**OVERVIEW**

Olam Agri is a market-leading and differentiated food, feed and fibre global agri-business focused on high-growth markets with a global origination footprint, processing capabilities and deep understanding of market needs built over 30 years.

As part of Olam Agri, our Specialty Grains & Seeds business in Peru is a leading supplier of processed quinoa grains and chia seeds, offering services to several distributors, manufacturers, supermarkets and private brands across 5 continents.

| Largest quinoa organic supply chain partner in Peru with a market share of more than 15%. We work with more than 2,700 smallholder farmers spread across all the quinoa and chia growing regions in Peru. | Our processing facility located in Lima has one of the best processing infrastructures in the industry, with unique packaging capabilities for bulk and retail. We seek innovation with our customers to create more sustainable products, including recyclable packaging. | We operate to the highest quality and food safety standards, ensuring supply of healthy and safe products to the end consumer. Our certifications include BRC “AA”, HACCP, GMP, Gluten Free, Kosher, Halal and SMETA. | Through our strong focus on Sustainability and Digitalisation we strive towards achieving an end-to-end fully traceable, transparent and responsible supply chain. |

Scan or follow [this link](#) to take a walk-through quinoa processing at our facility.
Olam Agri’s Specialty Grains & Seeds business is driven by our ambitious Purpose to Transform food, feed & fibre to cultivate a sustainable and food-secure future.

We are committed to contributing positively to the prosperity and well-being of people along our supply chains, the protection and regeneration of our natural resources base, and the fight against climate change. Based on this, our sustainability strategy addresses 12 key themes which are linked to the relevant UN Sustainable Development Goals (SDGs).

### Our Purpose
Transform food, feed & fibre to cultivate a sustainable and food-secure future

#### Our aims
- **Climate-positive**: Minimise climate and material footprint
- **Nature-positive**: Regenerate soils and ecosystems
- **Livelihoods-positive**: Foster inclusive livelihoods
- **Feed & nourish the world**

#### Key themes
- **Climate action**: Reduced waste
- **Biodiversity & Ecosystems**: Soil Health, Water
- **Inclusion & Diversity**: Human Rights, Livelihoods
- **Food Security & Nutrition**: Health

#### SDGs
- **Enabler**
2021 HIGHLIGHTS

In 2021, we have continued to put our Purpose into action and further our sustainability efforts into our business. Through collaborating with different stakeholders such as local and national governments, international agencies, and clients we have been able to scale our impact and achieve greater economic, social, and environmental results.

USAID award for a five-year project aimed at increasing productivity, improving product quality and achieving organic and AtSource+ certification for 1,500 smallholder quinoa farmers in Peru.

Verification and certification of our AtSource+ organic supply chain by Control Union (1,937 quinoa farmers and 144 chia farmers).

Establishment of our processing mill’s carbon footprint baseline in partnership with MINAM (Ministry of Environment of Peru), followed by third-party verification and reduction plan in 2022.

More than 2,700 farmers benefitted from our Organic Programme, spread across south, centre and north of Peru (see more on Page 12).

More than 300 farmers and their families benefitted from our Nutrition Programme in the south of Peru (see more on Page 16).

Recognition by the FAA (Food Action Alliance) as one of the 19 global flagship initiatives that demonstrate systematic and innovative solutions to drive food system transformation.
Capturing, analysing and applying real time field data for impactfully executing our sustainability initiatives.

Accessing detailed information in supply chains has been a struggle with our vast network of smallholder farmers living in remote areas.

The Olam Farmer Information System “OFIS” allows us to have better reach and more scale in collecting data at the farmgate level through a user-friendly mobile application to then visualise and analyse it first-hand on a web portal.

