



COFCO INTL



Sustained sustainability progress

Welcome to our 2022 Sustainability Report, through which we share our progress on the five priorities of our strategy to become a more sustainable, responsible business, and journey to create value for our stakeholders.

The reporting scope includes all facilities and operations owned and/or controlled by COFCO International through any period within the 2022 calendar year. The information cited in this report and in the supplementary GRI content index table is reported with reference to the GRI Standards. The index table is available for download on our [website](#) and forms an integral part of this report.

Part of the environmental, health and safety data has been externally verified (see [Assurance Statement](#)).

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Accelerating the transition to sustainable agriculture

Over the past five years, the global population has experienced significant, rapid change and uncertainty.

Within agriculture, farmers face the impacts of climate change, resource scarcity and biodiversity loss, while food supply chains are still encountering disruption and rising costs brought by the pandemic and geopolitical instability. In the face of these challenges, COFCO International has sought to help accelerate the transition to sustainable agriculture, protect the climate and conserve the environment, while remaining true to our mission to feed the world responsibly and supporting global food security.

Above all, we have kept our people safe and transformed our operations to keep agricultural supply chains moving, particularly amid the pandemic. And we have maintained our high product quality, while relentlessly advancing our

sustainability agenda and building resilience, taking action on the social and environmental issues where we stand to make the greatest impact. We have made strides by improving our understanding of how we can contribute to addressing climate change, gaining deeper visibility of supply chain risks, raising supplier standards, and collaborating towards collective, sector-led efforts to safeguard biodiversity in key sourcing regions. We have created strong foundations for improved human rights performance among our supply base and forged new strategies for biodiversity conservation, carbon reduction and water efficiency in our operations, supported by robust goals and monitoring. Beyond this, we have increasingly engaged with rural communities near our operations, expanding access to agricultural skills, while diversifying our global workforce and strengthening our business for the future.

Our mission

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

Our values

- Integrity
- Inclusiveness
- Innovation
- Sustainability





David Dong
CEO of COFCO International

Navigating a comprehensive sustainability journey

In the past year, the importance of protecting the climate and conserving biodiversity has been at the forefront of the global sustainability agenda, with two major UN conferences setting the tone for business and government action on deforestation and emission reduction. We remain committed to playing our part in accelerating the transition to sustainable agriculture, both within our operations and across our supply chains, as we strive to feed the world responsibly.

Further, we have continued to act while navigating social, economic and logistical challenges related to the pandemic and geopolitical instability. Importantly, we have prioritised the ongoing and stable supply of major commodities and efficient trading, while optimising our management of risks and keeping our people safe. We are increasingly building a better understanding of how both economic and sustainability issues stand to impact our business, developing greater resilience and innovating for the future.

In 2022, we are celebrating five years of a rapid and comprehensive sustainability journey. Starting from humble foundations, we have made important strides and developed ground-breaking sustainability-linked financing solutions, while recognising the distance left to travel. In this report, we take stock of our progress, highlight our opportunities for improvement, and share the priorities of our latest materiality review, which will guide our next five years of progress.

Collaboration presents an important opportunity for us to create value, expand and build an ecosystem of trust and mutual benefit. That is why we are forging partnerships across our industry and beyond to address shared challenges and identify strategic solutions that benefit our company and stakeholders and deliver financial, social and environmental returns. In particular, COFCO International has committed to implementing the Agriculture Sector Roadmap to 1.5°C, along with 13 other major agri-businesses. Together, we will strive to prevent deforestation and reduce emissions in our supply chains. Our ongoing work on improving traceability and addressing social and environmental risks within our soy and palm oil supply chains will stand us in good

stead to deliver results. Lowering the emissions of our freight operations through our own initiatives and collective efforts such as the Sea Cargo Charter and Getting to Zero Coalition will also contribute to reducing our overall environmental footprint.

Safety remains paramount across our business, and I am pleased to report zero fatalities and good occupational health and safety performance in 2022, with our safety index target for employees achieved. We seek to continuously raise our performance by strengthening our monitoring efforts and promoting safety among our suppliers. We have also strived to ensure the safety of our Ukrainian employees and help support them and their families by providing them with opportunities to move to other COFCO International locations. We have made solid progress on fostering a diverse, inclusive workplace, further integrating respect for human rights within our daily work, and continue to focus on attracting and retaining talented employees who share our values. In Brazil, we were awarded the Great Place to Work certificate.

To reinforce our progress on environmental responsibility, we are developing a robust climate strategy, based on a comprehensive study of our emissions and climate risks to inform targeted efforts. I look forward to implementing this in 2023 and beyond, complemented by our involvement in the Agriculture Sector Roadmap to 1.5°C, and our collective action to mobilise partnerships and funding for large-scale solutions to prevent deforestation in soy producing landscapes in Brazil through the Farmer First Clusters Initiative. We continue to raise the bar on operational efficiency, improving productivity while further investing in measures to reduce

the impact of our assets on the environment, particularly in light of additional energy and water requirements prompted by our 2022 sugarcane production growth.

Some 49,000 people in our communities have benefited from investment projects, including through our second Global Impact Season, which brought together employees from around the world to take action on local projects. We are also expanding our Guardians of Tomorrow children's education programme from Brazil to Argentina. We remain in dialogue with local communities to address their priorities. And we have continued to help expand access to skills among women and young people in these communities, while creating more talent for our business, and improve livelihoods among people who depend on agriculture for living.

To uphold strong standards, we have developed and revised our policies to promote further efficiency and stronger progress towards our strategic objectives, including our anti-money laundering policy. I can also report zero cases of corruption or product safety incidents, with continued investment in maintaining our performance.

As we look forward to the year ahead, I would like to call on our employees and external stakeholders to show their support of our work on climate action and help us renew our efforts to promote global food security. Together, we can make more rapid, lasting progress on transforming commodity supply chains to create a more sustainable food system, improving livelihoods and protecting our planet for future generations.

David Dong
CEO of COFCO International



“
To reinforce our progress on environmental responsibility, we are developing a robust, risk-based climate strategy. I look forward to implementing this in 2023 and beyond, complemented by our support of the Agriculture Sector Roadmap to 1.5°C.”

49,000
People in our communities who have benefited from investment projects.

Above
Sustainable production is the way forward to meet the growing demand for food responsibly.

We are COFCO International

As a global agri-business, COFCO International's mission is to feed the world responsibly. We are increasingly seeking every opportunity to promote sustainable agricultural supply chains, including transport and production, helping to nourish the growing population.

Our company employs 11,651 people of 64 nationalities in 37 countries, providing an inclusive workplace where diverse talent can thrive and contribute positively to our business. We continue to expand our operations, which focus on the sourcing, storing, processing, and transporting of major commodities, including grains, oilseeds, sugar, coffee and cotton. In 2022, our sales volumes to third parties reached 127 million tonnes of commodities, creating revenues of \$53.3 billion.

Together with our value chain partners and suppliers, we are stepping up our efforts to fulfil the rising demand for food. Throughout our operations, we seek to achieve excellent performance, collaborative innovation and promote high ethical and technical standards. To maintain our advanced, mechanised operations, we continue to invest in effective technologies and infrastructure, promoting sustainable efficiency. With operations in South America, the world's largest agricultural commodity-exporting region, we are also increasingly active in strategic producing countries in North America, Europe, Africa and Asia-Pacific.

[Read more p08](#)

North America

- 3 Warehouses
- 3 Ports

Latin America

- 36 Warehouses
- 8 Processing
- 8 Ports

EMEA

- 17 Warehouses
- 2 Processing
- 4 Ports

APAC

- 1 Warehouses
- 1 Processing

- Warehouses
- Processing
- Ports
- Trading hubs

Our investors

COFCO International is part of COFCO Fortune, the core agriculture and food business unit of COFCO Group, the world's largest agri-business by asset value.

COFCO Fortune has an asset layout spanning international and Chinese markets, and connects the upstream and downstream industrial chains.

Other COFCO Fortune shareholders alongside COFCO Group, as its controlling majority shareholder, include Hopu Investment Management, Temasek, Affirma Capital, National Council for Social Security Fund, COSCO Shipping, China Chengton, China Life, China Public-Private Partnerships Fund, and China Investment Corporation.

These relationships give COFCO International a significant base to leverage. Thanks to our relationship with COFCO Group, we have unrivalled access to the growing Chinese market, at a time when demand for agricultural commodities continues to soar.



Key figures

\$53.3bn
Revenue

11,651
Employees

37
Countries

127m
Tonnes sales volume

32.1m
Tonnes port capacity

2.2m
Tonnes inland storage capacity

28.6m
Tonnes processing capacity

From farm to table: our range of commodities

Grains

Wheat, corn, barley, sorghum

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

Our main role:
sourcing, storing, distribution

How are grains used?
With cereal use expected to rise by 11% over the next decade and Asian countries accounting for a significant proportion of the increase, grains will continue to be an important staple food. In addition, they are used for animal feed, and to manufacture some cooking oils, fuels, cosmetics and alcohols.

72m
Tonnes sold to third parties in 2022.

Oilseeds

Soybean, sunflower seed, rapeseed, oil palm, specialty oils (groundnut, castor), derived oils and products

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

Our main role:
sourcing, storing, processing, distribution

How are oilseeds used?
Oilseeds are the basis for important edible oils (e.g. sunflower oil, rapeseed oil). Improved production and quality standards coupled with better farming techniques enable agricultural companies to meet rising demand. Palm oil is also a versatile product with many uses in different industries, including biodiesel. The meal fraction from many oilseeds is used as a high-protein animal feed product. Some specialty oils (e.g. groundnut oil, castor oil) are also used in technical applications.

38m
Tonnes sold to third parties in 2022.

Sugar

Sugar, ethanol, electricity

Origin:
South America, South Asia, Southeast Asia

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

How is sugarcane used?
Sugarcane is commonly used for the production of sugar and bioethanol. The juice extracted from sugarcane is processed to make raw sugar for further refining into other products. Meanwhile, the residue (bagasse) can be used as a fuel to power sugar mills or for conversion into bioethanol.

18.5m
Tonnes crushing capacity in 2022.

Coffee

Arabica and robusta beans

Origin:
South America, Central America, Southeast Asia

Our main role:
sourcing, storing, processing, distribution

How are coffee beans used?
As one of the most widely consumed beverages worldwide, coffee is one of the most traded commodities globally. The growing coffee market is partially due to increasing consumption in emerging economies and a greater interest in specialty coffee and product innovations in developed countries.

37%
Of volumes certified under sustainability schemes.

Cotton

Cotton bales

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

Our main role:
sourcing, storing, distribution

How is cotton used?
Cotton is the world's most popular natural fibre. Grown rapidly, it plays a major role in clothing and other textiles, demand for which is rising, particularly in Asian countries. If cultivated sustainably, it can provide a good alternative to synthetic fibres.

51%
Year-on-year increase in volumes certified under sustainability schemes.

Maritime freight

Dry bulk shipping

Key regions served:
Americas, Europe, Middle East, Africa, Asia Pacific

Our main role:
maritime logistics

How is maritime freight used?
In our global economy, shipping is the bridge that connects supply and demand. Maritime shipping, in particular, is the most carbon efficient transport mode, moving around 90% of cargos, while being responsible for some 2.2% of global greenhouse gas emissions.

51m
Tonnes of sea cargo handled in 2022.

COFCO International's role in the global agricultural value chain

We are helping to accelerate the transition to sustainable, responsibly produced agricultural commodities, as productivity increases to meet rising demand. In particular, we continuously improve our performance and collaborate across our business and sector to promote better practices that protect the environment, respect human rights and contribute to global food security.

Stages of the value chain where we are present



Agricultural production

We source agri-commodities from the network of agricultural producers all over the world. In addition, we operate over 260,000 hectares of plantations in Brazil and South Africa.

Commodities

Sourcing: grains and oilseeds, sugar, cotton, coffee

Farming: sugarcane, grains and oilseeds

Our footprint

We source most of our commodities from farmers, co-operatives and other suppliers, prioritising direct relationships in all major production countries, in order to reduce risk in our supply chains.

We also operate around 180,000 hectares of sugarcane plantations in Brazil, producing sugar and bioenergy, and 80,000 hectares of grains and oilseeds plantations jointly with local farmers in South Africa.

Optimising our impact

We evaluate supplier risk and require all our suppliers to adhere to rigorous ethical and environmental standards, monitoring their compliance. We are increasingly directing targeted improvement efforts towards our most strategic and high-risk suppliers, promoting capacity building among farmers.

Within our sugarcane plantations, we strive to continuously improve farming practices and lower carbon emissions, including by using organic pest control methods and fertilisers (by applying vinasse, a by-product of ethanol production, for example). We promote biodiversity around our farms by monitoring flora and fauna, conserving natural habitats and supporting reforestation initiatives.



Storage

We store commodities in warehouses and silos ahead of processing or delivery.

Commodities

Grains and oilseeds, sugarcane, cotton, coffee, fertilisers

Our footprint

We operate a network of 57 warehouses and silos at strategic international locations, enabling us to store our agricultural commodities before processing or delivering them to customers.

Optimising our impact

We uphold high standards of product quality, health and safety and environmental management, respecting consistent corporate policies and relevant legislation.

To manage risks effectively within storage facilities operated by third parties, we have further developed our compliance tools to understand and address human rights risks among our suppliers. At the outset of our collaboration, we cover topics including health and safety, safe drinking water, personal protective equipment, decent and hygienic working conditions, proper paperwork and the prevention of child and forced labour or any kind of unfair treatment or discrimination.



Processing

We process commodities into products for local and global markets at our refineries and crushing facilities.

Commodities

Sugarcane, palm oil, sunflower, soybean

Our footprint

We process agricultural commodities into products for local and global markets at our four sugar mills, palm oil refinery and six oilseed crushing facilities in South America, Europe, the growing Asian market and Africa.

Optimising our impact

We innovate and invest in technologies to optimise energy and water consumption, increase our use of renewable energy and create value from by-products and waste. All our facilities adhere to a consistent environmental, health and safety management system based on international standards.



Marketing

We leverage multiple platforms to trade agricultural commodities at scale internationally.

Commodities

Grains and oilseeds and their derivatives, sugar, bioenergy, cotton, coffee, fertilisers

Our footprint

We use multiple platforms to trade agricultural commodities at scale internationally, working from 127 commercial offices in 37 countries.

Optimising our impact

To effectively meet customer demands, we monitor global supply and demand trends, and strive to respond flexibly to deliver efficiently and address any market shortages, promoting a streamlined flow of commodities within and across borders.



Transport

We operate a large modern fleet of vessels to transport the majority of our commodities. We also provide freight services to industrial customers.

Commodities

Grains and oilseeds and their derivatives, sugar, cotton, coffee, freight

Our footprint

We leverage our sophisticated global maritime logistics network and charter a fleet of vessels to transport most of our commodities, operating 15 port terminals. We also provide freight services to industrial customers.

Optimising our impact

We are acting to monitor greenhouse gas emissions from our time-chartered and voyage-chartered ships. We strive to reduce our carbon footprint by saving fuel and energy, exploring clean fuel opportunities and promoting efficiency, thereby supporting the shipping industry's ambitions to halve its carbon footprint by 2050.



Final product manufacturing, retail and consumption

We partner with our downstream and retail customers to ensure the growing uptake of more sustainable and responsibly produced final products to meet market demand and consumer expectations. We also collaborate with our supply chain partners to help promote sustainable consumption and responsible purchasing choices, including through sustainability certifications and delivering greater transparency.



Helen Song
Chief Financial Officer, COFCO International

Creating a more sustainable food system: five years of a rapid and comprehensive sustainability journey

As an agricultural commodity business, we can play an important role in creating a more sustainable food system and achieving global food security. Our CFO, Helen Song, reviews the progress we have made over the past five years of our sustainability strategy, and considers opportunities for the future.

“We have pursued our journey with determination and courage, always striving for continuous improvement, and building real momentum by working from foundational policies and programmes and integrating sustainability in our daily business.”

Why did you create your sustainability strategy and why is it important now?

Transforming agriculture to create a more sustainable food system is fundamental to our mission – feeding the growing global population responsibly. Our industry has far-reaching impacts on the climate and natural ecosystems, with food and agricultural production accounting for nearly a third of greenhouse gas emissions. Yet crops, including grains, are increasingly vulnerable to extreme weather and water scarcity. As major players in the agricultural commodity value chain, we must encourage practices that protect biodiversity and prevent further climate change in order to ensure supply continuity. This is also an essential part of improving farmer livelihoods and promoting food security and nutrition.

And with one in ten people suffering from hunger and malnutrition, and rising energy prices and inflation adding to household costs, achieving food security and reaching zero hunger has never been more important. Humanity must act now in order to nourish future generations, and this must happen in a way that's viable for farmers, including the world's millions of smallholders.

Could you summarise the aims of your strategy and why you're well placed to create impact in your priority focus areas?

Sustainability is a priority for our leadership and shareholders. It's one of my chief responsibilities and has been one of our core values from the outset. Our holistic strategy, Meeting Tomorrow's Demand, enables us to make progress in four important areas – achieving sustainable supply chains, taking care of our employees, protecting the environment, investing in our communities, while upholding strong standards. Throughout all our work, we focus on climate action and nature conservation, and strive to respect the human rights of everyone who contributes to our business. I believe our inclusive, collaborative culture and our agility, creativity and entrepreneurial spirit will allow us to deliver on our ambitions.

How would you describe the evolution of your journey and overall progress over the past five years?

We have pursued our journey with determination and courage, always striving for continuous improvement, and building real momentum by working from foundational policies and programmes and integrating sustainability in our daily business. We've agreed ground-breaking sustainability-linked loans to make further progress on supply chain traceability. We have geomapped and screened more than 2.3 million hectares of soy plantations in Brazil for social and environmental risks, enabling us to make solid progress on supplier capacity building. Each year, the proportion of sustainably certified commodities in our portfolio increases. We are encouraging diverse, talented people to join our business – expanding access to skills in our local communities and providing graduates with a comprehensive training programme, for example. And in addition to investing in community projects, we help to promote education and learning on important sustainability topics among children in Brazil, an initiative we'll soon be expanding to Argentina.

Within our operations, we innovate to promote resource efficiency. For example, at our sugar plantations, we apply vinasse (a by-product of sugar production) to help fertilise the soil. The water extracted from concentrating this material can be reused in our industrial processes. At our Rondonópolis crushing plant, we have connected our biodiesel tanks directly to our distributors through a new pipeline, avoiding the need for 12,000 truck journeys annually and saving 35 tonnes of carbon emissions.

Could you explain the value of collaboration in your journey? How have you involved employees and partners?

Collaboration is the only way to make an impact and transform agriculture. Over the years, the number, scale and ambitions of the initiatives we support have increased. In particular, we are supporting the Agriculture Sector Roadmap to 1.5 °C, a major effort to prevent deforestation and lower carbon emissions in agricultural supply chains. And as part of our membership of the Soft Commodities Forum, we are now gearing up to empower farmers to gain the funding and resources they need to improve their practices through Farmer First Clusters.

We know that our employees are central to our success, and we have sought to encourage active participation in supporting our strategy, particularly through our 184 employee-strong Sustainability Ambassador Network and Global Impact Season.

Where do you see opportunities for improvement?

Our new global climate strategy will be a step forward in addressing our emissions and building climate resilience by prioritising our most significant risks and opportunities. And we must renew and strengthen our collective action to ensure that the food sector is part of

the solution in preventing deforestation. We have made good progress, but there is still much to do in order to help keep our world on track with a 1.5 °C pathway.

How has acting on sustainability strengthened your business?

Sustainability is simply what's required for any food and agriculture business to remain competitive and create value in today's market. Developing a greater understanding of the social and environmental risks we face – and their prevalence and severity – has enabled us to take action within our business, develop targeted supplier efforts and identify partnerships for change. We are able to demonstrate progress to investors and other important stakeholders, and we know that our sustainability commitment encourages people to join our company.

What are your ambitions for the future?

I'd like us to move further by implementing our climate strategy, acting on the findings of our new materiality assessment and expanding on our partnerships – to create a lasting impact on preventing deforestation within our supply chains and beyond. I want sustainability to be at the heart of growing our business. The investments we make now must deliver both on strengthening our company and feeding the world responsibly.



Above
Highlighting the importance of collaborating to deliver sustainable food systems at a 2023 Financial Times events in Lausanne, Switzerland

Our strategy

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Managing sustainability

To take effective action on sustainability, we must form a deep understanding of the issues that are the most important and material to our business and stakeholders. In this way, we continuously improve the way we manage social and environmental risks, build resilience in our business and contribute to society.

Reviewing these issues regularly is important to achieving our aims. Therefore, in 2022, together with an external partner, we ran a new materiality assessment and identified and prioritised the sustainability issues on which we stand to make the greatest difference. This analysis will help us review and update our sustainability strategy, Meeting Tomorrow's Demand. We have reassigned the material topics under each of our five strategic pillars, as per the below table.

Understanding the materiality process

To prepare for the new analysis, we conducted a substantial literature review, and analysed the current and potential impacts of COFCO International's business on important social, environmental and governance issues. We also conducted 14 in-depth interviews with senior COFCO International employees and external stakeholders, along with an online materiality survey through which we collected 117 stakeholder responses, with around two thirds represented by groups including civil society (20%, the largest share), service providers, suppliers, customers, peers, investors and industry associations. The remaining third were COFCO International employees. Brazil represented some 35% of responses, confirming its strategic importance for the company.

In particular, we followed the concept of double materiality, which considers both the perceived impact of our company on society and environment, along with the risks and opportunities relevant to our business strategy and financial performance.

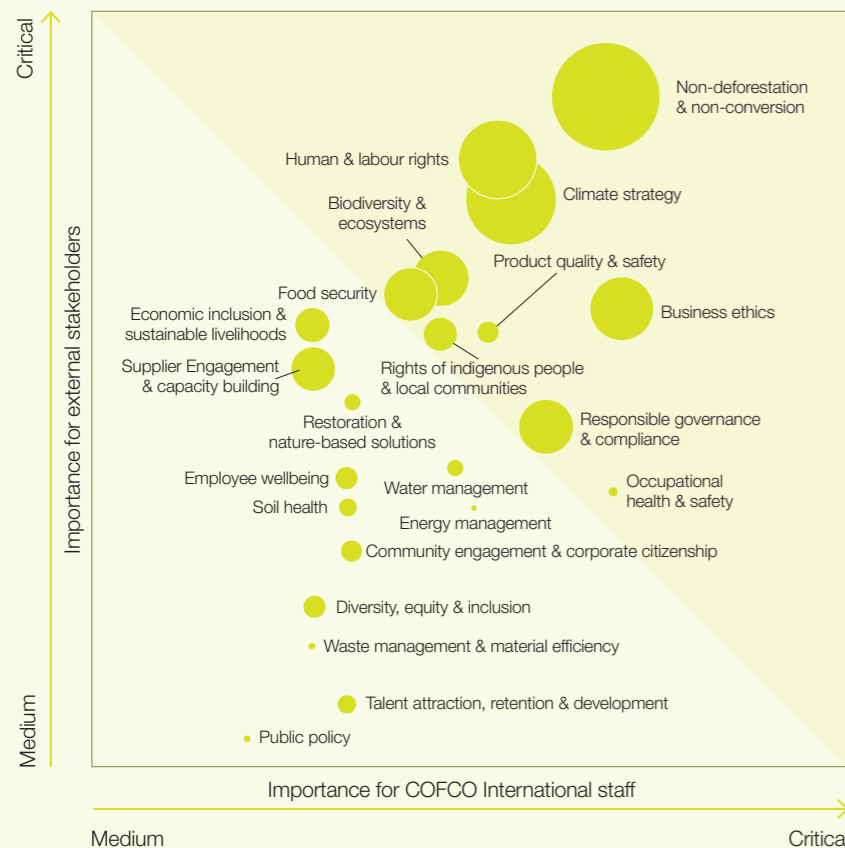
Importantly, our senior management was involved in the process (including directly through interviews) and our company's leadership reviewed and approved the final version.

2022 materiality updates

Among the key changes, we analysed sustainable agricultural sourcing at a deeper level, creating further categories including non-deforestation and non-conversion (the highest-ranking material topic), biodiversity and ecosystems, soil health, restoration and nature-based solutions. This builds on our work to conserve biodiversity and prevent deforestation. Human and labour rights remains the second highest rated topic. Additionally, as we are developing our climate strategy (the third highest rated topic), we can now provide a more holistic, comprehensive understanding of the climate change challenge.

