



COFCO INTL

Cultivating a better future

Sustainability Report 2020

COFCO International Ltd



Towards global food security

Amid the Covid-19 pandemic, the role of the food and agriculture industry has become even more important. With a mission to feed the world responsibly, we played our part in supporting food security, while keeping our people and products safe, and standing by our sustainability commitments.

In this new reality, the need to transform our global food system remains more important than ever. As we intensify agricultural production to feed the growing population, we must also protect the climate, promote biodiversity and safeguard natural resources. We continue to work with our partners to promote more sustainable agricultural practices and cultivate a better future.

Our mission:

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

Our values:

Integrity, inclusiveness, innovation and sustainability.

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Keeping our supply chains moving

We are living in extraordinary times. In 2020, humanity faced unprecedented uncertainty and untold health and economic impacts. Throughout the year, COFCO International's first and most important priority was keeping our people safe. This meant transforming the way we operate on the ground and acting decisively with our employees and partners to promote global food security, keep our people safe, and help protect our communities.



The Covid-19 pandemic has also highlighted the pressing need to build resilience in our food system, and change our relationship with nature. Our sustainability strategy – Meeting tomorrow's demand – is the vehicle through which we drive change in our business and supply chains, and create value for our stakeholders. This work is directly aligned to the principles of the UN Global Compact and supports the UN's 2030 sustainable development vision.

In 2020, we continued to work closely with partners to gain further insights into the social and environmental risks in our supply chains. In particular, Brazil is set to gain further importance as a sourcing country for our business, and remains a key focus of our sustainability programmes.

We continue to advance on traceability – a fundamental prerequisite for deforestation and conversion-free commodities, and I am proud that we have successfully met all traceability ESG targets for our \$2.3 billion sustainability-linked loan, an important financing facility. In particular, we mapped and assessed 4.8 million hectares of soy farms in Latin America for environmental and social risks in 2020.

Across our commodities, we continue to make progress. To help conserve biodiversity within our sugar farms, we planted 243,655 seedlings, in addition to our continued biological pest control efforts. Meanwhile, we joined the Cerrado Waters Group to help preserve freshwater systems and build a flourishing future for coffee. In 2020, 27% of our total coffee sales volume was certified or verified as sustainable.

Our greenhouse gas emissions decreased year on year, largely due to our gradual transition to clean energy. Some 88% of our global energy needs were met by renewables. The carbon intensity of our operations also improved through increased energy efficiency and processing larger volumes. Reducing our water intensity is an ongoing focus, including through a closed loop water system at our India-based refinery. Our efforts will be further informed by an in-depth evaluation of water risks linked to our industrial facilities.

To support our local communities amid the pandemic, we provided protective supplies and medical equipment, and supported vital training in Argentina for doctors transitioning to treating Covid-19 patients in intensive care.

Finally, I would like to thank all our employees and partners for their bravery and dedication in 2020. Your safety and wellbeing will continue to be our foremost concern in 2021. As we look ahead to the upcoming UN biodiversity and climate conferences in China and the UK, let us come together to define the momentous steps that must be made to set our world on course for a more sustainable future.

