



Specialty Grains & Seeds, Peru

Sustainability Report 2021





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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.



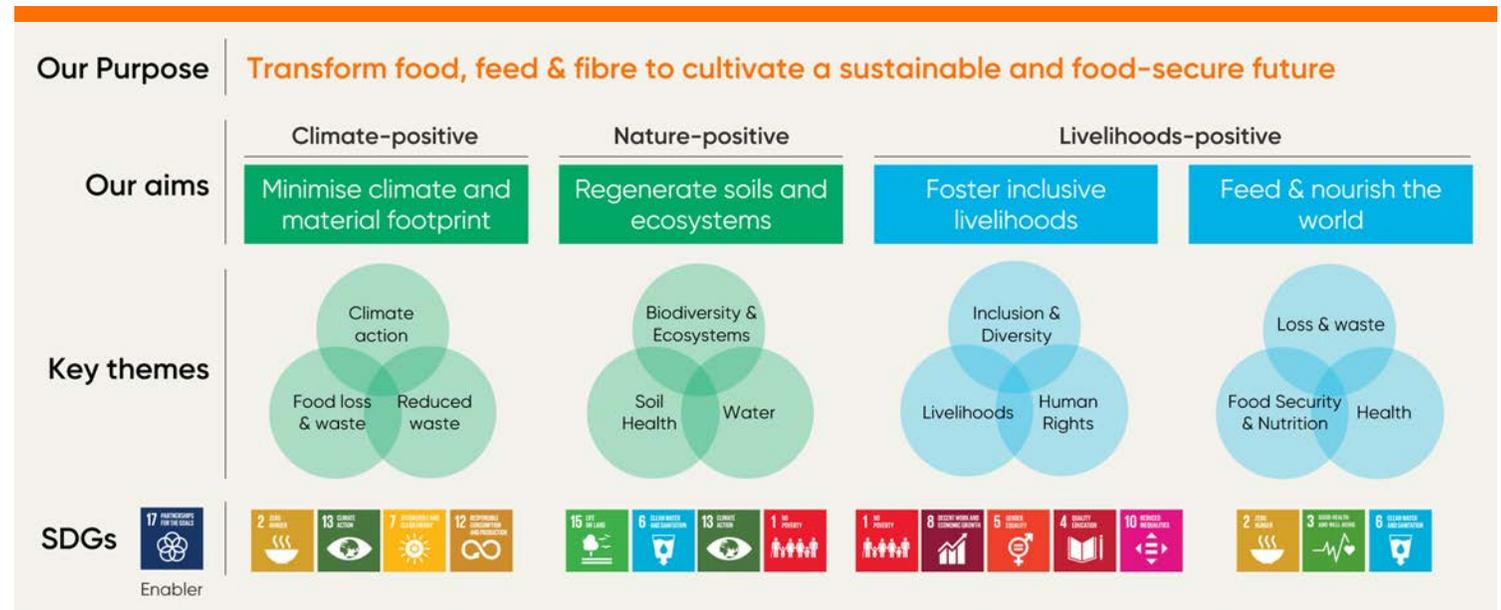
ESG FRAMEWORK



Sustainability sits at the heart of our business.

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).



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**.



Scan or follow [this link](#) to learn more about our FAA Flagship initiative.



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.



OFIS

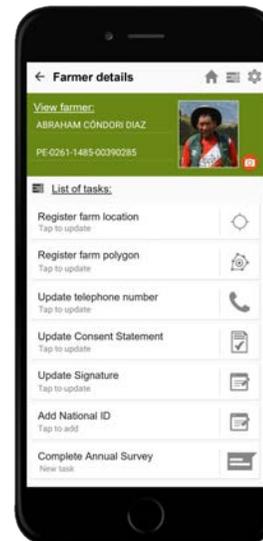
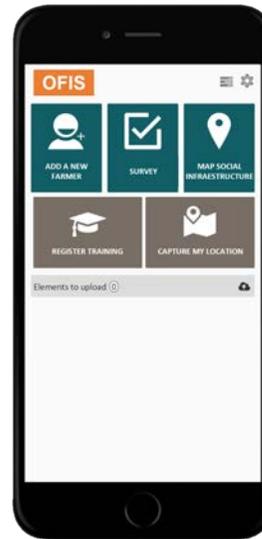
Capturing, analysing and applying real time field data for impactfully executing our sustainability initiatives.

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.



