach, we can better assess where to focus our nature-related programs and projects. **ofi**'s global value chain spans over **50** countries, with farming operations and farmgate sourcing from approximately **2.75** million farmers and over **110** manufacturing facilities. This creates a diverse set of locations interacting with nature in different ways.



TNFD defines **priority locations** as: **material locations** where an organization has identified material nature-related dependencies, impacts, risks or opportunities across its operations and value chain, and/or, **sensitive locations** where an organization's activities interface with nature in areas deemed to be ecologically sensitive<sup>1</sup>.



<sup>1</sup> We determine ecologically sensitive locations as those with an assigned Altitude platform risk rating of medium or above based on proximity to threatened species or areas of interest. These risk aspects are aligned with the TNFD definition of sensitive areas. (Altitude, created by the multinational insurance company AXA, is a digital solution used to evaluate the nature and climate-related risks [Altitude by AXA](#))

# Strategy - Locate

## Determining proximity to ecologically sensitive locations

**Own operations:** In 2025, we assessed our own operations to locate assets that interface with nature in areas deemed ecologically sensitive. Our assessment covered 95 assets, comprising of 48 Tier 1<sup>1</sup> manufacturing facilities and 11 owned farming locations. All Tier 1 facilities were selected while owned farm locations were selected based on the value of produced volumes.

**Direct upstream supply chain:** Our direct supply chain was assessed by analyzing 36 farmer group<sup>2</sup> locations. These locations were also selected based on the value of procured volumes.

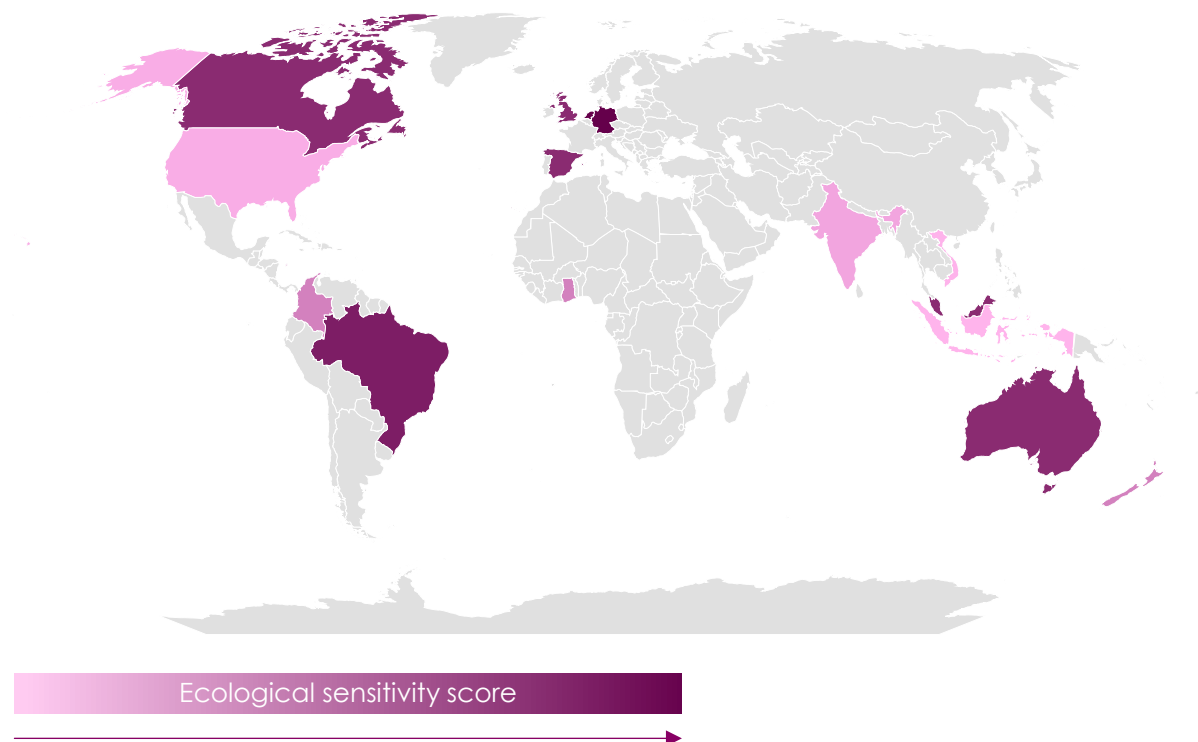
Collectively these 95 locations were selected for further analysis as among the largest and most financially material operations for **ofi**, based on best available data. This split of assets and direct supply chain locations represent two distinct business operations, global sourcing and processing. The selected locations cover all five product platforms and are geographically distributed over 27 countries across Africa, North and South America, Asia, Europe and Oceania.

## Methodology and results

The analysis was conducted using the ESG solutions platform Altitude<sup>3</sup>, which integrates **ofi**'s location data with science-based data driven tools. Locations were mapped geospatially to determine physical climate and biodiversity risk ratings.

Among Tier 1 facilities, 23% are located in high-risk areas of interest and 17% in medium-risk areas. For farms, 17% are in high-risk areas and 11% in medium-risk areas. Areas of interest include legally protected, internationally recognized, legally registered and sensitive areas. Additionally, 40% of Tier 1 facilities and 23% of farming locations are situated within 10 kilometers of zones that host threatened species. Of these, 11% of farming locations lie within one kilometer of critically endangered or endangered species, signaling the need for ongoing monitoring and engagement with local regulatory frameworks. See Appendix 1 for further details on how Altitude determines biodiversity risk levels.

## Ecologically Sensitive Tier 1 & Farming Locations



<sup>1</sup> Tier 1 facilities are large manufacturing plants

<sup>2</sup> Farmer group is a cooperative of third-party farmers or other forms of collective farming.

<sup>3</sup> Altitude, created by the multinational insurance company, AXA is a digital solution used to evaluate nature and climate-related risks.

# Strategy - Locate

## Dependency, Impact and Risk screening of material locations

Given **ofi**'s extensive global supply chain, determining a consistent and practical methodology for locating potentially material nature-related dependencies, impacts and risks is a significant challenge. Performing assessments at the individual farm or farmer group level for **ofi**'s entire sourcing network would involve millions of data points across highly variable geographies, making it neither feasible nor comparable on a global scale.

