



COFCO INTL

Cultivating a better future

Sustainability Report 2020

COFCO International Ltd



The role of the food and agriculture industry became even more important in 2020, as the Covid-19 pandemic swept the world, bringing chaos and uncertainty to millions. As a global agri-business with a mission to feed the world responsibly, we played our part in supporting food security, while keeping our people and products safe, and standing by our commitments to cultivate a better future.

In our new reality, the pressing need to transform our global food system remains more important than ever. Intensifying agricultural production sustainably is the only way to feed the growing population. And this transition must protect the climate, promote biodiversity and safeguard natural resources. We work with partners throughout our value chain to promote more sustainable agricultural practices and build farmers' capacity to produce food in a way that respects nature and improves their livelihoods. The progress we make on our sustainability journey will enable our business and stakeholders to thrive, while nourishing the next generations.

Our mission

To create a positive and sustainable impact on our people and shareholders, on farmers and communities and on our customers and partners.

Our values

Integrity, inclusiveness, innovation and sustainability.

Our new reality



What's inside?

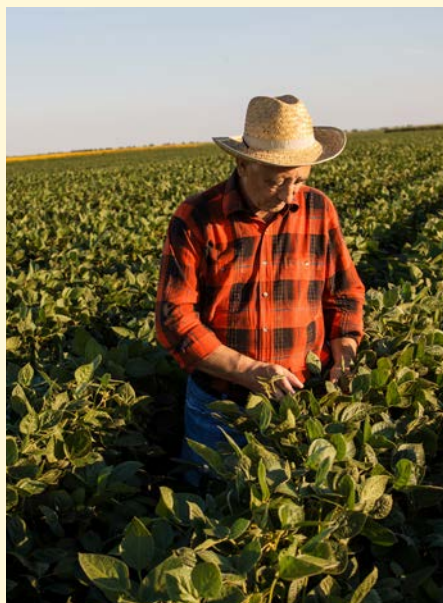
Welcome to our 2020 sustainability report. We are pleased to share our progress on the five strategic priorities underpinning our sustainable growth as a business, while creating value for all our stakeholders.

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Reporting boundaries

Covering the 2020 calendar year, this report is aligned to Global Reporting Initiative (GRI) standards, Core option. The GRI Index Table, available for downloading on our website, forms an integral part of this report. It also contains non-financial information on material aspects of our Environmental and Social Action Plan, as agreed on with International Finance Corporation. The reporting scope includes all facilities and operations 100% owned and/or operated by COFCO International throughout 2020.

Our five strategic priorities



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42 Upholding standards

Keeping our supply chains moving

We are living in extraordinary times. In 2020, humanity faced unprecedented uncertainty and untold health and economic impacts. We have all been affected by the crisis, and many of us have experienced hardship and loss. Now, we must all play a role in nurturing a better future.



Throughout the year, COFCO International's first and most important priority was keeping our people safe. This meant transforming the way we operate on the ground to help ensure a Covid-secure environment, rapidly adopting rigorous policies and robust safety measures at all our facilities. With the support and courage of our employees and partners, we acted swiftly and decisively to promote global food security.

The Covid-19 pandemic has further highlighted the pressing need to build resilience in our food system, and change our relationship with nature. This must take place amid heightened economic pressure, volatile markets and the pressing challenges of climate change, biodiversity loss and resource scarcity.

Our sustainability strategy – Meeting tomorrow's demand – is the vehicle through which we drive change in our business and supply chains, and create value for our stakeholders. It guides our efforts to improve the sourcing of commodities and raises our suppliers' social and environmental standards. This work is directly aligned to the principles of the UN Global Compact and supports the UN's 2030 sustainable development vision. It is fundamental to feeding the world responsibly.

In 2020, we continued to work closely with partners to gain further insights into the social and environmental risks in our supply chains. In particular, Brazil is set to gain further importance as a sourcing country for our business, and remains a key focus of our sustainability programmes. Tracing commodities back to their source provides a strong foundation for progress, enabling us to prioritise supplier engagement

efforts. To achieve full soy traceability and ultimately conversion-free soy, we have undertaken complex risk analyses across millions of hectares of soy farms.

And our efforts are beginning to deliver results. I am proud that we have successfully met all traceability ESG targets for our \$2.3 billion sustainability-linked loan, which serves as an important financing facility. Any performance-related reductions in interest are directed to advancing our sustainability ambitions.

Across our commodity sourcing and processing, sustainable practices are becoming more engrained in our operations. For example, we issued over 295,000 carbon credits known as CBios under RenovaBio programme in Brazil. Meanwhile, we joined the Cerrado Waters Group to help preserve freshwater systems and build a flourishing future for coffee. In 2020, 27% of our total coffee sales volume was certified or verified as sustainable.

Our greenhouse gas emissions decreased year on year, largely due to our gradual transition to clean energy. Some 88% of our global energy needs were met by renewables. The carbon intensity of our operations improved through increased energy efficiency and processing larger volumes. Within our shipping operations, we remain committed to investigating opportunities for decarbonisation, including through alternative fuels. We have also joined the industry's Sea Cargo Charter to drive standardisation in climate reporting.

To support our local communities, we invested in providing protective supplies and medical equipment to help fight the pandemic, and

“Our sustainability strategy – Meeting tomorrow's demand – is the vehicle through which we drive change in our business and supply chains, and create value for our stakeholders.”

supported vital training for doctors and nurses in Argentina to transition to treating Covid-19 patients in intensive care units.

Our work to uphold high standards of integrity, ethics and governance continued, with important steps to improve our confidential Integrity Hotline. Once again, I am pleased to confirm there were no instances of corruption or product safety reported or identified in the past year.

Finally, I would like to thank all our employees and partners for their bravery and dedication in 2020. Your safety and wellbeing will continue to be our foremost concern in 2021, as we continue to weather the Covid-19 pandemic. This year is critical for business action on the global biodiversity and climate agendas, too, with the upcoming UN conferences in China and the UK. Let us come together to define the momentous steps that must be made to set our world on course for a more sustainable future.

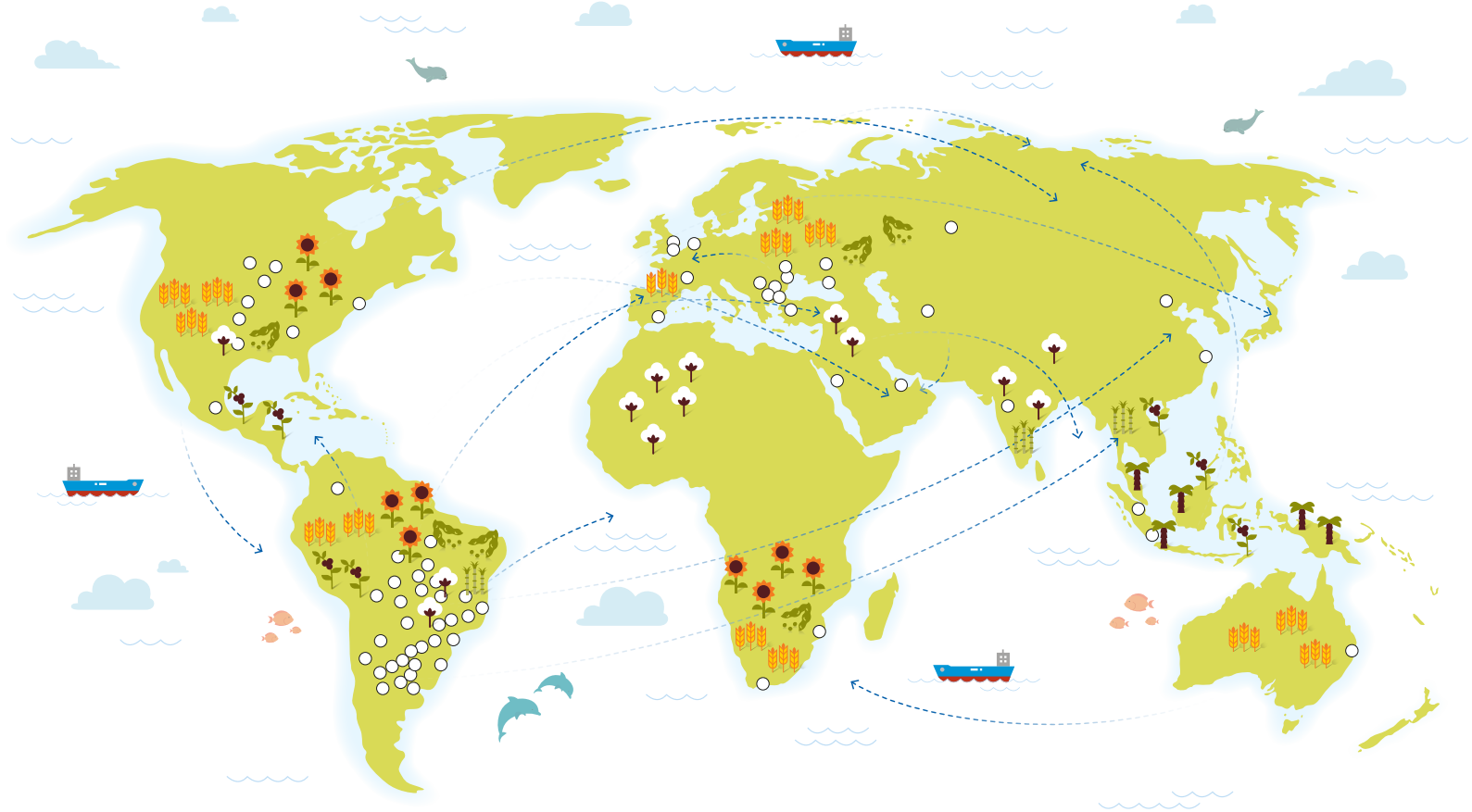
David Dong
CEO of COFCO International

We are COFCO International

COFCO International is a global agri-business committed to feeding the world in a responsible way.

With 11,709 people in 36 countries, we specialise in sourcing, storing, processing, trading and transporting major commodities including grains, oilseeds, sugar, coffee and cotton. In 2020, we traded over 131 million tonnes of commodities, achieving revenues of \$33 billion.

Our ability to grow as a business, meet rising demand and deliver on our mission is based on collaborative relationships throughout the value chain, high standards, operational excellence and ongoing investment in technologies and infrastructure. Our assets are located across strategic producing countries in the Americas, Europe and Asia-Pacific, with the majority based in South America, the world's largest agricultural commodity-exporting region.



Warehouses Processing Ports

	Warehouses	Processing	Ports
APAC	1	1	
EMEA	13	2	4
Latin America	37	8	8
North America	3		3

COFCO International investors



TEMASEK



\$33bn
Revenue

131m
Tonnes turnover

33m
Tonnes port capacity

11,709
Employees

36
Countries

2.3m
Tonnes inland storage capacity

26m
Tonnes processing capacity

Commodities that touch our daily life

Agricultural commodities form the basis of many everyday products consumed by billions of people worldwide. As demand for commodities increases, COFCO International is committed to nourishing the growing global population responsibly.



Grains

Wheat, corn, barley, sorghum

Origin: South America, Black Sea, North America, Europe, Australia, Southern Africa

Our role: sourcing, storing, trading, distribution

How are grains used?

Grains, also called cereals, are an important staple food, providing an average of 48% of people's calorie intake. Grains are also used to feed livestock and to manufacture some cooking oils, fuels, cosmetics and alcohols.

55m

tonnes traded in 2020



Oilseeds

Soybean, sunflower seed, rapeseed, palm oil

Origin: South America, North America, Black Sea, Southeast Asia, Southern Africa

Our role: sourcing, storing, processing, trading, distribution

How are grains used?

Oilseeds can be processed into and used as cooking oils (e.g. sunflower oil, rapeseed oil), and more broadly are important raw materials for a wide range of everyday products. Palm oil, for example, is found in everything from ice-cream and chocolate to cosmetics and cleaning products. It is also used in some countries as a biofuel.

43m

tonnes traded in 2020



Sugar

Origin: South America, South Asia, Southeast Asia

Our role: farming, sourcing, storing, processing, trading, distribution

How is sugarcane used?

In addition to being a highly popular ingredient for many everyday food and drink products, ethanol (a by-product of sugar production) is used in industry and as a fuel, and for bioenergy.

17m

tonnes sugarcane crushing capacity



Coffee

Origin: South America, Central America, Southeast Asia

Our role: sourcing, storing, processing, trading, distribution

How are coffee beans used?

Coffee is the world's most popular beverage, with around 2 billion cups of coffee consumed every day. Coffee beans can also be used in a range of other food products.

7

sustainability certification and verification schemes



Cotton

Origin: South America, North America, South Asia, Middle East, West Africa, Southeast Asia

Our role: sourcing, storing, trading, distribution

How is cotton used?

Cotton is the world's most used fibre, present in everything from clothing to bank notes. It's likely that you come into contact with cotton every day.

500,000+

tonnes traded annually

COFCO International's role in the global agricultural value chains

We seek to meet the rising demand for food effectively, optimising our approach amid political and economic uncertainty, climate change, fluctuating yields and raw material price volatility. To create a more resilient global food system, we collaborate with all our stakeholders to help cultivate a better future.

Connecting supply...

...with demand

Our value chain footprint



Agricultural inputs

We support agricultural input providers to promote more nature-friendly products that improve yields and maximise the efficiency of nutrient and water use, while minimising impact on the environment and communities.



Production

We operate over 220,000 hectares of sugarcane plantations in São Paulo state, as a major producer of sugar, ethanol and bioenergy in Brazil.

We are improving practices at farm level by opting for organic pest controls and fertilisers, monitoring flora and fauna, and conserving native vegetation around our plantations.



Sourcing

To strengthen our direct relationships with farmers, we purchase commodities from farmers, co-operatives and third parties, in all major producing countries.

We require all our suppliers to adhere to consistent sustainability standards. We evaluate supplier performance, with a focus on our most strategic suppliers and those with the greatest risk exposure. We are also investing in farmer capacity-building to support continuous improvement.



Storage

Prior to processing or delivery, we store agricultural commodities in warehouses and silos at strategic locations worldwide, operated by COFCO International or third parties.

Our storage sites uphold globally consistent product quality and health and safety standards, in line with our corporate policies and legislative requirements.



Processing

We process agricultural commodities into products for local and global markets at our refineries and crushing facilities in South America, Europe, Asia and Africa, with a particular focus on the rapidly expanding Asian market.

We innovate to reduce our energy and water use, create value from by-products and industrial waste, and increase our use of renewable energy. All our facilities have implemented a consistent environmental, health and safety management system benchmarked against international standards.



Trading

As an international trading house, we use multiple platforms to trade agricultural commodities at scale.

We monitor global supply and demand trends, leverage our agility to ensure timely responses to market shortages where demand exists, facilitating commodity flows within and across borders.



Transport and Distribution

We transport most of our commodities by sea, leveraging our sophisticated global maritime logistics network and large modern fleet, and provide freight services to industrial customers.

To help halve the shipping industry's carbon emissions by 2050, we are taking action to track carbon emissions from our time-chartered ships and improve the fuel, energy and cost efficiency of our fleet.



Retail and marketing

We collaborate with retail customers to meet consumer demand for sustainable products and improve the transparency and resilience of agricultural supply chains.



Consumption

Together with our supply chain partners, we support consumers in making responsible purchasing choices through sustainability certifications and enhanced supply chain transparency.

Optimising our impact





How agri-businesses can help transform food systems



Justin Adams

Executive Director, Tropical Forest Alliance

Transforming our food and agricultural systems sits at the heart of solving the crises of climate change and biodiversity loss.

Here, we ask Justin Adams, of the Tropical Forest Alliance (TFA), a multi-stakeholder initiative convening action towards rural development and deforestation-free commodity supply chains, how agri-businesses could help promote the transition to sustainable food production.

Q: Why do we need to re-imagine the global food system and what's needed to deliver this change?

A: Globally, the way food is produced and manufactured is a primary driver of biodiversity loss and accounts for more than 25% of carbon emissions. However, it also stands to play a major role in protecting our landscapes and environment by adopting regenerative agricultural practices that protect and restore forests and native habitats.

In this defining decade of action towards the UN's 2030 Sustainable Development Goals, and with half the world's total GDP (\$44 trillion) dependent

on nature and its ecosystem services¹, now is the time to act.

