
Dairy Tracks
Impact Report 2025
choices for change
make it real

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ofi Dairy facility in Malaysia

Driving progress toward a resilient future for dairy

Since publishing our Dairy Tracks strategy in 2023, we have focused on helping customers and partners translate their sustainability ambitions into measurable actions across dairy supply chains. Drawing on our presence from sourcing through processing, logistics, and ingredient solutions, ofi **works at multiple points in the value chain and reports on progress in an evidence-based way.**

Through Dairy Tracks, we have developed approaches to help advance outcomes on farms and across our processing facilities, which can be quantified and, where applicable, verified using primary data. This is intended to help customers access the data and insights they need to underpin reporting across the value chain.

We are proud of the progress achieved with the launch of four sustainability programs, working closely with farmers, manufacturers, and customers. In 2025, key achievements included:

- **Contributed to reported reductions** of 80,000 MT CO_2e (53% of our 2030 target)
- **Brought 24,000 ha under regenerative practices** (48% of our 2030 target)
- **Supported the livelihoods** of 1,757 farmer households with trainings and direct support (35% of our 2030 target)

Looking ahead, we also want to set the right level of ambition for 2030 and have therefore refined our targets to align with **ofi**'s overarching sustainability strategy, Choices for Change. This does not change our commitment to aim to deliver meaningful outcomes across the dairy value chain with our customers and partners.

Our 2030 Dairy Tracks targets include:

- **Lowering greenhouse gas emissions** in line with **ofi**'s commitment to the Science Based Targets initiative (SBTi)
- **Expanding sustainability and community development programs** across our direct supply chains
- **Driving large-scale change** by engaging suppliers and customers to adopt sustainable practices across indirect supply chains

We move forward with energy, optimism, and determination, and we welcome continued collaboration to help us scale our efforts.

Sandeep Jain,
CEO and Managing Director Dairy, CCO ofi

S. Jain

About Dairy Tracks

As a leading supply chain partner for dairy products globally, **ofi** recognized the opportunity to use its unique position to drive change across the wider industry. We created the Dairy Tracks roadmap in 2023 to position our dairy business to deliver against **ofi**'s 2030 science-based targets and collaborate with farmers, manufacturers, customers, and the wider dairy sector to scale impact. This 2025 report details our progress and demonstrates how Dairy Tracks aligns with and delivers on the overarching **ofi** sustainability strategy, Choices for Change.

Our global footprint

We keep dairy moving around the world with expertise across the supply chain and on-the-ground capabilities.

ofi is engaged at every stage of the dairy value chain, sourcing from farmer-partners and trusted manufacturers, processing in our state-of-the-art dairy facilities, supporting logistics and distribution, and developing new product solutions with our customers. This unique position gives us opportunities at each link of the chain to help influence change.

- Office
- Dairy Processing Facility
- Dairy IEC
- Distribution Center

Dairy products and ingredients

Our range of dairy ingredients seeks to satisfy our customers' business needs while helping them create tasty, nutritious, and convenient dairy products.

Skimmed milk powder | Whole milk powder Fat-filled milk powder | Butter | Cheese Whey | Milk protein concentrates | Cream

Milk sourcing

Direct sourcing of milk and hands-on support to dairy farmers across our **4 sustainability programs**

~300,000 cows estimated in our supply chain producing the milk we need for our ingredients

Product manufacturing

2 state-of-the-art facilities manufacturing value-added milk powders and consumer products

1 Ingredient Excellence Center developing tailored ingredient solutions that aim to enhance functionality and nutritional benefits

Trading and distribution

Active in 19 countries across 6 continents, providing supply chain and risk management solutions

Top 3 distributor of dairy ingredients in Indonesia and Nigeria

Making Choices for Change

The progress we make toward the Dairy Tracks 2030 targets directly contributes toward ofi's overarching strategy, Choices for Change.

As sustainability experts embedded at every stage of the dairy value chain, we offer our customers and partners the traceability, capability, insights, and choices to drive positive change.

