



2018 CSR REPORT

CHINA AGRI-INDUSTRIES HOLDINGS LIMITED
Stock Code | 606

About This Report

This report is the tenth Corporate Social Responsibility Report released by CHINA AGRI-INDUSTRIES HOLDINGS LIMITED.

REPORTING PERIOD

From 1 January 2018 to 31 December 2018. 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 accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") issued by the Stock Exchange of Hong Kong Limited.

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 further identified and screened to complete the framework of this report in accordance with the ESG Reporting Guide published by the Stock Exchange of Hong Kong Limited.

DATA COLLECTION

The content of this report was selected to ensure that it meets the compliance requirement in the ESG Reporting Guide published by the Stock Exchange of Hong Kong Limited, which is in line with international standard for sustainability/social responsibility reporting. The report also took reference from 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).

UNAUDITED DATA

Unless otherwise specified, the currency shown in this report refers to Renminbi. Certain figures and financial information relating to the year ended 31 December 2018 and the last two years included in this report are not the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. 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 consolidated financial statements for the years ended 31 December 2016 and 2017 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 consolidated financial statements for the year ended 31 December 2018 in due course.

The Company's independent auditor has reported on those financial statements. The auditor's reports were 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.

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A Message from Leadership

There is an old saying that “among the eight focuses of country governance, food security is the most important one”. The grain and food industry is of great significance at individual level to and the steady development of the country.

The year of 2018 is the 40th anniversary of China’s reform and opening-up, and it is a crucial year for securing a decisive victory in building a moderately prosperous society in all respects and for continuing to implement the 13th Five-Year Plan. Under the new situation of starting to implement the rural revitalization strategy, China has paid more efforts to carry out the quality grain project, and further advance supply-side structural reform in order to improve the grain market mechanism. “China Rice Bowl” (“中國飯碗”) and “Chinese Grain” (“中國糧食”) have become the buzz words of the year. The grain and food industry is faced with new challenges and opportunities.

In 2018, we as a leading grain and oil enterprise in China adhere to the strategic objective of becoming the “world’s leading big grain supplier” by placing the topmost priority on ensuring food security and regarding the boosting of agriculture development, ensuring food safety, and promoting social progress as the initiatives of the Company’s social responsibility. Food security is the lifeline of the grain and oil industry, thus the Company has focused on establishing the food security risk control model based on the entire industry chain. We will focus on increasing the supply of green and quality agricultural products in order to provide consumers with safer, more nutritional and healthier products, bringing happiness on their dining table.

As a listed company with a sound foundation for sustainable development, we optimize and improve our capital structure and footprint, and track market environment changes closely. We utilize our own analytical ability, seize favorable opportunities to adjust management strategies and expand our market proactively. Stemmed from pattern transformation and innovation-driven development, we advocate healthy lifestyle and expand business scale of our brands as well as improve market position whilst promoting the whole industry.

As an enterprise with a strong sense of social responsibility, the Company actively pays attention to the communication among employees, shareholders, communities and other stakeholders. Being employee-oriented, we care about the interests of employees and their career development, and also put efforts into developing a cohesive enterprise. We promote high-quality development of the enterprise, enhance corporate operation management and core competitiveness, as well as maximize shareholder value. We devote ourselves into social welfare activities and respond to the national call by assisting the targeted poverty reduction and alleviation through investing special funds, carrying out featured agricultural industry



projects and other ways, building ourselves as a dedicative enterprise.

There is an old saying that “people who know social norms but keep changing according to the era can eventually win, and people who know history but bring forth the new through the old can actually make progress”. Currently, China is at an important period of strategic opportunities. China Agri will continuously aim to become a grain and oil enterprise that is complied with world-leading international standards, constantly perfecting corporate value creations, promoting the industrial progress and social development, caring for employees and participating in public welfare undertakings. We will promote the win-win cooperation with our stakeholders, and keep fulfilling our CSR in order to contribute to sustainable development.

A stylized signature in Chinese calligraphy, reading '栾日成' (Luan Richeng).

Luan Richeng
Chairman

CHINA AGRI-INDUSTRIES HOLDINGS LIMITED

27 March 2019



About Us

/ Company Profile

/ Our Business

/ Corporate Governance

/ Honors & Awards

The Company ranked No.101 on the Fortune China 500 list in 2018, ranking the second place in the food and beverage industry.

Company Profile

CHINA AGRI-INDUSTRIES HOLDINGS LIMITED ("China Agri" or "the Company"; Stock code: 606) was incorporated in Hong Kong in November 2006 and 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 enterprise in the entire industrial chain by improving its strategic footprint, expanding its production capacity reasonably, and promoting its scale benefits.

As a leading agricultural products and food processing company, China Agri engaged in processing of agricultural products such as cereals and sales operations, to provide customers with safe, nutritious and healthy quality products. Our products include edible oils, rice, flour, noodles, bread, beer 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 is also selected as a constituent of China-related indexes, such as the MSCI China Index, the MSCI 'CHINA FREE' Index, the MSCI EM Index, the MSCI EM 'ESG LEADERS' Index, the MSCI EM ASIA Index and the MSCI 'EM/CONSUMER STAPLES' Index. Besides, the Company is one of the constituents of several indexes, such as the Hang Seng Composite Index, the Hang Seng Global Composite Index, the Hang Seng Composite Industry Indexes, the Hang Seng Composite Size Indexes, the Hang Seng Consumer Goods & Services Index and the Hang Seng Corporate Sustainability Benchmark Index.