We have therefore conducted our analysis at a country level, providing us with a manageable number of common, well-defined boundaries that allowed us to integrate publicly available datasets, such as the World Wide Fund for Nature Biodiversity Risk Filter (WWF BRF) country profile risk scores, with our own internal information. All countries from which **ofi** procures products, or conducts operational activities, were assessed for nature-related dependencies, impacts and risks.

**Methodology:** To assess **ofi**'s nature-related exposure, we applied a three-part methodology covering dependencies, impacts, and risks. The **dependency, impact, and risk** metrics were standardised using Z scores<sup>1</sup> to allow consistent comparison across countries. These scores were then aggregated into a single materiality score per country.

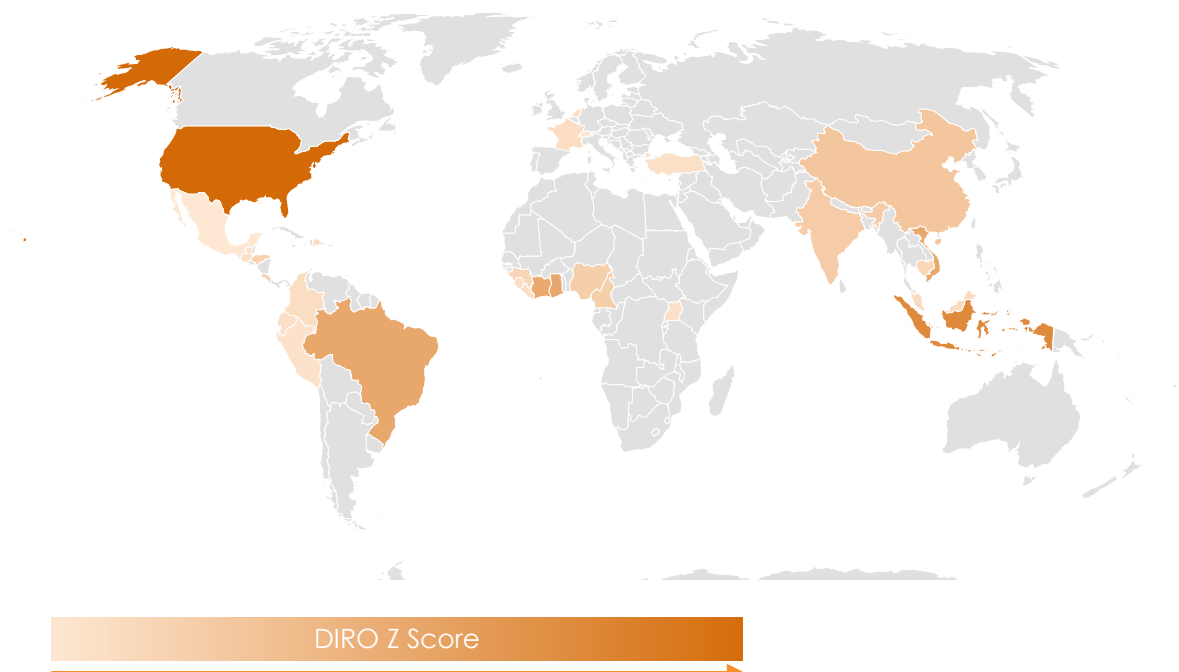
For the **dependency** assessment, procured volumes (in metric tonnes) were used as a proxy metric. Procured volumes were used as the unit of measure as they provide the best available estimate for the Group's dependency on nature. The metric assumes that the higher the procured volumes, the higher the dependency on that country's natural resources.

For the **impact** assessment, we used GHG emissions per tonne of product as the metric. To obtain this figure, country level emission factors were used as a measure of impact intensity, expressed as emissions per tonne procured (kgCO<sub>2</sub>e/MT). A weighted average emissions factor was then calculated per country, based on activity type and procured volumes, providing a single point metric per country to allow for comparison.

**Risk** scores were derived using the WWF BRF, which evaluates more than 28 nature and climate-related risk aspects. The risk aspects most relevant to agricultural production were selected, and an average score was calculated for each country.

Countries with the highest Z-scores are considered to have material dependencies, impacts and risks and will be assessed further as part of our ongoing regenerative agriculture and nature positive initiatives.

### Potentially Material DIRO Locations



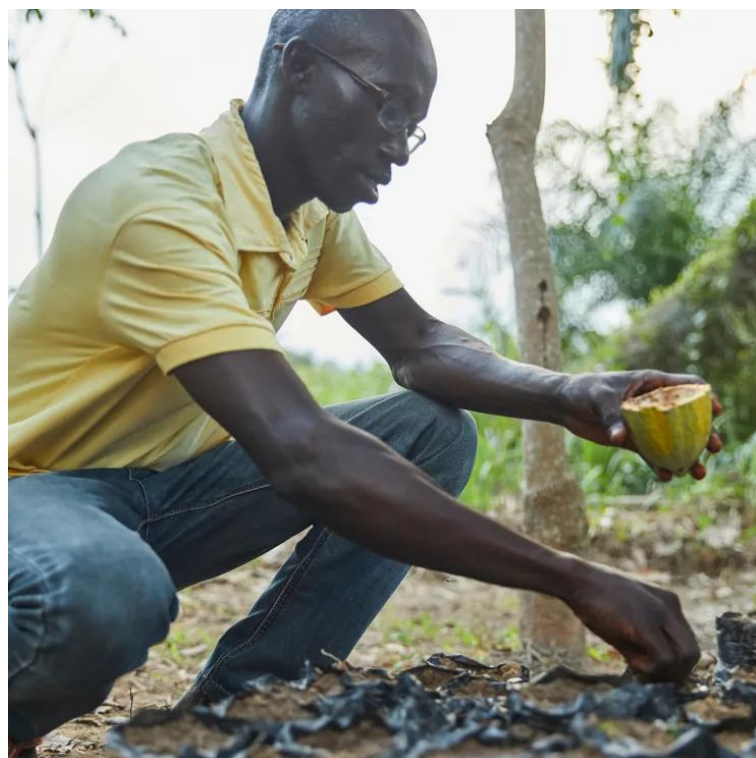
<sup>1</sup> Z-score standardisation is a statistical method used to place different datasets on a common scale so they can be compared directly. Each value is converted into a 'Z-score' by subtracting the dataset's mean and dividing by its standard deviation.

