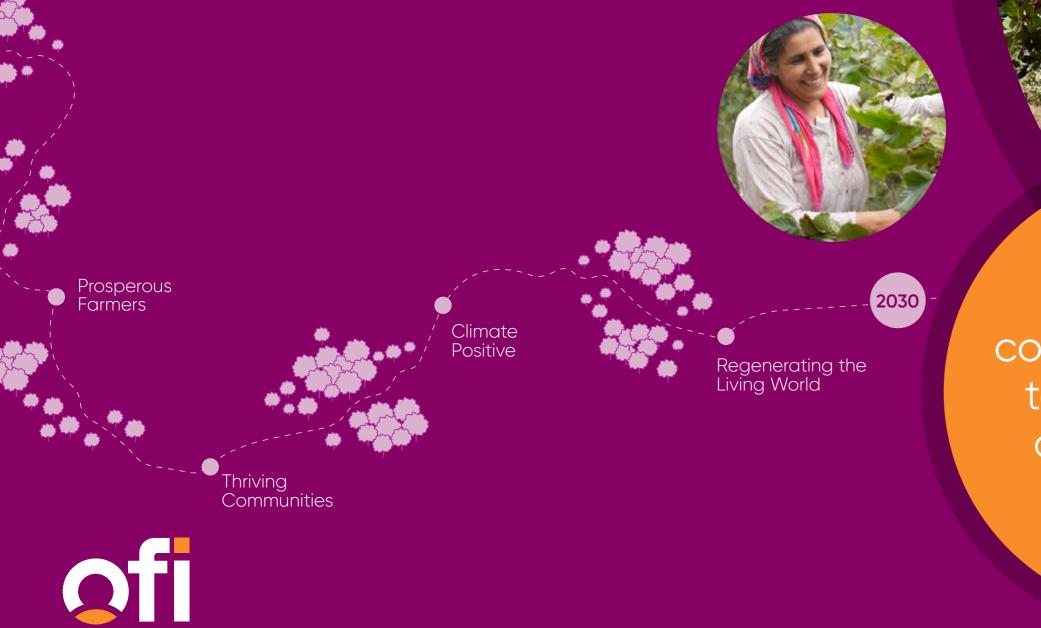
# Nut Trails 2022 Impact Report



make it real

Creating a collaborative trail to sustainable cashews and hazelnuts

## In conversation with Ashok Krishen, CEO nuts, ofi

Tracking our progress on the trail to more sustainable nut supply chains

#### Why did we launch our Nut Trails strategies?

In 2021 we published our Cashew and Hazelnut Trail strategies, setting out a roadmap to find more creative, productive and sustainable ways of supplying cashew and hazelnut ingredients. We set dedicated 2030 targets aligned with the UN Sustainable Development Goals to scale up our impact on the most pressing issues in these supply chains by working with partners to improve farmer profitability, protect the rights of children and workers, and empower women in these farming communities.

#### What are the opportunities?

Our own consumer research last year pinpointed nuts as a popular choice in formulating plantbased products, with cashews and hazelnuts, as well as almonds, strongly associated with being tasty, natural, and healthy. We also know consumers are motivated by traceability, with 75% of those we surveyed saying they are willing to pay more for a sustainable product.<sup>1</sup>

Our extensive farmer programs and innovation capabilities mean we can help customers satisfy this appetite with quality ingredients, from whole nuts and pieces to nut milks and powders, that deliver flavor and functionality. At the same time, we are also able to add value for the farmers and communities they come from, through a variety of tailored programs and technology.

#### What does this mean for our customers?

In collaboration with our customers and partners, we've delivered a number of milestones towards our Cashew and Hazelnut Trail targets, as set out in this first impact report. It brings to life over 12 months' worth of impact data, which includes training 100% of seasonal hazelnut workers in our sustainability programs on gender equality, labor rights and children's rights, and distributing over US\$1million in premiums to cashew farmers.

#### Please get in touch

For cashews: cashewtrail@ofi.com

For hazelnuts: hazelnuttrail@ofi.com

I want to thank all our customers and partners who have contributed to our joint progress and look forward to continuing our work together to be the change for more sustainable and traceable nuts supply chains.