You can read the full Choices for Change strategy here. At its foundation is a proposition and four key pillars, which are now mirrored in the Dairy Tracks approach.

ofi's vision is to be the preferred partner for positive change.

Through the Choices for Change framework, we're committed to making a material difference to the sustainability profile of the dairy-based ingredients and products we supply. You can read about our progress and 2030 targets on page 6.

2025 progress against our 2030 targets

Prosperous farmers

Target 2030	**5,000 ofi** farmer households receive livelihood support
Progress 2025	**1,757 ofi** farmer households received livelihood support

Thriving communities

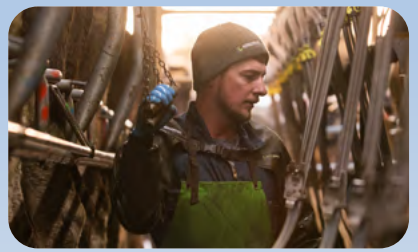
Target 2030	**3.6 billion** servings of micronutrient-fortified dairy products manufactured annually **100%** of identified human rights cases receive remediation actions
Progress 2025	**2.9 billion** servings of micronutrient-fortified dairy products manufactured annually **2,700** children received education support **All supply chains** have a system in place to address human rights

Climate action

Target 2030	**150,000 MT** of carbon reductions achieved through dairy sustainability programs **Scope 3 emissions** reduced in line with **ofi**'s SBTi commitment (≥ 30%) **60% share of renewable energy** across dairy processing facilities
Progress 2025	**80,000 MT** of carbon reductions across **ofi** programs **61% dairy volumes** come with primary product carbon footprints **54% share of renewable energy** across **ofi**'s owned dairy processing facilities

Regenerating the living world

Target 2030	**50,000 ha** brought under regenerative practices across **ofi** programs **1 million** trees planted on farms
Progress 2025	**24,000 ha** under regenerative practices across **ofi** programs **100% RSPO-certified** palm oil achieved **13,400 tree saplings** planted on 4 pilots



Supply chain excellence

Target 2030	**100% of our traceable dairy volumes** come from suppliers that have signed **ofi**'s Supplier Declaration Form committing to our standards for animal welfare, environment, human rights, and ethical business practices
Progress 2025	**100% of our priority suppliers** have signed **ofi**'s Supplier Declaration Form committing to our standards for animal welfare, environment, human rights, and ethical business practices. **11% of our dairy volumes** come from suppliers that are members of the Sustainable Dairy Partnership (SDP) and share their progress reports.

*Please see the Glossary on page 18 for definitions

Prosperous farmers

Progress 2025

- **1,757 ofi** farmer households received livelihood support

Target 2030

- **5,000 ofi** farmer households receive livelihood support

We source milk from farmers in Nigeria and New Zealand. The realities on the ground are very different in each origin, so the support our teams provide is shaped by the needs of the farmers they work with.

In Nigeria, **ofi**'s milk collection centers collect and buy milk from smallholder pastoralists and nomadic herders, offering a stable outlet for their milk and facilitating market access. Further, direct support, including access to improved genetics through artificial insemination, and training on feed production from crop residues, can contribute to improved milk yields and farmer income.

In New Zealand, farms operate pasture-based systems and farm revenue largely depends on the weather influencing grass growth. Alongside competitive milk pricing, **ofi** aims to develop solutions that help increase the economic resilience of farms in times when rainfall is missing, such as almond hulls from our almond orchards in Australia as a new source of high-quality feed.

Outside of our direct sourcing network, our sustainability programs in Poland and the US aim to support farmers' incomes through increased feed efficiency and additional revenue sources from manure digesters.

How we're closing the gap to 2030

"The main challenges we're addressing with our program in Nigeria is that many smallholder farmers have limited access to reliable markets, quality inputs, and the technical support to improve their milk production. Our dairy development program aims to support farmers with a combination of direct support and education to consistently produce better quality milk, earn a stable income, and contribute to food security and economic growth in their communities. In 2025, we supported farmers with a set of interventions including vaccination campaigns, improved genetics, and feed production trainings. And we will continue to expand our support to grow our program."