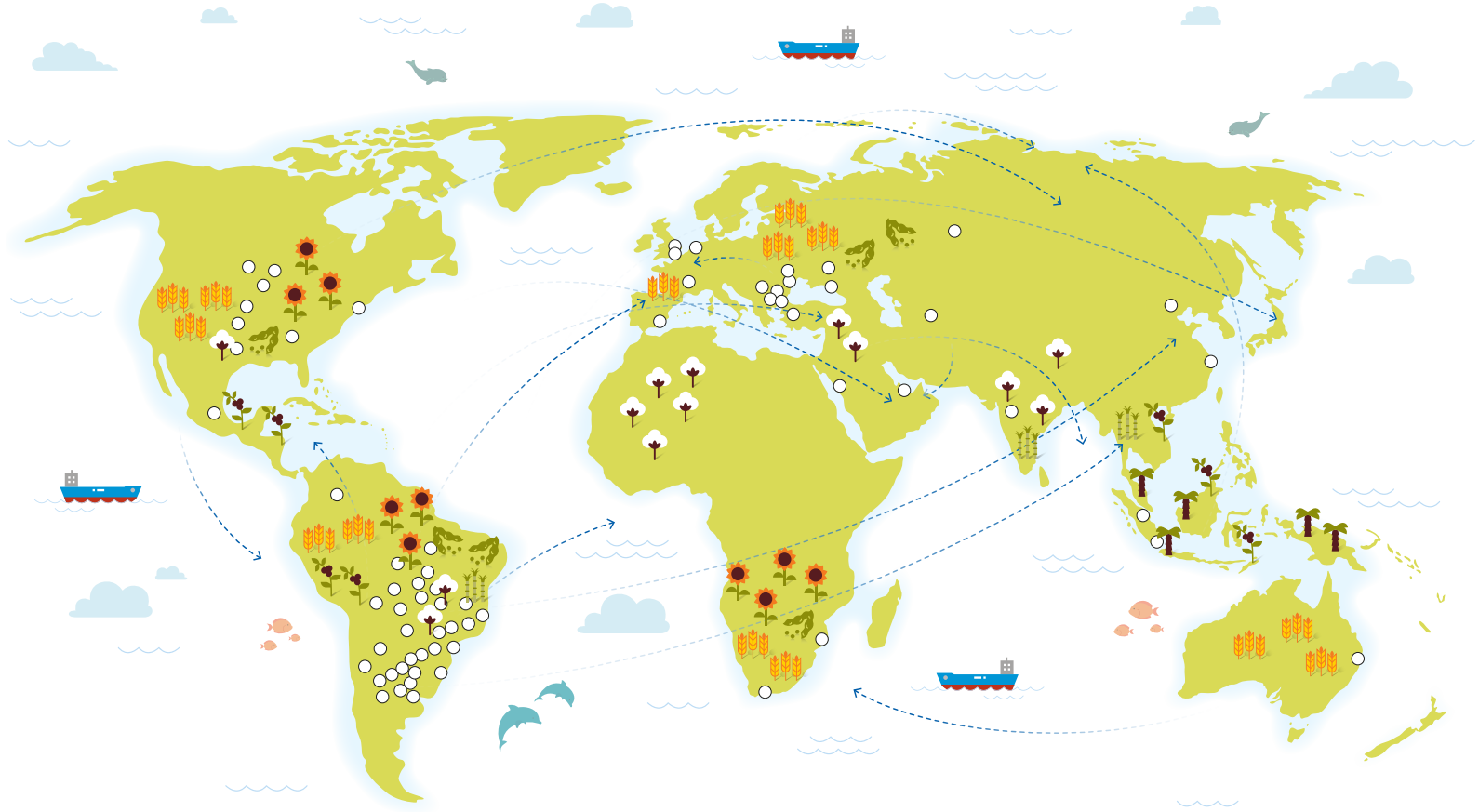
David Dong
CEO of COFCO International




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

We are COFCO International

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

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



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

Our investors:



\$33bn
Revenue

131m
Tonnes turnover

33m
Tonnes port capacity

11,709
Employees

36
Countries

2.3m
Tonnes inland storage capacity

26m
Tonnes processing capacity

Our role in the global food system

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

Connecting supply...

...with demand

Our value chain footprint



Agricultural inputs

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



Production

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

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



Sourcing

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

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



Storage

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

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



Processing

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

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



Trading

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

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



Transport and Distribution

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

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



Retail and marketing

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



Consumption

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






Optimising our impact

Meeting tomorrow's demand

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

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

In 2020, we continued to develop robust policies and set concrete targets across the five pillars of our strategy to help guide our progress towards 2030. As we monitor our performance, we will regularly review our strategy as we move further towards delivering our mission.

