

2011 CSR Report 企業社會責任報告



CHINA AGRI-INDUSTRIES HOLDINGS LIMITED

中國糧油控股有限公司

Stock Code 股份代號：606



產業鏈 好產品 好企業
Excellent Food Chain, Quality Products,
Outstanding Enterprise



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MESSAGES TO OUR STAKEHOLDERS



Chairman's Statement

Grown by nature for the well-being of mankind, China Agri-Industries Holdings Limited ("China Agri" or the "Company") is committed to creating value by providing quality products, while paying close attention to our corporate social responsibility (CSR) and being an outstanding corporate citizen.

Our corporate social responsibility is comprehensively reflected in food safety, food security, facilitating rural development and other aspects on the basis of operation and management. Among them, providing the community with stable and safe supply of food is not only the long-term vision that China Agri has built its business on, it is also our top priority. This commitment offers the Company enormous opportunities for future growth. We maintain stringent control over sourcing and process management to ensure product quality; optimise our strategic layout and improve production management; actively make customer-oriented innovations; and constantly enhance our competitiveness and capabilities for sustainable growth.

As a leader of China's oil and grain industry, we put great emphasis on sourcing management and management professionalism. Through our dedicated efforts, we have made significant contributions to increasing farmers' income, providing employment opportunities, and promoting the development of the communities where we operate. We vigorously promote energy conservation and emission reduction; carry out environmentally friendly operation, so as to achieve harmonious development of both our business and the environment. We strive to create an environment full of opportunities for our employees to pursue their career development, encouraging them to bring their talents into full play in the Company's development. Meanwhile, we are active in promoting public welfare, caring for vulnerable groups, and promoting the harmonious development of society. Our efforts to create greater values for all stakeholders, including shareholders, were well recognised by the community.

Looking forward, we will make persistent efforts and continue to provide the general public with safe, nutritious and healthy products. We will work together with our stakeholders to build a world-class fully integrated oil and grain enterprise spanning the entire value chain with the highest sense of responsibility.

Ning Gaoning

Chairman



Managing Director's Statement

The theme of World Food Day 2011 was Food Prices – from Crisis to Stability. This year, China's grain output achieved its eighth consecutive increase with a total output over 550 billion kilograms. This unprecedented level of China's overall grain production has laid a solid foundation for us to fulfill our corporate social responsibility. This year, we integrated social responsibility into corporate development strategies, further strengthening our social responsibility, and promoting the sustainable development of our enterprise.

By focusing on enhancement of business operation, strengthening of core competences, building systems for a healthy and sustainable development, we make unwavering efforts to upgrade our geographical layout, strengthen our regional structure, and optimise our management and production systems. In addition, we are dedicated to advancing our risk management, reinforcing our product development, and closely integrating corporate social responsibility with the core competitiveness of our company.

We put the key aspects of fully integrated value chain under strict control, optimise the management of integrated production and operation, and refine the management assessment criteria in terms of technology, equipment, quality and on-site operation, constantly strengthening food safety supervision and improving food safety management system.

With the measures such as made-to-order plantation, contract farming, training, and technological support, we guide farmers to conduct modern agricultural production, drive industrial upgrading, and guarantee purchase for agricultural products, thereby increasing farmers' incomes and advancing rural development.

We actively participate in tackling climate change. Combining with the industry characteristics, we reduce greenhouse gas emissions in a reasonable way. We put great efforts to develop biofuel products, and take the lead to develop non-grain fuel ethanol to achieve the goal of not competing for grains with people and not competing for land with grains and promote sustainable development.

Taking a customer-driven approach, we actively advance major customer service, and provide our customers with one-stop solutions. By strengthening channel share and brand building, we offer consumers safe, nutritious and healthy products.

We advocate harmonious corporate culture, and attach importance to staff care and development. We also optimise staff performance appraisal, explore and innovate incentive mechanism.

We have further improved our CSR management system. We set up the Committee of Sustainable Development, established and improved relevant systems to effectively promote various works of the Company in line with the sustainable development.

In 2012, we will continue to thoroughly implement the fully integrated value chain strategy, fulfill our social responsibility, and further strengthen our industry position, so as to maximise the return of our stakeholders by delivering outstanding achievements.

Yu Xubo

Managing Director

ABOUT OUR COMPANY

Company Profile

China Agri-Industries Holdings Limited (“China Agri”, Stock Code: 606) was incorporated in Hong Kong in November 2006, and was listed on the main board of the Hong Kong Stock Exchange in March 2007. China Agri is committed to building a world-class fully integrated grain, oil and food enterprise spanning the entire value chain in the following manners: closely following economic growth in China, optimising strategic layout, reasonably expanding capacity, and promoting scale efficiency.

As a leading comprehensive agricultural products and food processing enterprise in China, China Agri engages in processing and sales of oilseeds, biochemical and biofuel products, rice, wheat and brewing materials. China Agri provides customers with diversified quality food, food ingredients, feed ingredients and biofuel products. Its main operations, manufacturing facilities and operating assets are all in Mainland China. It has production, sales and distribution network across the country, which has also been expanded to overseas markets.

Leveraging on our solid business scale, steady operational performance, industry leadership and outstanding management for achieving long-term sustainable development, we are well recognised by investors. Our stock has been admitted as a constituent of a number of key Hang Seng indexes, such as the Hang Seng Composite Index, Hang Seng Composite Industry Index–Consumer Goods, Hang Seng Composite MidCap Index, Hang Seng China-Affiliated Corporations Index, Hang Seng Mainland 100, and Hang Seng Corporate Sustainability Index and FTSE Environmental Opportunities Index Series.

Major Recognitions in 2011

In January

COFCO Rice received the Prize for “Outstanding Contribution to Food Safety of Asian Games” in Guangzhou.

On 8 June

“Fortune” rice brand won the “Award for the Most Trusted Food Brand” and the “Award for the Most Popular Food”.

In August

China Agri was once again recognised by China Enterprise Reputation and Credibility Association (Overseas) as the “Credible Enterprise of China”.

On 28 April

Tong Yi from our Biochemical and Biofuel Division received the “National May 1 Labor Medal”.

On 21 June

China Agri won the “Annual Recognition Award”, and Yu Xubo, Managing Director, won the “2011 Asian Corporate Director Recognition Award” of the Corporate Governance Asia.

On 16 and 17 September

Our Project Management Division won the “Award for Outstanding PMO”.

Strategic Goals

We are committed to becoming a world-class fully integrated oil and grain enterprise, a main processor and industry leader of domestic agricultural products including grain and oil. In addition, we aim to be a major supplier and service provider of a diverse range of quality food, food ingredients, feed ingredients and biofuel products.

Measures to Achieving the Goals

Extending the value chain to the upstream and the downstream	To the upstream, we ensure food safety and quality by providing quality raw materials. To the downstream, we increase added values of products.
Emphasise on organic growth	We maximise the Company's capital value by improving management and operational efficiency, and bringing management cost down.
Strengthening internal and external organic coordination	Through cooperation between the Company's different business units, we provide customers with one-stop supply of diversified food ingredients. Through collaboration between the Company and customers, we provide customers with specialised and customised products and services.
Focusing on low systematic cost	Through strict cost control starting from project construction to procurement of raw materials, product processing, storage and logistics and sales, our control system manages to keep cost low, which in turn makes product competitive.
Enhancing product and technological development	Taking full advantage of internal and external scientific research resources of the Company, we develop new technologies and new products which are closely in line with market and customer demands, so as to improve the effectiveness of the Company with new technologies and to provide our customers with new products.
Attaching importance to talents and culture construction	We recruit and train excellent personnel, and foster a corporate culture of integrity, cooperation, professionalism and innovation. We give full play to elite team and outstanding culture to create good products for community and customers and greater values for our shareholders.

On 6 October

China Agri was re-selected as a constituent of Hang Seng Corporate Sustainability Index.

In December

Shenyang Xiangxue became the "Social Education Practice Base for Loving Grains and Saving Grains for National Primary and Middle Schools".

On 10 October

Yue Guojun, Vice President of China Agri won the title of "Brewing Master in China".

On 19 December

China Agri was awarded "Gold Corporate Award for Investor Relations" by the Asset.

1 CSR STRATEGY and MANAGEMENT

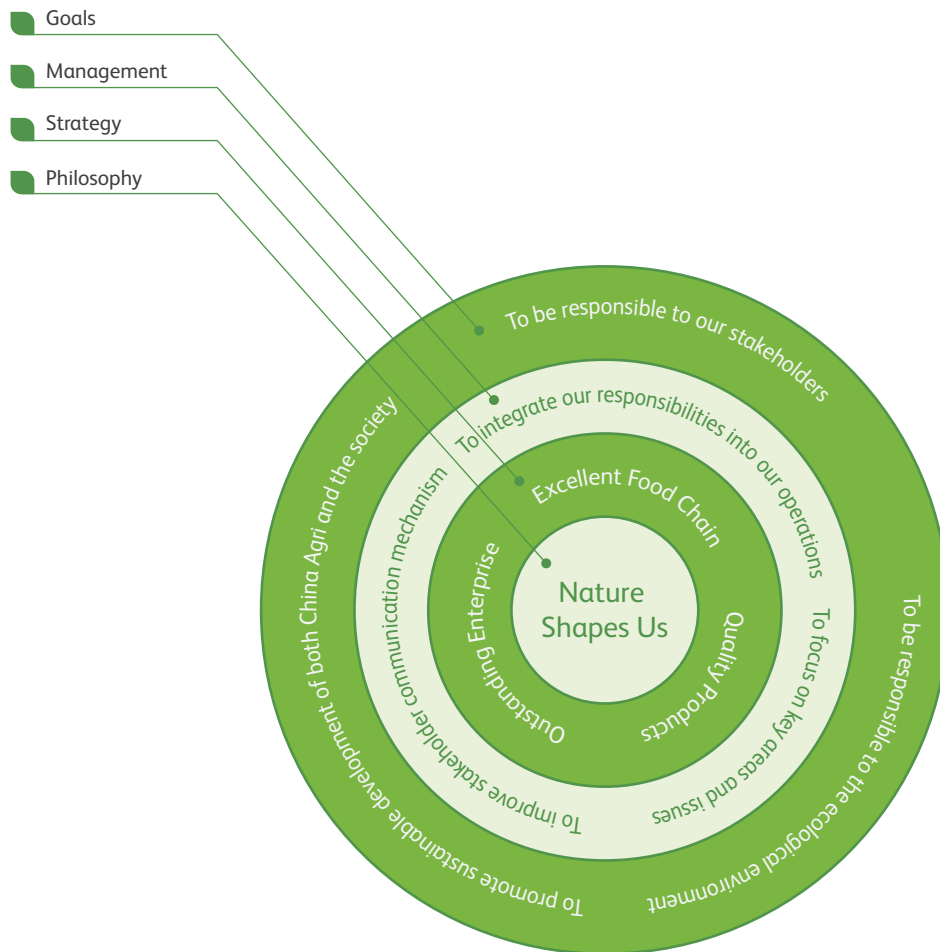
We adopted the sustainable development concept of “Nature Shapes Us” and fully integrated our social responsibility strategy into our corporate mission, strategy, operations and culture. We effectively managed the impact of our business operations on the natural environment and our stakeholders, and constantly fulfill our corporate social responsibility; realising corporate development and maximising the comprehensive value of society, economy and environment.