Ashok Krishen, **CEO ofi**'s nuts platform







## Progress highlights

## (1) Cashews

## 20,000+

Delivered training on Good Agricultural Practices to over 20,000 cashew farmers in 2022



Distributed over \$1,000,000 in premiums to cashew farmers in 2022



### 10

Sustainability partnerships



# 4,002

farmers in the hazelnut sustainability program trained on gender equality, labor rights and children's rights



Hazelnut supply chain traceability increased by 11% in 2022



**13** Sustainability partnerships





## Our focus areas to create impact

#### Prosperous Farmers

We cannot supply nut ingredients without the farmers who grow them, so the size and quality of their yield is critical to their success and our own. Our on the ground presence in farming communities around the world means that we understand the challenges farmers in each part of our supply chain face, from limited access to labor to poor soil. We can deliver impactful partnerships with our customers that contribute to real improvements in crop yields and quality through our network of

agronomists and sourcing experts.



#### Thriving Communities

Many of the farming communities we source from are in rural areas with limited access to essential

infrastructure. Poor working conditions, inadequate health services, and limited education can negatively impact farmers' incomes and their overall quality of life. The challenges faced in our hazelnut and cashew supply chains are different, so we tailor our support to help communities develop and prosper to local need. The effects of climate change threaten crop yields and quality for farmers around the world, and nuts are no different. Late spring frosts can harm hazelnut crops in Turkey, while unseasonal rains and heavy dew can affect cashew yields. This presents

Climate

**Positive** 

onal rains and lew can affect shew yields. This presents a direct threat both to farmers' livelihoods and to global efforts to achieve

food security. We are working with farmers to improve their resilience to the impacts of climate change and reduce their own environmental footprint.

#### Regenerating the Living World

Regenerative agriculture is an approach to farming that improves farmer livelihoods and resilience by ending harmful and destructive practices, optimizing inputs, and working with nature to restore and enhance Natural Capital (Soil, Water, Biodiversity and Carbon) on and around farms. We support this model by helping farming communities become stewards of the environment, delivering the tools and training to grow more on existing land and reduce the environmental impacts of food production.



### Sustainable choices

ofi is able to offer endto-end traceability that allows our customers to measure and drive progress against their social and environmental targets - and give consumers the information and assurance they want about who grew their nuts, and where they came from.



| Nut category   | 2030 Goal   | Progress 2022  |
|--|---|--|
| ٢  | 250,000 cashew farmers<br>trained in Good Agricultural<br>Practices   | 20,165 farmers   |
| $\textcircled{\begin{tabular}{ c c c c c } \hline \hline$ | US\$4mn distributed in<br>premiums to cashew farmers<br>globally  | \$1,014,330  |
| >  | 250,000 cashew households<br>supported for enhanced<br>livelihoods  | 36,231 households <sup>1</sup>   |
| $\textcircled{\begin{tabular}{ c c c c c } \hline \hline$ | 50% yield increase for cashew<br>farmers in our managed<br>programs(baseline: 2021 crop)                                | 55% yield increase on 409 farms in Ghana <sup>2</sup>  |
| ٢  | 50,000 cashew farmers<br>trained on literacy and<br>numeracy  | 3,666<br>(Training programs started in 2022 and will be<br>rolled out over the coming years) |
| >  | 100,000 cashew farmers<br>trained on business and<br>marketing skills   | To commence in 2024  |
| 5  | 100% of employees in<br>processing facilities have<br>access to professional<br>skills and development<br>opportunities | 94.69%   |
| )  | 100% of registered women<br>farmers participate in farmer<br>training programs  | 46% of registered women farmers  |

<sup>1</sup> Includes farmers and wider members of farming communities

- <sup>2</sup> Each year we conduct yield monitoring, and although we have seen progress, results are impacted by seasonal variation. Field teams in all of our origins focus on yield enhancement practices and we expect to see the results in the coming years in our managed programs.
- <sup>3</sup> 23.7% of the farmers in 2020 have been in our supply chain in 2022 and their yield increase is recorded as 21.43% compared to 2020. Turkey's general yield increase was stated as 15% between 2020 and 2022.

