



2015

CSR REPORT

CHINA AGRI-INDUSTRIES HOLDINGS LIMITED

Stock Code: 606

Contents

About This Report	01
A Message from the Top Executive	02
About Us	03
Company Profile	04
Our Business	06
Corporate Governance	07
Honors & Awards	08
Social Responsibility Management	09
Social Responsibility Philosophy	10
Social Responsibility System	10
Material Topic Identification	11
Social Responsibility Communications	12
Value Creation	14
Strengthen Operational Management	16
Enhance Risk Management and Internal Controls	18
Promote Product R&D	21
Social Development	23
Ensure Market Supply	24
Ensure Food Safety	25
Boost the Development of Agriculture, Farmers, and Rural Areas	26
Extend Influence in the Industry	28
Cooperation and Mutual Benefit	30
Improve the Value of Key Accounts	31
Promote Supplier Development	35
Strengthen Communication with Dealers	36
Environmental Protection	37
Cut Emissions	40
Recycling, Re-usage, and Conservation of Resources	41
Clean Energy	43
Water Resources Management	45
Care for Employees	46
Safeguard the Rights and Interests of Employees	48
Attach Importance to Employee Development and Value Realization	49
Workplace Safety and Health	52
Care for Employees	55
Charitable Work	59
Community Building	60
Caring for the Development of Teenagers	62
Vulnerable Groups	64
Benchmark Index	67
Readers' Feedback	69

About This Report

This report is the seventh Corporate Social Responsibility Report released by China Agri-Industries Holdings Limited.

REPORTING PERIOD

From 1 January 2015 to 31 December 2015. Parts of the report contain information from previous years.

SCOPE

This report covers China Agri-Industries Holdings Limited ("China Agri" or "the Company") and its group companies. Unless otherwise stated, all data and case studies presented in this report are derived from China Agri and its subsidiaries.

REPORTING FRAMEWORK

This report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (ESG Reporting Guide) issued by the Stock Exchange of Hong Kong Limited, with reference to the ten principles of United Nations Global Compact, and Sustainability Reporting Guidelines (G4.0) of Global Reporting Initiative (GRI).

REPORTING IMPROVEMENTS

Compared to last year, the following improvements were made to this report:

The core CSR issues related to the Company's businesses and the content of the report were reframed in accordance with the Environmental, Social and Governance Reporting Guide newly revised by the Stock Exchange of Hong Kong Limited;

A quantitative presentation of the key CSR performance indicators was offered to meet the compliance requirement of materiality, quantitative, balance and consistency.

DATA COLLECTION

The content of this report was selected to ensure that it meets the compliance requirement by the Stock Exchange of Hong Kong Limited in the Environmental, Social and Governance Reporting Guide issued. The report also took reference of the GRI Reporting principles for defining materiality, completeness, relevance and stakeholder inclusiveness; the GRI Sustainability Guidelines and its food processing sector

supplement guidelines which are in line with international standard for sustainability/social responsibility reporting, and the best practices of sustainability management of industry in China and abroad.

PUBLICATION

This report is available in traditional Chinese and English. Electronic copy can be accessed and downloaded from the Company's website (www.chinaagri.com). As the English report is a translated version, the Chinese version prevails should there be any differences in the two versions.

UNAUDITED DATA

Unless otherwise specified, the data in this report is unaudited. Please refer to our 2015 Annual Report for the audited financial statements of the Company for the year ended 31 December 2015 and other details of our financial performance and operating results. The 2015 Annual Report is available on the Company's website.

Unless otherwise specified, the currency shown in this report refers to Renminbi.

Certain figures and financial information relating to the year ended 31 December 2015 or the last five years included in this report are not the Company's statutory annual consolidated financial statements for those years. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered those financial statements for the years ended 31 December 2011, 2012, 2013 and 2014 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2015 in due course.

The Company's independent auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

A Message from the Top Executive

As an old Chinese saying goes, "To a country, the people are most important; to the people, food is most important". The grain industry has always been the lifeblood of the national economy. It is a strategic industry for national welfare and the people's livelihood, and the foundation of social stability and national prosperity. As China's economy enters the "new normal", the development of the country's food industry is faced with new opportunities and challenges.

As a leading domestic enterprise engaged in the grain and oil business, China Agri has adhered to its CSR philosophy of safeguarding national grain security and food safety, promoting agricultural development, and driving the progress of the grain industry. We are committed to providing the market with safe, nutritional, and healthy products. We always give top priority to the health of our consumers. We strictly adhere to the control of the entire industry chain, try to perfect the food safety supervision system to guarantee product quality, and promote the upgrade of residents' food consumption structure. At the same time, we endeavor to promote the employment of local residents, increase the income of farmers, and boost regional economic development.

As an enterprise with a strong sense of social responsibility, we also fulfill our duty to the environment, our employees, and local communities, other than just pursue commercial success. Faced with increasingly serious air pollution, we strictly control the impact of our production activity on the environment, advocate energy conservation and emissions

reduction, as well as actively promote the popularization and application of biomass fuel in the market, therefore making contributions to clear away the haze. Being people-oriented, we provide our employees with a sound working environment and career development platform, helping them realize their own values of life. We continue to carry out public welfare undertakings, participate in community building, care for teenagers, and help vulnerable groups, aiming to create an atmosphere of giving back to the society among all our employees.

China Agri will make persistent efforts to ensure product safety, nutrition, and health. We adhere to fulfilling our social responsibilities and promote our sustainable development ability. We will also work together with the relevant stakeholders to become a grain and oil enterprise that truly complies with international standards, and achieves our goals of economic, social, cultural, environmental and sustainable development.

About Us

- ◆ Company Profile
- ◆ Our Business
- ◆ Corporate Governance
- ◆ Honors & Awards

Company Profile

China Agri-Industries Holdings Limited ("China Agri" or "the Company"; Stock code: 606) was incorporated in Hong Kong in November 2006 and officially listed on the Main Board of the Stock Exchange of Hong Kong Limited in March 2007. By keeping pace with China's economic growth, the Company has grown healthily, devoting itself to become an internationalized grain, oil and food processing company in the entire industrial chain by improving its strategic layout, expanding its production capacity reasonably, and promoting its scale benefits.

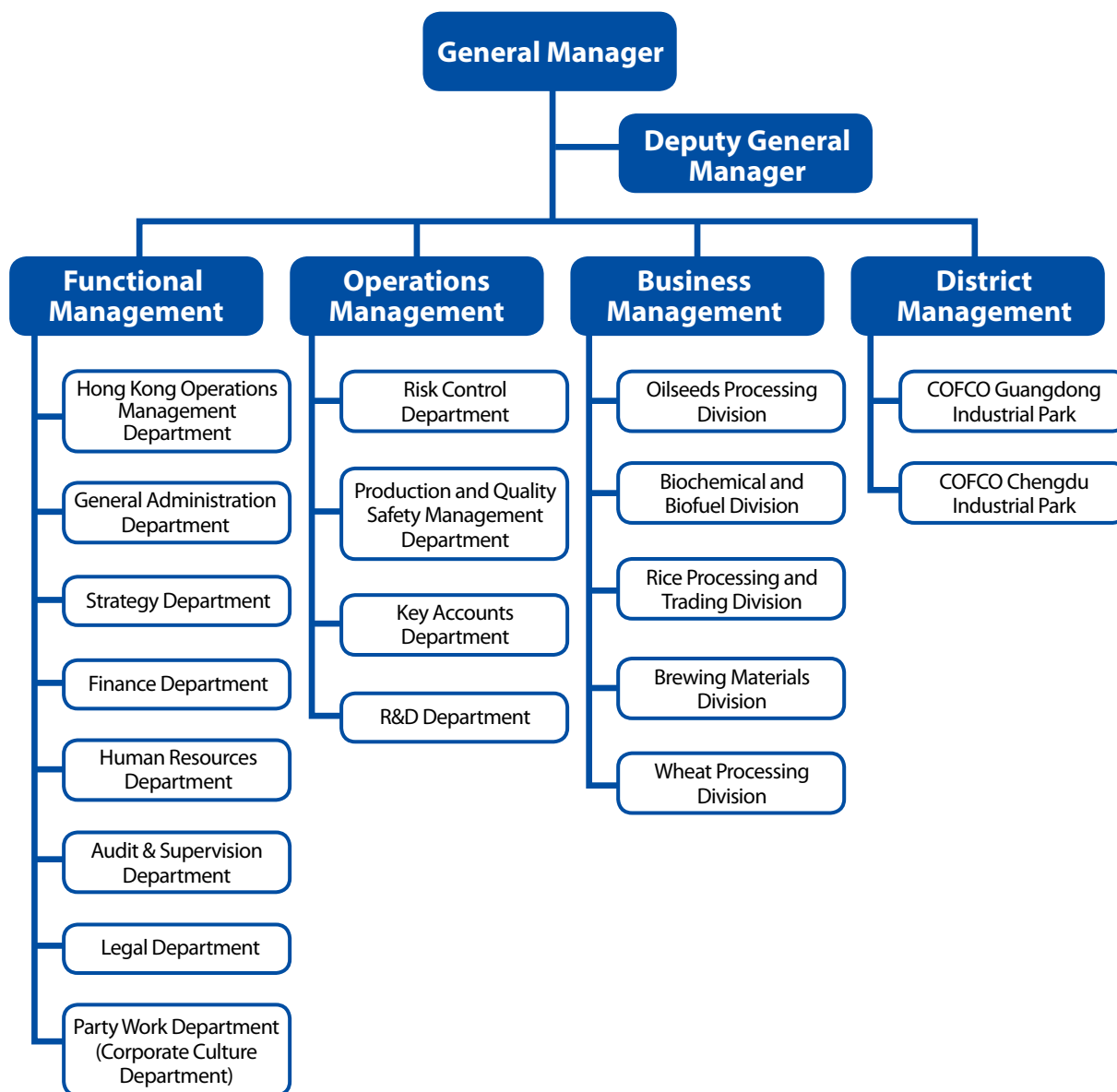
As a leading agricultural products and food processing company, China Agri is engaged in the processing and sale

of oilseeds, biochemical and biofuel products, rice, wheat products and brewing materials. We provide our customers with safe, nutritious and healthy foods, food ingredients, feed ingredients, and bio-energy. Our products include edible oils, fuel ethanol, starch, sweeteners, rice, flour, noodles and bread, malt and feedstuffs. The Company's operation and production facilities and operating assets are located in mainland China, with sales and distribution networks across the country and extending to the international markets.



Our business scale, stable operational performance, industry leadership, as well as outstanding management in sustainable development are recognized by investors. The Company's shares are included in the Hang Seng Composite Index, the Hang Seng Global Composite Index, Hang Seng Composite

Industry Indexes, Hang Seng Composite Size Indexes, Hang Seng Consumer Goods & Services Index, and Hang Seng Corporate Sustainability Index Series. The Company ranked No.76 on the Fortune China 500 list in 2015.



Our Business



Oilseeds Processing Business

China Agri is one of the largest edible oil and oilseed meal producers in China. We are primarily engaged in the processing, storage, transportation and distribution of soybeans, palm oil, rapeseeds, and peanuts. Our renowned brands include “Fuzhanggui” (福掌柜), “Sihai” (四海), “Xiyingying” (喜盈盈), and “Guhua” (谷花).

We have 15 factories with the highest production capacity in China.



Biochemical and Biofuel Business

China Agri is a leading biochemical enterprise. We produce starch, sweeteners, MSG, and related products using quality corns originating from northeast China as raw materials. Boasting more than 20 years of experience in the industry, we provide customers with quality food ingredients and food additive solution services. We are one of China's largest starch and fructose manufacturing enterprises.

China Agri is the pioneer of China's biofuel industry and the largest provider of liquid biofuels, ranking No.1 in the domestic ethanol fuel market. We established the National Energy Research Center of Liquid Biofuels, taking a leading position in China's deep processing industry.



Rice Processing and Trading Business

China Agri is the largest paddy manufacturer and rice trader in the country. The Company is also the implementer of the nation's macro-control policy of grain and main channel of rice import and export, boasting more than 60 years of experience in the international rice trading market. We have successfully transformed from the single import and export mode into the entire industrial chain operation mode integrating procurement, processing, production, and sales after years of efforts. Our rice brands, including “Fortune” (福临门), “Five Lakes” (五湖), and “Xin” (薪) are well known in China. We provide consumers with safe, nutritious, and healthy rice products.



Wheat Processing Business

China Agri is one of the largest wheat processors in China, with more than 20 years of experience in the industry. We engage in the production and sales of special-purpose flour, general-purpose flour, noodles, and bread. We are the leading supplier of special-purpose flour, with the industry's leading wheat processing capacity. We are the core supplier of top restaurants and supermarket chains, such as Starbucks and Costa. We were also the exclusive bread supplier of the closing ceremony of the Beijing Olympic Games. “Xiangxue” (香雪) is our most influential brand.



Brewing Materials Business

China Agri is the leading producer of malt and leading supplier of brewing materials in China. We are an important partner of Budweiser, Tsingtao Brewery, CR Snow, Yanjing Beer, and other renowned Chinese and foreign beer brands. Our products are exported to Russia, Korea, Vietnam, Mongolia, Myanmar, Hong Kong, Taiwan, and other countries and regions. We have become a widely known beer material supplier at home and abroad.

Corporate Governance

China Agri is committed to maintaining sound corporate governance by strictly following business ethics, continuously improving our effective accountability mechanism, and implementing transparent operational structure.

The Company attaches great importance to the transparency of business operations and has developed effective measures to protect our shareholders' rights. In compliance with the listing standards of the Stock Exchange of Hong Kong Limited, the Company has established a sound, timely and transparent information disclosure system to ensure the promptness and accuracy of the relevant information being released to the capital market and the public.

The Board of Directors is responsible for the leadership and supervision of the Company, and overseeing China Agri's

business, strategic development decisions and performances. The Board consists of eight members, including three executive directors, two non-executive directors and three independent non-executive directors. In order to strengthen the Company's information disclosure and internal control, the Board has established the Audit Committee, Remuneration Committee and Nomination Committee, the majority of those members are independent non-executive directors. An Executive Committee is also in place. All committees perform duties according to the delegation determined by the Board. The Chairman of the Company's Board of Director is Mr. Chi Jingtao and the Managing Director is Mr. Yue Guojun.