# Strategy - Locate

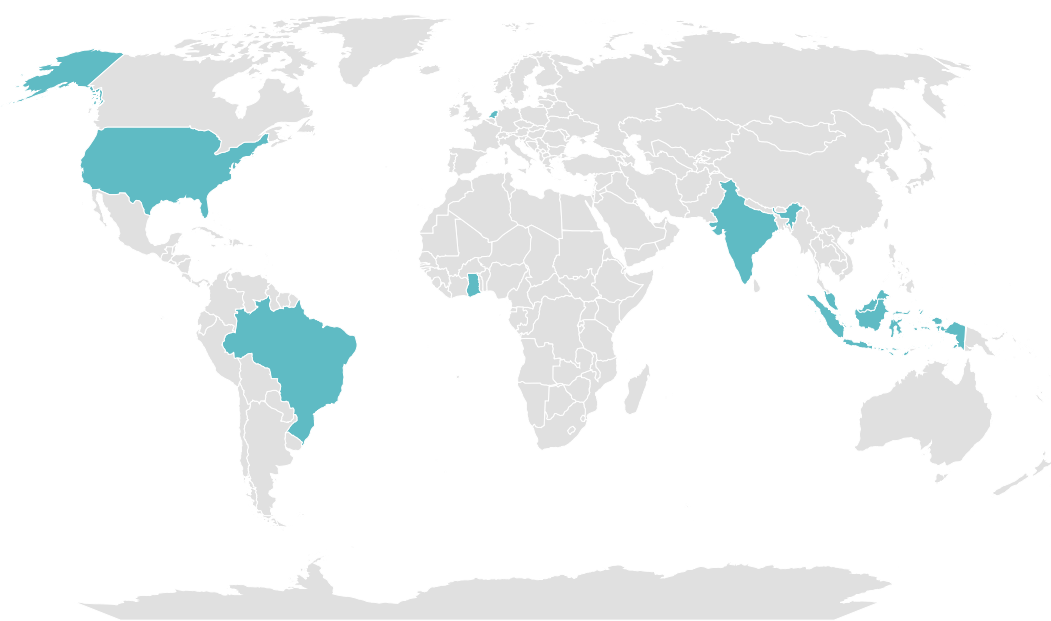
## Priority locations

After combining the results of our ecological sensitivity analysis and country specific DIRO analysis, we have identified the following priority locations<sup>1</sup>.

In 2026 and beyond we intend to expand the breadth of our assessments, analysing each of the material countries identified, diving deeper into our specific processing and sourcing locations and determining our DIROs and proximities to sensitive locations at a level that is appropriate for determining specific actions. As part of this process, we are prioritizing 10 landscapes partnerships across our material countries as part of our Choices for Change targets to implement 20 Living Landscapes partnerships to regenerate nature by 2030. Further information around our Choices for Change strategy is available [here](#).



## Priority Locations



<sup>1</sup> Map shows priority locations as Brazil, Ghana, India, Indonesia, Malaysia, Singapore, Netherlands, United States.

# Strategy – Evaluate & Assess

## Evaluate dependencies and impacts

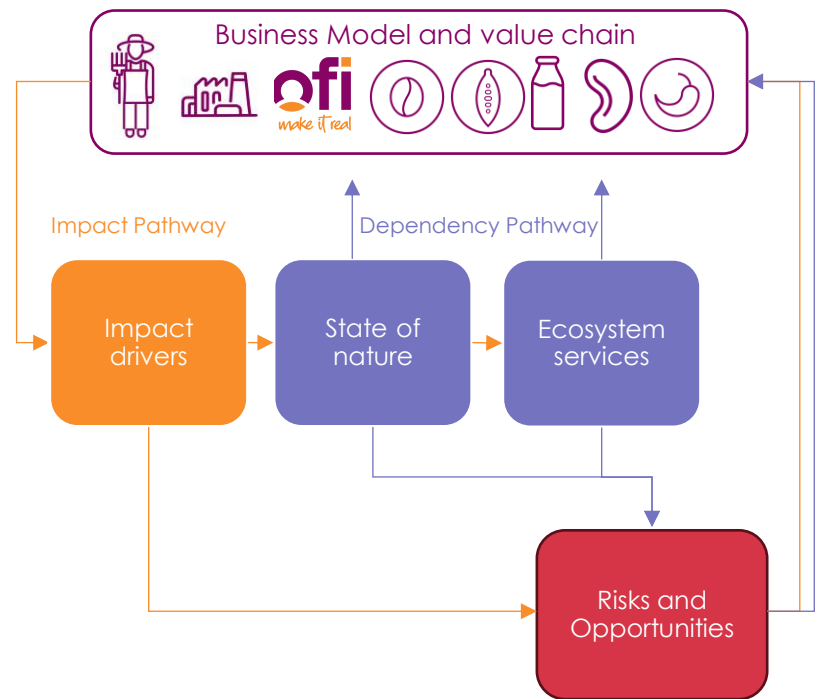
The evaluate phase enables organizations to build an understanding of potentially material dependencies and impacts on nature. Following the identification of material locations, we assessed how our activities interact with nature by reviewing our business processes, analysing case studies from across our sustainability programs and applying TNFD sector guidance for agriculture. To identify potential impacts and dependencies, described in the following sections, our assessment draws on recognized external sources, including ENCORE impacts and dependency databases which assign materiality ratings for dependencies and pressures.

Our analysis is further supported by insights gathered from our reporting against the Global Reporting Initiative (GRI) and against our Choices for Change strategy. Through this process, we are building a greater awareness of where our most significant impacts and dependencies may occur.

In line with the TNFD recommendations, we intend to further quantify the scale and scope of our dependencies and impacts on nature.

## Assess risks and opportunities

The assess phase determines how the impacts and dependencies identified generate risks and opportunities for an organization. TNFD states that nature-related risks are 'potential threats posed to an organization that arise from its and wider society's dependencies and impacts on nature'. Negative impacts typically result in transition risks whereas dependencies result in physical risks. The identified dependencies, impacts and the associated risks are disclosed in the following pages.