| Nut category | 2030 Goal  | Progress 2                  |
|--------------|--|-----------------------------|
| 9            | 50,000 women benefitting from labor saving tools and equipment   | Needs asse                  |
| (            | 30% of registered farmers are women  | 24.6% of reg                |
| 9            | 5,000 women have access<br>to Village Savings and Loan<br>Associations (VSLAs)   | Community<br>to begin 202   |
|              | 50,000 hazelnut farmers<br>trained in Good Agricultural<br>Practices   | 6,352 hazelr                |
|              | 30% average yield increase<br>for hazelnut farmers (baseline:<br>2020 crop)  | 6.98% comp<br>program far   |
|              | 100% of women farmers<br>trained in Good Agricultural<br>Practices (GAP) and Good<br>Social Practices (GSP)<br>each year | 100% (556)<br>(76 in our su |

#### 2022

essment in progress.

gistered farmers

y research phase complete. Implementation 023.

Inut farmers

pared to 2020 crop in all sustainability armers.<sup>3</sup>

upply chain + 480 other women farmers)



### **Thriving Communities**

| Nut category  | 2030 Goal  | Progress 2022   |
|---|--|---|
| ٢   | Reach 500,000 people in<br>cashew communities with<br>nutrition and health support   | 106,014 people  |
| $\textcircled{\begin{tabular}{ c c c c c } \hline \hline$  | Educate 250,000 cashew<br>farmers on disease prevention<br>and first aid   | 2,414 cashew farmers <sup>1</sup>                         |
| ٢   | Improve health infrastructure in 1,000 cashew farming villages   | 127 villages  |
| ٢   | 100% of employees in cashew<br>processing facilities have<br>access to nutrition programs<br>and support                       | 100% achieved   |
| $\textcircled{\begin{tabular}{ c c c c } \hline \hline & \hline \\ \hline \\$ | 10,000 children, from directly<br>sourced cashew communities,<br>benefitting from investments<br>into education infrastructure | 1,859 children <sup>1</sup>                               |
|   | 100% of farmers educated on gender equality, labor rights and children's rights  | 100%<br>(2,292 in our supply chain + 4,060 other farmers) |
|   | 100% of all women seasonal<br>migrant workers trained on<br>health, nutrition, and<br>labor rights                             | 100% (3,462)<br>(identified through internal monitoring)  |
|   | 100% child labor monitoring<br>and remediation in managed<br>programs each year  | 100% under CLMRS  |
|   | Zero grievances logged by<br>workers against farmers in<br>managed programs  | Zero grievances achieved                                  |

<sup>1</sup> Target changed from 100% to numerical due to annual farmer number fluctuations in our supply chain
<sup>2</sup> Target changed from 100% to numerical due to annual farmer number fluctuations in our supply chain

| Nut category | 2030 Goal   | Progress     |
|--------------|---|--------------|
|              | Zero instances of non-<br>compliance with the <b>ofi</b> Agri<br>Supplier Code in audited<br>programs   | Zero instanc |
|              | Invest in extra-curricular<br>activities for 10,000 children in<br>hazelnut sourcing communities<br>to improve their physical and<br>mental wellbeing | 236 childrer |
|              | Provide science equipment<br>and teacher training for 20<br>schools, to benefit 8,000<br>children   | 2,840 childr |
|              | Distribute school stationary<br>kits to 10,000 children to enrich<br>education  | 1,278        |



#### 2022

nces recorded

en²

dren in 7 schools

### **Climate positive**

| Nut category | 2030 Goal  | Progress 2022                                      |
|--------------|--|--|
| )            | Reduce GHG emission intensity<br>in cashew supply chains by<br>50%                             | Calculation in progress <sup>1</sup>               |
| 9            | Increase use of renewable<br>energy to 30% of total<br>consumption in processing<br>facilities | No progress to report due to changes in facilities |
|              | Conduct soil analysis for<br>10,000 farmers to optimize<br>fertilizer use                      | 714 farmers  |
|              | 100% of farmers trained on<br>crop residue management and<br>composting practices              | 100%<br>(6,352 farmers)                            |