And this radical shift will require humility, meaningful dialogue and collaboration across continents or value chains to deliver rapid scale and impact.

Q: What else should the transition address and where do agri-businesses sit within this?

A: To alleviate rural poverty and address major health and nutrition challenges, it's imperative that the transition also improves smallholder farmers' livelihoods and promotes diverse, nutritious and ecologically sound diets that definitively solve hunger, malnutrition and obesity.

As important players in the global food system, agricultural commodity traders sit at the core of this conundrum. They've made a significant contribution to global food security, helping to lift millions of people out of malnutrition. They also have a real opportunity to help address these complex, interconnected challenges, and contribute to this year's historic UN-led food systems, climate and biodiversity discussions.

There is still more to be done. However, we need to stop debating who's responsible and bring the world's food and agriculture actors and stakeholders together to find solutions. Everyone will need to think in different ways to solve the problems we face.

Q: How will the Tropical Forest Alliance catalyse collective action?

A: With more than 170 members and an extensive global stakeholder network, we are working to

catalyse collective action and to create the space for dialogue at these momentous exchanges. Hosted by the World Economic Forum, we've already helped to advance zero deforestation agreements in Colombia, pilot payment for ecosystem services schemes for soy producers in the Brazilian Cerrado, supported an integrated rural development model in Africa and advanced solutions for consumer countries to promote high standards for imported commodities.

We're mobilising private sector leadership, unlocking finance and helping to create an enabling policy environment, while also exploring new models for public-private sector collaboration.

Q: How can COFCO International help lead change?

A: Commodity traders have a vital role in acting as a bridge to farmers, helping to build their capacity to adopt better practices while improving their livelihoods. They also interact with multiple stakeholders, helping brands and retailers to fulfil consumers' sustainability expectations and engaging in constructive dialogue with peers, NGOs and governments in producer and consumer countries.

COFCO International is continually strengthening and investing in traceability and responsible supply chain management, helping to drive sustainable agricultural practices within its own supply chains. Its sector-leading sustainability-linked \$2.3 billion loan in 2019 is a great example of a company aligning its core business and future success with social and environmental objectives. However, the challenges are too great for any one company to solve alone. The whole sector must move forward

together and collaborate on an unprecedented scale. It is encouraging to see COFCO International engage more deeply with sector-wide agri-commodity initiatives, such as the TFA and the Soft Commodities Forum (hosted by the WBCSD) to drive collective action.

Q: How can China best contribute to the UN's 2021 Biodiversity Conference in Kunming?

A: China will need to show leadership on greening its commodity value chains to meet its overall carbon neutrality target of 2060. The concept of ecological civilisation is a powerful philosophy of human production and consumption working in harmony with nature. In particular, it could share its experience in zoning and land use planning to meet ecosystem and economic objectives. Through its Ecological Conservation Redline initiative, for example, more than a quarter of the country is designated for nature conservation, with spatial limits established for agriculture. China could also play an important role in promoting sustainable development in producer countries, helping to catalyse a both profitable and sustainable soy industry in Brazil, for example for agriculture. China could also play an important role in promoting sustainable development in producer countries, helping to catalyse a both profitable and sustainable soy industry in Brazil, for example.

Any future global agreements to protect the land and oceans can only be enacted by nation states and businesses working in partnership for change. Exchanging ideas and knowledge will help to fulfil ambitious carbon neutrality goals and shift the world's economic systems to protect natural capital.

1. The New Nature Economy Report, World Economic Forum, 2020.

Our sustainability strategy

Our sustainability strategy, Meeting tomorrow's demand, defines the way in which we aim to improve our impact on people and the environment and thrive as a business. We focus on the areas where we stand to make the greatest difference, collaborating with our partners for meaningful change. Our strategy also enables us to make an important contribution to transforming the food system and nourishing the world sustainably.

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10 Meeting tomorrow's demand

11 2020 highlights

Meeting tomorrow's demand

Our sustainability strategy focuses on the 12 issues that matter the most to our business and stakeholders. Achieving progress on these issues will strengthen our business, support our ambition to help feed the world responsibly, and contribute to the UN 2030 Sustainable Development Goals (see page 47).

We ensure a consistent focus on climate action and biodiversity conservation throughout our activities, while focusing on four priority areas where we stand to make the greatest impact: taking action towards sustainable agriculture, promoting respect for human rights, keeping our people safe and improving the lives and livelihoods of the communities where we operate.

In 2020, we continued to develop robust policies and set concrete targets across the five pillars of our strategy to help guide our progress towards 2030. As we monitor our performance, we will regularly review our strategy as we move further towards delivering our mission. For more detail on our sustainability governance, see page 44. For our material issues, see page 46. Our sustainability policies can be found [here](#).

Our strategic objectives

 <p>Connecting supply and demand responsibly</p> <p>Towards efficient, low-carbon and sustainable supply chain management, innovating to raise agricultural productivity, build climate resilience and promote biodiversity.</p>	 <p>Taking care of our people</p> <p>Respecting human and labour rights, providing a safe, healthy and inclusive work environment, helping our employees to fulfil their potential.</p>	 <p>Managing our environmental impact</p> <p>Advancing resource efficiency, lowering carbon emissions and creating value from waste.</p>	 <p>Building strong communities</p> <p>Improving farmer livelihoods and creating a positive impact on people and the environment in the communities where we work and live.</p>	 <p>Upholding standards</p> <p>Ensuring the quality and safety of our products, maintaining good corporate governance and compliance.</p>
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Our material issues

<p>– Priority: Sustainable agricultural sourcing</p> <ul style="list-style-type: none"> – Agricultural innovation – Responsible agricultural production 	<p>– Priority: Respect for human and labour rights</p> <p>– Priority: Occupational health and safety</p> <ul style="list-style-type: none"> – Talent attraction and retention 	<ul style="list-style-type: none"> – Water management – Waste management – Energy efficiency and emissions reduction 	<p>– Priority: Community engagement</p>	<ul style="list-style-type: none"> – Good governance and compliance – Product quality and safety
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Our policies and priority targets

<ul style="list-style-type: none"> – Supplier Code of Conduct – Sustainable Soy Sourcing Policy – Sustainable Palm Oil Sourcing Policy – Conversion-free Soy Standard (2021) <p>Targets</p> <ul style="list-style-type: none"> – Full traceability to farm for directly sourced Brazil soybean by 2023 – 85% direct supplying farms in Brazil's Matopiba region with environmental and social assessment by 2021 – Evaluate supply chain management of all Tier 1 palm oil suppliers by 2020 – Full traceability to mill for palm oil by 2021 	<ul style="list-style-type: none"> – Occupational Health and Safety Policy – Human Rights and Labour Policy – Equal Opportunities Policy – Training and Development Policy <p>Targets</p> <ul style="list-style-type: none"> – Zero employee and contractor fatality – Safety Index for employees and contractors ≤1.5 – 2% employee work time dedicated to EHS training – 1.5% contractor work time dedicated to EHS training 	<p>– Environmental Policy</p> <p>Targets</p> <ul style="list-style-type: none"> – Reduce water intensity index by 10% by 2025 	<ul style="list-style-type: none"> – Stakeholder Engagement Policy – Responsible Land Acquisition and Leasing Policy – Community Investment Policy <p>Targets</p> <ul style="list-style-type: none"> – Implement Stakeholder Engagement Plan and social dialogue at all high community impact operations by 2021 – Conduct environmental and social impact assessment prior to all new site construction and acquisition 	<ul style="list-style-type: none"> – Code of Conduct – Food and Feed Safety Policy – Anti-Bribery and Corruption Policy – Anti-Money Laundering Policy – Gifts and Entertainment Policy <p>Targets</p> <ul style="list-style-type: none"> – Zero food/feed safety incident – 100% resolution of grievances received through our Integrity Hotline
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2020 highlights



Connecting supply and demand responsibly

295,000+

CBios issued by our 5 industrial facilities under RenovaBio programme.



Traceability targets

We achieved our palm oil and soybean traceability targets under our sustainability-linked loan.

27%

of total coffee sales volume certified or verified as sustainable.



Sustainable soy

We have introduced a new Soy Standard to help us meet market demand for soy free from native vegetation conversion.



Taking care of our people



We developed a rigorous Covid-19 response policy, supported by our global 'Stay Safe, Stay Connected' employee engagement initiative.

55,650

face masks and food packs provided to truck drivers in Brazil.

Up to 700

disinfected trucks per day at each plant in Argentina.



Human rights

We began to take action to address the findings of our global human rights impact assessment.



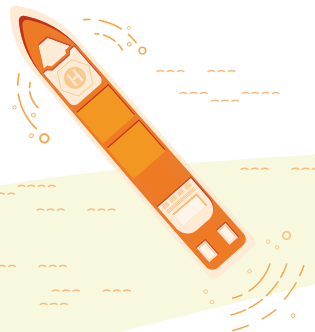
Managing our environmental impact

4%

reduction in carbon intensity of our operations through increased use of renewable energy.

88%

of our global energy needs were met by renewable energy.



We continued to support Getting to Zero Coalition to decarbonise shipping and joined Sea Cargo Charter to drive standardisation in emissions reporting.

Water risks

We conducted an in-depth evaluation of water risks at our industrial facilities.



Building strong communities

30,000+

beneficiaries reached through our community support actions.



113

locations covered by our global network of Sustainability Ambassadors who are engaged in creating positive change locally.

Covid-19

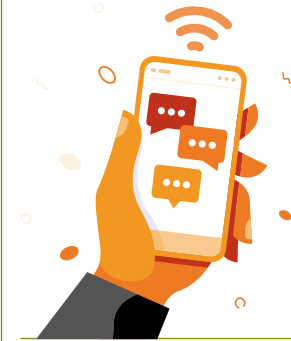
We supported communities and hospitals with vital medical supplies.



Upholding standards

Integrity Hotline

We improved our Integrity Hotline, through which stakeholders can report grievances confidentially for review by our dedicated committee.



59

days average closure rate for cases reported via our Integrity Hotline.

Zero

food and food safety incidents resulting in fines, penalties, or warnings.

Connecting supply and demand responsibly

To meet the growing demand for commodities sustainably, we work closely with our suppliers to raise productivity while improving social and environmental standards in our supply chain. We seek to build more direct relationships with farmers and help improve their livelihoods.

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Our wider contribution

UN Sustainable Development Goals



IFC Performance Standards



Strengthening our food system

In 2020, the challenge of ensuring security of food supply to nourish the growing global population in the face of climate change, biodiversity loss and resource scarcity was further heightened by the disruption caused by the Covid-19 pandemic.

Farmers and supply chain actors faced unprecedented levels of uncertainty and market fluctuations, as the food and agricultural industry sought to ensure supply continuity and address peaks in demand prompted by panic buying and stockpiling. We stood firm amid this challenging scenario and took every possible measure to support our suppliers and employees, while endeavouring to fulfil customer orders and feed the world responsibly.

Cultivating a better future is not only the right thing to do, it is also imperative to ensuring our business continues to thrive. We retained a relentless focus in 2020 on raising productivity sustainably and supporting our suppliers in building the capacity of smallholder farmers to adopt practices that respect nature and human rights, and improve their livelihoods. In particular, we required suppliers to adhere to our **Supplier Code of Conduct**, which defines the ethical, social and environmental standards we require them to uphold. We also continued to strengthen our sustainable sourcing policies, deepened our view of social and environmental risks, participated in multi-stakeholder initiatives and invested in promising technologies.

Importance of traceability

Tracing our commodities back to their origin enables us to understand their exact journey from the farm to our operation and beyond. It is a vital step to identify potential social and environmental risks and help ensure compliance with our policies. In this way, we can prioritise supplier engagement, and continuously improve our sustainability performance.

International recognition of our sustainability-linked loan

COFCO International's sector-leading sustainability-linked loan was recognised with five awards in 2020. The \$2.3 billion loan was agreed in 2019 with a consortium of 21 global banks, and is the largest ever for a commodity trader. By hitting annual performance targets on important environmental, social and governance topics, and soy and palm oil traceability, we gain interest discounts to be invested in our sustainability efforts.



Achieving sustainability recognition at our Brazilian biodiesel and ethanol plants

We started to re-certify our Rondonópolis soy crushing plant in 2020 (see page 15) and our Catanduva sugarcane mills under the RenovaBio programme, designed to promote sustainable farming and incentivise lower carbon transport in Brazil.

Under RenovaBio, tradable carbon credits known as CBios are granted proportionally to supplying farms, in line with environmental requirements, while fuel distributors can purchase these credits to help meet their annual carbon emission targets. In 2020,

COFCO issued 295,054 CBios. By recertifying our crushing plant, we assure that the soy we process for certified biodiesel has not negatively impacted native vegetation and demonstrates lower carbon manufacturing and logistics processes.

We have lowered the carbon footprint of our sugarcane mills notably by reducing the need for synthetic fertilisers through the application of vinasse and use of more sustainable fertilisers on our sugar farms.





Soybeans are a globally important commodity and an efficient form of protein primarily used for animal feed and increasingly, biodiesel.

As demand for meat and dairy continues to rise, sensitive ecosystems in Latin America – and the diversity of life they host – are at risk from deforestation and native vegetation conversion. With extreme and irregular weather already impacting agriculture in the region, addressing this risk is vital to both conserving biodiversity and preventing further climate change, while protecting the future of soy farming.

COFCO International is committed to sourcing soy responsibly and responding to stakeholder concerns, as we expand our soy operations to meet demand. We are collaborating across our value chain to create systemic change and build farmers' capacity to adopt sustainable, climate-resilient practices. As a result of our efforts, 4.8 million hectares of soy farms in Latin America were mapped and assessed for environmental and social risks in 2020.

Our **Sustainable Soy Sourcing Policy** defines the requirements for soy suppliers on issues from conserving natural habitats to protecting indigenous peoples and labour rights, and helps to manage risk in our supply chain. In 2020, we trained our key origination teams on implementing our Policy.

We also have a major focus on traceability as a mechanism to identify pressing social and environmental risks in our supply chain (see page 13). We aim to achieve full traceability in Brazil among farms from which we source directly by 2023, and have linked the core financing of our global business to our ability to drive progress towards traceability in 2021.

Deepening our view of environmental and social risks

In 2020, we continued to verify supplier compliance with our policy and deepen our view of social and environmental risks in our Brazilian soy supply chain, building on the extensive risk assessment we began in the Amazon and Cerrado in 2019. This effort is part of our collaboration with The Nature Conservancy and WWF, through the Collaboration for Forests and Agriculture (CFA) initiative. It combines comprehensive satellite mapping with information on known challenges to uncover areas of high risk. We identified 10 and 13 high risk municipalities in the Amazon and Cerrado, respectively, which we have prioritised for supplier engagement. We no longer trade with non-compliant farms. We aim to keep improving the risk analysis process and increase the number of municipalities



analysed. As established in our policy, COFCO International is committed to important sectorial agreements and criteria for soy supply. In 2020,

we received independent verification of our compliance with the Soy Moratorium and the Green Grain Protocol of Pará state.

4.8m
hectares of soy farms in Latin America mapped and assessed for environmental and social risks



Meeting market demand:

Conversion-free soy

To help us meet market demands for soy free from native vegetation conversion, we have introduced the COFCO International Conversion-Free Soy Standard. It will enable us to source soy in line with customers' specified conversion cut-off dates, as stakeholder interest in sustainably sourced soy rises.