Capacity Distribution

Our Business

Company Structure

China Agri

General Administration Department

Strategy Department

Finance Department

Human Resources Department

Audit Department

Legal Department

Risk Control Department

COFCO Oils & Oilseeds

COFCO Grains

COFCO Oils & Oilseeds :

China Agri is one of the largest vegetable oil and oilseed meal producers in China. We are primarily engaged in the processing, warehousing, trading and distribution of soybean, rapeseed, peanut and palm oil. Our products include soybean oil, palm oil, rapeseed oil and other oil and oilseed meal products.



Our renowned brands include “Fortune”(福临门), “Fuzhanggui”(福掌柜), “Sihai”(四海), and “Xiyinying”(喜盈盈). Up till 31 December 2018, we have established more than 20 oilseeds and oil manufacturing factories in Jiangsu, Shandong, Guangxi, Tianjin, Hubei, Guangdong, Liaoning, Jiangxi, Anhui, Chongqing and Xinjiang, with crushing capacity of 15.69 million tons, as well as set up more than 550,000 outlets to sell packaged edible oil. We have achieved a leading position in the domestic market by the scale of production and sales.

COFCO Grains:

It covers five major categories: rice, flour, noodles, bread, and brewing materials. The Company has a relatively complete industrial footprint in the major grain production areas in China and has the first-hand food and grain resources



at home and abroad. The sales network of our products covers the whole country. At present, our annual rice processing capacity is 4.08 million tons. The rice brand “Fortune”(福临门) has ranked first in the national rice market for eight consecutive years. The Company’s annual wheat processing capacity is 3.99 million tons, which has an annual noodle production capacity of 237,300 tons, and an annual bread and pastry production capacity of 3,400 tons. Our flour brand “Xiangxue”(香雪) has been honored one of the “Chinese Brand-name Products”. We have an annual barley processing capacity of 825,000 tons, accounting for more than 20% of domestic malt market shares. Our malt exports volume also takes up over 45% of China’s total.

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 rules 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 published 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. At present, the Board consists of nine members, including three executive directors, three 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 of Directors.



Board members as of 27 March 2019

Honors & Awards

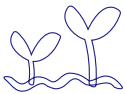
In January 2018



COFCO OILS & GRAINS INDUSTRIES (CHONGQING) CO., LTD. was named one of the “2017 Leading Manufacturing Enterprises of Assured Grain and Oil in Chongqing” by the Chongqing Municipal Commission of Commerce and the Chongqing Association of Grain Sector.

“Xiangxue(香雪) Corn Steamed Bread Mix” was awarded one of the “2017 Nutrition and Health Technological Innovation Products”.

In March 2018



COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. was honored one of the “2016-2017 Top Ten Enterprises of Edible Oil Manufacturing in Jiangsu Province”.

“Xiangxue”(香雪) flour was honored the “Golden Products Award” at the 13th National Grain and Oil Production and Marketing Enterprises Order Conference.

In April 2018



COFCO OILS & GRAINS INDUSTRIES (JINGZHOU) CO., LTD. was named one of the “Advanced Enterprises of Safety Production in Hubei Province”.

In May 2018



COFCO OILS & GRAINS INDUSTRIES (CHONGQING) CO., LTD. was honored the “May 1st Labor Award” by the Chongqing Municipal Federation of Trade Unions.

COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. was granted the “2018 Chinese Good Food Materials” award.

In June 2018



the Fortune Edible Oil (福臨門食用油) was awarded one of the “Top Ten Brands” at the China Guangzhou International Edible Oil and Olive Oil Exhibition; The Fortune Nutritionist Blended Cooking Oil (福臨門營養家食用調和油) won the “Golden Award for Quality Products” and the “Technology Innovation Award”.

In July 2018



COFCO Oils (Qinzhou) Co., Ltd. was awarded one of the “2016-2017 Outstanding Enterprises in Guangxi”.

In August 2018



the Xiangxue (香雪) Moon Cake won the title of the “Chinese Well-Known Cakes” at the 24th China Moon Cake Cultural Festival held by the China Association of Bakery & Confectionery Industry.

“Fortune” (福臨門) won the “2017-2018 China Advertisers Annual Innovative Marketing Case Award” at the Macau International Advertising Festival.

In October 2018



“Fortune” (福臨門) won the “Most Influential Brands Award” at the 2018 China (Shanghai) International Food Exposition.

In November 2018



COFCO Fortune Foods Sales & Distribution Co., Ltd. won the “Top 20 Management Innovation Case Award” and was named one of the “Top 100 Credit Demonstration Units” at the 16th China Food Safety Annual Conference.

COFCO (Chengdu) Oils & Grains Industries Co., Ltd. was named one of the “Ninth Batch of Key Leading Enterprises of Agricultural Industrialization in Sichuan Province”.

In December 2018



the Asset’s “Corporate Awards 2018” was released; CHINA AGRICULTURAL INDUSTRIES HOLDINGS LIMITED won the “The Asset Titanium Awards 2018”.