Business ethics, product safety and compliance also appeared in the top ten issues. Meanwhile, the appearance of economic inclusion and sustainable livelihoods reflects the role of agri-businesses on the whole supply chain, particularly within producing regions and in terms of creating systemic solutions to raising productivity in a way that benefits farmers and their communities.

COFCO International's materiality matrix



Impact on COFCO International's business (double materiality)

Strategic pillars



Connecting supply and demand responsibly

Material issues
Economic inclusion and sustainable livelihoods, food security, public policy, supplier engagement and capacity building, non-deforestation and non-conversion, restoration and nature-based solutions.

Connecting supply and demand p26



Taking care of our people

Material issues
Diversity, equity and inclusion, employee wellbeing, human and labour rights, occupational health and safety, talent attraction, retention and development.

Taking care of our people p44



Managing our environmental impact

Material issues
Biodiversity and ecosystems, climate strategy, energy management, soil health, waste management and material efficiency, water management.

Managing our environmental impact p54



Building strong communities

Material issues
Community engagement and corporate citizenship, rights of indigenous peoples and local communities.

Building strong communities p66








Upholding standards






Material issues
Business ethics, product quality and safety, responsible governance and compliance.

Upholding standards p74

How we engage our stakeholders

We strive to ensure meaningful dialogue with our stakeholders in order to understand and respond to their concerns effectively. We engage with diverse groups through the most appropriate channels, discussing shared challenges and how we can create value. Our teams consulted all our stakeholder groups during our recent materiality assessment. A full table of our partnerships and memberships can be found [here](#).

Stakeholder group	Areas of interest	Engagement method	Examples of interaction
 Board of Directors and investors	<ul style="list-style-type: none"> — Sustainability strategy — Environmental, social and governance (ESG) performance and risk management 	<ul style="list-style-type: none"> — Board meetings — Leadership events — Regular management updates 	We provide regular updates to our management on ESG risks and actions to address them, in line with our strategy.
 Financial institutions	<ul style="list-style-type: none"> — ESG performance and risk management — Sustainable financing 	<ul style="list-style-type: none"> — Regular bank update meetings — Questionnaires 	<p>In 2022, we secured a new \$1.6 billion sustainability-linked loan (see Our five-year sustainability journey and our website).</p> <p>We also partnered with International Finance Corporation (IFC) to promote gender equality in the soy sector (see Soybean).</p>
 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 and response to consultations — Audits and external assessments 	We are increasingly focusing on meeting market demand for sustainably sourced commodities with greater supply chain transparency levels, including certified products such as coffee, cotton, biofuels, corn and soybeans (see Connecting supply and demand responsibly section).
 Suppliers, farmers and cooperatives	<ul style="list-style-type: none"> — Sustainable sourcing requirements — Traceability — Sustainable livelihoods 	<ul style="list-style-type: none"> — Meetings — Questionnaires — Audits and external assessments — Supplier training 	<p>We require all our suppliers to adhere to rigorous sustainable sourcing standards, regularly monitor their compliance and performance, and partner with them to address supply chain risks and concerns, delivering capacity building, as appropriate, and promoting the economic inclusion of smallholder farmers (see Connecting supply and demand responsibly section).</p> <p>In 2022, we further developed our compliance tools to assess human rights risks among our suppliers (see Respecting human rights).</p>
 Sector peers and industry associations	<ul style="list-style-type: none"> — Collaboration on shared sustainable agriculture challenges 	<ul style="list-style-type: none"> — Meetings — Industry events and workshops — Joint reporting 	<p>To achieve sustained progress across our sectors, we collaborate with our peers through forums such as the Softs Commodities Forum and industry associations like ABIOVE and FEFAC (see Connecting supply and demand responsibly section and our website).</p> <p>In 2022, together with 13 other agri-businesses, we launched the Agriculture Sector Roadmap to 1.5°C to accelerate action on deforestation in a way that contributes to food security, economic development and farmer livelihoods (see this link).</p>

Stakeholder group	Areas of interest	Engagement method	Examples of interaction
 Multi-stakeholder initiatives	<ul style="list-style-type: none"> — Environmental and social issues — Partnerships 	<ul style="list-style-type: none"> — Meetings 	We contribute to solutions for systemic change in global agricultural value chains and logistics networks by participating in initiatives such as the Soy Working Group, the Palm Oil Collaboration Group, the Tropical Forest Alliance and the Getting to Zero Coalition (see Connecting supply and demand responsibly section and our website).
 Policy-makers	<ul style="list-style-type: none"> — Legal compliance — Supply chain resilience — Food security 	<ul style="list-style-type: none"> — Response to consultations — Meetings 	We remain attentive to evolving regulation that addresses sector sustainability challenges, risks and opportunities, and support business-led initiatives for progressive policies (see Connecting supply and demand responsibly section).
 Non-governmental organisations (NGOs) and non-profit groups	<ul style="list-style-type: none"> — Climate change — Biodiversity conservation — Human and labour rights — Sustainable agriculture 	<ul style="list-style-type: none"> — Response to consultations — Collaborations — Meetings — External assessments 	We partner with NGOs and not-for-profit groups to improve our understanding of environmental and social risks in our supply chain and to address these more efficiently (see Connecting supply and demand responsibly section, Respecting human rights , and Reducing our carbon footprint and building climate resilience).
 Local communities	<ul style="list-style-type: none"> — Community health, safety and wellbeing — Education and training — Environmental stewardship — Economic inclusion and sustainable livelihoods 	<ul style="list-style-type: none"> — Community impact assessments — Social dialogue events — Community projects — Volunteering 	<p>We maintain an ongoing dialogue with the local communities where we operate to listen to their views and identify their needs, and we invest in projects to help build capacity and employability skills, improve overall community wellbeing and promote environmental stewardship (see Building strong communities section).</p> <p>In 2022, with the support of our global network of Sustainability Ambassadors (see Good governance and compliance), our community projects reached an estimated number of 49,000 community beneficiaries.</p>
 Employees and trade unions	<ul style="list-style-type: none"> — Human and labour rights — Employee wellbeing — Diversity, equity and inclusion — Occupational health and safety — Talent development 	<ul style="list-style-type: none"> — Internal communication channels — Safety and diversity committees — Employee training — Dialogue with trade unions — Collective agreements — Employee surveys 	We make sure that the health and safety of our diverse workforce is at the core of our business priorities. Each individual is provided with regular learning and development opportunities, and we strive to ensure that we promote employee wellbeing, while providing inclusive workplaces that promote diversity (see Taking care of our people section).



Meeting Tomorrow's Demand: Our strategy and targets

We continue to develop our strategy following a comprehensive process, starting with our materiality study (see page 14), which identifies our key areas of focus and the social and environmental topics that matter most to our business and stakeholders. This is where we can make the greatest impact. To achieve our goals, we engage regularly with our key stakeholders (see page 16) Meanwhile, our robust set of sustainability policies provides more specific guidance and commitments on how we are implementing the broader goals and targets of the strategy (see page 75).

● Sustainability Governance Model p76

● Material Issues p14

● Sustainability Policies p75

Our areas	Strategic objectives	Material issues	Priority targets	Our progress
 <h2>Connecting supply and demand responsibly</h2> 	Transitioning towards efficient, low-carbon and sustainable supply chain management, innovating to raise agricultural productivity, build climate resilience and promote biodiversity.	<ul style="list-style-type: none"> Economic inclusion and sustainable livelihoods Food security Public policy Supplier engagement and capacity building Non-deforestation and non-conversion Restoration and nature-based solutions 	<ul style="list-style-type: none"> Full traceability to farm for directly sourced Brazil soybean by 2023. Disclose progress in mapping indirect suppliers to the farm in the SCF 61 focus municipalities in SCF annual reports. To be audited by an external party. Monitor and disclose deforestation and conversion-free footprint for directly sourced soy in the SCF 61 focus municipalities in SCF annual reports. To be audited by an external party. By 2025, halt deforestation from soy supply in the Amazon, Cerrado and Chaco in line with the 1.5°C roadmap commitment. Achieve a deforestation and conversion-free soy supply chain by 2030 in sensitive regions of Latin America. Achieve and maintain full traceability to mill level for global palm oil sourcing. Evaluate the sustainability performance of all direct palm oil suppliers with regular business relationships. Ensure the completion of targets under the palm oil Implementation Plan 2022-23 (see Palm oil). 	      
 <h2>Taking care of our people</h2> 	Respecting human and labour rights, providing a safe, healthy and inclusive work environment, helping our employees to fulfil their potential.	<ul style="list-style-type: none"> Diversity, equity and inclusion Employee wellbeing Human and labour rights Occupational health and safety Talent attraction, retention and development 	<ul style="list-style-type: none"> Zero employee and contractor fatalities. Safety Index for employees and contractors ≤ 1.5. 2% employee work time dedicated to Environment, Health and Safety (EHS) training. 1.5% contractor work time dedicated to EHS training. 	     
 <h2>Managing our environmental impact</h2> 	Advancing resource efficiency, lowering carbon emissions and creating value from waste.	<ul style="list-style-type: none"> Biodiversity and ecosystems Climate strategy Energy management Soil health Waste management and material efficiency Water management 	<ul style="list-style-type: none"> Reduce water intensity index by 10% by 2025 from 2019 baseline. Set science-based climate targets and implementation roadmap by 2024. Gradually improve data granularity and reporting processes for the most material categories within Scope 3 GHG emissions. 	   
 <h2>Building strong communities</h2> 	Improving farmer livelihoods and creating a positive impact on people and the environment in the communities where we work and live.	<ul style="list-style-type: none"> Community engagement and corporate citizenship Rights of indigenous peoples and local communities 	<ul style="list-style-type: none"> Maintain ongoing social dialogue at all high community impact operations. Conduct environmental and social impact assessment prior to all new site construction and acquisition. 	 
 <h2>Upholding standards</h2> 	Ensuring the quality and safety of our products, maintaining good corporate governance and compliance.	<ul style="list-style-type: none"> Business ethics Product quality and safety Responsible governance and compliance 	<ul style="list-style-type: none"> Zero food/feed safety incidents. 100% resolution of grievances received through our Integrity Hotline. 	 

Our priority material issues are in bold text.

Our five-year sustainability journey

Here, we explore our progress over the past five years of our sustainability journey, sharing key highlights and developments.

Merging for growth
Grew our company with the merger of COFCO Agri and Nidera.

Meeting Tomorrow's Demand
Developed our sustainability strategy, Meeting Tomorrow's Demand, to address the most important issues for our stakeholders and business.



Reporting begins
Published our first sustainability report.

New levels of transparency
Created a centralised, anonymous and confidential way to report any concerns, building on existing mechanisms, and making this available to all stakeholders.

Renewables make headway in Brazil
88% of our global energy needs were met by renewable sources, with 630 GWh of surplus bioenergy exported to the Brazilian grid.

New sustainable funding
Secured a ground-breaking \$2.3bn sustainability-linked loan with 21 banks, with interest rates linked to sustainability performance and supply chain traceability.

First Soft Commodities Forum progress report
First Soft Commodities Forum progress report published with key data on soy sourcing in high conversion risk areas of the Cerrado.

\$2.3bn
Sustainability-linked loan secured

Adapting to the pandemic
Amid the Covid-19 pandemic, we developed a response policy to protect our people, and supported communities and hospitals with medical supplies.



Global human rights impact assessment
Took action to address the findings of our global human rights impact assessment, with support from BSR.

Further sustainable funding
Secured a new \$700m sustainability-linked loan.

Continued transparency
Reached full traceability and completed environmental and social screening of all our directly-sourced soy in Matopiba, with support from IFC and Agrosatélite.

Setting goals for deforestation
Set a goal to achieve a deforestation and conversion-free soy supply chain in Latin America's sensitive regions by 2030.

Roadmap for COP27
Participated in the launch of the Agriculture Sector Roadmap to 1.5 °C at COP27 to reduce emissions from land use change in agricultural supply chains.

Loan secured
Secured a third sustainability-linked loan of \$1.6bn after successfully completing all our previous targets.

Preventing deforestation
We joined with five other agri-businesses to mobilise partnerships and funding for large-scale solutions to prevent deforestation in soy producing landscapes in Brazil through the Soft Commodities Forum Farmer First Clusters Initiative.

Measuring our climate impact
Measured our entire greenhouse gas footprint and assessed climate risks to develop our corporate climate strategy.

Foundation year:
2017

2018

2019

2020

2021

Reporting year:
2022

Mapping Brazil's soy farms
Geo-mapped more than 1m hectares of soy farms in Brazil to identify environmental and social risks, and partnered with WWF and the TNC to expand this practice to the South Cone region.

A new programme for future generations
Launched our Commercial Graduate Programme to welcome and promote a new generation of talent within our company.

Investing in rural Brazil
To support local communities, we invested in programmes to expand agricultural skills in Brazil, including in partnership with SENAR.



Sustainable Palm Oil Sourcing Policy
Launched our Sustainable Palm Oil Sourcing Policy and developed sustainability scorecards for our direct suppliers in partnership with Proforest.

Setting goals for water efficiency
Set a new target to improve water efficiency of our industrial operations by 10% by 2025.

Engaging soy farmers
Reached 50,000 smallholder soy farmers through Social Fuel Stamp biodiesel sourcing in Brazil.

Bringing a focus on diversity
Established our Diversity Committee in Brazil to promote a flourishing, inclusive workplace and strengthen policies and guidelines.

Producing results
Produced 130,000 tonnes of certified sustainable biodiesel in Argentina and Brazil, and reached 27% of coffee sales volume certified under sustainability schemes.

Sugarcane planting
Planted over 240,000 seedlings in the conservation area managed by our sugarcane operations.



240,000
Seedlings planted

233

Sustainability Ambassador Network members

Building sustainable networks
Expanded our Sustainability Ambassador Network to 223 members and held our first global Impact Season, involving 466 employees across 16 countries.

Engaging with the community
Reached over 36,000 people through community investment programmes.

Progressing the maritime industry
Reported our progress towards helping to decarbonise the maritime industry through the Sea Cargo Charter.

Setting priorities
Conducted a new materiality assessment to understand the topics most important to our business and stakeholders.

2nd Global Impact Season
Held our second global Impact Season, highlighting how all our teams contribute towards sustainability.

Partnering with Brazilian Coffee farmers
Partnered with coffee farmers and Produzindo Certo to measure and reduce carbon emissions from coffee production in Brazil.

Our progress

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Our 2022 highlights

Managing sustainability

New materiality assessment
Conducted to understand the topics most important to our business and stakeholders.

[Read more p14](#)



\$1.6bn

Third sustainability-linked loan secured after successfully completing all our previous targets.

Connecting supply and demand responsibly

[Read more p26](#)



Participated in the launch of the Agriculture Sector Roadmap to 1.5 °C.

88%
535,880
37%
22%

Of our palm oil supply base covered in a new social and environmental risk assessment.

Carbon credits generated through sugar production.

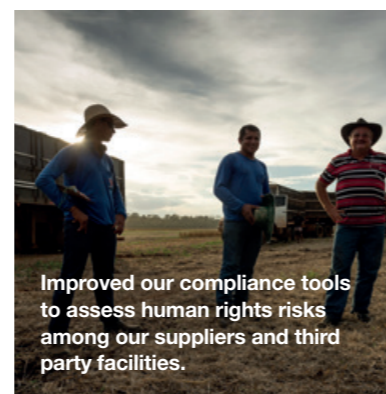
Of our total coffee sales volume was certified or verified as sustainable.

Decrease in emissions of our time-chartered ships.

Taking care of our people



COFCO International Brazil awarded Great Place to Work certification.



Improved our compliance tools to assess human rights risks among our suppliers and third party facilities.

10%
Reduction in lost-time injury frequency rate for employees.

78%
Of our assets had zero lost-time incidents.

[Read more p44](#)

Managing our environmental impact

611,658
MWh of surplus bioenergy supplied to local power grids in Brazil.

62%
Of waste recycled, reused, composted or recovered.

100%
Of our greenhouse gas footprint measured and assessed to develop our corporate climate strategy.

[Read more p54](#)

20%
Decrease in Scope 1 and 2 GHG emissions compared to 2021.

89%
Of our global energy needs were met by renewable energy.

Building strong communities

[Read more p66](#)



Expanded capacity-building efforts to support community livelihoods in Brazil, South Africa and India.

49,000
People reached by our community investments.

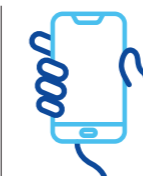
6,233
Children reached by our Guardians of Tomorrow programme in Brazil.

Upholding standards

[Read more p74](#)



Zero
Food or feed safety incidents resulting in fines, penalties or warnings.



59
Days average closure rate for Integrity Hotline cases.



22,303
Training sessions on business ethics and policies delivered to our employees.



100%
Conducted a full test of our global food safety alert system.



Connecting supply and demand responsibly

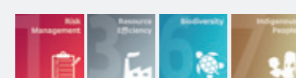
Collaborating with our suppliers, we strive to promote responsible agricultural practices that meet the growing demand for sustainability, while raising social and environmental performance in our supply chains.

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UN Sustainable Development Goals



IFC Performance Standards



Understanding our grains and oilseeds business



COFCO International plays an important and diverse role in the sourcing and supplying of major commodities such as grains and oilseeds, covering every aspect from engaging with suppliers to transporting products to customers. We sit in the middle of the supply chain, sourcing products from suppliers who trade raw materials bought from farmers. For some commodities (such as soy, sunflower and palm oil), we perform some processing activities, before selling to manufacturing customers to be transformed into final products.

We take a risk-based approach to managing our commodities and strive for continuous improvement in the way we operate and raise supplier standards. Overall, we aim for effective and low carbon supply chains, while innovating to raise agricultural productivity, build climate resilience and promote biodiversity. In particular, our Supplier Code of Conduct defines the social, environmental and ethical requirements to which we expect our suppliers to adhere. It underpins all our sustainable and responsible sourcing activities, and is complemented by commodity-specific sourcing policies.

“Many rural producers already see sustainability as a business opportunity, and are seeking certifications that help them to improve their practices and livelihoods.”

Fernando Brandt Meira Cotrin
Origination Director Grains and Oilseeds,
COFCO International Brazil

Grains

Corn, wheat, barley, sorghum in raw form

Our role:
Bulk handling (shipping, storage and distribution)

Highlights:
Corn: We participate in the 2BSvs sustainability scheme. In Brazil, our 2BSvs corn volumes exceeded 97,000 tonnes.

In Argentina, we included corn and glycerine within our 2BSvs certification (in addition to biodiesel) and corn within our Round Table of Responsible Soy Association (RTRS) certification (together with soybean).

We also have International Sustainability & Carbon Certification (ISCC) certification for the following products and regions:

- Bulgaria and Ukraine: Corn, rapeseed
- Hungary and Romania: Corn, wheat, soybean, sunflower, rapeseed
- France, Italy and Spain: Soybean, soymeal pellets, hulls and meal.

Oilseeds

Sunflower (seeds, meal and oil), rapeseed (seed, meal, oil), soybean (bean, meal, oil, biodiesel), palm oil, specialty oils (groundnut oil, castor oil)

Our role:
In addition to bulk handling, we conduct different roles for each commodity. For example, we crush soy and sunflower to produce meals and oils, and refine crude palm oil.

Highlights:
Soybean: We retained the RTRS Chain of Custody certification for our soy assets in Argentina and Brazil, including the Rondonópolis crushing plant, ports and warehouses. RTRS-certified soy is deforestation and conversion-free and meets high environmental and labour standards.

Biodiesel and ethanol: We continued to trade RenovaBio-certified biofuel (see [Soybean](#)), in addition to sugar-derived ethanol (see [Sugarcane](#)).

Castor oil: We became a member of Sustainable Castor Oil Association, the aim of which is to improve the livelihoods of castor farmers while reducing environmental impact.



Left
Collaboration is fundamental to raising standards in our supply chains.

Navigating supply and demand challenges

Our most important sourcing regions are Latin America (for soy and corn) and the Black Sea region (for wheat, barley and sorghum). The challenges we face vary according to country, and include social, environmental and logistical risks. For example, the war in Ukraine has disrupted the supply of grains and oilseeds from Ukraine and Russia, posing a significant challenge in maintaining a good supply of key commodities. To overcome this, we have diversified our sourcing activities, optimised logistics, and implemented robust risk management strategies. Additionally, in 2022, we also faced logistical issues when drought lead to the drying out of the Danube river, prompting us to redirect more cargo to railway transport.

Deforestation and climate risks

In South America, we are taking action to address deforestation and native vegetation conversion and related climate risks in our supply chains (see Soybean). With an ambition for deforestation-free supply chains in sensitive regions of the continent by 2030, we are taking action to promote sustainable agricultural practices that help to conserve forests and natural habitats and prevent further climate change. This is particularly important in light of the upcoming European Regulation on deforestation-free products, which applies to commodities including soy, palm oil and coffee. Any product containing these commodities either sold on the EU market or exported from

the region must be deforestation and conversion-free after 31 December 2020. The ingredients of each product must be traceable to their origin, have been produced in line with relevant production country legislation, and be covered by a due diligence statement.

With rigorous targets for soy and palm oil traceability (see Soybean and Palm oil), we have already made strides on tracing our commodities back to farm or mill level, and continue to conduct in-depth risk evaluations of strategic sourcing locations. We have also identified climate risks in the commodities markets and regions where we operate, as part of our new climate strategy (see [Reducing our carbon footprint and building climate resilience](#)).

Introducing COFCO International's Responsible Agriculture Standard

In 2022, we launched our [COFCO International Responsible Agriculture Standard](#) to support the mainstreaming of agricultural commodities that are produced in line with native vegetation conservation objectives and the principles of sustainability. Respecting international best practice and incorporating FEAC's guidelines, it will guide all our efforts to raise sustainability performance worldwide. Importantly, the standard focuses on ensuring legal compliance, respecting human and labour rights, protecting community relations and environmental responsibility, and requires a traceability system to be in place for all the suppliers seeking certification.

“Our new Responsible Agriculture Standard will be central to making further progress on preventing deforestation and addressing climate risks in our supply chains, while helping to maintain food security in an evolving geopolitical landscape.”

María Gabriela Montenegro
Laboratory & Integrated Management System Manager, COFCO International Argentina

Soybean



Soybeans are primarily grown for animal feed, providing an efficient form of protein, and are also used to produce biodiesel. COFCO International crushes and processes soybean, soy meal, soy oil, biodiesel, selling them to global markets. As the world's population expands, creating a rising demand for meat and animal-derived products, soy production continues to expand. In Latin America, where the majority of soybeans are cultivated, the risk of deforestation and conversion and intensive farming can pose climate, biodiversity and human rights challenges. In particular, Brazil represents 37% of global soy production, with half located in the Cerrado biome, which is now 11% covered by the crop. Across the sector, some 114 million tonnes of CO₂e are estimated to have been emitted between 2013 and 2021 due to soy-related land conversion in this region.

We are committed to achieving deforestation and conversion-free soy supply chains by 2030 in sensitive regions of South America, while also complying with the Green Deal EU zero deforestation legislation and human rights due diligence requirements. And to help make an impact at scale, we are taking collective action to enhanced supply chain action, in line with the UN's target 1.5°C pathway towards 2050.

Below

Our work on sustainable soy will help to prevent deforestation and reduce carbon emissions.



We are leveraging farm-level traceability and monitoring of direct and indirect purchases to raise standards in our supply chains, improving transparency and responding to stakeholder requirements for responsibly sourced products. Linking our core financing mechanism to sustainability and traceability performance on major commodities, including soy, has played an important part in our progress. In 2022, we achieved 100% of the proposed targets for traceability and socio-environmental analysis. At the heart of this, we continue to systematically identify and address risks to inform our improvement efforts, together with trusted partners. We have now geo-mapped over 2.3 million hectares in Brazil, cross-referencing with known social and environmental risks to prioritise focus areas and inform supplier improvement efforts. We are also increasingly gaining visibility of indirect suppliers and seeking to raise their performance. In particular, we analysed 100% of this supplier group for pre-financing operations, and supported further engagement through and in addition to our Soft Commodities Forum commitments.