Through our Annual Survey to farmers, we can obtain information on:
- Our farmers and their families
- Geographical location
- State of each farm
- Agricultural production methods
- Access to training and basic services
- Labour conditions
- Finances
- Environmental conservation
OFIS is an invaluable resource for the monitoring and implementation of existing sustainability programmes, as well as offering the opportunity to identify individual farmers’ needs to provide tailored resources and increase the impact of our sustainability efforts.
Organic Quinoa Supply Chain Farmer Profile

Source: OFIS Annual Survey 2020–2021

11% are farmers under 30 years old

Farmland tenure:
- Owner-operated: 93%
- Rented: 5%
- Communal land: 2%

The average quinoa-farm size is 1.49 ha

82% of farmers keep updated records of their agricultural activities

78% of farmers are aware of their production costs

92% of farmers diversify their farms with other crops/animals

53% adopt a fertilisation plan based on technical advice

1,336 kg/ha is the average yield

97% incorporate organic matter to improve soil fertility and structure

96% of farmers implement methods to prevent soil erosion

60% have an improved cook-stove that is safer than the traditional cook-stoves

65% adopt measures to protect water sources at and around their farms and communities

85% of farmers properly dispose inorganic waste

48% of farmers have access to treated drinking water in their farms

31% of farmers have access to sanitation and hygiene services in their farms

50% have a health facility close to their farms and 13% keep a first aid kit

69% MEN

31% WOMEN

The average farmer is 45 years old

Organic farming methods for control of pests and diseases

Constraints to implement a vegetable garden

53% of farmers use personal protective equipment (PPE) during agricultural activities

There is no evidence of deforestation or forest degradation practices in organic quinoa production in our supply chain

Efforts taken to conserve water resources

2% received regular training on community reforestation

3% received regular training on fencing

13% received regular training on community sanitation

7% maintain a vegetable garden to increase their food security

78% implement buffer areas to avoid contamination from neighbouring farms

55% of producers use seeds from their own farms

Most common pests and diseases

Pests and diseases:
- Perupestes macrospora variabilis
- Bodo viridans
- Amphiodes hyalinipennis

24% crop rotation
- Use of organic selection control pesticides
- Weed control

3% use personal protective equipment (PPE) during agricultural activities

1% no water access

0.3% weather conditions in the city

3% live in the city
Through Olam Direct (OD) we’re able to disintermediate our supply chains and expand our reach by connecting with such farmers and empowering them to transact directly with Olam Agri. This allows them to receive more value for their crop and ensures a fairer and more transparent procurement process.

Rural agricultural supply chains are very fragmented; there can be any number of intermediaries between the farmer and the exporter. While it is possible that these participants may add value to the supply chain, often value for the farmer gets lost with too many middlemen leading to dilution of market information. This lack of transparency, reliability and reachability are some of the major bottlenecks.

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**HOW DOES IT WORK?**

- **Farmer Leaders** are at the centre of this novel procurement model as they are trusted members of their farming communities and responsible for collecting the crops within their area.
- Through the Olam Direct smart phone application, Farmer Leaders are connected with Olam Agri’s buying unit having access to daily market prices (which they share with the rest of their community) and keeping record of all the transactions.
- In order to become a Farmer Leader, farmers are assessed by our team to ensure they meet the required profile. After being selected, they participate in a robust training that prepares them to carry out all the stages of the collection process.
Olam Direct was introduced into the quinoa growing region of Junin for the first time in 2021. We were able to bring on board a group of Farmer Leaders representing 6 farming districts, thus bringing traceability and transparency to this new supply chain.

With the successful implementation of this pilot, our next steps include scaling this model to other quinoa growing regions in Peru and strengthening our presence in Junin by connecting to more farmers in other districts.
AtSource

Driving positive change for farmers, communities and ecosystems by partnering together with our customers.

Consumers worldwide demand more assurance that what they purchase is safe and sustainable for both people and planet. They are becoming more conscious of who produces their food and how, increasing expectations from corporates. AtSource was developed by Olam to support our customers to meet these expectations by connecting them directly to the source of supply.