Social Responsibility Management

- / Social Responsibility Philosophy
- / Social Responsibility System
- / Material Topic Identification
- / Social Responsibility Communication

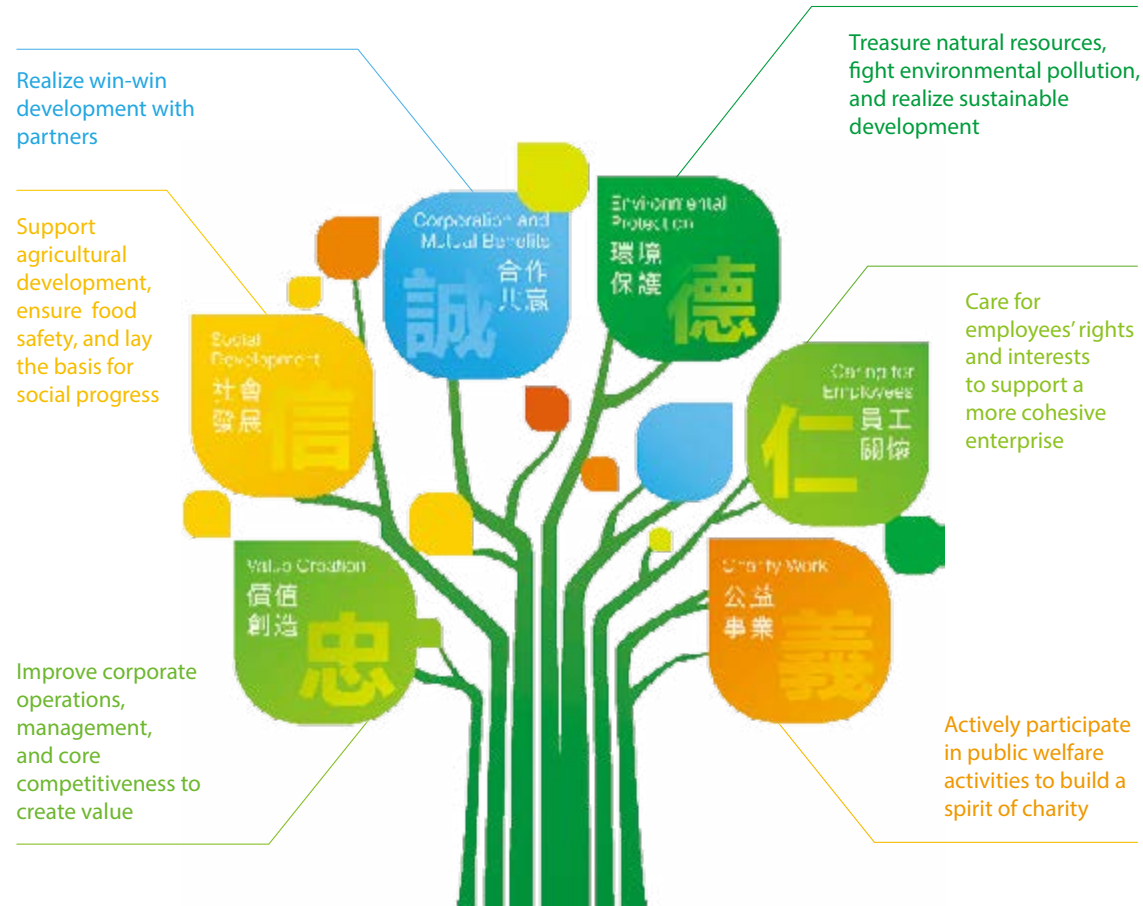
Being loyal to National
Welfare and Creating Benefits
for People's Livelihood

1 Social Responsibility Philosophy

The sustainable development philosophy of COFCO Corporation, China Agri's parent company, is "Being loyal to National Welfare and Creating Benefits for People's Livelihood". In upholding this philosophy, China Agri fulfills its responsibilities to employees, consumers, the environment and communities, whilst creating benefits for its shareholders and investors, as well as fulfilling its responsibilities as a good corporate citizen. We incorporate social responsibility into our corporate strategies and culture. We also pay great attention to values of people 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.

2 Social Responsibility System

In 2018, China Agri continued to stick to the concept of the "RESPONSIBILITY TREE". 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.



3 Material Topic Identification

In order to enhance the engagement of its stakeholders and make the report better targeted and received, China Agri identified the materiality of the relevant topics and developed its matrix regarding the material topics in line with the analysis model on topic materiality in the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited, as well as based on its development strategies and social responsibility system. The Company also referred to stakeholders' opinions.

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 having into previous advice of third-party consulting firms into consideration. 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 fulfillment in the 16 topics as precisely and completely as possible.

6 categories

16 topics



4 Social Responsibility Communication

China Agri takes the philosophy of COFCO Corporation –"Being loyal to National Welfare and Creating Benefits for People's Livelihood"– as its internal values. The Company has achieved win-win results between social responsibility fulfillment and operation sustainability through innovation in business modes and management culture, as well as market-oriented measures.

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 fulfillment strategies and initiatives in a timely manner to meet their expectations.

In 2018, China Agri communicated with its stakeholders both online and in-person. In-person communications were carried out through training sessions, interactions with industry associations, participation in forums, and exhibitions. Online communications were implemented via new media, such as Weibo and WeChat, by the Company's business units, which were utilized to spread its business philosophy and achieve positive interaction and communication results.

Mechanism for Communications with Stakeholders





Social Responsibility Practices

/ Value Creation

/ Social Development

/ Cooperation and Mutual Benefit

/ Environmental Protection

/ Care for Employees

/ Charitable Work

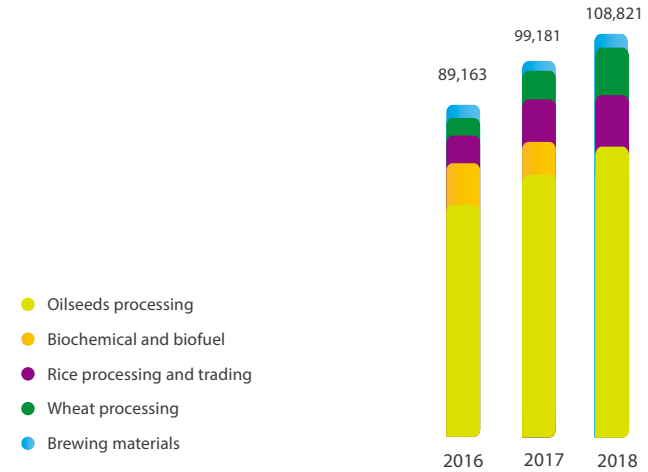
Value Creation

- / Strengthen Operational Management
- / Enhance Risk Management and Internal Control
- / Strengthen Brand Building

In 2018, China Agri continued to deepen the professional operation, promote fine management, strengthen risk control, boost brand building, and guide the sustainable business development to seek constant improvement in business scale, profitability and operational quality and thereby create a bigger value and return for shareholders.