Our strategic objectives				
 <p>Connecting supply and demand responsibility</p> <p>Towards efficient, low-carbon and sustainable supply chain management, innovating to raise agricultural productivity, build climate resilience and promote biodiversity.</p>	 <p>Taking care of our people</p> <p>Respecting human and labour rights, providing a safe, healthy and inclusive work environment, helping our employees to fulfil their potential.</p>	 <p>Managing our environmental impact</p> <p>Advancing resource efficiency, lowering carbon emissions and creating value from waste.</p>	 <p>Building strong communities</p> <p>Improving farmer livelihoods and creating a positive impact on people and the environment in the communities where we work and live.</p>	 <p>Upholding standards</p> <p>Ensuring the quality and safety of our products, maintaining good corporate governance and compliance.</p>
Our material issues				
<p>– Priority: Sustainable agricultural sourcing</p> <ul style="list-style-type: none"> – Agricultural innovation – Responsible agricultural production 	<p>– Priority: Respect for human and labour rights</p> <p>– Priority: Occupational health and safety</p> <ul style="list-style-type: none"> – Talent attraction and retention 	<ul style="list-style-type: none"> – Water management – Waste management – Energy efficiency and emissions reduction 	<p>– Priority: Community engagement</p>	<ul style="list-style-type: none"> – Good governance and compliance – Product quality and safety
Our policies and priority targets				
<ul style="list-style-type: none"> – Supplier Code of Conduct – Sustainable Soy Sourcing Policy – Sustainable Palm Oil Sourcing Policy – Conversion-free Soy Standard (2021) <p>Targets</p> <ul style="list-style-type: none"> – Full traceability to farm for directly sourced Brazil soybean by 2023 – 85% direct supplying farms in Brazil's Matopiba region with environmental and social assessment by 2021 – Evaluate supply chain management of all Tier 1 palm oil suppliers by 2020 – Full traceability to mill for palm oil by 2021 	<ul style="list-style-type: none"> – Occupational Health and Safety Policy – Human Rights and Labour Policy – Equal Opportunities Policy – Training and Development Policy <p>Targets</p> <ul style="list-style-type: none"> – Zero employee and contractor fatality – Safety Index for employees and contractors ≤1.5 – 2% employee work time dedicated to EHS training – 1.5% contractor work time dedicated to EHS training 	<ul style="list-style-type: none"> – Environmental Policy <p>Targets</p> <ul style="list-style-type: none"> – Reduce water intensity index by 10% by 2025 	<ul style="list-style-type: none"> – Stakeholder Engagement Policy – Responsible Land Acquisition and Leasing Policy – Community Investment Policy <p>Targets</p> <ul style="list-style-type: none"> – Implement Stakeholder Engagement Plan and social dialogue at all high community impact operations by 2021 – Conduct environmental and social impact assessment prior to all new site construction and acquisition 	<ul style="list-style-type: none"> – Code of Conduct – Food and Feed Safety Policy – Anti-Bribery and Corruption Policy – Anti-Money Laundering Policy – Gifts and Entertainment Policy <p>Targets</p> <ul style="list-style-type: none"> – Zero food/feed safety incident – 100% resolution of grievances received through our Integrity Hotline

2020 highlights



Connecting supply and demand responsibly

295,000+

CBios issued by our 5 industrial facilities under RenovaBio programme.



Traceability targets

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

27%

of total coffee sales volume certified or verified as sustainable.



Sustainable soy

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



Taking care of our people



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

55,650

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

Up to 700

disinfected trucks per day at each plant in Argentina.



Human rights

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



Managing our environmental impact

4%

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

88%

of our global energy needs were met by renewable energy.



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

Water risks

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



Building strong communities

30,000+

beneficiaries reached through our community support actions.



113

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

Covid-19

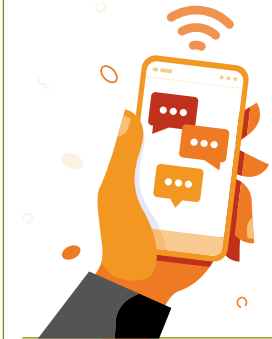
We supported communities and hospitals with vital medical supplies.



Upholding standards

Integrity Hotline

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



59

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

Zero

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

Connecting supply and demand responsibly

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

Our wider contribution

UN Sustainable Development Goals



IFC Performance Standards



Soybean

and Agriculture (CFA) initiative. We identified 10 and 13 high risk municipalities in the Amazon and Cerrado, respectively, which we have prioritised for supplier engagement.

Meeting market demand for conversion-free soy

To help us meet market demands for soy free from native vegetation conversion, we have introduced the COFCO International Conversion-Free Soy Standard.

Towards sustainable biodiesel

In 2020, we mapped over 2 million hectares of soy farms to confirm their compliance with 2BSvs requirements in Argentina, Paraguay and Uruguay, enabling the production of nearly 47,000 tonnes of biodiesel under this scheme. We also produced 83,000 tonnes of biodiesel from soybeans sourced according to RenovaBio programme requirements.