Olam Farmer Information System

Download Farmer Data

Country: PERU x
Year: 2022 x
Farmer Gender: Female x
Module: Superfoods Annual Survey x

Product: SUPERFOOD QUINUA x
Partner: All Partner x
Farmer Age: From To
Farmer Role: Select Farmer Role

Farmer Group: All Farmer Group x
Section: All Section x
Farm Survey: Select Farm and Farmer survey
Include SIP distance

File downloaded will be available only for next 24 hours

ID	File Name	Status	Created At	Action
1	1254_19-03-2022_12-42-30.xlsx	Completed	19/03/2022 00:42:30	

Olam Farmer Information System

Overview Training Management

14 COURSES AVAILABLE

117 MODULES AVAILABLE

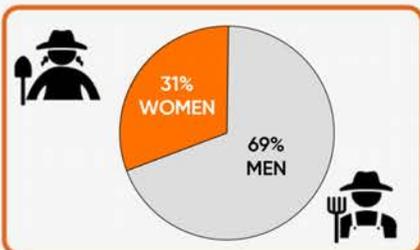
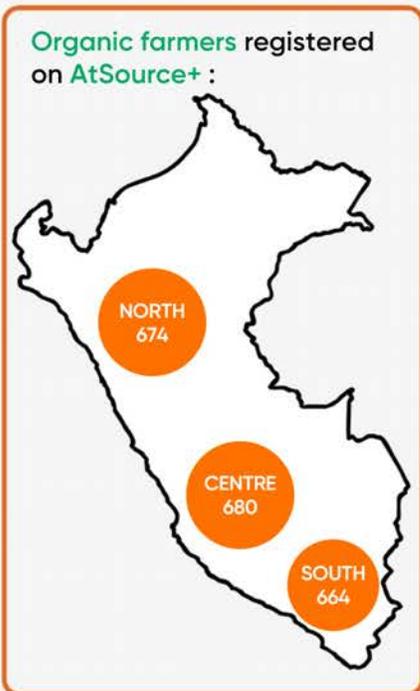
326 TOTAL TRAINED FARMERS

80 TRAINED THIS MONTH

Statement	Status	Name	Date	Time	Count
Buenas Prácticas Agrícolas (BPA) CK Labores culturales: raleo, deshierbo, aporque, etc	Active	CRISTIAN CHACON	23/02/2022	00:33	14
Buenas Prácticas Agrícolas (BPA) Q Manejo integrado de plagas y enfermedades	Active	DIONICIO SUCA	22/02/2022	10:53	1
Buenas Prácticas Agrícolas (BPA) Q Labores culturales: raleo, deshierbo, aporque, etc	Active	DIONICIO SUCA	15/02/2022	11:17	1

Organic Quinoa Supply Chain Farmer Profile

Source: OFIS Annual Survey 2020-2021

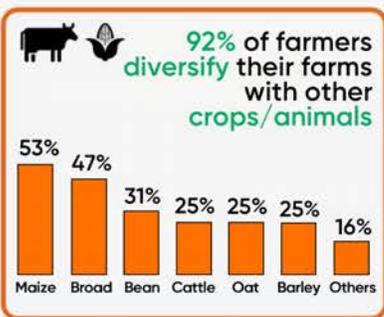
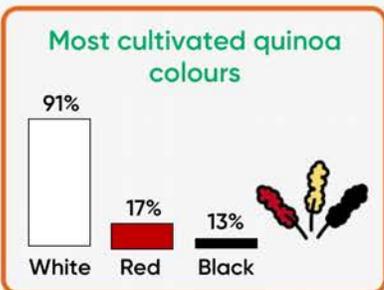


The average farmer is **45 years old**

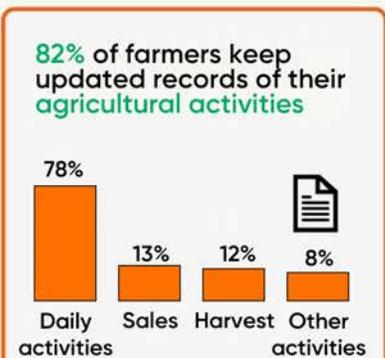
11% are farmers under 30 years old



The average quinoa-farm size is 1.49 ha



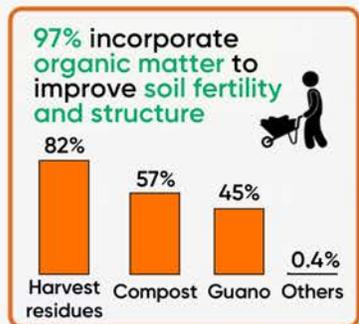
1,336 kg/ha is the average yield



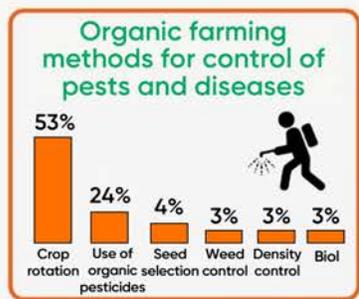
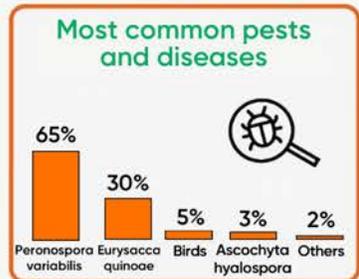
73% of farmers are aware of their production costs