CSR Strategy

We strive to integrate our social responsibility into our corporate development, “Excellent food chain, quality products” defines the basic requirements for us to fulfill our corporate social responsibility and achieve sustainable development economically, socially and environmentally. To benefit customers and tillers becomes our unwearied pursuit, so as to be a responsible “outstanding enterprise”.

CSR Strategy of China Agri



CSR Management

We attach great importance to our corporate sustainability. We have set up the Committee of Sustainable Development to conduct guidance, supervision and systematic management. We widely carry out internal trainings and advocacy, and actively communicate with external investors, consumers and the general public, closely integrating our CSR issues with operating process and operating environment.

To Focus on Key Areas and Core Issues

Achieving Operational Excellence	Creating sustainable value is not only the primary responsibility of an enterprise, but also a solid foundation for the enterprise to maintain sustainable development. Guided by the fully integrated value chain strategy, we have optimised our capacity distribution and offered a variety of agricultural products, food ingredients, feed ingredients, and biofuel products. Our operational performance is improved constantly, so as to allow us to lead the healthy development of the industry.
Ensuring Grain Supply	Food is the primary necessity of man. Ensuring reliable grain supply for society is not only one of our major responsibilities, but also conducive to creating the favorable macroeconomic and policy environment essential for our sustainable development.
Protecting Food Safety	Food safety is one of the most important responsibilities for the industry. We fully bring our advantages into play, strictly follow food safety standards, and guarantee food safety through rigid control of the entire production process.
Advocating for Healthy Consumption	Putting consumers' health first, we develop and provide nutritious and healthy food products; and advocate for balanced diets and healthy lifestyles for the best interests of consumers' health.
Facilitating Rural Development	We play a leading role in promoting rural development, accelerating agriculture progress and increasing farmers' income, thus to greatly impel the economic and social development in the regions where we operate.
Practicing Low-Carbon Economy and Environmental Protection	During our operations, we vigorously protect ecological environment, actively implement energy conservation and emission reduction, and reasonably develop biofuel products to achieve harmonious development with the environment.

Promoting Employee Growth

Employees are the driving force for our development. We provide our employees with excellent career development opportunities in order to let them grow together with our Company.

Supporting Social Harmony

Focusing on the harmonious development of society, we actively encourage our employees to participate in public welfare activities.



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ACHIEVING OPERATIONAL EXCELLENCE

Under the guidance of the corporate strategies, China Agri strives to achieve steady and sustainable growth in business performance by optimising business strategy, improving capacity distribution, and strengthening core competitiveness.

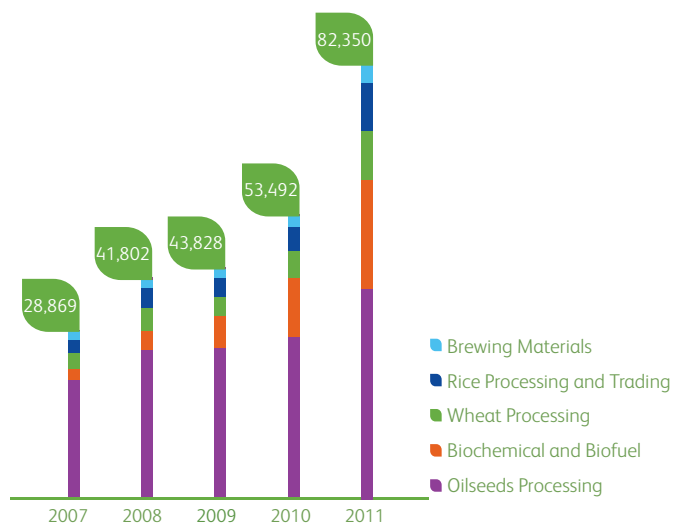


Operational Performance

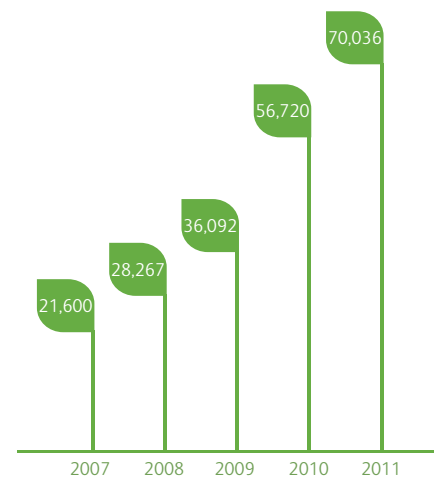
In 2011, in face of complicated domestic and international situations, China Agri reinforced organic intensive growth on the basis of scale expansion. Focusing on development, consolidation and improvement, China Agri strengthened its core competence, successfully dealt with challenges, and delivered steady growth during the year. We continued to implement the fully integrated value chain strategy with optimised regional layout, and continued to carry out the cost management strategy by making systematic cost reductions. We used hedging and other methods to manage our business risk exposure, developed synergies between processing and logistic operations to bring cost down and improve efficiency, and strengthened research and innovation to increase the add value to our products. We also improved the management of key corporate customers and applied the one-stop service model to better serve our customers. With all these efforts, we maintained smooth operation of our business and further enhanced our leadership in the industry.

Operational Performance Indicators of China Agri

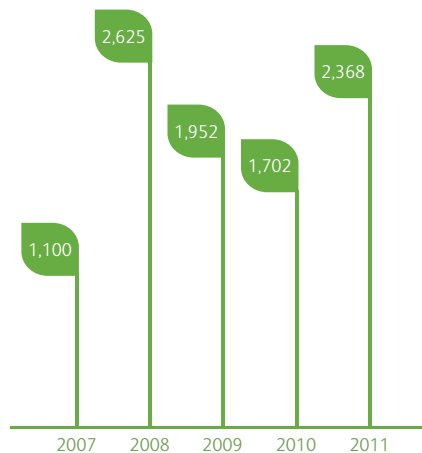
Revenue for Continuing Operations (HK\$M)



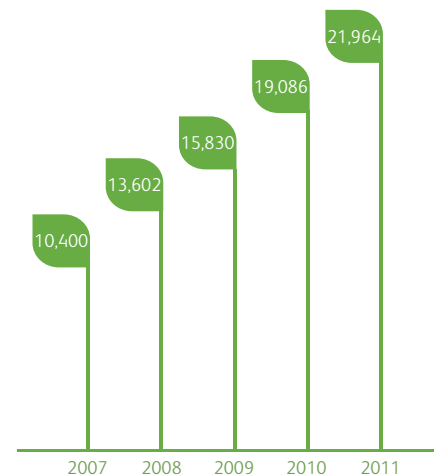
Total Assets (HK\$M)



Profit Attributable to the Owners of the Company (HK\$M)



Equity Attributable to the Owners of the Company (HK\$M)



Capacity Distribution

We have been improving and optimising our business strategic layouts in major grain producing areas and building distribution channels and logistic system for our products. We continuously explored new models to achieve expansion at low cost, achieving economy of scale and establishing our leadership in the industry.

Business Distribution



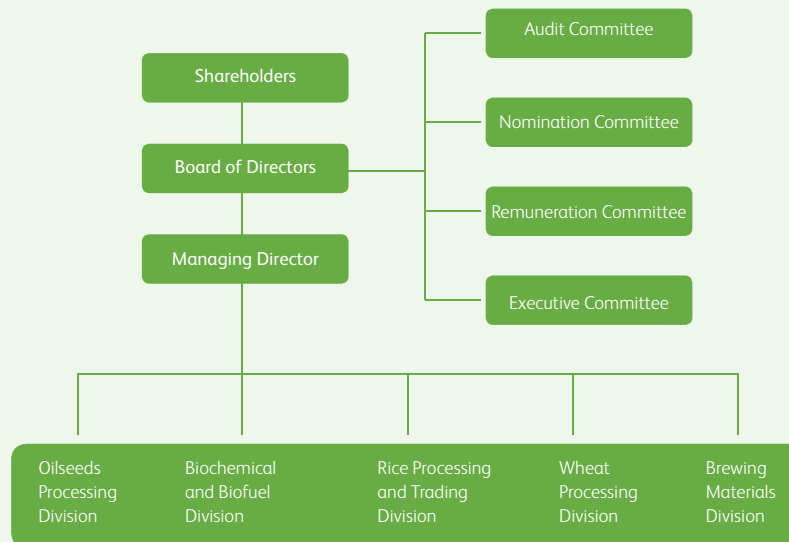
Corporate Governance

Sound corporate governance provides a solid foundation for business operations, and is a prerequisite for an enterprise to deliver high-quality products and services, and generate best returns for its investors. Abiding by a strict code of business ethics, we continue to improve accountability and operate with due diligence and integrity to maximise the long-term interests of our shareholders, customers, employees, and business partners.

The Board of Directors is responsible for the leadership and control of the Company, and overseeing China Agri's business, strategic decisions and performances. To enhance the quality of corporate disclosure and internal control, the Board has established the Audit Committee with a majority of its members being independent non-executive directors. In addition, the Remuneration Committee, the Nomination Committee, and the Executive Committee have also performed the duties specified in their respective terms of reference.

We highly regard the importance of information transparency, and consider transparency is essential to protect the rights and interests of shareholders. We strictly comply with the requirements of the Hong Kong Stock Exchange and commit ourselves to enhancing transparency by establishing an information disclosure system that provides relevant information to the capital market.

