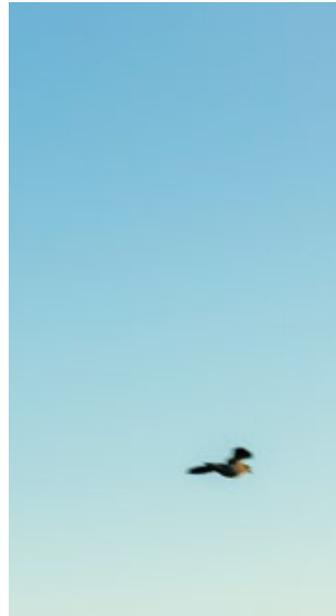




中粮国际  
COFCO INTL

# Meeting tomorrow's demand

COFCO International  
Sustainability Summary Report 2017



**We're building a  
*world-class* global  
agri-business committed  
to providing the food  
the world needs in a  
*responsible* way.**



# Welcome to our first sustainability report



By 2050, there will be over nine billion people living on our planet – almost two billion more than today. At the same time, pressure on agricultural land and natural resources is stretched to the limit. Against this backdrop, sustainability is defined as a core value of COFCO International. It forms an integral part of our business strategy, as we work to strengthen our direct commodity sourcing capacity in key producing countries and expand our presence in rapidly growing demand markets.

**955,000**

HECTARES OF SOY FARMS IN AMAZON AND CERRADO BIOMES SCREENED WITH GEO-MAPPING

**82%**

OF OUR ENERGY CONSUMPTION CAME FROM RENEWABLE SOURCES IN 2017

Supported by our Sunshine Culture, our new sustainability strategy guides us in our aim to become a world-class agri-business positioned to meet tomorrow's demand. This report shows the progress we are making towards our vision – and the challenges we have encountered along the way.

### Partnerships for sustainable development

The Paris Agreement on climate change and the UN Sustainable Development Goals help set the context for our approach to sustainable agriculture commodity supply. We are also aligned to internationally recognised sustainability standards such as those of the International Finance Corporation, one of our shareholders. Building on strong values of partnership, we have decided to join as a member the World Business Council for Sustainable Development in the coming days to catalyse change within our sector and beyond.

### Continuous improvement

Recognising that our most significant environmental and social impact lies within our supply chains, we work to better understand and support farmers and producers, starting with soy sourcing in Latin America. Technologies such as geo-mapping are helping us better track and improve the sustainability performance of suppliers.

We strive to create a people-first culture and take the safety and lives of our people as the top priority. This report shows the many ways in which we engaged, developed and inspired our teams around safe and healthy behaviours, as well as lessons we have learned in this journey.

Reflecting the important link between climate change and the world's agriculture, I am pleased to report that 82% of our energy consumption came from renewable sources in the last year. Almost two thirds of our waste is now reused, recycled or composted.

In our communities, we now reach more than 14,000 people with our programmes to support education, health, youth employability and environmental prospects.

Given the integration of COFCO International in 2017, we may be in the early stages of our sustainability journey, but these are exciting times for COFCO International. I see a unique opportunity to create a lasting positive impact on some of the world's greatest challenges. I hope you will see our commitment reading this report, and I welcome your thoughts and feedback along our path to meet tomorrow's demand.

**Johnny Chi**  
Chief Executive Officer

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For our full 2017 sustainability report, visit:  
[www.cofcointernational.com/sustainability/](http://www.cofcointernational.com/sustainability/)