AtSource is our revolutionary sustainability insights platform that provides our business and its clients with the ability to track the environmental and social impact of a product at each stage of its journey – from the farm through logistics and processing, and up to the customer’s factory door.

With more than 100 metrics available, which are collected through OFIS, we can obtain comprehensive insights of each farmer group across our supply chain to implement highly targeted interventions specific to the needs of farmers and their communities.

AtSource offers customers a three-tier solution, appealing to their different sustainability needs: Entry, Plus and Infinity. Each of them builds on and carries forward the benefits from the previous tiers.
In 2021, we registered 2,018 quinoa farmers and 100 chia farmers in AtSource+, successfully audited and certified by an external certifier.

**VALUE PROPOSITION: AtSource+**

1. Reassurance that farmers commit to conditions under the Olam’s Supplier Code (OSC) developed for responsible sourcing practices.
2. Unparalleled origin traceability to the farmer group.
3. Granular and customisable metrics specific to the customer’s supply chain.
4. Sophisticated environmental footprint calculator for climate and water use.
5. Action plans specific to the customer as well as consumer-ready stories from the field of real positive economic, social and environmental outcomes.
6. Verification by independent bodies to provide greater trust and reassurance of data.

Buying an AtSource+ verified product means it has been sourced from a responsible supply chain. We have tracked how this product was grown, harvested and processed. And every three years, the data is verified by an independent party for compliance.

Want to know more? Visit AtSource’s webpage.
As the largest supply chain partner of organic quinoa and chia with farmers in Peru, Olam Agri’s Specialty Grains & Seeds business has successfully managed organic supply chains since the beginning of our operations.

This has been achieved as a result of the unique support smallholder farmers receive from our dedicated team of field technicians. With a year-round presence on the ground, they provide farmers with personalised technical assistance through all stages of crop growth, from soil preparation to harvest and post-harvest.

In addition to this, farmers are trained by our field technicians on good agricultural practices in accordance with international organic and trade requirements so that they improve crop quality, increase productivity and achieve third party organic certification.

**Key themes:** Climate action, Soil health, Biodiversity & Ecosystems, Livelihoods.
In 2021, around **2,118 smallholder farmers** achieved organic certification. Growing on this success, we expect to partner with and certify **additional 600 farmers** in 2022.

**DID YOU KNOW?**

- In 2020, we started a partnership with NCBA CLUSA’s USAID-sponsored Farmer-to-Farmer programme to scale our training activities and focus on key topics such as productivity increase and women empowerment.
- Olam Agri has established an **Organic training school** in Puno, to address the lack of infrastructure within those communities where 350 smallholder farmers are trained every year.
- Beyond organic training, we encourage the use of **ancestral practices** that have worked well for the fragile Andean lands, increasing smallholder farmers’ **resilience to adverse climatic conditions**.
- Apart from being highly experienced, our field technicians speak fluent Quechua (the native indigenous language of most of our farming communities). This valuable skill strengthens trust and improves communication between farmers and Olam Agri.
‘KILO PER TON’ INITIATIVE

Key themes: Food Security & Nutrition.

Quinoa and chia consumption among smallholder farmers in traditional growing areas is being systematically replaced by less nutritional foreign crops. In this context, it’s common that when our farmers sell their crop, they do not save any quantity for their household consumption.

To tackle this concern, we’ve have created the ‘Kilo per ton’ initiative that gives back 1 kg of processed quinoa and chia for every ton our producers sell to Olam Agri in order to promote consumption among farming communities.
In partnership with Colgate and their Bright Smiles, Bright Futures (BSBF) Programme, Olam Agri has improved the dental health of more than 1,000 children in the highlands of Peru.

From the distribution of free dental hygiene kits to promoting good oral health habits in schools, we are committed to playing our part to improve the health and well-being of the children in our farming communities.
NUTRITION PROGRAMME


We work with our growing communities to make a positive difference beyond agricultural support.