We have reached all traceability, social and environmental targets connected to direct suppliers in relation to our sustainability-linked loan.

Towards responsible sourcing

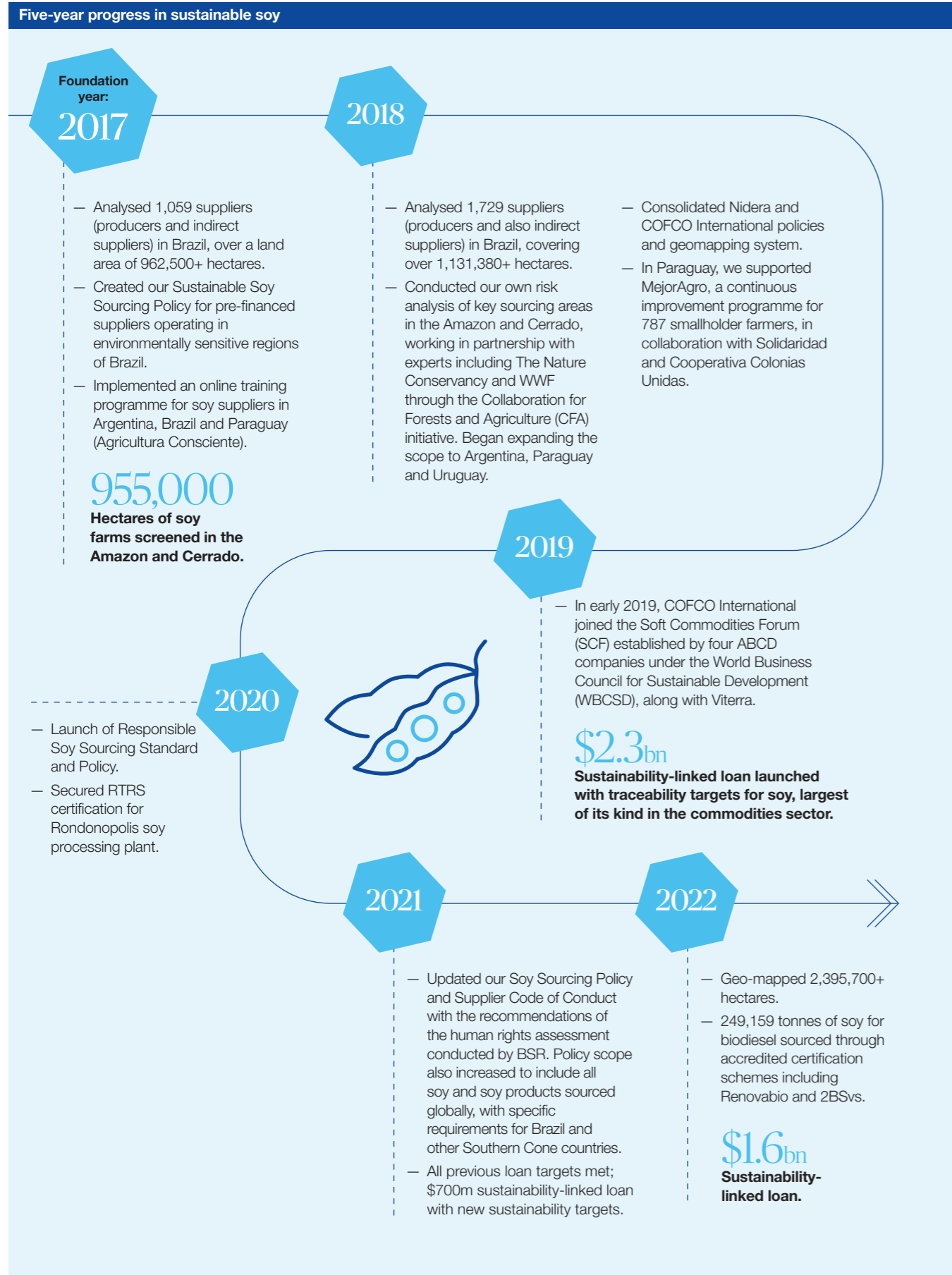
Our [Sustainable Soy Sourcing Policy](#) guides our responsible soy sourcing efforts, setting the tone for the standards we require from our suppliers, with individual requirements for Brazil and other countries in South America. We expect all our strategic suppliers to share farm-level information on their agricultural practices, action to conserve natural habitats, and how they promote decent work and respect the rights of both workers and indigenous people. We continue to implement the findings of our Human Rights Impact Assessment, conducted in partnership with BSR. Our Responsible Agriculture Standard reflects leading sector guidelines defined by the European association of compound feed and premixes manufacturers (FEFAC). In particular, we have expanded our focus from deforestation and conversion to encompass multiple topics including legal compliance, responsible working conditions, environmental protection, land rights and community relations. While our policy already covers many of these areas, their inclusion in the standard will help to ensure compliance through on-site audits.

We continue to engage our employees to deliver our ambitions, and as part of our efforts to promote continuous improvement, we have provided structured soy and corn sustainability training to 218 commercial and administrative support employees. We also delivered training to employees on a new digital platform for monitoring socio-environmental analyses, designed to improve efficiency in internal information-sharing and expand our analytical capacity.

We retain full compliance with the Soy Moratorium and Pará Protocol.

100%
Of proposed targets for traceability and socio-environmental analysis met.

218
Commercial and administrative employees received training.



Producing sustainable soy for fuel

As soy production for biodiesel rises in line with market demand for cleaner fuels, we are continuously improving our sourcing practices, focusing on soy produced in line with recognised sustainability certification schemes. For example, in Argentina, Paraguay and Uruguay, we continue to source soy grown respecting the 2BSvs scheme of Biomass and Biofuels sustainability. This promotes the low carbon cultivation of soy and conservation of land valued highly for biodiversity and carbon storage. In 2022, we increased our biodiesel production by 1.8% under this scheme, sourcing 511,222 tonnes of soy.

We also included corn and glycerine within our 2BSvs certification. In Brazil, we sourced 156,136 m³ of RenovaBio-certified biofuel, which is produced in line with high environmental standards, and requires that crops are grown without deforestation or conversion. In this way, we generated 49,300 CBios credits sold on the Brazilian stock exchange (the equivalent of around 18% of our Scope 1 FLAG emissions) to incentivise clean transport and encourage further investment in sustainable agricultural practices, a 70% decrease year on year, due to lower biodiesel sales.



Collaborating for progress

Collective roadmap to reduce land use emissions from land use change towards a 1.5°C pathway

To protect the climate and ensure the future supply of commodities, it is vital to reduce emissions, including through preventing further deforestation and land conversion in the Amazon, Cerrado and Gran Chaco and other important natural ecosystems. This will require an unprecedented collective effort, involving business, government and not-for-profit stakeholders. And it is important that this happens in a way that contributes to food security, economic development and farmer livelihoods. In 2021, we joined 12 major agricultural companies at COP26 in making a commitment to take action in our supply chains and reduce deforestation and conversion-related emissions, in line with a 1.5°C pathway. In 2022, we forged a collective roadmap for change, with the aim of identifying scalable solutions that we as businesses can deliver to this challenge.

- By 2025, we aim to have halted deforestation from direct and indirect supply of our soy products in the Amazon, Cerrado and Chaco, and determined how best to protect non-forest ecosystems in compliance with relevant local legislation.
- Beyond our own supply chains, we are acting to help transform soy-producing landscapes by collaborating with multiple stakeholders to mobilise investments and technical partnerships to promote the adoption of sustainable practices and create financial incentives for conservation.
- We are also partnering with stakeholders to ensure best practice and strengthen the enabling environment to help promote the conservation of forests and other natural ecosystems.

The next steps will include developing a shared framework to remove emissions from our respective supply chains, building a robust business case for scaling investment and completing a global assessment of the risk of converting natural ecosystems to soy production.

Empowering women farmers to lead on soy sustainability

Women stand to play an important role in sustainable soy production, yet often have little influence and few opportunities to make farming or business decisions. We are seeking to promote gender equality and increase the role of the 229 women farmers in our Brazilian soy supply chains. As a first step and together with IFC, we aimed to build an in-depth understanding of their challenges as producers and business partners. Interviews were conducted among nine women in the regions of Mato Grosso, Minas Gerais and Bahia. We discovered that a better system is required to help women gain authority when they become farm managers. In addition to greater awareness of the opportunities at farm level, they need access to better training to support their needs. In particular, by building more farming knowledge, they are more empowered to assert independence and make decisions, while also building credibility among stakeholders.

The results of the study will help us define an action plan to better support our women soy suppliers, including by offering dedicated training opportunities in collaboration with SENAR (see [Promoting diversity and inclusion](#) and [Sustainable livelihoods](#)). We will also hold events and campaigns to inspire women to get involved in soy production, and support programmes that provide women with essential practical and financial services. We can also improve the way we communicate with women farmers and monitor their progress, while responding to their transport and childcare needs. In this way, we aim to empower women to lead on sustainability and innovation in our value chain.

Partnering to protect the Cerrado's biodiversity

We continued our partnership with Abiove in the Matopiba region to achieve a more traceable and sustainable soy supply chain in this area of the Cerrado, Brazil's biodiversity hotspot, where we have also conducted in-depth studies to better understand our footprint. This forms part of the AgroPlus project to promote sustainable production in the soy, corn, rice, cotton and livestock chains. AgroPlus seeks to increase economic opportunities and promote greater efficiency and sustainability within Brazil's agricultural production.

Together, we are conducting social and environmental assessments, and promote the adoption of sustainable practices among suppliers. In 2022, we built on the in-depth view we gained over 85% of our directly sourced soy in the region by extending the programme to 50 farms in the state of Tocantins, which hosts COFCO International's only warehouse in the region. In addition to sustainability analysis, we sought to promote capacity building among 23 producers, together with government services, research institutes, NGOs and farmer associations, while also improving working conditions and livelihoods. To date, we have reached 120 farmers and farm workers in ten municipalities, while also verifying that 13,250 hectares of land produce soybeans sustainably. We will continue to expand our effort while reducing risks and responding to market demand for responsible soy, helping to conserve this area of vital natural importance.

Raising standards through the Soft Commodities Forum

For the fourth year, we participated in the Soft Commodities Forum, convened by the World Business Council for Sustainable Development. Together with five other major agricultural businesses, we are striving to lower and eliminate native vegetation conversion in our Cerrado soy supply chains, and develop scalable solutions for sustainable soy. Having achieved 100% traceability to farm in 61 focus municipalities for direct purchases, in 2022, we collectively engaged with nine indirect suppliers to improve monitoring and raise performance. We also completed social and environmental risk screening in supplying farms. Now, we are working with 14 priority indirect suppliers, including resellers, cooperatives and third-party warehouses, understanding their capacity for implementing traceability and monitoring systems and co-developing action plans for progress. Importantly, all members will use a shared process to conduct third-party verification of the traceability of the soy we source from these suppliers, helping to ensure that we can compare and better advance progress.

We aim to reach a total of 20 indirect suppliers while creating and monitoring structured action plans, providing information and obtaining external verification of their percentage of sustainable soy. We will also maintain farm-level traceability of direct suppliers in the 61 municipalities. Read more about this in our [SCF progress reports](#).

We have also helped to create the [Farmer First Cluster](#) (FFC) initiative, which will seek to incentivise farmers to adopt sustainable practices over three years by offering practical, financial solutions based on local challenges. Operating initially in four territories and led by a group of experienced producers and partners, all services will seek to promote sustainable production, protect nature and improve livelihoods. These will include compensation for legal reserve surplus, funding for the restoration of degraded areas, integration of livestock, expansion of pastures, technical assistance and affordable loans with environmental targets. The project will continue to scale as we gain new partners.

Engaging with suppliers

To further encourage continuous improvement among our grains and oilseeds suppliers in Brazil, our 'Meu Portal COFCO' (My COFCO Portal) continued to act as an important source of information on business, product quality and sustainability topics. Suppliers can also use the platform to request that their farms undergo social and environmental assessments.

Looking ahead

We will continue strengthen our efforts to increase soy production in a sustainable way, analysing social and environmental risks and monitoring supplier performance. In particular, we will deepen our engagement with third parties, farmers and the wider sector, and strive to create nature-based solutions that could help us to achieve our commitments. We will maintain our focus on keeping the farmer at the centre of all our efforts, and seek financial incentives that could enable us to better implement lasting solutions.

Palm oil



Palm oil is a versatile commodity with a growing global demand. Used in many products, including food, cosmetics and biodiesel, it is more efficient to grow per hectare than other vegetable oils, and therefore can be sustainable if cultivated responsibly. We are fully invested in advancing this journey and helping improve the sector's considerable social and environmental impacts.

COFCO International purchases crude palm oil and palm olein – largely sourced from Indonesia and Malaysia – to be processed at our RSPO-certified refinery in Kandla, India, and sold domestically. Our suppliers are primarily international agri-businesses and refineries with whom we have established relationships, along with local suppliers in India. Our refinery meets the criteria for processing certified products through the RSPO's Mass Balance supply chain model. We do not operate any oil palm plantations or mills, and we have no direct relationships with these actors.

Understanding the challenges of palm oil production

Historically, our major producer countries have faced biodiversity and environmental degradation risks, including the conversion of high conservation value areas and high carbon stock forests, as well as burning and peatland exploitation. Deforestation is gradually slowing, due to corporate, multi-stakeholder and governmental efforts, yet there is still progress to be made. Meanwhile, protecting the human rights of people working on or living near oil palm plantations remains important. In 2022, we operated in a turbulent market, with Indonesia temporarily banning palm oil exports, causing a spike in prices. Our refinery overcame the disruption by exchanging palm oil for soybean-derived oils as a production feedstock. The upcoming rigorous EU deforestation-free legislation may generate further uncertainty as producer countries consider whether existing systems can meet its stringent requirements.

88%
Of our palm oil supply base covered in a new social and environmental risk assessment.



COFCO International's sustainable palm oil 2022-23 goals

- Achieve and maintain full traceability to mill level for our global palm oil sourcing.
- Regular review of key supply base environmental and social risks.
- All direct suppliers with whom we have a regular business relationship assessed on sustainability performance through our scorecards.
- All direct suppliers with whom we have a regular business relationship have no deforestation, no peat and no exploitation (NDPE) policies and implementation plans by 2023.
- Adopt and implement the NDPE Implementation Reporting Framework (IRF).
- All grievances received through our formal channels are monitored and under resolution process.



Above
We are analysing risks at each stage of our palm oil chain, striving for greater traceability and partnering with our suppliers to promote responsible production.

As a stakeholder distanced from plantation-level production, we are working to improve our visibility over the journey of palm oil. In particular, we are analysing the risks associated with each stage of the chain and continuing to strive towards greater traceability levels to ensure that our sourced volumes are produced responsibly. In this way, we can drive change and promote supply chain transparency. We therefore forge constructive working relationships with our suppliers in order to help positively influence their performance, which we review regularly. Our efforts are guided by a robust [Sustainable Palm Oil Sourcing Policy](#), which embodies our no deforestation, no peat, no exploitation commitments. This is further supported by our Supplier Code of Conduct and sector-led initiatives such as the RSPO and the [Palm Oil Collaboration Group](#), which promote greater transparency and sustainability across the sector, while strengthening our collective future.

Towards full traceability

To develop a full view of the risks along our palm oil supply chain, we require our suppliers to provide information regarding the journey of each shipment from the mill to our production facility. This includes the address, geo-coordinates, names and parent company names of mills and certification status (if applicable). We check for known social and environmental risks in these areas and use this information as a basis for helping higher risk suppliers to improve their practices.

Overall, we traced 70% of volumes to mill level, down from 87% in 2021, as a result of broadening our supply base. For volumes sourced from strategic suppliers, we achieved full traceability-to-mill, while working closely with smaller suppliers (such as local companies in

India) to improve traceability levels. We remain committed to sharing our supplying mills list through [our website](#). This is verified by independent auditors annually.

Evaluating social and environmental and social risks

Working in partnership with Proforest, we undertook a social and environmental risk assessment within 12 regions in Indonesia and Malaysia with the highest numbers of mills connected to our supply chain. This includes 825 mills comprising 88% of our palm oil supply base. To address the risks identified, we will engage with suppliers with respect to the level of risk posed in their region and the maturity of their sustainability performance. In addition, we will continue to engage and further support sector-wide work in key sourcing regions.

Implementing a sector standard for reporting NDPE progress

Achieving the sector's NDPE ambitions requires a consistent, shared way to monitor and report progress on supply chain sustainability. We are working through the Palm Oil Collaboration Group to help establish the NDPE Implementation Reporting Framework (IRF) the industry's standard reporting tool, delivering insights into how companies can monitor performance and identify opportunities for improvement. We have monitored the progress of the mills to which we are linked through this framework, and for the first time in 2022, we had our IRF profiles externally verified. In 2023, we will continue to support suppliers in reaching higher levels as the NDPE IRF becomes the industry standard for reporting NDPE progress.

Collectively tackling emissions from land use change

As part of our work to help accelerate and scale supply chain action to reduce emissions from land use change, we are participating in the COP27 roadmap (see [Soybean](#)). For palm oil, there is a focus on adhering to NDPE commitments deforestation and peatland development cut-off dates as adopted pre-2020, particularly in Indonesia and Malaysia. There will also be a concerted effort to support smallholders and standalone mills to achieve progress and comply with the MSPO and ISPO standards. Solutions (including access to finance) must therefore address the broader challenges of helping smallholders to build resilience and improve their livelihoods by raising productivity more sustainably. Each company will work in the area where it has the best coverage and opportunity to influence change, while all will support efforts to engage with governments to help further drive sector transformation.

Our work focuses on engaging with our suppliers to drive progress further up the chain. In particular, we are promoting the implementation of the NDPE IRF as the key mechanism to verify that our palm oil volumes are derived from mills that are delivering on the industry's NDPE commitments. We will also work with our peers to establish the MSPO and ISPO initiatives as standards within the industry and encourage producer country governments to accelerate their impact by adopting these frameworks as legal requirements for forest protection.

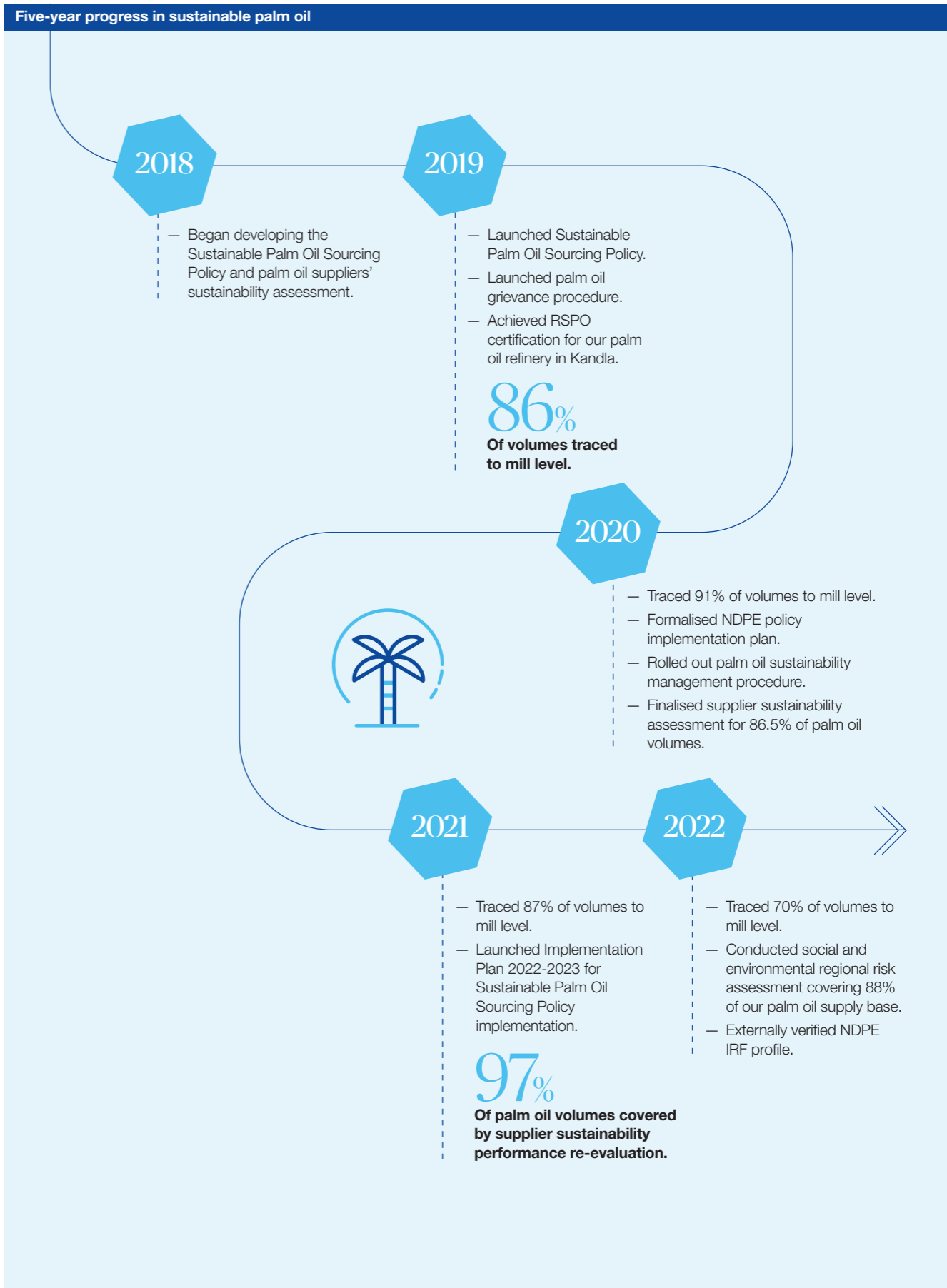
Managing grievances effectively

We continue to review, analyse and act on any suspected cases of non-compliance with our sourcing expectations and NDPE commitments through our dedicated Palm Oil Grievance Procedure. We monitor and address any concerns regarding groups owning oil palm plantations, mills or refineries that directly or indirectly supply palm oil to COFCO International. Grievances can be reported online, by email or phone. We engage with relevant suppliers to develop appropriate solutions and improve their practices (see [Good governance and compliance](#) for 2022 concerns reported). We also proactively screened other cases involving potential non-compliance with our NDPE expectations, treating these as grievances and following the same comprehensive process of supplier engagement.

Looking ahead

We will continue to strive for greater traceability in our supply chain and work with the sector on advancing sustainable production and sourcing practices.

Five-year progress in sustainable palm oil



Sugarcane



Sugar is a highly popular food and drink ingredient, and its by-product ethanol can also be used for biofuels and bioenergy. Sourcing sugarcane largely from São Paulo State, Brazil, COFCO International manages around 180,000 hectares of plantations and owns four sugar mills and one transshipment terminal. We also source sugar from South and Southeast Asia. In addition, we produce energy and ethanol (biofuel).

For the sugarcane we produce, we have an important opportunity to influence and improve agricultural and mill practices, improving our impact on the climate and environment. In particular, we are seeking to reduce the water use of sugarcane production, which can require significant amounts of water, address the emissions related to milling and improve biodiversity conservation around our plantations. We are also increasingly focusing on understanding social and labour rights risks in our sugar supply chain. For example, we have visited all sugarcane suppliers, audited third party suppliers to ensure they respected our requirements, and sought to ensure the health and safety of worker accommodation. We also helped to expand access to skills among our local communities (see [Sustainable livelihoods](#)).

Lowering the emissions of sugar production

As part of our climate strategy, we have measured the carbon footprint of our sugar operations and are focusing in particular on addressing mill emissions. This starts with

taking action to improve our energy use. At farm level, we are promoting crop rotation with soybeans (to help add nitrogen to the soil and promote soil health), with the area of land cultivated with other crops doubling from the previous crop to the 2021/22 crop season, with plans for further expansion. The produce is sold internally to our own grains and oilseeds division, providing an additional source of revenue. We also furthered our research into new technologies to enhance soil biodiversity and carbon cycling through organic matter, and continued to apply vinasse and enrich compost to fertilise the soil (lowering our use of nitrogen-based fertiliser). To minimise crop waste during sugarcane harvesting, our harvesters are guided by GPS systems.