**Dependencies** are defined as the environmental assets and ecosystem services that organizations rely on to operate. These services are typically grouped into provisioning services, which directly support crop growth and regulating and maintenance services, which sustain environmental balance and stability.

### 1 Dependency: Land & soil

According to the Food and Agriculture Association of the United Nations (FOA), it is estimated soils are the basis for producing 95% of our food directly or indirectly<sup>1</sup>. Our plant-based products; cocoa, coffee, nuts and spices require nutrient dense healthy soils to grow, and our supplier's dairy livestock productivity depends on nutrient rich feed crops grown in fertile soils. This dependency is most significant in our upstream farming operations for creating food production. Across the top 17 countries based on procured volumes, eight have a WWF score of greater than 4 for soil condition (India, Nigeria, Ghana, Turkey, Vietnam, Côte d'Ivoire, Egypt, Australia). A WWF score of 4 indicates a low Soil Organic Carbon (SOC) content between 30-50 SOC tonnes/ha. SOC is the main component of soil organic matter (SOM) and is a prerequisite for food production, mitigation and adaptation to climate change. SOC affects most of the processes relevant to soil functions and food production.

### 2 Dependency: Pollinators / Biodiversity

Pollination services are the ecosystem contributions by wild pollinators to the fertilization of crops that maintain or increase the abundance and/or diversity of other species that businesses and individuals use or enjoy. Many of **ofi's** crops are highly dependent on insect pollination to maintain plant growth, in particular coffee and cocoa.

### 3 Dependency: Water supply

Water supply services reflect the combined ecosystem contributions of water flow regulation, water purification, and other ecosystem services to the supply of water of appropriate quality to users for various uses. Food production is highly dependent on sufficient water supply and our farms are reliant on predictable rainfall patterns. Where sufficient rainfall does not occur, alternative freshwater resources are sought. Some farms have experienced periods of low rainfall and have had to seek alternative water supplies from municipalities. Our processing facilities are also reliant on water supply used in manufacturing operations for cooling and cleaning.

<sup>1</sup>FAO.

# Strategy – Evaluate & Assess

## 4 Dependency: Local & Global Climate

A stable and regulated climate to maintain growing conditions allowing **ofi** and its suppliers to harvest sufficient yields of our products and to maintain food supplies in local economies. **ofi** is dependent on many forms of nature to sequester carbon and balance local climates.

These dependencies result in physical risks, with the potential to compound over time, threatening long-term viability of many businesses, including **ofi**.

### 1 Risk: Ecosystem service dependency Physical Chronic

**Soil health/ fertility:** Declining soil conditions can reduce crop yields and quality, increase input costs (e.g. fertilizers), and threaten long-term viability of farming operations.

**Biodiversity loss:** Biodiversity loss may result in reduced pollinator availability. **ofi** sources cocoa, coffee, and other crops that are highly dependent on insect pollination. Declines in pollinator populations due to habitat loss, pesticide use, and climate change have the potential impact of reducing yields and thus reducing revenue or increasing costs due to additional interventions required to maintain yields.

**Water capacity:** Natural ecosystems such as wetlands and riparian zones near **ofi**'s sourcing regions help filter agricultural runoff and maintain water quality. Degradation of these ecosystems due to historical land use change or climate stress could increase water treatment costs, regulatory scrutiny, and community conflict.

### 2 Risk: Physical risks from climate change Physical acute & chronic

Climate change is expected to affect the ecosystem services on which **ofi** and our suppliers depend. The physical climate risks and the impact on **ofi** are summarised below. Work is underway to determine where these risks pose the most material threat to **ofi**.

**Temperature change:** Heat stress or cold stress can impact multiple areas – human productivity and health, infrastructure, equipment efficiency and cooling costs within our processing facilities. Within our direct and indirect supply chains, heat stress could also lead to reduced crop yields and quality.

**Droughts:** Droughts occur where a region experiences low enough precipitation over a long enough period to cause an imbalance between the water that is needed and the water that is supplied. Below-average precipitation levels will affect agriculture and water, potentially leading to reduced crop yields and reduced processing facilities functionality due to water scarcity.

**Wildfires:** Wildfires pose a significant risk to farms and other agricultural operations. Hot, dry weather can increase the risk of fires spreading, especially in areas with inadequate water supplies. There is a potential risk of damage to infrastructure and equipment and loss of produce.

**Floods:** Much of the world is susceptible to significant changes in sea levels and extreme flood events. Within the Group's operations, exposure to riverine or coastal flooding could result in unforeseen operational shutdowns, product losses and reduced crop yields and quality.

**Change in precipitation (rainfall) patterns:** A warming atmosphere can hold more water, resulting in higher-intensity rainfall in the form of storms. At the same time, precipitation patterns are expected to change. For that reason, precipitation risk is evaluated on both the acute and chronic dimensions. For the Group, changing precipitation patterns could result in unforeseen operational shutdowns, product losses and reduced crop yields and quality.

# Strategy – Evaluate & Assess

The potential impacts identified below and the value chain location of such impacts are shown in the table below.