Dr. Isah Abubakar, Sustainability Lead and Branch Manager Kano State, ofi **Nigeria**

*Please see the Glossary on page 18 for definitions

Nomad dairy farmer, Nigeria

Thriving communities

Progress 2025

- **2.9** billion servings of micronutrient-fortified dairy products manufactured
- **2,700** children received education support
- **All supply chains** have a system in place to address human rights

Target 2030

- **3.6 billion** servings of micronutrient-fortified dairy products manufactured annually
- **100%** of identified human rights cases receive remediation actions

In 2025, we expanded milk handling and processing capacity in New Zealand and Malaysia. Both manufacturing facilities produce milk powders fortified with vitamins and micronutrients to service markets across Southeast Asia, the Middle East, and Africa, where there are micronutrient deficiencies.

In Nigeria, we piloted a vegetable farming project, specifically training women to build entrepreneurial skills and develop new income streams for farming families. To complement this household support, we also provided education support to 2,700 children in these communities by distributing school kits to encourage school attendance.

In December 2025, **ofi** launched the "**hello ofi**" grievance system, which enables supply chain stakeholders to register any kind of human rights concerns directly via a dedicated website, localized phone numbers, or web-calling options. The system allows stakeholders to report concerns anonymously as well as to raise complaints on behalf of others.

How we're closing the gap to 2030

"Our aim is to provide healthy, affordable nutrition to our consumers. By expanding our production capacity, our fortified dairy products now reach markets across South East Asia, the Middle East, and Africa. We are determined to deliver high-quality milk products to meet the growing demand globally."

Naval Sabri, COO Dairy, ofi

ofi's school outreach program in celebration of World Milk Day, 2025

Climate action

Progress 2025

- **80,000 MT** of carbon reductions across **ofi** programs
- **61%** dairy volumes come with primary product carbon footprints
- **54%** renewable energy used across **ofi**'s owned dairy processing facilities

Target 2030

- **150,000 MT** of carbon reductions achieved through dairy sustainability programs
- **Scope 3 emissions** reduced in line with **ofi**'s SBTi commitment (≥ 30%)
- **60%** renewable energy across dairy processing facilities

In 2025, our climate action work focused on practical steps to cut emissions on farms and improve energy efficiency in processing. The biggest impact came from our programs in Poland, New Zealand, and the USA, where we combined interventions including methane-reducing feed supplements, feed ration optimization, and improved manure management practices.

Beyond the farms, a new biomass boiler at our state-of-the-art Tokoroa dairy facility now supplies steam needed for operations. This brings us closer to our renewable energy goal while enhancing our offering of high-quality dairy ingredients to customers worldwide.

All projects are fully aligned with the GHG Protocol and the SBTi Net-Zero Standard, enabling robust, credible carbon accounting for both **ofi** and our customers.

How we're closing the gap to 2030

"We are proud to see the progress made across our programs to reduce our carbon footprint in 2025. This is only possible because of the great collaboration between our teams, farmers, manufacturers, and customers to align on expectations and enable the implementation of interventions. We are now focused on expanding the reach of our programs and inviting more partners to join us in helping to build a lower-carbon future for dairy."

Paul Barre, Chief Dairy Trader, ofi

Regenerating the living world

Progress 2025

- **24,000 ha** under regenerative practices across **ofi** programs
- **100% RSPO-certified** palm oil
- **13,400 tree saplings** planted on 4 pilots

Target 2030

- **50,000 ha** brought under regenerative practices across **ofi** programs
- **1 million tree saplings** made accessible to farmers

ofi actively supports dairy farmers in our programs to adopt practices that help their systems become regenerative.

We consider agricultural practices regenerative when they minimize harm to nature, restore natural ecosystems, or enhance soil health, water, biodiversity, and climate, creating a positive feedback loop to improve livelihoods and resilience over time.