Honors & Awards

In February 2015	COFCO Bio-Chemical Energy (Yushu) Co., Ltd., COFCO Bio-Chemical Energy (Gongzhuling) Co., Ltd., Yellow Dragon Food Industry Co., Ltd., Jilin COFCO Bio-chemical Packaging CO.,Ltd., Jilin COFCO Bio-chemical Energy Sales and Distributions Co., Ltd., COFCO Rice (Jilin) Limited and COFCO Rice (Panshi) Limited were named "Provincial Leading Enterprises of Agricultural Industrialization of 2014" in Jilin.
On 2 April 2015	The China General Chamber of Commerce and the China National Commercial Information Center jointly held the Annual Conference of the Development of the Chinese Consumption Market and a press conference for sales statistics. "Fortune" (福临门) rice ranked No.1 by sales and comprehensive market shares for six consecutive years, winning the "Star of Championship 2014" award.
In May 2015	COFCO International (Beijing) Co., Ltd. was named one of the "Top Ten Suppliers of China's Catering Industry 2014" by the China Cuisine Association.
On 24 June 2015	China Agri won the " Outstanding Agricultural and Food Processing Company" at the 10th Capital Outstanding China Enterprise Awards presented by CAPITAL magazine. The award recognizes excellent performances in operation management, corporate governance, business reputation, and market competition.
In November 2015	"Fortune" (福临门) rice was named one of the "Consumers' Favorite Food Brands 2015" by the China National Food Industry Association.
In November 2015	COFCO Oils & Grains Industries (Huanggang) Co., Ltd., and COFCO Bio-Chemical Energy (Yushu) Co., Ltd. were named the "National Model of Workers' Home" by the All-China Federation of Trade Unions.
On 5 November 2015	COFCO International (Beijing) Ltd. won the award for its contribution to the "Shenzhen Bay Consensus" granted by the 17th China Retail Industry Convention and the Fourth Session of the Fourth Council of the China Chain Store & Franchise Association.
In December 2015	Jilin COFCO Bio-chemical Packaging Co.,Ltd. was named a "Demonstration Site of National Workers' Reading Room".
On 7 December 2015	Mr. Yue Guojun, Managing Director of China Agri, was elected to be academician of the Chinese Academy of Engineering.
On 17 December 2015	The Legal Department of China Agri was named "2015 China Top 15 In-house Teams" by Thomson Reuters ALB.

Social Responsibility Management

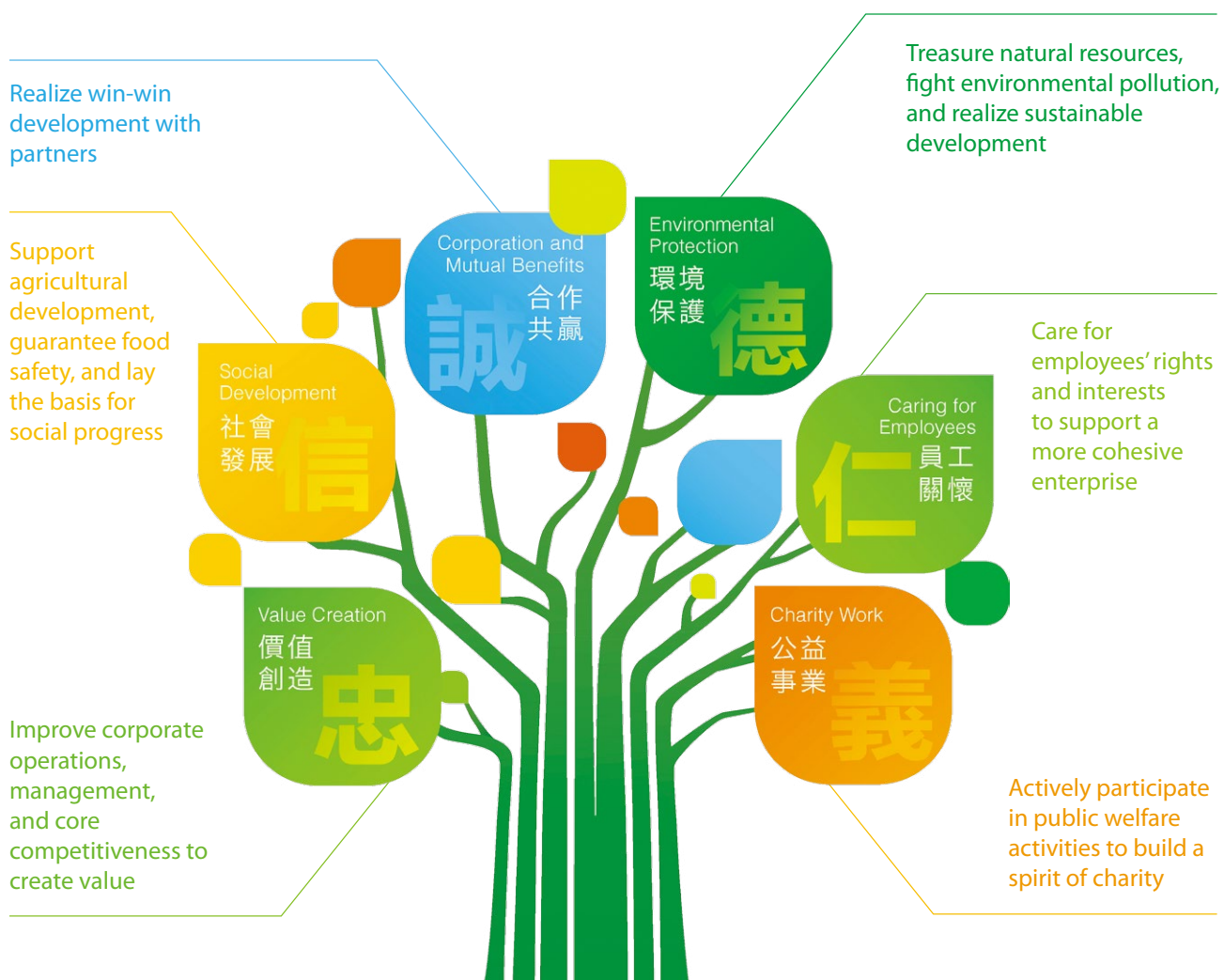
- ◆ Social Responsibility Philosophy
- ◆ Social Responsibility System
- ◆ Material Topic Identification
- ◆ Social Responsibility Communications

Social Responsibility Philosophy

The sustainable development philosophy of COFCO Group, China Agri's parent company, is "Nature Shapes Us". In upholding this philosophy, China Agri fulfills its responsibilities to employees, consumers, the environment and communities, while creating benefits for its shareholders and investors, as well as fulfilling our responsibilities as a good corporate citizen. We incorporate social responsibility into our corporate strategies and culture. We also pay great attention to humanitarian values and contributions to environmental protection, consumer rights and social welfare in the course of our business operations. We believe that by doing so, we build our corporate reputation, as well as winning the confidence, trust and satisfaction of investors, consumers, and employees.

Social Responsibility System

In 2015, China Agri continued to stick to the concept of the "RESPONSIBILITY TREE" after an intense analysis of key topics concerning social responsibility in the industry. Six key words – faithfulness, integrity, sincerity, virtue, benevolence, and morality, represent six CSR sectors and their corresponding stakeholders. This system is the guiding framework for long-term reference and implementation of our social responsibility practices, which will be summarized, assessed, and improved regularly.



Material Topic Identification

In order to enhance the engagement of its stakeholders and make the report better targeted and received, China Agri screened material topics regarding social responsibility in line with the analysis model on topic materiality in the Sustainability Reporting Guidelines (G4.0) when compiling the 2015 CSR Report. The Company identified the materiality of the relevant topics and developed its matrix regarding the material topics by referring to stakeholders' opinions and cooperating with third-party consulting firms.

1. Identifying

In accordance with internal and external documents, China Agri divided the topics into six categories and identified 16 topics for disclosure, which are of significance for the development of the Company, after collecting media reports, communicating with consumers, and referring to the advice of third-party consulting firms.

2. Assessing

China Agri, together with third-party consulting firms, set up interviews for the Company's functional departments and business units, prepared questionnaires, as well as accepted all departments' comments and suggestions and talked with them. Afterwards, it submitted the discussion results to the management for guidance regarding assessment and examination.

3. Screening

We sorted out the 16 topics in line with the significance levels for the Company and the stakeholders (as shown in the following chart). We will present the Company's responsibility fulfilment in the 16 topics as precisely and completely as possible.



Social Responsibility Communications

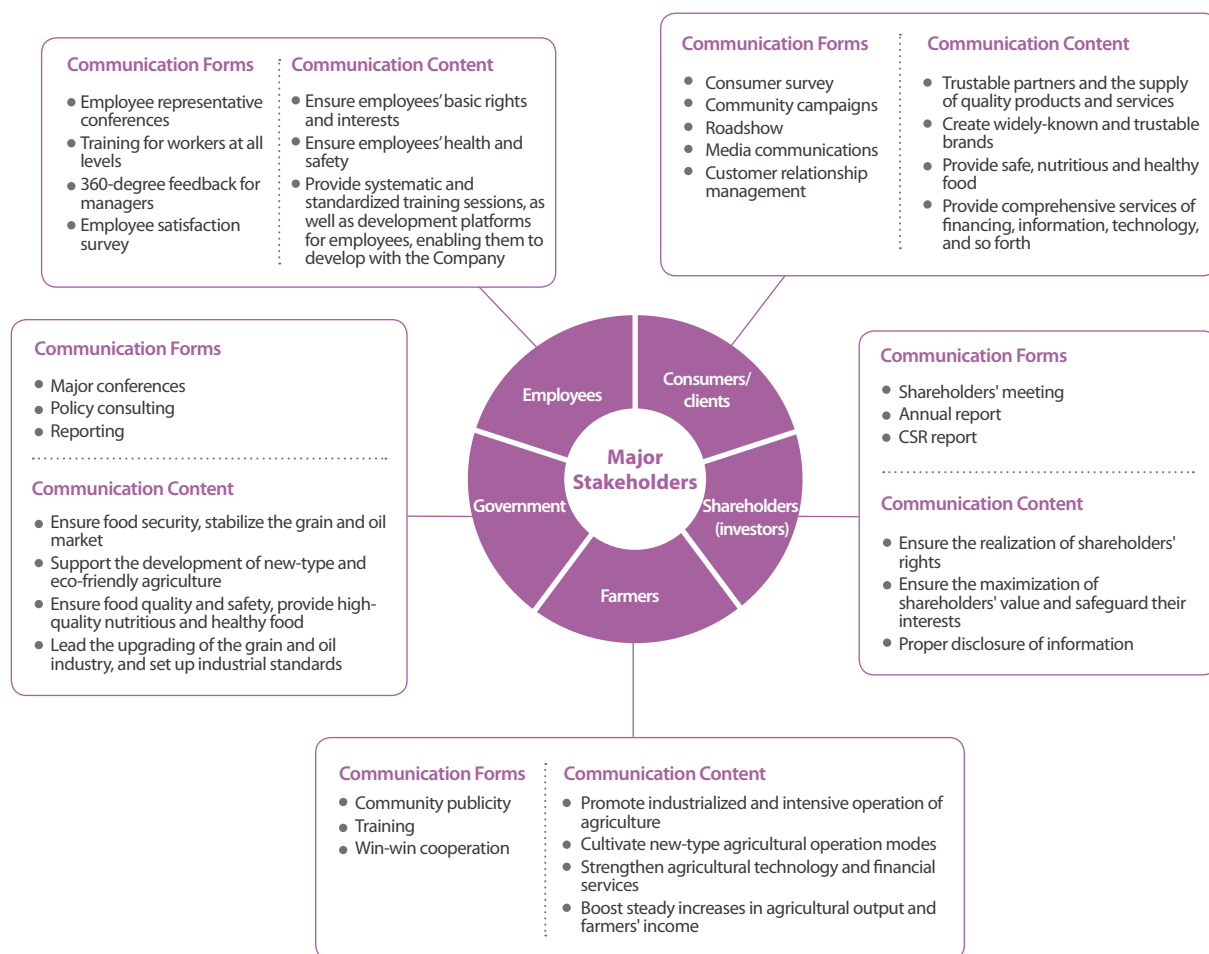
China Agri takes the philosophy of COFCO Group – “Nature Shapes Us” – as its internal values. The Company has achieved win-win results between social responsibility fulfilment and operation sustainability through innovation in business modes and management culture, as well as market-oriented measures.

We have established a Sustainable Development Committee consisting of the management team and department heads in order to conduct overall planning, policy guidance, and management of our CSR work. Professional employees responsible for social responsibility work actively participate

in external training conducted by the State-owned Assets Supervision and Administration Commission (SASAC), the Stock Exchange of Hong Kong Limited, and other consulting agencies. We also promote our CSR concept within the Company.

China Agri's stakeholders mainly include the government, shareholders, farmers, consumers/clients, employees, suppliers, and so forth. Through a long-term communication mechanism with them, the Company is able to learn of their primary needs, as well as adjust its CSR fulfilment strategies and initiatives in a timely manner to meet their expectations.

Mechanism for Communications with Stakeholders



In 2015, China Agri communicated with its stakeholders both online and in-person. In-person communications were carried out through training sessions and exhibitions. Online communications were implemented via the public WeChat accounts of the Company and its business units, which were utilized to spread its business philosophy and achieve positive interaction and communication results.

1) Public WeChat account of China Agri: Sunshine606 (WeChat account: ChinaAgri606)

"Sunshine606" is the official public WeChat account of China Agri. It is committed to communicating the Company's and COFCO Group's important messages timely, directly, and effectively, strengthening the Company's communication and interaction with its employees, as well as promoting its cultural construction.