Organisational Structure of China Agri



Risk Management and Control

Overall corporate risk management system is one of important management systems for an enterprise to achieve operational excellence. Strictly in line with laws and regulations and relevant policies regarding the supervision and regulation of listed companies, we have established a corporate risk management system and made continuous efforts to improve our internal control system. We keep on improving our overall risk management system, and focus on monitoring and controlling key risks to ensure that we can apply our strategic goals in a scientific and reasonable way.

We have established a risk management system under which our functional departments manage risks under the supervision of the Audit and Supervision Department. We have set specific duties and responsibilities for related positions of business units, functional departments and the Audit and Supervision Department. Professionals from business units identify and assess key risks under fully integrated value chain strategy on a regular basis, and maintain smooth communication with risk managers from the functional departments to tackle and deal with various risk events in a timely way. The Audit and Supervision Department actively fulfills the responsibility for risk control, promote and established a monitoring system of key risk indicators (KRI) to conduct supervisions and early warnings on development and changes of various risks. In 2011, the entire risk management system kept a smooth running.

Using the COSO (The Committee of Sponsoring Organisations of the Treadway Commission) internal control framework, we have established an internal control system, and taken the initiative to boost the building of our self-evaluation mechanism. Our business units conduct self-evaluation of internal control. The Audit and Supervision Department carries out inspections annually, to promote the development of internal control at various management levels, ensuring the Company to strictly follow the requirements of the Code on Corporate Governance Practices of the Hong Kong Stock Exchange. We review the effectiveness of our internal control system annually to identify weaknesses, and urge our business units and functional departments to improve accordingly. We report the information to our shareholders in our Corporate Governance Report.

We attach great importance to supervision work, and have set up a whistle-blowing policy and a confidential email box to protect the identity of the whistle-blower. The Audit Committee and managing director will direct the Audit and Supervision Department to ensure any violation of business ethics is properly handled. We organised and undertook a variety of corruption prevention activities to foster a culture of integrity. We strive to cultivate the awareness and culture of business integrity among all employees with proper mechanisms and training, including training program on compliance and professional integrity for our management staff and employees holding key positions.

In 2011	China Agri organised new managerial staff to study the “14 Professional Integrity of COFCO Managers”, which stressed the importance and profound implication of integrity education, and encouraged and exhorted the management staff who participated in the meeting.
In April 2011	China Agri held a Forum on grassroots discipline inspection and supervision work training, where we conducted a comprehensive analysis of current discipline inspection and supervision work. The grassroots personnel of discipline inspection and supervision shared their work experiences, and carried out simulation exercises of discipline inspection and supervision work, so as to better protect the rapid and steady development of the enterprise.
In September 2011	The National Audit Office held an award ceremony in Beijing to honor outstanding teams and workers of internal audit across the country. The Audit and Supervision Department of China Agri won the honorary title of “Outstanding Team of Internal Audit”.



■ Studying the “14 Professional Integrity of COFCO Managers”

3

ENSURING GRAIN SUPPLY

We are committed to ensuring reliable grain supply with market-driven operations. We continually improve comprehensive grain processing capacity, reinforce sales management, and promote coordinated development of procurement, processing, logistics and sales, so as to effectively enhance our capacity to ensure grain supply with market-based operations.



Securing Access to Raw Materials

We proactively secure access to raw materials in plantation, procurement, purchasing and storage, in order to provide stable and reliable supply of raw materials in terms of both quantity and quality.

Regarding plantation, we increase the percentage of contract farming. With a variety of models such as “farm + factory” and “farmers + cooperatives + enterprise”, we build quality raw material bases; encourage farmers to grow the quality crop varieties preferred by our customers to ensure grain supplies for required products.

Regarding the procurement of raw materials, we secure reliable grain sources through a variety of channels, including direct purchase, consigned purchase and storage, auction, trade, strategic cooperation, and internal coordination. Additionally, we have established a global supply chain system to participate in the resources allocation globally.

Regarding purchasing and storage, we have taken concrete steps to expand our storage capacity, expedite key logistic system layout, and reinforce our construction of ancillary facilities. In production origin of domestic raw materials, our local factories conduct on-spot procurement to ensure control of raw materials.

■ Soybean silo at COFCO Qinzhou



■ Storage base at COFCO Dalian Malt

■ COFCO Rice growing base



Optimising Capacity Distribution

By the end of 2011, the strategic layout of rice, biochemical and oil have been basically completed, construction projects have been put into operation successively, and the layout of wheat business is rapidly developing. Upon completion of the projects, the Company's business layout has been optimised and the market competitiveness has been increased.

COFCO Qinzhou, in April, 2011, and COFCO Jiayue, in August, 2011, each completed a grain and oil processing project and put their project into operation smoothly. These two projects are important for us to promote the implementation of our fully integrated value chain strategy, to ensure the security of national grain and oil and to address the "rural issues" actively. COFCO will form a grain and oil processing industry layout in the areas where COFCO operates, and expand them into industrial parks, radiating into northern, southwestern and Southeast Asian markets. The projects mainly produce the "Fortune" series of edible oil and "Sihai" soybean meal. Upon completion we hope, as important strategic layout points of the Company in Guangxi and Tianjin, these two projects will play an important role in serving customers, ensuring grain and oil supply and stabilising prices in grain and oil markets.

In September 2011, COFCO Rice (Panshi) Co., Ltd. was put into operation. With a total processing capacity of 50,000 tons and a storage capacity of 20,000 tons, COFCO Rice (Panshi) is a leading enterprise of agricultural industrialisation in Jilin City.

In October 2011, COFCO Suihua Rice Processing Ltd. was put into operation. Building the Suihua project is an important measure for COFCO's resource distribution. In this way, China Agri can improve the source control capability, combine production areas with sales areas, and increase the intensification and scale level of fully integrated value chain. With daily rice processing capacity of 1,200 tons and a total storage capacity of 100,000 tons, the project is the first large-scale comprehensive rice processing base with an annual capacity of 300,000 tons. It plays an active role in promoting the construction of rice brands and industrialisation of agriculture in Suihua.

■ Docking port at COFCO Qinzhou



■ COFCO Rice Suihua

■ Soybean meal mechanical silo at COFCO Jiayue



COFCO Rice (Wuchang) is one of highly modernised rice processing projects invested by China Agri in Heilongjiang Province. In October 2011, it was put into operation. The project focuses on rice processing with annual processing capacity of 100,000 tons, and daily rice processing capacity of 450 tons. The main products of Wuchang are medium and high-end series of "Fortune" and "Wuhu" brands, of which the most representative products Daohuaxiang rice, Xiangshuixiang rice and Wuhu quality northeast rice win the favor of consumers pursuing high-quality lifestyle.

In November 2011, Phase III project of COFCO Dalian Rice Processing Ltd. was completed and put into operation. It is an ancillary project of storage and logistics for the non-glutinous rice project of COFCO Rice (Dalian) with an annual output of 230,000 tons. Upon putting into operation, the storage capacity of COFCO Rice (Dalian) will increase by 60,000 tons. Thus, this project will facilitate the enterprise to give a better play to its comprehensive advantages, attract high-quality grain resources, speed up the turnover of storage, and enlarge the enterprise capacity, thus improving its capacity of market and customer services.

In November 2011, rapeseed oil processing projects of the industrial parks (factories) in Chaohu of Anhui, Huanggang and Jingzhou of Hubei and Jiangjin of Chongqing were completed and put into operation. Thus, all rapeseed projects along the Yangtze River were completed. In the region along the Yangtze River, the Company will increase the annual extraction capacity by 900,000 tons, the annual refining capacity by 600,000 tons, and the annual filling capacity by nearly 1 million tons. With favorable geographic locations, the four new projects have factories near domestic rapeseed production areas, which are advantageous for procurement of raw materials. Moreover, the Company's product mix is further enriched. Upon basic completion of the backbone architecture of its rapeseed strategic layout, the Company has become the largest domestic rapeseed processing enterprise, and will directly drive the increase of farmers' incomes.

■ Small-package production line of Fortune Oil



■ Fortune Rice storage



■ COFCO Rice Dalian



Strengthening Marketing Services

We put customers first, and actively enhance our sales network and distribution channels. We promote customer collaboration services, and provide “one-stop” services and customised solutions. We also dedicate our brand building efforts and constantly expand brand significance.

Regarding major strategic customers, we improve customer response capability to the greatest extent, and establish a customer-focused business system. On one hand, we have established a major customer marketing management system. On the other hand, we have promoted performance improvement.

Effective Ways to Improve Performance

↑ Cross-selling

Based on full understanding of major customers’ demands for products, we constantly introduce new product categories to major customers, and create diverse product portfolios.

↑ Driving weaknesses by strengths

We use strong business areas to lead the development of weaker products, and gradually enhance the influences of weak business on major customers to drive its rapid development.

↑ One-stop services

By providing one-stop service and package solutions, we strengthen the overall influence of COFCO brand, and build up the loyalty of major customers.

↑ Setting up long-term cooperation plans

By signing JBDP (Joint Business Development Plan) with a major customer, we undergird the planning and forward looking of business between both parties, and deepen the cooperation with major customers in all aspects.

■ Fortune Rice shelf in the supermarket



■ Xiangxue Flour shelf in the supermarket



■ Small-package Fortune Oil



In 2011, our oilseed processing business sped up its sales network building, and achieved a channel share. Based on different customer groups, the three major marketing systems including food ingredients, feed ingredients and godsend-product have been gradually formed. By strengthening regional network construction and taking flexible strategies, we occupied key regional markets, and increased our market share. In terms of customer service, we ensured continuous and stable product supply for our customers, and provided a number of after-sales services. Moreover, based on demand and price differences between different regions, we took the initiative to coordinate sales volume of customers from different regions, ensuring an orderly digestion of market supply and maintaining a desired growth of the sales of edible oil.

In August 2011, we signed an imported rice trade contract with Cambodia's Angkor Rice, which was the first time for China to import rice from Cambodia. We took a practical action to fulfill corporate responsibility and to promote the development of trade between China and Cambodia. Rice is one of the important food crops in Cambodia. It has good quality and pleasant taste. Increasing rice exports has been the main objective of Cambodia Government for the development of agriculture. This deal signed between COFCO and Cambodia will bring more choices for China's rice consumers and make contributions to economic and trade development between China and Cambodia.