| Description of impact pathway  | Value chain location   |
|--|--|
| <p><b>1 Impact: Terrestrial ecosystem use</b></p> <p>Land use changes are derived from business activities in our farming operations and supply chains such as land clearance (deforestation), monocrop planting and chemical or fertilizer use.</p> <p>This change in land use has potential negative impacts on nature:</p> <ul style="list-style-type: none"><li>• increased species extinction</li><li>• reduction in carbon sinks</li><li>• disruption to the water cycle</li><li>• increased vulnerability to flooding</li><li>• reduced abundance of pollination services due to loss of wild pollinator habitats.</li></ul> <p>These impacts could affect a range of stakeholders. Farmers could face reduced yields and income as soil health, pollinator services, and ecosystem stability decline. Local communities may experience greater food insecurity, reduced water availability, and higher exposure to flooding. Local governments could be impacted through the need to manage the environmental and economic consequences of land degradation.</p> | <p>This impact is most pronounced within our upstream value chain, which includes both our owned and third-party farms.</p> <p>Historical deforestation pressures in cocoa and coffee supply chains, driven by unclear land rights, inconsistent governance, low yields, and poverty, which often pushed farmers to expand into forested areas. The Science Based Targets Network (SBTN) also categorizes cocoa and coffee as high impact commodities, with land use change included as a material pressure.</p> <p>Geographically this impact is most prominent in regions with a high supply of cocoa and coffee, being Brazil, Colombia, Côte d'Ivoire, Ghana, Indonesia, Tanzania, Vietnam and Zambia, amongst others. Brazil, Ghana and Indonesia are identified as priority locations.</p> |
| <p><b>2 Impact: Resource exploitation – water use</b></p> <p>Water withdrawal for irrigation of crops, livestock watering or for food processing and cleaning are all business activities or supply chain activities of <b>ofi</b>.</p> <p>Over exploitation of water impacts:</p> <ul style="list-style-type: none"><li>• freshwater ecosystems.</li><li>• water supply</li><li>• soil quality regulation</li><li>• local climate regulation</li></ul> <p>These impacts could affect farmers, through reduced water availability for crops and livestock; local communities, through pressure on drinking water, sanitation, and increased climate-related risks; Indigenous Peoples and ecosystem dependent groups, where cultural and livelihood ties to freshwater are strong; and local and national governments, which must manage water scarcity and related economic impacts.</p>  | <p>There is varying reliance on local water stocks determined by the location and crop type. The majority of our crops by procured volumes are rain-fed, with nuts, particularly almonds, and a variety of our spices, grown in arid conditions and requiring irrigation. Water use is also high in the cleaning and processing of coffee.</p> <p>We are conducting a comprehensive review of water usage across our direct supply chains to identify areas of excessive pressure, with specific water usage targets already set for our coffee and almond products.</p>   |

# Strategy – Evaluate & Assess

## Description of impact pathway

## Value chain location

### 3 Impact: Pollution of soil and water

Pesticides and fertilizers used in **ofi**'s crop management activities, or animal waste generated from dairy farming activities in the supply chain, could cause pollution of soil and water. Discharges of treated water from our manufacturing facilities could also impact local water quality.

Consequently, there are resulting negative impacts on nature that could transpire:

- decline in insect populations
- degrading of freshwater ecosystems
- soil health degradation & acidification

These impacts could affect other farmers, through declining soil health; local communities and entire municipal jurisdictions through poorer water quality and potentially dangerous soil quality levels; local and national governments and potentially commercial providers of water who manage pollution.

Coffee production as a sector has a high input density of fertilizer and pesticide management due to its high demand pressures and susceptibility to pests.

Cocoa farming is also known to have heavy pesticide use in West Africa (Côte d'Ivoire, Ghana) to combat black pod disease, mirid insects, and swollen shoot virus.

### 4 Impact: Biodiversity loss and invasive alien species

Introduction of non-native ('alien') species through farming activities can occur intentionally or unintentionally. Some of these species may remain benign, but others become invasive, expanding rapidly and altering ecosystems. This has potential negative impacts on nature:

- loss of biodiversity through displacement of native species
- increased crop and soil vulnerability to pests and diseases
- altered ecosystem balance affecting water and nutrient cycles
- reduced resilience of farming systems and food security

Affected stakeholders include farmers, local communities, government authorities and other businesses.

ENCORE<sup>1</sup> materiality ratings indicate that biodiversity loss is a high probability consequence due to agricultural growing and dairy raising.

A leading cause of biodiversity loss is mono-cropping and land use change. This is most prominent in regions with larger mechanical farming operations such as Brazil or where deforestation has historically occurred.

### 5 Impact: Climate change

Our business processes contribute to climate change through the creation of emissions. Most emissions occur at the farm level in the upstream supply chain (scope 3). Farming practices release emissions from livestock and fertilizers. Processing facilities also contribute to GHG production through the consumption of non-renewable energy.

According to the IPCC's (The Intergovernmental Panel on Climate Change) Sixth Assessment Report (2023)<sup>2</sup>, approximately 22% of all greenhouse gas (GHG) emissions originate from agriculture, forestry and the land-use sector. Climate change in turn then creates several physical changes to nature such as:

- loss of biodiversity
- disruption to water ecosystems
- damage through flooding or drought

The affected stakeholders of climate change are more far reaching and less localized.

**ofi**'s largest impact on climate change occurs in areas where emissions are highest. This is most significant in Forests, Land and Agriculture (FLAG) sourced volumes. These volumes contribute more than 85% of our Scope 3 emissions.

<sup>1</sup> ENCORE is a digital web-based tool that helps users explore the dependencies and impacts of economic activities on natural capital.

<sup>2</sup> IPCC\_AR6\_SYR\_LongerReport.pdf

# Strategy – Evaluate & Assess

The nature-related impacts identified are all areas under increasing regulatory scrutiny as governments strengthen environmental protection frameworks, expand disclosure requirements, and introduce stricter enforcement mechanisms. These impacts heighten the likelihood of future policy and legal costs for the business. Unmanaged negative impacts also amplify reputational risks as expectations on environmental protection increase.

## 3 Risk: Regulatory, policy & legal Transition

**Regulation:** Increased nature-related regulation may lead to additional compliance costs and external scrutiny. For example, in the short-term, the European Union Deforestation regulation (EUDR) imposes additional traceability requirements on EU importers of certain commodities including coffee and cocoa. This causes additional one-time and recurring costs to ensure compliance with EUDR, which is expected to be effective from 30 December 2026. In the medium to long-term emerging regulations such as the EU's Corporate Sustainability Reporting Directive (CSRD) may result in further administrative costs.

In our manufacturing operations, more restrictive regulations on discharges of pollution to water and surrounding areas may require corrective actions and policies to be implemented resulting in additional opex and capex expenditure.

**Legal:** Legal claims from governments, communities, or NGOs may arise if environmental damage (e.g., pollution, habitat loss, contamination) is caused by **ofi**. This risk is heightened in jurisdictions with strong environmental laws or active civil society.

## 4 Risk: Reputational Transition

Stakeholders, including investors, NGOs, and consumers, are increasingly sensitive to nature and biodiversity impacts. Negative publicity from sourcing in ecologically sensitive areas or failing to meet biodiversity commitments could damage brand equity and customer trust.