3) Public WeChat account of the Rice Processing and Trading Division: COFCO Fortune Rice (WeChat account: COFCO_RICE)

"COFCO Fortune Rice", operated by the marketing department of the Rice Processing and Trading Division, is focused on the brand and its products, with content centered on brand initiatives and product promotion. Through creative content and interaction, it has established close communication and relationships with consumers.



2) Public WeChat account of the Biochemical and Biofuel Division: Eliminate Haze

The public WeChat account is used to tell the public how fuel ethanol helps to reduce air pollution, and popularize the cause for haze, its damage and protection measures against it. The account has also been used to spread advanced experience and regulations in popularizing ethanol gasoline in the world, as well as narrate the fuel's contribution to environmental protection, agriculture, and energy. It has become relatively prestigious in the industry.



4) Public WeChat account of the Wheat Processing Division: Joyful Life with "Xiangxue" (WeChat account: cofco-xiangxue)

"Joyful Life with 'Xiangxue'" teaches its users how to cook with flour, noodles, and bread. It also provides daily life tips, recommends popular science books, as well as depicts the relevant activities to communicate and interact with consumers clearly.

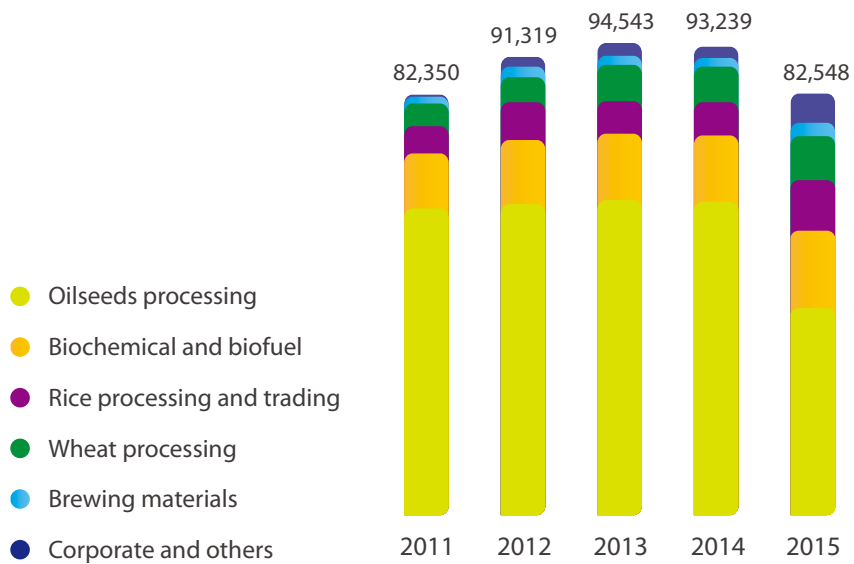


Value Creation

- ◆ Strengthen Operational Management
- ◆ Enhance Risk Management and Internal Controls
- ◆ Promote Product R&D

In 2015, China Agri moved further closer to its goal of becoming an internationalized grain, oil, and food processing company by "focusing on core competitiveness and ROE improvement", constantly strengthening its operational management and risk control capabilities, and reinforcing product R&D.

Revenue (HK\$ million)



Total Assets (HK\$ million)



Strengthen Operational Management

In 2015, the Company continued to focus on benchmark management in the face of fierce competition in the market, emphasizing weakness and core capabilities. By pinpointing problems, as well as formulating and implementing countermeasures, the Company constantly promoted its

business units to draw on strategic strengths, pay attention to transformation characteristics of every link of the industry chain, and grasp profit opportunities. These continuously improved its operations and brought its overall performance to a new level.

Case Study 1

The Oilseeds Processing Division Sets Up Virtual Benchmark Factories

The Oilseeds Processing Division ensured a stable production and operation environment by identifying the approval management of investment projects, boosting the automation level of factories, and strengthening benchmark management. In addition, the Division carried out R&D of new techniques and technologies to innovate and explore new approaches of energy conservation, consumption reductions, and environmental protection.

Relevant measures included establishing a virtual factory that regarded the optimal index values among all facilities as benchmark data. All factories were ranked monthly after comparing their fulfillment values with the benchmark data. Through comparative analysis of indicators and parameters, all factories explored their potential and implemented technological transformations, which made all energy consumption indexes of crushing and refining decline year by year. In addition, the Division formed dedicated teams for equipment management, such as special care teams for key equipment to build the standardized equipment management platform and carry out dedicated equipment maintenance activities. Various efforts were made to comprehensively carry out equipment condition monitoring. Monitoring teams that applied professional condition monitoring apparatuses to effectively reduce the malfunction rate of equipment and losses caused by shutdown, as well as prolong the lifespan of equipment were also established. This played a great role in ensuring continuous production activities, allowing the Company to provide sufficient high-quality grain and oil processing products for the market and yield remarkable social benefits.

Case Study 2

The Biochemical and Biofuel Division Promoted Implementation of Benchmark Projects

In 2015, the Biochemical and Biofuel Division promoted the implementation of benchmark projects. Through staff benchmarking, employees were allocated to positions that best suit them. Through procedure benchmarking, both the per unit consumption of steam and corn plummeted in 2015 from a year earlier, while the starch and protein yield rates increased year on year. Through procurement benchmarking, the total procurement expenses of the Division's subsidiaries were reduced by RMB 25.39 million. Through storage and transport benchmarking, its four starch manufacturing companies slashed storage and transport costs by RMB 8.8894 million.

COFCO Bio-Chemical Energy (Longjiang) Co., Ltd. made breakthroughs in MSG thermosensitive technology, which made it the most advanced MSG producer in China and therefore take the lead in main technical indexes. It avoided currency exchange losses of RMB 17 million by conducting financial planning to boost its fund efficiency and assessing fluctuation trends of currency exchange rates.

Case Study 3

The Brewing Materials Division Achieved Good Results in 5S-TPM and Benchmark Management

In 2015, the Brewing Materials Division achieved good results in terms of 5S-TPM and benchmark management to attain its operational performance targets. Since 2009, the Division has adhered to the 5S-TPM lean management, encouraging employees to participate in the management and drawing on their wisdom. In 2015, the Division adopted 97 proposals suggested by employees, which led to an increase of more than RMB 4.677 million in economic benefits. In addition, the Division launched the benchmark management Green Belt project — "Controlling the Moisture Content of Ordinary Locally-produced Commodity Malt". Through a series of measures, such as equipment transformations and technique adjustments, the moisture content of commodity malt was controlled within a reasonable range, which increased the subsidiary's benefits by more than RMB 1 million.

Enhance Risk Management and Internal Controls

In 2015, China Agri focused on completing and improving its comprehensive risk management system, strengthening its internal control system and anti-corruption work, and enhancing its risk prevention capability to ensure the fulfillment of its strategic targets.

1. Complete and Improved Comprehensive Risk Management System

1) Build a Sound Market Risk Management and Control System

In 2015, the Risk Control Department of China Agri focused on risk assessment, risk control system, information system, monitoring, concept publicity, and other subjects to build a sound market risk management and control system.

◆ Risk Assessment

Formed its comprehensive risk identification and monitoring system, namely a loss limitation indicator; established three scale control indicators, including one main and two assistant indicators; and set up its hierarchical decision-making mechanism for major purchases, effectively reduced risks of decision making structure, and fully reflected the control capability in major business' decision making.

◆ Risk Control System

Continued to optimize its authorization management and institution system; independently established its hierarchical decision-making mechanism for major purchases for the Oilseeds Processing Division based on the existing exposure limitation management mechanism, loss limit management mechanism, loss limit and exposure limitation linkage mechanism.

◆ Information System

The Company further built up its statistics, analysis, and monitor databases based on various risk control indicators

and established its daily report mechanism for risk control data, with reports sent in the form of mobile news and emails every day, guaranteeing the timely and efficient transfer of risk control information.

◆ Monitoring and Concept Publicity

Formed its organizational structure balanced by the front, middle, and back platforms to monitor risks on a daily basis, supervised the implementation of the risk control system, and kept the track of the implementation of risk control measures; enhanced its concept publicity in the operational process to reduce or prevent the Company from suffering unnecessary economic losses.

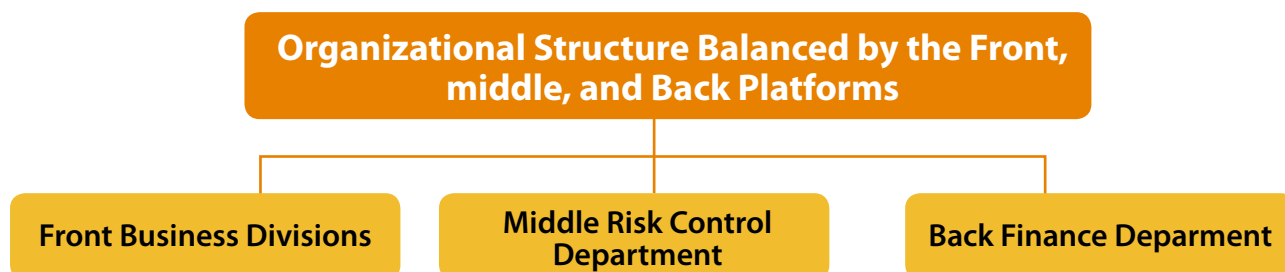
2) Established Complete Credit Risk Control System

◆ Conceived Credit Risk Management Ideas and Plans

Established and improved credit risk management functions at the Company level: drafted and released China Agri Credit Risk Management Measures, providing reference for the credit risk management work; built up its credit risk monitoring, early-warning databases and monthly reports to strengthen its credit risk monitoring and early warning; set standards to screen high-risk and blacklisted clients and suppliers and issued a warning while recording the data; collected information about major accounts' credit data and reviewed common clients; fully implemented credit risk management tools including investigations into use and demand; and conceived work ideas and plans.

◆ Promoted Business Units to Improve Their Credit Risk Management Systems

In 2015, Risk Control Department expanded credit risk databases with data quality and submission efficiency improved impressively; the Company and business units' credit risk management systems gradually matured; basically set up "the Group — the Company — the Divisions — Subordinate Plants" credit risk management process.



2. Strengthened Internal Control System

In 2015, China Agri continued improving its internal control system, reinforced its self-examination, and positively fulfilled the regulatory requirements of the Stock Exchange of Hong Kong Limited. The board of directors maintained the effectiveness of its risk management and internal control system, which have been under examination regularly. Under the supervision of the leadership team, the management team created and maintained its honest and trusted corporate culture, established and improved its risk management and internal control system, fully implemented its comprehensively risk management concept, guaranteed risk assessment control, and had the ability to effectively deal with various risks. The Company sought best practices and pushed the rectification of problems through implementing the self-assessment of internal control and promoting benchmark management and risk early-warning management and Audit and Supervision Department's independent testing, and made continuous improvements to upgrade its comprehensive competitiveness.

3. Strengthened Anti-corruption Work

Through strengthened special supervision, conducted integrity education and more stringent disciplinary reviews, CPC members and cadres' integrity and self-discipline awareness were enhanced and corruption problems were prevented.

China Agri made integrity education the required course for the training of newly appointed managers. In December 2015, the Discipline Inspection and Supervision Division of COFCO Group explained the COFCO's 14 Rules for Managers to Maintain Professional Integrity to new managers to enhance their awareness about incorruptible employment.



From 8 to 18 December, China Agri organized incorruptible employment knowledge tests in Beijing, Jilin and Anhui with the participation of a total of 62 managers, 56 of whom received full scores. The Company implemented the Interim Measures on Tests of Incorruptible Employment Knowledge for China Agri Managers to conduct incorruptible employment knowledge tests annually for the general managers of tier 2 operational units, divisions and subsidiaries, with results taken as an important reference for promotion and appointments.



To intensify the supervision of key posts such as raw material purchase and storage, China Agri laid out the Letter of Commitment on Integrity in Grain Purchase and Storage and organized business units to sign the Commitment Letter. A total of 1,183 managers and employees in key positions of the Company at different levels signed the Letter of Commitment.

Promote Product R&D

In 2015, China Agri promoted the construction of R&D regulations and systems, and formulated the R&D Project Review Measures of China Agri (Trial). The document standardized the Company's work on review of R&D projects, applicable to its forward-looking R&D projects. It also helped improve the expert database and carry out training programs for R&D benchmark management talents; consolidated the

Company's foundation in the R&D field, improved its R&D work review procedures; guaranteed the cultivation of R&D talents; promoted inter-industry communications; and built the R&D management system characterized by in-depth integration and seamless connection among all business units and also between business units and the COFCO Nutrition and Health Research Institute.

Case Study 1

The Oilseeds Processing Division and COFCO Nutrition and Health Research Institute Work Together to Develop Special Oil for Infant Formula

With increasing concerns on the quality of infant formula products, dairy manufacturers have raised their internal control standards. China Agri's Oilseeds Processing Division and the COFCO Nutrition and Health Research Institute carried out their cooperation. (They established a research team and collected related documents from foreign countries to learn from their production technology features.) By the end of 2015, they completed the tests of high oleic acid sunflower seed oil, non-GMO soybean oil, non-GMO rapeseed oil and coconut oil, and mass produced them as well. Therefore, the Company is capable of testing polycyclic aromatic hydrocarbon (PAH), 1-chloro-3-hydroxypropane and other items in batches, and able to provide infant formula manufacturers with high quality products that meet their requirements. This has allowed the Company to become the second oilseeds processing manufacturer in China that can provide products meeting consumers' demand.

Case Study 2

The Biochemical and Biofuel Division Develops Various Products

In 2015, the Division applied for five patents for invention, licensed five patented inventions, made three scientific and technological achievements, and published 13 papers.

Giving insight into customer demand, segmenting products and the starch application market, the Division developed and launched special corn starch products, including low-moisture starch, low-bacteria starch, and bacteria-free starch to meet the demands of high-end food manufacturers and pharmaceutical enterprises, achieving annual sales of 2,100 tons.

