

# Communication on Progress

2011





Dear Stakeholders

Foodlink, via its daily management activity and business communication, devotes itself to achievement of the UN Millennium Development Goals, and reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Jia Li  
Chairman



# FoodLink

## Human Rights

### ⊕ Assessment, policy and goals

As an internationally recognized principles, Human Rights is specially part of Foodlink employee behavior standard, which is learned by all staffs after staff entry.

Foodlink considers human-oriented principle as a long-term policy, and pay more attention to fully free development of every employee. Their freedom of opinions, associations and publishment is fully protected by HR office.

On the other hand, Business Partners and Suppliers are also requested to adhere to this principle: treating each other fairly and with respect, so as to develop a longtime stability and development.





# FoodLink

## ➤ Implementation

Foodlink, in its labor contract, guarantees a culture of openness, honesty and transparency. Staff is encouraged to discuss issues encountered in the work place so as to find adequate solutions and prevent similar situations from happening in the future.

Human care is an essential responsibility of HR office. HR manager regularly collects suggestions of employee, and timely resolve their problems such as food and accommodation, training and group activities. Our plans as follows:

- Company game annually in May.
- Vocational training four times a year by JLA.
- Theatrical festival in the end of a year.







# FoodLink

## + Measurement of outcomes

Through all those activities, Foodlink is pleased to witness a great progress in both body and mind of every employee:

They work with efficiency and passion, and as a perfect team.

Their personalities and personal strength is fully showed and developed.

Also an excellent enterprise culture is gradually cultivated.





# FoodLink

## FOOLINK GAMES





# FoodLink

## VOCATIONAL TRAINING







# FoodLink

## HOPE PROJECT







## Labour

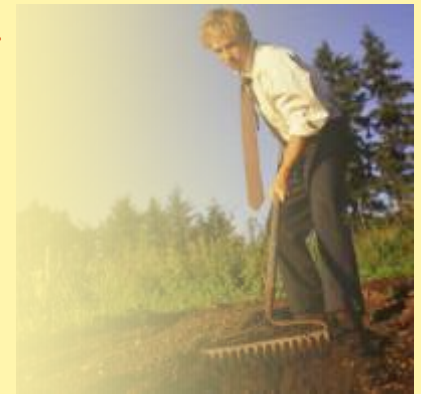
### ⊕ Assessment, policy and goals

Foodlink deeply convinces that talents are powers of company development, and every employee's labour must be treated equally and with respect. All staffs are trained on this point when staff entry.

Employee contract clearly states employee rights, responsibilities, compensation and benefits.

Company benefits grow in terms of productivity and local living standard.

In this year, Foodlink develops pay rates according to local legislation and try to make performance wage standard, so as to give employee fairer reward.



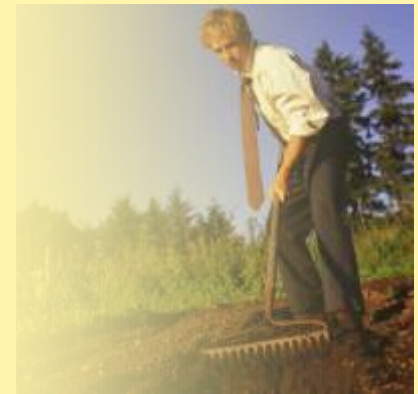


# FoodLink

## ➤ Implementation

Foodlink has stated with detail in employee contract to ensure that Labor Rights are respected and in case of violation, resolved with the best interest of the neglected party at heart. Below are a few examples of implementation measures taken by the Company:

1. Paying a fair wage as notified by the Government, and it is over the average level.
2. State Insurance promoted by Government of China and we contribute to 75% of the premium.
3. To comply with housing fund regulation and we contribute to 50% of the premium.
4. Providing suitable job opportunities for unemployed including the disabled.