In November 2011, our Rice Processing and Trade Division held the first annual meeting for major domestic rice business clients, which was designed to strengthen the understanding of major clients on fully integrated value chain business model of COFCO Rice, and to promote communications between the Rice team with major clients. In the meeting, information, such as COFCO Rice's fully integrated value chain construction, product innovation and R & D, rice raw materials market and international rice market, was introduced to customers' representatives, and cases of major customer service were shared.

In November 2011, COFCO "Xiangxue" household bread flour were put on shelves in various supermarkets in the capital, and large-scale promotional activities were held in nearly 100 stores of major supermarkets at the same time. The introduction of household bread flour not only shows our capability of grasping consumer trends and leading a new lifestyle. It also works well with the introduction of new products and upgrading of original products of general purpose flour, thus strengthening the overall image of COFCO Xiangxue brand.

Our Wheat Processing Division is customer demand-oriented. It provides customers with package solutions of raw materials and technological services needed by our quality customers. Furthermore, it is well recognised in the B2B field.

In November 2011, COFCO Rice Corporate University held the 7th Sales Team Practical Training Camp in Shanghai, which trained a total of 160 employees for cumulative 128 hours, and certified 21 internal sales trainers. The Training Camp provided training courses including channel construction, fast customer goods marketing, sales team management, professional marketing skills and sales data analysis, which strengthened the capability of the sales team in line with business demands.

4

Protecting Food Safety

China Agri attaches great importance to food safety and deems food safety as basis for survival and development. For years, China Agri has been constantly strengthening the construction of the food safety management system. 2011 was the first year of the “12th Five-Year Plan”, China Agri promulgated the “‘12th Five-Year Plan’ of Quality Safety” in advance. Meanwhile, China Agri proposed and worked out the “Compendium of Quality Safety Risk Control over the Value Chain” by combining the fully integrated value chain strategy of the Company in an innovative way, and fully analysed quality safety risks in different value chains. Throughout the year, the Company carried out a lot of fruitful work focusing on the source of production, processing and end-product sales, ensuring the Company’s food safety.



Setting up the Fully Integrated Value Chain Food Safety Management System

Planning the “‘12th Five-Year Plan’ of Quality Safety”

In order to safeguard the smooth implementation of the fully integrated value chain strategy, China Agri prepared the “‘12th Five-Year Plan’ of Quality Safety” in advance, which determined the guiding ideology, target indicators, main tasks, key demonstrations and guarantee conditions of the quality safety work from 2011 to 2015. The Plan was designed to provide policy guidelines for the quality safety work in the next five years, to boost the smooth implementation of the fully integrated value chain strategy, and to lay a foundation for long-term development.

Initiating the “Compendium of Quality Safety Risk Control over the Value Chain”

In order to fully identify quality safety risks faced by its value chains, it took China Agri half a year from May to analyse and identify quality safety risks in its value chains in a systematic manner. We organised to work out the Compendium of Quality Safety Risk Control over 5 Value Chains including rice, wheat, corn, oil and malt. In this way, we fully established a system of quality safety risk control with the value chains as the main line, to guarantee food quality safety.

■ Laboratory of Biochemical and Biofuel Division



Fully Establishing International Food Quality Safety Management System in Our Factories

Our subordinate enterprises have fully established international food quality safety management system (ISO22000, ISO 9000 and HACCP, etc.). We regularly carry out internal audits and management reviews, and accept external audits from the second and third parties by strictly following the requirements of the system. Thus, safety of their products is effectively guaranteed.

Further Deepening Sourcing Management

Sourcing management includes the management of plantation bases, suppliers, construction and extension projects, and the research and development process. Regarding farming management, we continued to intensify the monitoring and evaluation of the agricultural environment of food ingredients, and control the conditions of food sources using models such as “self-owned production base” and “contract farming”. Regarding supplier management, we formulated the “Quality Safety Management Guidelines for Suppliers” and “Quality Safety Measures for the Control of Suppliers”. In July, we held a company-wide professional training on supplier quality safety management, and shared excellent experiences of with suppliers of the Oilseeds Division which carried out coordinated audit internally. Regarding new extension projects, we introduced the concept of food safety throughout the whole process from project design, construction and acceptance simultaneously.

For the rice processing business, we obtained grain resources with reliable quantity and quality by signing made-to-order farming agreements with farms, cooperatives and farmers in Jiangxi, Jiangsu, Heilongjiang, Liaoning, Jilin and other places. At present, we have signed contractual planting bases of over 200,000 mu. Regarding biochemical energy business, we carried out farmland growth survey on over 800 hectares in Jilin and over 3,900,000 mu in Heilongjiang. Regarding wheat processing business, we bred “COFCO No. 6”, a new variety in Guangrao, Shandong, and developed made-to-order farming of 140,000 mu. Barley, raw material of the Brewing Ingredient Division, mainly comes from high-quality malting barley produced in Australia, Canada and France. Those suppliers have sound qualifications and strong abilities of food safety research and development and control.

■ Demonstration wheat growing area of made-to-order farming ■ COFCO Rice Donggang growing base

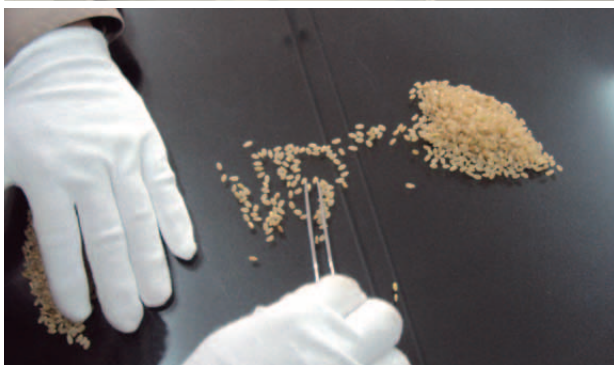


Practical Measures for Management and Control During Production and Processing

We attach great importance to our inspection and testing capacity building

All food enterprises have laboratories qualified to test 100% regular indicators. Laboratories at some of these subsidiaries, such as COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd., and COFCO Bio-Energy (Zhaodong) Co., Ltd., have passed qualification for state laboratories and were able to conduct third-party inspection with high standard. In order to make use of testing resources in a comprehensive way, we have formulated key laboratory building programs for the value chains, and regularly carried out exchanges between factories to promote the standardisation of inspection methods, and to ensure the accuracy of the inspection results.

- COFCO East Ocean Quality Control Department laboratory
- Refined grain examination
- Biochemical laboratory



We implement the normalisation of quality safety supervision and inspection

In 2011, China Agri successively organised and carried out a number of supervisions and inspections such as food safety flight inspection, food safety risk research, plasticiser investigation, special inspection of food additives and special inspection for quality safety. The purpose of these supervision and inspections is to eliminate hidden dangers of food safety risks and to strengthen the food safety control ability of our factories from all angles.

- Flour laboratory
- Food safety inspection tour



We organised Quality Safety Month, Food Safety Publicity Week and other cultural activities to increase the food safety awareness of our staff

During the quality safety month in September, nearly 40 subsidiary food enterprises of China Agri conducted a variety of activities such as food quality safety training, quality safety essay competition, testing knowledge contest and skills contest. Meanwhile, in order to enhance our communications with government departments, media, surrounding communities and consumers, we took an initiative to invite them to a factory tour and accept the supervision of all walks of life. In this way, we can improve the influence and brand image of our company, and enhance consumers' recognition and loyalty to COFCO brands.



In March 2011, the Ministry of Health and other ministries officially issued a proclamation to ban benzoyl peroxide and calcium peroxide as food additives, commonly known as "flour bleaching agent". Since 1 May, 2011, "flour bleaching agent" were totally banned from production and being used as food additive. Prior to this, China Agri had already banned the use of "flour bleaching agent". Since 2008, the flour enterprises began to take the initiative to control and reduce the use of bleaching agent. Moreover, they met consumers' requirements for whiteness of flour by the choice of wheat varieties and improvement of flour processing technology, while well maintaining the original color, aroma, taste and nutrients of wheat flour.

On 17 September 2011, COFCO East Ocean promoted oil product knowledge to Jinxiu Jingang Community, the largest community in the Jingang Town. By distribution of leaflets, live broadcast of product publicity film, on-site Q&A and gift distribution for the community residents, we profoundly publicised and advocated to eat healthy oils, explained knowledge such as tips for safety of eating oil products, hazards and identification of illegal cooking oil and misunderstandings on transgenesis of edible oil. Thus, the residents truly understood the importance of food safety, and concerned edible oil safety. Moreover, we answered questions about grease products and food safety raised by residents on site. The success of this activity well improved the Company's influence and brand image, and enhanced consumers' recognition and loyalty to COFCO brands.

Strengthening Output Management

We have extended quality safety management and control over the logistics and distribution, storage and sales of products after leaving the factories. At present, all the factories have established a full-process food security program, and have realised 100% product traceability by the use of information technology.

■ Production line of small-package Fortune oil

■ Logistics distribution



Strengthening External Exchanges and learning from Experiences of International Counterparts to Promote Healthy and Safe Development of China's Food Industry

We organised and developed the Safety Performance Assessment System (SPAS) with independent intellectual property right, and have achieved bench marking with leading foreign enterprises. We actively participated in the Global Food Safety Initiative (GFSI), IFT (U.S. Institute of Food Technologists) and other international conferences to learn advanced experiences of our international counterparts and enhance the say of China's food enterprises in the international arena. COFCO has become a member of the GFSI Board of Directors (Only Two Chinese companies have such an honor). Every June, we organise and make preparations for China Food Safety Summit and other activities to promote healthy and safe development of the food industry.

■ Corn starch storage



5

ADVOCATING FOR HEALTHY CONSUMPTION

We are committed to providing our customers with nutritious and healthy food, and advocate for a balanced diet and healthy lifestyle. As the implementation of our fully integrated value chain strategy, we make use of every occasion to inform consumers about the importance of shopping for healthy products. This improves people's quality of life in China.



Developing Healthy Food Products

With a customer-oriented focus on the market demand for healthy products, we attach great importance to consumers' diet. Through R&D and technology innovation, we provide consumers with nutritious and healthy products.

In 2011, we continued to enhance our efforts in the research and development of new healthy products. We have initiated 16 research and development projects with an expected funding of over RMB 20 million to provide consumers with new healthy and nutritious products.

We initiated a deep processing project of soybean to increase the added value of soybean industry chain while providing nutrient and healthy food. Moreover, we used efficient absorption separation technology to prepare 90% natural VE.