Towards sustainable biodiesel

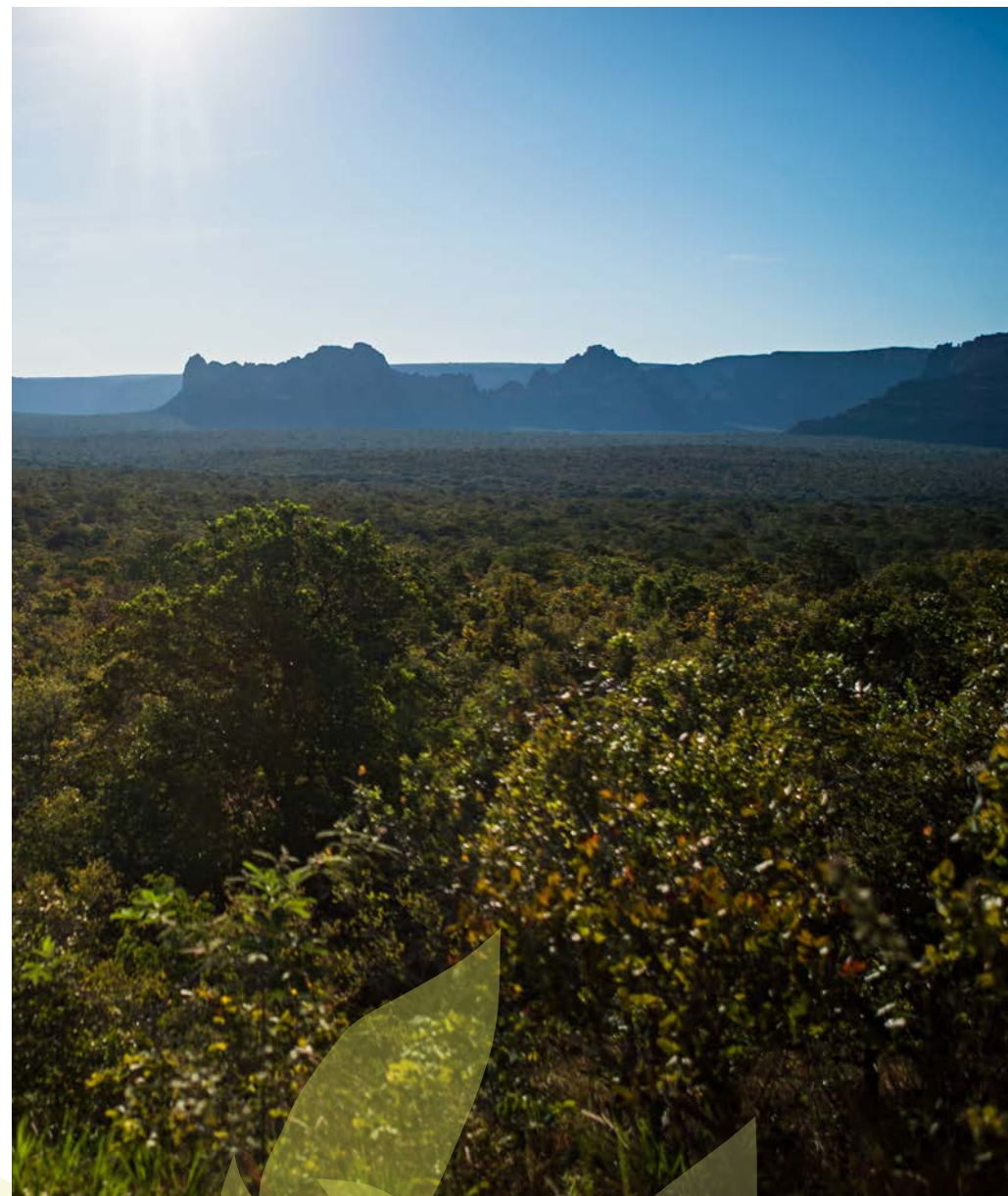
To protect natural ecosystems as soy production for biodiesel rises to meet market demand for cleaner fuels, we are strengthening our focus on sourcing soy for diesel in line with rigorous sustainability certification schemes. These include the 2BSvs scheme of Biomass and Biofuels sustainability in Argentina, Paraguay and Uruguay, and the Brazilian National Biofuel Programme (RenovaBio).

We produce 2BSvs biodiesel with soy grown using low carbon techniques and conserving land of high importance for biodiversity and carbon storage. In 2020, we mapped over 2 million hectares of soy farms to confirm their compliance with 2BSvs requirements, including those located in the Gran Chaco forest, enabling the production of nearly 47,000 tonnes of biodiesel under this scheme.

Similarly, **RenovaBio-certified biofuel** is produced in line with strict environmental requirements, including zero deforestation and conversion. This assessment of supplying farms was enabled through our cross-company effort to improve traceability. In 2020, we produced 83,000 tonnes of biodiesel from soy farms in line with the certification requirements.

The certification also highlights the carbon reductions we have made in manufacturing and logistics. We continue to optimise our operational and environmental efficiency at Rondonópolis, and are currently building a pipeline to transport biodiesel to our distributors, which will generate further efficiencies and further lower our carbon footprint.

130,000
tonnes of biodiesel produced
under certification schemes
from Argentina and Brazil



Collaborating for change

Partnering with the International Finance Corporation in Matopiba

In collaboration with the International Finance Corporation (IFC), a member of the World Bank Group, we are taking action to develop a more traceable and sustainable soy supply chain in the Matopiba region.

Together with Agrosatélite, we are screening suppliers' soy farms to ensure they comply with key environmental and social criteria, and building farmers' capacity to adopt more sustainable practices. In 2020, we mapped and analysed 357 supplying farms covering nearly 428,000 hectares. COFCO International also supported the live webinars of the ABC Soja Sustentável, run by Embrapa and Conservation International, including topics such as straw management for no-till and integration of crop, livestock and forests.

Soft Commodities Forum: Advancing deforestation-free soy production

We continued to participate in the [Soft Commodities Forum \(SCF\)](#). Hosted by the World Business Council for Sustainable Development (WBCSD), the SCF is a coalition of the world's six largest agri-businesses seeking to reduce and eventually eliminate native vegetation conversion in their Cerrado soy supply chains. In 2020, we achieved the group goal of 100% traceability in all 25 priority municipalities ahead of time, as a direct result of our teams collaborating for change, robust training and the transformation of our systems and procedures, and completed social and environmental risk screening in supplying farms. We also supported the SCF's

two pilot projects in Bahia and Mato Grosso, which have begun by understanding farmers' challenges in order to design and implement tailored improvement programmes.

Engaging farmers and communities with sustainable soy

To help building lasting relationships with our Brazilian grains and oilseeds suppliers, in 2020, COFCO International Brazil launched 'Meu Portal COFCO' (My COFCO Portal). Supported by our commercial team and designed with producers' needs in mind, the portal provides streamlined access to business, product quality and sustainability information and services, including social and environmental farm assessments. It will help improve the flow of communication while better equipping farmers to comply with our

“Tracing commodities back to their sources is essential to unravelling and addressing risks in our supply chains. Through this collaboration, we will be able to gain an in-depth view of our soy suppliers' sustainability performance and prioritise our supplier engagement activities to drive improvement.”

Julia Moretti

Global Head of Sustainability, COFCO International

Sustainable Soy Sourcing Policy. Beginning as a two-month pilot programme in June 2020 for ten producers, a further 256 farmers joined by the end of 2020, and we aim to reach all supplying farmers in 2021.

In Argentina, Paraguay and Uruguay, we continue to reach soy producers through Agricultura Consciente programme, a free online platform offering information on sustainable agricultural practices for rural communities. In 2020, social media engagement with our platform continued to grow, with 122,363 Facebook followers and 57,000 video views (reproductions).

Achieving RTRS Chain of Custody certification

In October 2020, COFCO International's commercial office in France secured the Round Table of Responsible Soy Association (RTRS) Chain of Custody certification, enabling our business to sell RTRS-certified soy in Europe, in line with the continent's growing demand for sustainable soy. RTRS-certified soy is deforestation and conversion-free and meets high environmental and labour standards. The soy is supplied by COFCO International Argentina and COFCO International Paraguay, which both obtained RTRS Chain of Custody certification in 2020 to produce responsibly soy.



Looking ahead

We will implement our new Sustainable Soy Sourcing Policy, engaging with key actors, and monitoring, verifying and reporting results. This will include extending our employee training to include online and interactive learning. In 2021, we will complete an ongoing study with Agrosatélite to identify the native vegetation conversion footprint linked to our soy supply chain in the Cerrado. We will continue to build suppliers' capacity to farm responsibly and above all, conscious of the vital importance of collaboration in driving change, we will work with our industry to advance collective action on responsible soy production.



Sugarcane

Sugar plays a major role in the human diet, while ethanol produced from molasses (a by-product of sugar production) can be harnessed for biofuels and bioenergy, offering a cleaner alternative to fossil fuels.

Improving the sustainability and resilience of sugarcane production is vital, in order help conserve water resources and ensure continuity of supply in the face of climate and biodiversity challenges.

COFCO International is among the world's top five sugar traders, and one of the largest sugar and ethanol producers in Brazil, where we run our own plantations and sugar mills. With direct control over production, we have a real opportunity to continuously improve our agricultural practices. We also continue to improve soil health, protect pollinators, and invest in technological solutions, including a mobile app to report agricultural fires and an IT system to better manage the use of chemicals at our sugar mills.

Gaining an in-depth of sugarcane farms

In 2020, we completed a robust, high precision mapping exercise. We covered all uses of the farms we manage (within the areas we could access), including fields, vegetation, water sources, reforestation areas and facilities such as power grids and houses. This builds on existing mapping work to improve the efficiency of the harvesting machines and increase operational productivity, expanding the scope to reduce farm management costs. Additionally, by monitoring these maps, we can identify and address any instances of deforestation as rapidly as possible. The results obtained are unprecedented in the sector, with around 130,000 hectares of sugarcane lines and 65,000 hectares of trees and water sources monitored.

Improving our fire monitoring centre

To monitor and prevent fire incidents in our sugarcane plantations, we work closely with our fire control centre station at our São José do Rio Preto office, which keeps our farms and surrounding areas under constant surveillance. In 2020, to improve communication links with the field, we installed on-board computers in our water truck fleet, which both improves our monitoring efforts and enables our fire control teams to act with greater agility. Now, when signs of a fire are identified, the system alerts the station and highlights the nearest water truck. Depending on the severity, the local fire brigade can also be

summoned. We will continue optimising our approach to prevent fires and keep our people and plantations safe.

Protecting biodiversity

Improving the impact of our sugarcane farming operation on local biodiversity starts with measuring and understanding our impact. In addition to our extensive mapping exercise, we use drones to monitor land use change around our and our suppliers' sugar fields. At all four plants, we monitor flora and fauna, covering over 5,450 hectares around our plantations, in line with our Biodiversity Conservation Procedure and CETESB (the state environmental organisation) requirements. These findings help determine concrete actions to protect wildlife and natural habitats, such as installing road signs and designating buffer zones, and raising awareness among local communities. In addition, we continuously seek to expand our reforestation initiatives, and in 2020, we planted 243,655 seedlings on our dedicated 850-hectare conservation area.

Leveraging natural methods to improve productivity

In 2020, we continued to pursue biological pest control methods on our sugar farms to help protect pollinators and improve soil health, including the use of natural predators in place of synthetic pesticides. For example, our sugar research team is studying the effect of placing fungi and bacteria in the soil during the sowing season to help manage pests such as the sugarcane borer or nematodes. Similarly, it is exploring the impact of releasing wasps to eliminate pest caterpillars, and using organic residues as fertiliser, in place of conventional chemicals. By reducing the use of synthetic pesticides, we also preserve local ecological balance, enabling more species of natural predators to act on pest control.



Engaging with suppliers, employees and communities

To help engage key stakeholders in action to protect the environment and biodiversity, in 2020 we developed dedicated booklets for suppliers and employees' families.

The suppliers' booklet is available online for our agricultural partners, and presents guidelines to comply with Brazilian environmental law, including on the preservation of native vegetation. For the families of our employees, we developed an 'Environmental League' educational booklet. Some 400 children of employees at our mills also attended an environmental campaign. Due to the high levels of participation, we plan to launch a similar publication in 2021 with additional health and safety topics.

These activities build on our annual environmental training for employees, and the soil conservation courses we offer to suppliers and employees, in partnership with Rio Preto University, as part of our ongoing efforts to raise suppliers' social, environmental and safety standards. Through our annual employee training, we cover topics related to our internal environmental indicators, monitoring and programmes. These include greenhouse gas emissions, waste, water consumption, fire prevention, and fauna and flora. We reinforce our employees' knowledge and understanding of these topics through regular dialogue.



Looking ahead

In 2021, we will continue to explore best practice in boosting productivity while lowering the environmental impact of sugar production, in order to help ensure a healthy future for sugarcane. We will harness the results of our mapping exercise to improve efficiency in the application of vinasse and agrochemicals, thereby reducing GHG emissions. Additionally, we will engage with our suppliers and employees to help conserve biodiversity, build momentum on our supply chain targets and keep everyone linked to our sugarcane operations safe.





Coffee remains one of the world's favourite beverages, and became even more important to millions of households in 2020, as more people than ever worked remotely amid the pandemic.

Coffee is primarily grown in developing countries by smallholder farmers living in rural poverty, who often rely on temporary and migrant labour in peak season.

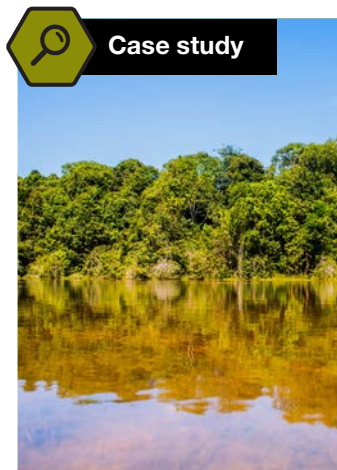
However, Covid-19 travel restrictions posed labour shortage risks, while severe market fluctuations prompted by issues such as stockpiling, coffee shop closures and supply chain and logistics disruption caused further difficulty for producers and traders. It has been a challenging year for coffee.

COFCO International sources coffee from Brazil, Vietnam, Colombia and Indonesia. In 2020, we moved swiftly to help ensure a secure supply of coffee for our customers. Importantly, we remained steadfast in our commitment to support more than 4,000 farmers to improve their livelihoods and build their resilience by participating in respected sustainability certification programmes. In particular, irregular and extreme weather and associated plant disease continue to push farmers in search of higher, more suitable altitudes, creating deforestation risks. The practice of coffee washing places pressure on water resources, and promoting decent work remains critical. In 2020, 27% of our total coffee sales volume was certified or verified as sustainable, an increase on 23% in 2019.



Building farmer capacity

With in-person training a challenge in 2020, we were only able to deliver one course for farmer representatives on the more rigorous, updated 4C Code of Conduct. To continue improving the way we measure farmers' progress, we trialled a digital tool, with our agronomists in Vietnam using a new app to monitor 150 farmers and collect information on on-the-ground improvements.



Case study

Safeguarding water systems in the Cerrado

Protecting Brazil's Cerrado biome is central to conserving freshwater systems for both coffee production and water supplies in Brazil. To help safeguard water in the state of Minas Gerais, we joined the Cerrado Waters Consortium (CWC), providing financial support, participating in its advisory board, engaging stakeholders and helping to develop sustainable funding streams. Following a successful pilot phase in 2020, the project will seek to expand to a further six watersheds in the coming year. We also continued to support the Viveiro de Atitude reforestation and social impact project in the Cerrado, which is engaging with local communities to plant over 100 species of native trees.

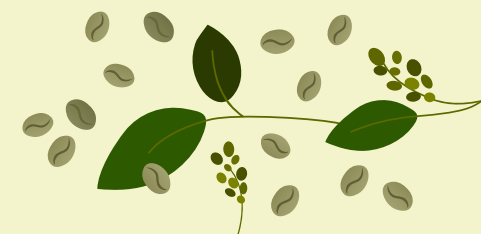
In Colombia, we source from 743 RFA- and C.A.F.E. Practices-certified farms. We continued to support the uptake of sustainable farming practices that respect the environment and human rights, while improving farmers' incomes. In particular, we focused on helping farmers to adopt measures to prevent contamination and protect themselves from the Covid-19 virus.

Reducing carbon emissions in coffee production

Lowering the carbon impact of coffee production is an important and growing focus, and in 2020, we conducted an exercise to calculate the emissions of the coffee we source from five Brazilian coffee farms from field to destination port, including our own coffee mill in Alfenas. This has enabled us to identify which stages have the greatest impact, which will in turn inform our carbon reduction priorities. Overall, the greatest emissions are produced at farm level, where we will collaborate with suppliers to help farmers adopt measures such as reducing their use of synthetic fertiliser (which is energy intensive to make), for example.

Looking ahead

Building on our work to analyse the carbon impact of coffee growing and support climate-friendly agriculture, we will continue to explore the best opportunities to accelerate a durable transition to low-carbon production, including through technical support and robust initiatives. This will be vital in protecting security of supply while ensuring the long-term economic viability of coffee production for coffee farmers, as they recover from the pandemic and continue to confront the challenges of climate change.





Palm oil and cotton

In particular, tropical rainforests remain vulnerable to the expansion of plantations, as demand for the commodity grows, despite a slight decline in palm oil-related deforestation in 2020 due to Covid-19 restrictions.