Revenue (HK\$ million)



● The disposal of Biochemical and Biofuels Business was completed on 27 December 2017, which was classified as a discontinued operation in the financial report for the year ended 31 December 2017.

Total Assets (HK\$ million)



1 Strengthen Operational Management

In 2018, the increasing changes in currency and trade policies of major global economies triggered market volatility. Under such context, in order to constantly improve its business performance, the management team of the Company exerted professional market analysis ability to adjust the business development pace and stabilize profitability. Meanwhile, the management team continued to promote business development and strategic transformation, optimize product structures and increase resource input, leading to a high-level sales growth in continuing operations and also a year-on-year increase in both production and sales volume of branded products.



Case Study No. 1

COFCO Grains Further Promotes Operational Optimization, and Develops BI System for Operation Analysis Based on SAP Phase II Project

In 2018, COFCO Grains continued to promote operational optimization. It developed the BI system for operation analysis based on the SAP Phase II project, confirmed core indicators for the upstream and downstream sectors, and solidified the operational management analysis system. Building on strengths of real-time tracking, monthly reports and quarterly meetings, COFCO Grains established a three-level operation analysis system covering platforms, categories, regions/profit centers to promote the collaboration between production and sales and enhance operational efficiency.

The monthly report, detailing COFCO Grains' sales target fulfillment and key business development, provides an update on more than ten items in three major aspects, and keeps track of the implementation status every month to ensure the effective functioning of a closed-loop management model comprising "tracking and feedbacks". The quarterly meeting adopts featured innovation models, which provide supports for operation improvement and corporate decision-making by means of making targeted operation diagnostic analysis in the form of field research and internal and external interviews, setting milestones or modules closely related to the future development of COFCO Grains for in-depth analysis, and conducting group discussions on key issues such as operational needs and management improvement in order to promote rethinking of its business.

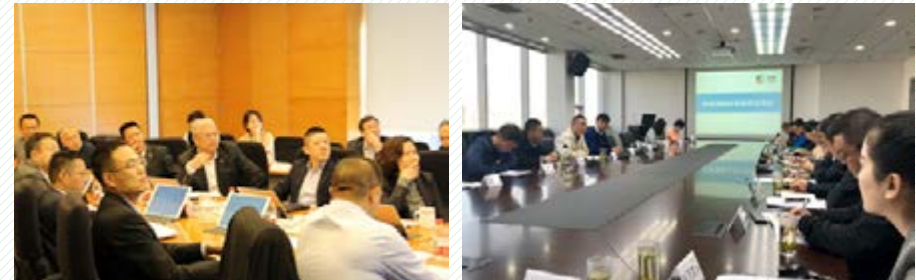


Case Study No. 2

COFCO Oils & Oilseeds Has Established Business Operation Department to Improve Management Efficiency

In 2018, COFCO Oils & Oilseeds adhered to its business philosophy of further exploration of regional markets, committed to comprehensively improving the self-management capabilities of subsidiaries and stimulating their endogenous power and market response capability. In January 2018, it set up its business operation department, built three business sectors comprising information sharing, operation analysis, and management and control coordination, and established a multi-dimensional operation management system with weekly information sharing, monthly operational analysis, and quarterly reviews. It also held three quarterly operation analysis meetings, with a focus on reviewing the operation conditions of companies and adjusting their business strategies in a timely manner according to business objectives and market risks. All these efforts led to an encouraging progress in achieving the targeted key performance indicators than the prior years.

In order to actively respond to the complicated market environment, COFCO Oils & Oilseeds proposed a three-level management model "headquarters, regions and companies". The headquarters' role is to provide resources and strategic guidance, while region's is to expand markets, increase product value, and integrate resources to achieve complementary advantages. Different from the past corporate management model focusing on production and internal fine management, the new operational management goal is to create a regional management team of the entire industry chain from procurement to sales, and to review the company's operational efficiency from the big picture perspective to truly realize production and marketing integration.



2 Enhance Risk Management and Internal Control

In 2018, China Agri further enhanced risk management to effectively cope with potential risks and strive to build a sound and comprehensive risk management system. The Company took hedging strategies that effectively managed market risks, thereby avoiding losses caused by sharp fluctuations in the oilseeds market; implemented the established strategies that effectively managed foreign exchange risks and averting risks caused by currency devaluation; and improved its information system to screen out low credit clients and opted for insurance to prevent credit risks.

1 / Complete and Improved Comprehensive Risk Management System

◎ Continue to Build a Sound Market Risk Management and Control System

◎ China Agri has formulated the Regulations on Risk Management in the Commodity Market of China Agri, which covers such control mechanisms as the exposure limit management mechanism and loss limit management mechanism, as well as such systems and procedures as annual authorization, hierarchical early-warning, and risk control measures.

◎ Improve the major market risk screening and reporting mechanism

◎ Based on internal quantitative standards, China Agri's Risk Control Department continuously improved reporting and briefing processes regarding major risks for the Company. The department monitored risks on a daily basis, with major risks reported within one working day.