# At a glance

**\$34bn**

REVENUE

**105m**

TONNES TURNOVER

**33m**

TONNES PORT CAPACITY

**30m**

TONNES PROCESSING CAPACITY

**2.7m**

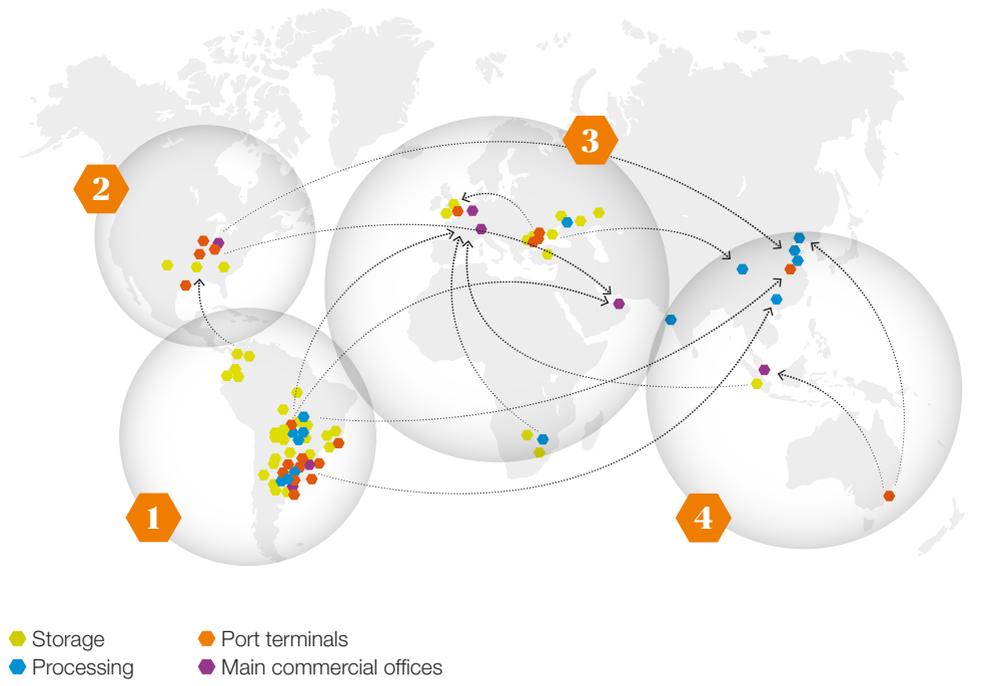
TONNES INLAND STORAGE

**12,461**

EMPLOYEES

**35**

COUNTRIES

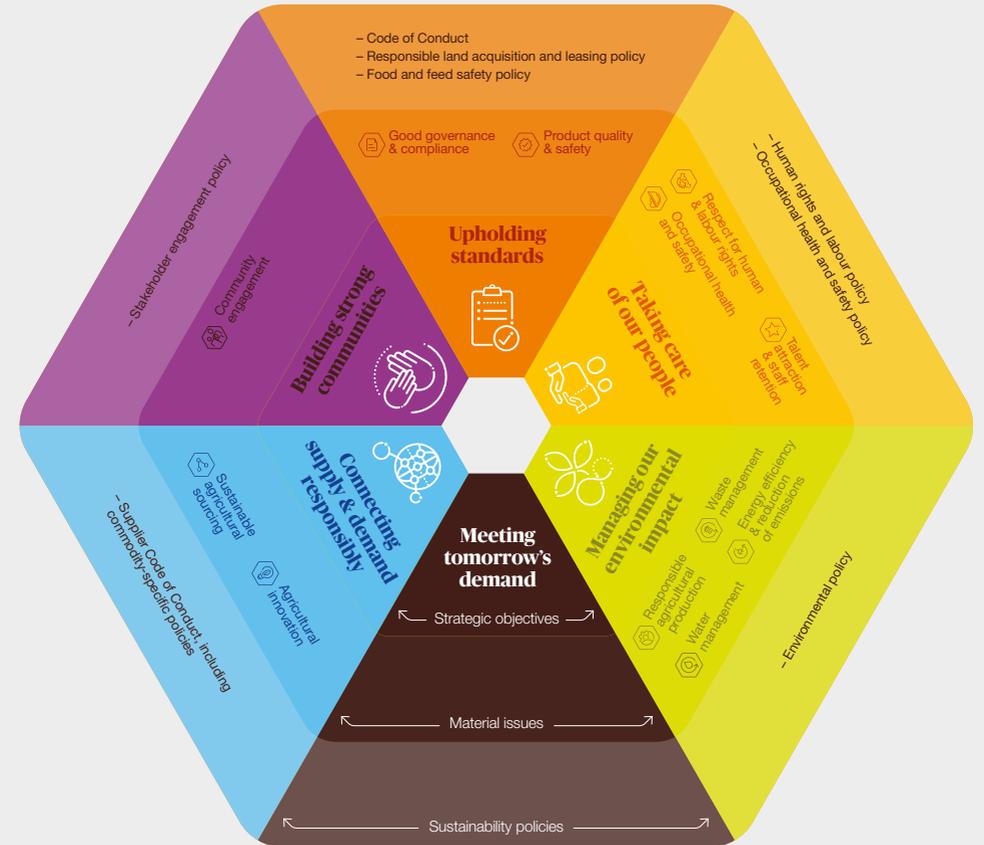


**COFCO International shareholders**



# Our sustainability strategy

Our sustainability strategy, meeting tomorrow's demand, is our roadmap to feeding a growing population sustainably. It is built on a rigorous materiality assessment in 2017, incorporating inputs from key internal and external stakeholders. It consists of five main pillars, 12 material issues and policies to guide implementation.