We initiated the research and development project of TBHQ-free small packaging oil. We will select a suitable natural antioxidant to replace TBHQ, which will achieve the antioxidant effect equivalent to 100ppm add amount. With an industry trend of nutritious and healthy lifestyle, such a project will timely lead the development of the industry.

We started a soybean protein peptide preparation project. It was expected that we obtain enzyme complex technology of 3 functional soybean peptides. We developed soybean protein peptide products that can be quickly absorbed by the body with the effects of lowering blood pressure, weight loss, and anti-fatigue effect.

In October 2011, the wheat, rice and oil products of China Agri won the "Golden Award of the 11th China International Exhibition for the Grain & Oil Products Equipment and Technology 2011". These three categories of products include Xiangxue wheat flour, Xiangxue noodles, "Fortune" corn oil, Algae DHA Blended oil, "Fortune" Daohuaxiang, and whole-grain rice (gold rounded grain/gold fiber grain).

Putting customer demand first, the Wheat Processing Division developed and introduced the "7+1" series of nutrition-enriched flour and flour products, high-fiber steamed bread flour, kelp steamed bread flour, kelp noodle flour, kelp "green" toast flour, kelp "green" bread flour, high-fiber toast flour, high-fiber bread flour, wholemeal bread flour and quality wholemeal flour, etc., as well as oat noodle, buckwheat noodle, corn noodle, mung bean vermicelli, barley noodle, black wheat noodle, mushroom noodle, spirulina noodle and other noodle products. These products have won favorable comments in the market. We developed and introduced "green" household bread flour to meet people's demands for food safety and enable consumers to cook and use bread made by themselves.

Advocating for a Healthy Lifestyle

We took an active role in participating in and advancing actions that promote healthy lifestyles and balanced diets. In addition to television, the internet and other mass media, we also hosted theme events to raise people's awareness of nutrition and health.

In order to guide consumers to establish a healthy and reasonable diet concept, East Ocean Oils & Grains carried out the activity of "Healthy Oil into Communities". On weekends, employees of the company went to many large residential communities and publicised on reasonable diet and proper edible oil selection. About 1,000 community residents participated in this activity.



■ Scallion fried rice cooked from Fortune whole grain rice

6

FACILITATING RURAL DEVELOPMENT

Some of the key goals for China's economic development were to better coordinate urban and rural development, strengthen the foundation for agricultural and rural development, promote steady growth in agricultural production, and stimulate continuous income growth for farmers. China Agri facilitates rural development along its fully integrated value chain operation: at the source, we provide farmers with training and technical support to help them adopt modern agricultural technology and enhance their technology capacity. We actively explore new models for industry cooperation in operation and research and development to promote innovation and growth in our industry; we use models such as contract farming to provide rural community purchase guarantees; and our well-positioned processing capacity plays an important role in developing local food processing industry, providing job opportunities, and contributing to China's economic development.



Generating Income for Farmers

We focused on protecting the interests of farmers as we pushed forward our fully integrated value chain strategy. In order for our Company to have sustainable and stable supply of raw materials, we need to help generate income for farmers to ensure their willingness to grow grains. To achieve this, we positioned our processing factories across major rural areas to facilitate the sale of the farmers' harvest, helping farmers reduce their costs and achieve higher income.

In addition, by providing farmers with support and services in capital, seed, pesticide, technical support, harvesting, storage, drying, and pricing support, we encouraged farmers to grow crops. Our assistance helped them mitigate their exposure to market risks and realise higher income from the sale.

After brewing materials business was introduced to production regions in Inner Mongolia, we use a variety of market-oriented procurement modes including signing orders, procurement through agent and direct cooperation with individual farms and Hailar State Farm Group to ensure supply of raw materials. We purchased 500,000 tons of barley cumulatively, and in a total, the planting area was over 2,500,000 mu, which brought incomes of over RMB 50 million for farmers.



Our Guangxi Company built a cassava base. By promoting quality cassava seeds, insured purchasing, providing farmers with cassava growing technology and other means, we help increase cassava production and farmers' incomes, and actively fulfill our corporate social responsibility as a State-Owned Enterprise.



Our Qinzhou factory of Oilseed Processing Division absorbed local labor forces to promote employment. Now, the factory employs 560 people, 90% of whom are locals.. The company has played an active role in promoting employment in Beibu Gulf region. These jobs not only widened the employment opportunities for local people, but also allowed them to learn necessary skill, promoting social stability.



Promoting Agricultural Progress

We actively promote made-to-order farming and contractual planting. With models such as “company + government + farmers”, “company + farm”, and “company + cooperatives + farmers”, we leverage on our expertise to give farmers advice on how to adjust their grain production to market conditions and demand, how to optimise farming structure, and how to optimise their product mix. In addition, we also give farmers on-site technical support.

With localised made-to-order farming, contractual planting and other models, China Agri offered reliable product supplies by maintaining the scale, stability and availability of high-quality raw materials. Meanwhile, these models played an important role in facilitating healthy agricultural development in China, and promoted modern and intensive development of China’s traditional agriculture.



Our Wheat Processing Division vigorously promotes made-to-order farming. The mode of growing grains needed by orders with a price higher than market price encourages farmers’ enthusiasm, and drive the increase of farmers’ incomes, while achieving a promotion of growing high value-added grain varieties. In the process of cultivation, centralised seed supply, centralised planting, centralised watering and fertilisation, centralised harvest and centralised purchase are implemented. We realised direct connection of enterprises and farmers, combination of production and marketing, and mode of innovative farming, reducing labor intensity of farmers and promoting agricultural progress. Currently, we have established made-to-order farming bases with a total area of 600,000 mu in main production areas of grains in Jiangsu, Shandong, Henan, Hebei and Inner Mongolia.

Promoting Rural Development

Our processing subsidiaries located in major raw materials production areas, form a relatively complete value chain in their locations. Compared with other business in the industry, our subsidiaries usually outperform in terms of scale, management and financial performance, making them an important pillar for the local economy. In addition, they absorbed a large number of excess rural labor to work on tasks such as material purchase, processing and transportation. These jobs not only provided rural labours with new job opportunities, but also allowed them to learn necessary skills and gain production management experience essential for them to become modern agricultural workers.

In 2011, our Wheat Processing Division and Zhangjiagang City started a new round (five years) of agricultural strategic cooperation, and signed 2011-2016 Agricultural Strategic Cooperation Framework Agreement. The strategic cooperation between our Wheat Processing Division and Zhangjiagang City began in 2007 which involved quality wheat seed selection, growing, and product promotion between both parties. The size of order has been developed from 3,000 mu in 2008 to 150,000 mu in 2010, that is a win-win solution for farmers, enterprise and government. In addition, the Wheat Processing Division established made-to-order farming bases in Shandong, Inner Mongolia, northern Jiangsu and other places. The promotion of such model is of great significance to obtain high-quality and stable source of wheat, and implement the management and control over sources of food safety.

We established a complete food safety system and quality control system for our oilseed processing business. In Rizhao and Heze of Shandong Province, where boast high peanut growing advantages, we established a peanut green base to conduct contractual high-quality peanut planting on an area of 120,000 mu. We purchased peanuts from farmers with a price higher than market average, which increased over RMB 70 million of income for farmers at the base. In addition, our subordinate enterprise also encouraged farmers in the surrounding areas of the Feixian County to grow high-quality peanuts with high yield. It publicised and explained knowledge of food safety, scientific cultivation, reasonable pesticide spraying and timely harvest to farmers. This enterprise was awarded the tile of “Provincial Key Leading Enterprise of Agricultural industrialisation” and the medal of “Contribution to Revitalizing Feixian County” by Shandong Provincial Committee of the Communist Party of China and Provincial Government. It promoted the development of rural industrial economy.

■ Crop field



■ Drying peanuts



7 PRACTICING LOW-CARBON DEVELOPMENT AND ENVIRONMENTAL PROTECTION

In 2011, we put forward the slogan of “Low-Carbon Industry Chain & Excellent Green Product”. Putting advocating and practicing environmental protection and energy conservation as the main line, we are committed to producing quality grain and oil products. Through scientific study on energy and material consumption level, we boosted the enterprise’s continuous development, sped up the research and development of energy conservation and emission reduction technology, and accelerated the promotion of the best practice pilot. We regard green low-carbon as the key strategic choice to shape our future and a commitment to our future of low-carbon economy.



Actively Responding to Global Climate Change

Launching a Pilot Project of Carbon Footprint

In order to get the radix of greenhouse gas emissions over product's fully integrated value chain and obtain the vital aspects of low-carbon economy, our Biochemical & Biofuel Division took the lead to launch a pilot project of product carbon footprint (PAS 2050) in COFCO Bio-Chemical Energy (Yushu) Co., Ltd. Through the examination on edible corn starch product for carbon footprint in its full life cycle, we further investigated the radix of greenhouse gas emissions. Thus, we accumulated abundant data for better management of product greenhouse gas emissions in its full life cycle and identifying opportunities to reduce greenhouse gas emissions in product design, production and sales. On 12 December, 2011, COFCO Bio-Chemical Energy (Yushu) Co., Ltd. successfully obtained the "Product Carbon Footprint Verification Statement" issued by an authoritative third-party, marking an unprecedented level of China Agri in promoting green low-carbon development. Such a success is of great strategic significance to effective control of greenhouse gas emissions and in-depth practice of the concept of "Low-Carbon Industry Chain & Excellent Green Product".

Product Carbon Footprint Examination Certificate of COFCO Yushu



Recycling and Utilising Greenhouse Gases

Carbon Dioxide

With the intensification of global climate change, the capture, storage and utilisation of carbon has become an important way to reduce greenhouse gas emissions. China Agri conducted an in-depth study on the characteristics of starch fermentation process, and intensified the efforts to recycle and use carbon dioxide, a by-product in the process. While ensuring the supply of raw materials of local carbonated drinks, we achieved environmental benefits of low carbon production. In 2011, COFCO Bio-Energy (Zhaodong) Co., Ltd. took full advantage of a complete set of imported carbon dioxide purification equipment, and realised the target of an annual output of 15,000 tons of food-grade carbon dioxide. The carbon dioxide recycling project with an annual output of 15,000 tons, invested by Guangxi COFCO Bio-Energy Co., Ltd., was formally completed and put into operation this year. After purification, food-grade carbon dioxide was produced by this project with carbon dioxide as the material, in which the carbon dioxide was produced by fermentation in the production process of cassava fuel ethanol.