In particular, as part of our efforts to improve resource efficiency and reduce waste, we are implementing a project at our Agricultural Operations Management centre to reduce diesel consumption significantly. Through this project, we quantified the idleness level of machines in operation (such as harvesters, trucks and tractors), calculating fuel consumption and related costs. In this way, we developed an action plan to optimise the operation and effective shutdown of relevant equipment, and will continue to expand the scope of the project to further reduce our sugarcane emissions. In addition, the same centre has consolidated employee transport routes to optimise fuel consumption by the 90 chartered buses performing this service. In this way, we reduced around 1.2 million kilometres of travel, while reducing costs by 5.3%.

We also have opportunities to lower our carbon footprint by generating carbon credits (creating financial value from our business). Our mills have Efficient Biofuel Production Certification that entitles them to issue and sell CBios (decarbonisation credits) within the RenovaBio Programme framework. In 2022, around 535,880 CBios were generated, an increase of 2.4% compared to the previous year, resulting in a gross revenue of nearly US\$ 10.5m.

Raising awareness of fire safety

Our sugar operations EHS team also focuses on raising the awareness of fire safety among multiple stakeholders. They provide information on firefighting through informative materials tailored to the target audience. This includes employees and their families, municipal schools, NGOs, sugarcane suppliers and partners. In 2022, we ran campaigns with children in 15 partner institutions.

Conserving biodiversity

We continued our efforts to conserve natural ecosystems around our plantations, with almost 130 hectares of reforested area recognised by the São Paulo State Coordination Body for Inspection and Biodiversity as having reached self-sufficiency (after several years of monitoring). We also planted 132,140 seedlings of native trees, and monitored flora and fauna around all our sugar mills, covering an area of 1,560 hectares.

Promoting water efficiency and quality

We now have three vinasse concentrators operating in Potirendaba, Catanduva and Sebastianópolis sugar mills to help improve our water efficiency and help prevent water scarcity. Water from the process is reused in our industrial operations and applied to our sugarcane fields. We also have an effluent treatment station at Potirendaba to promote water reuse, and participate in river basin committees to help ensure we are share local water resources fairly. These and other efforts have led to us obtaining 69 new environmental licences from the authorities in 2022.



Left
We are striving to improve water efficiency, reduce emissions and promote biodiversity at our sugar plantations.

Looking ahead

In 2023, new wastewater treatment plants will go into operation at Catanduva and Sebastianópolis mills, while we will expand our efforts to reduce the emissions related to our sugarcane production equipment and transport. We will also renew our efforts to conserve water and promote biodiversity, in dialogue with relevant stakeholders.



Coffee



Coffee is one of the most widely consumed drinks and among the most traded commodities globally. Demand is growing along with increased consumption in developing countries and strong interest in novelty coffees in developed countries. As a coffee merchant, we buy raw (green) coffee from local suppliers and process it according to our customers' quality requirements, before selling to roasters in domestic and global markets. We primarily source coffee from Brazil, Vietnam, Indonesia and Colombia. However, farmers in these countries face multiple climate, environmental and social challenges in growing coffee.

As the climate changes, creating new weather patterns in production regions and placing coffee plants at risk, there can be more intense pest and disease issues, resulting in crop losses. Farmers may therefore need to migrate to new areas competing with other crops or even leading to deforestation. Among other soil, water and biodiversity impacts, washing coffee and irrigation also puts pressure on scarce water resources. Meanwhile, labour shortages can lead to further challenges in harvesting and logistics.

In 2022, the coffee supply chain was still under pressure from the impacts of the pandemic, together with territorial conflicts and continued climate-related challenges, resulting in a general supply deficit and restrictions. In Brazil, where we source the majority of our coffee, the hardest frosts in 30 years led to low yields. Vietnam's Robusta production was also limited due to competition with other crops such as black pepper and durian fruit, and extreme rainfall. Colombia's production was also impacted by a combination of unfavourable rainy weather caused by the La Niña phenomenon and labour shortages.

To help create a sustainable future for coffee, improve farmer livelihoods and protect coffee workers' rights, we are increasingly sourcing coffee produced through respected sustainability certification schemes. This is important in maintaining availability while meeting growing customer demand for responsibly grown, climate-friendly products and staying ahead of evolving legislation (such as the European regulation on deforestation-free supply chains). Our participation in these programmes allows us to support farmers in adopting better practices and building climate resilience. In 2022, 37% of our total coffee sales volume was certified or verified as sustainable, compared to 28% in 2021. This includes coffee produced under the following certification schemes: 4C, C.A.F.E. Practices, RAIZ and RFA.



Above: left
We strive to ensure the highest quality coffee beans to meet rising demand.

Above: right
Supporting smallholder farmers is central to the future of coffee.

37%
Of total coffee sales certified or verified as sustainable.

Collaborating to preserve water in the Cerrado

We maintained our support of the Cerrado Waters Consortium (CWC), a collective platform of companies, government and civil society acting to implement strategies to support the development of ecosystem services to achieve a productive, climate resilient system in this ecologically important region. In addition to providing and raising sustainable funding, we also share technical advice and engage with stakeholders. In 2022, CWC expanded the first pilot project from the Patrocinio and the Serra do Salitre regions to include the Coromandel mountain range. Some 103 farms are now participating, up from 73 the previous year. Each farm is supported in developing climate-friendly agricultural practices and improving their management of water resources. The initiative will continue to expand its reach and engage with other sectors to promote a responsible approach to water.

We also continued to engage with the Cerrado's Viveiro de Atitude conservation project, which is involving local communities in planting over 100 species of native trees and 60 million seedlings annually. All the profits are directed to charity work with children and the elderly.

Building farmer capacity to grow coffee sustainably

In Colombia, we manage the certification from 750 farms under RFA and C.A.F.E. Practices. By supporting these programmes, we continued to help farmers adopt the social and environmental practices required by these schemes, while also encouraging the preservation of water resources, protected forests and native trees. In particular, the C.A.F.E Practices initiative, in a collaboration with Federación Nacional de Cafeteros (FNC), Starbucks and COFCO International, involved farmers in renewing coffee plantations, preventing deforestation. Initially, through this initiative, we collectively supported 122 producers in the Tolima region with 315,000 coffee seedlings, with plans to reach a growing number in 2023.

In Vietnam, we supported 911 smallholder farmers through sustainability certification programmes. These represent an estimated production volume of 3,986 tonnes of coffee.

In Brazil, we expanded our participation in certification schemes including 4C, RAIZ and RFA, and supported and implemented climate smart and sustainability projects.

Lowering the climate impact of coffee production

To measure and reduce the carbon emissions associated with coffee, we continue to develop an in-depth understanding of our coffee footprint at farm level, where we stand to make the greatest impact. This helps to inform farmer capacity building efforts whereby farmers learn about minimising synthetic fertiliser use and the importance of conserving soil and biodiversity, further strengthening their ability to implement regenerative agriculture practices. In the environmentally sensitive and highly productive Cerrado Mineiro region. COFCO International is partnering with sustainable farming expert Produzindo Certo to help farmers understand social and environmental risks and reduce emissions.

Looking ahead

In 2023, we will implement our Coffee Responsible Origins Programme, through which we will work with our suppliers and partners to develop and expand sustainability and climate resilience projects. Projects will focus on traceability, human rights and gender equality, new technologies and sustainable practices, and reducing emissions through regenerative agriculture. This forms part of our broader efforts to strengthen the sector and achieve climate resilient coffee production.

Below
Farmers have a crucial role in addressing coffee sustainability challenges.



“To continuously improve our sustainable coffee sourcing, we innovate to establish new collaborative partnerships and projects, partnering with our main stakeholders. Through every initiative, we seek to create social, economic and environmental impact, focusing on benefits for farmers, workers and their communities. COFCO International joining the Global Coffee Platform (GCP) initially in Brazil in 2022 and evolving our coffee sustainability strategy with our new supplier development programme were significant steps towards fulfilling this commitment.”

Daniel Motta
Responsible Sourcing Manager, Coffee, COFCO International

Cotton



51%

Year-on-year increase in volumes certified under sustainability schemes.

Below
Cotton is the world's most popular natural fibre.

Cotton is the most widely cultivated natural fibre and supports the livelihoods of millions of smallholders worldwide, largely in developing countries. Demand for cotton, which depends in turn on demand for clothing and other textile products, is recovering after the pandemic, and is predicted to rise with growing interest from Asia. However, the sector faces more extreme and irregular weather due to climate change (which can also intensify pest and fungal issues), overuse of pesticides and fertilisers and human rights risks. COFCO International is committed to supporting the sector-wide push for more sustainable cotton while helping to promote inclusion and ensure that cotton remains important to rural economies.

We buy cotton bales from ginneries and sell to textile mills (spinners), operating three storage facilities in the US. To increase our volumes of responsibly produced cotton, we focus on sourcing more bales through respected sustainability certification programmes. In 2022, we increased the volumes of cotton sourced and produced under sustainability certification programmes in Brazil by 22% (year on year), and more than doubled the volumes sourced from West Africa under this type of programmes.

We also made progress in Brazil, one of our strategic sourcing countries and a major producer of certified sustainable cotton, by implementing further controls in our cotton supply chain systems to alert us to any social or environmental risks posed by our suppliers. Should any risks arise, our commercial team requests for our sustainability team to conduct an on-the-ground analysis to establish whether we can still proceed with the supplier in question. This is complemented by internal audits completed by our sustainability team and pre-harvest analyses to help predict potential issues with the cotton harvest. In Brazil, the process of tracing bales is also simplified by the robust traceability system operated by the Brazilian Association of Cotton Producers (ABRAPA).

Looking ahead

We will continue to incentivise sustainable and responsible production of cotton by purchasing sustainably-certified bales, and identify further opportunities for improvement within our supply chain. Through these efforts, we seek to contribute to lowering the environmental impacts of cotton cultivation and improving the livelihoods of smallholder farmers.



Freight



Maritime shipping plays a major part in global trade, transporting around 90% of cargos. Despite being the most carbon efficient of mainstream transport modes, it is responsible for about 2.2% of global greenhouse gas emissions. Significantly reducing shipping emissions by 2050 is vital to preventing further global warming as trade expands to support the world's growing population. Together with our peers and in line with the International Maritime Organization's (IMO) ambitions, we are committed to accelerating this journey. We are also supporting IMO's goal to reduce the intensity of emissions by 70%. To achieve this transition, we are optimising ship speeds and routes, and implementing energy efficiency measures to continuously improve our energy use and efficiency.

We continue to support collective action to advocate for progressive policies and promote the development and adoption of economically viable, cleaner fuels at scale. The industry, including COFCO International, has already successfully adopted a 0.5% limit for sulphur in fuel oil to promote better air quality, with our entire fleet running on low-sulphur fuel.

In 2022, a new IMO regulation mandated the measuring and reporting of energy efficiency and carbon intensity data for ships from 2023, an action we have already begun implementing. Additionally, the European Union (EU) included maritime transport in its Emission Trading System, further encouraging the reduction of shipping emissions. In particular, ships above 5,000 gross tonnage in the EU will be required to participate in emissions trading for their CO₂ emissions from 2024. Meanwhile, the upcoming FuelEU Maritime regulation aims to increase the use of sustainable fuels through a rigorous lifecycle GHG intensity requirement.

51m
Tonnes of sea cargo handled in 2022.

Inside the fleet operated by COFCO International

We operate a fleet of vessels, primarily for the dry bulk shipping of agricultural commodities from regions such as South America to international markets, largely in Asia. As an agile operator with an extensive network and advanced monitoring capacity, we direct our efforts to the vessels over which we have operational control, optimising routes, speed and fuel efficiency, verifying Energy Efficiency Existing Ship Indexes (EEXI) and monitoring our period fleet. We also continued to uphold the rights and wellbeing of crew members. In 2022, in the face of ongoing transport restrictions related to the pandemic and disruption related to the war in Ukraine, we handled 51 million tonnes of sea cargo, including freight solutions for our own needs and third parties, down slightly from 55 million in 2021. Our emissions for time-chartered ships in 2022 decreased to 1,858,229 tonnes of CO₂eq from 2,342,692 tonnes of CO₂eq in 2021, reflecting the decrease in activity and the effect of our efforts.



A collaborative journey to low-carbon shipping

As members of the [Sea Cargo Charter](#) and [Getting to Zero Coalition](#) (which now includes 180 members), we continued to support industry decarbonisation efforts in 2022. As a signatory of the Charter, we reported the climate impact of our ship chartering activities, in relation to the IMO's 2050 GHG target. Our 2022 score was 8.9% compared to -3.2% in 2021. Although our score increased, we remain committed to improving our carbon intensity in line with the agreed decarbonisation pathway. In 2022, we have also deepened our understanding of the vessel sizes requiring further carbon reduction efforts, and improved the collection of fuel emissions reports for chartered vessels. Our monitoring will contribute to greater transparency and comparability within the sector, and complements our efforts to improve the overall understanding of greenhouse gas emissions for our freight operations (see [Reducing our carbon footprint and building climate resilience](#)). The Coalition reinforced the need for action in 2022 with a new report outlining its progress and setting out the key challenges and solutions for achieving zero emissions.

Looking ahead

In 2023, we will ensure we comply with the evolving regulatory landscape, while optimising the monitoring of our carbon emissions, identifying innovative ways to improve our footprint, and collaborating across our industry to help achieve shipping decarbonisation.

Five-year progress in sustainable shipping

2018

- Prepared foundations for this journey by devising a system to track carbon emissions from our time-chartered ships.
- Invested in exhaust cleaning systems on our existing vessels and trialled ultra-low sulphur marine fuel solutions to prepare for the upcoming IMO sulphur limits.

2019



- Began tracking the global footprint of all our time-chartered ships, creating a benchmark to monitor improvements over time.
- Deployed efficiency measures including speed control and artificial intelligence to predict vessel positions and optimise operational and fuel efficiency.
- Switched our entire fleet from conventional marine fuel to low-sulphur fuel.
- Joined the Getting to Zero Coalition, launched in September 2019 at the United Nations Climate Action Summit in New York.

2020

- Became a signatory to the new Sea Cargo Charter, a Global Maritime Forum-led, cross-industry commitment to adopt a consistent, shared way of reporting.



2021

- Measured our emissions from ship chartering activities and reported our alignment score under the Sea Cargo Charter framework.
- Safeguarded human rights of seafarers negatively impacted by the Covid-19 pandemic.
- Commissioned a study to better understand the performance and viability of the latest alternative fuels.



2022

- Successfully measured and disclosed our alignment with decarbonisation trajectory, as set by the Sea Cargo Charter
- Began voyage optimisation efforts, expecting to bring 5-6% reduction of carbon emissions from maritime shipping in 2023.
- As part of our company-wide climate risk assessment, analysed the risk from coastal flooding and/or sea level rise to our freight operations in our key operational countries.

Q&A



Jack Hurd
Executive Director, Tropical Forest Alliance (TFA)

Collaborating for impact in agricultural commodity supply chains

Recognising the importance of reducing carbon emissions linked to deforestation in order to limit global warming to 1.5°C, 14 major agribusinesses, including COFCO International, came together at COP26 to commit to taking action in their supply chains (see [Soybean and Palm oil](#)). Here, Jack Hurd, Executive Director of the Tropical Forest Alliance at the World Economic Forum, explains how the roadmap, launched at COP27 as a result of this commitment, will guide the companies' shared journey to driving change at scale.

Why is the Agriculture Sector Roadmap to 1.5°C important?

Agriculture is often less visible when it comes to climate action than other sectors, yet together with forestry and other land uses, it contributes around 23% of global human-caused greenhouse gas emissions. A large part of these emissions is linked to deforestation and the conversion of other natural landscapes. Focusing on soy, cattle and palm oil in an integrated way, we are encouraging the involved businesses to accelerate action to eliminate deforestation and conversion in their supply chains. These players have a real opportunity, as major food commodity players, to influence their suppliers and other stakeholders in their supply chains. In particular, we need to develop a new, nature-positive model of production for the 21st century, creating enough food for a growing global population and improving farmer livelihoods, while helping to keep global warming within a 1.5°C pathway.

“Society has traditionally viewed the best way to use nature is to convert it to agriculture, but times have changed. We know that we must leave a considerable part of the landscape intact to ensure a healthy climate and provide vital ecosystem services.”

What is the overall aim of the roadmap and how can the TFA catalyse progress?

The collective ambition of the roadmap signatories for soy is to eliminate related deforestation by 2025 in the Amazon, Cerrado and Chaco. They also aim to protect non-forest ecosystems in line with relevant local legislation. This process will start with a multi-stakeholder risk assessment in 2023 which will inform efforts to develop stronger policies. Clearly defining how to protect important landscapes such as savannah or peatland is fundamental within all this work. Within the palm oil sector, signatories have been making good progress on their commitments, but there is room for improvement especially in the 'last-mile transformation', and we expect signatories to be delivering further results within the next three years.

We aim to support these companies connecting entire sectors for greater impact and scalable action, helping to accelerate progress on their commitments in a robust, measurable way. Our role is to foster public-private cooperation, and we aim to promote lasting, systemic change by facilitating public-private dialogues that advance enabling policies for the implementation of commitments.

Why and how should companies such as COFCO International take action?

Society traditionally viewed that the best way to use nature was to convert it to agriculture, but times have changed. We know that we must leave a considerable part of the landscape intact to ensure a healthy climate and provide vital ecosystem services. As a roadmap signatory, COFCO International can deliver on its climate and nature commitments and build on progress to-date by strengthening plans within its supply chains to prevent deforestation and conversion, disclosing results within recognised frameworks, and making continuous improvement within implementation plans.

Secondly, the company can invest in landscape solutions, sharing the best practices used in its own supply chains, engaging with NGOs and governments and supporting efforts to promote sustainable land use in the sourcing areas it is connected to. For palm oil, for example, this could mean helping to create sector-wide solutions for small producers. Finally, companies need to be part of a global transition, collaborating with multiple stakeholders to achieve a broader transformation of food and agricultural systems. For this transformation to be inclusive, there also need to be market signals encouraging deforestation – and conversion-free commodities. That requires geographies from the EU to the US to China see the importance of sustainability in the production of agricultural commodities from not only the perspective of climate action but also as a way to ensure long term food security.



What is the importance of collaboration, and what's the role of governments?

Collaboration is the only way to achieve real change for commodity production. We are helping to engage stakeholders and foster collaborations across stakeholder groups. We're working to bring donor country governments to the table to finance the scaling of solutions as these governments can play an important role by creating the parameters for an enabling environment and level playing field in the producer countries. Governments across the value chains should be central to developing a new model of rural and economic development. This will require a significant amount of cooperation and leadership at a national and regional level. We want to see businesses, financial institutions and policy-makers working together, with civil society, towards shared solutions based on science. For example, in the case of eliminating conversion of forest and non-forest ecosystems, there need to be mechanisms that provide incentives for the producers to protect these ecosystems, even where they are not legally required to do so. These multistakeholder collaborations can help address this issue.

What's next and how do you see the roadmap evolving?

Companies are expected to set science-based emission reduction targets related to land use by 2024. We expect companies to publish commodity specific, time-bound implementation plans, including on conversion of important non-forest ecosystems such as Brazil's Cerrado. Companies must integrate these targets into their operations and compensation mechanisms, while staying ahead on transparency by monitoring and disclosing their results.

Beyond this, we expect businesses to make the roadmap goals a reality and be in a position to share results at Climate Week in New York alongside the UN General Assembly and at the UN Climate Change Convention, COP28, in the United Arab Emirates. Overall, we must ensure that we keep pushing the ambition of companies, governments and financial institutions further, so that we are sufficiently in line with the scale of the food, nature and climate challenge.



Taking care of our people

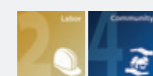
We create a diverse and inclusive workplace where our employees can flourish. Keeping our people safe, upholding human rights and offering high quality, equal opportunities represent our first priorities.

- 45 Investing in our most valuable resource
- 46 Talent and growth
- 48 Respecting human rights
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- 53 Diversity perspectives

UN Sustainable Development Goals



IFC Performance Standards



Investing in our most valuable resource

We value our people highly and make their health and safety our first priority. Importantly, we seek to create a flourishing workplace where every individual can thrive and deliver the performance we need to succeed. Upholding high standards, operating robust policies and pursuing continuous improvement is fundamental to making this a reality, while respecting human rights, both within our business and across our supply chains.

To help ensure a safe working environment, we provide regular training for employees and contractors, accompanied by rigorous targets, monitoring and procedures. We strive to attract and retain the best talent, providing inclusive, varied and equal employment and learning opportunities. Our leaders take responsibility for enabling their teams to fulfil their potential and optimising their professional development journey.

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. Based on the UN Global Compact's ten principles of human and labour rights, it is respected throughout our business, creating a consistent approach worldwide. We strive to ensure that employees in each region are aware of their rights and how we expect them to behave, including through local handbooks that serve as a reference guide for employees for their professional life at COFCO International, covering everything from local office rules and national regulations to employee benefits.

Our Sunshine Culture

Our Sunshine Culture is a culture of positivity enabling all our teams to work together towards our shared vision, collaborating effectively and transparently, in line with our core values.



Our 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

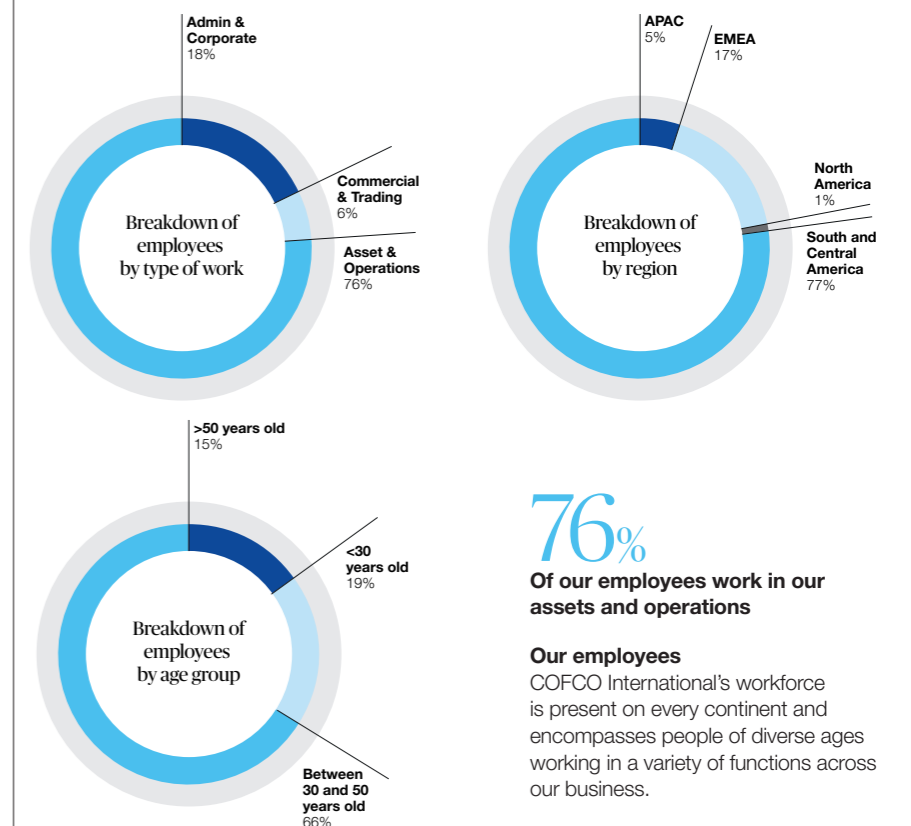
We strive to create new opportunities, exchange knowledge and information, and work entrepreneurially to enhance our performance through innovation.



Sustainability

Our robust corporate governance keeps our people and products safe, helping us to balance our investors' needs.

Breakdown of our employees



76%

Of our employees work in our assets and operations

Our employees

COFCO International's workforce is present on every continent and encompasses people of diverse ages working in a variety of functions across our business.