All our sustainability policies are available at:  
[www.cofcointernational.com/sustainability/our-policies/](http://www.cofcointernational.com/sustainability/our-policies/)

# 2017 in numbers



## Sustainability strategy

**12**

MATERIAL ISSUES IDENTIFIED IN COLLABORATION WITH STAKEHOLDERS



## Upholding standards

**92**

CERTIFICATIONS FOR ENVIRONMENT, HEALTH, SAFETY, PRODUCT QUALITY AND SUSTAINABILITY



## Taking care of our people

**361,275**

HOURS OF TRAINING IN ENVIRONMENT, HEALTH AND SAFETY FOR EMPLOYEES AND CONTRACTORS



## Managing our environmental impact

**60%**

OF TOTAL WASTE RECYCLED, REUSED OR COMPOSTED



## Connecting supply and demand responsibly

**955,000**

HECTARES OF SOY FARMS IN AMAZON AND CERRADO SCREENED



## Building strong communities

**14,419**

PEOPLE DIRECTLY BENEFITTED FROM OUR COMMUNITY PROGRAMMES

**33**

SUSTAINABILITY COORDINATORS ACROSS 25 COUNTRIES

**100%**

EMPLOYEES ENGAGED ON OUR ANTI-CORRUPTION POLICIES AND PROCEDURES

**45%**

OF EMPLOYEES RECEIVE FORMAL PERFORMANCE APPRAISAL AND REVIEW

**82%**

OF TOTAL ENERGY GENERATED FROM RENEWABLE SOURCES

**10,560**

TONNES OF CERTIFIED SUSTAINABLE COFFEE SOURCED

**12**

STAKEHOLDER ENGAGEMENT PLANS AND SOCIAL DIALOGUES IMPLEMENTED

Find out more in our full report:  
[www.cofcointernational.com/sustainability/](http://www.cofcointernational.com/sustainability/)

# Upholding standards



We create value and balance stakeholder interests through good corporate governance, compliance with applicable laws and regulations and ensuring the quality and safety of our products.

### Governance and compliance

Our Code of Conduct sets out detailed behavioural standards which all our employees are expected to uphold and practice. It is grounded in our corporate values of Integrity, Inclusiveness, Innovation and Sustainability and includes our overall policy on environmental and social responsibility. We expect our business partners to comply with the principles and standards of this Code.

### Product quality and safety

We strictly comply with all applicable laws and regulations regarding food and feed safety. We have established specific systems to systematically identify, assess and manage food safety hazards. To ensure laboratory test accuracy, we have also implemented a global Internal Quality Cross Check programme whereby each facility submits results of three sampling experiments by different teams. We can then compare sampling accuracy across global facilities and identify possible sources of errors. In addition, we consider certifications as a tool for product quality and safety assurance, also in our trade flow.

92

CERTIFICATIONS FOR ENVIRONMENTAL, HEALTH, SAFETY, PRODUCT QUALITY AND SUSTAINABILITY

10

MAIN OFFICES ORGANIZED IN-PERSON TRAINING ON CODE OF CONDUCT AND FINANCIAL MARKETS COMPLIANCE

# Taking care of our people



We recognise people as the driving force behind our business by respecting their human and labour rights, providing a safe and healthy work environment and offering opportunities to grow and excel.

## Human rights

We are committed to the International Bill of Human Rights and the eight International Labour Organization Core Conventions. Extending to our contractors, our Human Rights and Labour Policy outlines how we practice freedom of association, no forced or child labour, diversity and equal opportunities, no harassment and fair employment practices.

These principles are strictly adhered to across our global operations through country-level policies and procedures, while our global grievance mechanism is available for any concern related to human and labour rights abuse.

**361,275**

HOURS OF TRAINING DEDICATED TO ENVIRONMENTAL, HEALTH AND SAFETY TRAINING

**2m**

EMPLOYEE SAFETY WORK HOURS AT OUR NANTONG CRUSHING PLANT IN CHINA

## Occupational health and safety

Our corporate Environmental, Health and Safety management system promotes consistent practices across all regions, business lines and operation types via 45 procedures and implementation tools.

In 2017, we focused on OHS training for employees and contractors, covering a range of topics including personal protective equipment, hazard work permit systems and handling of hazardous substances. We also piloted the “Eyes on Risk” programme in Brazil to encourage proactive identification and reporting on risky behaviours or unsafe work conditions.