Our role in the palm oil market is primarily as a trader, supplying markets in China and India. We do not operate any palm oil plantations or mills, with only one RSPO-certified refinery in Kandla, India. To help build a more sustainable palm oil sector free from deforestation, peatland loss and labour exploitation (NDPE), we are implementing our **Sustainable Palm Oil Sourcing Policy**, launched in 2019, and reporting transparently on our ongoing progress. And at the heart of our sustainable palm oil efforts sits a drive for traceability, in line with our goal to reach full traceability to mill by 2021.

In 2020, we strengthened our approach to sustainable palm oil by formalising our NDPE policy implementation plan and rolling out our palm oil management procedure, ensuring that all our teams understand their new responsibilities. We engaged with our Tier 1 suppliers on our policy requirements, while all our direct suppliers formalised their acknowledgement of our sustainable sourcing policy. These companies represented 86.5% of our palm oil volumes in 2020. We rate their performance against our policy every two years using supplier scorecards (with the most recent evaluation in 2019), prioritising suppliers with lower performance scores for improvement efforts.

Importantly, we operate a grievance procedure specifically for issues related to possible non-compliance with our policy, in addition to our global Integrity Hotline (see page 44).

Traceability progress

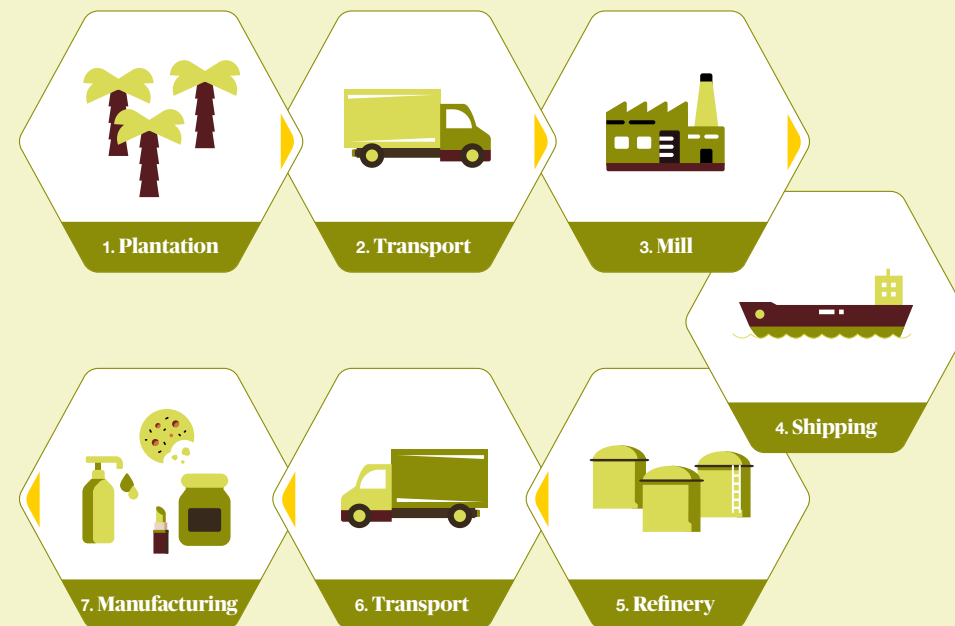
We request traceability data covering the exact address, geo-coordinates, names and parent company names of mills for each shipment, and

certification status (if applicable). Understanding the precise mills from which our volumes originate enables us to cross-reference with known social and environmental risks in these areas, and support priority suppliers in improving their practices in key sourcing regions.

In 2020, we continued to make progress on traceability to mill level, reaching 91% by the end of the year, up from 86% in 2019. To ensure accuracy and transparency, our annual palm traceability data is externally verified, and we recently published our 2020 supplying mill list, to be updated annually.

Understanding the journey of palm oil

The journey of palm oil is long and complex. Fresh fruit bunches are harvested from both milling companies' own plantations and from smallholder farmers. The bunches are then transported to mills, where crude palm oil is extracted, before being transported to refineries and/or sold to traders like COFCO International and manufacturers for further processing.



* COFCO International operates one refinery in India.

Palm oil is the world's most widely consumed vegetable oil, present in numerous household products, and increasingly, used as a feedstock for biodiesel.

However, the environmental, labour conditions and land rights challenges of palm oil production in core producer countries, including Indonesia and Malaysia, pose distinct risks for the sustainability and long-term viability of the palm oil industry.

Collaborating for change

We participate in several sector partnerships and multi-stakeholder initiatives to help advance collective, systemic progress. As a member of the [Roundtable on Sustainable Palm Oil \(RSPO\)](#), we continue to support its mission to create traceable, transparent and sustainable palm supply chains. The volume of RSPO-certified palm oil we sourced in 2020 nearly doubled compared to 2019, due to increasing market demand.

Additionally, we participate in the Palm Oil Collaboration Group (POCG), which convenes companies across the palm oil supply chain to accelerate the implementation of NDPE commitments. We are a member of its [NDPE Implementation Reporting Framework \(NDPE IRF\)](#) group, which is developing a sector-wide approach to measuring and reporting progress. In 2020, we engaged with our suppliers and developed our own IRF profiles to track our performance throughout our palm oil supply chain. This enabled a clearer view of opportunities for improvement, which we will use, together with our supplier scorecards, to continue driving progress.

91%

of our palm oil was traceable to mill level, compared to 86% in 2019

Cotton sourcing

Cotton is the world’s most widely used natural fibre, found in everything from clothing to bank notes. Across the world, both large-scale, mechanised cotton farms and smallholder farmers are facing challenges including climate change, water scarcity, pest pressure and soil degradation. Smallholders, in particular, lack access to the knowledge, tools and equipment to raise their yields. However, in 2020, the industry faced considerable challenges due to the Covid-19 pandemic, with many mills forced to close their operations in the wake of a steep decline in clothing sales, causing merchants to incur additional storage costs.

COFCO International is among the world’s top cotton traders, and sources cotton from countries representing 84% of global production. To meet the growing demand for cotton responsibly,

we are sourcing an increasing proportion of cotton through sustainability certification schemes. These schemes seek to build farmers’ capacity to adopt practices that promote decent work and protect biodiversity, soil health and water resources, while improving their livelihoods.



Looking ahead

To achieve our palm oil commitments, we will continue to support our priority palm oil suppliers in complying with our policy, evaluating their performance and encouraging stronger NDPE commitments. We will also build our teams’ capacity to implement and monitor sustainable palm oil sourcing, and improve the efficiency of our systems. We remain dedicated to advancing standards in our supply chains and collaborating to address shared social and environmental challenges, including by continuing to use the IRF’s approach for consistent, industry-wide reporting on sustainable palm oil. Within our cotton operations, we will continue to promote sustainable sourcing and seek to build resilience in the wake of the challenges raised by the pandemic.



Towards lasting action on soy sustainability in the Cerrado



David Cleary & Rodrigo Spuri
The Nature Conservancy

The Nature Conservancy (TNC) is catalysing business action towards conversion-free soy in Brazil's Cerrado savanna, leveraging geo-spatial analysis for greater supply chain transparency, while promoting farmer incentives and sector-wide collaboration.

We spoke to TNC's Global Director of Agriculture, David Cleary, and Rodrigo Spuri, its Director of Conservation in Brazil, about the transformative steps required to expand soy production while protecting the Cerrado's precious ecosystems.

Q: Why do we need rapid action on sustainable soy?

A: Some 50% of soy in Brazil is cultivated in the Cerrado, and with estimates that soy cropland area will need to expand by 7.2 million hectares by 2030 to meet the world's growing demand for soy, this together with high deforestation rates in the biome, means there is no time to lose.

Q: What's the role of technology in driving change?

A: To create a deforestation and conversion-free soy supply chain, accurate information is vital. But we're talking about monitoring millions of square kilometres for signs of native vegetation conversion, and this can only be done from space. Overlaying remote sensing satellite imagery with territorial intelligence on social, environmental and deforestation risks delivers the clarity needed to power analysis, discussion and supplier engagement. Ultimately, this enables businesses like COFCO International to invest in areas of high productivity with low impacts on people and the environment. One of TNC's goals is to see businesses integrate these data and insights into day-to-day commercial decisions and long-term investment plans.

Q: How have you partnered with COFCO International for deforestation and conversion-free soy?

A: We've worked with the team to leverage insights gained from satellite monitoring and on-the-ground knowledge to develop a system to rate risks according to specific geographical areas. In this way, the company is able to progressively analyse its supply chain, focusing on high risk areas, for example the Matopiba region.

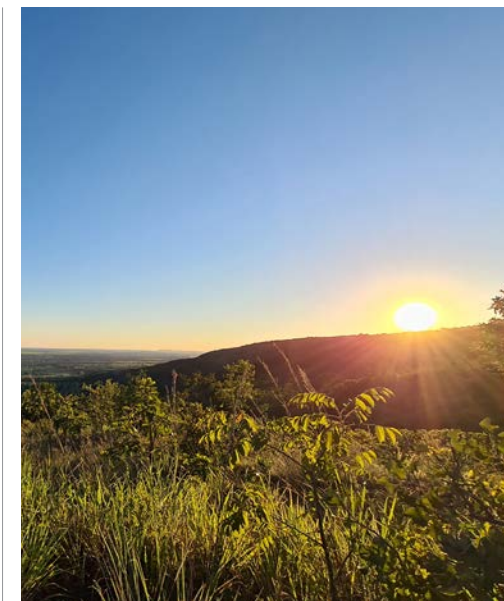
COFCO International was the first agri-business with which we signed a memorandum of understanding under the Collaboration for Forests and Agriculture initiative (CFA). This is a collective effort developed by TNC, WWF and the Gordon and Betty Moore Foundation, among others, and is designed to support a major five-year project to

help transform deforestation-free soy and beef production into the global standard. We're co-ordinating and consolidating the work of leading actors to help shape standards and incentives for rapid and lasting transformation – so soy expansion does not lead to deforestation. Global companies like COFCO International have a significant opportunity to influence deforestation-free production through their sourcing policies and practices. So, we're also working to scrutinise its sustainable soy policies and implementation plan against global standards, such as Accountability Framework Initiative – AFI, and providing recommendations to strengthen its approach.

Q: How must agri-businesses engage with soy suppliers?

A: COFCO International and its fellow agri-businesses must engage suppliers around clear policies and goals. These companies must also support suppliers in developing farmers' capacity to farm soy and building their resilience and market opportunities, including livelihood diversification for example. They should engage with soy farmers associations as well for this purpose, and to act together with government. It's important to communicate that shifting to sustainable practices is economically viable, supported with the right incentives.

For example, TNC has created the **Environmental Framework** for agricultural lending and investing, which is critical in helping to incentivise farmers to cultivate soy on the Cerrado's areas of already cleared pastureland, and avoiding further native vegetation conversion.



Q: How can COFCO International take its soy ambition to the next level?

A: As an important player in the market, the company should now build on its traceability progress and improved reporting to raise the bar for the whole sector. This means setting clear deforestation and conversion-elimination targets, acting as a role model among its peers, and advocating for change internationally. We would like to see COFCO International move ahead of the curve soon, engaging its whole value chain towards a shared vision for soy sustainability, and driving bold, strategic actions.

Taking care of our people

We are increasingly focusing on diversity and inclusion to attract and retain talented employees, develop innovative solutions and deliver operational excellence. We strive to enable all our employees to fulfil their potential, providing equal opportunities while protecting their rights and prioritising their health, safety and wellbeing.

In this section

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- 25 A safer workplace
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Our wider contribution

UN Sustainable Development Goals



IFC Performance Standards



Investing in our most valuable resource

Our people are our first priority and most valuable resource. To protect their health and safety, we uphold high standards, supported by robust policies and procedures, continuously striving to raise our performance. We engage with all our employees and contractors on health and safety, with mandatory training for those working within our assets and operations, and aim to protect the human rights of everyone working in our business and supply chains.

We take an inclusive approach to attracting the right talent for our diverse operations, and aim to provide equal opportunities for our people to grow and develop. Our Training and Development Policy provides clear guidelines to employees and managers on making the best use of our varied learning offering.

In 2020, we maintained a major focus on keeping our employees safe amid the Covid-19 pandemic. We also made further advances in improving our safety performance, reviewed the findings of our human and labour rights impact assessments, took further steps to promote diversity and adapted our learning and development offering to help our employees fulfil their potential.

Consistent standards worldwide

Our Code of Conduct sets the tone for the standards of behaviour and ethics we require from all our employees, contractors and business partners.

It guides our efforts to promote an inclusive, diverse culture where every individual can thrive, and takes inspiration from the UN Global Compact's ten principles of human and labour rights.

Our Sunshine Culture

To achieve our ambition to feed the world responsibly and become a world-class agri-business, we harness the power of our people by embedding a culture of positivity – our Sunshine Culture. United by a clear, consistent vision, we work collaboratively and transparently towards shared aims, underpinned by our core values.

Our core values

Integrity

We seek to be open, honest and act with integrity at all times. We also hold ourselves and each other to account in the event that integrity is not demonstrated.

Inclusiveness

Embracing difference and diversity is vital to our Sunshine Culture. We don't just celebrate difference, we recognise the value it adds to business.

Innovation

We strive to create new opportunities, exchange knowledge and information, and work entrepreneurially to enhance our performance through innovation.

Sustainability

Sustainability is a core value. Our robust corporate governance keeps our people and products safe, helping us to balance our shareholders' needs.

One of Brazil's best performing companies

In 2020, COFCO International Brazil was recognised as one of the country's best performing companies on people management by the Valor Carreira survey for the third year running. 95% of COFCO International employees said the company had a genuine interest in their wellbeing and in their communities.



A safer workplace

To provide a safe, healthy workplace for employees and contractors, we promote a safety aware working culture, manage workplace risk and apply safety principles to all our operations.

This starts with all our global sites adhering to our Occupational **Health and Safety Policy**, supported by a robust management system in line with ISO 45001, relevant national and local laws, **IFC Performance Standards** and the World Bank Group EHS Guidelines. We measure our performance towards ambitious goals and take action to address any health or safety hazards identified in internal and external audits to ensure continuous improvement.

We encourage everyone to take responsibility for their own safety and contribute to maintaining a safe environment. In particular, we provide employees and contractors with regular health and safety training, and opportunities to engage in safety dialogues, reinforced by regular communications campaigns with core activities and best practices globally. Each site has its own Safety Committee, comprised of union and/or employee representatives, which meets regularly to discuss and address any site-specific issues.

As part of our global targets, we aim to achieve employee and contractor safety indexes below 1.5, as well as zero fatalities. We have also set targets for the percentage of work hours dedicated to Environment, Health and Safety (EHS) training for our asset employees (2.0%) and permanent contractors (1.5%).

49%
reduction in lost-time incident frequency for contractors

Promoting health and safety training and averting risk

In 2020, with the extraordinary focus on the Covid-19 pandemic, our training time for contractors amounted to 0.97% of total work hours, a slight decline year on year, while employee training also decreased to 1.35% of total work hours.

Among our initiatives, we expanded our 'Eyes on Risk' programme to our global operations, launching digital tracking tools to help encourage employees to proactively identify and report workplace risks. A single global application is being developed internally to support this programme. At our Kandla refinery in India, all our employees are now certified First Aiders. In Brazil, we launched our safety awareness campaign, 'Projeto Atitude 360°' (360° Attitude Project) and introduced a mentorship programme for newcomers. They are guided by senior employees on best practice in operational and workplace safety. Globally, we also conducted a Safety Week around the World Day for Safety and Health at Work.

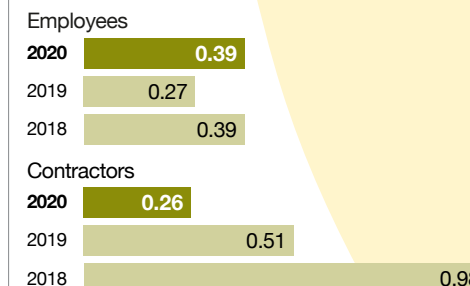
Performance overview

While the frequency of lost-time incidents among employees increased overall by 42%, certain sites experienced new milestones in health and safety performance. COFCO Romania celebrated four years without a lost-time incident, while our Denisovka silo in Kazakhstan and Spanish warehouse in Baroma reached 1,000 days and 1,655 days respectively. Our Sebastianópolis sugar mill in Brazil and our Nikolaev port terminal in Ukraine achieved a year and 2,000 days without lost-time incidents, respectively.