More on our workforce in our [GRI Index Table](#)

Talent and growth

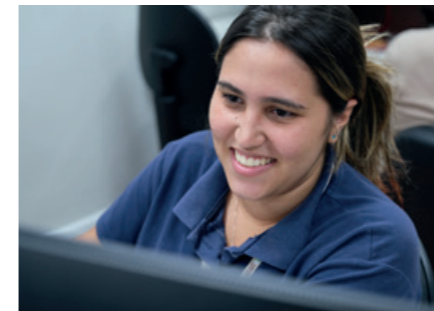
We are committed to ensuring that our diverse, talented people have access to the best possible learning and development opportunities. By providing high quality training and support in a positive, inclusive workplace, we encourage every individual to flourish, while also delivering the performance we need to thrive as a sustainable business. We take an integrated, holistic approach to recruiting and retaining talent, overseeing the employee's journey from new recruit to professional development and promotion. Importantly, we seek to attract people who both share our values and offer relevant skills and expertise. Within our work to build relationships with local communities, we are helping people, including women, young people and underprivileged groups to develop the skills they need to meet our workforce needs and more broadly to work in agriculture (see [Sustainable livelihoods](#)).

Promoting continuous learning and development

Our efforts to provide outstanding opportunities for personal and professional development are guided by our Training and Development Policy. This combines our needs for highly skilled employees with the latest training to create a diverse range of courses, from leadership skills to mandatory environmental, health and safety training for asset employees (see [Keeping our employees safe](#)) and standard training for new joiners. Employees also have access to our Learning Management System for online training and funding for courses on advanced agricultural technologies. We ensure that all employees are kept apprised of learning opportunities through monthly newsletters.



22,896
Hours of training of employees.



Above: top
COFCO International Brazil has been awarded Great Place to Work certification.

Above: bottom
We empower our employees through continuous learning and development.

Left
We provide dedicated learning opportunities for employees, with a focus on health and safety at all our assets.

Overall, the total amount of training undertaken among office employees (22,896 hours) in 2022 decreased by 9% compared to the previous year, partly due to broader factors such as the war in Ukraine and the return to office working. Mandatory training totalled at least 6,275 hours, with more in-person training taking place informally. (See [Keeping our employees safe](#) for training for asset employees). We evaluate our employees' performance annually, recognising and rewarding their progress towards agreed goals, while also helping to identify opportunities for further development. We offer dedicated in-person support to all our employees, while corporate employees also have access to a digital performance management platform to help monitor their learning journey. New joiners are also able to use a sophisticated onboarding solution to integrate effectively within the company, both promoting good wellbeing while enabling managers to monitor progress.

Encouraging up and coming talent

To ensure we are equipping tomorrow's leaders with the skills they need to flourish, we invite up and coming talent to join our Commercial Graduate Programme. In 2022, we welcomed the second cohort of 13 graduates (four women and nine men) from ten countries, expanding our reach from the original four countries. Participants took part in 77 hours of educational activities in 2022, including virtual workshops and monthly business lectures, while also receiving in-person coaching. Importantly, they have the opportunity to gain practical experience by leading projects with the potential to create value for our business, mentored by senior professionals. The cohort is due to graduate in 2023. For more information on our Commercial Graduate Programme, please visit [our website](#).

Additionally, we created a Next Generation Community of 143 promising early career professionals (63% men and 37% women) from 21 countries. We offered them virtual workshops and learning days with external speakers and senior leaders to discuss current business opportunities and challenges. We will maintain and nurture this community through regular events together with networking and learning days.

COFCO International is awarded Great Place to Work certification in Brazil

In 2022, COFCO International Brazil received the country's Great Place to Work certification for 2022/23, building on three years of recognition as one of Brazil's best companies by Mercer and Valor Econômico. The award followed an extensive employee survey (shared with 6,751 employees), with results based on their perception of our performance on trust, innovation, company values and leadership, as well as diversity and inclusion. The certification will help attract high quality talent while also confirming the positive nature of our working environment, helping to retain current employees.

Looking ahead

We will continue to improve the way we attract and retain talent, with a focus on shared values, while strengthening our learning and development offering to ensure we are providing our people with the best opportunities to thrive in a positive culture. Overall, we will seek to equip our employees with the skills and knowledge they need to flourish and achieve our sustainability goals.



Empowering our employees and nurturing their talents is fundamental to achieving our mission and becoming a sustainable, leading agri-business. A positive workplace inspires the behaviours, ideas and performance we need to fulfil our ambitions."

Marcus Seelbach
Chief Human Resources Officer, COFCO International

Respecting human rights

Respect for human rights within our company and across our supply chains forms an important part of our commitments, and is one of the focus areas of our sustainability strategy. Our **Human Rights and Labour Policy** guides all our efforts to adopt best industry practices and adhere to the highest international standards, while ensuring full compliance with relevant local laws.

We make our expectations clear for employees through our Code of Conduct, while suppliers and partners must respect the requirements defined in our Supplier Code of Conduct. Every policy is built on internationally recognised standards, including the UN Guiding Principles on Business and Human Rights (UNGPs), the International Bill of Human Rights, IFC Performance Standard on Labour and Working Conditions and International Labour Organization (ILO) recommendations and Conventions.

As relevant legislation evolves, we update our policies to ensure we implement mandatory human rights diligence requirements. In 2022, we remained vigilant to changes including Germany's Supply Chain Act and associated obligation to develop preventive and remedial measures, which affects our customers, and the European Commission's proposal for a Directive on Corporate Sustainability Due Diligence.

To enhance our performance, we further developed our compliance tools to assess human rights risks among our suppliers and understand the risks posed by external, third-party facilities such as commodity warehouses in Brazil, with a view to implementing them more expansively. In this way, we can ensure that key measures are covered at the outset of our collaboration. For example, we cover topics including health and safety, safe drinking water, personal protective equipment, decent and hygienic working conditions, proper paperwork and the prevention of child labour or any kind of unfair treatment or discrimination, together with relevant certifications.

We aim to ensure the timely prevention and remediation of human rights-related misconduct and violations by offering a global grievance mechanism, the **Integrity Hotline**, which is open to all the stakeholders (see [Good governance and compliance](#)).

Addressing our human rights risks

We are committed to continuously improving our understanding of the human rights risks in our operations and supply chains, in order to prevent or address any negative impacts for the people who contribute to our products. However, as an agri-business generally far removed from field-level activities, we are not always able to gain full visibility over working conditions further upstream our supply chain, particularly among farmers and farm workers. Building on the in-depth human rights impact assessment of our operations and supply chains undertaken with not-for-profit organisation BSR in 2020, we continued to address opportunities for improvement by implementing action plan and embedding human rights considerations in our policies, processes and daily work, including through our warehouse questionnaire.

Beyond our employees and suppliers, our efforts extend to the communities where we operate. We are investing in promoting sustainable livelihoods to improve quality of life and economic prospects (see [Building strong communities](#)).

Promoting human rights in our supply chains

Within key commodities such as soy and palm oil, we have been active in finding new ways to uphold human rights. In Indonesia and Malaysia, with the support of Proforest, we conducted a risk assessment in 12 jurisdictions comprising 88% of COFCO International's supply base, identifying the areas with the highest risks of child and forced labour, health and safety issues and land rights disputes. This will enable targeted engagement with priority suppliers (see [Palm oil](#)). Within our soy sourcing activities, we have launched a project with IFC, as a first step to empower women farmers and promote gender equality (see [Soybean](#)). Finally, we have also introduced a sustainability standard for responsible agriculture that respects international best practices and incorporates [FEFAC's guidelines](#). It is aligned to the highest international standards on human rights and requires farmers to respect the rights of their workers and local communities, implement sustainable agriculture practices and safeguard the

Looking ahead

We will continue working on strengthening our human rights management system by improving and ensuring consistency between internal systems and processes, addressing potential risks, and exploring partnership opportunities with external stakeholders.

70%

Of our employees were covered by bargaining agreements.

Keeping our employees safe

The health and safety of our employees and contractors is paramount to our business and one of our major priorities. As part of our company culture, we make sure employees work in safe environments while striving to minimise risks, continuously monitor, analyse and improve our Occupational Health and Safety (OHS) management practices and foster a sense of responsibility for safety in the workplace.

Our [Occupational Health and Safety Policy](#) informs our approach to safety worldwide. At every site, we implement high quality, consistent management systems, supported by comprehensive procedures, guidelines and innovative information technology (IT) solutions. These systems respect local regulations, the ISO 45001 standard, IFC Performance Standards and World Bank Group EHS Guidelines. We also assess workplace risks and provide appropriate training, ensuring that our teams are prepared for emergencies. Importantly, we monitor and report performance against measurable leading and lagging targets.

In terms of governance, all sites have a dedicated Safety Committee, including representation of management, employees and/or unions. They meet regularly to address relevant local issues. We undertake internal and external audits to raise health and safety performance, and have expanded our centralised EHS online platform and integrated it with HR and Maintenance IT systems, rolling out new modules for risk registration, contractor management, work permits and sustainability performance. Additionally, through our global internal EHS self-assessment for 2022, we identified 150 opportunities for improvement. 23% of these were solved in 2022, and we have plans in place to address the remainder in 2023.



Above
Employee safety is our first priority.

Empowering employees to act on health and safety

We encourage employees to take a proactive role in identifying health and safety risks. We upgraded our formal 'Eyes on Risk' programme at all sites (with accompanying digital and non-digital tools) through which risks and concerns can be directly reported by employees. To foster participation, in some sites we deliver awards to employees for their contribution (for example in Argentina, Romania, India, South Africa and Ukraine). In 2022, for the first time, we delivered the inaugural CEO Safety Individual Award, recognising the special contribution of the EHS Management at our Kandla refinery in India towards the site's remarkable safety performance.

Our OHS performance

Overall, our Occupational Health and Safety (OHS) performance in 2022 has remained stable and was as follows.

Target	
Zero employee and contractor fatalities	— Achieved.
Safety Index for employees and contractors ≤1.5	— Achieved for employees (1.1). — Progress needed for contractors (1.9); an increase compared to 2021.
2% employee work time dedicated to EHS training	— 1.3% in 2022 compared to 1.4% in 2021.
1.5% contractor work time dedicated to EHS training	— 1.4% in 2022 compared to 1.7% in 2021.

“

By striving for continuous improvement, we are consistently raising standards and ensuring that our employees are empowered to take action on workplace health and safety, our first priority.”

Marcelo de Andrade

Global Head of Asset Management and Managing Director Softs, COFCO International

150

Opportunities identified for improvement.

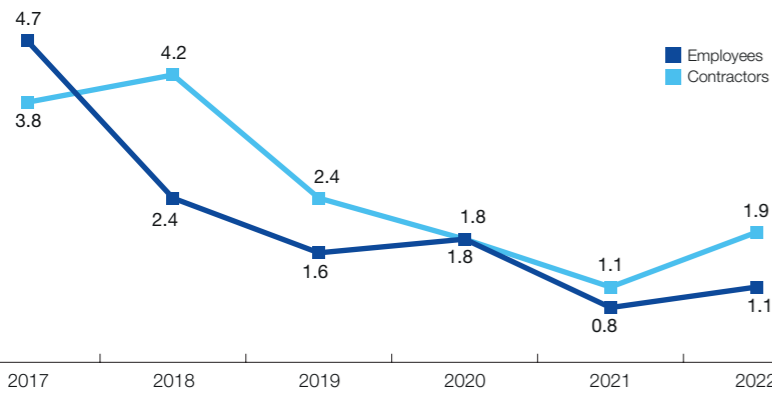


Above
We have strict rules in place to promote workplace safety.

Our lost-time injury frequency rate declined for employees (0.27 in 2022 vs 0.30 in 2021 – 10% reduction) and increased slightly for contractors (0.27 in 2022 vs 0.26 in 2021 – 7% increase). This reflects an overall lower number of injuries with a loss of work hours.

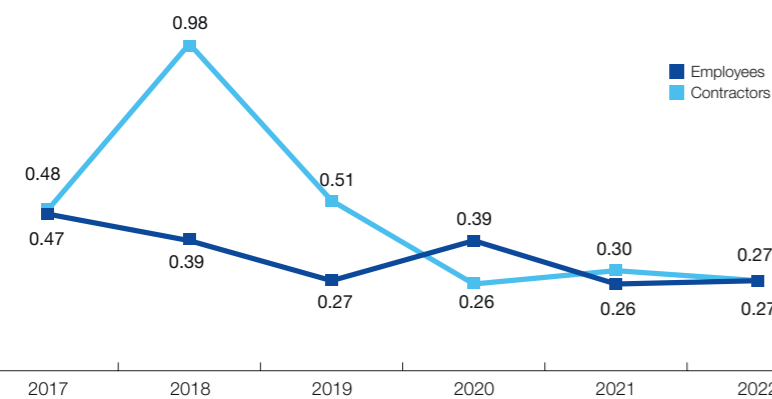
Safety Index

(per 200,000 work hours)



Lost-time injury frequency rate

(per 200,000 work hours)



Notes
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).

Safety Index: (Medical Aid frequency rate/7.5) + (Total lost-time frequency rate) + (Severity Rate/5).

In 2022, we observed a 13% decrease in the number of fire/smoulder cases across our assets and there were no significant cases of property damage that affected operational processes.

Our 2022 health and safety data is externally verified annually.

Taking action to raise performance

In addition to our internal safety programme, all large sites have regular campaigns, basic training (such as first aid and fire safety), celebratory events and other activities to raise awareness of workplace safety. At our Brazilian sugar mills, we hold daily health and safety dialogues and run communications campaigns, including our Safer COFCO Campaign, to foster discussion among employees and contractors. We also implemented a ‘Safety Tour’ programme across all departments to ensure widespread awareness of safety in the workplace and ran a hand protection campaign to target hand-related accidents. Within our Brazil grains and oilseeds operations, we launched an EHS quarterly challenge whereby employees were invited to analyse situations of worker or machinery movements with high collision or injury risk.

In Kandla, our refinery continues to have regular toolbox talks, with all departments able to cover various topics, including safety aspects, at the start of each shift. We celebrated National Safety Week in March with activities including employees taking a safety pledge, a practical demonstration of personal protective equipment, a competition where employees and families created safety videos and drawings and a quiz competition, mass toolbox talk, and training on multiple topics (such as safe driving and plant internal logistics).

We held safety training on confined spaces in a mobile simulator in Argentina and used a grain entrapment rescue simulator at our USA port to replicate real life conditions. In Romania, we delivered a safety awareness campaign with posters and messages.

Promoting health and wellbeing

Beyond occupational safety, in addition to periodic medical exams and screening (legally required in most countries), we held multiple efforts targeting employee health and wellbeing. In 2022, we continued to hold vaccination campaigns (for Covid-19 and in some sites, influenza) for our asset employees (Brazil, South Africa, Ukraine, Kazakhstan) and ensured access to masks and hand sanitiser. As the pandemic began to ease, non-asset employees transitioned back to office-based and hybrid work models and business travel restrictions were lifted, enabling us to adopt previous ways of work.

At our Standerton processing plant in South Africa, we held mental health talks during World Mental Health Day. Similarly, across Brazil (within our grains and oilseeds and sugar assets), to promote good employee wellbeing, we ran a ‘Yellow September’ campaign with lectures and activities on related topics.

Elsewhere, we held lectures on heat strokes in Argentina and breast cancer in Brazil, Argentina and South Africa. In addition, we covered other health topics among our Brazilian employees on smoking-related risks, healthy eating, hearing health, STDs, and risks related to alcohol and drug consumption, together with dengue prevention measures in some assets. To encourage healthy lifestyles, we offered gym access and stretching exercises, and a wellness programme with regular physical activity in the workplace in Colombia.

Ensuring the safety of our Ukrainian employees

To protect our workforce in Ukraine, we moved employees at assets in conflict regions to safer regions in the country and beyond. We relocated some female employees to Romania, while others moved to work at other international COFCO locations. For example, two colleagues were welcomed at our Timbúes port in Argentina, and two others moved to our Standerton processing plant in South Africa.

Additionally, we provided direct support to employees in the form of salary pre-payments and also helped their families crossing the Ukrainian-Polish border by ensuring they were well received and provided them with initial accommodation, transport, food, medicine, clothing, employment documents and activities for their children.

Staying safe on the roads

To keep our drivers safe on the roads, we operate a no-drinking policy and run regular breathalyser tests (among sugar mills drivers, forklift and front loader operators, as well as drivers with corporate vehicles in various countries). In 2022, we also ran a Yellow May campaign across our Brazil grains and oilseeds assets and our Alfenas coffee warehouse to raise awareness of road safety. We offered defensive driving training for new employees in our Brazil sugar mills, and continued our Sleep Medicine Programme, through which fatigue sensors installed in our heavy vehicles and resting spots are put at the disposal of truck drivers. Meanwhile, at our Constanta port terminal in Romania, we held a safety awareness campaign for truck drivers and conducted defensive driving training. Road safety was also discussed during the celebratory events of National Safety Week in Kandla.

Below

Our employees play an active role in ensuring health and safety.



“I was proud to have the chance to support refugee support activities for our Ukraine colleagues’ families in Poland, my home country. I stayed there for a month to facilitate their safe transfer inside the country once they entered from Ukraine, and made sure people had everything they needed for the journey.”

Patryk Plaza
Global Head of Talent Acquisition, COFCO International

78%
Of our assets had zero lost-time incidents during 2022.

1,000
Safe working days celebrated at our Kandla refinery (India).

1,500
Days without lost-time accident celebrated at our Denisovka silo (Kazakhstan).

1 year
Without work-related accidents at our Constanta port terminal in Romania.

Looking ahead

We will strive to keep raising our health and safety performance, retaining our achievements and risk-based approach, developing a full understanding of root causes and taking account of opportunities for improvement. This will include strengthening EHS training using modern IT solutions, running awareness campaigns, conducting thorough investigation of incidents through root cause analysis, and improving best practice sharing between sites to promote safety at all levels. We will also take action to strengthen our preparedness for severe weather.

Promoting diversity and inclusion

As a global business, we are proud to employ people of 64 nationalities in 37 countries. We prioritise creating a diverse, inclusive workplace both to enable our 11,651 employees to flourish and drive creativity, innovation and performance in our business. As we strive to become an employer of choice, we continuously seek to improve the way we attract and maintain talent, employing people who share our values while bringing their own unique personalities and backgrounds. All our employees must respect our Sunshine Culture, which encourages positivity and promotes inclusion in everything we do (see [Investing in our most valuable resource](#)) and Code of Conduct, displaying respect, tolerance and good ethics. We further encourage diversity through our Equal Opportunities Policy, which defines our approach to treating all employees fairly and with dignity, in line with the ILO's Decent Work Conventions.

In particular, understanding that agricultural businesses tend to attract a high number of male employees, we are focusing on increasing the participation of women. We also seek to prioritise minority groups and people from underprivileged backgrounds or who have disabilities.

In 2022, we continued to evolve our diversity and inclusion journey, focusing initially on Brazil, where more than 60% of our employees are based. Our Diversity Committee (Diversity, Inclusion and Transformation), oversees our efforts, prioritising six diversity issues that are most relevant to our business and reflect the realities of Brazilian society. We therefore operate affinity groups promoting discussion and exploring solutions for issues surrounding gender, age, sexual orientation, people with disabilities, collaboration and better understanding between operational employees and corporate employees, and ethnicity, culture and religion. Our committee comprises a steering group of directors and an operational working group and meets regularly to discuss progress on our policies and guidelines. We built on efforts to empower our leaders and train our employees by seeking our employees' views on these topics through our Great Place to Work survey (see [Talent and growth](#)).

Overall, the percentage of female employees increased slightly from 17.2% in 2021 to 17.3% in 2022, while the level of women in commercial roles rose from 18.6% to 19.2%. Within our administrative and corporate functions, the proportion of men to women is 55% male to 45% female.

Empowering women to thrive in Brazilian agriculture

We are taking steps to support more women in rural Brazil in gaining access to agriculture. For example, we partnered with IFC, as a first step to empower more women in the soybean supply chain by identifying gender challenges and opportunities for progress (see [Soybean](#)). Through a partnership with SENAR and the rural union, we request and support training courses every year that enable more women to build agricultural skills and raise their employability prospects (see [Sustainable livelihoods](#)). On International Women's Day, we also invited the founder of the As Valquírias Institute, an organisation supporting underprivileged girls and women, to speak of her work and the fight for gender equality.

Promoting tolerance and understanding

To support Black Consciousness Month, we invited employees to mediate talks with external speakers on racial diversity in the labour market, reinforcing our expectations for equality and respect in the workplace. And to raise awareness of working and living with a disability, we invited speakers to encourage employees to think about the needs and experiences of their colleagues with disabilities, including by demonstrating daily challenges.

We supported LGBTQIA+ Month in Brazil. In particular, we sought to deepen employees' understanding of the subject, providing information and guidance on how to put diversity into practice. Similarly, we celebrated the global day for Cultural Diversity for Dialogue and Development, interviewing employees from different regions of Brazil, highlighting that cultural diversity is part of our daily lives and that we can and should celebrate differences. These stories were shared with everyone in the company.

Looking ahead

We aim to expand the activities and structure of our Diversity Committee with more structured activities, while also exchanging best practices across all regions to further integrate diversity and inclusion considerations within our decision-making and daily work.

11,651
Employees

64
Nationalities

37
Countries

Diversity perspectives



Promoting diversity in the workplace has a positive impact in our organisational success. I have seen diverse teams come up with far better solutions than teams of similar employees."

Sharon Kacsits
HR Director, North America



Given South Africa's history, we ensure that we celebrate and highlight the importance of diversity and inclusion, including through employee and community events. All our leaders have also signed a pledge to help eliminate gender-based violence in society."

Michael Swanepoel
Head of HR, Sub Saharan Africa



A diverse workforce brings the best ideas for business and success. That's why we make decisions based on merit, while also promoting diversity and inclusion among our employees, with a particular focus on commercial roles."

Vasugi Shanmugam
HR Director, APAC



Embracing and celebrating the diversity of backgrounds in our workforce improves the quality of knowledge exchange and fosters creative ways to approach challenges as a team. As a result, it simply favours the team's efficiency and deliverables."

Jean-Marc Robert
HR Director, EBSC and HQ



While we have placed a greater focus on diversity, equality and inclusion in recent years, there is still room for improvement. Diverse teams foster better employee engagement and productivity, and allow for improved problem-solving capabilities. Increasingly, there is an understanding in our sector that difference generates value."

João Castro
HR Director, Brazil & Colombia Softs



We are attracting and promoting more women to our positions in assets and commercial job requisitions, and continue to explore opportunities for more people with disabilities. In 2023, we will also seek to integrate disabled workers from external providers in services supporting our business needs."

Juan Carlos de Artiogoitia
HR Director, Southern Cone



Diversity and inclusion promote more innovative, collaborative environments, while also making the company more attractive and visible in the market. Our leaders understand the importance of hiring people from minority groups and promoting tolerance."

Mateus Sampaio
HR Director, Brazil Grains and Oilseeds





Managing our environmental impact

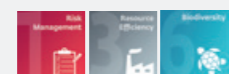
We continuously improve our environmental footprint, taking a strategic approach to reducing our climate impact, accelerating the transition to clean energy, optimising our water use and managing waste responsibly.

- 55 Environmental stewardship
- 56 Reducing our carbon footprint and building climate resilience
- 62 Energy and resource efficiency
- 64 Q&A: Exploring the importance of developing a climate strategy

UN Sustainable Development Goals



IFC Performance Standards



Environmental stewardship

Managing our environmental footprint is fundamental to growing our business in a way that helps to minimise our impact on the climate and preserve biodiversity, while conserving natural resources. With sustainability one of our core values, we are harnessing our agility and innovative capacity to systematically improve our impacts on the environment. In particular, we take a risk-based approach to developing targeted action, focussing on the areas where we stand to make the greatest improvement: our industrial facilities and sugarcane plantations.

We seek to optimise energy, water and material efficiency, promote responsible chemical use and waste management, prevent pollution and reduce greenhouse gas (GHG) emissions. We also take a robust approach to managing impacts at plantation level, primarily in terms of biodiversity, ecosystems and soil health (please see [Sugarcane](#)). Importantly, we strive to ensure that our employees play a central role in driving progress.

Our [Environmental Policy](#) guides our efforts to improve the sustainable management of natural resources. This is supported by environmental protection guidelines, procedures for identifying hazards, assessing risk and determining controls, and safety guidelines for contractors, which include requirements related to environmental protection. As part of our Environment, Health and Safety management system, we conduct regular internal EHS audits at all our global facilities in order to identify opportunities for improvement and implement corrective actions. Our standard internal audit

is based on the ISO14001 standard and World Bank EHS Guidelines. We monitor legislative changes to further ensure legal and regulatory compliance. In addition, our facilities are audited externally, in line with ISO14001 and implement corrective actions.