Case Study 3

The Rice Processing and Trading Division Joins Hands with the COFCO Nutrition and Health Research Institute to Provide Tailor-made Technological Guidance for Yum! Brands

In 2015, the Rice Processing and Trading Division joined hands with the COFCO Nutrition and Health Research Institute to provide tailor-made technological guidance for Yum! Brands. The Division recommended long-shaped rice recipes and steaming technology as well as cereal food recipes and steaming technology, which boosted its product yield ratio by 3% to 5% and reduced its production cost by RMB 60 to RMB 100 per ton. Calculated on key accounts' annual sales volume of 40,000 tons (based on data in 2014) in the catering industry, the annual production cost can be reduced by RMB 2.4 million to RMB 4 million.

Case Study 4

The Wheat Processing Division Launches "Xiangxue" Household Deep-fried Dough Sticks Flour and Household Wrapped Fried Flour

In June 2015, the Division launched the "Xiangxue" Household Deep-fried Dough Sticks Flour and Household Wrapped Fried Flour. This is another small-package special-purpose flour of the "Xiangxue" brand for home use following the "Xiangxue" Household Cake Flour and Bread Flour.

The "Xiangxue" Household Deep-fried Dough Sticks Flour is alum-free, ensuring food safety, which is also easy to use. Deep-fried dough sticks made of this flour absorb less oil, look golden, and taste spongy; the "Xiangxue" Household Wrapped Fried Flour can be used to fry chicken, fish, and more. The fried foods made of this flour are crispy on the outside and juicy on the inside. Both of the products will become new favorites of gourmets that pursue healthy alternatives and delicious dishes.



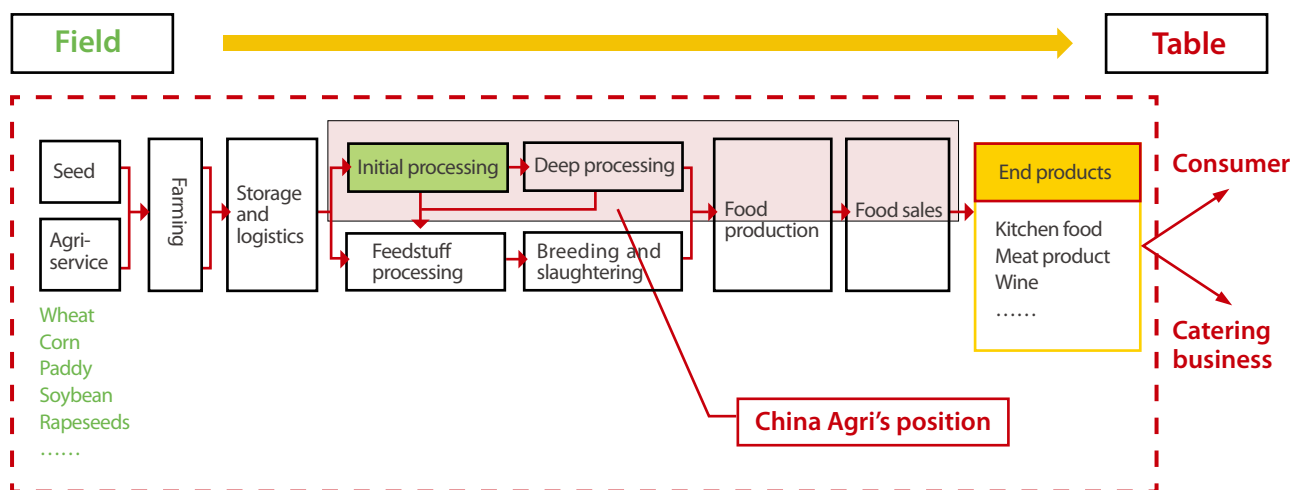
Social Development

- ◆ Ensure Market Supply
- ◆ Ensure Food Safety
- ◆ Boost the Development of Agriculture, Farmers, and Rural Areas
- ◆ Extend Influence in the Industry

A company must be committed to promoting industrial development and social progress, while achieving self-development. In 2015, China Agri strengthened its efforts in ensuring market supply and food safety, boosting the development of agriculture, farmers and countryside, as well as propelling industrial progress, to better serve the society.

Ensure Market Supply

The links of farming, purchase, and storage from the source of the industrial chain provide the foundation for the stable supply and reliable quality of raw materials. The Company increased its efforts in ensuring its grain supply by market-oriented means, making overall arrangements in procurement, processing, logistics, sales, and other links.



Case Study

Global Raw Materials Procurement System of Oilseeds Processing Division

The Oilseeds Processing Division has set up a global raw materials procurement system and established good cooperative relationships with suppliers, such as Noble, ADM, Cargill, Bunge, and Louis Dreyfus. In 2015, the Division purchased about 8.7 million tons of soybeans, rapeseeds, soybean oil, and palm oil from various countries, including Brazil, Argentina, the U.S., Malaysia, Indonesia, Canada, and Australia.

The Division has 15 factories along the Yangtze River Basin, which is a main rapeseed production area, and Shandong Province, which is a main peanut production area. All of these factories have a complete set of facilities for loading and unloading, as well as inspection and storage of domestically-produced oil. They have established long-term cooperative relationships with local farmers, grain brokers, and governments. The Division purchased about 120,000 tons of domestic raw materials, including rapeseeds and peanuts, in 2015.

Ensure Food Safety

Food safety has been a great concern of the society, especially since it deals with integrity and even the national image. In 2015, China Agri continued to strengthen its food safety management system that covers the whole value chain. The Company also enhanced the depth and breadth of its management standards, added benchmark management tools into its quality and food safety management system, and addressed the practical problems of food safety with a project-based approach. By setting up industrial chain standards, the Company strengthened food quality and safety

standardization controls covering the whole value chain. We conducted regular random checks on products available in the market to ensure food safety through cooperation with authoritative international third-party testing organizations and the COFCO Nutrition and Health Research Institute. We also attached great importance to the updates on food safety laws and regulations, and proactively took part in the formulation and revision of standards together with government departments, scientific research institutions, and industry associations.

Case Study 1

The Biochemical and Biofuel Division Uses Software Models to Analyze Production Process

The Biochemical and Biofuel Division adopted computer software, data models and other tools to carry out a qualitative and quantitative analysis on the fluctuations of indicators in the production process of its subsidiaries. The Division also conducted a comprehensive analysis of customer complaints and found down-to-earth solutions to effectively improve product quality.

The Division organized the dedicated teams for product quality of its subsidiaries to set up a research project on quality indicators. Through unremitting efforts, the Division properly addressed client complaints about sensory tests on corn starch.

Case Study 2

The Oilseeds Processing Division Concentrates on the Establishment of a Food Safety Management System for the Fully-integrated Value Chain

The Division attached great importance to the establishment of a food safety management system for the fully-integrated value chain. The Division set up research projects to achieve the process management for quality risk controls and solve special issues, pondered over and offered top designs for quality risk controls, standardized the model of quality management and control, and made plans for promotion and implementation of the model to regulate the entire production process.

The basic elements of the Oilseeds Processing Division's risk control system for product quality and safety include source management of raw materials, production process control, quality information reporting, risk prediction and analysis, shelf life information tracking, and an emergency traceability system for food safety. Therefore, the Division aims to build a product quality and safety risk control system for the fully-integrated value chain based on technical innovation and accurate information to ensure the whole-process, full-lifecycle control of quality safety risks.

Boost the Development of Agriculture, Farmers, and Rural Areas

Given the shortage of agricultural resources, ecological environment deterioration, as well as aging and part-time rural labor forces, the traditional agriculture industry has to “transfer its mode and adjust its structure” and turn to modern agriculture. China Agri has been committed to

boosting the development of agriculture and rural areas in multiple and innovative ways, as well as increasing farmers’ income and employment through training and exchange of know-how to improve the local economic level in an overall way.

Case Study 1

COFCO Dandong Yalu River Agricultural Joint Production Cooperatives

Initiated by the Dandong Supply and Marketing Cooperatives and co-established by COFCO’s subsidiary companies, the COFCO Dandong Yalu River Agricultural Joint Production Cooperatives is the first farmers’ professional cooperatives in Liaoning province that mainly engages in paddy-rice purchase and processing. Such a move has formed an industry chain of “Leading Companies + Cooperatives + Farmers”, accelerating the industrialization of cooperatives. According to the production standards for export rice and the requirements of agriculture economics and plant protection departments, the Cooperatives train farmers, having held courses for more than 3,000 people and released over 20,000 pieces of materials each year. After three years of efforts, the Cooperatives has helped more than 7,000 farmer families from 72 villages in 19 townships cultivate quality rice for export as of year-end 2015. Their planting area now exceeds more than 100,000 mu (Mu is a standard unit of area for farmland in China. 1 mu = 0.6666 hectares or 0.1647 acres), with each capable of increasing farmers’ income by over RMB 300.

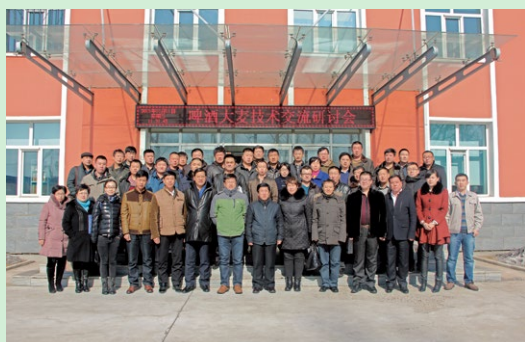
The Cooperatives proactively accepts government departments’ supervision and administration, actively takes part in various training and audit supervision, and does bookkeeping in accordance with the financial rules of the Law on Farmers’ Professional Cooperatives. With an annual return rate of more than 60%, the Cooperatives’ surplus has been higher than RMB 2 million for four consecutive years. Technical specialists were dispatched to give farmers whole-process guidance in accordance with pesticide residue standards, which is expected to have increased farmers’ revenue by RMB 10 million in 2015.

Case Study 2

COFCO Malt (Hulunbeier) Co., Ltd. Provides Specialized Guidance for Farmers

On 11 March 2015, COFCO Malt (Hulunbeier) Co., Ltd. held the “Malting Barley Technical Seminar” in view of the obvious decline of barley production and quality in recent years in Inner Mongolia, which invited more than 60 representatives from large farms and farmers to take part. They discussed the latest barley planting trends and technologies in China and abroad, professionally introduced new barley varieties, and shared their experience in barley planting in terms of disease resistance and prevention, pest resistance, and field management.

On 6 August 2015, COFCO Malt (Hulunbeier) Co., Ltd., together with one of the world’s top five consumer products companies Anheuser-Busch InBev, held the “Barley Field Day”, inviting representatives from local large state-owned farms and farmers to take part. Barley breeding experts from Busch Agricultural Resources, Inc., a subordinate of Anheuser-Busch InBev, introduced the latest achievements in barley breeding and planting to local farmers at the “field school”. Based on experts’ on-site demonstrations and technology interpretations, along with farmers’ sharing their experiences in the fields, participants learned the whole process that modern technologies and intelligent management turn every barley seed into quality malt.



Extend Influence in the Industry

In 2015, while achieving its own development, China Agri conducted various consumer-led activities to enhance their understanding of the food industry, allowing them to be in close contact with production and processing fields. The Company took concrete actions to publicize and implement the industrial culture to promote the sound and safe development of the food industry.

Case Study 1

The “Internet Celebrities Walk into New SOEs” Delegation Visits COFCO Rice (Xiantao) Co., Limited

On 12 March 2015, the “Internet Celebrities Walk into New SOEs” series event jointly organized by the Cyberspace Administration of China and the SASAC Press Center kicked off under the theme “exploring the production and processing of a grain of rice”. Internet celebrities and journalists were invited to visit the rice-breeding stations, grain depots, processing plants, and sales channels of COFCO and other state-owned grain enterprises in Hainan, Hubei and other regions. Various links of grain production were open to them, which allowed the enterprises and consumers to get closer and help consumers fully understand the workflow and production control of state-owned grain enterprises. This also helped increase their transparency and improve consumer confidence in grain quality and safety.

Besides visiting plants, planting bases, and terminal marketplaces, the guests also learned rice-related knowledge introduced by PhD speakers at the COFCO Nutrition and Health Research Institute. They also took part in a blind rice taste test at the venue, getting a better understanding of the property and taste of different kinds of rice.

With rich content and sufficient information transmission, the event helped the public get a comprehensive understanding of the production, operation status, and achievements of the reform of state-owned grain enterprises. The visits made by Internet celebrities and media outlets also allowed the SOEs to get closer to the public by helping them demonstrate their new images in the new era, while enabling the public to rest assured with the safety of grain products they buy or eat.



Case Study 2

The Rice Processing and Trading Division Actively Promotes and Implements Chinese Paddy Rice Culture

On 17 May 2015, the first “Fortune Paddy Rice Cultivating Culture Festival” co-hosted by the State Administration of Grain, the Grain Administration of Hubei Province, and the People’s Government of Xiantao, and undertaken by the Xiantao Grain Administration and the Rice Processing and Trading Division, was held in Xiantao, Hubei province.

The event was a prelude to the “Fortune’s Year of Interactive Experience: Exploring Chinese Paddy Rice Culture in 2015”, under the theme “enjoying delicious rice; cherishing and saving food”. This was also an important stop of the 2015 Food Science and Technology Week held by the State Administration of Grain. The Rice Processing and Trading Division invited consumer representatives of “Fortune” across the country to visit producing areas. While experiencing the natural ecology, these representatives participated in a series of activities such as rice transplanting, enabling them to witness the “from fields to dining tables” safety and quality of Fortune’s products. The guests also witnessed the signing ceremony for the annual order-based planting cooperation agreement between the Division and major farmers at the Xiantao selenium-enriched rice industry base. Farmers will provide the Division with high-quality grain according to the paddy rice varieties and advanced field management modes stipulated in the agreement. The event reproduced a traditional rice farming scene and spread the extensive and profound traditional rice culture, which received great praise from the participants.

On 20 September 2015, the first COFCO Fortune Paddy Rice Culture Festival under the theme “tracking the origin of Chinese rice, celebrating the start of the autumn harvest” was held at COFCO Shenyang Rice Processing Limited. Following the cultural tradition of the festival, Ms. Yang Hong, General Manager of Rice Processing and Trading Division, and the guests present collected the paddy rice of the new season with sickles and opened the granaries, which imply a bumper grain harvest. They also drank wine brewed with new rice to celebrate the harvest. During the event, the guests visited paddy rice producing areas and processing plants, learning about the production process and varieties of COFCO Fortune rice. In addition, renowned cultural scholar Ji Lianhai was invited to the venue to introduce China’s farming and rice culture, as well as the cultural origin of the festival. The event enhanced the brand connotation of COFCO rice, while promoting the Chinese rice culture.