Collaborating for change

Working with the International Finance Corporation (IFC), a member of the World Bank Group, we are taking action to develop a more traceable and sustainable soy supply chain in Brazil's Matopiba region. In 2020, we mapped and analysed 357 supplying farms covering nearly 428,000 hectares. We also continued to participate in the Soft Commodities Forum (SCF) to help eliminate native vegetation conversion in our industry's Cerrado soy supply chains. In 2020, we achieved the group goal of 100% traceability in all 25 priority municipalities ahead of time, and completed social and environmental risk screening in supplying farms.

COFCO International is committed to sourcing soy responsibly and responding to stakeholder concerns, as we expand our soy operations to meet demand.

We are collaborating across our value chain to create systemic change and build farmers' capacity to adopt sustainable, climate-resilient practices. Our Sustainable Soy Sourcing Policy defines the requirements for soy suppliers on issues from conserving natural habitats to protecting indigenous peoples and labour rights, and helps to manage risk in our supply chain.

We also have a major focus on traceability as a mechanism to identify pressing social and environmental risks in our supply chain. We aim to achieve full traceability in Brazil among farms from which we source directly by 2023.

Deepening our view of environmental and social risks

In 2020, we continued to verify supplier compliance with our policy and deepen our view of social and environmental risks in our Brazilian soy supply chain, building on the extensive risk assessment we began in the Amazon and Cerrado in 2019. This effort is part of our collaboration with The Nature Conservancy and WWF, through the Collaboration for Forests

130,000

tonnes of certified biodiesel produced in Argentina and Brazil.



Sugarcane

COFCO International is among the world's top five sugar traders, and one of the largest sugar and ethanol producers in Brazil, where we run our own plantations and sugar mills.

With direct control over production, we have a real opportunity to continuously improve our agricultural practices. We also continue to improve soil health, protect pollinators, and invest in technological solutions.

Gaining an in-depth of sugarcane farms and protecting biodiversity

In 2020, we mapped 130,000 hectares of sugarcane lines and 65,000 hectares of trees and water sources monitored. In addition to improving the efficiency of harvesting machines and increasing operational productivity, this enables us to identify and address any instances of deforestation. In addition, we use drones to monitor land use change around our and our suppliers' sugar fields. We monitor flora and fauna, covering over 5,450 hectares around our four plantations, in line with our Biodiversity Conservation Procedure and CETESB (the state environmental organisation) requirements, and take action to protect wildlife and natural habitats. In addition, in 2020, we planted 243,655 seedlings on our dedicated 850-hectare conservation area.

Leveraging natural methods to improve productivity

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

Engaging with suppliers, employees and communities

To help engage key stakeholders in action to protect the environment and biodiversity, in 2020 we developed dedicated booklets for suppliers and employees' families. This builds on our annual environmental training for employees, and the soil conservation courses we offer to suppliers and employees, in partnership with Rio Preto University, as part of our ongoing efforts to raise suppliers' social, environmental and safety standards.

2020

our Potirendaba sugar mill in Brazil was awarded as one of the region's most productive sugar producers by agro-industrial expert the Idea Group.



Coffee

Reducing carbon emissions in coffee production

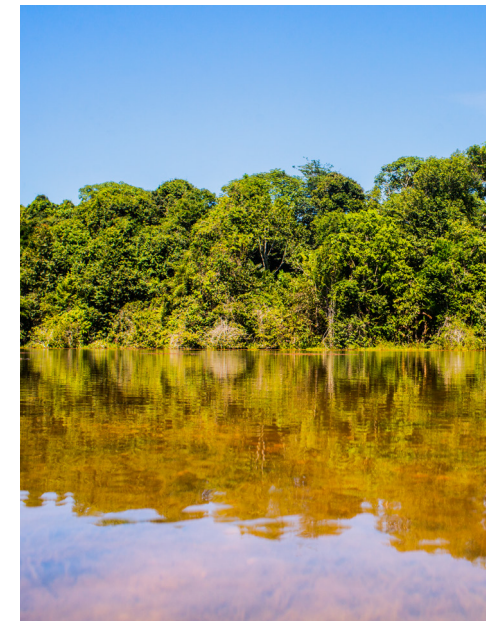
Lowering the carbon impact of coffee production is an important and growing focus, and in 2020, we conducted an exercise to calculate the emissions of the coffee we source from five Brazilian coffee farms from field to destination port, including our own coffee mill in Alfenas. Overall, the greatest emissions are produced at farm level, where we will collaborate with suppliers to help farmers adopt good practices.