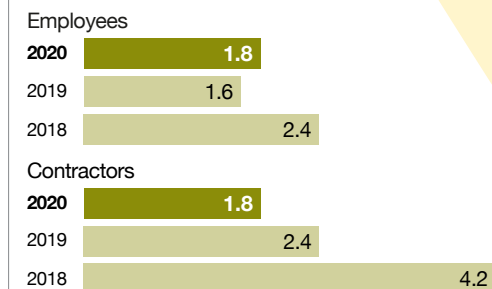
Our lost-time incident frequency for contractors continued to decrease significantly, with a 49% year on year reduction, following increased health and safety training in recent years. However, we are deeply saddened and regret to report three fatalities involving three contractors working for our partner.



Lost-time injury frequency rate (per 200,000¹ work hours)



Safety Index² (per 200,000¹ work hours)



Note: our 2020 health and safety data has been verified by Bureau Veritas.

1. 200,000 represents the number of hours of 100 employees working 40 hours per week, 50 weeks per year and provides the standard base for calculating incidence rates. (100*40*50=200,000)
2. Safety Index = (Medical Aid frequency rate/7.5) + (Total Lost Time frequency rate) + (Severity Rate/5)

Keeping our employees and partners safe and healthy

As the Covid-19 pandemic struck, our immediate priority was to keep our employees and partners safe. We have completely shifted the way we operate on the ground to help ensure a Covid-secure environment, moving quickly to implement WHO health guidelines and industry best practice.

Importantly, we developed our own rigorous Covid-19 response policy, defining exactly how we would keep people safe, and the processes that all employees and partners would be required to follow. This was supported by a global internal ‘Stay Safe, Stay Connected’ communications campaign to raise awareness of the new measures.

At our facilities, these included regular hand-washing and touch-free hand-washing stations, thermal temperature checking and increased cleaning of shared areas, as well as the provision of health kits (including masks and hand sanitiser). We also adopted social distancing measures and established shift models to avoid employees coming into contact, where possible. In addition, we offered rapid Covid-19 checks in our Brazilian sugar mills, in addition to online mental health sessions for employees and their families. Across the Black Sea region, we implemented Covid-19 awareness training on a routine basis.

We also invited guest speakers to deliver online talks covering themes raised by the pandemic. Some 500 employees attended a virtual event where a human performance specialist from the University of Porto shared practical tips for maintaining mental wellbeing during the pandemic.

Other online events included a lecture on vaccine safety and a virtual discussion with a fitness specialist on the importance of exercise and healthy habits.

During the busy soy and corn harvesting season in Latin America, we took multiple steps to protect our employees and partners. We provided 28,800 face masks and 26,850 food packs to truck drivers in Brazil, many of whom drive up to 2,000 km to deliver vital supplies for shipping. In Argentina, our ports and factories disinfected up to 700 trucks per day at each plant. We minimised contact in the exchange of documents and cargoes, with no COFCO employee allowed to board any ships.

To help ensure the safety of our communities, we provided medical supplies to employees’ families and healthcare services in countries including Brazil, Argentina, Ukraine, South Africa and Portugal (see page 39).

Recognising health and safety progress

To further improve driver safety, we stepped up our comprehensive Sleep Medicine Programme in our Brazil sugar operations, expanding the installation of new fatigue sensors across our heavy vehicle fleets. This programme was once again recognised externally in 2020, receiving a BBM Logistics Award.

Overall, to incentivise good performance on health and safety, we continued to recognise and reward outstanding achievements, granting grant ‘gold’ awards to sites with zero EHS incidents, ‘silver’ to sites with successful delivery on annual EHS targets and ‘bronze’ to those with good improvements.

“**A business is only safe when safety is at its core. We have kept our supply chains running smoothly during the pandemic thanks to the commitment and resilience of our employees and management. We reacted quickly, mitigating the impacts by sharing experiences across our global sites and operations, leveraging the latest technologies and maintaining a truly global outlook.**”

Dmitriy Denisenko

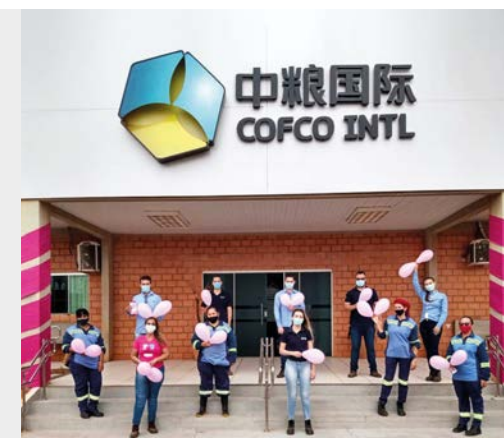
Global Director of Asset Management and Environment, Occupational Health and Safety (EHS)

Looking ahead

We will maintain a relentless focus on achieving our safety targets across our global operations, focusing particularly on contractors. In particular, we will harness evolving technologies to control plants remotely and alert us to any anomalies, while encouraging all our employees to identify and report any safety concerns. Building on our existing efforts, and given the growing importance of physical and mental wellbeing in light of the pandemic, in 2021, we will continue to focus on implementing effective measures to keep our employees and partners healthy.

Supporting World Cancer Day

We raised employee awareness of the fight against cancer and the importance of cancer prevention. Across our operations in Brazil and South Africa, nearly 500 staff took part in on-site screening tests or awareness sessions, while in Ukraine, all our employees at Mariupol and more than 100 staff at Nikolaev took part in screening tests.



Talent and growth

As we grow as a business, we focus on developing our people, our most important asset. And within a highly mechanised, sophisticated agricultural operation, it is vital that we find people with the talent and values to help achieve our mission. This can be challenging in rural areas, with young people migrating to cities for work, skilled workforce shortages and high labour turnover rates. We invest in our employees to help fulfil their potential, providing a nourishing work environment and providing continuous learning and development opportunities. Meanwhile, we work to expand access to the skills required for industrial agriculture (see page 38).

Learning and development

Through our Training and Development policy, we provide a set of clear guidelines for employees and managers on learning opportunities. These typically consist of a curriculum of learning solutions, available through our learning management system and provided both in classrooms and virtually (including mandatory technical and health and safety training for asset employees).

In 2020, Covid-19-related restrictions led to challenges in delivering in-person learning to our employees. To continue building our people's skills and capabilities as they worked remotely,



we moved our entire learning and developing offering online, expanding our HR team to create new content and globally available classroom sessions. We also introduced a series of online video events covering important topics, including health and safety (see page 26). Additionally, we further empowered our managers to support employees' professional development journeys.

Graduate programme

We supported our graduates in completing their training, despite the pandemic. They completed practical work experience in our industrial facilities to broaden their experience, before the pandemic

began. Their training subsequently moved to virtual workshops, professional coaching and a monthly global training session. We also invited participants to help lead business projects that could add value for the company, with senior traders assigned as project mentors.

Engaging with new joiners

COFCO International took another step to becoming an employer of choice by becoming one of the first companies to adopt the enhanced version of an advanced digital solution to onboard new employees virtually. This will enable us to provide our newest employees with the information

and support they need to thrive in an efficient and engaging way, accelerating their induction and helping them to settle in more rapidly. Managers and HR personnel will also be able to check the progress of inductions, further streamlining the process.

Recognising good performance

To encourage continuous professional development, we assess and recognise our employees' performance and progress towards individual objectives annually. Office-based employees take part through a digital performance management platform, with in-person assessments for field-based workers. We also incentivise good performance through our internal Sunshine Awards, which recognise individuals, teams and leaders for creating significant value for the company while living our core values of Integrity, Inclusiveness, Innovation and Sustainability. The COFCO International Executive Committee chose 28 winners in 2020.

Looking ahead

We will continue to put people first, adapting our learning and development offering to the evolving circumstances in order to build employees' skills and capabilities and increase their understanding of our business and operations, consistently taking our performance to the next level.

Diversity and human rights

We are a truly global workforce, with 65 nationalities represented across 36 countries. We strive to harness the diverse backgrounds, perspectives and experiences of our more than 11,709 employees to develop creative, innovative solutions and grow our business.

We achieve this by engaging our employees with a culture of positivity – our Sunshine Culture (see page 24), and aim to provide an inclusive workplace with equal opportunities for all. Throughout our operations and supply chains, we work to protect people’s human rights, from the farmers who produce our commodities to our own employees.

All our employees are required to respect our **Code of Conduct**, which clarifies the ethical behaviours we expect and reflects our commitment to inclusiveness, one of our core values. Our **Human Rights and Labour Policy** reinforces our commitment to treating everyone with fairness and dignity. It is based on globally recognised conventions and standards, such as the ILO’s core conventions on labour rights, the UN Guiding Principles on Business and Human Rights (UNGPs) and the IFC Performance Standard on Labour and Working Conditions.

We welcome all our stakeholders to report concerns regarding human and labour rights within our operations and supply chains confidentially and anonymously via our Integrity Hotline, established in 2018. See page 44 for more information.

11,709 employees

65 nationalities

36 countries

Promoting equal opportunities

Our Equal Opportunities Policy aims to ensure that all our employees are treated fairly and with dignity and respect, in line with our company’s commitment to develop a culture of equality and diversity in employment. This is integral to create a people-friendly environment, where every individual can thrive. It helps to define the way we support both existing employees and potential new joiners. We invite all our people to support the aims and spirit of the policy.

70%

of our employees were covered by bargaining agreements, up from 66% in 2019

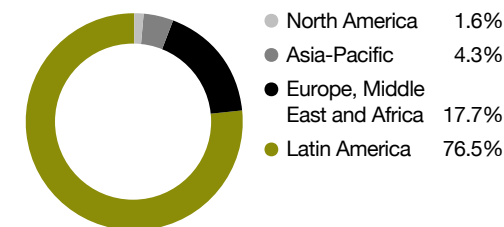
Identifying and prioritising human rights risks

Protecting human rights within complex global supply chains is highly challenging, with the risks too often hidden from view. As a commodity trader, we are often far removed from the farmers and farm workers on the ground, for example. To gain increased visibility of where risks might occur and the level of severity they present, we have collaborated with BSR – an independent, not-for-profit organisation – to undertake human rights impact assessments for our global operations and key supply chains. In 2020, together with BSR, we presented the findings to key internal stakeholders, following an in-depth review of our footprint, current policies and management processes.

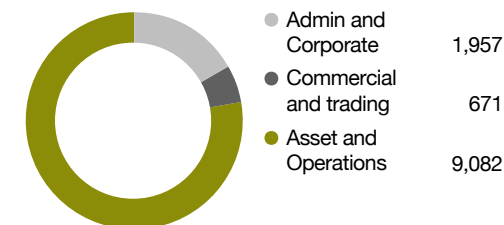
In particular, our priority human rights risks at the farm level include health and safety, gender discrimination, forced labour and poor working conditions. The severity can vary by commodity. Farmer vulnerability to low trading prices depending on market fluctuations was also identified as a risk, which affects their ability to pay workers fairly and improve labour and employment conditions. Beyond this, we also experience risks within our networks of business partners and suppliers.

Building on these findings, we are now developing a holistic, more proactive approach to upholding people’s rights and complying with the UNGPs. This will begin with an action plan (to be adapted depending on how the pandemic evolves) to increase policy and management control over all commodities, increase the engagement with intermediaries, and enhance due diligence.

Where do our people work?



What type of work?



“We’re proud to have a highly diverse global workforce, and this dynamic mix of people is a great asset. It’s integral to our success as an international business and something we should all celebrate.”

Marcus Seelbach
Chief Human Resources Officer,
COFCO International

Case study

Stepping up our approach to including disabled colleagues

Diversity is central to a thriving, successful business. And with 15% of the global population experiencing some form of disability, we're increasingly exploring how we can best integrate our disabled colleagues within our teams.

Colleague snapshots

A talented colleague working as a mechanic at our Meridiano sugar mill in Brazil is hard of hearing and initially had some difficulty in learning his job responsibilities and engaging with his colleagues. To address the challenge, we hired an interpreter and provided sign language lessons for his close colleagues, as well as encouraging them to use a phone app for simultaneous sign language translation, and raising awareness of deafness through our daily safety briefings.



“My colleagues have learnt that it’s possible to operate professionally even in the face of our limitations. In the future, I’d like to continue working with my interpreter to keep expanding my professional experience - I’m confident that I’ll continue to grow and improve my knowledge.”

Vitor Thiago de Almeida

In Ukraine, a talented graduate with exceptionally good agricultural knowledge and commercial acumen was born with missing and partially formed fingers. With the support of his mentors, managers and colleagues and the benefit of an inclusive work atmosphere, he is thriving within our commercial graduate programme, and has ambitions to become a grain trader.

“I’ve had so many opportunities for training and development. And I especially appreciate all my colleagues and the people who support and encourage me every day.”

Maksym Dibrova



Similarly, in Argentina, we helped a colleague who joined with a longstanding mental disability to feel settled in his role within our administrative team and interact positively with his team. In particular, we engaged with a charitable foundation to enable his colleagues to understand how they could best help or offer reassurance. This laid the foundation for a supportive, inclusive working environment, and he is still enjoying his role and the confidence it brings him.

“Being kind to others and being the best you can be every day creates a good working atmosphere and helps build vulnerable people’s confidence.”

Emanuel Noon



International Day of People with Disabilities

To mark the International Day of People with Disabilities, we engaged employees globally on best practice in achieving a disability-inclusive workplace through a global video event with an expert speaker.

“By learning from our disabled colleagues and embracing their talents, we’ll create the best possible environment for them to give their best and strengthen our performance and enhance the value we deliver.”

Margarita Escuder
HR Coordinator, COFCO International



Brazil Diversity Committee

With the majority of our workforce in Brazil, in 2020 we established a COFCO International Diversity Committee in Brazil to promote inclusion and recognise the value that diversity adds to our business. The Committee, named DNA, an acronym of 'Diversity, Inclusion and Transformation', will cover all our operations across Brazil. It is composed of a steering group of directors and an operational working group. Launched in 2021, it will meet regularly and focus on key topics (including gender, race, age and women's empowerment), with a view to developing and strengthening policies and guidelines.

Promoting women's empowerment and gender balance

Empowering women in our organisation is an area of continued focus for us. In 2020, we made targeted efforts to promote gender balance in the recruitment and promotion process. The proportion of female employees globally was 17%, a slight decrease on 2019 (18%).

Our Argentina business built on its work to recruit and promote more women to technical and commercial positions, including by ensuring gender-balanced short lists for every hiring role. In 2020, the pandemic delayed our graduate recruitment, however, we exceeded our overall objective of 50% gender balance in hiring at our Buenos Aires office.

Meanwhile, together with our partner SENAR (see page 38), we sponsored skills and technical training for women in rural communities surrounding our Brazilian operations.



“**Inclusion guides us to accept differences, to be receptive to others, to new ideas and to adapt to changes. We believe in the potential for inclusion, as it creates value for everyone.**”

João Castro

HR Director Brazil & Colombia, COFCO International

Looking ahead

Diversity and inclusion will remain a core focus throughout 2021 and beyond, as an integral strategy to protect the rights of all our employees and workers in our supply chains, as well as to contribute to their individual growth and development. We will also continue to develop and implement plans deriving from our global Human Rights Impact Assessment.

Managing our environmental impact

We continuously seek to improve our environmental footprint, identifying opportunities to optimise our farming, production and logistics practices, with a particular focus on decarbonising our operations, transitioning to renewable energy, conserving freshwater resources and reducing waste.

In this section

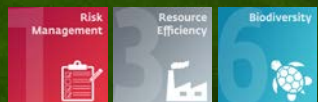
- 32 Environmental stewardship
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Our wider contribution

UN Sustainable Development Goals



IFC Performance Standards



Environmental stewardship

We recognise the importance of conserving natural resources, protecting the environment and promoting biodiversity as integral to increasing productivity and ensuring our future success. We take a proactive, holistic approach to managing the environmental impact of our global network of processing and logistics facilities, with a key focus on the areas where we stand to make the greatest gains. These include our industrial sites and sugarcane plantations.