◎ Closely track relevant data

◎ China Agri's Risk Control Department continuously improved statistics, analysis, and monitoring databases based on various risk control indicators and timely submitted data to the management through its daily report mechanism for risk control data.

◎ Control risks through its organizational structure balanced by the front, middle and back platforms

◎ China Agri controlled risks through its management structure balanced by the front, middle and back platforms in its market risk control system. The structure consists of the front business divisions, middle risk control departments and back audit departments.

The front business divisions are in charge of strategy making; the middle risk control departments are responsible for risk control; and the back audit departments take charge of compliance audit. The middle risk control departments maintain independence, not being affected by the front business divisions, which ensures the independence of risk management regarding organization structuring, personnel appointment and dismissal, and reporting paths.

◎ Strengthen the publicity of the risk control concept to foster sound risk management culture

◎ China Agri publicized the risk control concept to foster sound risk management culture, ensuring and supporting all of the Company's business with professional services, as well as supporting and promoting business value creation in an all-round way.

2 / Improve China Agri's Credit Risk Control Systems and Build Fully-fledged Pre-event, In-event and Post-event Credit Risk Control Systems

◎ Enhance construction of information system

◎ China Agri established the Administrative Measures for Credit Risk Management, as an important guideline for credit risk management, monitoring work and daily business operations.

◎ Improve credit management and control mechanism

◎ China Agri established a credit rating system, credit granting approval procedures, and credit rating models, which served as major tools for customer credit assessment and the calculation of credit lines. The Company set up the KRI quantitative index monitoring system, and strengthened the monitoring mechanism for high-risk and blacklisted customers and suppliers to actively prevent credit risks; established a hierarchical monitoring mechanism for customers and suppliers to track and monitor credit risks at different levels; implemented a review, monitoring and reporting mechanism as well as the procedures of relevant operations for major risks; continuously promoted the construction of the credit risk data information system and improved the monitoring effects; and actively pushed forward the credit insurance work and adopted risk disposal means.



Case Study No. 1

Carry out On-site Training in relation to Sales on Credit



In 2018, COFCO Oils & Oilseeds carried out regional on-site training in relation to sales on credit to enhance the risk awareness of front-line business departments and boost their enthusiasm to buy insurance, committed to standardizing credit management and further raise the protection from the trade credit insurance.



Case Study No. 2

Organize Managers to Participate in Incorruptible Employment Knowledge Tests

China Agri carried out incorruptible employment knowledge tests in 2018, with managers of operational units and functional departments at all levels participating in the tests. The test results would be taken as an important reference for promotion and appointments. In addition, the tests would cover the junior level. Incorruptible employment knowledge tests further deepened the understanding and grasp of Party members, leading cadres and managers on incorruptible employment knowledge, enabling them to firmly establish awareness of incorruptible employment and conscientiously push ahead business operations in accordance with the law.



2 / Strengthened Anti-corruption Work

In 2018, China Agri continued to stringently strengthen disciplinary execution and accountability, enhance supervision of important positions, and improve managers' integrity and self-discipline awareness to prevent corruption.



Case Study No. 1

Strengthen Integrity Training to Improve Managers' Integrity and Self-discipline Awareness

In 2018, China Agri continued to enhance integrity education and strengthen newly appointed managers' awareness of "holding the bottom line". The Company held integrity talks with newly appointed managers, and organized them to visit anti-corruption education and warning bases and further studied the "Provisions on the Honest and Clean Conduct of the Leadership Members of State-owned Enterprises" and "COFCO's 14 Rules for Managers to Maintain Professional Integrity", further enhancing their awareness of incorruptible employment and anti-corruption ability.



Case Study No. 3

Organize Business Units to Sign Letter of Commitment on Integrity

In conforming with COFCO Corporation, China Agri improves its internal supervision and disciplinary mechanism, and promotes managers' awareness on incorruptible operations and employment. While earnestly carrying out business operation and management work, the Company shouldered its responsibility for integrity construction within the scope of its duties. In 2018, the Company organized persons in charge of operational units and functional departments at all levels to sign the Letter of Commitment on Integrity to intensify its incorruptible discipline.

3 Strengthen Brand Building

In 2018, China Agri, focusing on its all-new development target of building a grain, oil and food and branded consumer goods enterprise engaged in the whole industry chain, continuously optimized its brand and product structure, increased resource

input, carried out multi-level consumer communication activities, vigorously promoted the brand communication of "Fortune" (福临门), and constantly improved its product influence and reputation, committed to providing consumers with more high-quality grain and oil products and driving the sustainable business development of the Company.



Case Study No. 1

Nutritionist (营养家) Branded Cooking Oil Held "Diversified Nutrition and Clear Ingredients" Series Promotional Campaign



In respect of oilseeds processing business, COFCO Oils & Oilseeds held a promotional campaign focusing on its blockbuster "Nutritionist" (营养家) branded cooking oil in 2018. On the one hand, it strengthened advertising investments, ensuring nationwide coverage by sponsoring CCTV-3 that features a high viewing rate regarding targeted consumers, while using Zhejiang Satellite TV, Jiangsu Satellite TV, Anhui Satellite TV, Henan Satellite TV, Tianjin Satellite TV and local channels of key markets such as Hubei and Guangdong to strengthen advertising in region markets. As to outdoor media, it compensated a lower daytime TV viewing with TV advertising at buildings and shopping malls, and, meanwhile, put efforts on creating a strong relationship with consumers, letting consumers to recognize, be familiar with and favor our brands and eventually actively popularize the brands. On the other hand, it launched a healthy edible oil trade-in program. Through integrated marketing by road shows and news reports at over 100 cities nationwide, the program enhanced consumers' awareness of "Ingredients" of cooking oil, and the new national standards for blend oil. The program effectively set up a benchmark for the industry.