### Regenerating the living world

| Nut category | 2030 Goal   | Progress                                 |
|--------------|---|--|
| )            | Train 250,000 farmers on<br>climate-smart agricultural<br>practices & reducing waste                                | No progress<br>training mo               |
|              | Build landscape partnerships<br>to end ecosystem losses &<br>regenerate forests in all high-<br>risk sourcing areas | Research in<br>Identificatic<br>in 2023. |
|              | 6,000 farmers are engaged<br>on nature-based climate<br>solutions   | Nature-bas<br>study under                |

### Sustainable choices

| Nut category | 2030 Goal   | Progress 2022   |
|--------------|---|-----------------|
|              | 100% traceability in direct supply chain <sup>2</sup> | 47% (↑11% 2021) |

<sup>1</sup> Progress has been limited due to seasonal variation in harvests. The data is still being reviewed via primary data collected from the small farm holders. That data will be processed in our AtSource platform to give the reduction percentage.

<sup>2</sup> Target increase from 80% in line with ofi's overarching sustainability target on traceability. We have revised the target to align with ofi's corporate level sustainability strategy. Volumes procured directly from farmers, or from farmer groups, community/growing areas or their representatives (manavs).

<sup>3</sup> Number of villages removed from original target due to variations in sourcing geographies, reviewed annually.



#### 2022

ss to report. Climate-smart agricultural practices odule to be added to GAP training in 2023

into implementation potential complete. ion of partners & geographies to commence

used climate solutions identified with feasibility erway.<sup>3</sup>

Thriving Communities Climate Positive

Regenerating the Living World

## Prosperous farmers - our work so far

### Cashews

The majority of cashew farmers are smallholders, and their farms are their main source of income, with the price they are paid for their crop driven by a competitive international market. In Nigeria for example, over 24% of cashew farmers live below the poverty line<sup>1</sup>. We are working with farmers to improve their yields and the quality of their crops. Their needs can vary significantly, from farmers with very small plots of land who need support and loans to diversify their income, to those able to invest for themselves but need upskilling to optimize productivity.

### Hazelnuts

Hazelnut trees are hardy perennials, requiring no irrigation and can thrive despite harsh growing conditions. However production in Turkey is hampered by aging orchards and inadequate farming practices which is why ofi's agronomists provide training on Good Agricultural Practices to help improve yields and guality.

<sup>1</sup> J.J. Pelemo et al., Analysis of the poverty status of cashew farmers in Kogi State, Nigeria, 2020: https://www.ajol.info/index.php/agrosh/article/view/197777

36,231 cashew households supported for enhanced livelihoods

(



of registered women farmers participated in farmer training programs



### **Progress highlights**





trained on Good Agricultural Practices

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## Prosperous farmers – in action

### S Cashews

### Farmer Segmentation: A success story in Ghana

The diversity of farm sizes, yields, skills, and economic context in our supply chains, means that interventions are more effective when tailored to each farmer's reality. By applying a segmentation model to ofi's extension services, we can tailor training and support to farmer's economic circumstances and willingness to invest.

Following the roll out of farmer segmentation in some of our coffee supply chains, **ofi**'s cashew team in Ghana adopted the model in 2021 and segmented 5,400 farmers to then tailor interventions accordingly.

Positive results so far include **55% yield increase** recorded from 409 farms in category B due to adoption of advice on timely pruning and pest management.

By understanding our farmers' needs, we can increase the impact of our interventions on the ground whilst keeping costs down for customers and consumers. Farmer segmentation analysis: cashew farmers, Ghana \*This chart reflects the percentage of farmers in each segment.

| Yield (I/Ha)   | <b>B</b><br>22% | 8%              |
|----------------|-----------------|-----------------|
|                | <b>D</b><br>52% | <b>C</b><br>18% |
| Farm size (Ha) |                 |                 |

B

Action plan for tailored interventions

#### Employed entrepreneur

- Land access and ownership for women
- Credit facilities

A

 Distribution of higher quality grafted seedilings

### Resourceful smallholder

- GAP training
- Adoption of pruning practices
- Increased farm visits by ofi field officers

### **O**

- Big landowner\*
- Increase seedling distribution over 2-3 years
- Encourage tree planting
- Increase GAP training
- Credit facilities and farm equipment

\* Big landowners have more than 7 ha. of land with more than 750kg/ha yield.