86% implement buffer areas to avoid contamination from neighbouring farms

55% adopt a fertilisation plan based on technical advice

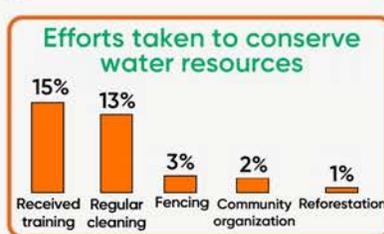


91% of farmers use seeds from their own farms



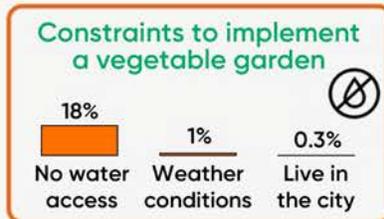
96% of farmers implement methods to prevent soil erosion

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



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

78% maintain a vegetable garden to increase their food security



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

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

34% use personal protective equipment (PPE) during agricultural activities

OLAM DIRECT

Connecting and engaging farmers directly to ensure a fair, transparent and efficient sourcing process along with full traceability to the supply chain.

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.

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.

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.

INFORMATION | TRANSPARENCY | IMPACT

AtSource
Re-imagined by Olam



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.

The screenshot shows the top navigation bar of the AtSource website with links for Dashboard, What is AtSource?, Sustainability Topics, Methodology, Our Impact, News & Views, and My Account. Below the navigation is a section titled "Your Environmental Footprint" with a "Find out more" link. A descriptive paragraph explains the calculator's basis. Below this is a form with dropdown menus for "Product" (Quinoa), "Country" (Peru), "Volume (tonnes)" (1), and "Destination" (USA), along with a "Calculate footprint" button. To the right is a map of the Americas with a red line indicating a distance of "10,519 kilometres" between Peru and the USA. Below the map is a "PURCHASE SUMMARY" table with the following data:

VOLUME (TONNES)	PRODUCT
1	Quinoa
COUNTRY	DESTINATION
Peru	USA

The dashboard features a header with "31 Current Farmer Groups" and a "SHOW FARMER GROUPS" dropdown. Below this is a "Download My Dashboard" link. The main content area is divided into four columns, each with a dark green header: "FARMER GROUP SUMMARY", "PROSPEROUS FARMERS & FOOD SYSTEMS", "THRIVING COMMUNITIES", and "REGENERATING THE LIVING WORLD". Under the "ECONOMIC OPPORTUNITY" section, there are four data cards, each with a "Current 2020" dropdown and a "vs baseline" indicator:

- Card 1: "1,400 kg/ha" (Average yield of the farmer group in the baseline year).
- Card 2: "2,100 kg/ha" (Estimated average yield per farmer group in the current year) with a green arrow and "50% vs baseline".
- Card 3: "50.00%" (Estimated percentage change in average yield in a farmer group between current and baseline year).
- Card 4: "22" (Farmers in a farmer group who have attended GAP training) with a red arrow and "56% vs baseline".

Want to know more? Visit [AtSource's webpage](#).



ORGANIC PROGRAMME

★ **Key themes:** Climate action, Soil health, Biodiversity & Ecosystems, Livelihoods.



Scan or follow [this link](#) to dive into our Organic supply chain in Puno.

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**.



Harvest and post-harvest management training: Farmer in Cusco properly cutting his quinoa panicles for mitigating post-harvest losses after being trained.



Soil Management training: Our experienced field team leading a training session on soil conservation practices.



Integrated management of pests and diseases training: Farmers in Puno studying how to prevent and control the quinoa moth.

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**.



Our **Organic training school** located in the district of Cabana, province of San Roman, region of Puno.

'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.



ORAL HEALTH INITIATIVE

★ **Key themes:** Health.

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

★ **Key themes:** Food Security & Nutrition, Health.

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).



2021

IN NUMBERS

+300
FARMERS
BENEFITTED

65%
FEMALE
PARTICIPATION

138
CHILDREN
BENEFITTED

40%*
INCREASE IN
HAEMOGLOBIN



“ 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

★ **Key themes:** Climate action, Soil health, Biodiversity & Ecosystems, Livelihoods, Food Security & Nutrition, Health.

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.

Launch of **AGROIDEAS** project within the **COPAOSAC** association in La Libertad.



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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