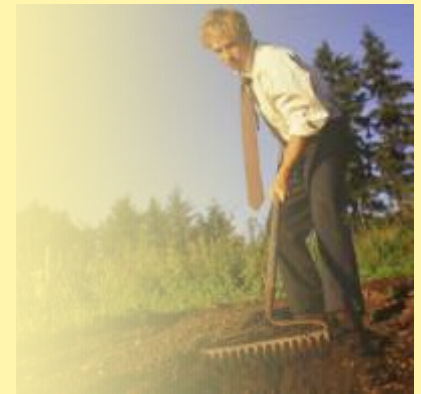
# Foodlink

## + Measurement of outcomes

Foodlink has not been involved in any investigations, legal cases or other relevant events related to the contravention of the Global Compact Labour principles.

One survey in the period covered by this COP shows: more than 90% of respondents indicate that employee are treated fairly on labor and employment.

Foodlink is also proud to encourage freedom of speech on labour, and resolve a lot of problems about employee benefits.





# FoodLink

## Environment

### ⊕ Assessment, policy and goals

Foodlink always sticks to Energy Conservation and Emission Reduction which is a continuously motivated national policy. We consider not only green and quality food but also green environment as our mission. We have included this internationally recognized principle into company management system and quality control system. More details please see above part: Implementation.

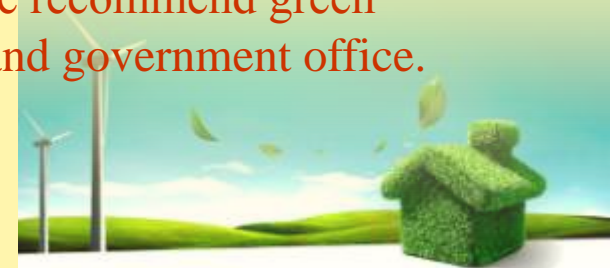




## ➤ Implementation

Implementation on this universal principle maybe include but not limited to following:

1. In Foodlink's system there are energy consumption standards for each production process.
2. We have developed some activities aimed at saving energy and in daily life, such as windows should shut when using air conditioning; Turn off lights, air conditioning and computer equipment when leaving the office; Use public transport instead of taxis or company cars.
3. In Foodlink's Workers Operating Practices, we have defined how to deal with recoverable and unrecoverable waste. Some dangerous chemicals such as aluminium phosphide are disposed by special qualified staff, also there is monitoring to ensure minimum of environment pollution.
4. In order to supply green foods to Foodlink's customers, we recommend green pollution-free technology for our suppliers with special lab and government office.





# FoodLink

## + Measurement of outcomes

No claim regarding Environment was reported in the period covered by the COP.

With a great degree we supply green and safe food to customers. Claim rates about food safety decreased greatly.

Employee's environment consciousness have been enhanced. Foodlink is proud that our employees could gradually stand out anywhere they prevent environment pollution to occur.



## Anti-Corruption

### ⊕ Assessment, policy and goals

Content about Anti-Corruption is available in employee code of conduct. Our management team pay great attention on this principle. Corruption and Bribery of any kind is strict zero-tolerance to Foodlink.

An effective monitoring and reporting mechanism has been developed in Foodlink. How to react and report violation on anti-corruption is included in it.





# FoodLink

## ➤ Implementation

An annual convention has been held between senior management on July 2011. Each department's work plan is up on agenda. Especially refusing bribes from our suppliers is with top priority. Regularly training on anti-corruption is developed for manager of each department. Employees' work and responsibilities is finished in a publicly transparent environment. Corruption of any kind in Foodlink will be noticed and dealt with according to employee code of conduct.







# FoodLink

## + Measurement of outcomes

Foodlink has not been involved in any legal cases, rulings or other events related to corruption and bribery.

As a result of actions on anti-corruption, all employees are made aware of consequences related to corruption and bribery violations.

Meanwhile finance department sets out more strictly approval procedure so as to identify any spurious payments which could be related to bribery or corrupt behavior.