- Facilitate additional income-generating activities e.g. bee keeping
- Improve GAP training attendance
- Establish demo plots for sharing best practice

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# Thriving communities – our work so far

### **Progress highlights**

### Cashews

Cashew farming communities are largely located in rural areas, where it is hard to access education and healthcare. Often there is a lack of suitable school buildings, so we have invested in vital infrastructure, like new school classrooms, to improve access to and the quality of education. We also provide access to health across our cashew supply chain, from the farms we source from to our processing facilities. That might be screening programs for infant malnutrition in Côte d'Ivoire, where 1 in 5 children experience stunted growth and development<sup>1</sup>, to supporting female employees at our processing facilities in Vietnam to continue breastfeeding when returning to work. Our country teams have now reached over 106,000 people in cashew communities with health and nutrition interventions.



people in cashew communities reached with nutrition and health interventions

100%

of managed

programs are

covered under CLMRS

Zero

grievances were

logged in managed

programs

of employees in cashew processing facilities had access to nutrition programs and interventions

## 100%

of women seasonal migrant workers trained on health, nutrition and labor rights

### Hazelnuts

Workers on hazelnut farms are often migrant workers who are drawn to the hazelnut farms with their families for the harvest period. This marginal status puts their economic and social wellbeing at risk, particularly for women and children in these families. That is why we focus on providing training on gender equality, labor rights, rights and health and nutrition.

<sup>1</sup>https://data.unicef.org/country/civ/

## 2,414

cashew farmers educated on disease prevention and first aid

## 1,859

children in cashew communities benefitted from investments into education infrastructure







compliance with of Agri Supplier Code were recorded in audited programs

Thriving Communities Climate Positive Regenerating the Living World

## Thriving communities – in action

### S Cashews

### Improving nutrition and health in cashew communities

In 2022, our Côte d'Ivoire teams screened over 2,500 children using the newly developed Infant Malnutrition System Alert (IMSA) smartphone-based application, with 49 moderate and acute cases identified and referred to healthcare facilities. This was achieved in partnership with Côte d'Ivoire's National Nutrition Program (PNN).

The application was developed by Stephanie Konan, one of **ofi**'s sustainability analysts and helps identify and geolocate malnutrition cases. These are then referred to the local medical authorities to ensure the cases are treated.

Also in 2022, our team in Côte d'Ivoire launched Project 99, which focused on providing the community clean water, as well as gender equality and health resources for **ofi** factory workers. While only 15% of people are using safely managed drinking water services in rural areas, **ofi** successfully installed 10 water borewells in different villages. In addition, **ofi**'s factory workforce, 80% being women, were given access to one of the first daycare centers within a facility certified by the Côte d'Ivoire Women, Family and Children Ministry. Fifty children from



6 months to 3 years were registered by the end of the year. **ofi** daycare also provides a breastfeeding area for the nutritional wellbeing of the babies and the parents.

In Nigeria, 582 cashew farmers attended workshops hosted by our team and the Nigerian Ministry of Health to educate them on prevention and treatment of infectious and chronic diseases, including neglected tropical diseases (NTD).

In Vietnam, our cashew team rolled out a workplace lactation program in partnership with NGO Alive & Thrive to support female employees in their breastfeeding journey when returning to work. Activities include in-person training sessions on breastfeeding best practices and appropriate use of lactation equipment in private worksite rooms. Online workshops and trainings were also conducted for employees and management teams to ensure support is given to all pregnant women and new mothers in the workplace.

> Building on the success of our existing partnerships, we plan to explore similar high-impact and innovative solutions with partners across our cashew origins.