Case Study No. 2

Power the COFCO Fortune (福临门) Brand through 2018 Paddy Rice Cultivating Culture Festival



In respect of the rice processing and trading business, the 4th COFCO Fortune Paddy Rice Cultivating Culture Festival 2018 kicked off in Wuchang city, Heilongjiang province, on 20 May 2018, which was hosted by the Heilongjiang Provincial Food and Strategic Reserves Administration and Wuchang Municipal People's Government, and organized by COFCO Grains and China Agricultural Film and Television Center's "Xiang yue (乡约)" program. "Tiandi Renhe (天地人禾)" products that were made of Wuchang's high-quality rice and launched by COFCO Fortune together with "Presents from the Emperor-Food Presented by the Palace Museum (朕的心意——故宫食品)" sold on

Tmall.com were also showcased at the Festival and became a big highlight of the event. Since 2015, COFCO Fortune Paddy Rice Cultivating Culture Festival has become an attention-grabbing benchmark brand campaign in the industry, which has played a significant role in, and made great contributions to, effectively promoting agricultural upgrading, boosting local economic growth, integrating high-quality market resources and strengthening the publicity of farming culture.



Case Study No. 3

Power the COFCO Fortune (福临门) Brand through 2018 Wheat Harvesting Culture Festival



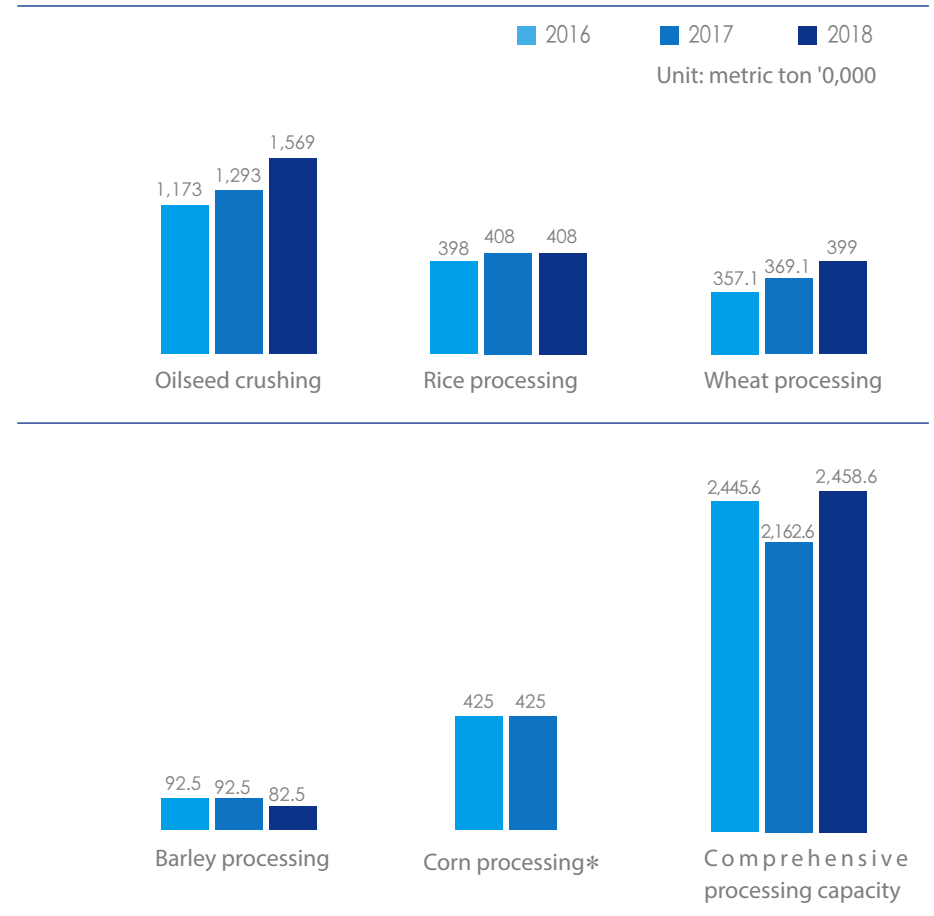
In respect of the wheat processing business, the Fortune Wheat Harvesting Culture Festival, which was jointly organized by COFCO Grains and Xinjiang Grain and Oil Refco Group Ltd., opened in Hutubi County, Changji Prefecture, Xinjiang, on 10 July 2018. During the event, Fortune Xinjiang Wheat Core Wheat Flour (福临门新疆麦芯小麦粉), Rich-fiber Black Wheat Flour (富纤黑小麦粉), Hetao Plain Snow Wheat Flour (河套平原雪花小麦粉) and other star products and related Xinjiang foods were all unveiled, comprehensively demonstrating the quality of COFCO branded products and the development concept of COFCO. Meanwhile, distributors from all over the country directly

communicated with farmers and exchanged views on issues such as seed selection, planting and ordering policies. They were full of expectations for further cooperation in the future and signed pre-orders with COFCO Grains on the spot. The Wheat Harvesting Culture Festival, which has been successfully held for four years, is a pioneer and most influential agricultural culture festival in the industry.