Cooperation and Mutual Benefit

- ◆ Improve the Value of Key Accounts
- ◆ Promote Supplier Development
- ◆ Strengthen Communication with Dealers

China Agri strives to achieve win-win outcomes with key accounts, suppliers, distributors and other business partners. Being both client and consumer-oriented, we make continuous efforts to enhance our overall core competitiveness. Furthermore, we actively maintain and expand strategic partnerships with key accounts, offering them high-quality, reliable, long-term, and overall solutions. We have established sustained communication and provided mutual support with our partners to continuously improve our product quality and service level by improving the value of key accounts, promoting the development of suppliers, and strengthening communication with distributors.

Improve the Value of Key Accounts

China Agri has always insisted on observing, obtaining, serving, and maintaining clients from the perspective of the entire industry chain, building a customer-oriented business system. We attach great importance to cooperation with our clients, particularly key accounts, believing that their maximum value enables us to achieve win-win strategic cooperation with leading enterprises in the industry. Proceeding from the strategic positioning of transforming the Company into a one-stop solution provider of foodstuffs and feedstock, we have established a close cooperative relationship with leading and famous firms in the downstream industries, including food processing, catering, dairy, beverage, wine, feedstuff, and breeding. We are constantly improving our overall image in the heart of key accounts to raise our market share and increase customer stickiness.

1. Market Development and Brand Construction

The Key Accounts Department led and organized relevant business units to form an overall sales team representing China Agri's B2B business. The team conducted joint site tours, centralized advantageous information and resources, as well as gave full play to collaboration effects to enhance our influence and voice among customers.

In 2015, the Company organized business units in-house to attend industrial conferences and association activities in a unified way. On 1 April 2015, China Agri's Jilin COFCO Biochemical Energy Sales and Distributions Co., Ltd., and COFCO TECH Bioengineering (Tianjin) Co., Ltd., among others, jointly attended 2015 FIC (Food Ingredients China) exhibition. Together, they met more than 500 customers at home and abroad during the exhibition, promoting food ingredient products, such as citric acid, sweeteners, starch, dextrin, syrup, fructose, MSG, and VE, highlighting the Company's overall advantage in its abundant product mix and marketing ability. In early December, the Key Accounts Department teamed up with the Biochemical and Biofuel Division and Wheat Processing Division to take part in FIE (European Food Ingredients) exhibition, putting up a bridge for COFCO's food ingredient business to expand overseas markets.

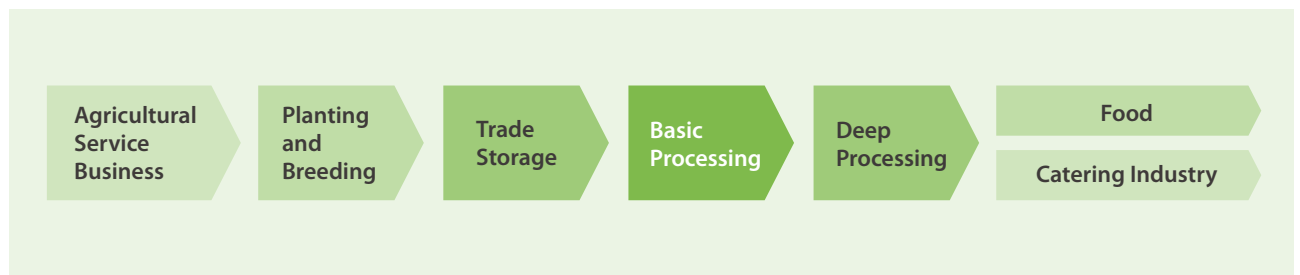
The Company organized the Oilseeds Processing Division,

Wheat Processing Division, Rice Processing and Trading Division, and other business units to develop new customers in the catering industry, inclusive of Oriental Dumpling King, Dalian Acasia Food, Hehegu, and BigPizza, through joint visits and strategic negotiations in 2015.

In May, China Agri has sent its samples of modified starch to Wugudaochang, Mengniu, and Sanquan. The Company also sent samples of low moisture starch (food grade) to Unilever. At present, the sample is in the trace phase. On 13 October, China Agri organized the COFCO Nutrition and Health Research Institute and Wheat Processing Division to jointly work on the "whole wheat flour" project. They will promote the project to customers in accordance with product conditions. In November, the Wheat Processing Division's Xiamen Haijia Plant cooperated with Dali Foods Group to develop cranberry bread, which has hit the market now. On 24-25 December, the COFCO Nutrition and Health Research Institute and Wheat Processing Division worked with the R&D Center of Zhengda Agriculture and Animal Husbandry Group to know about the group's food R&D efforts and actively promote the application of whole wheat flour.

2. Industrial Chain and Customer Management

(1) Industrial Chain: Centering on Basic Grain and Oil Processing



Development ideas: providing solid foundation and consolidating business performance; extending towards the two ends and enriching profit models

1) Based on the comprehensive utilization of policies, information, and assets	2) Based on product technology R&D and business model innovation
Trade storage: actively striving for policy support, achieve full in-house synergies, and participating in the grain circulation business	Deep-processing: driven by R&D, expanding nutritional and healthy products, offering one stop solutions
Overseas business: creating overseas regional platforms, promoting control of upstream resources	Brand business: enhancing brand image with products, making “super single items”

(2) Customer Management

Since the BI project was launched by China Agri's IT department in October 2012, a normalized monthly filling process has been formed. The Key Accounts' BI system is designed to establish the information framework for the Company's management of key customers, make submission of information more normalized and standardized, track daily business better, and effectively promote interior collaboration, thereby enhancing the key accounts management of the Company, replacing the Excel format with advanced management tools and significantly reducing the work of information integration.

The Company made use of the information management framework to compile the quarterly "China Agri Key Accounts Sale Management Report" based on system data. The document periodically summarized the cooperation between various business units and key clients, timely reflected the progress of various businesses, prioritized and analyzed problems existing in operations, conducted multi-dimensional analysis on its sales business, and fully explored the resources and potential of key accounts to powerfully support the development of its B2B business.

Case Study 1

The Rice Processing and Trading Division Signs Strategic Cooperation Agreement with BBK

In July 2015, Ms. Yang Hong, Vice President of China Agri representing the Rice Processing and Trading Division, signed a strategic cooperation agreement with BBK, on behalf of the Company. By the end of 2015, the two parties completed their full-category, omni-channel cooperation. With this close partnership, the Division customized four "Q brand" products for BBK. Sales of its packaged rice increased 70% during the period, making a historic breakthrough.

Case Study 2

COFCO Rongs Biotech Co., Ltd. helps Suzhou R Company to successfully launch new product

Suzhou R Company is a core client of COFCO Rongs Biotech Co., Ltd. After learning about its idea to develop a new product, our sales personnel timely put up a bridge enabling the R&D departments of both sides to conduct communication. Furthermore, we helped it to trial-produce the syrup required. The company gave essential and timely feedback about the trial for adjusting manufacturing techniques, helping the customer through every means possible to resolve problems and jointly cultivate new market opportunities. Finally, our syrup products helped Suzhou R Company successfully launch its new product. We have maintained our position as the sole sweetener supplier of Suzhou R Company.

Case Study 3

The Wheat Processing Division Launches Cooperation with Dali Foods Group

In 2015, COFCO sales revenue from its cooperation with Dali Foods Group was RMB 450 million, up 16% year on year. The partnership involved a total of 12 products from seven business units, of which flour and white granulated sugar were the main items. The Wheat Processing Division increased its sales volume through R&D of new products. During the same period, sales of white granulated sugar, flour and small red beans also grew.



Promote Supplier Development

In 2015, China Agri continued to conduct supplier management and create supplier supervision and audit plans. The Company completed all of its supplier audit plans, ensuring effective management and control of its suppliers. In order to further improve its supplier management, the Company formulated and issued strategic supplier development plans for these five industry chains: oil, corn, rice, malt and wheat.

Case Study 1

Jilin COFCO Bio-chemical Energy Sales and Distributions Co., Ltd. Cooperates with China Shipping Container Lines (Dalian) Co., Ltd. to Establish an Open Platform for Container Transportation Information

The Biochemical and Biofuel Division adopted Internet thinking to open up the data interfaces of the information systems of plants, sales companies, ports and carriers to build a systematic, open and platform-based management model for the logistics supply chain. This has effectively shortened the operation time in the logistics link and improved the logistics specialization level and support capability.

Case Study 2

The Oilseeds Processing Division Adopts Multifaceted Management Strategies to Promote Supplier Development

For the selection and review of suppliers, the Oilseeds Processing Division has adopted a working approach that integrates leadership, uniform standards, zoning, and mutual recognition of results. This has further deepened its supplier management and examination, as well as strengthened the qualification examination and risk assessment. The Division conducts classified and graded reviews based on the risk management needs of food safety, using food safety and transportation security commitments, as well as authorized processing agreements for label printing. This ensures food safety, transportation safety, and intellectual property rights.

The Division controlled and ensured product quality from the source of the industrial chain, while adjusting the process parameters to improve the management and control of product quality risks, as well as its rapid response abilities. The Division also conducted the unified arrangement and comprehensive rectification to minimize safety risks in terms of production, storage devices, pipes, and filter clothes.

The Division conducted integrated assessments of all suppliers utilizing multiple indicators, including industry status, credibility, reputation and cooperation records, in order to strengthen supplier management. The Division selected about 15 optimal suppliers that boast high industry status, outstanding credibility and reputation, and without any poor cooperation records. It then chose seven or eight alternative strategic suppliers from the 15 optimal ones by means such as exchange visits, field inspections, and business negotiations for discussing multiple strategic cooperation modes. Finally, the Division conducted short-term cooperation with these suppliers and added them onto its list of ordinary qualified suppliers, picking up preferred strategic suppliers by analyzing and assessing its cooperation records with them.

Strengthen Communication with Dealers

On 9 January 2015, COFCO and ten enterprises responded positively and reached a framework agreement – The Shenzhen Bay Consensus – on the initiative of the China Chain Store & Franchise Association (CCFA). The Rice Processing and Trading Division has attached great importance to this partnership. Its sales team has further deepened the cooperation with excellent retailers, such as CSF Market, BBK, Vanguard, and Carrefour, through CCFA's large platform.

In November 2015, the Division carried out an extensive cooperation with CSF Market, Meet all, and other retail

enterprises, in the context of the implementation of the latest Food Safety Law. The Division has further expanded the Company's brand influence by various means, such as consumer education and product promotion.

China Agri has maintained its T2T mutual-visit mechanism with Wal-Mart for four consecutive years, actively and steadily promoting their business cooperation on this extensive strategic consensus. Both category and SKU of COFCO's commodities sold on Wal-Mart's platform increased. In particular, the compound growth rate of its flour business reached 56%.



Environmental Protection

- ◆ Cut Emissions
- ◆ Recycling, Re-usage, and Conservation of Resources
- ◆ Clean Energy
- ◆ Water Resources Management

With the intensifying global resource shortage and environmental pollution problems around the world, environmental responsibilities have become the key topic of corporate social responsibility. At the same time, the influence of climate change on agriculture and the living environment for humans has become increasingly obvious. China Agri has actively responded to the national call by attaching great importance to environmental responsibilities, increasing its investment in environmental protection, promoting energy conservation and emission reduction further, and positively exploring the development roadmap of low input, low consumption, low emission, and high yield. The Company is effectively dealing with global climate change and increasing the public's awareness of environmental protection through

saving resources, advocating the recycling concept, vigorously producing and promoting clean energy, enhancing the management of water resources, and more.

In 2015, China Agri witnessed a sharp decline in water, electricity, and comprehensive energy consumption compared to the last two years. The Company invested RMB 52 million in 59 energy-saving reengineering projects, covering the transportation and processing of materials, the renovation of the circulating water and steam system, the energy-saving reconstruction of boilers, electricity generation, the upgrade of power transformation and distribution, and more.

Data on Environmental Protection and Energy Consumption

	Oilseeds Processing Business	Biofuel Business	Biochemical Business	Rice Processing and Treading Business	Brewing Materials Business	Wheat Processing Business
Total Water Consumption (Unit: ton)	3,492,801	15,851,100	14,367,187	-	3,418,792	-
Waste Water Output (Unit: ton)	2,380,050	14,407,777	9,196,920	-	2,953,554	-
Waste Water Discharge (Unit: ton)	1,375,125	13,188,882	9,130,381	-	2,953,554	-
COD (Unit: ton)	48	2,511	748	-	237.8	-
Ammonia Nitrogen (Unit: ton)	6.7	119	87.82	-	13	-
SO ₂ (Unit: ton)	646	2,429	3,140	-	230	-
Oxynitride (Unit: ton)	576	2,756	33,30	-	100	-
CO ₂ Discharge (Unit: ton)	232,389	1,115,232	1,674,328	20,234	-	-

	Oilseeds Processing Business	Biofuel Business	Biochemical Business	Rice Processing and Treading Business	Brewing Materials Business	Wheat Processing Business
Emission Intensity of CO ₂ (Unit: ton/RMB10,000)	0.06	1.08	2.11	0.04	-	-
Comprehensive Energy Consumption (Unit: ton of standard coal equivalent)	332,068	926,604	665,338	7,707	73,224	29,386
Comprehensive Energy Consumption Intensity (Unit: ton of standard coal equivalent /RMB 10,000)	0.09	0.90	0.90	0.02	0.36	0.05
Coal (Unit: ton)	157,307	378,941	616,574	-	38,349	-
Electricity (Unit: 10,000 kWh)	48,170	59,513	23,535	6,137	8,720	18,741
Natural Gas (Unit:10,000 cubic meters)	619	-	172	-	-	-
Steam (unit: MkJ)	3,091,478	13,889,750	504,801	-	708,427	-
Methane (Unit:10,000 cubic meters)	-	268,155	701	-	-	-

Description: The disclosure of environmental data is based on China Agri's quality safety management information system. All statistics are reported regularly by production plants of each business division. The data of 2015 are summarized and calculated by each business division in early 2016. Environmental statistics vary from division to division according to different production conditions. For instance, the consumption of energy and resources is comparatively less and has little influence on the environment during the production and processing of rice, therefore data is only available for five indicators including CO₂ emissions, intensity of CO₂ emissions, comprehensive energy consumption, intensity of comprehensive energy consumption and electricity. In 2016, the Company will continue to improve the process of data collection in order to achieve a normalized management of the disclosure of environmental statistics.