We monitor environmental performance for all assets owned or operated by our business in a centralised platform, and undergo an annual external audit to ensure its high quality, consistency and accuracy. These include our industrial operations (crushing facilities and refineries), storage facilities (including silos and warehouses), port terminals and transshipment units (see [We are COFCO International](#)). Our global and regional EHS teams lead our progress and report to the Global Head of Asset Management.

In addition, we take environmental criteria (including climate-related impacts and risks) into consideration in major investments, including capital expenditure, acquisitions and disposals. In 2022, we reviewed our internal investment approval policy to respect group policy. Meanwhile, we continued to invest in measures to improve the efficiency of our operations, with allocated capital expenditure growing by 5% year on year.

Looking ahead

We will continue to reinforce our efforts to maintain strong environmental management standards to guide our climate and resource efficiency performance, in particular through strengthening the way we manage risks and opportunities.



“At an operational level, it is important to identify opportunities to reduce consumption of energy, water, biomass and other material resources, and address waste generation. Energy and resource efficiency go hand-in-hand with financial efficiency, so improved environmental management enables us to strive towards greater corporate responsibility while delivering business value.”

Derik Stabile
Head of Processes for Global Asset Management, COFCO International

Above
Responsible management of natural resources is imperative to our performance.

Reducing our carbon footprint and building climate resilience

The food and agricultural sector stands to make an important contribution to addressing climate change by adopting more sustainable practices. The sector is currently a major contributor of greenhouse gas emissions, representing around 23% of human-derived emissions. It is also highly vulnerable to climate-related extreme weather and resource scarcity, which can lead to poor quality crops, unpredictable yields and food production losses, with smallholder farmers most at risk.

By taking action to reduce our carbon footprint (primarily by preventing deforestation and conversion in our supply chains) and build climate resilience, we will help to ensure greater food security and improve farmer livelihoods, while protecting the future of our business.

Below

The food and agriculture sector stands to make a significant contribution to food security by reducing greenhouse gas emissions and building climate resilience.



To further reduce emissions, COFCO International has publicly committed to achieving a deforestation and conversion-free soy supply chain by 2030 in sensitive regions of Latin America (see [Soybean](#)). And together with 13 other agri-businesses, we are taking action through the [Agriculture Sector Roadmap to 1.5°C](#).

Importantly, we are developing our [global climate strategy](#) with consultants at South Pole (see [Q&A: Exploring the importance of developing a climate strategy](#)). This started with strengthening our GHG inventory by recalculating our 2021 data to close any potential gaps and ensure a full coverage of our Scope 3 emissions. We have also conducted a climate risk assessment to help inform the development of climate targets and a roadmap.

Understanding and managing our climate risks

In order to shape our strategy for optimum impact, our leaders have been closely involved with identifying and understanding our climate risks and opportunities. Our CEO and Chairman has oversight of the activity at the strategic level. Operationally, our Global Head of Sustainability has overall responsibility. In particular, they took part in a cross-functional workshop and survey. In this way, and through a comprehensive process of dialogue with stakeholders, we selected 32 risks for an in-depth study. We have analysed our exposure towards both 2030 and 2050 and under two different scenarios: global warming of 1.5°C and 4°C above pre-industrial levels respectively. We will build on this by setting climate targets respecting the latest science and reporting our progress from 2023, working with our consultants and NGO Solidaridad.

“Climate change is leading to significant volatility from a pricing, operational, planning and strategic perspective. As the impact to these areas comes together, there’s a large degree of uncertainty created. It’s of utmost importance to determine how best to build resilience against these uncertainties.”

Khaja Qureshi
Chief Risk Officer, COFCO International

+4°C scenario

Risk/opportunity rating: **L** Low, **M** Moderate, **H** High, **V** Very High, **U** Uncertain

Category	Type	Hazard	Physical impact	Financial impact	Cumulative risk rating		Methodology	Management response	
					2030	2050			
Physical	Risk	Drought	Transport disruption due to low river levels	Increased operating costs	U/L	U/L	The scope of the analysis covered river-based transport routes that have strategic importance for our business, where we have previously experienced disruption due to low river levels. We also identified potential drivers of drought.	Even if the risk is identified as low or uncertain, we will continue monitoring it in order to ensure we are prepared to take action, should the risk status change.	
					Negative impact on the crop quality and yields	Increased commodity prices, supply chain disruption			M
		Frost and Freezing			L	M			
		Heavy rainfall			M	M			
		Extreme temperatures			H	V			
		Wildfires			U	V			
		Tropical cyclones	Damage to assets and operations	Increased capital or operating costs, supply chain disruption	U	H	We have analysed how our logistical and industrial operations are vulnerable to specific weather-related events, depending on the asset location and transport flows.	The risk to some of our operations posed by tropical cyclones could represent a challenge in the future. Equipped with this knowledge, we will continue to conduct regular risk assessments and follow risk protocols in a case of disruption. A comprehensive global risk management strategy helps us to monitor and address this risk and minimise financial exposure.	
		Riverine flooding			L	L			
		Coastal flooding			L	L			Even if the risk is identified as low or uncertain, we will continue monitoring it in order to ensure that we are prepared to take action, should the risk status change.

1.5°C – aligned scenario

Risk/opportunity rating: **L** Low, **M** Moderate, **H** High, **V** Very High, **U** Uncertain

Category	Type	Hazard	Physical impact	Financial impact	Cumulative risk rating		Methodology	Management response
					2030	2050		
Technology	Opportunity	Transition to low-carbon technology	Transition to more efficient, lower-carbon technology at the processing facilities	Increased capital costs, reduced operating costs	H	V	We considered the outlook for growth of energy efficient and low-carbon technology in selected locations, and compared it with the technologies currently applied at our industrial facilities.	We are well positioned to benefit from energy efficient and low carbon heat generators, as the market grows. We will continue investing in more efficient energy sources within our operations.
Reputation	Risk	Negative investor perception	Negative financial positioning (lower rankings)	Increased cost of capital	M	H	We reviewed public commitments and key investors strategies to understand their stance on climate protection.	With investment commitments to reach next zero emissions on the rise, our climate strategy will remain ambitious and comprehensive. We are setting climate targets and developing a detailed roadmap.
		Negative stakeholder perception	Loss of competitiveness	Reduced revenues	M	H	U	We conducted research on the social and environmental impacts of the key commodity cultivation in the most important locations.

Category	Type	Hazard	Physical impact	Financial impact	Cumulative risk rating		Methodology	Management response
					2030	2050		
Policy/ Legal	Opportunity	Bioenergy policy	Increased subsidies on bioenergy production	Increased revenues	H	H	We analysed the legal and political landscape in key producer and consumer countries to understand the key trends and assess our exposure.	We are well positioned to benefit from renewable energy production through our sugar business in Brazil, as the bioenergy market continues to expand.
	Risk	Land use policy	Restriction of agricultural land use in key biomes	Reduced revenues, Increased operating costs	M	H	U	Global policies addressing climate change have been evolving, as countries around the world recognise the urgent need to reduce greenhouse gas emissions and mitigate the impacts of climate change.
		National net-zero policies	Global net zero	Increased operating or capital costs	H	H	We monitor all relevant policy and legal developments that may affect our operations and prepare our response in advance to ensure compliance.	
	Traceability requirements	Additional administration requirements	Increased operating or capital costs	H	H			
	Carbon pricing in South America	Emission-related restrictions and penalties	Increased operating costs	M	H			
	EU ETS expansion			H	V			
	IMO ship decarbonisation	Stricter IMO requirements on ship carbon efficiency		M	H			

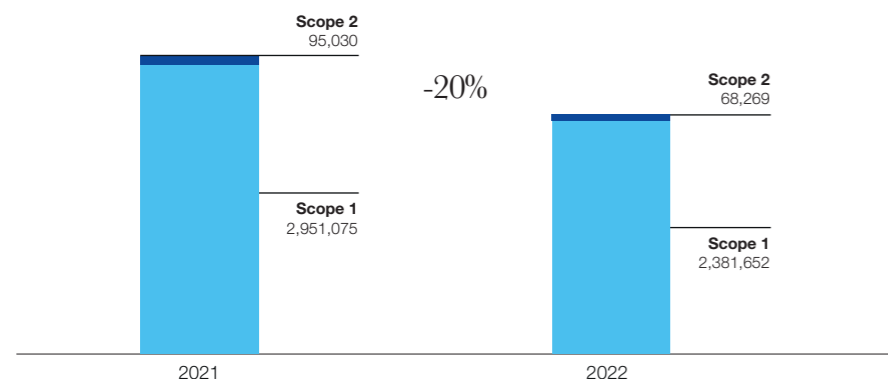
Measuring our Scope 1 and 2 GHG emissions

To measure our Scope 1 and 2 emissions, we followed the GHG Protocol Corporate Standard, as well as the Forest, Land and Agriculture (FLAG) Science Based Target Setting Guidance to divide our emissions between FLAG and non-FLAG categories. Our scope for direct emissions covered 210 sites over which we have operational control, including industrial assets, warehouses, port terminals and offices, and 11,651 employees.

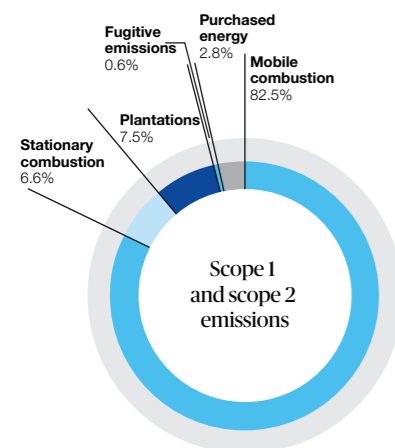
Overall, our Scope 1 and 2 emissions accounted for 2,449,921 tonnes of CO₂eq, demonstrating a 20% decline compared to the previous year. Our biogenic emissions made up 3,318,037 tonnes of CO₂eq, remaining at a similar level to 2021.¹

The majority (89%) of Scope 1 and 2 emissions are classified as non-FLAG emissions, of which 93% derive from mobile combustion, which can largely be attributed to the fuel consumption of COFCO International's operated vessels. Among other important findings, within our operations, we identified that 89% of our global energy needs are met by renewable energy, and due to the use of biofuels, such as bagasse and sunflower husks, stationary combustion is only 7% of our total Scope 1 and 2 emissions.

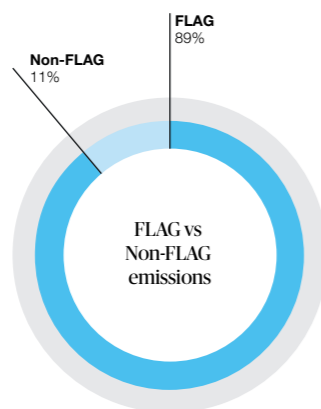
Total Scope 1 and 2 emissions (tonnes of CO₂eq)



Total Scope 1 and 2 emissions by category



FLAG vs Non-FLAG emissions



Above
We continuously engage our employees in identifying opportunities to promote greater resource efficiency as we grow our production.

Measures to promote energy efficiency and reduce emissions

Among the actions taken to achieve greater energy efficiency and reduce our carbon emissions, at our Standerton site, we invested in Energy Recovery System improvements with a view to reducing steam consumption per tonne of processed product by 26%. And at our Constanta port in Romania, we purchased smaller electric carriers to reduce diesel emissions and improve human resource efficiency.

Similarly, at our Timbues crushing plant, we invested in improving our extraction steam trap systems. Elsewhere in South America, we explored transitioning to low-carbon technologies (from biomass and natural gas) to lower the energy used in heat generation for crop processing and reduce costs.

Scope 3 category	Emissions (tonnes CO ₂ eq)	Fraction of total emissions (Scopes 1, 2 and 3)
Cat. 1: Purchased Goods & Services	274,229,844	90.4%
Cat. 2: Capital Goods	16,939	0.0%
Cat. 3: Fuel & Energy-Related Activities	757,651	0.2%
Cat. 4: Upstream Transportation & Distribution	10,525,079	3.5%
Cat. 5: Waste Generated in Operations	7,720	0.0%
Cat. 6: Business Travel	1,402	0.0%
Cat. 7: Employee Commuting	10,030	0.0%
Cat. 9: Downstream Transportation & Distribution	6,346,097	2.1%
Cat. 10: Processing of Sold Products	3,351,310	1.1%
Cat. 11: Use of Sold Products	72,175	0.0%
Cat. 12: End of Life Treatment of Sold Products	3,980,586	1.3%
Cat. 13: Downstream Leased Assets	552,963	0.2%
Scope 3 total	299,851,796	98.9%

At the same time, at multiple sites, we continued to replace conventional lighting with LEDs to reduce electricity consumption across industrial assets in Argentina and India.

Meanwhile, 100% of purchased electricity for our headquarters and our Bucharest office was derived from renewable sources. We also took dedicated measures to reduce energy within our sugarcane operations (see [Sugarcane](#)).

Understanding our Scope 3 emissions

We followed the GHG Protocol Corporate Value Chain (Scope 3) to measure our Scope 3 emissions, as well as the 'Forest, Land and Agriculture (FLAG) Science Based Target Setting Guidance'. With fuller visibility over our indirect emissions, we have confirmed that Scope 3 emissions represent the majority (99%) of our GHG footprint. Of these, 88% are emissions from purchased agricultural commodities, primarily from soybean sourcing. Emissions are largely driven by land-use change, such as deforestation and forest degradation. Therefore, engaging with our suppliers and investing in targeted reduction strategies for agricultural production presents our greatest decarbonisation opportunity. For example, we are renewing our efforts to reduce emissions within our soybean supply chain. We will also continue to expand our sustainable sourcing practices and collaborate with different players across our supply chain to promote policies and initiatives that support the transition to a low carbon economy (see [Soybean](#)).

With purchased goods and services representing our largest emissions category (90.4%), the second largest source of emissions is transportation and distribution, representing 5.6% of the total. To address this, we are taking collective action with the maritime industry, particularly through the Sea Cargo Charter initiative and Getting to Zero Coalition, sharing the IMO commitment to at least halve the emissions from shipping by 2050 (see [Freight](#)). The third largest source of Scope 3 emissions is end-of-life treatment of sold products (1.3%).

Looking ahead

We are setting targets in line with the latest climate science, as we move towards reducing emissions in line with a 1.5°C pathway. We will also develop plans to address the climate-related risks and opportunities identified in our assessment to ensure that we are adapting to potential future climate realities and continue to thrive as a business.

¹ The results for 2021 are slightly different from those previously reported, as we revised our methodology to expand the boundaries and ensure we are using the most accurate emissions factors.

² We also relied on the draft GHG Protocol Land Sector and Removals Guidance to calculate land use change-related emissions.

Energy and resource efficiency

We strive to manage energy and resources responsibly, as part of our commitment to improve the sustainability of our operations, leveraging the latest technology, innovation and best practice. All our actions are guided and underpinned by our Environmental Policy, which also helps to ensure compliance with local and national laws. In addition to promoting energy efficiency and clean energy, we strive to optimise our use of freshwater, engage in stakeholder dialogue and share water resources fairly, promote water quality and manage wastewater effectively, reusing it where possible in our operations. We also have strict policies on waste management.

Promoting renewable energy and optimising efficiency

We continue to innovate to lower our use of energy, increase energy efficiency and grow our use of renewable energy, while reducing operating costs. In 2022, our total energy consumption increased from 46.9 to 50.9 million GJ (+8.4%). This was due to a rise in energy (+13.7%) needed to process a larger volume of sugarcane for sugar production, with a small increase also arising from new estimates of diesel consumption in our South African farming operations. To further address our sugar energy use, in Brazil, we took action to reduce diesel consumption (see [Sugarcane](#)).

Overall, the energy intensity of our industrial operations increased by 5.1% in 2022. In addition to the above, this change was driven by a production stoppage at our Mariupol plant in Ukraine due to conflict in the region, where energy continued to be consumed despite the production halt, leading to an unusually high energy intensity for this site. To a lesser extent, the installation of pollution-avoidance equipment in multiple assets also contributed. We consumed less energy and experienced lower energy efficiency at our grains and oilseeds operations due to a decrease in production.

In 2022, 89% of our global energy needs were met by renewable energy, returning to 2020 levels. This was primarily due to the 13.7% increase in absolute energy consumption at our sugar operations. While our sugar assets use the most energy within our operations, they are serviced almost entirely with renewable energy (95%), with a large portion derived from bagasse (a by-product of sugarcane crushing). In these sites, we also adopted new policies to reduce our consumption and related costs of diesel in company vehicles (see [Sugarcane](#)). Additionally, we supplied 611,658 MWh of surplus bioenergy to local power grids in Brazil, an 8% increase compared to 2021, due to the rise in greater sugarcane processing volumes.

Energy efficiency	2019	2020	2021	2022
Energy intensity (MJ / tonne processed)	2,463	2,376	2,295	2,411

Meanwhile, we implemented a procedure to promote the responsible sourcing of biomass fuel (wood) used to generate thermal energy at our Brazil grains and oilseeds crushing plant and warehouses. We continued to buy 100% renewable electricity for these warehouses, and installed a system to automate furnace feeding in two of them, optimising the rate at which wood chips are consumed for product drying. In Rondonópolis, we invested in a system to recover flash steam from the boiler, reusing thermal energy.

Managing water resources responsibly

To improve our use of water resources, we firstly seek to understand the risks we face within our business. Building on the insights gained from our 2020 water risk assessment, in 2022, we further explored water-related issues as we prepared our climate strategy, in order to develop more targeted action. Firstly, we found that water shortages and drought in our major sourcing countries of Argentina, Brazil and South Africa could lead to future supply chain disruptions for soy, sugarcane, corn and wheat crops. Additionally, low river levels in the US could potentially result in an increased reliance on rail rather than more efficient maritime transport. Only 1% of our water use takes place in areas with extreme water stress risk (our Kandla refinery in India, which is also our best performing facility on water intensity). Overall, our Kandla and Mariupol sites represent the highest level of risk, while our four sugar mills in Brazil and our Rondonópolis and Standerton sites also present diverse physical, regulatory and reputational risks.

We withdrew 13,234,708 m³ of water in 2022, compared to 11,439,861 m³ in the previous year. This 15.7% increase was primarily driven by our growing sugarcane production and processing (responsible for 74% of total water withdrawal vs 66% in 2021), which continues to form the largest part of our water footprint within our industrial operations. The majority of water withdrawn for industrial use continues to come from surface water bodies (65%).

We are still working towards reducing our industrial water intensity by 10% by 2025, compared to 2019. However, in 2022, the water intensity of our industrial facilities increased by 13% year-on-year, largely due to the sugarcane harvest season lasting longer, leading to greater irrigation needs. Another contributor was that one of our vinasse concentrators experienced some issues leading to abnormally high water consumption. We expect to make positive progress over the next years, as we began to experience the benefits from recent investments in water reuse technology (see below).

Some 78% of our discharged water was used for the irrigation of agricultural land, an increase of 72% in the previous year. Water discharge per production output increased at a faster rate than water withdrawal intensity.

Innovating to optimise our water use

We continued to implement various water efficiency and quality measures. This includes in India, where we installed air blowers at our Kandla refinery's effluent treatment plant to increase the efficient functioning of the aeration tank (leading to better quality treated water). Additionally, our zero liquid discharge plant went into operation and is expected to bring gradual improvements in this site's water efficiency.

At our Rondonópolis crushing plant, we finalised the construction of a new drainage system to ensure better rainwater drainage. We operate three vinasse concentrators at our Potirendaba, Catanduva and Sebastianópolis sugar mills. Vinasse (a by-product of ethanol production) is used to fertilise our sugarcane fields, while the resulting wastewater from the process is used for irrigation purposes.

Our Meridiano mill's wastewater treatment plant remained active (with further investments being made to improve its efficiency). In 2023, we will activate wastewater treatment plants at Catanduva and Sebastianópolis, with a plant expected to be constructed at Potirendaba in 2024. Meanwhile, in Saforcada, we provided training to employees on the treatment of industrial effluents and the correct use of storm drains.

Water efficiency	2019	2020	2021	2022
Water intensity (m ³ /tonne processed)	0.58	0.59	0.56	0.63
Freshwater withdrawal (m ³)	12,832,443	14,373,108	11,439,861	13,234,708

Waste generation	2019	2020	2021	2022
Hazardous waste (kg / tonne processed)	0.029	0.030	0.027	0.037
Non-hazardous waste (kg / tonne processed)	0.607	0.564	0.715	1.021

We continued to promote good water stewardship, including by collaborating with stakeholders around our sugarcane plantations in Brazil through River Basin Committees (see [Sugarcane](#)). Similarly, we continue to support collective action to preserve water in the Cerrado near our coffee sourcing areas (see [Coffee](#)), while also expanding access to safe water in South Africa (see [Community investment](#)).

Making the best use of materials

We strive to continuously improve our management of waste, with 62% of all waste recycled, reused, composted or recovered in 2022, compared to 53% in the previous year. This was partly due to the implementation of a zero waste to landfill programme at our Rondonópolis crushing plant and Santos port terminals, and the reuse of product losses at our Mariupol plant in Ukraine (due to conflict in the region), the combination of which redirected 12,135 tonnes of non-hazardous waste. We performed an annual waste inventory across our Brazilian grains and oilseeds assets and reported on potentially polluting activities, in line with environmental legislation. In general, we expanded waste monitoring across small warehouses, prioritised environmentally responsible treatment and disposal, and reused by-products (sunflower husk, soybean hulls) to generate energy on site.

We largely observe waste generation within our industrial operations and sugarcane production. The total amount of hazardous waste increased from 1,271 to 1,730 tonnes (+36%) due to the production increase in our sugar operations, accounting for an additional 160 tonnes. At our Kandla refinery, we also discharged higher quantities of sludge from wastewater treatment that had been temporarily in storage, representing a further 260 tonnes sent to landfill. In South Africa, we experienced 74 tonnes of hazardous waste in 2022. The intensity of hazardous waste rose from 0.027 to 0.037 kg per tonne of production (+37%) due to the same drivers.

Our generation of non-hazardous waste also increased from 33,947 to 48,144 tonnes (+42%), with corresponding waste intensity rising from 0.715 to 1.021 kg per tonne of

production (+43%). This was largely due to expanded waste monitoring at our port terminals, together with our Ukraine product losses at our Mariupol plant in Ukraine. We also saw a decline in efficiency with decreasing grains and oilseed processing. Conversely, the sugar production increase led to greater efficiencies of scale, reducing non-hazardous waste generation.

To address the waste generated at our sugar mills, we continued to roll out our standard Waste Management Procedure in order to standardise the signalling and waste collectors, improve the segregation of solid waste, reduce the generation of hazardous waste, and reduce costs from final disposal.

We also delivered training at multiple sites, including training for drivers on correct waste disposal at our Santos port, waste oil storage and waste management in Standerton, together with a waste compliance assessment.

Our Kandla refinery continued to collect plastic waste from nearby villages as part of its extended producer responsibility programme. Recyclable plastics are sent for recycling, while multi-layered, non-recyclable plastics are sent to co-processing units for conversion to energy.

Promoting environmental stewardship among employees

We celebrated Environment Week across some of our Brazil and Argentina assets with clean-up activities. We also held various tree-planting activities in and around site premises (in Argentina, Brazil and Ukraine). In Brazil, we celebrated our second Responsible Consumption week (coinciding with the National Responsible Consumption Day). We invited Employees to participate in a competition of ideas to promote responsible consumption in their daily lives.

Looking ahead

We will continue to invest and strive for greater operational, energy, water and material efficiency, while empowering our employees to advance our efforts.

Q&A



Franziska Sinner
Director of South Pole Global Consulting Services and member of South Pole's global Leadership Team

Exploring the importance of developing a climate strategy

As COFCO International develops a holistic carbon strategy to address climate change and build climate resilience in its business, Franziska Sinner, Director of South Pole Global Consulting Services, explores why this is an important step forward for COFCO International and how South Pole has helped evolve its strategy to measure greenhouse gas emissions, understand climate-related risks and develop targeted activities.

