

Human Resource Policy and Management. Olam employs more than 23,000 employees while the four targeted subsidiaries employ almost 1844 permanent and temporary employees. With Olam corporate and targeted subsidiaries expansion plan in India and Nigeria, corporate and subsidiaries' employment should expand over the next years. Based on a gap analysis, Olam is required to update its corporate Human Resource Policies and Manual of Procedures in order to incorporate applicable IFC PS2, including the need to make explicit references to the right of employees to freedom of association and collective bargaining agreement, retrenchment provisions, prohibition of child and forced labor among its employees and contractors, development of a contractor management system procedure and verification mechanism to ensure compliance with local labor and OHS laws, worker's grievance mechanism for Olam employees and contractors, etc. The review of the corporate Human Resource Policy and Manual of Procedures is presently under review process by Olam's HR global function. When completed, as set forth in the ESAP, these procedures will be incorporated into MATS's Master List of QEHS Procedures (M-Series) and implemented (amended) by HR function in India and Nigeria to ensure inclusion of national labor laws requirements, translation in local languages and effective and timely rolled out in all targeted Olam's subsidiaries. Main provisions of these updated Policies will encompass the general rules of recruitment, working conditions and terms of employment, freedom of association and collective bargaining agreement, non-discrimination, equal opportunity, worker's grievance mechanism, prohibition of child / forced labor, protection of contractor's worker. HR's SOPs will outline the following provisions, among others: term of employment and recruitment, values of diversity and dignity at work, hours of work, overtime arrangements, wages, including deductions, benefits and pensions, sickness pay provision, leave arrangements (annual, maternity), freedom of association, occupational health and safety, training and professional development, and separation/retirement. The scope of these policies and procedures is/will be applicable to all permanent employees with indefinite term of contract. An HR handbook is given to all employees during the induction period. Such handbook has been sighted at Hemarus sugar mill and SVI's spice processing plant (dated May 2013). The intent is to extend the application of these policies' requirements to casual and contractual workers. Minimum age of employment is 18 years old in Olam operations. Inspection by the Indian and Nigerian labor services takes place annually. Human Resources management in every Olam's subsidiaries is under the leadership of an HR manager and a team of HR officers.

Salary grids associated with job grades in Olam's subsidiaries were discussed during appraisal. Monthly minimum salary for low skill employees is in compliance with minimal salary defined by state and/or local labor authorities. Annual salary increase is offered to labor based on bi-annual team and individual performance review. A standard work week is 48 hours spread over 6 days considering seasonality of the production. Changing rooms, toilets and shower facilities are available for workers at all sites, and respect gender sensitivities. Canteen is provided at Hemarus and SVI in India as well as in the sesame plant in Nigeria. Due diligence of food service provider is also carried out.

Grievance Mechanism. Olam and its subsidiaries are seeking to establish a strong and consensual social dialogue with its workers to ensure harmonious and productive working conditions and performance. Grievances from workers are channeled through staff delegates or workers organizations at each plant; this provision is codified in India and Nigeria's Employee HR Policy Manual but not operationalized through a management procedure. Going forward, as set forth in the ESAP, Olam corporate HR function will formalize a structured grievance mechanism procedure, in accordance with PS2 requirements, including steps to be taken for workers to manifest any concern, engage in a mediation process, contact responsible persons in each facility, and provide timely feedback. Employees' awareness raising on such procedure will take place during the induction session. This mechanism will be accessible to permanent and temporary employees, contractors and service providers' workers. Complainants may remain anonymous and analysis of systemic issues are documented and addressed, as needed.

Workers organizations. In accordance with its HR corporate policies presently under review, Olam and all its subsidiaries will explicitly support the freedom of association of its workers and workers seeking collective bargaining arrangements. Two unions represent SVI's workers (ref. CITU and BMS) while a worker association exists in Hemarus but is not affiliated. CFM and the sesame plant in Nigeria have their respective worker's organization, which representatives are elected by staff. A three-year Collective Bargaining Agreement has been reached in SVI, starting in October 2013. Minutes of monthly meeting between plant's senior management and workers association have been sighted in Hemarus and CFM. Main issues discussed relates to salary increase, working conditions, and benefits. There is no history of recent labor strikes among these targeted Olam's subsidiaries.

Life and Fire Safety. Olam subsidiaries have been inspected by an external Life and Fire Safety auditor and Corrective Action Plans (CAPs) implemented. The facilities' OHS Committee was accountable for the timely implementation of these CAPs. Olam subsidiaries have successfully implemented these CAPs and complied with Indian/Nigerian fire prevention standard. Fire certificates delivered by local authorities have been sighted at all subsidiaries during IFC appraisal.