### Lost-time frequency rate

(per 200,000 work hours)

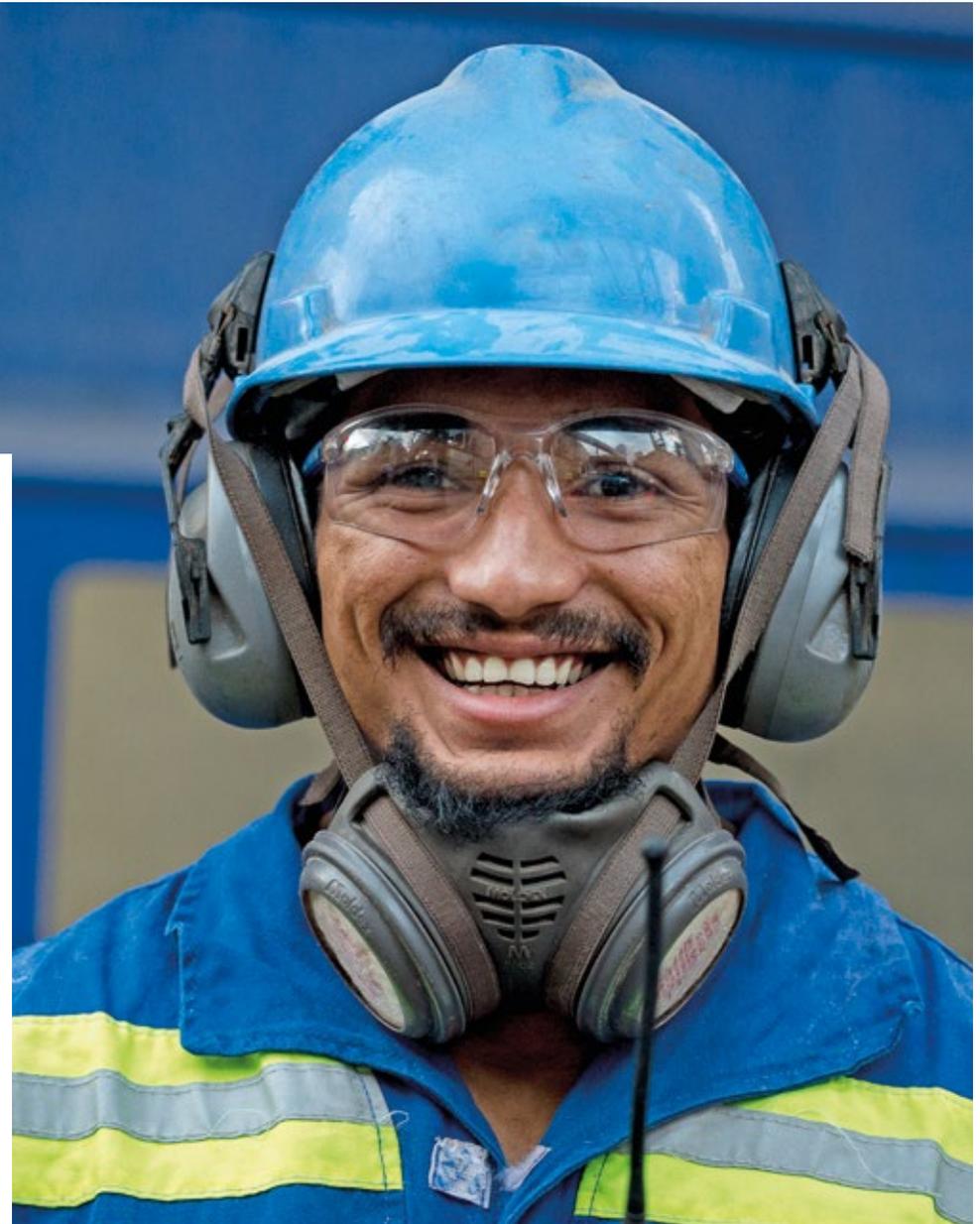


### Safety index<sup>1</sup>

(per 200,000 work hours)



<sup>1</sup> Safety Index (SI) = (Medical Aid Frequency Rate/7.5) + Lost Time Medical Aid Frequency Rate + (Severity Rate/5)



# Managing our environmental impact



We mitigate the environmental impact of our operations by monitoring and optimising our resource efficiency, applying responsible agricultural practices and minimising waste generation.

### Responsible production

In Brazil, we lease and operate over 170,000 hectares of sugarcane plantations. Wherever possible, we use organic matter from our sugar production process as natural soil improvers. We use precision application of effluent and fertilisers with GPS guidance, to minimise the amount of fertiliser going into the soil.

### Water and waste

To maximize water efficiency, we set site-specific water efficiency targets for our industrial facilities often more stringent than local regulatory requirements, to ensure optimal water use. In 2017, we further enhanced waste categorisation, recycling and reuse at our facilities. Over 60% of generated waste was either recycled, reused or composted.