Because every farm is different, **ofi**'s regenerative agriculture framework empowers our teams and farmers to understand their unique environments and co-create, test, and refine meaningful solutions. Building on this stronger understanding, we can prioritize the practices that have the greatest impact across diverse dairy systems, from fully housed and mixed-housing herds to pasture-based and smallholder farms.

In 2025, we adapted the **ofi** regenerative agriculture framework for dairy, and aligned with sectorial frameworks including SAI Platform's Regenerating Together. We assessed and defined the practices that drive positive outcomes on water, soil, climate, and biodiversity across the different farming systems found in our programs. On farms, we put this into practice by planting 13,400 trees across four pilots in New Zealand, helping restore unproductive areas of farms, improve water retention, offer habitat for wildlife, and sequester carbon. We also started supporting soil sampling activities in Poland to help optimize nutrient management, improve soil health, and reduce the carbon footprint linked to feed production.

We also made progress by achieving 100% RSPO-certified palm oil used in the manufacturing of fat-filled milk powders. This is an important milestone that contributes to deforestation- and conversion-free palm in our supply chain, and we will continue to maintain this engagement.

100% RSPO-certified palm oil achieved

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1-0379-22-100-00

Palm oil is used in the manufacture of fat-filled milk powder. In 2025, we achieved our target to source 100% RSPO mass-balance certified palm oil, which contributes to the production of sustainable palm oil.

How we're closing the gap to 2030

*"Every farm is different. Through **ofi**'s regenerative agriculture framework, we can see which practices truly make a difference in each of the dairy systems, from fully housed herds, to pasture-based operations, to smallholder families. Our focus is on supporting farmers to restore nature in ways that strengthen the resilience of their farms, because healthier ecosystems mean more resilient supply chains."*

Alejandra Sarmiento Soler, Regenerative Agriculture Manager, ofi

Soil sampling, Poland

Supply chain excellence

Progress 2025

- **100% of our priority suppliers** have signed **ofi**'s Supplier Declaration Form committing to our standards for animal welfare, environment, human rights, and ethical business practices
- **11% of our dairy volumes** come from suppliers that are members of the Sustainable Dairy Partnership (SDP) and share their progress reports

Target 2030

- **100% of our traceable dairy volumes** come from suppliers that have signed **ofi**'s Supplier Declaration Form committing to our standards for animal welfare, environment, human rights, and ethical business practices

Engaging suppliers to drive the right practices and mitigate risks

All our priority dairy suppliers, our key partners with whom we maintain a long-term business relation and from whom we purchase products on an ongoing basis representing 69% of our volumes in 2025, are signatories to **ofi**'s Supplier Declaration Form, committing to our standards for animal welfare, environment, human rights, and ethical business practices, as defined in our Supplier Principles and Animal Welfare Policy. This meets our milestone target for 2025, and by 2030 we aim to extend our direct reach and achieve full coverage of all traceable dairy volumes, helping strengthen transparency, trust, and resilience across our supply chain.

Generating data and insights for measurable impact

We use a global approach to target continuous improvement across our dairy supply chains. This approach is adapted to local contexts so that it can help deliver meaningful, measurable impact.

1. Measure

We collect over 200 data points annually from all farms in our New Zealand and Poland programs, including stock numbers, feed, and manure, but also current farming practices and animal health indicators. Similarly, we rolled out **ofi**'s Farmer Information System (OFIS) in our Nigeria program in 2025 to start registering farmers and monitor key indicators including the number of cows per herd and liters of milk produced. This helps our field teams plan and cost more targeted interventions.

2. Assess

All collected data undergoes quality controls before being used for insight generation. We use a range of publicly available and proprietary tools, including the Cool Farm Tool, New Zealand's Farm Emission Model, and the **ofi** regenerative agriculture framework. This allows quantification of progress and identification of hotspots to be improved.

3. Improve

Based on these insights, our field teams and external experts implement interventions to improve social and environmental conditions, such as conducting targeted trainings to optimize fertilizer use, providing alternative feed components, or conducting vaccination campaigns to prevent diseases.