### Our response

In addition to managing our impacts through our Choices for Change strategy, regulatory risks are closely monitored to drive compliance. Forest loss risk has been assessed across 100% of direct supply chains for coffee and cocoa within AtSource. We are enhancing traceability in our high-risk supply chains<sup>1</sup> in line with EUDR requirements by extending visibility down to the farm level. High risk supply chains undergo increased investigation to prevent deforestation-linked products being supplied to **ofi**. Additional monitoring includes gathering more detailed traceability data and conducting field verification where needed. Deforestation risk assessments are carried out annually.

**ofi** has built a strong track record of nature-related action, reporting against recognized frameworks such as the GRI Standards and multi-capital accounting, which reflect the value of natural, social and human capital. Through this, we are placing the Group in a stronger position to respond to future reporting requirements.



<sup>1</sup>High risk supply chains are defined as product-country combinations within deforestation risk commodities: coffee, cocoa and cashew

# Strategy – Response & Mitigations

Having identified our nature-related impacts, dependencies and risks, in this section we demonstrate how we strive to actively manage and reduce them. This section outlines the measures **ofi** has in place across its supply chains, operations and sourcing practices which aim to mitigate negative impacts on nature, strengthen resilience to nature-related risks, and reduce our exposure to future policy, legal and market pressures. Many of these actions are being deployed as part of our Choices for Change strategy.

## Regenerative Agriculture : Land Use Management & Soil Health

The healthy matrix of regenerative farmlands can contribute to positive impact at higher scales – for example, ending oversaturation with pesticides can help beneficial insects and birds to recover, whilst agroforestry and planted trees in windbreaks, woodlots and river buffers can create habitat and corridors for wildlife, as well as preventing erosion and storing carbon. Regenerative agriculture is a key component of Living Landscapes, where prosperous farmers, thriving communities and healthy ecosystems can coexist.

We are working with farmers to co-design practices ranging from precision soil management, to recycling the nutrients in crop residues. For example, in Nicaragua a soil nutrition project is helping farmers optimize fertilizer use and improve yields. In Côte d'Ivoire, trials of organic fertilizer derived from discarded cocoa pod husks are reducing consumption of traditional fertilizers whilst also improving yields.

In 2025 we provided training on Good Agricultural Practices to over 412,000 farmers across **ofi**'s supply chains to help make their existing land more profitable and incentivize more environmentally-sound practices. Training includes practices such as fertilizer efficiency and pesticide reduction.

Furthermore, the Agri Supplier Code, which suppliers must adhere to, also includes requirements to protect soil health and natural habitats.

Main DIRs addressed:



## Promoting conservation on and around farms

Supporting the maintenance and enhancement of biodiversity on and around farms is critical to preserving **ofi**'s long-term value. As described in our Choices for Change brochure, we are implementing wildlife corridors in selected sourcing origins, introducing crop varieties, green manure and agroforestry.

Main DIRs addressed:



### Case study: Protecting Biodiversity in Nigeria's Eastern Boki Rainforest

The Afi-Mbe-Okwangwo (AMO) landscape in Nigeria's Eastern Boki region contains the country's largest remaining tract of primary rainforest and is a critical biodiversity hotspot. Recognized as a UNESCO World Heritage Site, the landscape supports exceptional biodiversity, including endemic and endangered species of amphibians, insects and birds. Here **ofi** is establishing community nurseries which will activate seedlings and native shade trees to promote agroforestry, as well as improved cocoa varieties that are resilient to climate stresses, more resistant to pests and diseases, and capable of delivering higher and earlier yields.

# Strategy – Response & Mitigations

## Climate Action & Emissions Reduction

Climate-related risks are continuously managed and periodically updated using scenario analysis. Climate risk analysis has been incorporated into the due diligence performed as part of decision-making for new investments. The results of this analysis are holistically taken into consideration to form a more complete view of the investment risk. Please also see Olam Group TCFD report within the [Olam Group Annual Report](#)

At origin, teams are working with individual farmers to provide bespoke adaptative measure to tackle physical risks of climate change. These measures include:

- Improving traditional farming practices with access to technology to preserve crops.
- Introducing plant varieties which can improve tolerance to heat and soil erosion.
- Planting shade trees to protect from extreme heat and cover crops.
- Training on water management to improve resilience to droughts and changing precipitation patterns.
- Introducing climate-resilient seed varieties through **ofi**'s work with Seeds for the Future Foundation which serve to maintain higher yields in more extreme conditions.
- Supporting farmers with a combination of training on integrated pest management, effective pesticide use, and regenerative agricultural practices such as agroforestry which can help to create natural pest barriers in between crops.
- Working with the governments of Ghana and Côte d'Ivoire, as well as in industry research groups to build a roadmap that will help find a long-term solution for Cocoa Swollen Shoot Virus (CSSVD).

**ofi** follows a multi-pronged approach to emission reduction in its upstream assets and supply chain. The key decarbonization levers that have been considered are nature-based solutions, such as planting additional trees, traceability efforts, shifting to renewable energy within our facilities and no-deforestation commitments. **ofi** has achieved approval from the SBTi for our carbon reduction targets and is working towards implementing and reporting an SBTi aligned transition plan.

Main DIRs addressed:

5 3 4 1 2 3 4

## Water Stewardship & Efficiency

In our facilities, we are implementing water efficiency measures and have set product specific targets for dairy and nuts to reduce water use. We are working to enhance data collection on water consumption and withdrawals at Tier 1 facilities to support targeted reductions.

We introduced eco pulpers at our coffee farms across Mexico. Our measurements show these pulpers can reduce water usage by up to 80% compared to traditional methods, without any impact on quality.

Main DIRs addressed:

2 3 1 2 3

### Case study: Water Management in Almonds – California

Our almond estates in California combine cutting-edge precision agriculture with proven water-saving practices. The T-REX Project (Tree-Crop Remote Sensing of Evapotranspiration experiment) brings together multiple stakeholders from Utah University, UC Davis, Almond Board of California and, USDA to optimize farm management across irrigation and fertilization while enhancing sampling and monitoring to enable data-driven decisions on water use. The T-REX Project combines satellite images, field sensors and modeling to estimate tree evapotranspiration (how much water is returning to the atmosphere) and optimize irrigation quantities and scheduling. This enables us to use water more efficiently and responsibly. Advanced technologies such as precision irrigation systems and smart scheduling allow for water to be directed where it matters most.