Occupational Health and Safety. Olam made a strong commitment to ensure safe working conditions of all its workers through adopting a corporate OHS policy in 2011, translating this set of principles into comprehensive OHS manual of procedures found in MATS Master List and in delivering OHS management and training plans. This corporate OHS policy is in the process of being updated as mentioned under PS1. MATS and external/third-party service providers have also undertaken OHS audits, against local OHS laws and regulations, OHSAS 18001 standard, and IFC PS2 requirements. As Olam has been rapidly expanding its midstream and upstream operations, Olam launched a special corporate training campaign entitled "Embedding a safety culture in Olam" in 2014 to raise the critical importance of safe working conditions for its permanent and temporary workers and contractors. Six key OHS imperatives have been promoted, namely lock out and tag out (LOTO), permit to work in hazardous areas, reporting and recording unsafe acts, near misses, accidents and

systematic OHS performance review by plant's senior management and business line leaders, semiannual OHS system audit, workplace inspections, and driving safety rules. These are found in QEHS's Manual of Procedures (M-series). These are pro-actively implemented at all plants and progress status reported monthly to MATS team. Warehouse guidelines, based on fatality investigation report in Indonesia and India, have also been developed and implemented at all Olam's warehouses. Finally, Olam launched a pilot project in Asia (including the two targeted Indian facilities) where plant's OHS system effectiveness are assessed against a scoring system, using OHSAS 18000 elements as reference document. Olam is conducting one second-party OHS audit each year for two consecutive years to ensure continued compliance. Once two consecutive years with high compliance score has been achieved, 2nd party audit will be reduced to every two years. Each site will also be required to conduct two internal audits by a senior person on site. HIL has successfully obtained OHSAS 18001 in 2015 while SVI is committed to achieve it by June 2016. CFM and sesame are not aiming for OHSAS 18001 certification per se but are committed to achieve MATS Standard and related IMS completion point by June 2016. Improved safe working conditions, provision of PPEs, annual OHS training, on-site clinic for first aid assistance and ambulatory transport (Hemarus only) have been sighted at all sites. An OHS Committee exists in all facilities. Effectiveness of these efforts has been assessed through improved documentation of annual OHS statistics (Loss Time Injury Frequency Rate and Injury Severity Rate) which are now rigorously and systematically monitored and benchmarked against Indian and Nigerian-based industry benchmarks. The CAPs (e.g. meeting legal and regulatory requirements, establishment and effectiveness of the OHS Committee, workplace risk assessment, warehousing practices, working at height, electrical safety, permit system for contractors, traffic management, etc.) are still under implementation at the sesame plant. All Indian and Nigeria subsidiaries were within sub-sector OHS LTIFR benchmarks for the last trimester of 2014 (U.S. data, 2010). As the sesame plant has been commissioned in March 2014, provision of documented LTIFR statistic is pending. Ear plugs have been observed for operators in machine rooms at HIL, SIV and CFM. Going forward, HIL, SVI, CFM and sesame plant will provide to IFC annual consolidated OHS report, demonstrating full compliance with Indian and Nigerian's legal and regulatory requirements, including implementation of CAPs satisfying OHS management system requirements at all sites (should be available in Hindi and English), as defined under PS1, and effectiveness of OHS system performance against industry-based US benchmarks (sugar milling: 7.0; food processing: 6.5; grain milling: 6.0).

Workers engaged by third-parties. Due to the seasonality of agricultural activities, Olam's operations can involve significant number of directly contracted and sub-contracted workers (e.g. security personnel, loading laborers at sugar mill, canteen workers). For the four targeted operations, more than 800 employees are recruited during high season with a turnover of more than 40% from season to season. This represents a significant challenge for Olam in ensuring appropriate temporary and third-party worker's OHS training. For example, SVI recruits 80-90 contractual workers on a monthly basis through HR service providers. SVI undertakes due diligence before establishing a contractual arrangement

with a contractor / service provider, including registration with Ministry of Labor, as well as complying with local labor and OHS provisions, namely payment of worker's legal benefits, timely payment of wages, OHS training and provisions of PPEs, ILO Convention 138 on minimum age. This provision is specifically of importance for the recruitment of third-party sugar cane harvesting and transport companies by HIL (420 trucks and 8,400 workers). Due diligence procedure for contractor's OHS practices are included into corporate QEHS management standard's manual of procedures (S-series) and such contractual provision have been sighted at Hemarus, SVI, CFM and sesame plants.