Why should companies such as COFCO International build a strong climate strategy?

The pivotal role played by the agricultural sector in the climate crisis cannot be overstated. While it is a major contributor to greenhouse gas emissions, the sector offers significant potential to present solutions, such as harnessing nature to remove carbon from the atmosphere in the form of soil carbon sequestration or agroforestry. As a key player in the market moving 127 million tonnes of agri-commodities each year, COFCO International stands to make a real difference within its value chain.

Importantly, with agriculture being particularly vulnerable and susceptible to climate change, having a strong climate strategy based on a comprehensive understanding of risks will help build climate resilience, while promoting overall food security.

Why and how is South Pole partnering with COFCO International?

We want to deliver true climate impact for all – and supporting COFCO International to build a climate-resilient business and a food-secure future is exactly what is needed in the transition towards a climate-smart society.

Our partnership consists of three elements:

- Avoiding and reducing emissions – We helped to measure COFCO International's climate impact in the form of a greenhouse gas (GHG) footprint across its value chain, including its sugar plantations, maritime vessels and all its assets, together with its commodity sourcing activities (from field to transport).
- Setting targets and developing a transition plan – We worked closely with COFCO International to set science-based emission targets, create a climate roadmap and identify hotspots and determine tangible actions to reduce impact.
- Finally, we helped COFCO International to understand its climate-related risks and opportunities, so the company can continue to evolve and adapt its climate action.

Please explain the importance of a holistic climate strategy.

This allows a company to make climate-smart decisions and accelerate its business transformation, based on all consequential environmental impacts. For example, shifting a sourcing region for sugar could lead to lower GHG emissions. However, we must also account for potential water stress in the new region, and the impact on biodiversity and farmer livelihoods. A holistic climate strategy integrates these considerations within the wider business strategy, so it can act as a critical lever for growth and help future-proof strategic decisions.

Talk us through measuring GHG emissions.

Measuring GHG emissions works as a collective indicator. From business travel to land use change, we helped to clarify every point of impact that COFCO International may have on the climate. Measuring these accurately gives the company an understanding of its footprint and informs strategic investment to avoid and reduce impacts. The company could alter its procurement strategy for a better outcome, for example, rather than simply sourcing renewable energy.



Above
South Pole CEO Renat Heuberger at COFCO International's global leadership conference in 2023 for his keynote, addressing climate risks and opportunities in agriculture and how they are supporting COFCO International's climate target setting and roadmap.

“Exploring and integrating climate scenario analysis into COFCO International's core decision-making is foundational to increasing its overall climate resilience.”

Identifying the sources of GHGs is one of the greatest challenges that large businesses encounter when addressing their climate impact, particularly around gaining visibility over complex supply chains and supplier practices. Once emission sources are mapped, they must be attributed appropriately to the reporting company, avoiding an over or underestimate. The final step is to map the emissions to an accurate emission factor, for example corn grown in South Africa will have a different emissions profile compared to corn grown in Brazil. All this should be completed while adhering to best practice methodologies and credible global standards.

Why is it important to understand climate-related risks and opportunities?

Understanding this allows COFCO International to plan and adapt to current or future climate and its effects. Exploring and integrating climate scenario analysis into its core decision-making is foundational to increasing its overall climate resilience. This is particularly important when relying on natural resources, which can be highly vulnerable to climate variation. The team

could consider, for example – how will drought affect our sugar production in ten years? Or, where can we best source soybeans 25 years from today? This becomes a critical step in helping to future-proof operations and inform future business strategy effectively.

How has South Pole experienced working with COFCO International as a partner?

The COFCO International team is dedicated to addressing climate change, and has the ambition and competence to execute the company's climate strategy. In addition to delivering high quality data – vital for precise GHG calculations - the team clarified complex trade routes and helped to identify niche emission sources, such as the treatment of chemical residues on farms. We are pleased to be supporting COFCO International on its journey towards a successful transformation. By placing climate at the centre of its annual leadership conference in 2023, we are confident that COFCO International will make great strides in its climate journey.



Building strong communities

Partnering with our communities enables us to respond to their needs while strengthening our business. We focus on building capacity and employability skills, improving wellbeing and promoting environmental stewardship.

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UN Sustainable Development Goals



IFC Performance Standards



Supporting sustainable development in local communities

We recognise our responsibility to contribute positively to the communities where we operate. Understanding the inter-dependent nature of the relationship between COFCO International and local communities helps to improve quality of life and strengthen our business. To achieve this, we help to build capacity and employability skills, improve wellbeing and promote environmental stewardship. This in turn reinforces our licence to operate and helps to ensure the availability of talented, qualified people to work in our company and within the agricultural sector.

We therefore maintain an ongoing dialogue with local stakeholders in all our locations where we create significant social, environmental and economic impacts. Conducting social dialogue and assessing risks is also an important part of constructing or acquiring new sites.

We manage our efforts through our [Stakeholder Engagement Policy](#). Harnessing the information and views by listening to our stakeholders directly informs our community investment programmes, reinforcing our social licence to operate while highlighting local priorities, and enabling us to address any aspects of our operations that may be unintentionally affecting people or the environment. This forms part of our broader work to engage with all relevant stakeholders (such as local government, industry associations, policy-makers, NGOs and trade unions) (see [How we engage our stakeholders](#)), as we strive to uphold high levels of responsible business conduct and engage our employees with our community building efforts. Importantly, all local stakeholders have access to the Integrity Hotline, our global grievance mechanism (see [Good governance and compliance](#)).

We have two major targets:

Target 1

Maintain ongoing social dialogue at all high community impact operations

We engaged in social dialogue, in particular at our sugar mills in Brazil, and industrial facilities in Argentina and South Africa. For example, in 2022, we returned to engaging with local stakeholders in person, presenting our business to the local community, identifying their needs, analysing risks and establishing a shared understanding. We held three events in locations where three of our four Brazilian sugar mills are based (Meridiano, Sebastianópolis and Catanduva), strengthening our understanding surrounding the need to expand education and employability skills for young people. In Argentina, we conducted dialogue in locations where our industrial facilities are based, including with local authorities, worker syndicates, education institutions and chambers of commerce. Elsewhere, in South Africa, we took part in Standerton's monthly Community Forum discussions, partnering with other businesses to address issues that impact the local community.

Target 2

Conduct environmental and social impact assessment prior to all new site construction and acquisition

We were awarded a 25-year concession for a new agriculture solid bulk terminal, which will be one of the largest in the Port of Santos in Brazil, once it goes into operation. We are committed to engaging with local communities from the outset, in order to fulfil our significant responsibility that accompanies a project of this nature. We are committed to taking environmental and social impacts into consideration as we move forward, in discussion with all relevant stakeholders. In 2022, we visited the operations at the Port of Santos and toured the port area to understand the key considerations surrounding the upcoming installation of new structures, particularly as it relates to the neighbouring heritage location. We also invited our employees' perspectives on how the project will impact their communities, and liaised with local NGOs to help ensure the protection of more than 15,000 port workers. In 2023, we will develop a communications strategy to help raise awareness of the social, environmental and economic benefits of the programme.

Similarly, we expanded our storage footprint in Romania with three additional silos going into operation in 2022, conducting environmental due diligence in advance and ensuring legal compliance.



The Santos port project is very important for COFCO International, and its success is closely linked to the sustainable supply of products and services. We are working hard to create the lowest possible social and environmental impacts for our stakeholders, particularly for our communities, as well as employment, training and income generation opportunities for local people."

Sergio Luiz Ferreira Junior

Grains and Oilseeds Operations Manager, Silos and Ports, COFCO International

Sustainable livelihoods

The rural communities in our operating and sourcing countries largely depend on agriculture for their livelihoods. Smallholder farmers, in particular, contribute significantly to the world's food supply and their regions' economies, yet they often lack access to the tools, knowledge and finance to improve their productivity and profit sustainably. Urban migration among young people is leaving further gaps in agricultural skills, while many people may not have access to the education they need to find employment opportunities in farming. This is challenging for a major agricultural commodity producer with a need for highly skilled workers. We have an opportunity and a responsibility to provide local people with the knowledge they need to thrive, while also attracting talented employees. And with market demand for sustainably produced commodities growing, supporting farmers through education and capacity building is integral to their future.

Respecting the rights local communities, smallholders and indigenous peoples is part of our responsibility as a major agricultural business, and central to our licence to operate. Our [Responsible Land Acquisition and Leasing Policy](#) helps to ensure that we act responsibly at a local level, with particular reference to stakeholders' rights to use land and natural resources in production areas. We ensure that these commitments remain central to our [Supplier Code of Conduct](#) and commodity-specific sourcing policies.

Supporting livelihoods and promoting sustainable agriculture in our communities

To help communities build sustainable livelihoods and create the stability and resilience we need in our supply chains, we partner with stakeholders including government agencies, farming co-operatives and civil society organisations to deliver and support dedicated educational programmes. In 2022, we continued investing in capacity-building in Brazil, one of our key sourcing countries, with training courses for around 250 people, and contributed further to projects in South Africa and India. These investments and projects enable the many people depend on agriculture for a living to expand their skills and improve their prospects.

Building resilience in the soy biodiesel supply chain

To support smallholder soy farmers in Brazil, we source a portion of our biodiesel from cooperatives taking part in the Social Fuel Stamp programme. Organised by the Brazilian Ministry of Agriculture, Livestock and Supply, this offers agri-businesses an incentive for purchasing soy from organisations that promote fair prices and provide training for smallholders to produce oilseeds in a safe and sustainable way. COFCO International purchased 204,000 tonnes of soybean from 41 cooperatives in 2022, a decrease in volume compared to 2021 due to market changes, benefiting more than 45,400 smallholders, a decline of 14% year-on-year.

Expanding mustard farmers' access to market in India

In Gurugram, India, COFCO International is supporting efforts to help smallholder mustard farmers adopt sustainable mustard growing practices in order to improve their productivity, market access and income. Together with our partner [End Poverty](#), we are helping to form groups of farmers in around 20 villages to attend training, while also establishing a centralised way to source inputs, saving costs, and sell produce in bulk, enabling farmers to deal with larger companies. This has enabled some 730 farmers to sell 20-22% more than they could previously sell individually.

Supporting rural farmers in South Africa

Similarly, in Mpumalanga, South Africa, we provided funding to the Buhle Farmers Academy in order to promote capacity building for smallholders, who receive classrooms lessons and practical field-level training and advice that they can share on their own farms and within their communities. The COFCO International team plans to build on this project in 2023 by developing a longer term relationship with an NGO to provide further support to farmers and help enable market access.



Above: top
Our Guardians of Tomorrow programme in Brazil helps children learn about sustainability.

Above: bottom
Working with partners, we deliver training to help local farmers improve productivity and save costs.

Right
Supporting smallholder farmers in adopting sustainable practices helps to raise their prospects.

204,000
Tonnes of soybean purchased from smallholder farmers in Brazil.

730
Farmers supported in India in partnership with End Poverty.



Building the capacity of young people and under-represented groups

We are committed to helping diverse people in our communities to gain the professional qualifications they need to find employment, improving their livelihoods while ensuring we can find more qualified people for our business.

For example, we are helping to empower the future generations of farmers in Brazil through the 'Young Farmer of the Future' programme. In partnership with the country's National Rural Service (SENAR), this initiative delivers training to young people aged 14 to 17, preparing them for a future career in the field of agriculture. Participation in the programme has steadily grown, and in 2022, we helped to train 148 people, a significant increase from 43 in 2020. In addition, 120 people (largely women) took part in community courses near our sugar mills, covering technical expertise such as operation and maintenance of tractors and other vehicles.

In Mpumalanga, South Africa, we are offering 30-day agricultural internships with not-for-profit organisation Nourish to help five young people in the local Standerton community (near our processing plant). Covering a broad range of skills, the internship provides them with insights into permaculture farming, crop processing, chicken and hydroponic farming, offering a diverse view of agriculture. The most promising students will be considered for future training and employment opportunities.

Meanwhile, in Harsova, Romania, we launched the Preparing Today's Youth for Tomorrow's World project. Our employees visit secondary schools, helping students to improve their professional skills and enhance their employability, while also evaluating competencies among college students.

Elsewhere, in Argentina, we are taking part in the Cadena Productiva (Productive Chain) programme, led by the Chamber of Commerce, Industry and Services of San Lorenzo. We welcome students to our plants, where they learn about our production processes and business activities, and how these contribute to the country's economy. Some 159 students took part in 2022.

Looking ahead

We will continue to invest in capacity-building programmes in the local communities where we source our products and operate our facilities, helping to build resilience for local people and our business.

Community investment

To thrive in the future, it is important to build and maintain constructive relationships with the communities where we work and live. Investing in our communities forms a core part of our sustainability strategy, and renews our social licence to operate. As a major agricultural business, we strive to contribute to local economies while also helping to expand access to skills and protect the environment. We invest in projects that contribute positively to sustainable community development, taking a consistent approach globally to meet shared priorities.

In particular, through our Community Investment Policy, we focus on initiatives with the potential for significant, measurable and lasting impact, ensuring that any investments reflect the needs of communities influenced by our operations, particularly vulnerable groups. We implement projects with relevant stakeholders and create opportunities for our employees to participate, contributing their expertise while strengthening their personal development.

All our community projects focus on three areas:

- Education and capacity building
- Community wellbeing
- Environmental stewardship.

In 2022, we updated our policy to further standardise and improve how we work in order to optimise our impact, including by strengthening the way we monitor results and ensuring we focus solely on projects supporting our goals. Overall, we reached an estimated number of over 49,000 beneficiaries, significantly higher (+36%) than in 2021, partially due to our monitoring improvements.

Increasing our community impact through Global Impact Season

Building on the success of our first global Impact Season, we ran a second edition focusing on the contribution made by all our teams towards sustainability, and strengthened four high impact projects. Through our Sustainability Ambassador Network, which has 184 members in 66 locations across 20 countries, we sought to engage all employees, raising their awareness of how they can

contribute through their daily work. Additionally, in Brazil, we delivered an in-person workshop with 23 ambassadors representing various regions in São José do Rio Preto, covering climate change, diversity and apiculture.

In this way, and by providing further support to the teams leading our selected projects, we enabled them to expand their activities. In particular, we –

- Helped renovate Standerton Hospital's paediatric ward in South Africa (see on the right).
- Supported the installation of street workout equipment for people to exercise in the small towns where some of our Ukraine silos are located.
- Provided further support to the AgroValquírias agroforestry project near our sugar mills in Brazil to expand its positive social, economic and environmental impacts, and sponsored the installation of a solar panel for our project partner to promote renewable energy.
- Sponsored solar panels and research on hydroponic cultivation systems in two rural schools in Timbúes, Argentina, near our industrial complex.

Supporting communities in Ukraine

With communities in Ukraine affected by the war, we arranged the transport of displaced employees and their families to safer locations. We also donated first aid supplies to a local medical centre, collected and donated food for refugees and communities, installed drinking water points and drilled wells to improve access to water.

Looking ahead

Building on our community work to date, we aim to keep expanding the scope and reach of our community projects, respecting human rights while leveraging our resources to help local people develop skills that improve their prospects.

Left

We invest in community wellbeing and education and encourage environmental protection.



How our community activities contribute to the UN's Sustainable Development Goals



Meeting people's basic needs

We held campaigns in Brazil, Argentina, Uruguay, Paraguay, South Africa, Switzerland and China, through which we collected and donated food products and clothing items to vulnerable community members, in partnership with local charities. We also undertook specific activities for elderly people in Ukraine, South Africa, Argentina, social support centres in Brazil, and supported children and youth care centres in South Africa. Some of our employees took part in fundraising sports events in Uruguay and Argentina to promote children's rights.



Keeping our communities safe

With particularly hot and dry weather raising the risk of fires, we supported local fire departments in Brazil, Argentina and South Africa with fire fighting and rescue equipment. We also held events with school children from communities close to our sugar mills in Brazil to raise awareness of fire safety (see [Sugar cane](#)), and promoted safety on the roads across our Brazilian grains, oilseeds and coffee facilities. In rural communities near our Kandla refinery in India, we helped install street lighting to help people travel more safely in the dark.



Expanding access to water

To help rural communities near our Standerton processing plant in South Africa maintain access to safe water, we have invested in donating water and improving local water infrastructure, helping to alleviate water scarcity. We donated 25,000 litres of water to people in Sakhile, and in 2023, we will provide further support to fix a vital water pump supplying the communities' water.



Promoting good health and wellbeing

At Standerton Hospital, we helped to fund a renovation, while also donating 100 children's books and toiletries, bed linen and blankets for mothers. We also provided devices to keep premature babies warm when no incubators are available. Meanwhile, we supported two cancer treatment hospitals in Jales and Fernandópolis (close to our Meridiano sugar mill in Brazil), donating 3.5 GWh of renewable energy. During Brazil's breast cancer awareness month, we invited a mobile breast cancer awareness centre to our Sebastianópolis sugar mill, delivering examinations for 76 women. In Argentina, we donated face masks to communities and vegetables to families of school pupils when their canteen was closed due to the pandemic. Throughout the year, we have also supported vaccinations and provided medical supplies for health centres near our facilities.



Empowering school children to safeguard the planet

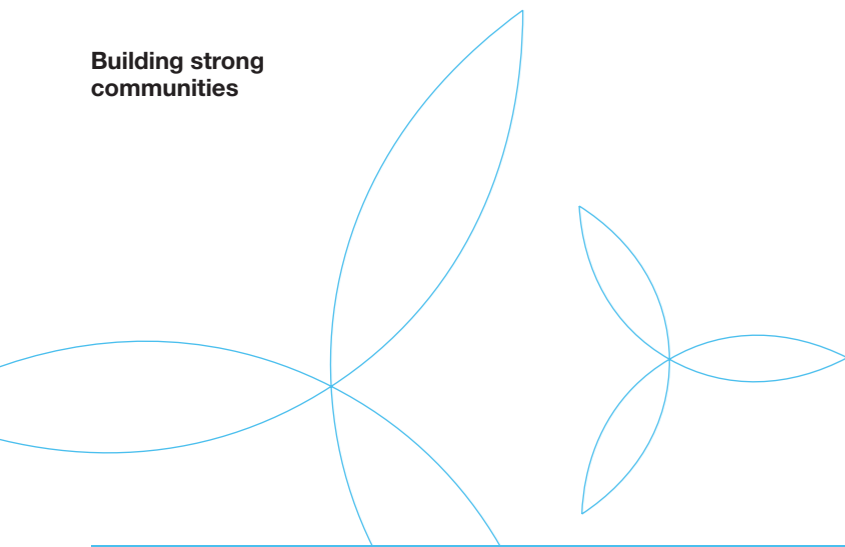
In addition to our Guardians of Tomorrow programme in Brazil (see [Guardians of Tomorrow: Empowering school children to safeguard the planet](#)), we have invested in children's education in multiple countries where we are active, from Paraguay, Uruguay and Argentina to Brazil, Ukraine, Kazakhstan and South Africa. We have, for example, supported the renovation and improvement of school buildings, donated books and materials, offered scholarships and provided talks on employability skills. Many of our facilities also took part in World Children's Day, welcoming school children on safe guided visits of our facilities.



Conserving biodiversity

In Brazil, we continued to promote biodiversity and encourage bees on the land surrounding our sugar plantations, through our established programme, Project Pollinate. We have provided training to help 44 beekeepers improve their honey yields, while also raising awareness of the importance of bees among children and other community members. In 2022, our workshops reached people from 12 municipalities across São Paulo state. In addition, we delivered training to pilots applying agricultural inputs within our sugarcane plantations, and members of the technical and coordinating teams. Over the past six years, we have reached 10,000 people through this project.

Elsewhere, in Ibirá, another community near our Brazilian sugar mills, we supported the local authorities in building a tree seedlings nursery to reforest some areas of the municipality. Through the Ibirá Mais Verde (Greener Ibirá) project, we donated 800 seedlings to establish a tree nursery for Brazil's National Tree Day. Additionally, in partnership with local authorities and a farm owner, we released 10,000 native fish into the São José dos Dourados River near our Sebastianópolis sugar mill to help restore and preserve the river basin biodiversity, while helping 50 local children learn about ecosystem preservation.



Case study

Guardians of Tomorrow: Empowering school children to safeguard the planet

To help encourage children to take care of the environment, we work to raise awareness of the social and environmental issues connected to agriculture through the Guardians of Tomorrow programme in Brazil. Now, we are expanding the project to Argentina. Here, we speak to COFCO employees involved in the programme and the Vice-Director of a participating Brazilian school to understand the benefits for children and the environment, and the future for this initiative.

Nurturing the programme in Brazil

Based at our Catanduva sugar mill in Brazil, Sustainability Coordinator Eliete Palhares Benetti has always wanted to communicate sustainability issues to children. Meanwhile, she knew that schools in the area had few resources to provide this kind of teaching. At COFCO international, she has had the opportunity to explore the best approach with schools near the company's Brazilian operations. "We felt that sustainability concepts should be expressed in a more playful way," she says. "Working with consultants, we created materials including cartoons, booklets and magazines. We've covered relevant local themes including biodiversity, preserving fauna and flora, minimising waste, preventing wildfires, recycling, pollination and caring for trees and small vegetable gardens."

The programme has proven popular with schools, starting with 2,232 children at 33 schools and expanding to reach 6,233 children at 88 schools. "The children know how to explain the importance of bees for our food, and they value plants and trees more for the experience they have of planting a tree seedling. Building their own bee hotels at school (with stingless bees) through Project Kombee has proved particularly successful, with some children collecting their own honey."

In 2022, more than 4,800 pupils from communities near five of our facilities in Mato Grosso also experienced a theatre performance promoting sustainability stories. Additionally, understanding agribusiness connects the children of COFCO International with their parents even more, becoming part of everyday conversations.

"I'm proud of COFCO International for having a programme that helps to prepare our children for the future," she says. "We are also communicating our values in a fun and enjoyable way. Each year, new concepts and needs are emerging, representing a great evolution for students and teachers."

At the Escola Municipal Professora Edith Pereira Gonzaga in Ibirá, near COFCO International's Potirendaba sugar mill, some 60 children are taking part in the programme. In 2023, these children will nurture their seedlings and take part in a Cine Arte project, which is a mobile, inflatable space for showing short films, whereby theatre and workshops connect art with health and sustainability themes.

Overall, in 2023, when the programme reaches five years, Eliete and her team want to celebrate by reviewing progress and developing materials for themes including climate change, carbon footprinting and the circular economy.

Understanding a teacher's perspective

Daniela Sansão Motta, Vice-Director at the above school, believes it's an important way to deliver information and knowledge to children. "The activities awaken an interest in environmental protection, preparing them for the future, and offer a real richness of content," she explains. "They also really enjoy writing about what they've learnt, including through sustainability essay competitions and winning gifts." She can see the impact of the programme in their daily lives, with children bringing reusable drinks bottles from home, or simply taking pride and joy in cultivating plants and trees donated by the company – interacting with the soil, fertilising and watering.

Having external support on environmental education from an agricultural expert gives her confidence and respect for the project. "It brings valuable and ready-made information for teachers to deliver fun, interesting classes," she says. "I enjoy interacting with the company representatives and hope the programme continues," she concludes.

Expanding to reach more countries

So how might the programme be expanded to Argentina and why?

As another major sourcing country for COFCO International, Argentina is home to the important and vulnerable Gran Chaco forest – similar in ecological stature to Brazil's Amazon rainforest or Cerrado savannah. Longstanding HR and Community Projects Coordinator, Margarita Escuder, in Buenos Aires will lead this initiative, which will be known as "Guardianes del Mañana" (Guardians of Tomorrow), building on her sustainability experience. "This project has attracted attention and involves future generations in caring for the planet," she says. "Knowing that we could adapt the existing materials was also an excellent opportunity, particularly with schools showing a growing interest in these topics."

In 2022, Margarita and her team worked to tailor the materials to local practices and customs, while translating all the booklets and videos to ensure they are culturally appropriate. She also encouraged employees to propose beneficiary schools, including those attended by their children in communities near the company's offices, ports and industrial operations. Within months, she had established interest among two schools, including one close to COFCO International's storage facilities in Intendente Alvear and another near the port terminals of San Martín and Timbúes. Teaching is due to start in 2023, reaching 450 children.