To deliver on our commitment to environmental responsibility, we take a risk-based approach to improving our impacts, in line with our global environmental policies and management system. We continuously innovate to harness the most promising technologies, processes and best practice, as we improve our performance and optimise resource efficiency.

Rigorous standards and legal compliance

Our **Environmental Policy** respects evolving legislation and international principles of best practice, including the IFC Performance Standards and World Bank EHS Guidelines. It places environmental considerations at the core of risk management and business decision-making, creating a globally consistent approach to environmental stewardship.

Aligned to ISO 14001, our Environmental Management System is based on legal and regulatory compliance, and guides us in identifying, assessing and managing risks to deliver on key environmental indicators across our global operations. We monitor evolving legislation, including by using intelligence and alerts derived from specialist software.

Our efforts are overseen by our EHS Director and supported by regional and local EHS teams, with regular internal and external audits to monitor progress. This is integral to identifying and addressing any potential risks to non-compliance with legislation. Ultimately, we expect every employee to take responsibility for advancing environmental sustainability.



Towards a low-carbon operation

We continue working to lower our Greenhouse Gas (GHG) footprint while adapting our production capacity to meet market demand, playing our part in supporting global climate action and addressing the significant climate risks facing agricultural supply chains. We take a systematic approach to reducing our GHG emissions, focusing on improving operational energy efficiency and increasing our use of renewable energy.

Our global GHG emissions for the past three years are as follows:

	2020	2019	2018
Scope 1 (t CO ₂ eq)	787,208	792,221	719,523
Scope 2 (t CO ₂ eq)	99,115	107,809	86,591
Scope 3 (t CO ₂ eq)*	99,887	101,985	98,764
Total	986,209	1,002,015	904,878

*This includes energy and fuel-related Scope 3 emissions.

To maximise our impact, we prioritise the areas that generate the greatest carbon emissions within our global operations: our crushing and processing facilities. In 2020, the overall decrease in GHG emissions was primarily due to increasing our use of renewable energy sources. This gradual transition to cleaner energy, together with improved energy efficiency and increased processing volumes in key facilities, also led to a 4% reduction in the carbon intensity of our operations.

Carbon intensity indicator kg CO₂eq/tonne processed



Improving energy efficiency across our operations

Overall, our total energy consumption increased from 54 to 57.3 million GJ, as we continued to expand our industrial operations. However, the increased scale also provided opportunities to improve energy efficiency, particularly at sugar mills, which consume the largest portion of energy. And together with multiple improvements worldwide, this led to a 4% decrease in energy intensity (energy consumed per tonne of feedstock processed or crushed).

Our energy efficiency gains included switching to LED lighting across our South American facilities as well as across our silos and port terminals in the EMEA region. Our South African oil mills installed more than 20 solar lights, while our Spain silo decreased its energy and water consumption by 31% and 20% respectively, while the processed volume increased. At our Rondonópolis crushing plant in Brazil, we have also acquired higher performing engines and installed heat exchangers to recover thermal energy, while at our Saforcada plant in Argentina, we have further improved boiler efficiency, decreasing the need for fuel inputs.

Energy intensity indicator (MJ/tonne processed)



Prioritising energy from renewable sources

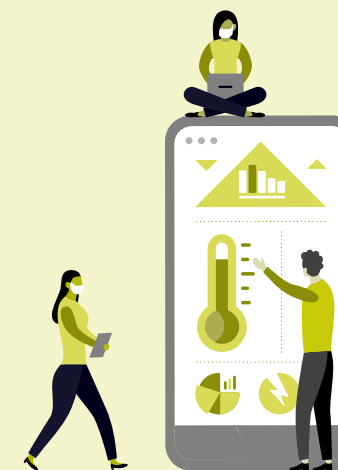
In 2020, 88% of our global energy needs were met by renewables, a 1% year-on-year increase, largely driven by an increased consumption of bagasse as a fuel in sugar mills. We also reuse by-products that would otherwise go to waste, such as wood chips and sunflower or soy husks at oilseed crushing plants, and crop waste at warehouses, supplementing this with electricity purchased from renewable sources. In Brazil, we will gradually source 100% clean electricity for our grain and oilseeds warehouses. Additionally, our sugar mills supplied local power grids with 723,921 MWh of surplus bioenergy in 2020, a 10% increase on 2019 (660,994 MWh).

4%
decrease in energy intensity achieved in 2020

88%
of our global energy needs met by renewable energy

Looking ahead

In 2021, we will continue to optimise our energy efficiency while continuing to prioritise renewable energy, focusing on the facilities and countries where we stand to generate the most impact.



Sustainable shipping

Shipping is the most efficient form of transport of essential goods, yet the sheer volume transported by ship (80% of global trade) means it represents around 2.5% of the world's GHG emissions.

Taking action to improve shipping emissions and adopt clean fuels is vital to addressing the challenges of climate change. This transition will require strong, strategic partnerships within the industry and beyond, significant investment and new regulation. It is particularly urgent in light of

the need to ensure a sustainable economic recovery as global trade increases, post pandemic. COFCO International is committed to playing our part in halving global carbon emissions from shipping by 2050, and reducing their intensity by 70%. In addition to lowering our own fleet's carbon emissions and improving its fuel, energy and cost efficiency, we are increasingly participating in industry-wide collection action to drive change at a systemic level.

We operate a worldwide maritime logistics network and a large modern fleet, with 200 vessels on the water at any given time. In 2020, we transported

over 42 million tonnes of commodities by sea. In addition, we provide freight solutions to third parties. In 2020, amid the Covid-19 pandemic, ensuring the uninterrupted work of shipping services was vital to ensuring the continuation of food supply chains across the world.

We adapted rapidly to the evolving situation, building an effective strategy to keep our vessels running and our crew safe, despite the challenges of travel restrictions and re-routed shipments. Travelling longer distances and making more voyages resulted in increased activity and higher GHG emissions for our time-chartered vessels, which rose to 1,558,433 tonnes CO₂ eq, compared to 1,298,885 tonnes CO₂ eq in 2019.

Collaborating to decarbonise shipping

We are already part of the Getting to Zero Coalition, an alliance of more than 140 companies in the maritime, energy, infrastructure and finance sectors working towards zero-emission vessels by 2030, and a viable future supply of clean fuels and associated infrastructure. In the interest of transparent reporting, in 2020, we became a signatory to the new Sea Cargo Charter, an IMO-led, cross-industry commitment to adopt a consistent, shared way of reporting. We are currently contributing to the collection of emissions data to support this effort, helping to clarify the sector's overall footprint, a fundamental starting point for decisive action.

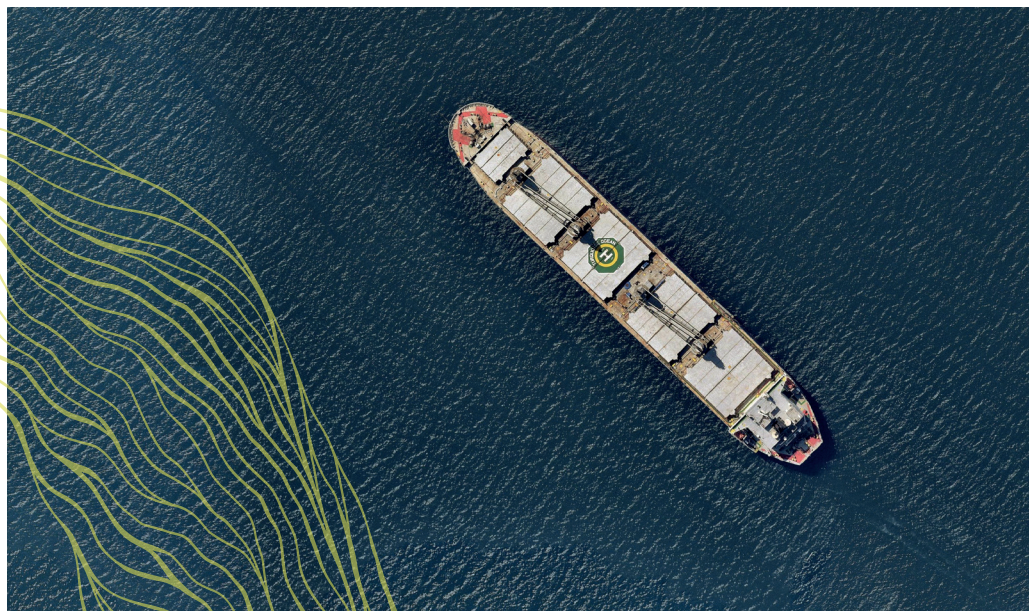
Minimising sulphur oxide emissions

We recognise the adverse health and environmental impacts of sulphur oxide emissions

from the use of conventional fuel oil. To support global clean air goals and respect the IMO's voluntary 0.5% fuel sulphur limit for ships operating outside designated emission control areas, we continue to invest in exhaust cleaning systems in vessels. Since the end of 2019, our entire fleet has run on low-sulphur fuel. This has helped to reduce overall sulphur emissions and improve the environmental profile of our fleet.

“**The Sea Cargo Charter is critical to ensuring that our sector aligns our climate ambition with global climate targets, and provides transparency on our progress towards zero-carbon shipping.**”

Alessio La Rosa
Global Head of Freight, COFCO International



Looking ahead

In 2021, we will continue to support and contribute to industry-wide change towards zero-carbon shipping and improved emissions reporting, while innovating to improve the carbon footprint of our fleet.



Resource efficiency

The long-term success of the agri-business sector relies on a replenishable supply of natural resources. And with industrial agriculture using around 70% of the world’s freshwater, innovating to conserve diminishing water supplies is more urgent than ever.

Our own sugarcane plantations and industrial operations account for up to 98% of our freshwater use, providing an important opportunity to take action to ensure the ongoing success of our operations and protect the wellbeing of local communities.

We are committed to conserving natural resources within our sugarcane operations, and continuously improving efficiency at our production sites, helping to improve the environmental sustainability of our sector, while contributing to the global push for clean water for all.

To optimise our freshwater use, manage our wastewater effectively and comply with local and national laws, we adhere to the standards defined by our Environmental Policy. In 2020, we withdrew 14,373,108 cubic metres of freshwater, a 12% increase on 2019, reflecting our expansion in industrial production. Our sugar operations generate our greatest water impact. We also stepped up our resource efficiency efforts, in line with our target to improve global water efficiency by 10% by 2025 (compared to 2019). While our water intensity remained similar to 2019, with a slight increase due to our expanding grains and oilseeds operations, we are taking action to

optimise industrial processes and recycle and reuse treated water, preparing the ground for future improvements. Overall, 73% of the water we discharged was applied to agricultural land for irrigation.

At our Saforcada plant, we have reduced steam consumption through a thermal insulation project, lowering water intensity by 3%. In Brazil, we continued to expand our efforts to optimise our use of water through the installation of vinasse concentrators and advanced wastewater treatment plants at our Catanduva and Sebastianópolis sugar mills. These will be in operation by 2022, enabling us to recycle significant volumes of water back into our operations, while reducing water use per tonne of production.

Case study

India: Developing a closed loop water system

At our Kandla refinery in India, we typically treat 150-180 thousand litres of wastewater per day. To optimise our use of water resources, improve operational efficiency and support our global water intensity goal, we collaborated with water efficiency experts, identifying a closed loop system as the most effective way to prevent the discharge of treated water. Due to be developed

in 2021, it will enable us to recover large volumes of treated wastewater daily through product recovery and zero liquid discharge systems, with the recycled water delivered back into our operations. Importantly, this project will also help to conserve water in the water-scarce Kutch district.

Modern integrated solutions

Water performance

	2020	2019	2018
Water intensity (m ³ /tonne of production)	0.59	0.58	0.57
Freshwater withdrawal (m ³)	14,373,108	12,832,443	11,802,059

Analysing water risks globally

To prioritise our efforts in conserving water resources, preserving water quality and ensuring regulatory compliance, we have begun an in-depth evaluation of water risks linked to our industrial facilities, which represent 98% of our water footprint. This will help us better understand our exposure to external risks, both now and within the next two decades, taking account of various climate and economic scenarios.

Managing waste

Throughout our global operations, we seek to eliminate avoidable waste and manage all waste materials responsibly. In 2020, our total waste generation decreased from 33,155 to 31,795 tonnes, primarily as a result of reduced processing waste and by-products. 66% of all our waste was recycled, reused, composted or recovered, up from 54% in 2019. This was largely due to improved waste management and increased recovering of grains for reprocessing at our grains and oilseeds facilities, and the recycling of over 140 tonnes of plastic packaging at our Kandla refinery, as part of extended producer responsibility requirements. Additionally, our Mariupol crushing plant in Ukraine constructed a new waste management facility to separate waste effectively, while some of our silos in Europe began using bio-waste as fuel.

Waste generation

	2020	2019	2018
Hazardous waste generation (kg/tonne of production)	0.030	0.029	0.028
Non-hazardous waste generation (kg/tonne of production)	0.564	0.607	0.666

While our hazardous waste intensity remained relatively stable (with a slight increase primarily due to a fire incident at one of our sugar mills), the intensity of non-hazardous waste decreased by around 7%. This reduction was due to efficiency gains made through the growing scale of production, together with dedicated waste management efforts at our industrial facilities and silos. For example, at our Timbues plant in Argentina, by improving our recovery chute, we were able to recover and re-process around 56 tonnes of seeds, which would otherwise have fallen into industrial process components and become hazardous waste.

66%
of all our waste was recycled, reused, composted or recovered in 2020

Engaging our employees in improving our environmental performance

Across our global offices and operations, we continued to prevent waste, while raising awareness of the importance of conserving resources, improving efficiency, and promoting best practice among our employees, including through local campaigns and actions coordinated by our EHS teams, Sustainability Ambassadors, and employees. We conducted an Environment Week to celebrate the World Environment Day, and planted over 1,800 trees in the premises of some of our industrial facilities and port terminals. At our Geneva headquarters we completed a two-year effort to reduce plastic waste, helping to save 1.2 tonnes of plastic by replacing all single use plastics with more sustainable alternatives. Our IT team also supported an initiative to recycle old IT equipment, helping to prevent over 1.1 tonnes of electronic waste in 2020. At our Chicago office, our ambassadors led our participation in an industry-wide digitalisation project to eliminate paper consumption for barge documentation and save paper. Our global network of ambassadors will play an increasing role in engaging employees on sustainable resource use.



Looking ahead

In 2021, we expect to make progress on water efficiency, particularly through the development of the closed loop water system at our Kandla refinery, and the installation of vinasse concentrators and wastewater treatment plants at Brazilian sugar mills. Building on the findings of our water risk assessment, we will also explore opportunities to address priority risks. Overall, we will innovate to further improve water efficiency and create value from waste across our operations.

Building strong communities

We help to strengthen local communities by empowering them to adopt sustainable practices and improve their livelihoods. We listen to their needs, and invest directly in community education and capacity building, in order to expand access to employment, boost local economies and raise awareness of protecting the local environment.

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Our wider contribution

UN Sustainable Development Goals



IFC Performance Standards



Improving livelihoods

Smallholder farmers make an important contribution to global food and agriculture supply chains, yet often live in rural communities, lacking access to the knowledge, skills and resources to raise productivity and improve their livelihoods.

While we only source from a minority of smallholders, we are committed to partnering with multiple stakeholders to empower farmers to adopt sustainable practices. In particular, we work with government agencies, farming co-operatives and civil society organisations to build farmers' capacity, while also strengthening supply chain resilience.

Respecting land rights

To guide our efforts to respect the legal and customary land rights of local communities and indigenous peoples, we have developed a **Responsible Land Acquisition and Leasing Policy**. This helps to ensure that local people maintain secure and equitable rights to land and natural resources, in areas designated for agricultural production. Importantly, we integrate the central requirements of this policy into our Supplier Code of Conduct and Soy and Palm Oil Sustainable Sourcing policies.

350,000
tonnes of soybean purchased in 2020 from 25 co-operatives under the Social Fuel Stamp programme, benefitting 52,826 smallholder soy farmers



Case studies

Empowering young people to gain access to rural employment

Young people living in small communities in Brazil often lack the professional qualifications to gain access to stable employment, while agricultural businesses face shortages of qualified labour. We are committed to building the capacity of people living in the areas where we operate, helping to improve their quality of life while ensuring we can employ the qualified people we need to keep our business moving.