CO2 recycling equipment



Methane

With high COD concentration and long treatment process, wastewater of the agricultural product processing industry is a typical organic waste with high concentration, and is also the biggest challenge for environmental protection. China Agri actively explores clean and efficient wastewater treatment and advocates comprehensive utilisation of resources. In the past three years, COFCO Bio-Energy (Zhaodong) Co., Ltd., Guangxi COFCO Bio-Energy Co., Ltd., COFCO Bio-Chemical Energy (Gongzhuling) Co., Ltd., COFCO Bio-Chemical Energy (Yushu) Co., Ltd., Yellow Dragon Food Industry Co., Ltd., COFCO Oils (Qinzhou) Co., Ltd., COFCO Jiangxi Rice Processing Ltd. continued to increase investment in environmental protection, and explored utilisation of resources of methane, a by-product of wastewater treatment. A cumulative investment of more than RMB12 million was used to build methane recycling utilisation device. Zero emission of methane was achieved by transmitting methane to a boiler for blending coal, direct power generation and other means. In 2011, China Agri recycled and utilised a total of 20.07 million standard cubic meters of methane, which significantly reduced greenhouse gas emission, while bringing substantial economic benefits.

In September 2011, the 75t/h circulating fluidised bed boiler, newly-built by Yellow Dragon Food Industry Co., Ltd., was put into trial operation. Subsequently, the 6MW back pressure steam turbine generator set was put into grid-connected operation. The energy conservation reconstruction of coal-fired boiler of Yellow Dragon company was fully completed and put into operation. It has showed its initial effect of energy conservation, emission reduction and cost reduction.

Implementing Key Projects of Energy Conservation and Emission Reduction

Key Projects of Energy Conservation and Emission Reduction

We pay close attention to the application of new technology, new materials and new methods of energy conservation. We actively introduce and absorb advanced energy management technologies to ensure that unit energy conservation of our main products maintains a leading level. In 2011, we implemented 9 key projects of energy conservation with an investment of RMB 59.48 million in total, which can save more than 20,000 tons of standard coal annually.

In December 2011, COFCO Bio-Energy (Zhaodong) Co., Ltd. began the piling for the reconstruction project of Phase II power station. Phase II power station was reconstructed by eliminating old-fashioned chain boilers. The in-depth implementation of energy conservation and emission reduction was carried out by technological innovation and management reinforcement.

For new factories, we integrated the concept of energy conservation in the earlier stage of design process, and improved the level of energy efficiency from source of production.

In its design, COFCO Excel Joy (Tianjin) Co., Ltd. adopted ground source heat pump systems, LED energy-efficient street lights, high energy-efficient motors and other energy-conservation technologies. and the company is highly spoken by local communities for its energy-efficient production.



Key Projects of Emission Reduction

In 2011, we further increased our investment in environmental protection to improve environmental pollution control facilities, optimise environmental pollution control technologies, strengthen source and process management, and increase clean production level. Throughout the year, we invested a total of RMB 45.72 million, implemented 7 key projects of emission reduction, and realised annual emission reduction of over 60 tons of COD and over 1,400 tons of SO₂, and conserved over 800,000 tons of water.

Yellow Dragon Food Industry Co., Ltd. is able to achieve an annual COD emission reduction of over 50 tons by introducing IC high efficient anaerobic treatment device.

COFCO ADM Oils & Grains Industries (Heze) Co., Ltd invested RMB 1.2 million to reconstruct its sewage treatment system. It decreased energy consumption level of the sewage treatment system effectively and further reduced COD emission by adopting the mature and stable biomembrane technology.

Key Projects of Circular Economy

We fully implemented clean production and promoted key projects of circular economy. Furthermore, we controlled the generation and emission of pollutants at the source and during the entire process, and vigorously developed technologies of resource recycling and utilisation.

In 2011, COFCO Rongs Biotech Co., Ltd. and COFCO Yellowsea Oils and Grains Industries (Shandong) Co., Ltd. completed the clean production audit. A total of 40 clean production programs with cumulative investment of RMB 3.05 million were implemented, so that annual energy conservation of 1200 tons of standard coal, and water saving of 3,000 tons can be achieved.

The technology innovation project of producing feed yeast protein with cassava lees of Guangxi COFCO Bio-Energy Co., Ltd. achieved initial success. Using synchronous fermentation of efficient bacteria, the project can increase the protein content by 6%, and can realise the diverse utilisation of cassava lees. COFCO Bio-Energy (Zhaodong) Co., Ltd. utilised the combustion of rice husk to generate power to dispose the rice husk effectively, and at the same time to alleviate the Company's power pressure.

COFCO East Ocean sewage disposal system



Technology innovation project of producing feed yeast protein with cassava lees



Innovative Energy Conservation and Emission Reduction Management Mechanism

Strict Energy Conservation and Emission Reduction Target Assessment

In 2011, China Agri made an innovation on energy conservation and emission reduction assessment indicators. For its pilot enterprises of energy conservation and emission reduction, comprehensive energy consumption per unit product was used to replace comprehensive energy consumption of value-added of 10,000 CNY. This assessment method further highlighted the guidance of assessment indicators. Meanwhile, China Agri further conducted strict responsibility assessment on energy conservation and emission reduction target. Target responsibility contracts were signed at all levels. Implementation of five-year target was combined with completion of annual target, and annual target assessment was combined with progress tracking. The Company required its subsidiaries to report information about completion of energy conservation and emission reduction target and implementation of measures every quarter. Moreover, this work will be an important part of the comprehensive performance assessment for management staff.

Solidly Advancing Energy Conservation and Emission Reduction Bench Marking

The energy conservation and emission reduction bench marking of China Agri started in 2010. It was comprehensively promoted in 2011 and achieved initial success. Following the bench marking template review, China Agri solidified the bench marking mechanism by collecting basic data, setting the standards of bench marking, specifying the scope of gap, analysing specific reasons, preparing improvement program and implementing specific measures, thus laying a foundation for building a long-term management mechanism in 2011. In the process of bench marking, a total of 113 energy conservation and emission reduction improvement programs were prepared, a total of RMB 469 million was expected to be invested, 66,200 tons of standard coal, and 520,000 tons of water were to be saved, thus achieving good environmental and economic benefits.

■ COFCO Rice Jiangxi sewage disposal station ■ Energy Conservation and Emission Reduction Training Forum



Enhancing the Publicity and Training on Energy Conservation and Emission Reduction

In 2011, we organised an energy conservation and emission reduction training with "Low-Carbon Industry Chain & Excellent Green Product" as the theme. During the training, we conveyed the spirit of SOE energy conservation and emission reduction conference, analysed international and domestic situations of energy conservation and emission reduction, provided training on advanced technology of energy management, advocated the dedication to energy conservation and emission reduction "from the bottom of our hearts", and encouraged participants to grasp the vital aspects of low-carbon economy. Meanwhile, we made use of the activities such as Energy Conservation Publicity Week, World Environment Day, and Earth Lights Out for 1 Hour to vigorously publicise the importance and urgency of energy conservation and emission reduction. We actively promoted the best practice of energy conservation and emission reduction and achieved satisfied results.

□ Honors

No.	Enterprise Name	Description of Honor	Issued by
1	COFCO Bio-Chemical Energy (Gongzhuling) Co., Ltd.	Jilin Advanced Unit of Water Saving	The People's Government of Jilin Province
2	COFCO Rongs Biotech Co., Ltd.	Shanghai Water-saving Enterprise	Shanghai Bureau of Water Resources & Shanghai Economic and Information Technology Commission
3	COFCO Bio-Chemical Energy (Yushu) Co., Ltd.	Changchun Advanced Unit of Energy Conservation	Changchun Bureau of Industry and Information Technology
4		Jilin Advanced Unit of Water Saving	The People's Government of Jilin Province
5		Advanced Enterprise of Pollutants Emission Reduction	The People's Government of Yushu City
6		"Environment-friendly and Resource-conserving" Pilot Enterprise	The Ministry of Industry and Information Technology of the P.R.C.
7	Yellow Dragon Food Industry Co., Ltd.	Advanced Individual of Energy Conservation and Emission Reduction During the "11th Five-Year Plan"	The People's Government of Jilin Province
8	COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd.	Class 3 Honorary Title of "Energy Efficiency Star"	The People's Government of Suzhou City
9		Advanced Team of Energy Conservation and Recycling Economic Development Work	The People's Government of Zhangjiagang City
10	COFCO Yellowsea Oils and Grains Industries (Shandong) Co., Ltd.	Shandong Advanced Enterprise of Energy Conservation 2010	The People's Government of Shandong Province
11		Rizhao Model Enterprise of Energy Measurement Benchmark 2011	Rizhao Bureau of Technical Supervision
12	COFCO Xinsha Oils and Grains Industries (Dongguan) Co., Ltd.	Dongguan Environment-Friendly 'Green' Enterprise 2010	Dongguan Environmental Protection Bureau
13	COFCO Malt (Dalian) Co., Ltd.	Advanced Team of Dalian Environmental Publicity and Education Work 2010-2011	Publicity Department of Dalian Municipal Committee of the C.P.C. & Dalian Environmental Protection Bureau
14	COFCO Jiangxi Rice Processing Ltd.	Advanced Unit of Energy Conservation 2011	The People's Government of Jinxian County