Safeguarding water systems in the Cerrado

Protecting Brazil's Cerrado biome is central to conserving freshwater systems for both coffee production and water supplies in Brazil. To help safeguard water in the state of Minas Gerais, we joined the Cerrado Waters Consortium (CWC), providing financial support, participating in its advisory board, engaging stakeholders and helping to develop sustainable funding streams. Following a successful pilot phase in 2020, the project will seek to expand to a further six watersheds in the coming year.

In 2020, we moved swiftly to help ensure a secure supply of coffee for our customers, as the pandemic prompted a challenging year for coffee.

We remained steadfast in our commitment to support more than 4,000 farmers to improve their livelihoods and build their resilience by participating in respected sustainability certification programmes. In 2020, 27% of our total coffee sales volume was certified or verified as sustainable, an increase on 23% in 2019.





Palm oil and cotton

Palm oil

Our role in the palm oil market is primarily as a trader, supplying markets in China and India. We do not operate any palm oil plantations or mills, with only one RSPO-certified refinery in Kandla, India. To help build a more sustainable palm oil sector free from deforestation, peatland loss and labour exploitation (NDPE), we are implementing our [Sustainable Palm Oil Sourcing Policy](#), with a goal to reach full traceability to mill by 2021. In 2020, we reached 91% by the end of the year, up from 86% in 2019. We also published our 2020 supplying mill list.

Additionally, we strengthened our approach to sustainable palm oil by formalising our NDPE policy implementation plan and rolling out our palm oil management procedure. We engaged

91%

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

with our Tier 1 suppliers on our policy requirements, while all our direct suppliers formalised their acknowledgement of our sustainable sourcing policy. These companies represented 86.5% of our palm oil volumes in 2020.

As member to the [Roundtable on Sustainable Palm Oil \(RSPO\)](#), we continue to support its mission to create traceable, transparent and sustainable palm supply chains. The volume of RSPO-certified palm oil we sourced in 2020 nearly doubled compared to 2019, due to increasing market demand. Additionally, we participate in the multi-stakeholder Palm Oil Collaboration Group (POCG). We are a member of its NDPE Implementation Reporting Framework (NDPE IRF) group, which is developing a sector-wide approach to measuring and reporting progress.

Cotton sourcing

COFCO International is among the world's top cotton traders, and sources cotton from countries representing 84% of global production. To meet the growing demand for cotton responsibly, we are sourcing an increasing proportion of cotton through sustainability certification schemes. These schemes seek to build farmers' capacity to adopt practices that promote decent work and protect biodiversity, soil health and water resources, while improving their livelihoods.



Taking care of our people

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

Our wider contribution

UN Sustainable Development Goals



IFC Performance Standards



A safer workplace

To keep our employees and partners safe during the Covid-19 pandemic, we completely shifted the way we operate on the ground, moving quickly to implement WHO health guidelines and industry best practice, and develop our own rigorous Covid-19 response policy.

During the soy and corn harvesting season in Latin America, we took steps to protect our employees and partners. We provided 28,800 face masks and 26,850 food packs to truck drivers in Brazil. In Argentina, our ports and factories disinfected up to 700 trucks per day at each plant.

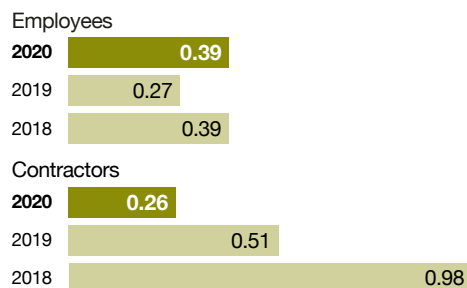
Health and safety performance

While the frequency of lost-time incidents among employees increased overall by 42%, our lost-time incident frequency for contractors continued to decrease significantly, with a 49% year-on-year reduction, following increased health and safety training in recent years. However, we are deeply saddened and regret to report three fatalities involving three contractors working for our partner.

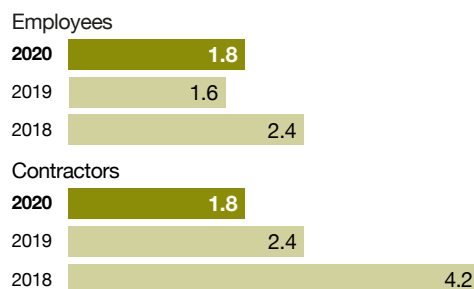
49%

reduction in lost-time incident frequency for contractors.

