COFCO International
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Sustainability
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 revenue of $53.3 billion.

Together with our value chain partners and suppliers, we are stepping up our efforts to fulfill 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 efficient 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.

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, CCBSO 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 Tonne inland storage capacity
28.6m Tonne 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

**Main role:** Sourcing, storage, distribution

**How are grains used?**
- With cereal use expected to rise by 11% over the past decade, Asia and 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 make other foods like cooking oils, fuels, cosmetics and toiletries.

**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

**Main role:** Sourcing, storage, processing, distribution

**How are oilseeds used?**
Oilseeds are the basis for important items like: 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 main fraction from many oilseeds is used as a high-quality edible food product. Some specialty oils (e.g. groundnut, castor oil) are also used in technical applications.

**Sugar**
Sugar, ethanol, electricity

**Origin:** South America, South Asia, Southeast Asia

**Main role:** Sourcing, storing, processing, distribution

**How is sugar produced?**
Sugar cane 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.

**Coffee**
Arabica and robusta beans

**Origin:** South America, Central America, Southeast Asia

**Main role:** Sourcing, storing, processing, distribution

**How are coffee beans used?**
As one of the world’s most popular beverages worldwide, coffee is one of the most traded commodities globally. The growing coffee market is partly due to increasing consumption in emerging economies and a greater interest in specialty coffee and products innovations in developed countries.

**Cotton**
Cotton bales

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

**Main role:** Sourcing, storing, distribution

**How is cotton used?**
Cotton is the world’s most popular natural fiber. Growing rapidly, it often a major in clothing and other textiles, demand for which is rising, particularly in Asian countries. It is cultivated sustainably, and it can provide a good alternative to synthetic fibers.

**Maritime freight**
Dry bulk shipping

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

**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 often the most cost-efficient transport mode, making around 90% of goods, while being responsible for some 2.3% of global greenhouse gas emissions.

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72m
Tonnes sold to third parties in 2022.

38m
Tonnes sold to third parties in 2022.

18.5m
Tonnes coaling capacity in 2022.

37%
Of volumes certified under sustainability schemes.

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

51m
Tonnes of sea cargo handled in 2022.
Agricultural production

We source agri-commodities from the network of agricultural producers all over the world. In addition, we operate over 250,000 hectares of plantations in Brazil and South Africa.

Commodities
- 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 190,000 hectares of sugarcane plantations in Brazil, producing sugar and bioenergy, and 60,000 hectares of grains and oilseeds plantations jointly with local farmers in South Africa.

Optimising our impact
- We evaluate supplier risk and require all 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 vitamins, 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 unlawful treatment or discrimination.

Processing

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

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

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.
Our strategy

Managing sustainability
How we engage our stakeholders
Meeting Tomorrow’s Demand: Our strategy and targets
Sustainability Approach
Meeting tomorrow’s demand

Our sustainability strategy serves our long-term business development

Sustainability pillars:

- **Upholding standards**
- **Taking care of our people**
- **Managing our environmental impact**
- **Connecting supply and demand responsibly**
- **Building strong communities**

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To reinforce our progress on environmental responsibility, we are developing a robust, risk-based climate strategy.

David Dong
CEO of COFCO International

Create value and balance stakeholder interests by good corporate governance, compliance with applicable laws and regulations, and product quality and safety.

Recognise people as the driving force behind our business; respect their human and labour rights; provide a safe and healthy work environment and offer opportunities to grow and excel.

Mitigate our environmental impact by monitoring and optimising resource efficiency, applying responsible agricultural practices and minimising waste generation.

Manage our supply chain in an efficient and sustainable way; mitigate possible environmental and social risks including biodiversity and deforestation.

Have a positive impact on communities where we work and live; empower underprivileged people through stakeholder engagement, partnerships and programmes.
Sustainability Approach

Materiality Assessment

New materiality assessment

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 2022, together with an external partner, we ran a new materiality assessment and identified and prioritized the sustainability issues on which we stand to make the greatest difference.

The top 3 priorities are:

- Prevent deforestation and native vegetation conversion
- Respect human rights
- Address climate change
Sustainability as a core value
COFCO’s Vision and Mission

Our vision
– To become a world-class agri-business, and be recognised for our leadership position.

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

Our values

Integrity
We need to be open, honest and act with integrity at all times. We also need to hold ourselves and each other to account if this value isn’t demonstrated.

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

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

Sustainability
Sustainability is a core value for COFCO International, and our robust corporate governance keeps our people and products safe and helps us to balance our shareholders’ needs.
Sustainability as a core value
Coffee Responsible Origin Program

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Our values
Traceability, Economic Transparency
Human Rights and Gender Equity
Climate Change Reg. Agriculture

New technologies and practices
Coffee Overview - Sustainability Initiatives

2022 – 37% of Global Sales RS

**Colombia**
- RA group – Eje Cafetero
- New RA Group Implementation – 105 farmers
- CP Supply Chains
- Coffee Renovation project – 315k Seedlings*
- FNC, Sbux & COFCO

**Vietnam**
- 2 4C units - Managing Entity
- Pleiku, Gia Lai & Di Linh, Lam Dong
- 911 farmer households
- 3,986 MT certified volume
- RA Certified supply chains*

**Brazil**
- CROP Program Implementation— Pilot Origin
- Cerrado das Aguas Consortium
- UFV & Produzindo Certo – Carbon Footprint Evaluations*
- Viveiro de Atitude Partner
- Global Coffee Platform Membership

**Indonesia**
- 4C Certified Intermediary Buyer
- Research Agronomists Team (Farmers Relationship)*
- Opportunity to develop projects/impact initiatives

*Origin Picture