"I believe our success will quickly build momentum and interest among other schools near our operations and beyond," she says. "It's a dynamic project that we'll keep nourishing year on year. In 2023, I'll also be working with my Brazilian colleagues to share best practices, strengthening each other's programmes and helping to improve our positive impact on communities."

Right

Guardians of Tomorrow encourages children to live more sustainably and is expanding from Brazil to Argentina.



“

I'm proud of COFCO International for having a programme that helps to prepare our children for the future.”

Eliete Palhares Benetti
Sustainability Coordinator, COFCO International

6,233

Children reached through the programme in Brazil.



Upholding standards

We uphold rigorous, consistent standards worldwide, striving to promote good governance, ensure legal compliance and improve transparency. Our core values and sustainability strategy guide our approach to doing business.

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UN Sustainable Development Goals



IFC Performance Standards



Driven by our values

To uphold strong standards and fulfil our sustainability strategy, we have a range of robust policies that guide our behaviour and activities, as referenced in the below diagram.

Our policies for our sustainability strategy

Connecting supply and demand responsibly

- Supplier Code of Conduct
- Sustainable Soy Sourcing
- Sustainable Palm Oil Sourcing
- Responsible Agriculture Standard

Taking care of our people

- Occupational Health and Safety
- Human Rights and Labour
- Equal Opportunities
- Training and Development

Managing our environmental impact

- Environmental

Building strong communities

- Stakeholder Engagement
- Responsible Land Acquisition and Leasing
- Community Investment

Upholding standards

- Code of Conduct
- Food and Feed Safety
- Anti-Bribery and Corruption
- Anti-Money Laundering
- Gifts and Entertainment
- Global Procurement

To ensure our sustainability strategy achieves its objectives, we have a rigorous set of standards and policies in place, promoting the responsible conduct that drives progress. We expect all our employees and partners to adhere to high standards of behaviour, defined by our Code of Conduct (which defines our business ethics and underpins our strategy), and a set of sustainability policies. When joining our company, we ensure that new employees undertake relevant training and know how to share any concerns and raise any concerns by using a company-wide grievance mechanism, the Integrity Hotline. Meanwhile, we work with our suppliers to continuously raise the standards in our supply chain, based on a comprehensive understanding of social and environmental risks and guided by our Supplier Code of Conduct and commodity specific sourcing policies.

Building on our existing standards, in 2022, we developed our own Responsible Agriculture Standard, with aim to reinforce and reward responsible farming and sourcing in our supply chains (see [Understanding our grains and oilseeds business](#)). In this way, we aim to reinforce and reward responsible farming and sourcing in our supply chains. Elsewhere, we updated our Investment Review and Approval Policy, further integrating the consideration of sustainability risks within investments for new projects and the review of existing assets (please see [Environmental stewardship](#)).

Additionally, we updated our Anti-Money Laundering Policy to better support employees in identifying and reporting potential money laundering risks. We launched a new online training module in support of the policy, with 2,522 employees taking part in 2022, the majority based in offices, and introduced an advanced Anti-Bribery and Corruption training offering, together with updated Code of Conduct training for new employees. Overall, we provided 22,303 training sessions, with a total of 6,275 hours undertaken.

Product quality and safety

To maintain high standards of food and animal feed safety and comply with all relevant laws and regulations, we follow the requirements defined by our [Food and Feed Safety Policy](#). Importantly, our consistent, standardised approach enables our global teams to identify, manage and prevent potential food safety hazards and avoid contamination. All employees at our facilities and related contractors undertake relevant training. As part of our continuous compliance monitoring, our suppliers must follow qualification processes, third-party inspections and on-site audits. In 2022, we recorded zero food or feed incidents resulting in fines, penalties or warnings.

We uphold stringent virus control measures, including on contaminants such as Aflatoxins, pesticides, Ochratoxin, botanicals, heavy metals and Salmonella. To further prevent risk, we used advanced technology, including a dedicated safety alert system and online Near Infrared Reflectance (NIR) technology to conduct rapid, effective product quality tests. We completed internal and external audits in line with globally respected standards such as ISO 17025, GMP+, ISO 22000, ISO 9001 and HACCP within our major industrial facilities. We took action to address any findings, minimising future risks.

Finally, we ran a full test of our global food safety alert system in Argentina, enabling us to further optimise the system and better manage and address potential risks. The system delivers a real-time, consolidated global view of food and feed safety requirements, specifications, compliance, alerts and recalls, covering more than 130,000 regulations in 140 countries, and over 175,000 substance limits in more than 60 markets.

Looking ahead

We will continue to work towards meeting global standards for good governance and compliance in our operations and across our supply chains.



Right
Our values guide our efforts to uphold strong standards.

Good governance and compliance

Our success as a sustainable business relies on high standards of ethics and integrity, with zero tolerance for fraud, bribery and corruption. We continuously improve our performance in line with international guidance, with all our efforts underpinned by robust governance, as we strive to keep our people and operations safe, create a positive workplace and deliver responsible growth.

Governance structure

In particular, our leaders and managers take ownership of maintaining our high standards and engaging our employees with our values. This starts with our Board of Directors, which leads our ambitions for good governance. It comprises five people, including three COFCO Corporation directors and two non-executive directors. The latter are nominated by the Nomination and Corporate Governance Committee and appointed by the Board.

The Board consists of Nomination and Remuneration, Audit, Investment, and Risk Control and Compliance Committees and oversees the group's business, strategic decisions and performance. The Executive Committee is appointed by the Board, respecting our focus on diversity and led by our CEO, and is responsible for defining and delivering our corporate strategy. Members have a proven ability to lead and are committed to upholding our values and culture. Within our Corporate Governance framework, we have a Strategy Committee, an Executive Risk Committee and a Finance, Legal and Risk Committee, performing specific functions delegated by the Executive Committee.

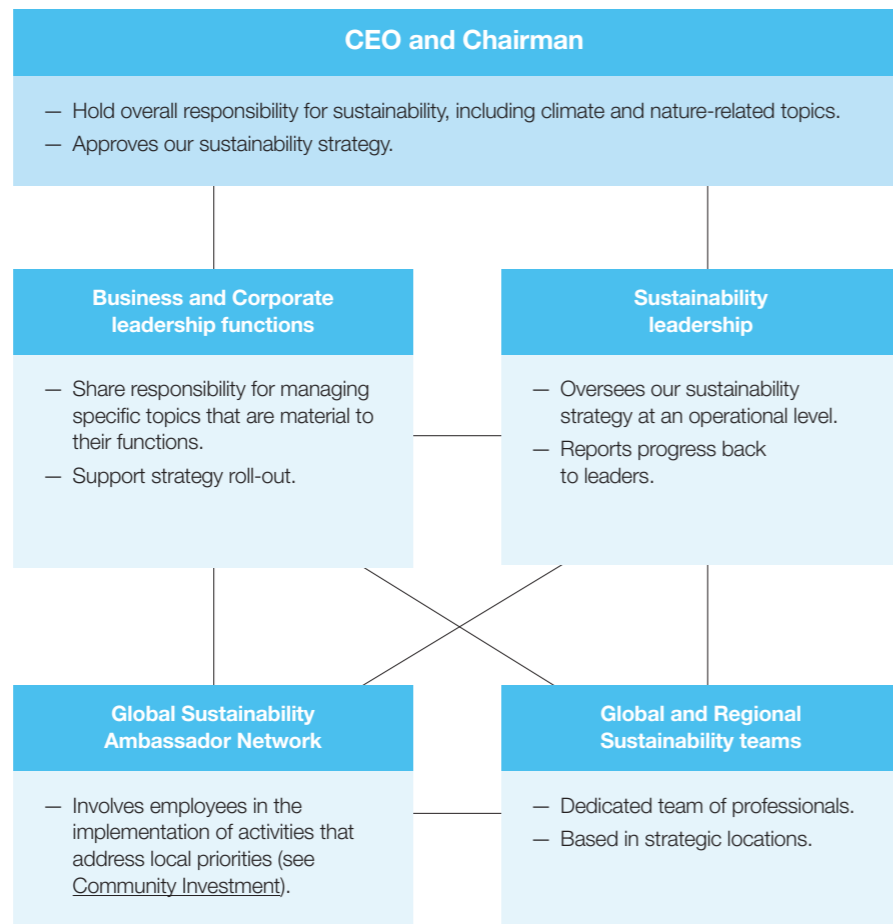
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Members of our global Sustainability Ambassador network.

Sustainability governance

Importantly our CEO and Chairman take overall responsibility for sustainability, including climate and nature-related topics, given their fundamental importance for agriculture, with a focus on strengthening our approach to managing and reporting our risks, opportunities and impacts. Our Global Head of Sustainability oversees our sustainability strategy at an operational level and manages a dedicated team of professionals, reporting progress to our leaders. However, all relevant leaders are involved in capturing and approving our progress. Similarly, each department takes responsibility for managing impacts relevant to its own operations.

Within our company, our 184-strong employee network of Sustainability Ambassadors champions our ambitions locally (see [Community investment](#)). Protecting the climate and promoting biodiversity are increasingly central to our governance processes and long-term plans, while also contributing to the UN's SDGs. As part of our efforts to ensure we act on the latest best practice and guidance, we engage the specialist ESG consultancy Sustainalytics to evaluate our progress on managing environmental, social and governance risks.



Integrity Hotline

Our global grievance mechanism

To help ensure ethical, fair behaviour and legal compliance, we operate a global grievance mechanism, promoting open, honest communication. The [Integrity Hotline](#) is available to all employees and external stakeholders in 13 languages, providing a means to share any concerns regarding misconduct or non-compliant behaviour both confidentially and anonymously, without fear of reprisal. Training is provided to all new joiners, with further materials created in 2022. The Hotline is based on guidance outlined by the UN Guiding Principles on Business and Human Rights, which guides our overall journey of continuous improvement. Stakeholders can use a dedicated telephone number or secure digital channels, hosted by an external grievance specialist agency.

Our centralised Concerns Management Committee (CMC) is responsible for investigating and resolving any issues fairly and impartially, in a timely and efficient manner. It collaborates with relevant teams to provide remediation, as appropriate. The CMC is chaired by our Chief Audit Officer, who updates our Audit Committee. Regionally, it is supported by committees responsible for grievance analysis and investigation.

Since the implementation of our centralised Integrity Hotline in 2018, we have undertaken many actions to improve the efficiency of our global grievance management system, raise stakeholder awareness and ensure the accessibility of the channels in particular for the vulnerable stakeholder groups.

In 2022, we captured 117 new cases through the Integrity Hotline, with the majority focused on discrimination or poor behaviour (80), followed by business conduct (28), environment, health and safety (8), and non-compliance with Supplier Code of Conduct (1). We reviewed every concern, investigating and acting appropriately, and closing 91% by the end of the year, with an average case closure rate of 59 days. Additionally, we were informed directly of 11 and seven cases of non-compliance with our Sustainable Palm Oil and Soy Sourcing Policies respectively, closing 83% by the end of the year.


We continued to conduct analysis and take action to reoccurrence and are in the process of addressing any outstanding cases. Ultimately, we will seek to resolve all grievances through our Integrity Hotline.

“Each year, we further integrate the Integrity Hotline as our global mechanism for reporting grievances. Our rigorous approach to managing concerns reflects our core values and standards, and helps to ensure that we are protecting vulnerable groups in our business and supply chains.”

Lilyei Deng
Chief Audit Officer, COFCO International



Our contribution to the Sustainable Development Goals (SDGs)

SDG	Priority target	How we are contributing	Looking ahead
	<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>We are supporting smallholder farmers, enabling their access to the global market and supporting their sustainable productivity improvements. In 2022, we purchased soybean from more than 45,400 smallholders in Brazil and supported economic inclusion and capacity-building efforts in India and South Africa (see Sustainable livelihoods).</p> <p>In the sugarcane plantations we operate, we have invested in sustainable production projects, including crop rotation pilots and soil biodiversity enhancement measures (see Sugarcane).</p>	<p>Both in our supply chains and in our limited farming footprint, we will continue to invest in projects that drive further improvements in agricultural productivity sustainably and responsibly, towards long-term global food security.</p>
	<p>3.4 Promote mental health and wellbeing.</p> <p>3.6 Halve the number of global deaths and injuries from road traffic accidents</p> <p>3.9 Reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination..</p>	<p>Beyond occupational safety, we continue to expand our efforts to promote good employee wellbeing, for example, through events and lectures on health-specific topics. We have also further invested in road safety measures, including driver training and awareness campaigns (see Keeping our employees safe and Community investment).</p> <p>Across our asset footprint, we continuously seek to make responsible use of water resources and prevent pollution, while maintaining open dialogue with local communities to identify aspects that may unintentional impacts for communities (see Environmental stewardship and Supporting sustainable development in local communities).</p>	<p>We will focus on further building on our achievements and progress, involving employees and contractors in fostering a culture of safety and strong environmental management standards. Similarly, we will continue to listen to our local communities to identify and address their concerns and priorities.</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 seek to attract and retain diverse and talented people and further develop their skills and knowledge, while also investing in capacity-building across the communities where we operate, fostering greater employability and inclusion of young people and underprivileged groups (see Talent and growth and Sustainable livelihoods).</p> <p>In 2022, we continued to develop our compliance tools to assess human rights risks among our suppliers. We also addressed improvement opportunities identified in our previous human rights impact assessment (see Respecting human rights).</p>	<p>We will continue to invest in human capital development within our workforce and local communities, and respect the rights of all our employees and those of workers in our supply chains. In particular, we will focus on further improving our human rights due diligence approach and will continue to work on strengthening and expanding our diversity and inclusion activities.</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 take a robust approach towards managing environmental impacts and using resources throughout our operations and supply chains, supported by strong environmental management systems and well trained employees. This is fundamental to driving progress (see Managing our environmental impact section).</p> <p>We also invest in community projects and campaigns that raise awareness of sustainable development challenges (see Community investment and Energy and resource efficiency).</p>	<p>We will continue our work in improving operational resource efficiency and optimising our use of materials, identifying opportunities to capture value from waste. Further, recognising the importance of improving knowledge among our employees and communities on how they can contribute to sustainable development, we will further invest in targeted learning and communications projects.</p>

We are committed to supporting the UN's 2030 Sustainable Development Goals through our strategy to feed the world responsibly. Here, we share how our actions are contributing towards the goals where we stand to make the greatest impact. Through our community investment activities, we are also contributing to SDGs 1, 4, 6, 7, 11 and 14, while addressing local communities' needs (see [Community investment](#)).

SDG	Priority target	How we are contributing	Looking ahead
	<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>In 2022, we conducted a climate risk assessment to inform our climate strategy development (see Reducing our carbon footprint and building climate resilience) and supported the launch of the agriculture sector roadmap to 1.5°C during COP27 (see Soybean and Palm oil).</p> <p>We also continued to invest significant resources in emission reduction measures, projects that improve our understanding of the emissions associated with our commodities (see Sugarcane and Coffee), and awareness campaigns for employees and communities (see Community investment and Energy and resource efficiency).</p>	<p>Building on our efforts to improve our understanding of how our business affects and is affected by climate change, we will develop a corporate strategy to better address this societal challenge. This will include developing plans to address the risks and opportunities identified and setting science-based emission reduction targets. We will also strengthen our efforts to equip our employees and communities with the necessary knowledge that will allow them to do their part.</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 continued with our efforts to conserve precious freshwater resources by reusing 78% of our discharged water being for irrigation purposes, investing further in advanced effluent treatment technology (see Energy and resource efficiency), and participating in discussion platforms and initiatives that promote responsible water stewardship (see Sugarcane and Coffee).</p> <p>In parallel with the commitments of the sector roadmap, we strengthened our supply chain monitoring, environmental and social risk screening, and supplier performance tracking, with a particular focus on the commodities posing the greatest risk (see Understanding our grains and oilseeds business, Soybean and Palm oil). We also strengthened our efforts to conserve natural ecosystems around our sugarcane plantations and planted 132,140 seedlings of native trees (see Sugarcane).</p>	<p>In 2023 and beyond, we will continue to contribute to tackling deforestation and illegal conversion, especially in sensitive biomes, and we will further invest in reforestation and conservation projects, as well as technologies that reduce our operations' impact in freshwater ecosystems. We will also strive to increase the volumes of sustainably certified products and launch our Responsible Agriculture Standard.</p>
	<p>16.5 Substantially reduce bribery and corruption in all its forms.</p>	<p>We have zero tolerance for fraud, bribery and corruption and seek to prevent these issues through our Code of Conduct, Supplier Code of Conduct, Anti-Bribery and Corruption Policy, and Anti-Money Laundering Policy (see Driven by our values).</p> <p>In 2022, we updated the latter Policy and provided some 22,303 training sessions to our employees on these policies. Our global grievance mechanism remained available for stakeholders to confidentially report potential cases of non-conformity (see Good governance and compliance).</p>	<p>We will continue to comply with relevant laws and ensure strong, transparent governance by upholding globally consistent standards and behaviour.</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 sector and cross-sector discussions to address the social and environmental impacts of global agricultural value chains, including maritime shipping, through partnerships and collaborations such as the Soft Commodities Forum, Tropical Forest Alliance, Getting to Zero Coalition and Sea Cargo Charter (see How we engage our stakeholders and our website).</p>	<p>We will continue partnering with stakeholders including our peers, industry working groups, multi-stakeholder organisations, NGOs and non-profit groups to transform the way crops are grown and create a positive impact on people and the environment.</p>

Q&A



Asbjørn Børsting
President, FEAC

Towards deforestation-free soy: inspiring sector-wide action

To achieve sustainable, deforestation and conversion-free soy, it's vital that the soy industry takes a robust, standardised approach to driving progress. Here, Asbjørn Børsting, President of the European association of compound feed and premixes manufacturers, FEAC, shares the story behind FEAC's responsible soy sourcing guidelines and how they stand to deliver greater clarity and raise sustainability standards in the European soy market.

Tell us about FEAC's responsible soy sourcing guidelines.

As a European organisation, we represent the feed industry's interests at European Union level and contribute to market transparency on sustainability efforts. First published in 2015, our Soy Sourcing Guidelines now stipulate that soy should be free of natural ecosystem conversion (and deforestation) after the 31 December 2020 cut-off date. It's challenging setting the right level of ambition, but we believe conversion-free is a fundamental addition and what the market wants. Importantly, we're moving ahead of legislation, anticipating the implementation of the upcoming EU deforestation-free requirements.

Could you explain the main scope and ambitions of the guidance?

By enabling comparability in the market, the intention is that interested value chain stakeholders gain a key reference for responsible soy sourcing.

To achieve this, the Guidelines cover more than 70 criteria, including requirements related to the environment, good agricultural practices and responsible working conditions. Any responsible soy scheme or programme should demonstrate that they meet these requirements, thereby increasing the value of their efforts. Benchmarking for the guidelines is conducted by the International Trade Centre (a World Trade Organization subsidiary). We recommend that third-party verification is executed by ISO-accredited auditors, with satellite monitoring to verify the production of conversion-free soy.

How has FEAC developed the recommendations?

Beginning in 2014, we sought to accelerate the progress of responsible soy to the mainstream market and encourage all soy suppliers to engage. Building on the work of the Round Table on Responsible Soy Association and existing national sourcing guidance, we sought to make our guidance ambitious but achievable for the majority of schemes. Importantly, we wanted to ensure that it covered a broad sustainability scope. It's not just about deforestation, although that's our main focus. We cover requirements on legal compliance, responsible working conditions, environmental stewardship, good agricultural practices and land rights.

How should the Guidelines be used by companies such as COFCO International and their supply chains?

Upstream of the feed industry, we have suppliers of responsible soy, while downstream we have market demand. FEAC strives to engage both sides. It's important for soy suppliers to see downstream market interest in sourcing from soy schemes that have passed our benchmarking. So we remain in contact with major customer-facing collectives such as the Consumer Goods Forum Forest Positive Coalition, who set the soy sourcing guidance for their membership. We're striving for a situation whereby customers include compliance with our guidance in their purchasing requirements.

How do you view COFCO International's work on sustainable soy sourcing?

We're glad to include COFCO International in our list of benchmarked schemes. The company is a trusted partner for numerous compound feed manufacturers. Both within its own soy sourcing ambitions and as part of the Soft Commodities Forum, it has shown leadership, while delivering on transparency commitments.

What's next and how do you see the soy sector evolving in the future?

We are operating in dynamic times, with the upcoming European legislation likely to affect how the soy supply chain is structured. Post-2025, we will see a completely new situation. We will therefore stay focused and update the FEAC Soy Sourcing Guidelines, as appropriate, if we believe this would create the best outcome for responsible soy certification.

“Both within its own soy sourcing ambitions and as part of the Soft Commodities Forum, COFCO International has shown leadership, while delivering on transparency commitments.”



WHEN TRUST MATTERS

Independent Limited Assurance Statement to the Management of COFCO International

DNV Business Assurance Avaliações e Certificações Brasil Ltda (“DNV”, “us” or “we”) were engaged by COFCO International (“COFCO INTL”) to conduct a limited assurance engagement over Selected Information presented in COFCO's International 2022 Sustainability Report and 2022 GRI Index (together, the “Report”), covering the reporting year ended 31st December 2022.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Statement, in particular the inherent limitations explained overleaf.

Selected information

The version of the 2022 COFCO International Sustainability Report that was verified by DNV was the version released on 23.06.2023

The scope and boundary of our work is restricted to the key performance indicators included within the Report (the “Selected Information”). The selected performance indicators can be found on the GRI Summary:

- GRI 302-1 Energy consumption within the organization
- GRI 303-3 Water withdrawal
- GRI 305-1 Direct (Scope 1) GHG Emissions
- GRI 305-2 Energy Indirect (Scope 2) GHG Emissions
- GRI 403-9 (a.i) Work Related Injuries (rate only)

Our observations and areas for improvement will be raised in a separate report to COFCO International Management. Selected observations are provided below. These observations do not affect our conclusion set out below.

- COFCO International has established a variety of process for collecting and consolidating the various data it reports. We have confidence in the process in place to ensure reasonable accuracy for the information presented in the report and management systems.
- It was verified that the company uses systems and software to control information, which brings greater reliability and quality to the data. It was also verified that the systems cover the corporate and other entities. However, some evidences were not in the systems. It is recommended to insert them ensuring better management and effectiveness of information.

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.



Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance. For emissions data and disclosures, we used the GHG Protocol.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with COFCO International’s management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Virtual site visit to Votuporanga Terminal (Brazil) to review process and systems for preparing site level data consolidated at COFCO International’s Head Office;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing the specified data collected at corporate level and statements made in the Report.
- Reviewing that the evidence, measurements and their scope provided to us by COFCO International is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information;
- Reading the Report and narrative accompanying the Selected Information within it.

Arias, Paulo
Digitally signed by Arias, Paulo
Date: 2023.06.22 17:37:50 -03'00'

DNV Business Assurance Avaliações e Certificações Brasil Ltda.

São Paulo, Brasil
22nd June 2023

WHEN TRUST MATTERS

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by COFCO International have been provided in good faith. DNV expressly disclaims any liability or co- responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Statement.

Responsibilities of the Management of COFCO International and DNV

The Management of COFCO International has sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to COFCO International in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

Disclaimers

The information provided in this Sustainability Report reflects COFCO International’s approach to ESG as at the date of this Sustainability Report. Our approach to inclusion of disclosures in this Sustainability Report is informed by the GRI Standards. Any references to “ESG” or similar terms in this report are intended as references to the internally defined criteria of COFCO International only and not to any jurisdiction-specific regulatory definition.

This Sustainability Report is not intended to, nor can it be relied on, to create legal relations, rights or obligations and/or construed as a COFCO International commitment to undertake any legal obligations. Any legal obligation and/or commitments referenced in it shall be interpreted and construed in the context of the relevant applicable legal instrument(s).

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Forward-looking statements issued in this Sustainability Report relate to, among other things, COFCO International goals, commitments, aspirations and/or approaches. They are based on the current beliefs and expectations of COFCO International’s management and are subject to significant risks and uncertainties. Many of which are beyond COFCO International’s control. Expected results or actions may differ from the anticipated goals, approaches, and targets due to many factors.

COFCO International does not undertake to update any of such information in this Sustainability Report and/or any forward-looking statements. The Sustainability Report is subject to change without notice.

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