Social Development

- / Ensure Market Supply
- / Ensure Food Safety
- / Boost the Development of Agriculture, Farmers and Rural Areas
- / Boost Industry Development

In 2018, China Agri took multiple measures to realize diversified procurement of raw materials. While increasing cooperation with transnational grain merchants, China Agri has actively developed origin suppliers to ensure a stable supply from the source of the industrial chain. The Company also made continuous efforts to improve its supply capacity of grain and oil products by constantly optimizing the coordination of production and marketing.



*Related to Biochemical and Biofuel Business which was disposed on 27 December 2017.

1 Ensure Market Supply

In 2018, China Agri took multiple measures to realize diversified procurement of raw materials. While increasing cooperation with transnational grain merchants, China Agri has actively developed origin suppliers to ensure a stable supply from the source of the industrial chain. The Company also made continuous efforts to improve its supply capacity of grain and oil products by constantly optimizing the coordination of production and marketing.



Case Study No. 1

Promote Sustainable Trade Development with Guidance of National Policies

In order to ensure stable supplies from industrial chain sources, respond to China's Belt & Road Initiative and actively explore opportunities for trade cooperation, China Agri attended the "China-Indonesia Palm Oil Trade & Promotion Seminar" held in Nanjing on 11 July 2018. At the event, the Group signed framework intention contracts for more than 200,000 tons of palm oil with several Indonesian suppliers.



Case Study No. 2

Improve Global Procurement System to Ensure Stable Product Supply

COFCO Oils & Oilseeds continued to improve its global raw material procurement system and strengthened its accessibility over grain resources by leveraging on the industrial layout advantage of COFCO in the world; the company maintained partnerships with transnational grain suppliers such as ADM, BUNGE and CARGILL to stabilize grain supply channels; it actively explored origin suppliers with advantages in warehousing, logistics and docks, especially those with great potential of increasing raw materials production for edible oil, eg. Brazil, Argentina, Canada and Uruguay; as well as took actions to meet and met the raw material demand and logistics arrangement through diversified origins and channels, unified decisions and centralized procurement.



Case Study No. 3

First Xinjiang-Russia special train for edible oil transport of COFCO Oils & Oilseeds' company in Western China launched

In response to COFCO's strategic requirement of "actively expanding non-GMO and high-end oil business", COFCO Oils & Oilseeds' company in Western China actively developed import channels of non-GMO oil products. Relying on the Belt & Road Initiative and benefiting from geographical advantages, the company took the lead in transporting Russia's non-GMO rapeseed oil loaded into containers on the return train of the Sino-European train. The first Xinjiang-Russia special train for edible oil transport of COFCO Oils & Oilseeds' company in Western China, which ran from Novosibirsk in Russia on 23 October 2018, through Dostyk port and Alataw Pass port for 2,200 kilometers, successfully arrived at COFCO Oils & Grains Industries (Changji) Co., Ltd. on 9 November 2018. The successful arrival of the special train opened up a new way to enrich the supply of non-GMO oil products and provided people with more choices of oil and grain products.



2 Ensure Food Safety

Food safety is tied with every person's health and life safety. In 2018, as an agribusiness company, China Agri steadily promoted its food safety management system that covers the whole value chain, and strengthened a whole food production process tracing to ensure food safety by abiding by the Group's "General Criteria for Quality and Safety of Suppliers", "General Requirements for Traceability System Construction", "Guidelines for Supervision and Inspection of Product Quality and Safety", and "General Requirements for Management of Food Safety Information".



Case Study No. 1

Formulate Various Management Measures to Ensure Food Safety

In 2018, in alignment with COFCO's relevant food safety system standards and in accordance with the industry environment, COFCO Grains formulated a series of system standards and general requirements in order to promote its food safety management system that covers the whole value chain, and strengthen the entire food production process tracing to ensure food safety. These documents include "COFCO Grains' Management Measures on Quality and Safety Risks", "COFCO Grains' Management Measures on Quality and Safety of Suppliers", "COFCO Grains' Technical Specifications for Traceability System Building of Related Industrial Chains", "COFCO Grains' General Requirements on Quality and Safety of Food Labeling", "COFCO Grains' General Requirements on Management of Customer Complaints about Food Safety", "COFCO Grains' Management Measures on Supervision and Inspection on Product Quality and Safety" and "COFCO Grains' Management Standards on Food Safety Information".



Case Study No. 2

Improve Food Traceability System

In order to ensure food safety, COFCO Oils & Oilseeds' Western Division vigorously carried out quality improvement. It vigorously promoted food safety inspection and governance by implementing food safety training and popularization, forming part-time food safety teams and strengthening supplier examination and management, as well as combined these with its weekly production safety inspection. It detected problems and implemented rectification timely. It made sure all inspections having notices, records, results and rectification. These enabled the company to realize a comprehensive inspection of quality and production safety, as well as effectively improve its traceability system and complaint system. Implementation of these incoming and outgoing quality control could provide a powerful assurance for food safety.



3 Boost the Development of Agriculture, Farmers and Rural Areas

In view of resource shortage, scarcity of labor forces, deteriorating ecological environment and other problems in the process of agricultural development over recent years, China's traditional agriculture is bound to transform towards modernization. Adhering to the concept of coordinated, green and sustainable management, and the development goal of agricultural supply-side structural reform, China Agri has been committed to boosting rural and agricultural development in innovative ways and fostering a new driving force for farmers to increase their incomes.