Supporting sectoral collaboration to raise standards and scale action

We recognize that harmonization is key to driving change across the dairy sector. This is why we actively participate in initiatives that aim to raise global standards for dairy sustainability. We're members of the Dairy Sustainability Framework, the Dairy Sustainability Alliance® in the USA, and SAI Platform's Sustainable Dairy Partnership (SDP). We encourage our suppliers and customers to adopt these frameworks to tackle global challenges while driving local improvements. Through these partnerships, we hope to help scale positive change beyond our own supply chains. In 2025, 11% of our dairy volumes came from suppliers who share their progress reports through the SDP reporting hub.

"Our approach starts with understanding what's happening on the ground. Collecting data at individual farm level allows us to provide insights to farmers and drive decisions that can impact carbon footprints or livelihoods. This allows our origin teams to build solutions that work in the local context. Every supply chain and every farm is different. Whether we promote planting trees to restore natural habitats, or provide better genetics through artificial insemination campaigns, our approach provides customized support to tackle local challenges and drive change where it truly matters."

Andreas Zweifel, Global Head of Dairy Sustainability and Climate Action, ofi

Working on feed ration improvements in Poland

Helping farmers reduce emissions while increasing efficiency.

Poland's dairy landscape offers a significant opportunity to **reduce emissions at scale**. Since 2023, we've been working closely with multiple manufacturers and their farmers to **lower climate impact** across our supply shed, while maintaining the **flexibility our customers need** to source from different processing facilities.

One way we're achieving this is by combining interventions to increase feed efficiency through feed ration optimization, reduce emissions associated with feed production through optimizing fertilizer use, and applying methane-reducing feed additives. This means using less feed to produce more milk, which is positive for farmers but also reduces the carbon footprint of the milk.

Project snapshot

- **>18% reduction** of farm-gate carbon intensity achieved in 2025 against our 2020 baseline
- **Targets major emission hotspots:** enteric fermentation and feed production
- **Supports farmers** to improve feed efficiency and optimize feed formulation
- **Introduces methane-reducing additives** following Gold Standard* methodology and validated by SustainCERT, an independent third party
- **Embeds regenerative practices** in feed production including optimizing nutrient management and soil preparation to improve soil health, water retention, biodiversity, and long-term resilience

*Gold Standard is a globally recognized carbon standard issuing methodologies, tools, and frameworks for verified carbon impact.

"We see a growing interest from farmers to work on improving their farm efficiency through feed, genetics, and animal health and welfare. A balanced diet, silage testing, and routine hoof care are becoming standard practice across farms in our program. By strengthening this shift with targeted training and advisory support on feed-ration optimization, we're helping farmers make informed choices that aim to improve farm performance."

Pawel Ciach, Sustainability Program Manager, ofi **Poland**

A new blueprint in New Zealand

Multi-stage journey to expand our production capacity in New Zealand.

In 2025, our dairy facility in Tokoroa, Waikato, reached a major milestone as the on-site biomass boiler successfully operated for the full season, supplying renewable heat for processing. 2025 also marked the start of construction to expand our capabilities, adding milk protein concentrates, cream, and skimmed milk powder to the existing whole milk powder portfolio.

The increase in processing capacity also allowed us to continue growing our milk pool with a responsive network of farmers. In 2025, we achieved full data collection coverage across all supplying farms, and farm boundary polygon mapping to accurately measure carbon footprints from both on-farm activities and direct land-use change. We also reached key milestones with the validation of our tree carbon sequestration and methane-reducing feed additive programs against recognized carbon standards. To help measure long-term impact, we have expanded our monitoring protocols to track the survival rates of trees planted across our suppliers' farms.