Cut Emissions

China Agri vigorously advocates the application of new technologies and craftsmanship regarding energy conservation and emission reduction to effectively reduce energy consumption and pollutant emissions during the course of expanding and rebuilding its capability, and adjusting its industrial structure. The Company invested RMB 270 million in an environmental improvement project dealing with desulfurization, de-nitration, and dust extraction for boilers. The project is expected to cut soot emissions by 800 tons per year, SO₂ emissions by about 1,000 tons per year, and NO_x emissions by approximately 1,000 tons per year upon its completion.

In 2015, the Oilseeds Processing Division achieved some positive results in reducing pollutant emissions through cleaner production, the application of new solvents, and other measures.

In 2015, the Division adopted the most advanced technology for the clean production of ADM, which reduced its losses in refining oil during the production process, improved productivity, and reduced the concentration of productive waste water's organic pollutants. With the utilization of this technology, the total amount of organic pollutant emissions and the cost of sewage treatment were reduced.

At the same time, the Division actively conducted research regarding the application of new solvents for vegetable oil extraction in extract technology. The project was put on trial run at its Jingzhou factory through a series of first-phase preparations, including discussions, investigations, and tests. The successful application of this new environmental-friendly solvent for vegetable oil extraction can reduce the occupational health hazards for employees, air pollutant emissions, and energy consumption. The project also promoted the quality of crushing products and prolong the maintenance period of equipment, which has produced obvious social benefits.

In addition, the Division's factories completed innovation projects for the flue-gas treatment, desulfurization, dust extraction of boilers, and flue-gas desulfurization to reduce SO₂, NO_x, and soot emissions.

In 2015, the Division established a quota standard of energy consumption and water intaking. We completed 65 key projects regarding the technical innovation of energy conservation and emission reduction by analyzing data parameters comparatively, developing the potential of both energy conservation and emission reduction, and implementing various technical improvement measures.



Recycling, Re-usage, and Conservation of Resources

China Agri has been actively exploring recycling to transform waste into assets in manufacturing and continuously extending its industrial chain to improve the utilization efficiency of its resources and energy, as well as follow a low-carbon development path of low-energy consumption, low emissions, and low pollution. Aiming to become a recycling-oriented enterprise with the support of advanced processing technologies and equipment, the Company is making use

of cleaner production technologies, strengthening the comprehensive utilization of resources, and developing a circular economy by recycling and reusing resources and energy to reduce pressure in this regard effectively. Data shows that the Company's annual energy consumption was reduced by 17,000 tons of standard coal equivalent, creating economic benefits of RMB 8 million.

Case Study 1

Plants under the Rice Processing and Trading Division Recycle Rice Husks Produced during Processing as Renewable Energy

All plants under the Rice Processing and Trading Division have adopted rice husks as renewable energy for heating and drying. They made use of about 30,000 tons of rice husks in 2015, which helped save 13,000 tons of coal and reduce 52 tons of sulfur dioxide emissions. These factories have cultivated workers' conservation awareness through training sessions, improvement of motor efficiency, energy-saving publicity weeks, transformation of the lighting system with energy-saving lamps, and application for suspension of transformers centered on energy saving and consumption reduction. They mobilized grass root levels employees to put forward proposals for process improvement and energy consumption reduction through benchmark management, as well as promoted the best practices regarding energy conservation and emissions reduction within the Division to achieve the goal of saving energy and reducing consumption.

Case Study 2

Plants under the Oilseeds Processing and Trading Division Expand Comprehensive Utilization to Reuse Production Waste

The Division has developed an industrial park pattern based on refineries, oil-pressing mills, flour mills, small-package plants, feed mills, special oil mills, rice mills, and phospholipid mills to build large oilseeds processing plants. The integration of the circular economy concept has been fully considered in construction so the waste materials in production, including soap stocks and foots oil, can be recycled as by-products and used as raw materials for downstream products or sold to downstream companies as raw materials. This can help realize the comprehensive utilization and circular flow of resources between plants within the Division and other enterprises.

Case Study 3

The Biochemical and Biofuel Division Promotes Implementation of Environmental Protection and Energy Conservation Projects

In 2015, the Division decreased the unit consumption of steam per ton of starch by 100 kg, saving RMB 8.5 million, and reduced corn consumption by 4,716 tons (standard moisture), saving RMB 10.38 million through the benchmark management of utility systems.

Case Study 4

The Brewing Materials Division Strengthens Technology Transformation

In 2015, the Division promoted cleaner production, as well as energy saving and consumption reduction in an all-round way centered on its operating performance indicators. The Division achieved the goal of energy conservation and emissions reduction through equipment upgrading. During malting, steam-condensed water was delivered to the boiler systems for recycling through pipes and water pumps, creating economic benefits of 1,000 tons of standard coal equivalent per year. The insulating layers of the freezing water pipes of the malting towers were changed to strengthen the thermal insulating effect to reduce heat losses, saving electricity consumption of 3.6 kWh per ton of malt. In addition, the frequency control technology of the draught fans in the germinating boxes of the malting towers was transformed with frequency conversion operation adopted for energy conservation, reducing power consumption by 10%.

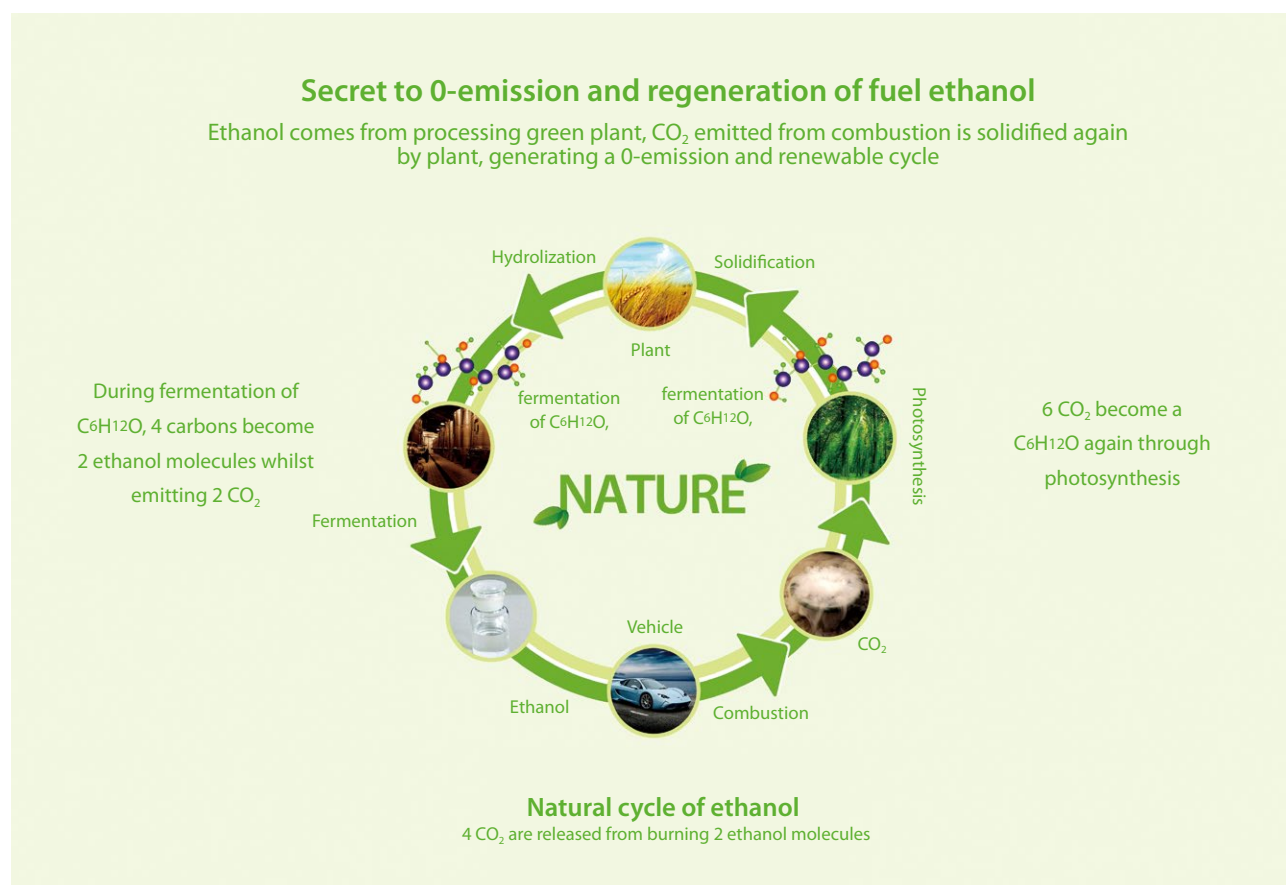
Clean Energy

Energy shortage and global climate change have attracted great attention from countries all over the world. People are seeking a development path that is economically feasible and sustainable in terms of resource that can solve the problems of energy and environment simultaneously. Fuel ethanol is widely acknowledged as the most widely used renewable energy that has replaced gasoline in numerous places.

In 2015, the Biochemical and Biofuel Division produced 880,000 tons of fuel ethanol. The Division made ethanol gasoline by adding fuel ethanol to ordinary gasoline, which indirectly reduced oil imports by 4.6 million tons. With the use of ethanol gasoline, compared with ordinary gasoline, the emission of PM2.5 can be reduced by up to 40%. In addition, the average concentration of carbureted hydrogen (CH) in

automobile exhaust can be reduced by 42.7%. Furthermore, the amount of carbon monoxide (CO) can be reduced by 25-30%.

Promoting fuel ethanol can greatly reduce carbon dioxide emissions and harmful substances in automobile exhaust. The replacement of methyl tertiary butyl ether (MTBE) with fuel ethanol can improve gasoline octane number and protect groundwater resources. Taking Beijing as an example, with more than 5 million existing motor vehicles in the city, the use of ethanol gasoline can reduce pollution at the equivalent of about 2 million motor vehicles. This can effectively reduce urban haze and emissions of greenhouse gases. It can match the odd-even license plate restrictions in haze reduction.



The Biochemical and Biofuel Division is carrying a number of initiatives to popularize the effect of fuel ethanol in reducing air pollution for the public.

Case Study 1

Opening WeChat public account called Eliminate Haze

With this platform, China Agri has propagandized the cause of formation and harm of haze, self-protection measures against it, advanced experience in popularizing ethanol gasoline, relevant laws and regulations, as well as outstanding contributions of ethanol gasoline to environmental protection, agriculture, and energy.



Case Study 2

Holds "China Fuel Ethanol Exhibition"

From 19 to 22 September 2015, the China International Auto Products Expo, the only national auto commodities fair hosted by the Ministry of Commerce, was held in Shanghai. The Biochemical and Biofuel Division was invited to attend the gathering, where it held the "China Fuel Ethanol Exhibition", together with other fuel ethanol production units, to show the effect of ethanol gasoline in environmental production to the public.

With an exhibition area of 250,000 square meters, it attracted about 300,000 professional visitors from 55 countries. Embassies and consulates also sent economic delegations to the meeting. The exhibition booth of fuel ethanol attracted the attention and participation of many visitors through videos, brochures, 3D stereographs, posters, games, giveaways, prizes, and other activities. Visitors learned more about the causes of haze, the danger of automobile exhaust, and the positive role of ethanol gasoline to the abatement of haze. Doubts about ethanol gasoline were put off through the Q&A activity held on the spot. The visitors said China should expand the promotion area of ethanol gasoline for motor vehicles to keep the sky blue.

This exhibition is the first time the fuel ethanol industry has shown the overall image of the ethyl alcohol. To actively promote air pollution abatement efforts in China, fuel ethanol enterprises will strive to play greater roles in developing green and clean renewable energy, as well as promoting the image and status of ethanol gasoline for motor vehicles in the public and auto products fields.



Water Resources Management

In 2015, China Agri developed multiple technologies to strengthen the management of water resources, as well as promote waste water reclamation and treatment projects to realize water resources saving and control.

In 2015, the Oilseeds Processing Division conducted investigations into sewage treatment costs to explore the potential of cost reduction. Through comparative analysis of detailed items, we not only replicated, but also promoted an excellent experience and made great achievements to increase the transformation and upgrading of sewage treatment facilities. Eleven water-saving technology retrofit schemes were implemented to establish the direction of the whole process control for sewage treatment cost reduction.

“Grey water” has been efficiently recycled and reused in factory production, dusting, cleaning and greening to achieve zero-release of industry sewage. 72,000 tons of water and 5-thousand tons of steam can be saved per year and annual economic benefit is RMB 701,000.

COFCO Bio-Chemical Energy (Yushu) Co., Ltd. saved more than RMB 200,000 with its circulating water variable frequency descaling system, while COFCO Bio-Chemical Energy (Gongzhuling) Co., Ltd. saved RMB 652,700 in terms of its total alkali consumption in sewage treatment, as well as RMB 124,000 with the cooling systems used at its workshops.