Thriving Communities Climate Positive Regenerating the Living World

## Thriving communities – in action

### Bazelnuts

## Safeguarding children in hazelnut communities

Nearly 3,000 children under the age of 18 were registered through our ofi Child Labor Monitoring and Remediation System (CLMRS) app. The CLMRS helps monitor for child labor in our supply chain and takes swift, effective action if a child is ever identified as at risk. During the harvest season, we use this CLMRS data to conduct unannounced farm inspections to make sure any cases of child labor are identified and addressed. A lack of childcare facilities can increase the risk of child labor as migrant worker parents are left with no choice but to bring their children with them onto farms. The team has been working to remove these risks during the harvest period by hosting a variety of activities, including a summer school program in Turkey run in partnership with the Ministry of Education and the local authorities. This was attended by 423 children during the 2022 harvest, and many more children were given education kits.

### "

Our friends always talked about summer schools in the evenings. They've been given bags, given shoes, given everything they need. Then I came to school. I'm glad I came.

Ali, 11-years-old, Şanlıurfa, Summer School program 2022



Thriving Communities Climate Positive Regenerating the Living World

## Thriving communities – in action

### (C) Hazelnuts

### Women on the Roads for Hazelnuts

The Women on the Roads for Hazelnuts project aims to educate women engaged in seasonal agriculture about the health risks they face due to mobile or temporary living conditions and help them to take preventive measures.

**Since 2020, 5,211 women** have been given face-to-face training on important health topics such as:

- Female Reproductive Health
- Pregnancy
- Breastfeeding
- Hygiene
- Breast Cancer Prevention
- Awareness and Diagnosis
- Nutrition and Obesity

As women make up a large portion of Turkey's seasonal workforce, that migrate to the hazelnut region during the harvest months, these trainings are crucial. This project operated in the provinces of Giresun, Ordu, Samsun, Sakarya and Duzce, where hazelnut workers live during the harvest season, as well as cities like Şanlıurfa, Diyarbakır, Mardin, Batman and Şırnak, from where many seasonal workers migrate. As well as gathering information about the status, attitudes and tendencies of women engaged in seasonal agricultural work in permanent and temporary settlements, the project began by scheduling household visits to ensure those women understood their rights during seasonal agricultural work.

In 2022, a total of 1,528 female seasonal migrant workers were given health screenings. By performing blood tests, the **ofi** team was able to determine and inform the women about their risk of conditions including diabetes, anemia and iron deficiency. For those deemed at risk, the team provided extra training on how to manage their health to avoid further complications.

Additionally, the **ofi** team trained 1,437 men on human rights, workers' rights, women's and children's rights, and working conditions of seasonal migrant workers as part of the same project. The 'Women on the Roads for Hazelnuts' project won the women empowerment category at the 2022 Sustainable Business Awards.



Thriving **Communities**  Climate Positive

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## Climate positive - our work so far

### **Progress highlights**

### Cashews

Climate change poses unique challenges for cashew farmers. Their crops are particularly vulnerable to climate change due to the sensitivity of cashew trees to changes in temperature, rainfall patterns, and extreme weather events that are becoming more common in cashew producing countries, such as droughts, floods, and storms. We need to help farmers address the impact of changing weather patterns on their crops, while also reducing the environmental impact of cashew farming. We are currently collecting data on the ground from cashew farmers to understand the productivity and condition of their crops, the inputs they use on their farms, fertilizer use, and the risk of deforestation. This is helping us to build a picture of the emissions produced on farms and how we can reduce them.

### 100%

of farmers trained on crop residue management and composting practices

### Hazelnuts

Fertilizer use in agriculture contributes to greenhouse gas emissions, so using fertilizers smartly is an important way to reduce the environmental impact of the food we eat. In our hazelnut supply chain, we have been working with farmers to help them accurately analyze their fertilizer needs. This helps ensure that farmers are using the right amount of fertilizer to produce the best crop possible and avoiding over-usage. The team is also working with hazelnut growing communities to manage the use and disposal of other chemicals to ensure that the natural environment is protected.



soil analysis conducted for

714 farmers

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## Climate positive - in action

### (C) Hazelnuts

### **Decarbonization in the** hazelnut supply chain

Since 2018, we have been using AtSource, our sustainability management system, to drive change for farmers, communities, ecosystems, and customers. AtSource demonstrates social and environmental performance by providing a comprehensive view on sustainability data and metrics across supply chains. In 2022, we reached 714 farmers with recommendations on optimum fertilizer application, tracking the yearly changes in fertilizer-related emissions.