Project snapshot

- **>98% renewable energy use** at the facility through combination of biomass boiler and green electricity, bringing Scope 1 and 2 emissions down by 69% in 2025 compared to the previous season
- **Low-emission feed** using almond hulls from **ofi** orchards in Australia, a high-quality feed source and supplement to grass-fed cows. Almond hulls can replace other feed supplements that have a higher carbon footprint and lower nutrient content, reducing the farm's average carbon footprint by ~10%
- **Introducing methane-reducing feed supplements** following Gold Standard methodology, and validated by SustainCERT, an independent third party
- **13,400 native trees planted in four pilots** on non-productive farmland. The pilots are valuable to test our planting procedures, confirm the choice of species, and help conduct survival rate monitoring, confirming over 95% survival rate. Carbon removals can be quantified using our approach aligned on Verra methodology and validated by SustainCERT, an independent third party
- **Collecting individual data on 100% of farms,** which allows for use of advanced data management tools to provide farmers with actionable insights on their business, and customers to track supply chain progress

Biomass boiler at **ofi** Tokoroa plant, New Zealand, 2025

"In pasture-based dairy systems like New Zealand's, our greatest challenge has always been maximizing milk production from grass. What we're now seeing is that when farmers are supported to supplement with the right nutrients to balance those diets, they can unlock higher returns while simultaneously reducing their carbon footprint."

Paul Johnson, Milk Sourcing Manager, ofi **New Zealand**

Strengthening local milk production in Nigeria

An engagement and development program with a local cooperative.

Since 2020, we've **supported local milk production in northern Nigeria** through focused, community-led initiatives, partnering with the Kano Dairy and Livestock Cooperative Union to develop locally relevant support. We've built **five milk collection centers** to reduce travel time, cool and test the quality of milk, and create faster routes to market. Also, as some of the farmers are nomad herders, we've built transport logistics to collect the milk following the movement of their herds.

This is a direct benefit to the farmers, and it means we can engage with them to uncover their specific needs, allowing us to tailor support with the ambition of increasing their yield.

Project snapshot

- **Education support**, distributing school kits to 2,700 children in 2025
- **Vegetable farming training** for 253 women in 2025
- **Livelihood support** for 1,757 farmers in 2025, including:
  - Strengthening **animal health** through deworming campaigns and vaccinations against foot-and-mouth disease
  - Providing **feed support** through training to produce high-quality feed using crop residues, encouraging better nutrition and more consistent herd performance
  - Improving the **genetic potential** of local breeds through artificial insemination services

Hear from a farmer in our network

"Before now, selling our milk was very difficult because buyers were not reliable and prices were inconsistent. With the establishment of the Milk Collection Center, we now have a steady market and the confidence that our milk will always be purchased at fair prices. The support we receive through vaccination, artificial insemination, improved feed, and regular deworming has also improved the health of our animals. As a result, milk production has increased and our income is more stable, which has made it easier to support our families."

Baba Jabbi, community leader and livestock farmer

Hear from our partner

"Through our partnership with the project, we have provided technical and advisory services focused on improved livestock breeding, animal health, and better farm management practices. Farmers who have applied these practices are seeing healthier herds, better reproductive performance, and increased productivity. This collaboration shows how access to research-based services can make a real difference in improving livestock production and long-term sustainability at the community level."

Dr. Ammar Umar (National Animal Production Research Institute), Artificial Insemination Project Partners

Milk collection center at Dawanau, Kano State, Nigeria

Decarbonizing dairy in the USA

An initiative that is reducing on-farm emissions through technology and market incentives.

Manure is one of the biggest dairy emission sources in housed dairy systems in the USA—and one of the fastest to reduce. Manure digesters capture methane directly at the farm, so **ofi** is supporting manure biogas digester projects that **lower supply chain emissions and improve the carbon footprint** of our dairy ingredients. Even better, the digestate that comes out of the biogas digester is a high-quality organic fertilizer that can be used to produce more food.

Project snapshot

- **Manure digester** capturing methane from manure and producing renewable electricity that is fed back into the electricity grid
- **65% cut in emissions from manure management,** delivering one of the highest and most cost-efficient carbon reductions available in dairy
- **Carbon impact verified** following California Air Resources Board's Compliance Offset Protocol for Livestock Projects*

*California Air Resources Board (CARB) is a state regulator responsible for air quality and climate programs that reduce emissions and protect communities

"In California dairy farming, manure technologies now offer the most cost-effective way to drive large-scale carbon reductions. By investing in manure digester projects, we're offering farmers new revenue, generating renewable energy, and helping to provide climate benefits that can be accounted for in our dairy supply chain."