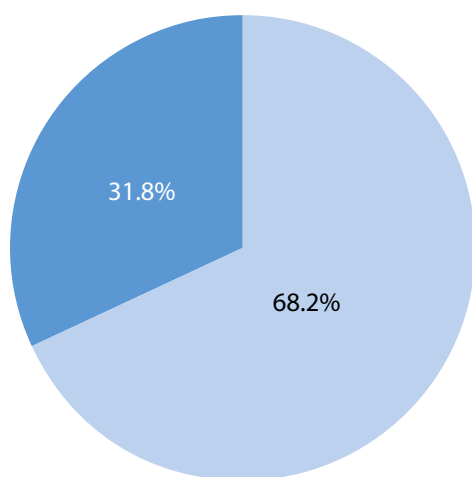
Care for Employees

- ◆ Safeguard the Rights and Interests of Employees
- ◆ Attach Importance to Employee Development and Value Realization
- ◆ Workplace Safety and Health
- ◆ Care for Employees

Employees are the most precious resource and wealth for an enterprise's development. A qualified organization should be committed to mobilizing the initiative and enthusiasm of its members and motivating their sense of belonging and happiness to build up its core competitiveness.

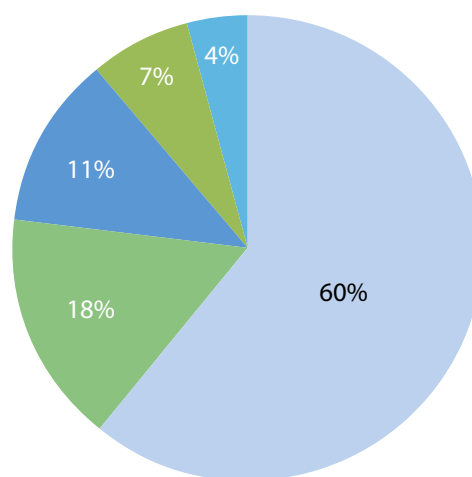
Adhering to the management philosophy of "People First", China Agri has been making unremitting efforts to maximize the value of its employees. We always adhere to establishing a law-based, harmonious, efficient and stable employment system, maintaining the rights and interests of our workers, listening to their needs, and providing them with sound development platforms. We attach great importance to our employees' career development and ability enhancement, promoting their value realization. A conducive working environment is also provided to ensure their occupational safety and health. We create a warm, harmonious homeland to allow our members to grow together with the company in an atmosphere full of cohesion and positive energy.

As of 31 December 2015, the total number of employees at China Agri was 28,769.



Gender Proportion of Employees at China Agri

- Male: 19,620 (Person)
- Female: 9,149 (Person)



Employees' Age Distribution at China Agri

- Aged ≤35: 17,261 (Person)
- Aged 36-40: 5,178 (Person)
- Aged 41-45: 3,165 (Person)
- Aged 46-50: 2,014 (Person)
- Aged ≥51: 1,151 (Person)

Safeguard the Rights and Interests of Employees

China Agri respects and protects the rights and interests of its employees, strictly abide by China's Labor Law, Labor Contract Law, and other laws and regulations. We strive to improve our employee management system on an ongoing basis, and have established sound supervisory systems to protect labor rights.

1. Law-based Employment

The Company signs labor contracts with employees in accordance with national and local laws and regulations, and fulfills its duties according to law and contract. In the process of signing, renewing, and terminating labor contracts, we follow legal procedures and protect the legitimate rights and interests of our employees.

In accordance with national and local laws and regulations, we pay social insurance for our employees. We provide them with a good variety of benefits, including supplementary medical insurance, corporate pensions, traffic allowance, and lunch subsidies. We also arrange regular physical checkups, have a medical insurance system for major diseases, and disseminate information on physical and mental health maintenance.

The Company formulates rules and regulations of the enterprise in a practical manner. We carry out regular compliance assessments of human resources management at our subsidiaries, using both internal and external audits, in order to ensure that our employee relations system is in compliance with state laws and regulations and the interests of all employees are protected.

We encourage employees to enjoy their legal rights of taking leave. In addition to statutory annual leave, employees enjoy paid leave every year, whose entitlement is based on the number of years employed.

2. 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 our workers an opportunity to learn about corporate developments and major issues concerning their interests, as well as providing a communication channel for them to express their views. The Party Committee of China Agri and its trade union hold the symposium each year for employee representatives.

During the meeting, we solicit opinions and suggestions for corporate development and answer any questions employees may have.

We conduct an employee satisfaction survey with anonymous questionnaires annually. We review opinions and suggestions from employees, analyze problems identified, and put forward measures for improvement in the following year.

3. Remuneration and Social Security

In order to inspire the staff's vitality and creativity, China Agri has built a scientific, market-oriented remuneration system and a complete remuneration management system to ensure competitive salary benefits for them. We abide by government regulations of "Five Social Insurance and One Housing Fund" and provide our employees with appropriate social security and welfare packages. We also provide them with a good variety of benefits, including supplementary medical insurance (covering dependent children), personal accident insurance, corporate pensions, lunch subsidies, and paid annual leave. We also arrange regular physical checkups and disseminate information on physical and mental health maintenance.

4. Improvement of Evaluation Systems

In 2015, China Agri continued to implement its performance assessment system that covers all employees and further strengthened its role through the talent development program. We perfected an evaluation system for managers, including assigning annual key works for each based on their performance evaluation and paying more attention to the bottlenecks that affect the company's development. In addition, indicators such as safe production, governance in accordance with the law, as well as integrity and self-discipline were included in the 'minus' list for manager performance assessment. Moreover, legitimacy and safety are considered the soul of enterprise management.

Attach Importance to Employee Development and Value Realization

China Agri regards professional skills development and capability enhancement as a strategic investment. We create learning opportunities and provide diversified resources for professional and personal development of its employees. We have attached great importance to fostering new and young employees and improved the leadership and professional skills of employees at all levels to help them improve themselves, achieve their goals, as well as keep their physical and mental health through professional trainings, leadership trainings, talent cultivation, and other measures. By this process, the company and its employees grow together.

1. Employee Career Development

China Agri continues to promote the establishment of its career development program. We look for ways to nurture professional and managerial talent, based on a two-track system for management and professionals. At the same time, we continue to promote the "China Agri Production Management Trainees" program, identifying workers who

showed potential for interning in different parts of the company. We expanded the front-line management team by identifying professional middle management personnel with rich theoretical and practical experience who could benefit from on-the-job training, centralized training, reading, online learning, and action learning over a two-year training period.

Case Study 1

On 21 August 2015, China Agri held the Orientation and Training of New Employees 2015 at the Fortune Plaza, which was attended by 50 new employees that joined the Company in 2014 and 2015.



Case Study 2

From 30 November to 4 December 2015, a total of 34 people from China Agri's functional departments and business divisions took part in a training program for new managers of the Company that was held by the China Executive Leadership Academy, Jinggangshan (CELAJ).



2. Employee Competency Improvement

China Agri has a unique employee training and professional skill improvement system and creates learning opportunities to ensure that employees are able to upgrade their skills and knowledge on an ongoing basis. We have improved the competencies of the management team, as well as their leadership and professional skills, at all levels. We have paid special attention to the development of young and key employees.

In 2015, China Agri conducted a series of training activities in areas including leadership development, production

management, R&D, safety and environmental protection, risk control, discipline inspection, auditing, and finance. Basic production skills were also a focus, and training programs helped to build an inclusive learning atmosphere and culture. We increased both the number and quality of skill training programs at the factory level. According to the statistics, every employee completed 7.63 hours of training on average. The average numbers of hours senior management, middle management, and ordinary employees trained for were 8.34, 8.03, and 6.64, respectively.

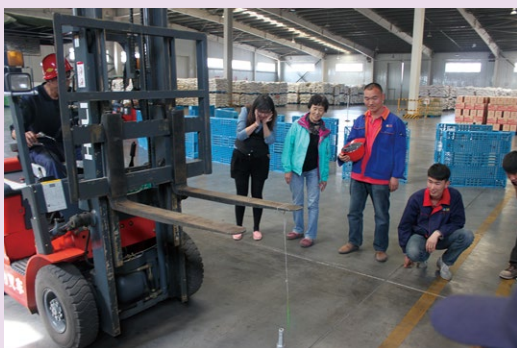
Case Study 1

In 2015, the Wheat Processing Division conducted 16 skill competitions, with 1,009 participants and 134 people awarded. At the same time, we organized food safety and inspection employee training sessions at our subsidiaries 66 times. A total of 23 employees joined in eight external trainings, among which 20 won the certificates of grain and oil quality inspectors and technicians. We also organized 58 internal trainings, in which 681 employees took part.



Case Study 2

The Zhengzhou Industrial Park and COFCO Ningxia Rice Processing Limited held a skill competition for young employees around National Youth Day of China. Grassroots enterprises showed young employees' job skills and enhanced their job competencies through the activity, setting up learning examples for the Company.



Case Study 3

On 9-11 June, 2015, China Agri held the "3rd Training for Production Management Trainees" which was attended by 14 people.



Workplace Safety and Health

In 2015, China Agri maintained and improved its management and controls for workplace safety and health. The Company also strengthened its publicity regarding the prevention of occupational diseases to increase its employees' safety awareness and help them master the relevant skills to eventually guarantee workplace safety and health.

China Agri has established a Quality and Safety Management Committee, with the Managing Director Yue Guojun as the

head of the committee. It also set up a Quality and Safety Management Office, which Chief Engineer Zhang Jianhua is the head of the office. Both are responsible for corporate quality safety management. The Company has also revised its quality and safety responsibility system, making clear the responsibility on production safety at all levels. By the end of 2015, the Company formulated 19 management systems, and followed 86 of the production and quality safety management systems of COFCO Group.

Case Study 1

The Biochemical and Biofuel Division Formulates Regulations on the Management of Major Hazard Sources in the Production Facilities of Fuel Ethanol

The Division hired a professional agency to help formulate regulations, including three on "technology standards, management standards, and work standards" respectively. These involve procedures, such as "alcohol distillation, dehydration, alcohol tank fields, gasoline blending, and alcohol entrucking". The regulations are taken as the guidance for the management of major hazard sources in the production facilities of fuel ethanol to realize professional, normalized, and standardized management. Assessment standards were also compiled based on the regulations to measure and evaluate the status quo of the management of major hazard sources at five fuel ethanol producers.

Case Study 2

The Brewing Materials Division Strengthens Safety Management Systems and Organizes Drill

In 2015, the Division established a production safety management system focusing on its operating performance indicators and made clear the responsibility on the management of production safety at all levels with pledges signed. It enhanced safety management and further improved all safety rules and regulations by revising and formulating 38 rules and regulations, including the "Regulations on the Management of Production Safety Targets" and "Regulations on the Management of Fire Controlling Equipment". It eventually increased all employees' safety awareness. The number of accidents due to dereliction of duty declined 66% from the previous year.

The Division carried out a drill regarding the leakage of liquid ammonia at the refrigeration station of COFCO Malt (Hulunbeier) Co., Ltd. after preparing for two years, practicing it repeatedly, and revising the drill script more than 20 times. The relevant departments of the company, as well as the local work safety administration, fire protection section, and hospital were invited to take part in the drill dealing with a leakage of liquid ammonia simulated at the refrigeration workshop. From the launch of an on-site handling program to its upgrading to a special contingency plan, the Division set a drilling example for its three companies.

Case Study 3

Dust Control at Oilseed Meal Storerooms of Oilseeds Processing Plants

Oilseed meal storerooms see the highest dust density in the plants under the Oilseeds Processing and Trading Division. Therefore, there are relatively big safety risks involved. The Division established a technology group for dust control at these oilseed meal storerooms, organizing its experts to conduct inspections at Cargill Grain & Oilseeds (Dongguan) Ltd. and Sinograin Oils & Fats Industrial Dongguan Co., Ltd. They found that the application of a dust hopper for falling materials could help control dust. By the end of 2015, the Division's reconstruction plan was approved.

Case Study 4

Plants under the Rice Processing and Trading Division Launch Monthly "Safe Production Day" Initiatives

In 2015, plants under the Rice Processing and Trading Division held "safe production" programs more than 200 times in response to the Division's request to launch monthly "Safe Production Day" initiatives. These programs aimed to increase all employees' safety awareness and help them master basic knowledge concerning disaster relief through safety knowledge publicity, eventually nipping risks in the bud.

During the "Safe Production Day" initiatives, all plants organized publicity events at their workshops, warehouses, office buildings and employees' dining rooms in different forms. Plant general managers and relevant leaders, among others, inspected dining rooms, dormitories, fire pump rooms, production workshops, warehouses, office buildings, fire control rooms and power distribution rooms, focusing on fire protection facilities, emergency power systems and SCCP.



Case Study 5

The Wheat Processing Division Actively Organizes Emergency Exercises and Picks Pilot Companies for Occupational Health Construction

In 2015, plants under the Division offered 358 safety training sessions, covering 21,543 trainees. The Division also organized 60 emergency exercises, with plans, scripts, records, and conclusions made, involving 1,321 participants.

COFCO Flour Industry (Qinhuangdao) Pangthai Co., Ltd. carried out occupational health benchmarking in line with COFCO Group's "Rules on the Content and Inspection Measures for the Pilot Construction of Infrastructure for Occupational Health" and its actual conditions. It re-identified and sorted out occupational hazardous factors in all posts. In accordance with the test results of these factors, it revised the standards for giving out protective equipment against occupational hazards and expanded the scope of giving by including the noodle-making and packaging sections of hanging noodle plants in terms of protective equipment against noise. Moreover, in accordance with the investigation results of earplug wearing during work, the company provided earmuffs that are user-friendly and comfortable for workers exposed to noise. This raised the utilization ratio of protective equipment, effectively preventing workers from occupational hazards.



Care for Employees

China Agri enriches the leisure life of its employees through various cultural and sports activities. We also provide those in financial difficulty with assistance to help ease their pressure and show concern for their lives. This allows them to feel the warmth and care of our enterprise. The Company enhances the cohesion and loyalty of its team members and offers them a sense of belonging based on a coherent and positive corporate culture with the motto, “Work with Passion and Live a Happy Life”.

1. Activities Supporting Physical and Mental Health of Employees

In 2015, China Agri carried out various cultural and sports activities that were beneficial for the health and fun of its employees by adhering to the principle of diligence and thriftiness. We continue to enhance their participation

through multi-channels and innovative cultural events. Utilizing this process, we help them release any work and physical pressure, while encouraging them to exercise and cultivate a positive attitude towards work.