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



Safety Index² (per 200,000¹ work hours)



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

¹ 200,000 represents the number of hours of 100 employees working 40 hours per week, 50 weeks per year and provides the standard base for calculating incidence rates. (100*40*50=200,000)

² Safety Index = (Medical Aid frequency rate/7.5) + (Total Lost Time frequency rate) + (Severity Rate/5)

Talent and growth

As we grow as a business, we focus on developing our people, our most important asset.

To continue building our people's skills and capabilities as they worked remotely, we moved our entire learning and developing offering online, expanding our HR team to create new content and globally available classroom sessions. In particular, this enabled us to continue our graduate programme. Additionally, we further empowered our managers to support employees' professional development journeys.

Diversity and human rights

In 2020, together with BSR, we presented the findings of our human rights impact assessment to key internal stakeholders. Building on these findings, we are now developing a holistic, more proactive approach to upholding people's rights and complying with the UN Guiding Principles on Business and Human Rights.

With the majority of our workforce in Brazil, in 2020 we established a COFCO International Diversity Committee in Brazil to promote inclusion and recognise the value that diversity adds to our business. Launched in 2021, the committee will meet regularly and focus on key topics (including gender, race, age and women's empowerment), with a view to developing and strengthening policies and guidelines.



Managing our environmental impact

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

Our wider contribution

UN Sustainable Development Goals



IFC Performance Standards



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

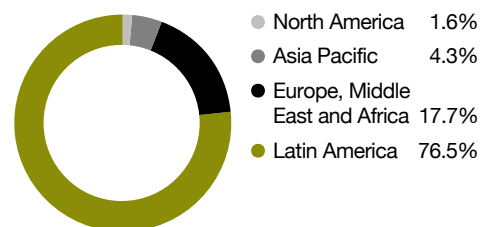
We have a highly diverse global workforce. As an international company, this is an indispensable part of our success.

11,709 employees

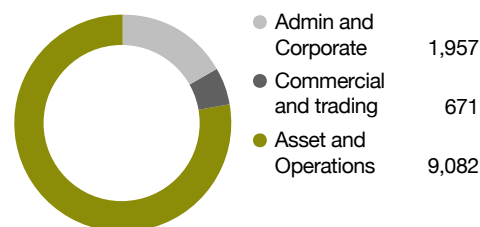
65 nationalities

36 countries

Where do our people work?



What type of work?



We continue working to lower our Greenhouse Gas (GHG) footprint while adapting our production capacity to meet market demand.

To maximise our impact, we prioritise the areas that generate the greatest carbon emissions within our global operations: our crushing and processing facilities. In 2020, our GHG emissions decreased, primarily due to increasing our use of renewable energy sources. With cleaner energy, efficiency improvements and economies of scale, we also achieved a 4% reduction in the carbon intensity of our operations.

Overall, 88% of our global energy needs were met by renewables, a 1% year-on-year increase, largely driven by an increased consumption of bagasse as a fuel in our sugar mills. Meanwhile, these mills supplied local power grids with 723,921 MWh of surplus bioenergy in 2020, a 10% increase on 2019 (660,994 MWh).

Travelling longer distances and making more voyages in 2020 resulted in increased activity and higher GHG emissions for our time-chartered vessels, which rose to 1,558,433 tonnes CO₂ eq. Reducing the shipping industry's carbon footprint must be a collective endeavour. We are already part of the Getting to Zero Coalition, working towards zero-emission vessels by 2030, and have become a signatory to the new Sea Cargo Charter, an IMO-led, cross-industry commitment to adopt a consistent, shared way of reporting carbon emissions.

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

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

Carbon intensity indicator
kg CO₂eq/tonne processed

2020	35.9
2019	37.6
2018	38.3

88%
of our global energy needs met by renewable energy

Resource efficiency

To optimise our freshwater use, manage our wastewater effectively and comply with local and national laws, we adhere to the standards defined by our Environmental Policy. In 2020, we withdrew 14,373,108 cubic metres of freshwater, a 12% increase on 2019, reflecting our expansion in industrial production. Our water intensity remained similar to 2019, with a slight increase due to our expanding grains and oilseeds operations. We are taking action to drive improvements, as we strive to increase global water efficiency by 10% by 2025 (compared to 2019), including through a closed loop water system at our Kandla refinery. We have begun an in-depth evaluation of water risks linked to our industrial facilities, which represent 98% of our water footprint, to further inform our efforts. Overall, 73% of the water we discharged was applied to agricultural land for irrigation.