Anaemia and malnutrition have substantial negative effects on the health and economic well-being of nations and communities. Children with anaemia experience irrevocable cognitive and developmental delays and exhibit decreased worker productivity as adults, while maternal anaemia increases the risk of pre-term delivery and low birth weight.

Despite Peru’s effort in reducing these issues over the last years, they continue to be one of the main challenges of Public Health in the country; especially in Andean communities, where poverty and lack of access to health care make it difficult for them to consume healthy diets needed for good nutrition.

Under this scenario, and as part of the Olam Healthy Living programme, Olam Agri’s Specialty Grains & Seeds has implemented its Nutrition Programme in the south of the country, where anaemia is more prevalent. Partnering with the Peruvian Association of Nutrition Professionals and community health posts, we are working towards fighting iron deficiency in children and breastfeeding women through a series of instructional trainings, and promotion of quinoa consumption due to its nutritional properties and anti-anaemic potential.

DID YOU KNOW?

➢ Olam Agri globally has been working with partners to improve nutrition and health under the Olam Healthy Living programme. In 2021, these initiatives reached more than 140,000 people across 12 countries.

➢ One cup (185 grams) of cooked quinoa provides around 2.8 mg of iron, which is 16% of the DV (Daily Value). Additionally, it is high in protein, fibre, minerals, antioxidants and contains no gluten.
WHAT ARE WE DOING?

1. Training on healthy diets under the context of COVID 19 (highlighting the nutritional properties of quinoa and chia).

2. Training on prevention of risks of malnutrition and anaemia, especially in children and breastfeeding women.

3. Training on good hygiene and food safety.

4. Workshops on the use and preparation of recipes with superfoods.

5. Wasting, stunting and anaemia screening for farmers’ children under 5 years old in the communities with the highest rate of malnutrition and anaemia.

6. Each farmer’s household receiving 1 recipe book and quinoa (as part of our ‘Kilo per ton’ initiative).

7. Each farmer’s children receiving 1 dental health kit (as part of our Oral Health initiative).

**IN NUMBERS**

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*Comparison was done over a period of 6 months.*
My parents have always been involved with quinoa and now I am continuing with the activity which has become the main income for my family. I have been working with Olam Agri for more than 4 years. Thanks to this programme, me and my family have improved our nutrition and both of my children have increased their levels of haemoglobin and they no longer have anaemia. I am very thankful to Olam Agri and the nutritionists that supported us.

Candy Condori Mamani, 33 years old, mother of Jamenson and Samantha, and President of the farming community of Sillani in Puno.
ENGAGEMENT WITH THE PUBLIC SECTOR


We are aware that in order to make a real sustainable impact, we need strong collaboration with actors in the supply chain to unlock mutual value and scale our efforts. Therefore, throughout our entire sustainability journey, Olam Agri’s team in Peru has built enduring partnerships with the public sector.

A couple of initiatives that took place in 2021 include:

- Supporting around 300 farmers in the north of the country, to gain access to infrastructure, inputs, funding and technical assistance for organic quinoa production. This was achieved through AGROIDEAS, a Programme of the Ministry of Agriculture that aims to increase the competitiveness of small and medium-sized agricultural producers in Peru.
- Partnering with the Regional Government in Apurimac to implement trainings for field technicians and rural extensionists so that they can strengthen their organic capacities and assist farmers better.
- Partnering with community health posts for the implementation of our Nutrition Programme.
THANKS TO

All our partners who have contributed to our sustainability programmes and activities.

The entire Olam Agri’s Specialty Grains & Seeds team.

Our dedicated and inspirational quinoa and chia farmers around the country without whom we could not exist.

BE THE CHANGE WITH US

We invite you to join us in our efforts towards a sustainable and food secure future. Our team will be delighted to discuss how we can work together whether this is by scaling existing programmes or by combining our technical expertise and resources to create new and exciting initiatives. Contact us.

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