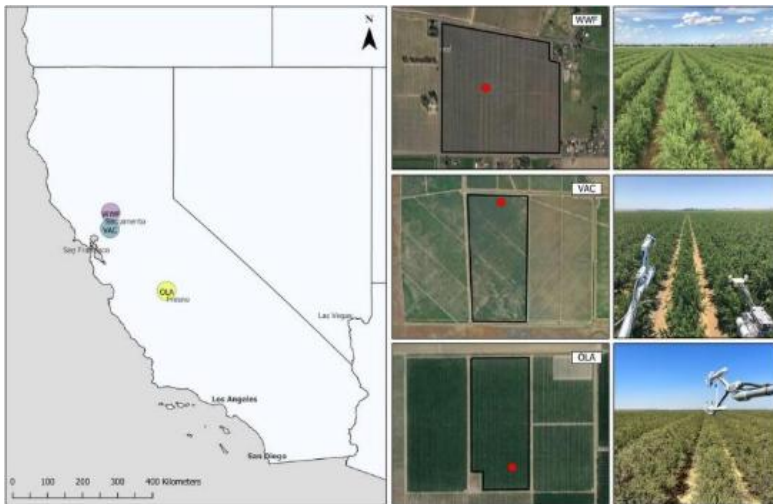
# Strategy – Response & Mitigations

## Investment in technologies

The Group continues to invest in technology and research projects to further understand our interactions with nature and biodiversity. As our assessment shows, we have located some asset locations that are in close proximity to areas at risk of threatened species. Further work is required to focus and streamline our regenerative agriculture programs to higher risk areas to mitigate against the risk of biodiversity loss.

At our almond estates in California we are deploying innovative technologies such as precision-agriculture technologies to improve forecasting, soil health measurement and reduce on-farm inputs. This includes the use of drones for enhanced crop monitoring and early detection, carbon-sensing tools for real-time soil and irrigation insights, and precision laser weeders and smart sprayers that lower herbicide use, reduce crop damage and improve yields.

Main DIRs addressed:



Tree-Crop Remote Sensing of Evapotranspiration Experiment (T-REX)

Opportunities are defined as 'activities that create positive outcomes for organizations and nature through positive impacts or mitigation of negative impacts on nature'.

## 1 Opportunity: Market Growth Transition

Evolving markets for more sustainably sourced products may present **ofi** with opportunities strengthen customer relationships and over time support market positioning. By integrating nature-positive approaches across our product platforms, we can capitalise on nature-positive product and services to strengthen customer partnerships.

## 2 Opportunity: Resource efficiency Transition

There is an opportunity for **ofi** to reduce costs within the business through enhanced resource efficiency, reducing our reliance on natural resources and the impact we have on nature and surrounding communities. This opportunity is primarily driven by the regenerative agricultural programs described above.

### Strategy for developing opportunities

Business leaders across our product platforms continually monitor market trends and regulatory developments to identify emerging sustainability-related opportunities. Decisions are made at the business unit level, as such opportunities are typically specific to the product and geography.

Market opportunities due to regulations and policy changes, such as the EUDR, are constantly monitored and we are well positioned to meet EUDR obligations. which could lead to the Group being a preferred supplier for EUDR-compliant commodities.

Our public commitments including Choices for Change and our individual product sustainability strategies: Cocoa Compass, Coffee Lens, Nut Trails, Dairy Tracks and Spice Maps outlines our ambitious commitment to restoring nature. These reports help to provide customers with transparency and confidence in our approach and showcase the actions we take to become the preferred supplier for many.

**ofi**'s public commitments to various initiatives and alliances, including the Cocoa and Forests Initiative (CFI) and Rainforest Alliance also help to enhance this credibility. In addition, **ofi** is part of the World Cocoa Foundation, SBTi taskforce, the European Coffee Federation (ECF), the International Nut Council (INC) and the Sustainable Spices Initiative (SSI), among others.

Our partnerships and organizations we work with



## Resilience & Response

The Group has begun embedding adaptation and mitigation measures across its business model and value chain to strengthen resilience. Sustainability is an important consideration in our strategy as we aim to be the preferred partner for positive change. In the short term, we are deploying financial and human resources to achieve our 2030 Choices for Change targets, prioritizing measures that seek to prevent negative impacts from occurring and eliminate them where possible, while supporting farmers with tools and education such as climate-smart practices, resilient seed varieties, agroforestry, crop rotation, and integrated soil and fertility management.

These measures enhance our ability to respond to immediate nature-related challenges and preserve yields. Over the medium to long-term, our strategy will advance through location-specific interventions informed by the LEAP approach, enabling **ofi** to address material impacts, dependencies, and risks more precisely. Together, these actions position the Group to remain resilient under a range of potential nature and climate-related scenarios.



## Risk and Impact Management

The processes for identifying, assessing, mitigating, and monitoring nature-related risks are a shared responsibility across business functions within the Group. Sustainability matters are considered by the sustainability leads across each of the five product platforms, as well as sustainability leads within our operating facilities; this allows for deep dive assessments into how each supply chain or facility uniquely interfaces with nature. Nature-related impacts and risks are managed where necessary by on-the-ground sustainability teams who are implementing sustainability practices at the farm or facility level on an ongoing basis.

Centrally the risk management team review identified sustainability-related risks as part of **ofi** Group's Enterprise risk management (ERM) process at least annually. Internal audit is responsible for reviewing controls established to mitigate risks and assess their implementation. Our processes identify and manage risks from a top-down strategic perspective and a bottom-up business perspective.

The process for identifying and assessing nature-related risks and impacts using geospatial analysis is described on pages 16-21. Our analysis has allowed us to identify nature-related risks pertaining to physical climate change across three timeframes, 2030, 2040 and 2050, utilising different SSP-RCP scenarios. However, varying timeframes and scenarios for biodiversity risk analysis are not yet possible in the Altitude tool. In the absence of this data, ecological thresholds and tipping points have not been incorporated into Altitude's risk assessment functionality. In the future, as more data becomes available, **ofi** aims to incorporate such considerations.