Matt Helon, Country Head for Dairy, ofi **USA**

Micronutrient fortification in Malaysia

A manufacturing facility dedicated to supercharging milk powder nutrition.

Dairy can play a significant role in a balanced diet. **ofi**'s dairy manufacturing facility in the southern state of Johor, Malaysia, produces dairy products **for people all around the world**.

Here, we **fortify our fat-filled milk powders with vitamins and minerals like Vitamin A, D and E**—an important step, because some of the micronutrients in milk can be lost during processing. As a staple ingredient enjoyed across the world, offering value-added dairy products that are full of nutrients **helps to address nutritional deficiencies** that are common in many of the markets where our products are consumed.

Project snapshot

- **90,000 MT** production capacity of fat-filled milk powder and other dairy ingredients produced annually
- **Dedicated Ingredient Excellence Center (IEC)** to help customers develop new, nutrient-dense dairy solutions
- Solar power, rainwater harvesting, and **close to zero raw material wastage**
- **2.28 billion servings** of micronutrient-fortified dairy products manufactured in 2025

*"**ofi**'s cocoa sustainability team in Nigeria distributed fortified milk sachets to cocoa farmers in 2025 as part of the **ofi** Healthy Living Program. The campaign also focused on promoting good health through breast cancer screening, as well as enriched household nutrition. Giving **ofi**'s fortified milk products to each participant was a great way to raise the importance of good nutrition and provide good protein and micronutrients."*

Agatha Ewolor, Head of Sustainability, ofi **Nigeria**

Food scientist at work on quality and innovation

Partner with ofi to be the change for good food and a healthy future

We can collaborate to:

- Reduce GHG emissions to contribute to net zero goals
- Improve access to markets and nutrition to benefit farmers and communities globally
- Nurture regenerative agriculture practices to help the living world thrive

Contact sustainability@ofi.com

Glossary

Biomass

Organic material that can be used as an energy source.

Carbon footprint

Total greenhouse gas (GHG) emissions caused directly and indirectly by a product or an organization.

Carbon neutral

Achieving net-zero carbon emissions by balancing emitted carbon with carbon removal or offsets.

Choices for Change

ofi's overarching sustainability strategy.

Climate risk

Potential impacts from climate change (physical impacts like floods or droughts, and transitional impacts like market shifts).

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).

Direct supply chain

Volumes procured by **ofi**, or its subsidiaries, directly from farmers, or from farming cooperatives, 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.

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 and equipment (school kits, schoolbooks, etc).

Enteric fermentation

The digestive process of ruminant animals (such as cows) which produces methane.

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).

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.

GHG protocol

Global standard for measuring and managing greenhouse gas (GHG) emissions.

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 includes 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) or primary processing partners (e.g. crackeries, milling) who are not restricted to a specific farmer group/community/growing area.

Livelihood support

Livelihood support includes 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 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."

MT

Metric ton.

Glossary

Net Zero

Reducing Scope 1, 2 and 3 emissions to zero or a 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 and any GHG emissions released into the atmosphere thereafter. (Source: SBTi Glossary.)

Nutrition and health support

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

Primary product carbon footprint (PCF)

The total greenhouse gas emissions of a product, expressed in CO_2e per unit, calculated using primary data collected directly at the farm and/or processing level (e.g. specific activity and energy use data rather than generic averages).

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.

Renewable energy

Energy deriving from natural sources that self-replenish (wind, solar, hydro).

SBTi

Science Based Targets initiative, aligned with climate science and the Paris Agreement.

Supply chain

The logistical flow of materials and products from source to supplier to customer.

Traceable/traceability

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

Value chain

The full cycle of a product where value is added at each step, from raw material to end consumption.

See **ofi**'s full Sustainability Glossary in the Choices for Change strategy here


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