Together with our training partner SENAR, Brazil's National Rural Training Service (see page 41), we are working to help young people develop their agricultural expertise and improve their livelihoods. In 2020, we provided more than 60 courses, training nearly 600 students surrounding our sugar mills in Sebastianópolis do Sul, Catanduva and Potirendaba, ensuring that the topics covered responded to local needs. Some 88 participants took part in the ten-month Young Farmer of the Future Programme (for people aged 14-17) and 43 young people had the opportunity to undertake paid work with COFCO International as apprentices.



Expanding Project Pollinate for healthy bee colonies

Healthy, productive bee colonies are vital to nourishing sugarcane crops and conserving biodiversity. Through our Project Pollinate (Polinizar) in Brazil, we continued to support honey producers in the sugarcane fields surrounding our Catanduva and Potirendaba sugar, helping them to adopt practices to scale up their honey production. In parallel, we expanded our practices to protect bees on our sugar plantations (such as using alternative insecticides), and partnered with an agro-chemical supplier to build 45 bee hotels for solitary bees. These will be distributed in 2021 to 40 municipalities, once Covid-19 travel restrictions are lifted. We also donated a machine to an indigenous Tiryó community in Amazonas for making boxes to house beehives, and made a donation of 3,500 kg of sugar for beekeepers to feed the bees in the dry season.

Community investment

Our work to support local communities became even more important in 2020, in light of the serious social and economic impacts of Covid-19 for people in our sourcing countries. We continued to take steps to prevent local people from being negatively affected by our operations, conducting a social dialogue initiative to identify risks and develop stakeholder engagement plans for every high risk site. Implementing these plans enables us to monitor our performance and guides our ongoing stakeholder engagement and communications.

Additionally, we seek to make a positive contribution to communities by listening to their needs, many of which centre around the need for education, employment skills training and healthcare. Working together and building trust locally, we aim to address the issues that matter most to the people living near our operations.

Through our Community Investment Policy, we consistently invest our skills and resources to help improve community wellbeing, strengthen our future workforce and ensure stable, resilient supply chains. We partner with expert on-the-ground organisations to create social impact projects, with an emphasis on enabling local communities to maintain the initiative for the long term, and engaging our employees through volunteering opportunities. In 2020, our community



programmes benefitted over 30,000 people globally, an increase of 17% year on year, reflecting our significant investment in supporting communities affected by the pandemic.

Our three areas of focus are:

Education and capacity building: We seek to facilitate access to education and training for children, adolescents and adults, helping to improve their prospects while also building a talent pool needed to support the agri-business sector.

Community wellbeing: We support inclusive projects designed to improve people’s health and safety, promote healthy living and engage people with arts and culture, with a particular focus on those facing social or economic disadvantages.

Environmental stewardship: We aim to empower communities to conserve their local environment and nature.

\$5m
invested in road construction and improvement works to improve traffic flows and safety surrounding our four sugar mills in Brazil

3,291
children from 46 schools in 40 Brazilian municipalities participated in environmental awareness activities from our Guardians of Tomorrow programme

Case study

Championing sustainability

Building momentum on volunteering in Brazil
Our 24 volunteering committees, supported by our volunteering policy, engaged 586 volunteers in good works during 2020. Collectively, they devoted nearly 2,300 hours to their communities, reaching 20,114 people and tripling the number of beneficiaries, year on year. The activities included the donation of educational supply kits for underprivileged children and refugees, collections of food and hygiene products for the vulnerable, and online events to help young people find work and raise awareness of environmental issues.

Launching our Sustainability Ambassador Network
To further engage our employees in creating positive change locally, in 2020 we launched a global network of Sustainability Ambassadors in 113 locations. Some 189 employees from across our company have stepped forward to champion sustainability, driving forward our ambitions by mobilising their colleagues and taking local action on our community, employee and environmental priorities.

Supporting communities amid the Covid-19 pandemic

We took action throughout our communities to improve people’s health, safety and wellbeing during the pandemic. In particular, we invested in providing vital supplies including ethanol, alcohol gel, face masks and medical equipment to support communities, hospitals, and COFCO International employees and their families. In the communities surrounding our sugar mills in Brazil, for example, we reached more than 11,100 people with donations of 16,200 litres of ethanol (for cleaning), produced through our operations, 8,055 litres of alcohol gel for hand sanitiser, and over 30,000 face masks.

In Argentina, our donation funded 1,000 training courses for frontline medical professionals to treat Covid-19 patients. We also provided 89,675 facemasks and 1,400 protection glasses to the country’s National Health System, and provided a special bed and a multi-parameter screen to a local hospital’s intensive care unit. Similarly, in Ukraine, we donated medical ventilators to three hospitals located in Mykolaiv and Kyiv.

Meanwhile in South Africa, we innovated to continue supporting vulnerable, underprivileged communities surrounding our Standerton Oil Mill amid the South African lockdown. We focused on supporting frontline health workers and first responders, as well as donating hand sanitisers to schools and face masks to local people. We also collaborated with food retailers and charities to create essential food parcels for those most in need.



Case study

Supporting doctor training in Argentina

Recognising the need for doctors and nurses to undertake vital re-training to support Covid-19 patients in intensive care, we funded training courses in Argentina provided by not-for-profit organisation Fundación Trauma.

The donation enabled the provision of an additional 1,000 training courses for frontline medical professionals at hospitals near our operations, directing support to the most vulnerable.

Looking ahead

In 2021, we will continue to take action to help farmers improve their livelihoods responsibly, monitor our impact on local communities and support their priorities, particularly as they recover from the health, social and economic impacts of the pandemic.



Improving young rural people's career prospects

We strive to empower young people in rural communities to access good quality employment. Here, we speak to a SENAR coordinator, a young farmer and a COFCO International employee to understand how this training brings value to young rural lives. SENAR aims to promote social and economical inclusion for people in rural communities through free professional skills training.

Braz Onofre Ferreira

SENAR Coordinator, Nhadeara



“We see challenges in rural Brazil in building people’s skills rapidly enough to keep up with the pace of technological change in agriculture. Businesses involved in industrial-scale

agriculture have a real opportunity to help bridge the skills gap and improve livelihoods in their local communities. In 2020, as food security became even more important in the face of the pandemic, many more job options have opened up for young people in agriculture. It’s vital that we help them build the skills to access these opportunities – both to improve their livelihoods and increase productivity and quality of supply.

In particular, the Young Farmer of the Future programme allows young people to learn sustainable, ethical practices in the agricultural and livestock sector, together with the business and entrepreneurial skills to help them innovate and develop their prospects. It’s organised into classroom learning, workshops and practical activities in the field. Students are given challenges to solve, with our support. The majority of graduates find a job after completing the programme. We have three new editions of the programme planned for 2021, potentially reaching around 60 students.”

Ana Carolina Machado

COFCO International employee and former student of Young Farmer of the Future programme, Catanduva



“My father works in agriculture and I’d always wanted to learn more about farming as a child. When the opportunity to join the programme was offered to the children

of employees at COFCO’s Catanduva plant, I was keen to take part. The programme provides young people like me with a very rounded education and really enables us to find our way in the sector. I learnt a lot through the training, it was dynamic and interactive, which suited us well, and really grew my passion for the agri-business sector. Today I’m analysing lubricating oil for different equipment and vehicles at COFCO’s Catanduva sugar mill. I feel privileged to have this job. This experience has inspired me so much that I’m planning to pursue a college degree in chemistry to further increase my knowledge and opportunities. Young people in my community need more opportunities like this to expand their horizons.”

Adilson Donizete de Lima

COFCO International employee, Sebastianópolis



“When I first applied to work as a tractor driver at COFCO International, I didn’t pass the test first time. They were using larger tractors than I was used to, equipped with GPS and advanced

technologies. So to improve my knowledge and skills, I signed up for SENAR courses on operating tractors, backhoe machines and cane harvesters, and had the opportunity to train hands on with the machinery. I re-applied to COFCO International two years ago, and this time, I passed the test. I’m so proud of my qualifications, and this just wouldn’t have been possible without my SENAR training. Today, I drive a special tractor with a harrow that prepares the sugarcane field for the later stages of the harvest, and applies herbicides to prevent the growth of invasive species. It’s a dream come true. I hope to continue growing and developing here. It’s a great place to work and provides me with stability to provide for my family.”

Upholding standards

Ensuring strong, transparent governance and managing risk effectively means upholding globally consistent standards and behaviours. This also enables us to respond to stakeholder expectations. We integrate our values and sustainability commitments into the way we do business, and comply with all relevant laws and regulations to achieve product safety and quality.

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Our wider contribution

UN Sustainable Development Goals



IFC Performance Standards



Driven by our values

We have rigorous standards of behaviour in place for all our employees and partners.

Our **Code of Conduct** reflects our core values of integrity, inclusiveness, innovation and sustainability, and our commitment to the UN Global Compact key principles. It defines the ethical approach we take to doing business and informs our strategy. Training on our Code and other key policies (including anti-bribery and corruption, competition compliance, harassment and discrimination) is now mandatory for all new joiners. In 2020, we launched an online training module for employees on the key principles of our Code, delivering 6,786 training sessions.

The Code also provides the foundation for our **Supplier Code of Conduct**, which clarifies our social, environmental ethical requirements for suppliers and business partners. We continued to build a deeper understanding of environmental and social risks in our operations and supply chains in 2020, with support from expert partners. In particular, we are beginning to implement plans to address the findings of BSR's human rights impact assessment (see page 28). By taking a strategic, risk-based approach to monitoring compliance, we seek to continuously raise standards in our supply chain.

Product quality and safety

Our **Food and Feed Safety Policy** guides our work to comply with all relevant laws and regulations on food and animal feed safety. Our global teams follow a consistent, standardised approach to identifying, managing and preventing potential food safety hazards. Meanwhile, our suppliers are required to undergo stringent supplier qualification processes, third-party inspections and on-site audits. In 2020, there were no incidents resulting in fines, penalties or warnings.

Importantly, we also implemented rigorous virus control measures to protect both people and ensure product safety. To prevent contamination, ensure compliance and further strengthen the way we manage and address potential risks, we adopted an advanced digital quality monitoring and reporting tool providing a real-time, consolidated global view of food and feed safety requirements. It covers more than 130,000 regulations in 140 countries, and over 175,000 substance limits. We also delivered dedicated online training to our employees, and completed multiple audits in line with respected global standards (including ISO 17025, GMP+, ISO 22000, ISO 9001, HACCP and Kosher) across all our major industrial facilities.



Good governance and compliance

To achieve our sustainability ambitions, optimise our performance and grow as a business, we must uphold high standards of ethics and integrity.

This means respecting international standards of corporate governance, prioritising our people’s health and safety, and creating the right conditions for our employees to thrive. We ensure that all our leaders and managers take responsibility for maintaining these standards and engaging our employees with our values. Meanwhile, we have zero tolerance for fraud, bribery and corruption.

Corporate governance

Governance at COFCO International starts with our Board of Directors, which includes five people. Three of these are COFCO Corporation directors. They are joined by two external directors. These external members are nominated by the Nomination and Corporate Governance Committee and appointed by the Board.

In addition to leading our company, the Board also oversees the group’s business, strategic decisions and performance. To help ensure good governance, it appoints committees including the Executive Committee, led by the CEO, which executes and reports progress on corporate strategy. The other committees in place cover: Nomination and Corporate Governance, Audit, Remuneration, Risk Committee and Investment and Finance.

Sustainability governance

Our CEO and Chairman take ultimate responsibility for sustainability. At an operational level, our Global Head of Sustainability oversees our sustainability strategy and manages the sustainability team, reporting progress to our leaders. The way we manage our social, environmental and governance risks is evaluated each year by an independent expert, Sustainalytics, helping to define priorities for continuous improvement. In 2020, we established a global Sustainability Ambassador Network of employees to drive and champion our sustainability ambitions at a local level (see page 39).

Integrity Hotline: Our global grievance mechanism

To maintain open, honest communication and help ensure compliance with our Code of Conduct, we have a global grievance mechanism in place: our Integrity Hotline. In this way, employees and external stakeholders can share any concerns regarding misconduct or non-compliant behaviour, confidentially and anonymously. The Hotline is available in 13 languages, and is accessible via a dedicated telephone number or secure digital channels, hosted by an external grievance specialist agency.

To help ensure impartial and effective investigation and resolution, our centralised Concerns Management Committee (CMC) oversees the grievance management process, working with relevant teams to promote effective remediation. The CMC is chaired by our Chief Audit Officer, who provides regular updates to our Audit Committee.

At a regional level, it is supported by committees responsible for the execution of grievance analysis and investigation.

In 2020, we took further action to improve the efficiency and visibility of the Hotline among our global workforce and better monitor its performance. In particular, we integrated KPIs for our CMC charter, outlining targets for aspects including timescales and processes for addressing concerns. We also enhanced related communications and took measures to ensure that employees fully understand how they can report a concern. Through our own evaluation and confidential employee feedback, we have already made concrete improvements, including offering employees the ability to report concerns via their smartphone, developing dedicated training and preparing guidelines for best practice in case management.

The majority (57) of concerns in 2020 were related to poor behaviour and discrimination. We reviewed every concern, undertaking appropriate investigations and actions, and closing 111 by the end of the year, with an average case closure rate of 59 days (compared to 70 days in 2019). We also conducted analysis to help prevent reoccurrence. We are addressing the remaining cases in 2021 and providing feedback to complainants in a timely manner. Our aim is to resolve all grievances through our Integrity Hotline.

Poor behaviour and discrimination	57
Business conduct	36
Human resources policy violations	44
Environment, Health and Safety	1
Non-compliance with Supplier Code of Conduct	0
Total	138*

*The number of cases reported in our 2019 Sustainability Report included 70 cases relating to 2018 (2019: 165 cases). All of these were closed.

“**COFCO International is committed to an environment where open, honest communications are the expectation, not the exception.**”

Lily Lei Deng

Group Head of Internal Audit and Chair of the Concerns Management Committee, COFCO International



[Visit our Integrity Hotline website](#)
[Email the Integrity Hotline](#)

To optimise our positive impact on the issues where we stand to make the greatest difference and continuously improve our sustainability efforts, we maintain ongoing dialogue with our stakeholders. We regularly evaluate our most material issues to ensure that our strategy remains relevant and effective, and continues to address the topics that matter most to our business and stakeholders.

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Managing sustainability

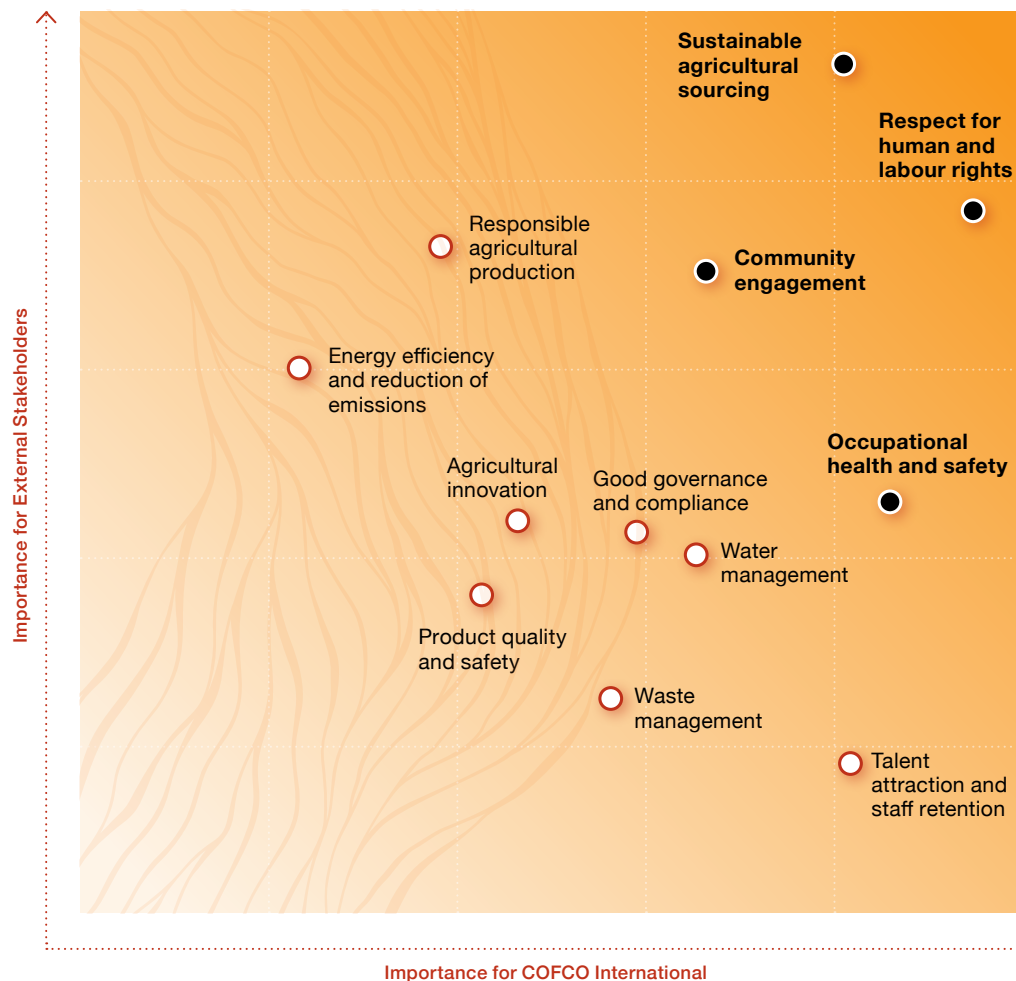
Our materiality

Taking action on sustainability enables us to manage risk and build resilience in our business, while making a positive contribution to society. The development of our Meeting tomorrow's demand strategy initially took shape from a materiality exercise conducted in 2017. In this way, we assessed the issues that matter most to our business and stakeholders, and where we stood to make the greatest difference. We plan to review these issues regularly to help ensure that our strategy remains effective in guiding our efforts to grow our business responsibly, and create value for our stakeholders.