Given the inherent uncertainty in the sustainability risk modelling and reporting landscape, transition risks are considered primarily in the short term. **ofi** continues to establish processes to determine the magnitude of potential effects on the Group which will further enable us to define quantitative materiality thresholds.

# Metrics and Targets

Through our Choices for Change strategy, **ofi** has established targets related to regenerating the Living World. Progress against these targets is disclosed below. In 2026 we expect to publish **ofi**'s inaugural progress report which will include further details on actions underway to meet our 2030 targets.

The Group has made strong progress against 2025 and 2030 targets. The actions we take to reach these targets are designed with nature in mind. In delivering on these targets, we aim to create value for people and planet whilst simultaneously reducing our exposure to nature related risk.

| 2025 Target  | Progress to date <sup>1</sup>   |
|--|---|
| By <b>2025</b> establish regenerative agriculture playbook of practices in place for all <b>ofi</b> supply chains  | All five <b>ofi</b> 's product platforms have a regenerative agriculture playbook in place.                         |
| By <b>2025</b> have Transparent monitoring across all <b>ofi</b> supply chains <sup>2</sup> for deforestation risks  | Deforestation risk assessments take place in all supply chains within <b>ofi</b> 's deforestation risk commodities. |
| By <b>2025</b> have deforestation action plans in place across all high-risk supply chains   | Deforestation action plans have been established across identified high-risk supply chains.                         |
| By <b>2025</b> 10 Living Landscape partnerships established and;   | We have established 10 Living Landscapes partnerships meeting our interim 2025 target.                              |
| By <b>2025</b> 15 million beneficial trees distributed   | To date approximately 16.5 million beneficial trees have been distributed exceeding our interim 2025 target.        |
| 2030 Targets   |   |
| By <b>2030</b> all <b>direct ofi</b> supply chains are deforestation free and there is a negligible risk of deforestation in <b>indirect</b> supply chains |   |
| By <b>2030</b> 2 million hectares brought under regenerative agricultural practices in our supply chains   |   |
| By <b>2030</b> 20 Living Landscape partnerships established.   |   |
| By <b>2030</b> 25 million beneficial trees distributed   |   |
| By <b>2030</b> increase in tree carbon stock across ten <b>ofi</b> strategic landscapes  |   |

<sup>1</sup> All figures presented are based on the best available information at the time of publication. While we endeavour to ensure the accuracy and completeness of our disclosures, internal verification processes are still ongoing and may result in future updates or refinements

<sup>2</sup> Applies to deforestation risk commodity supply chains only (cocoa, coffee, cashew).

# Appendices

## Appendix 1 – Detailed methodology - AXA

### Areas of interest and proximity to threatened species.

In respect of nature-related risks, Altitude currently assesses biodiversity related risks by considering proximity to threatened species and proximity with areas of interest for nature. Risks are evaluated with threatened species data derived from GBIF data and species classification[1]. Altitude identifies all threatened species in a radius of 10km around the site and categorizes them into four families: Critically endangered; Endangered; Vulnerable; Near Threatened.

Risk ratings (low, medium, high) are determined using proprietary scoring considering the presence of species within the radius of 100m, 1km and 10km around the asset or farm. The closer proximity to threatened species the higher the risk score and the more threatened the species, the higher the risk score.

In determining the risk of proximity of a company asset or farm to an area of interest for biodiversity, Altitude relies on AXA Climate data aggregation from several regional, national and international public sources[2] to list areas of interest for biodiversity. There are four levels of categorization: Legally protected areas: Areas where the enforced regulation covers a gradient from very strict to moderately strict regarding human and economic activities (National Parks, Strict Nature Reserves, Wilderness Areas, etc.)

**Internationally recognized areas:** Areas internationally recognized for their biodiversity importance (Ramsar convention, UNESCO Natural World Heritage Sites and Biosphere Reserves, OSPAR, Natura 2000, Emerald Network, etc.)

**Legally registered areas:** Areas where the enforced regulation covers a gradient from moderately strict to non-existent regarding human and economic activities (Protected Landscape/Seascape, Protected area with sustainable use of natural resources, etc.)

**Sensitive areas:** Areas rich in biodiversity but not protected by regulation or not yet internationally recognized (Important Bird Areas, ZNIEFF 2, etc.)

To identify the risk of proximity with areas of interest as low, medium or high for an asset or farm (point or polygon), Altitude defined a custom scoring considering:

- The presence - or not - of areas of interest of each category in a radius of 100m, 1km and 10km around the asset: the closer to areas of interest, the higher the risk score.
- The protection level of these areas: the higher the level of protection, the higher the risk score.

[1] Extraction and modifications by T. BELLOUARD in June 2023 on GBIF website, used under licences CC0 1.0, CC BY 4.0 and CC BY-NC 4.0).

[2] Sources include French National Data Portal, INPN, Biodiversity Centre of Japan, Ramsar, OSPAR, European Environment Agency, Joint Nature Conservation Committee, etc.)

## Appendix 2 – Detailed methodology for assessing climate risk

In respect of physical climate risks, additional scenario analysis has been performed to conduct in depth analysis against several climate perils. Physical climate risks were assessed using the Altitude platform as part of our TCFD risk assessment process, utilising the same group of 95 locations. For the purposes of the Group's reporting, three future scenarios have been modelled to account for different possible socioeconomic conditions and greenhouse gas emissions. Representative Concentration Pathways (RCPs) determine emissions scenarios that are put into the broader context of Shared Socioeconomic Pathways (SSPs); these are denoted as SSP-RCP pairs. The scenarios applied to the Group's operational locations and its supply chains are consistent with SSP5-8.5, SSP2-4.5, and SSP1-2.6 ranging from the greatest to least global temperature rise. The three scenarios listed above are consistent with a 4.4°C, 2.7°C and 1.8°C increase in global temperatures, respectively. Each location is assessed against exposure to 18 different physical climate risks, over the short, medium, and long term. The most severe physical climate risks with interplays to biodiversity are qualitatively disclosed on page 11. For detailed climate-analysis please refer to the Olam Group TCFD report