

COFCO International

Alejandro Lozano Velez

Sustainability



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.

North America



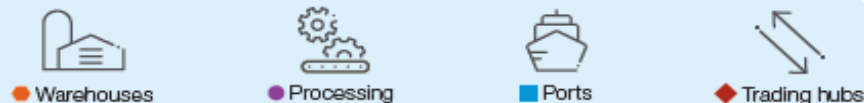
Latin America



EMEA



APAC



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.



TEMASEK



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



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.

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



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

Taking care of our people



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.

Managing our environmental impact



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

Connecting supply and demand responsibly



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

Building strong communities



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

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

David Dong
CEO of COFCO International

Sustainability Approach

Materiality Assessment



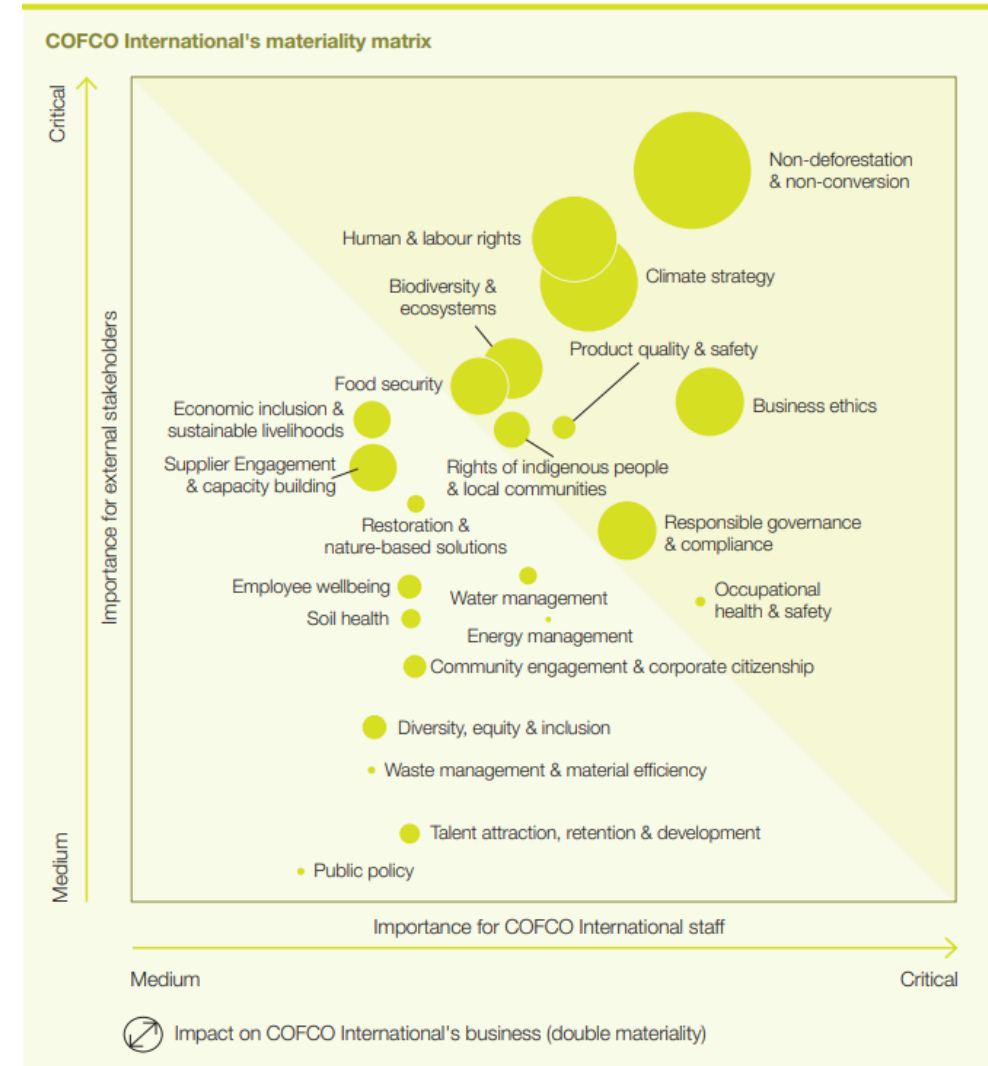
New materiality assessment

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.



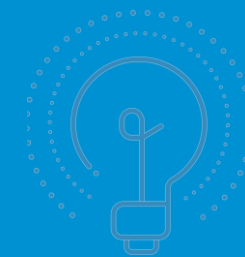
Inclusiveness

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



Our vision

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Our mission

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Our values

Integrity

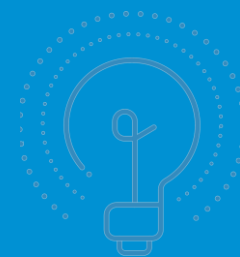
We need to be open, honest and act with integrity at all times. We also need to hold ourselves and each other to account if this value isn't demonstrated.



Traceability, Economic Transparency

Innovation

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



New technologies and practices

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.



Human Rights and Gender Equity

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.



Climate Change Reg. Agriculture

Coffee Overview - Sustainability Initiatives

2022 – 37% of Global Sales RS



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

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



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



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



*Origin Picture