Managing waste

Throughout our global operations, we seek to eliminate avoidable waste and manage all waste materials responsibly. In 2020, our total waste generation decreased from 33,155 to 31,795 tonnes, primarily as a result of reduced processing waste and by-products. 66% of all our waste was recycled, reused, composted or recovered, up from 54% in 2019.



Water performance

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

Waste generation

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



Building strong communities

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

Our wider contribution

UN Sustainable Development Goals



IFC Performance Standards



Improving livelihoods

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

While we only source from a minority of smallholders, we are committed to partnering with multiple stakeholders to empower farmers to adopt sustainable practices. In particular, we work with government agencies, farming co-operatives and civil society organisations to build farmers' capacity, while also strengthening supply chain resilience. To guide our efforts to respect the legal and customary land rights of local communities and indigenous peoples, we have developed a [Responsible Land Acquisition and Leasing Policy](#).

We are committed to building the capacity of people living in the areas where we operate, helping to improve their quality of life while ensuring we can employ the qualified people we need to keep our business moving. Together with our training partner SENAR, Brazil's National Rural Training Service, in 2020, we provided more than 60 courses to young people in rural communities, training nearly

600 students surrounding our sugar mills in Sebastianópolis do Sul, Catanduva and Potirendaba.

Community investment

We continued to take steps to prevent local people from being negatively affected by our operations, conducting a social dialogue initiative to identify risks and develop stakeholder engagement plans for every high risk site. We also sought opportunities to support education, skills training and healthcare, and raise awareness of environmental issues in our local communities. In 2020, our community programmes benefitted over 30,000 people globally, an increase of 17% year on year, reflecting our significant investment in supporting communities affected by the pandemic.

Importantly, we built momentum on our employee volunteering programme in Brazil, with 586 volunteers engaged in good works, reaching 20,114 people and tripling the number of beneficiaries, year on year. To further engage our employees in creating positive change, in 2020 we launched a global network of 189 Sustainability Ambassadors in 113 locations.

30,000+
people benefitted from
community programmes





Case study



Supporting doctor training in Argentina

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

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

Upholding standards

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

Our wider contribution

UN Sustainable Development Goals



IFC Performance Standards



Driven by our values

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

Our **Code of Conduct** reflects our core values of integrity, inclusiveness, innovation and sustainability, and our commitment to the UN Global Compact key principles. In 2020, we launched an online training module for employees on the key principles of our Code, delivering 6,786 training sessions. The Code also provides the foundation for our **Supplier Code of Conduct**, which clarifies our social, environmental ethical requirements for suppliers and business partners. We are taking a strategic, risk-based approach to monitoring compliance, in order continuously raise standards in our supply chain.

Integrity Hotline: Our global grievance mechanism

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



The majority (57) of concerns in 2020 were related to poor behaviour and discrimination. We reviewed every concern, undertaking appropriate investigations and actions, and closing 111 by the end of the year, with an average case closure rate of 59 days (compared to 70 days in 2019). We will address the remaining cases in 2021. We have also taken action to improve the efficiency and visibility of the Hotline among our global workforce and better monitor its performance.

Good governance

Our CEO and Chairman take ultimate responsibility for sustainability. At an operational level, our Global Head of Sustainability oversees our sustainability strategy and manages the sustainability team, reporting progress to our leaders. The way we manage our social, environmental and governance risks is evaluated each year by an independent expert, Sustainalytics, helping to define priorities for continuous improvement.

Partnerships

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



SEA CARGO
CHARTER



proforest



Find out more in the full report:

www.cofcointernational.com/sustainability

Join the conversation

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sustainability@cofcointernational.com

Global Headquarters

Route de Malagnou 101
1224 Chêne-Bougeries
Geneva, Switzerland

Tel: +41 22 528 6888

Got a concern? Report it

integrityhotline@cofcointernational.com
cofcointernational.com/integrity-hotline