Case Study 1

China Agri Establishes Sports Club for Employees

In January 2015, China Agri established three sport clubs, specifically the Basketball Club, the Football Club, and the Swimming Club. These organizations have enriched the leisure life of our employees, as well as publicized the concept of a healthy and pleasant life.



Case Study 2

China Agri Holds “Youth, Responsibility, and Vitality” Activity

On 4 May 2015, China Agri held an activity for its young employees under the theme of “Youth, Responsibility, and Vitality” to cultivate their sense of responsibility of serving the enterprise and society. We also organized a walking activity to advocate the concept of green travel, haze reduction, and a civilized and healthy lifestyle.



Case Study 3

China Agri Holds Parent-child Activity

In late May 2015, China Agri held the parent-child activity titled “I am a Little Baker” to celebrate Children’s Day. More than 10 families visited COFCO TTC (Beijing) Foods Co., Ltd. and made bread, biscuits, and cakes. At this event, our hard-working employees took part in a corporate activity with their children, feeling a sense of honor and belonging.



Case Study 4

Holds Team Building Activity

On 12 June, the Biochemical and Biofuel Division held the “Nature Shapes Us, Rebuild the Biochemical Dream” activity. Since our employees lack exercise and communicate infrequently due to their busy schedules, the Division organized all its employees in Beijing to join in the activity at the Beijing Botanical Garden.



2. Care for Employees in Financial Difficulty

China Agri shows great concern for its grass-roots employees. We speak with workers in financial difficulty and provide them with assistance to help ease their pressure.

Case Study 1

Mr. Yue Guojun, Managing Director of China Agri, visited COFCO (Zhengzhou) Oils & Grains Industries Co., Ltd. and talked with front-line workers to get an understanding of their work, education background, career development, family life, and other aspects. Mr. Yue also sent gifts and his best wishes for the New Year to employees in financial difficulty.



Case Study 2

COFCO Bio-Chemical Energy (Longjiang) Co., Ltd. invited employees to donate to the family members of colleagues suffering from serious diseases, providing those in financial difficulty with the power of living and hope.



Case Study 3

COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd. established the Zhangjiagang Donghai Sunny Public Welfare Association. It also provided assistance to employees and their families suffering from serious diseases, accidental injuries, and financial difficulties through various channels, raising initial capital, and gathering resources.



Case Study 4

COFCO Oils & Grains Industries (Jiujiang) Co., Ltd. established a relief fund system for employees in financial difficulty. With an administrative subsidy and employee donations, the fund is used to support the life of workers in financial difficulty and providing them with serious disease assistance.



Case Study 4

COFCO Bio-Chemical Energy (Yushu) Co., Ltd. established a standing account for employees in financial difficulty for a long-term and efficient assistance system to ease their pressure in work and life. It accumulatively helped more than 100 employees with financial troubles, distributing over RMB 100,000 in total over the past few years.

Charitable Work

- ◆ Community Building
- ◆ Caring for the Development of Teenagers
- ◆ Vulnerable Groups

The healthy development of the society cannot be realized without every “corporate citizen” getting involved. China Agri always seeks out charities that give back to the society as its long-term responsibility. The Company has actively participated in the community building, shown compassion for teenagers’ growth, and helped vulnerable groups, while focusing on its business development. As a good corporate citizen, the Company strives to build a fairer, more harmonious and happier society. In 2015, we donated goods and materials worth RMB 610,000 to those in need.

Community Building

China Agri and its subsidiaries have actively taken part in many community activities. They have cooperated with various communities and devoted themselves to community building in an effort to promote harmony.

Case Study 1

Yellow Dragon Food Industry Co., Ltd. and COFCO Bio-Chemical Energy (Gongzhuling) Co., Ltd. jointly organized a public welfare activity titled "Warmth for Elderly People with No Family and Love in China Agri" to deepen the communication and cooperation between the trade union and the community. They called on people to take part and deliver happiness and warmth to these elders.



Case Study 2

Young employees of COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd. cleaned community streets and picked up litter during their spare time, making contributions to the community environment.



Case Study 3

In summer 2015, Xiamen Haijia Flour Mills Co., Ltd. held the "10th Xiangxue Parent-child Pastry Summer Camp", which was attended by 190 families. The parents and children learned about the growth and processing of wheat, bran, germs and flour at the event. They kneaded dough and made dumplings and cakes, having a happy parent-child time. The activity popularized the processing knowledge of wheat among community residents and cultivated the wheaten food culture.



Case Study 4

The flour mill of the Wheat Processing Division in Donghai launched a "Clean Streets and Alleys" program, with volunteers collecting rubbish in Zhongxing and the port area of Jingang, a town in Zhangjiagang. It also carried out a reading promotion program at the Nansha Community in the city to help teenagers develop good reading habits through interaction.



Case Study 5

In 2015, COFCO Bio-Energy (Zhaodong) Co., Ltd. paired up with Changjing, a village in Haicheng of Zhaodong, Heilongjiang province, in accordance with the work requirement of the CPC Zhaodong Municipal Committee and Zhaodong People's Government. Given how difficult it is to reach the area due to the muddy roads that have not been repaired for many years, and the policy support for which the township government of Haicheng has applied to the central government, the company donated RMB 250,000 to help rebuild parts of these roads to lessen the troubles of the local villagers. In addition, COFCO Bio-Energy (Zhaodong) Co., Ltd. launched people-benefiting projects to have fitness equipment installed, building corridors painted, pipe systems reconstructed, walls plastered, and plants planted in the communities involved. These were all highly praised by the local residents.

Caring for the Development of Teenagers

The development of teenagers is crucial for China's future. China Agri has considered caring for the younger generation and their growth as one of its greatest responsibilities, continuously promoting youth development through practical actions.

Case Study 1

On 9 February 2015, COFCO Bio-Chemical Energy (Gongzhuling) Co., Ltd. held a volunteering program under the themes of "Warmth in Winter" and "Young Volunteers Bring Warmth to Way Home" to support Spring Festival transportation with the help of a group of young volunteers. A total of 21 young people came to the Gongzhuling South Bus Station to provide guidance and consulting services, keep public order, answer inquiries, assist the old, young, sick, physically challenged, and pregnant, as well as hand out fliers regarding safety knowledge during the Spring Festival travel season. The program was conducted to create a safe, warm, and orderly environment.



Case Study 2

In March 2015, the committee of the Communist Youth League of China of the Rice Processing and Trading Division partnered with the food channel of JD.com, Free Lunch for Children charity program, and Gongyi.JD.com to launch a public welfare program under the theme of "Delicious Meals with Love" donating 100,000 jin (a unit of weight. 1 jin = 0.5 kilogram) of rice to ten schools that are supported by Free Lunch for Children charity program throughout the year.



Case Study 3

COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd. actively participated in charity events in the bonded area of Zhangjiagang by making donations to help develop the education system in Jingang, a town in the city. It also helped enroll the children of employees with their registered residences outside the city in local state-run schools more than 300 person-times.



Case Study 4

COFCO Bio-Chemical Energy (Yushu) Co., Ltd. teamed up with the municipal committee of the Communist Youth League of China in Yushu of Jilin province to donate money and school supplies to 120 left-behind children attending the primary school of Aiguo, a village in Wukeshu of the city. They encouraged these students to study hard and become useful to the society in the future.



Vulnerable Groups

As a benevolence-oriented enterprise, China Agri encourages its employees and the public to help vulnerable groups and promote the construction of a harmonious society.

Case Study 1

On 9 February 2015, the management of COFCO Bio-Energy (Zhaodong) Co., Ltd. visited the Xiyanghong Senior Apartments and spoke candidly with the elderly to learn of their living conditions and wish them a year of happiness, health, and longevity. They also donated RMB 30,400 on behalf of the company.



Case Study 2

On 5 March 2015, the Youth League Branch of COFCO Rongs Biotech Co., Ltd. attended the activity under the theme of "Learn from Lei Feng, Feel Grateful, and Respect the Elderly" and visited the nursing home of the Jinshan Industrial Park. League members and employees of the nursing home made rice dumplings, allowing the elders to feel warmth and care.



Case Study 3

On 14 June 2015, employees of China Agri's office in Hong Kong visited Tung Tau Estate in Wong Tai Sin district of Hong Kong before the Tuen Ng Festival. They have delivered the Company's excellent rice products to impoverished elderly people in the Estate for two consecutive years to help vulnerable groups, improve its corporate image, and promote its rice brand, which has achieved good results among the communities.



Case Study 4

On 19 June 2015, young delegates from the Youth League Committee of China Agri visited the Xiangyu Autism and Rehabilitation Center at the Tianjin Binhai New Area. They played games with autistic children and donated essential goods. The committee advocated all the Company's staff members to show concern and warmth to vulnerable groups.



Case Study 5

On 1 July 2015, the Youth League Branch of the Oilseeds Processing Division organized young employees to visit the Children's Hope Family once again. They communicated and played games with the children and brought rice, flour, oil and other food products of the Company for them.



Case Study 6

In 2015, Jilin COFCO Bio-chemical Packaging CO.,Ltd. and the Youth League Committee of Dongfeng County attended a study aid activity, showing love to the Nandanbo Town Primary School in the County.



Case Study 7

COFCO Bio-Chemical Energy (Yushu) Co., Ltd. conducted public welfare activities for vulnerable groups, such as the "Memorial Day of Learning from Lei Feng" and "Nuan Yang Yue". Over the past few years, it has organized more than ten donation events and relevant activities, such as visiting nursery and schools for migrant workers' children, as well as conducting the "surrogate parents" campaign. It has helped more than 300 people and donated more than RMB 500,000.

Benchmark Index

Report Sections	GRI G4.0	Hong Kong Stock Exchange ESG
About This Report	G4-3, G4-18, G4-28, G4-29, G4-30, G4-31, G4-32, G4-33	---
A Message from the Top Executive	G4-1, G4-2, G4-56, EC2	---
About Us	G4-3, G4-4, G4-6, G4-9, G4-34	
I. COMPANY PROFILE	G4-3, G4-4, G4-6	---
II. OUR BUSINESS	G4-4, G4-9	---
III. CORPORATE GOVERNANCE	G4-34	---
IV. HONORS & AWARDS	---	---
Social Responsibility Management	G4-19, G4-24, G4-26, G4-27, G4-34, G4-39, G4-45, G4-56	
I. Social Responsibility Philosophy	G4-56	---
II. Social Responsibility System	G4-56	---
III. Material Topic Identification	G4-19	---
IV. Social Responsibility Communication	G4-24, G4-26, G4-27, G4-34, G4-39, G4-45	---
Value Creation	G4-14, G4-26, EC1, EC8, SO4	B6 General Disclosure, B6.4, B7 General Disclosure, B7.2
I. Strengthen Operation Management	EC1	---
II. Enhance Risk Management	G4-14, SO4	B7 General Disclosure, B7.2
III. Promote Product R&D	EC8	B6 General Disclosure,
Social Development	G4-26, EC8	B6 General Disclosure, B6.4
I. Ensure Market Supply	EC8	
II. Ensure Food Safety	EC8	B6 General Disclosure, B6.4
III. Boost the Development of Agriculture, Farmers and Rural Areas	G4-26, EC8	---
IV. Extend Influence in the Industry	G4-26, EC8	---

Cooperation and Mutual Benefit	G4-12, G4-26, EC8, EC9, SO9	B5 General Disclosure, B5.2, B6.5
I. Improve the Value of Key Accounts	G4-26, EC8	B6.5
II. Promote Supplier Development	G4-12, G4-26, EC8, EC9, SO9	B5 General Disclosure, B5.2
III. Strengthen Communication with Dealers	G4-26, EC8	
Environmental Protection	EN3, EN5, EN6, EN10, EN15, EN16, EN21, EN27, EN22, EN30, EN31	A1 General Disclosure, A1.1, A1.2, A1.3, A1.5, A1.6, A2.1
I. Cut Emissions	EN31	A1 General Disclosure
II. Recycling, Reuse, and Conservation of Resources	EN6, EN10	A1.5, A1.6
III. Clean Energy	EN30	—
IV. Water Resource Management	EN22	A2 General Disclosure, A2.2, A2.4
Care for Employees	G4-10, G4-11, G4-26, LA1, LA5, LA8, LA9	B1 General Disclosure, B1.1, B2 General Disclosure, B2.3, B3 General Disclosure, B3.1, B3.2, B4 General Disclosure, B4.2
I. Safeguard the Rights and Interests of Employees	G4-11, G4-26, LA1	B1 General Disclosure, B4 General Disclosure, B4.2
II. Attach Great Importance to Employee Development and Value Realization	LA9	B3 General Disclosure, B3.1, B3.2
III. Workplace Safety and Health	LA5, LA8	B2 General Disclosure, B2.3
IV. Care for Employees	LA8	—
Charitable Work	SO1	B8 General Disclosure, B8.1
I. Community Building	SO1	B8 General Disclosure, B8.1
II. Care for the Development of Teenagers	SO1	B8 General Disclosure, B8.1
III. Vulnerable Groups	SO1	B8 General Disclosure, B8.1

Readers' Feedback

Dear reader ,

Thank you for reading this report. For improving our work related to corporate social responsibility and promote our ability to fulfill our social responsibilities, we sincerely hope that you can evaluate this report. We would appreciate your valuable opinions and suggestions for further improvement of this report.

You MAY choose any of the following means to provide your feedback:

Fax: +852 2833 0319

Post: 31st Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong

Email: ir@cofco.com

Please provide your feedback below:

1. Have you obtained information you need from the Report? Yes ☐ General ☐ No ☐
2. Do you think the Report covers the economic responsibilities China Agri bears? Yes ☐ General ☐ No ☐
3. Do you think the Report reflects the environmental responsibilities China Agri bears? Yes ☐ General ☐ No ☐
4. Do you think the Report reflects the social responsibilities China Agri bears? Yes ☐ General ☐ No ☐
5. Do you think the Report discloses adequate quantitative data? Yes ☐ General ☐ No ☐
6. Do you think the layout of the Report helps you comprehend the Report? Yes ☐ General ☐ No ☐
7. Please specify here any opinions and recommendations for the 2015 CSR Report:
