



# Climate Change Adapting to risks and opportunities for Olam and communities

Changing weather patterns are already affecting agriculture, so ensuring that we and our suppliers are implementing mitigation and adaptation measures, together with more accurate scenario planning, is integral to our strategy. In measuring our value chain carbon footprint it was found that land development, fertiliser application, logistics and the energy used in processing factories have the largest potential impact. While we can seek to reduce those impacts, we are also reliant on nations reaching a global climate agreement that still allows for sustainable and inclusive growth in emerging economies. Equally, to fund the required measures, further development is required of innovative financial mechanisms (e.g. climate bonds), for agriculture and land-use.

## Landscape: Republic of Congo, Wood

Continuing deforestation and degradation, particularly in tropical forest regions, are together the second largest cause of global warming. Protecting standing forest as carbon sinks is therefore vital, but the majority of forest cover is in emerging markets which are trying to develop their economies and regulatory infrastructure.

The World Bank Forest Carbon Partnership Facility is a global partnership focused on reducing emissions. Countries are encouraged to submit

proposals<sup>1</sup> as to how they will tackle the causes of deforestation and degradation. This year the World Bank accepted the proposal put forward by the Republic of Congo in partnership with Olam Wood Products subsidiary Congolaise Industrielle des Bois (CIB). The World Bank will now provide funding for the full development of the programme proposal and, once implemented and the emissions reduction verified, the World Bank will purchase an agreed number of carbon credits<sup>2</sup>.

The Republic of Congo asked Olam-CIB to be its **strategic partner and executing agency** due to its experience in Sustainable Forest Management and REDD+ programmes<sup>3</sup>. In the Republic of Congo, Olam-CIB manages the world's largest contiguous FSC® certified natural tropical forest concession, measuring about 1.3 million hectares. In 2012, in partnership with the Republic of Congo, Olam-CIB launched the first REDD+ project in the Congo Basin, protecting 92,530 hectares of High Conservation Value forest in the Pikounda Nord concession. In 2014 the Verified Carbon Standard (VCS) endorsed the Pikounda Nord credits for sale. The Republic of Congo is the only country to date to submit a programme led by a Public Private Partnership (PPP).

The Republic of Congo Emissions Reduction Programme will encompass an area of 12.35 million hectares with 97% forest cover and 15 timber concessions. Developed in consultation with 120 civil society groups and other stakeholders, the programme will take a landscape approach, addressing key drivers of deforestation in the region, which include industrial logging, population growth (with accompanying expansion of shifting agriculture and fuel wood collection), infrastructure expansion, industrial agriculture and mining industries.



## Livelihoods

Under the Republic of Congo proposal sedentary agriculture over 'slash and burn' would be promoted by reviving cocoa-growing communities and providing access to international markets for farmers. Training would promote climate change adaptation techniques. The programme plans to plant up to 10,000 hectares by 2018 with cocoa trees on already deforested and degraded community lands.



## Land

The Republic of Congo programme would seek to enhance 'reduced impact logging' techniques and protect new areas as High Conservation Value. Coupled with increased forest governance, the forestry sector would then reduce its emissions, improve biodiversity, and increase the number of certified concessions.

- Reduced impact logging techniques include:
- Smaller roads and less skid trail damage
  - Increasing the minimum harvest diameters
  - Environmentally sensitive rotation ages

Within the Programme proposal put forward by Republic of Congo, plantations on degraded land could be developed specifically to grow trees suitable for fuel wood to reduce impact on natural forests. Another option under the Republic of Congo proposal would be to promote highly efficient cook stoves for communities.

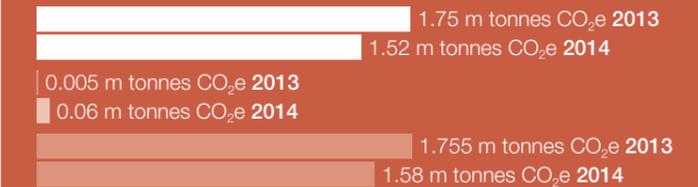
Emissions in the region are expected to reduce by over 11.7 million tCO<sub>2</sub>e between 2015 and 2020 which is roughly equivalent to taking 500,000 cars off the road each year.

<sup>1</sup> Emissions Reduction Idea Note  
<sup>2</sup> Emissions Reduction Purchase Agreements  
<sup>3</sup> Reducing Emissions from Deforestation and Forest Degradation (REDD), conservation, sustainable forest management and carbon stocks

# Global Perspective

## Olam's global carbon footprint

### Olam-managed Plantations, Concessions and Farms



In 2014, for every tonne of product produced, 5.95 tonnes of CO<sub>2</sub>e were generated (an 18% decrease on 2013).

In 2013 many operations were in the development phase but have now progressed into steady state operations. However, the absolute and intensity reduction has been achieved as a result of improved sequestration data and increased operational productivity.

### Olam's Processing



In 2014, for every tonne of product produced, 0.34 tonnes of CO<sub>2</sub>e were generated (a 6% decrease on 2013).

Both the absolute and the intensity reduction has been achieved as a result of the drive for operational improvements. This has included fuel switching from coal and diesel to electricity, energy efficiency measures and increased operational productivity.

Olam reports to the Carbon Disclosure Project (Carbon, Water and Forest Programmes).