Supply Chain Risk Assessment and Management. As indicated above, Olam has adopted in 2013 a corporate Supplier Code. This code applies to primary suppliers over which Olam has a management control or leverage through long-term contractual or financial agreements. Strategic implementation of this code started in 2013-14 and encompassed the following steps: (i) initial screening of all agro-commodities sourced by Olam against IFC's Performance Standard related supply chain requirements (harmful child/forced labor, significant OHS risks leading to life-threatening situations and conversion of natural/critical habitats leading to biodiversity loss) to identify E&S risk factors and potential risk mitigation strategies. Olam used IFC's Global Map for risk assessment and management of Agro-Commodities Production (GMAP, available at <http://www.ifc.org/GMAP>) for this screening process; (ii) for identified "high risk" commodities, further investigation of country-sector risks in supply origins. Olam followed the risk management methodology outlined in IFC's Good Practice Handbook on assessing and managing E&S risks in Agro-Commodity Supply Chain for this screening process; (iii) establishment of supplier database and supplier due diligence using tailored E&S questionnaire and supporting evidence of supplier's compliance with risk outlined in Olam's Code; (iv) final risk assessment of suppliers and agreement on increasing sustainable sourcing strategies over time; (v) legal representation of supplier through signing Olam's Supplier Code. Olam has started to roll-out its Code with critical commodities such as palm oil and rubber in Indonesia and Malaysia, cocoa from Ivory Coast and hazelnut from Turkey. Third-party audits have also been conducted by Fair Labor Association (FLA) of Olam's cocoa and hazelnut suppliers in Ivory Coast and Turkey. These reports are available at <http://www.fairlabor.org/affiliate/olam>. Olam also commissioned, at the request of end-customers, third-party audits of its 30 on-going Olam Livelihood Charter (OLC) initiatives, including cocoa cooperatives in Ivory Coast. Based on lessons learned from this preliminary roll-out, Olam will expand its supply chain risk assessment and management to high volume supply chain, such as sugar in Indonesia, India, Brazil; rice in Thailand, Vietnam, India, Myanmar; cotton in Tajikistan, Turkmenistan, Brazil, Nigeria, India, Zambia, Zimbabwe, Mozambique, Tanzania; coffee in Brazil, Vietnam, Indonesia, Colombia, Peru; and cocoa in Nigeria, Ghana, Indonesia, Cameroon. Olam is committed to develop sustainable sourcing strategies for all its "high-risk" commodities by 2018, as outlined in its 2014 CRS report.

As it relates to this specific investment, based on Olam subsidiaries' sourcing operations, three out of the four targeted operations trigger PS related supply chain risks, namely sugar cane and spice (red chili) in

India and sesame in Nigeria. Using the IFC's GMAP, these three countries-commodities combinations are associated with medium/high risks of harmful child / forced labor. Sugar cane is identified as high risk for child labor by the United States Department of Labor - List of Goods produced by child labor and forced labor. Nigeria/CFM is purchasing wheat from Bunge, Cargill and ADM. There is no supply chain issues as these major agro-commodities traders sourced wheat from North America and Eastern Europe (Ukraine), where primary production is located in consolidated agricultural areas and where harvesting is done through a mechanical process.

To manage supply chain risk associated with sugar cane, spice (red chili) and sesame, aside from ensuring that respective sourcing teams be trained on the effective implementation of Olam's corporate child labor policy, Olam's Supplier Code and Olam's Livelihood Charter's (OLC) principles, including prohibition of child /forced labor in primary suppliers, Olam has also taken a number of mitigation measures, namely: for India/HIL, HIL's sourcing team has established a supplier database for the 12,500 smallholders cultivating on average 2-3ha, including farmer name, coordinates, acres planted, yield, cane variety, access road, irrigation system used, and bank details (payments are directly transferred into smallholder's bank account). In partnership with IFC, Solidaridad and HUF, HIL launched a three-year sustainable sugar cane cultivation initiative in 2012 to strengthen smallholder's technical capacity building, soil sampling and soil health (fertility) recommendations, improve fertilizer and water use efficiency, ratoon management, yield improvement, extension agronomic services, demonstration plots, and field visits have been provided. Results achieved so far include an outreach to the 12,500 smallholders; sustainable sugarcane cultivation on 12,500ha; productivity improvement of 15%; water saving of 20%; no incidence of harmful child/forced labor and increased gender participation; development of training material: farmer flipchart, e-learning modules, sugarcane package of practices booklet, training videos. Future projects include development of irrigation infrastructure development, using drip irrigation, land leveling, soil fertilizer mapping, fertilizer recommendations and availability, in partnership with local government authorities under a PPP scheme. HIL is committed to support the traceability and certification of its sugar cane suppliers against Bonsucro or Olam' Supplier Code; for India/SVI, Olam launched an OLC targeting the 900 primary suppliers of red chili. Full traceability system has been completed and achievements after one-year implementation include the training in Good Agricultural Practices (GAP) improving average yields by 10% within the first year; six farmer schools established; farmer training based on Rainforest Alliance (RFA) Sustainable Agricultural Standards for farmer certification, and US\$113,197 paid in premiums. Finally, in relation for Nigeria/sesame seed sourcing, Olam launched an OLC initiative reaching 2,000 farmers, including women farmers (38%) which has resulted in a 400% increase in primary suppliers reached and 300% area increase, establishment of ten farmer field schools, and US\$ 112,500 premium paid to farmers. Bonsucro and RFA' principles and criteria include specific requirements to prohibit harmful child and/or forced labor practices among primary suppliers. Going forward, as set forth in the ESAP, Olam will undertake an internal/external audit of its supply chain for its sugar cane, red

chili and sesame primary suppliers against its Supplier Code and/or voluntary standards. If deficiencies are identified, Olam will take necessary remediation measures (e.g. training on PS related supply chain requirements or proceeding with certification its primary suppliers against a voluntary standard). Olam will also roll-out its Enablon monitoring system to these three targeted supply chains within a three year period.