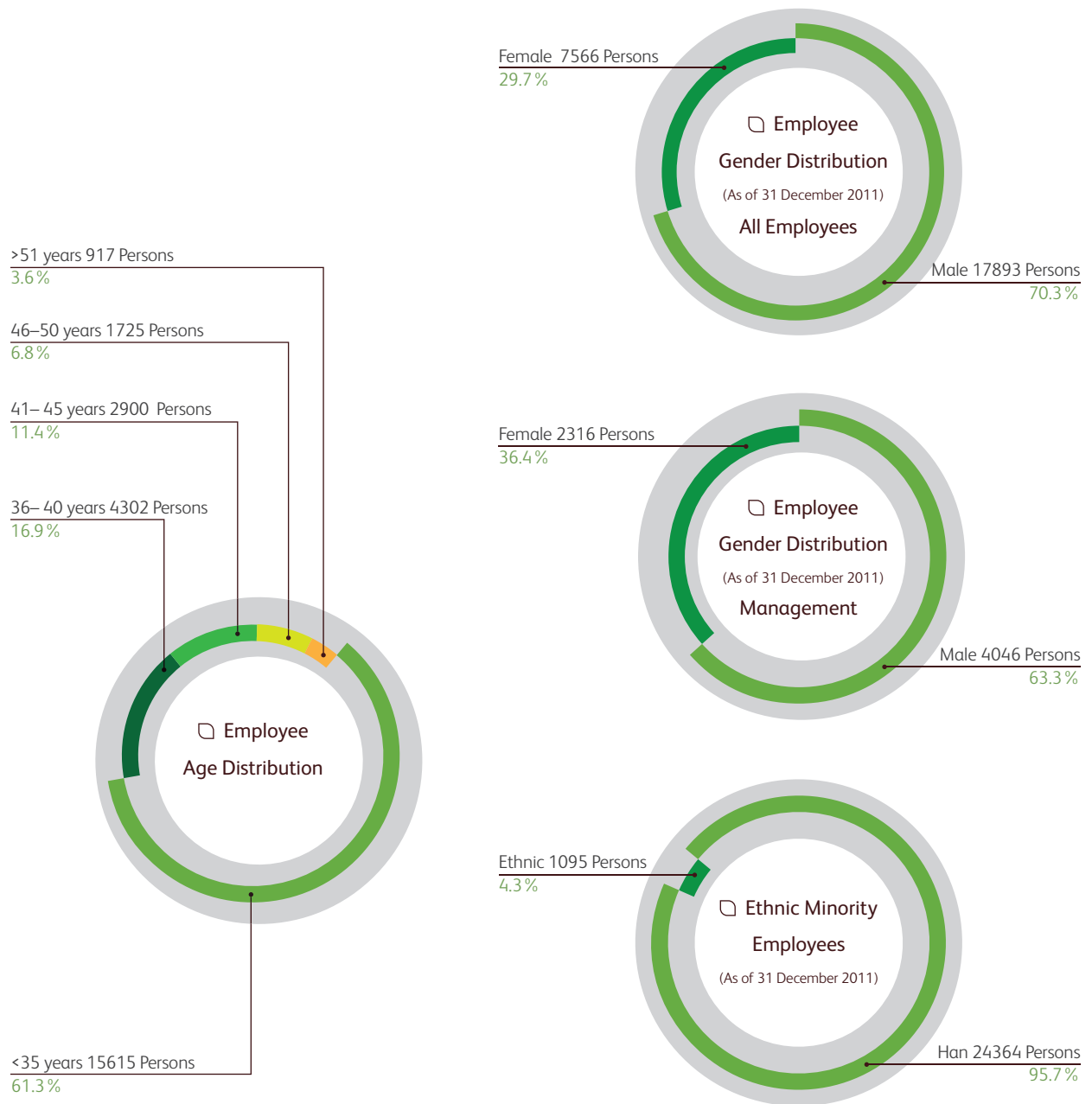
8 PROMOTING EMPLOYEE GROWTH

Regarding talent, China Agri insists on the overall concept of “Focusing on corporate culture, pursuing talent development, implementing training and incentives, and developing universal foundation”. By following the guidelines of “making overall plans, assessing current conditions, strengthening the team, improving the system, and focusing on training”, we strive to constantly improve the quality of our team. We will continue to strengthen our human resource management system, innovate on our talent development mechanism, and streamline our organisational structure, so as to implement integrated human resource management and develop a strong human resource support system.



Employee Basic Information

As of 31 December 2011, China Agri employed 25,459 individuals.



Legitimate Employment

China Agri respects and protects the rights of our employees. We strictly abide by related laws, regulations and protocols. We have established a sound employee management system with a good supervision and assurance system in place to protect the rights of our employees.

We strictly abide by regulations such as China's Labor Law and Labor Contract Law, and protect the rights of employees. We implement an employment policy based on equal opportunities and non-discrimination, so that our employees will not be discriminated on grounds of ethnicity, color, gender, age or religious belief. All employees of China Agri have signed employment contracts with the Company according to applicable state and local laws and regulations.

We abide by government regulations and provide our employees with appropriate social security and welfare packages. In addition, we provide our employees with supplementary medical insurance, corporate annuity, commuting allowance, lunch subsidy, and paid annual leave, etc. We also provide our employees with regular physical checkups, trainings on health and mental health issues, and a medical support system for major diseases.

We continue to improve our human resource management and relevant systems to protect the interests of our employees at all levels. In order to ensure that our employee relation management system is strictly in compliance with relevant state laws and regulations, we carried out regular compliance assessments on human resource management at our subsidiaries, by both internal and external auditors for consecutive three years. In 2011, during compliance audit of human resources, no litigation or penalties for violation of labor laws was found.



■ Campus Recruitment Tour

Employee Participation

We attach great importance to the employee representative conference system. We have established a trade union to help safeguard employee rights. The employee representative conference convenes at least once a year to give the employees an opportunity to understand our corporate development and major issues concerning their interests, as well as providing a communication channel for employees to express their views. The party committee and the trade union annually hold discussions with the employee representatives to collect employees' opinions and suggestions on corporate development. These are then addressed at the discussion sessions accordingly.

We carry out an annual employee satisfaction survey with anonymous questionnaires. We sort through opinions and suggestions from our employees, analyse problems identified during the survey and develop proper solutions based on survey findings. We then incorporate all of these into an employee satisfaction survey report, which will be used to help us improve our performance the following year.

□ China Agri Employee Satisfaction Survey Results

Note: 4 is the full score for the survey.

Year	Score
2011	3.91
2010	3.9
2009	3.8
2008	3.77

Optimising Employee Performance Assessment

China Agri conducts staff performance assessment system in the Company. Regarding business assessment, in order to encourage self-development and improve personal competence, we not only set the result assessment indicators, but also set specialised progress assessment system indicators for procurement, production, project construction, safety and environmental protection and human resources development to promote more healthy development of our business. Regarding individual performance assessment, we further correlate performance assessment and personal development during its implementation. Furthermore, we enable our assessment system to play a bigger role by practicing the talent development conference mechanism.

While continuously optimising the assessment system, we also optimised the incentive system closely related to it. Based on the business development strategy and its characteristics, we designed and introduced a complementary incentive program for the rice unit. We strive to promote the development of our business and to realise our strategic objectives in a better way by the assessment and incentive mechanism.

Strengthening Employee Training

While continuing to strengthen leadership training, we invested more resource in professional training and skill training for employees in 2011, thus improving the skill and professional levels of more employees.

In 2011, the Company carried out a series of training at different levels in professional fields such as production management, safety and environmental protection, project management and marketing. The Company improved the professional competence of our management and professionals at different levels and boosted the work levels in various functional fields. Meanwhile, the Company carried out a wide range of training and learning in the field of basic production skills. Thus, the learning atmosphere and culture of the staff were gradually established, and both the quantity and the quality of skill training in our factories were increased dramatically.

To further promote the standardised factory skills training system, we cooperated with relevant national authorities to advance occupational skill testing for workers in the oil, rice and flour production lines, thus making the majority of employees in the Company to constantly learn and improve.



In November 2011, China Agri held a commencement meeting of employee career planning project. The employee career planning system is an important part of our talent development work. On one hand, we established a professional evaluation system. By holding the professional talent development meeting every year, we identify outstanding talents, enlarge our professional talent pool and speed up the cultivation of backup personnel for key positions. On the other hand, we established individual "career center" for employees at all levels, so as to identify the path of career development and the direction of competence improvement, thus promoting self-growth of our employees.

Ensuring Workplace Safety and Health

Workplace safety is an important responsibility for an enterprise, and is of great concern to the health and safety of the employees. With a goal of “zero injury, zero accident, and zero damage”, we took a number of measures to ensure workplace safety, such as the prevention and control of accident and occupational disease, supervision of process risks, the comprehensive identification, prevention and elimination of risks, and the development of a workplace safety monitoring system. We also established a risk detection and control mechanism to lower the risks of human casualty and property loss to an acceptable level.

We formulated and issued several documents, such as the Regulations for Safe Production Management and Implementation Guidelines for Safety Management Performance Evaluation, to systematically regulate safe production and provide appropriate guidance. We have established an accountability system that covers all departments, subsidiaries and managerial levels, and we conducted evaluations on safety and environmental performances to incorporate both process indicators and result indicators for safety management into our performance evaluation system.

Building a Professional Team

We actively encouraged and organised our safety and environmental management personnel to obtain the safety management certificate issued by the State Administration of Work Safety through training and examinations. We also focused on featured training and organised awareness raising campaigns to increase the effectiveness of the trainings. We initiated the “Month of Workplace Safety” campaign to make sure our safety and environmental management functions effectively.

Implementing the Safety and Environmental Performance Evaluation System

We fully implemented the Safety and Environmental Performance Evaluation System, evaluated our current safety management conditions, measured our safety risks, and applied risk management on all employees and the full production cycle. Our safety and environmental management performance was improved by over 20% from that of last year, effectively ensuring production safety of the enterprise.

Enhancing Contractor Management

Contractors are our partners. We paid attention to the health and safety of the employees of our contractors, incorporated contractor management into our performance evaluation with clearly defined responsibilities and management approach to reduce their workplace safety risks.

Eliminating Safety Hazards

We continuously organised our subsidiaries to eliminate safety hazards throughout the year, thus effectively promoting the improvement of our operational environment and increasing our safety level.

Strengthening Safety Management for Projects

We implemented safety inspections on all construction projects, and incorporated training together with inspection to enhance the safety management ability of our project management team.

Enhancing Emergency Management

We attach great importance to enhance emergency management. We have set up a three-tier emergency management system which comprised of the Emergency Steering Group, Emergency Office, and Safety and Environmental Management Department. All of our subsidiaries have established full-time emergency teams and continually improved their emergency plan systems. We also established sound management of emergency equipment and the communications system, and carried out regular emergency drills to enhance our emergency response ability.

Enriching Employees' Life and Culture

We attach great importance to corporate culture building, promote the “loyalty culture” of our parent company, and stress the development of a corporate culture system. By organising team cultural and sports events, we enriched the leisure life of our employees, while they strengthened their communication, broadened their perspectives, and developed a strong sense of belonging to our enterprise.

In 2011, we participated in the Spring Festival “FENG” Party, which was organised by our parent company. We also organised year-end gatherings and other events to increase the cohesion of our organisation.