AtSource's Digital Footprint Calculator (DFC) is an online calculator used to estimate the environmental footprint of agricultural products, based on agricultural activity data. The tool calculates the environmental impact in three key impact categories for agriculture: Climate Change, Water Use and Land Use. The footprint calculation is based on the principles of agricultural life cycle assessment (LCA) modeling as described in the World Food LCA Database Guidelines.

Using our internal data management system, we have been collecting farmers' data on a wide variety of sustainability metrics, such as their use of pesticides, irrigation, and types and amounts of fertilizer used. Our analysis shows that fertilizer is responsible for more than half of agricultural emissions. Many hazelnut farmers use chemical fertilizers, and some can apply too much fertilizer without knowing the needs of the soil. Overuse of such fertilizers disrupts the nitrogen cycle and damages soil quality.

That is why we use soil analysis to give farmers more precise information on the needs of the soil, so that fertilizer use can be optimized, and carbon emissions minimized. Our internal monitoring suggests that in 2022, 88% of those farmers were following our recommendations, helping to ensure fertilizer is being used correctly for the best results.

Name:



Thanks to soil analysis, I got to know my farms' soil better. Last Autumn, I had soil analysis of two of my plots. I made the fertilization of these two plots according to the results of the analysis. To other plots that I did not have analysis for, I used the 26 Nitrogen fertilizer as always in the past. According to the results of the analysis, while the leaves are greener and the husks are fuller in the farms where I fertilize, in other farms the leaves turn yellow and even some parts of them are dried and the husks look weaker. This year, I will make soil analysis in other plots, and I will use the fertilizers according to the result of the analysis.

Mehmet Bakioğlu **Province/Town/ Village:** Ordu/Fatsa/Kösebucağı



Thriving **Communities**  Climate Positive

Regenerating the Living World

## Regenerating the living world – our work so far

### Cashews

Originally, the main intention of introducing cashew into Africa from India was to use it as a restoration species plant for degraded areas in drier agroecosystems. However, given farmers' lack of access to knowledge about good agricultural practices and the importance of biodiverse landscapes for resilient farming and food systems, multi-stakeholder efforts are required to prevent cashew production expanding at the expense of natural ecosystems. With training and better access to finance, farmers can improve yields and guality by growing cashew in mixed agroforestry systems. In 2022, using single point GPS, our cashew teams mapped over 55% of the cashew farms we source from through sustainability programs in Côte D'Ivoire, Ghana and Nigeria to identify potential deforestation risks. This is the first step towards forming landscape partnerships that aim to end ecosystem losses and regenerate forests in all high-risk sourcing areas by 2030.

### Hazelnuts

For hazelnuts, our focus is on supporting nature-based climate solutions to capture carbon emissions and reduce our carbon footprint, as well as support local biodiversity. In 2022, our hazelnut team started the groundwork to identify the best climate solutions for hazelnut farms and how we can realistically help hazelnut farmers adopt them. Additionally, in 2022 our team worked with Proforest to conduct a landscape assessment and farmer perception survey to understand the status, type, extent and quality of environmental and biodiversity assets and how they are affected by hazelnut production. This will allow our teams to tailor interventions to the conditions of specific growing areas.

### **Progress highlights**

### Research

climate-smart agricultural

farms selected for nature based solutions





distributed



### Landscape

to develop biodiversity interventions on production areas.

Thriving Communities Climate Positive Regenerating the Living World

# Regenerating the living world – in action

### S Cashews

## Supporting local people and plants with beekeeping in Ghana

Working with cashew growing communities in Ghana, we have identified an opportunity for farmers to gain another income stream and support their local ecosystem with beekeeping.