The materiality exercise firstly involved interviews with internal and external stakeholders, and included research on all major social and environmental topics connected to our business. With the approval of our Board, we continue to focus on the 12 material issues below. We focus in particular on four of these topics – sustainable agricultural sourcing, respect for human and labour rights, occupational health and safety, and community engagement – where we can generate the most impact. Within this, we have a significant opportunity to create change through commodity sourcing, developing policies and practices that help prevent deforestation, encourage more sustainable agriculture and boost local economies. Within our own operations, we stand to generate the most impact in the areas over which we have direct influence – our plantations and processing facilities.





We collaborate to achieve continuous improvement and help enable the adoption of sustainable agricultural practices rapidly and at scale. Traceability continues to be a vital component of understanding and addressing the social and environmental risks in our supply chains, responding to stakeholder needs and remaining competitive.

COFCO International materiality matrix



Contributing to the Sustainable Development Goals

Through our sustainability strategy, we are also contributing to the UN's 2030 Sustainable Development Goals (SDGs). We are supporting seven SDGs where we stand to make the greatest impact, together with our partners.

SDG	Priority targets	COFCO International activity	Next steps
 <p>2 ZERO HUNGER</p>	<p>2.3 Double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers.</p> <p>2.4 Ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production and help maintain ecosystems.</p>	<p>In Brazil, we supported honey producers to raise productivity near our sugar farms through Project Pollinate, and bought 350,000 tonnes of soybean from smallholder co-operatives (page 38).</p> <p>We are building resilience in agricultural supply chains, including by using natural fertilisers and biological pest control in sugarcane plantations (page 17).</p>	<p>While we only source from a minority of smallholders, we will continue to partner with multiple stakeholders to empower farmers to adopt sustainable practices.</p> <p>Building on our growing understanding of supply chain risks, we will prioritise efforts to support suppliers in driving change.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.4 Promote mental health and wellbeing.</p> <p>3.5 Strengthen the prevention and treatment of substance abuse.</p> <p>3.6 Halve the number of global deaths and injuries from road traffic accidents.</p>	<p>We supported our employees through the pandemic including by hosting virtual events on mental health and wellbeing (page 26).</p> <p>Within our Brazilian sugar operations, all heavy vehicle drivers must take drug tests. Their vehicles are equipped with fatigue sensors. We have also invested in road construction and improvement works around our sugar mills (pages 26 and 39).</p>	<p>We remain committed to keeping our employees, partners and communities safe, supported by rigorous policies and procedures, particularly as the Covid-19 pandemic continues.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.5 Achieve full and productive employment and decent work for all.</p> <p>8.7 Take measures to eradicate forced labour, end modern slavery and human trafficking, and eliminate child labour.</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers.</p>	<p>We established a Brazil Diversity Committee, and exceeded our 50% gender balance in recruitment goal in Argentina (page 30). We expanded access to employment for young people in rural Brazil (page 41).</p> <p>We seek to provide healthy, safe workplaces (page 25). Our expectations for suppliers on human rights are clarified through our Supplier Code of Conduct and related policies (page 13). We maintain zero tolerance for slavery, forced labour and child labour.</p>	<p>Diversity and inclusion will remain a core focus. In particular, we will implement measures to address the findings of our Human Rights Impact Assessment.</p> <p>We will continue to protect the rights of all our employees and workers in our supply chains.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12.2 Achieve the sustainable management and efficient use of natural resources.</p> <p>12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse.</p> <p>12.8 Ensure that people have the relevant information and awareness for sustainable development and lifestyles.</p>	<p>We are installing a closed loop water system in our Kandla refinery and vinasse concentrators and advanced wastewater treatment plants at two more sugar mills (page 35).</p> <p>66% of our waste was recycled, reused, composted or recovered (page 36).</p> <p>Through our Guardians of Tomorrow programme, we raised awareness of environmental issues among 3,291 children in Brazil (page 39).</p>	<p>We will innovate to improve water efficiency and create value from waste across our operations, and explore opportunities to address priority water risks.</p> <p>We will invest funds and resources in raising awareness of sustainable development challenges among our employees and communities.</p>

Contributing to the Sustainable Development Goals continued

SDG	Priority targets	COFCO International activity	Next steps
 <p>13 CLIMATE ACTION</p>	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> <p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</p>	<p>We are monitoring biodiversity and expanding our reforestation initiatives (page 17). In 2020, we planted 243,655 seedlings near our sugarcane plantations.</p> <p>We developed educational booklets for suppliers, employees and their families, and offer soil conservation courses (page 18).</p> <p>Through the Cerrado Waters Consortium, we are supporting practices to protect the climate and preserve water (page 19).</p>	<p>We will seek to expand our reforestation initiatives and better understand the climate-related risks we face globally.</p> <p>We will support both collective efforts to conserve important biodiversity hotspots, and raise awareness of climate and biodiversity challenges among our employees, suppliers and communities.</p>
 <p>15 LIFE ON LAND</p>	<p>15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems, in line with obligations under international agreements.</p> <p>15.2 Promote the sustainable management of forests, halt deforestation, restore degraded forests and increase afforestation and reforestation.</p>	<p>We met both our 2020 traceability goals for soybean and palm oil, and the Soft Commodities Forum goal of 100% traceability in all 25 priority municipalities in the Cerrado (pages 16 and 20). Through our palm oil NDPE commitments, we aim to help conserve forests, tropical savannah and peatland (page 20).</p>	<p>We will continue building momentum on our work to protect nature, recognising its importance for our business, our people and communities.</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>16.5 Substantially reduce bribery and corruption in all its forms.</p>	<p>We seek to prevent bribery and corruption through our Code of Conduct and our Supplier Code of Conduct, and our new Anti-Bribery and Corruption Policy and the Anti-Money Laundering Policy (page 43).</p>	<p>We will continue to comply with relevant laws and ensure strong, transparent governance by upholding globally consistent standards and behaviours.</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>17.2 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.</p>	<p>We participated in partnerships and collaborations to address the social and environmental impacts of the cultivation, production and transport of our commodities, from the Soft Commodities Forum and the Tropical Forest Alliance to the Getting to Zero Coalition and Sea Cargo Charter (page 51).</p>	<p>We will continue partnering with stakeholders including our peers, industry working groups, multi-stakeholder organisations and NGOs to transform the way crops are grown and create a positive impact on people and the environment.</p>

Our stakeholders

To advance our sustainability journey, we maintain an ongoing dialogue with our stakeholders to understand their concerns and work together to address shared challenges. The below table provides examples of how we engage with our main stakeholder groups.

Stakeholder group	Areas of interest	How we engage	Examples of interaction
Board of Directors and investors	<ul style="list-style-type: none"> Sustainability strategy Environmental, social and governance performance and risk management 	<ul style="list-style-type: none"> Board meetings and management updates 	We provide regular updates to our management on ESG risks and actions taken to address them, in line with our strategy.
Financial institutions	<ul style="list-style-type: none"> Environmental, social and governance performance and risk management Sustainable finance innovation 	<ul style="list-style-type: none"> Bank update calls Questionnaires Meetings 	In 2020, we successfully achieved all targets for our sustainability-linked loan, which was recognised with five international awards. See page 13 . Together with the IFC, we are taking action to develop a more traceable and sustainable soy supply chain in the Matopiba region. See page 16 .
Customers	<ul style="list-style-type: none"> Supply chain sustainability Product quality and safety Certified sustainable products 	<ul style="list-style-type: none"> Meetings Questionnaires Audits 	We are increasingly focused on meeting market demand for sustainably sourced commodities, including through certified sustainable products such as coffee, cotton, biofuels and soybeans. See pages 14-16 , 19 , 21 .
Suppliers and farmers	<ul style="list-style-type: none"> Supplier Code of Conduct Traceability Sustainable livelihoods 	<ul style="list-style-type: none"> Meetings Questionnaires Audits 	We partner with our suppliers to build farmers' capacity to improve environmental performance and adopt sustainable practices, while supporting initiatives to improve smallholders' livelihoods. See pages 16 , 18-20 , 38 . We take a risk-based approach to prioritising our engagement with suppliers, rate their sustainability performance and collaborate to raise standards. See pages 14 , 16 , 20 .
Sector peers and industry associations	<ul style="list-style-type: none"> Collaboration on shared challenges 	<ul style="list-style-type: none"> Meetings Industry events and workshops Joint reporting 	To achieve sector-wide progress, we collaborate with our peers through forums such as industry associations (e.g. ABIOVE) and the WBCSD's Soft Commodities Forum on conversion-soy free. See pages 16 , 51 .
Multi-stakeholder initiatives	<ul style="list-style-type: none"> Environmental and social issues Collaborations 	<ul style="list-style-type: none"> Meetings 	We contribute to solutions for systemic change by participating in initiatives such as the Soy Working Group, the Palm Oil Collaboration Group and the Tropical Forest Alliance. See page 50 for our key partnerships.
Policy-makers	<ul style="list-style-type: none"> Legal compliance Supply chain resilience Food security 	<ul style="list-style-type: none"> Response to consultations Communication on progress 	We support the business-led push for progressive policies on nature restoration through our participation in Business for Nature. See page 51 .
NGOs	<ul style="list-style-type: none"> Climate change Biodiversity conservation Sustainable agriculture 	<ul style="list-style-type: none"> Consultations and collaborations Campaigns Meetings 	To better understand and address risks in our supply chain, we work with NGO partners. See page 50 .
Local communities	<ul style="list-style-type: none"> Community health and safety Community wellbeing Education and training Environmental stewardship 	<ul style="list-style-type: none"> Community impact assessments Social dialogue Community projects Volunteering 	We support local communities by investing in projects to promote health, education and employment. See pages 39-41 . We expanded our volunteering activities in Brazil and launched a global network of Sustainability Ambassadors to help drive our sustainability efforts and support local communities. See page 39 .
Employees and trade unions	<ul style="list-style-type: none"> Labour and human rights Diversity and inclusion Learning and development 	<ul style="list-style-type: none"> Internal communication channels Safety committees Employee training Dialogue with trade unions Collective agreements 	Health and safety is our first priority at every site and facility. See pages 25-26 . We provide regular EHS training for all our employees, including mandatory training for all our asset employees. See pages 25-26 . 70% of our employees are covered by collective bargaining agreements. See page 28 . We launched a Diversity and Inclusion Committee in Brazil. See page 30 .

Our partnerships

Collaboration is central to solving the complex, interrelated climate, resource scarcity and biodiversity challenges facing our business and the food industry. We are partnering with stakeholders including our peers, industry working groups, multi-stakeholder organisations and NGOs to transform the way crops are grown and create a positive impact on people and the environment.



Agroldeal
We contribute to the development of Agroldeal, an innovative tool used to map and facilitate sustainable soy production expansion in South America.



Cerrado Waters Consortium
We have joined the Cerrado Waters Consortium, a multi-stakeholder project uniting business, government, coffee producers and civil society in a collective effort to conserve the environment, preserve water and protect ecosystem services in the Cerrado.



Green Grains Protocol
We are a member of the Green Grains Protocol of Pará, which bans financing or sourcing of soy associated with illegal deforestation or forced labour in the state of Pará, Brazil. We receive annual external audits to ensure our compliance with this commitment.



Proforest
With support from Proforest, we are building a clearer understanding of the environmental and social profile of our palm oil supply chain and defining actions to mitigate supply chain risks.



Roundtable on Sustainable Palm Oil
We are a member of the Roundtable on Sustainable Palm Oil, a not-for-profit organisation that unites oil palm producers, processors and traders, consumer goods manufacturers, retailers, investors and NGOs to develop and implement global standards for sustainable palm oil.



Amazon Soy Moratorium
We are signatory to the Amazon Soy Moratorium and uphold its principle to not finance or source soy produced on deforested farmland in the Amazon after July 2008. We are audited by independent parties annually to ensure our compliance with this principle.



Cotton Made in Africa
We are a member of Cotton Made in Africa, an initiative that improves the living conditions of cotton farmers in Sub-Saharan Africa while promoting farming practices that protect the environment.



Palm Oil Collaboration Group
We participate in the Palm Oil Collaboration Group, which brings together companies from every stage of the palm oil supply chain to accelerate effective implementation of the No Deforestation, No Peat Expansion, No Exploitation (NDPE) commitments.



Soy Working Group
We are a member of the Soy Working Group (GTS), a multi-stakeholder group made up of producers, traders, civil society, government and retailers, working to ensure the Amazon Soy Moratorium's environmental protection achievements are maintained for the long term.



SEA CARGO CHARTER

Sea Cargo Charter

We have joined the International Maritime Organisation-led Sea Cargo Charter to support the creation of a global framework to promote a consistent, shared way of reporting shipping emissions and support the sector's decarbonisation.



PCI

We joined the PCI Corporate Action Group with the objective to support concrete sustainable agriculture projects in Brazil's Mato Grosso State.



Getting to Zero Coalition

We are a member of the Getting to Zero Coalition, committed to decarbonising the shipping sector by bringing commercially viable zero-emission vessels into operation by 2030.



Business for Nature

We are on the Strategic Advisory Group of Business for Nature, a global coalition of influential organisations and leading businesses taking action and seeking government commitments to reverse the loss of nature.



International Finance Corporation

Our sustainability strategy is guided by the Environmental and Social Performance Standards of the International Finance Corporation (IFC). IFC is also our partner in local programmes to advance on a more sustainable soy chain in Cerrado.

ViSeC

Platform for the Sectorial Vision of the Argentine Gran Chaco

We support the Platform for the Sectorial Vision of the Argentine Gran Chaco (ViSeC), a forum uniting key agricultural commodity actors in order to reduce environmental impacts, with a focus on deforestation and other forms of land use change in the Great Argentine Chaco.



UN Global Compact

We are signatory to the UN Global Compact, which unites more than 12,000 businesses worldwide in a collective effort to respect its ten principles on human rights, labour, the environment and anti-corruption.



Abrinq Foundation and Childhood Brazil

We are part of the Abrinq Foundation, which defends the human rights of children and adolescents in Brazil, with a particular focus on rights to education, health and protection. In 2020, we also supported Childhood Brazil's 'The Right Hand (Programa Na Mão Certa)', which brings companies together to eliminate the abuse of children and adolescents on Brazilian highways.



Tropical Forest Alliance

We are a Tropical Forest Alliance Steering Committee member. In this way, we join other members in supporting multi-stakeholder efforts towards ending deforestation in agricultural supply chains.



WBCSD

As a member of the WBCSD and its Soft Commodities Forum, we partner with our sector peers to collectively monitor progress on transparent and traceable soy sourcing in Brazil's Cerrado.



BSR

We are member of BSR, a global not-for-profit organisation that works with more than 250 companies and other partners towards a fair and sustainable world. In 2020, we advanced our work with BSR on human rights impact assessment of our global operations and key supply chains.



Join the conversation

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