■ Visiting the National Museum



■ “Remembering Childhood” Photo Exhibition

■ China Agri employees perform at the Spring Festival party



9

SUPPORTING SOCIAL HARMONY

With the objective of being a good corporate citizen, China Agri is enthusiastic about promoting community involvement. While focusing on business development, we proactively serve the community, support charitable activities, help vulnerable groups, concern about community care and advocate volunteerism in order to maintain the harmonious composition between social benefits and economic returns.



In pursuit of our corporate development, we have never stopped in giving a helping hand to vulnerable groups in need of support, expressing our love and care by encouraging employee donations and volunteer service. Our subsidiaries also actively promote the social well-being of the communities where they operate, in order to contribute to the harmonious development of the local society.

Since 2011, our Oilseeds Processing Division made donations to Hongying Township boarding primary school in Chongli County, Zhangjiakou City and its poor students. In 2011, it donated books, uniforms, stationery and other items, as well as living expenses.

COFCO Zhaodong and COFCO Yushu under the Biochemical and Biofuel Division provided financial assistance to poor students in their communities, covering their school fees and living expenses.

COFCO Zhaodong made donations to poor local elderly communities to guarantee that they are entitled to adequate food, clothing, medical care and housing expenses.


In 2011, we participated in the task of China's emergency food aid to Africa. The food aid included rice, wheat, flour and edible oil.

■ Managing Director Yu Xubo interviewed by CCTV on emergency food aid to Africa

■ COFCO East Ocean charity tour



LOOKING FORWARD



In 2012, China Agri will continue to push ahead its strategy to become a fully integrated oil and grain enterprise spanning the entire value chain, providing the society with more and better products by building a highly efficient value chain, and achieving the harmonious development of economy, society and environment.

In the area of business operation, we will continue to improve our strategic layout, reinforce regional construction, enhance our market share in the key regions, enforce our capabilities in raw material sourcing, optimise operation and production management, strengthen risk management and product development, and widen sales channels for better performances.

In respect of environmental protection and food safety management, we will place special emphasis on developing key risk indicators for improving risk control, crisis management, and equipment management and compliance assurance; continue to strengthen energy efficiency and emission reduction; and further promote overall management performance in safety and environmental protection.

In the area of CSR management, we will further improve our CSR management system and mechanism to maximise the value for our stakeholders.

APPENDIX

About This Report

Reporting Period

From 1 January 2011 to 31 December 2011.

Reporting Framework

This report has been prepared in accordance with the ten principles of the United Nations Global Compact (UNGC), the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines and GRI's Food Processing Sector Supplements.

Scope

This report covers the entire China Agri-Industries Holdings Limited. Unless otherwise stated, all data and case studies presented in this report are derived from China Agri-Industries Holdings Limited and its subsidiaries.

Content Selection

The content of this report was selected based on the GRI Reporting principles for defining report content materiality, stakeholder inclusiveness, sustainability context and completeness, international guidelines for sustainability reporting, and the development strategy of China Agri, and the best practices of sustainability management of industry peers both in China and abroad.

Data Collection

All data and case studies presented in this report are derived from China Agri and its subsidiaries with interviews, questionnaires, and reviews of internal management information.

Publication

The report is available in hardcopy in traditional Chinese and English. Electronic copy can be accessed and downloaded from China Agri's website (www.chinaagri.com).

Unaudited Data

Unless otherwise specified, the data in this report is unaudited. Please refer to our 2011 Annual Report for the audited financial statements of the Company for the year ended 31 December 2011 and other details of our financial performance and operating results. The 2011 Annual Report is available on the Company's website.

GRI Index

No.	Indicator	Type	Relevance	Page
Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy.	-	High	03, 05
1.2	Description of key impacts, risks, and opportunities.	-	High	03, 05, 10
Organisational Profile				
2.1	Name of the organisation.	-	High	06
2.2	Primary brands, product, and services.	-	High	06
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	-	High	15
2.4	Location of organisation's headquarters.	-	High	
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	-	High	06
2.6	Nature of ownership and legal form.	-	High	06
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	-	High	06, 13, 14
2.8	Scale of the reporting organisation (Including number of employees, operating income, market value and etc.).	-	High	13, 14, 20, 43
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	-	High	20
2.10	Awards received in the reporting period.	-	High	06, 07, 17, 31, 35, 41
Report Parameters				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	-	High	51
3.2	Date of most recent previous report (if any).	-	High	
3.3	Reporting cycle (annual, biennial, etc.)	-	High	51
3.4	Contact point for questions regarding the report or its contents.	-	High	51
3.5	Process for defining report content.	-	High	51
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	-	High	51
3.7	State any specific limitations on the scope or boundary of the report.	-	High	51
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	-	High	51
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	-	High	51
3.10	Explanation of the effect of any re-statements of information provided in earlier report, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	-	High	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	-	High	51
3.12	Table identifying the location of the Standard Disclosures in the report.	-	High	51
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s).	-	Medium	37-40

No.	Indicator	Type	Relevance	Page
Governance				
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	-	High	15
4.2	Indicator whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement).	-	High	15
4.3	For organisations that have a unitary board structure, state the number of numbers of the highest governance body that are independent and/or non-executive members.	-	High	15
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	-	High	44
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	-	High	15
4.6	Processes in place for the highest governance's body to ensure conflicts of interest are avoided.	-	High	15 - 17
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	-	High	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	-	High	7 - 10
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance.	-	High	7 - 10
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	-	High	15
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	-	High	15, 19 - 21
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	-	High	51
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations.	-	High	
4.14	List of stakeholder groups engaged by the organisation.	-	High	10 - 11
4.15	Basis for identification and selection of stakeholders with whom to engage.	-	High	10 - 11
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	-	High	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	-	High	
Economic Performance Indicators				
EC1	Director economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Core	High	13
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Core	High	36 - 41
EC3	Coverage of the organisation's defined benefit plan obligations.	Core	High	44
EC4	Significant financial assistance received from government.	Core	Low	
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Add.	High	44
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	Core	Low	19, 32 - 35
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Core	Low	33 - 35

No.	Indicator	Type	Relevance	Page
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Core	Medium	32 - 34, 48 - 49
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Add.	Medium	14, 19 - 23
Social Performance Indicators				
LA1	Total workforce by employment type, employment contract, and region.	Core	High	43
LA2	Total number and rate of employee turnover by age group, gender, and region.	Core	High	43
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Add.	High	44
LA4	Percentage of employees covered by collective bargaining agreements.	Core	High	44
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Core	High	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programmes.	Add.	Low	46
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Core	High	46
LA8	Education, training, counseling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	Core	High	46
LA9	Health and safety topics covered in formal agreements with trade unions.	Add.	High	44
LA10	Average hours of training per year per employee by employee category.	Core	High	45
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Add.	High	45
LA12	Percentage of employees receiving regular performance and career development reviews.	Add.	High	45
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Core	High	43
LA14	Ratio of basic salary of men to women by employee category.	Core	High	44
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Core	Low	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Core	Low	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Add.	Low	
HR4	Total number of incidents of discrimination and actions taken.	Core	Medium	44
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Core	Low	44
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Core	Medium	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour.	Core	Low	
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Add.	Low	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Add.	Low	
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Core	High	49
SO2	Percentage and total number of business units analysed for risks related to corruption.	Core	High	16
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Core	High	16
SO4	Actions taken in response to incidents of corruption.	Core	High	15 - 16
SO5	Public policy positions and participation in public policy development and lobbying.	Core	Medium	19
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Add.	Not Applicable	

No.	Indicator	Type	Relevance	Page
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Add.	Medium	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Core	High	15 - 16
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Core	High	25 - 29
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Add.	High	
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Core	High	28
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Add.	High	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Add.	High	31
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Core	High	16, 22, 23
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Add.	High	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Add.	High	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Core	High	
Environmental Performance Indicators				
EN1	Materials used by weight or volume.	Core	Medium	14, 20
EN2	Percentage of materials used that are recycled input materials.	Core	High	41
EN3	Direct energy consumption by primary energy source.	Core	High	37 - 39
EN4	Indirect energy consumption by primary source.	Core	High	37 - 39
EN5	Energy saved due to conservation and efficiency improvements.	Add.	High	37 - 39
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Add.	High	37
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Add.	High	37, 38
EN8	Total water withdrawal by source.	Core	High	
EN9	Water sources significantly affected by withdrawal of water.	Add.	High	
EN10	Percentage and total volume of water recycled and reused.	Add.	High	38 - 40
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Core	Medium	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Core	Medium	
EN13	Habitats protected or restored.	Add.	Low	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Add.	Low	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Add.	Low	
EN16	Total direct and indirect greenhouse gas emissions by weight.	Core	High	38
EN17	Other relevant indirect greenhouse gas emissions by weight.	Core	High	38
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Add.	High	36 - 40
EN19	Emissions of ozone-depleting substances by weight.	Core	High	36 - 40
EN20	NO, SO, and other significant air emissions by type and weight.	Core	High	37, 38

No.	Indicator	Type	Relevance	Page
EN21	Total water discharge by quality and destination.	Core	Medium	
EN22	Total weight of waste by type and disposal method.	Core	High	39
EN23	Total number and volume of significant spills.	Core	High	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Add.	Low	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Add.	Medium	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Core	Medium	36 - 41
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Core	Low	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Core	High	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Core	High	
EN30	Total environmental protection expenditures and investments by type.	Core	High	36 - 41
GRI Food Processing Sector Supplement				
FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy.	Core	High	26
FP2	Percentage of purchased volume which is verified as being in accordance with credible internationally recognised responsible production standards, broken down by standard.	Core	High	26
FP3	Percentage of working time lost due to industrial disputes, strikes, and/or lock-outs, by country.	Core	High	44
FP4	Nature, scope and effectiveness of any programmes and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnership and product development) that promote access to healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.	Core	High	30, 31
FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards.	Core	High	25 - 29
FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars.	Core	High	30 - 31
FP7	Percentage of total sales volume of consumer products, by product category, that contains increased nutritious ingredients like vitamins, minerals, phytochemicals or functional food additives.	Core	High	30 - 31
FP8	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements.	Core	High	39
FP9	Percentage and total of animals raised and/or processed, by species and breed type.	Core	High	
FP10	Policies and practices, by species and breed type, related to physical alterations and the use of anaesthetic.	Core	High	
FP11	Percentage and total of animals, raised and/or processed, by species and breed type per housing type.	Core	High	
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type.	Core	High	
FP13	Total number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals.	Core	High	



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