We have been helping smallholder farmers in our supply chain to become beekeepers, providing them with equipment and training that helps them to improve their income and quality of life. Farmers learn how to produce honey and beeswax, which they can either use themselves or sell to improve their income. Crucially, beekeeping can help to provide an income during the off-season, when cashew production is low, helping to reduce the seasonality of cashew farmers' incomes.

The program is beneficial for local biodiversity, too. Bees play a vital part in the local ecosystem by pollinating local plants, including cashew trees. Improved biodiversity also supports soil health, and therefore cashew crop yields, meaning that our beekeeping programs can support both the economic and environmental health of our cashew supply chain.



Thriving Communities Climate Positive Regenerating the Living World

# Regenerating the living world – in action

### 🔘 Hazelnuts

### **Protecting ecosystems in Turkey**

According to Global Forest Watch, the forestry industry is the primary source of deforestation in Turkey. In our hazelnut supply chain, deforestation risk is low and we aim to prevent ecosystem damage by taking a risk-based approach. In 2022 we shared farm polygon data for 275 hazelnut farmers in our Turkish supply chain with Rainforest Alliance. This granular data, extracted from the government's TKGM farmer registry system, allowed Rainforest Alliance to conduct third-party analysis of the risk of deforestation on these farms.

This analysis found that seven plots belonging to four farmers were at high risk of deforestation, either because the plot bordered a national forest, or was on the edge of rivers where trees may be lost to natural erosion or flooding. For these high risk plots, we contacted the farmers to create an action plan including training on responsible agroforestry.



### Sustainable choices

of is able to offer end-to-end traceability that allows our customers to measure and drive progress against their social and environmental targets - and give consumers the information and assurance they want about who grew their nuts, and where they came from.

The traceability of our ingredients is enabled by our deep-rooted presence in all our major cashew and hazelnut origins. By 2030, we aim to achieve 100% traceability in direct supply chain. This will be made possible by our on-the-ground teams, who work closely with farmers to collect and improve our supply chain data. We manage and apply this data to our sustainability programs with AtSource, our award-winning sustainability management system, which is purposefully designed to map social and environmental impact and drive positive change for farmers, communities and ecosystems.

Through our metrics and action plans, AtSource brings our customers closer to the people and landscapes where their products come from, so they can better understand the issues on the ground and work with us to improve them.

#### How it works

Data available on AtSource covers value chains end-to-end, from the farm community, through to logistics, processing, and the factory gate.

- Three ascending tiers feature increasingly granular data and insights
- Each tier builds on and carries forward the benefits from previous tiers
- Developed to meet multiple needs, from environmental reporting and risk mitigation to transformational change
- Provides valuable content to inform and steer every customer's sustainability journey, from new entrants to mature leaders.

## AtSource

#### AtSource V

manage reputational risk:

- Supply assurance and compliance
- Country-level environmental footprinting and third-party risk screening
- Traceability to farmer-group level
- External verification
- Targeted action plans for continuous improvement

#### AtSource +

attributes, AtSource+ offers:

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

#### AtSource ∞

impact at scale. AtSource∞ offers

- Programs co-created with communities, customers, and other partners, like civil society organizations and government bodies
- Landscape-level transformational goals
  - Multiple projects aligned to each Landscape Transformational Vision whereby small projects can deliver sub-goals to deliver transformational net positive impact through partnerships

#### INFORMATION | TRANSPARENCY | IMPACT

#### For companies who are starting their sustainability journeys and want to

#### For customers wanting a more detailed picture and granular data on the conditions at the source of their products. In addition to all AtSourceV

### The most aspirational tier. Created to drive transformation and net-positive

### Three ways to engage

- By directly contributing to existing or new initiatives, based on premiums or a oneoff payment.
- As a strategic or implementation partner, to help with volunteering personal time, technical expertise or resources for new and exciting initiatives on the ground.
- Through AtSource programmes which provide customers with engagement options tailored to individual sustainability ambitions.

**Be the change** for **good food** and a **healthy future** 

## 2030

**Q** make it real

For hazelnuts: hazelnuttrail@ofi.com For cashews: cashewtrail@ofi.com ofi.com