### Climate Change

Wherever possible, we opt for renewable resources (wood, bagasse, sunflower husks) to generate energy for operations. Our four sugar mills in Brazil and a crushing plant in Argentina also sell surplus renewable energy to local grids, supplying homes and businesses with clean energy.

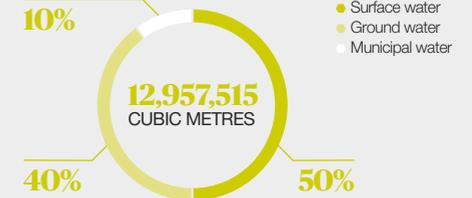
**68**

MONITORING POINTS FOR THE FLORA AND FAUNA AROUND OUR SUGARCANE PLANTATIONS

**48.2m**

GJ TOTAL ENERGY CONSUMPTION IN 2017

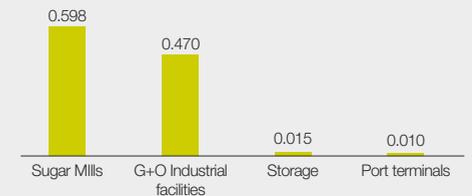
### Freshwater withdrawal



### Our carbon footprint

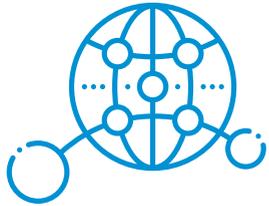


### Water efficiency by facility type (m<sup>3</sup>/tonne of production)



<sup>1</sup> The scope of our greenhouse gas monitoring covers our global industrial operations, storage facilities, port terminals as well as Brazil farming operations. The data has been audited and certified by third-party agency TÜV NORD in accordance with the ISO 14064 standard.

# Connecting supply and demand responsibly



We manage our supply chains in an efficient, responsible and sustainable way by mitigating possible environmental and social risks – including biodiversity and deforestation, working in partnership, while innovating for agricultural productivity.

## Soy

In Brazil, we set the following environmental and social criteria for all soy sourcing:

- Suppliers must not be listed in the Ministry of Labour forced labour list, or IBAMA's embargoed areas list
- Suppliers in the Amazon biome must respect Soy Moratorium cut-off date (July 2008)

For our pre-financed suppliers located in the Amazon and Cerrado biomes, we apply additional requirements, including CAR registration, respect for indigenous peoples and High Conservation Values land mapping. We use geo-mapping to track supplier compliance.

We are active member of key initiatives that work towards a more sustainable and transparent soy supply chain, including the Soy Moratorium, Soy Working Group, Cerrado Working Group and Green Grain Protocol of Pará.



## Sugar

To promote greater supply chain responsibility, we screen all sugarcane suppliers against the IBAMA Embargoed Areas List and Forced Labour List. We also conduct geo-mapping of supplying sugarcane plantations review the result against indigenous land and conservation areas.

We also conduct geo-mapping of supplying sugarcane plantations and review results against indigenous land and conservation areas.

## Coffee

Within our three key sourcing countries – Colombia, Brazil and Vietnam –farmers voluntarily participate in our sustainability verification programmes, aiming to promote best agricultural practices, as well as improve social welfare for children, women and farm workers.

**955,000**

HECTARES OF SOY FARMS IN AMAZON AND CERRADO BIOMES SCREENED WITH GEO-MAPPING

**3,000**

COFFEE FARMERS ENROLLED IN OUR SUSTAINABILITY VERIFICATION PROGRAMMES IN COLOMBIA, BRAZIL AND VIETNAM

# Building strong communities



We seek to have a positive impact on the communities where we work and live; empower underprivileged people to improve their future within the context of international agri-business, through stakeholder engagement, partnerships and programmes.

The majority of our operations and sourcing partners are located in rural regions. To ensure we have a positive impact, we are in continual dialogue with communities, government agencies, trade unions and civil society organisations, through regular Social Dialogues and implementation of Stakeholder Engagement Plans.

Going forward, we will further define our global community investment approach to support our business strategy and create shared value for our communities. It will guide our future community investments and help track the environmental and social return of our community programmes.

## 14,419

PEOPLE DIRECTLY BENEFITTED FROM OUR COMMUNITY PROGRAMMES IN ARGENTINA, BRAZIL AND ROMANIA



“Today, thanks to the partnership and support of COFCO International, we have examples of young people who participated in the project and built skills that allowed them easier entry into the labour market. They are now working as teachers and musicians. Also, many young people have learned to express themselves better, become more dynamic, improved school grades and increased their self-esteem. We just have to thank you.”

**Marcos Vilela**

Founder of the Institute of Personal and Social Development “Os sonhadores”



# We'd love to hear your thoughts:

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