Case Study No. 1

Develop Contract Farming to Help Farmers Increase Incomes and Shake off Poverty

To respond to the call of targeted poverty alleviation in China and fulfill the social responsibility of a state-owned enterprise, COFCO OILS & GRAINS INDUSTRIES (JINGZHOU) CO., LTD. and Shuangxing Village in Jingzhou formed a partnership to work on contract production of rapeseed by setting up a high-quality rapeseed planting base, helping 67 households in the village to shake off poverty. In this project, 67 poverty-stricken households were given high-quality rapeseed "Luoyou Zazi 101" free of charge and their products were completely purchased by the company for a price higher than the market price after harvest. The project was designed to inspire the initiative of farmers in surrounding villages and towns to grow rapeseed while helping them increase their incomes, thus helping them get rid of poverty in the form of contract farming.



4 Boost Industry Development

All business units of China Agri have facilitated exchanges of views and progress of the industry by interacting with industry associations, taking part in the formulation of industry standards and attending forums. They have provided professional advice and technical support for the formulation and revision of various industry standards, therefore improving laws and regulations of the industry to promote its development.



Case Study No. 2

Actively Implement Agricultural Policies to Seek Subsidies for Farmers

The Rice Management Division of COFCO Grains has been actively striving for all sorts of funds from agricultural policies since 2018. The “High-Quality Grains and Oils in China” project effectively used policy funds, providing the funds for farmers as subsidies to help them with production and processing transformation, which increased pledge fulfillment rate of farmers and improved the quantity and quality of unprocessed grains.

COFCO Ningxia Rice Processing limited proactively helped farmers who signed contract farming agreements by establishing the “Green and High Yield Rice Project” and “Project of Leading Companies Boosting the Integrative Development of the Rice Industry” for them. It actively listened to farmers’ needs through the “High-Quality Grains and Oils in China” project and utilized its advantages to help them to handle various procedures and documentations materials to obtain government subsidies. Furthermore, COFCO Ningxia Rice Processing limited set up an industrialized office to track the projects without charging any fees to fully protect the interests of farmers and fulfill its social responsibility.



Case Study No. 3

Vigorously Develop Contract Farming to Support Supply-Side Structural Reform

In order to respond to the spirit of the No. 1 Central Document issued by the Chinese government, boost the implementation of supply-side structural reform and rural revitalization strategy, and meet people's demand for high-end flour products, China Agri's Wheat Processing Division rolled out contract farming in Henan, Shandong, Inner Mongolia and other areas in line with the “enterprises + cooperatives + farmers” model in 2018. All contracts for wheat were subject to unified seed supply, unified sowing, unified fertilization and pesticide application, unified harvesting and unified purchase by the Division. Agricultural experts were employed to offer technical guidance in the whole process of production, to provide farmers with production services to the utmost extent to improve wheat yield and quality. In addition, the price of wheat purchased by the Division was RMB 200 per ton higher than the market price, which effectively boosted farmers’ income and strengthened their enthusiasm for planting high-quality wheat, thus guiding the structural adjustment of wheat planting. In 2018, a total of 300,000 mu (Mu is a standard unit of area for farmland in China. 1 mu=0.6666 hectares or 0.1647 acres) of high-quality wheat was planted, which generated direct economic income of RMB 23 million to farmers.



Case Study No. 1

Participate in Bakery China 2018

The Bakery China 2018 was held at the Shanghai New International Expo Centre from 9 to 12 May 2018. Under the theme of “Your Favorite ‘Oil’ and ‘Flour’ for the Future”, COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. attended the event, where the company debuted its new products such as “Zicai Butter (滋采大黄油)”, “Zicai Cream in Creamy Slices (滋采乳脂片状奶油)” and “Golden Baked Flour 1# (金焙面粉1#)”, drawing wide attention. The “Starry Night (梵高·星月夜)” toast made by the company’s specialty oils technology R&D department was widely acclaimed by customers as it meets the needs of new-generation consumers.

Through the fair, the company intensively promoted its specialty oils & oilseeds products, demonstrated the value the products created to customers, and established a good brand image. By negotiating with customers, the company enhanced its brand reputation and product awareness, as well as increased partner satisfaction and cooperation opportunities with potential customers.





Case Study No. 2

Attend First CIIE

To actively comply with the trend of openness, cooperation, mutual benefits and win-win cooperation, the trading delegation of COFCO Oils & Oilseeds attending the first China International Import Expo (CIIE) held a signing ceremony at the Hall No. 1 of the National Exhibition and Convention Center (Shanghai) in the afternoon of 6 November 2018. In an effort to deeply take part in the global agricultural food product industry chain, the Group signed agreements with three foreign companies for 270,000 tons of oils and fats valued at USD 190 million.



Case Study No. 3

Make Voices by Holding and Attending Professional Forums to Lead New Trends of Industry

At the 12th session of "Chinese Food Industry Growth Star Selection", China Agri's Wheat Processing Division made a voice on behalf of the food industry, introducing China Agri's ability and willingness to provide clients with "comprehensive solutions for flour products" to more than 200 customers. Our flour R&D engineer, unveiled the report of "Application of Multi-grain Raw Materials in Leisure and Baked Food" at the event. Along with the development of technology and changes in consumption and nutrition, the development of multi-grain products will embrace "new opportunities" in the future. Leisure and baked product makers were encouraged to actively embrace trends to accelerate their efforts to promote the transformation and upgrading of the industry while boosting development of their own. At the forum of "Unicorn & New Power", the Wheat Processing Division launched seven natural multi-grain nutritional and healthy product solutions, including the baked germ toast, rye toast with nuts, whole-wheat cookies, and walnut cakes made with highland barley, to demonstrate its capability of providing comprehensive solutions based on "raw materials and technology", as well as its social responsibility of constantly promoting industry upgrading.



Cooperation and Mutual Benefit

- / Improve the Value of Key Accounts
- / Promote Supplier Management
- / Strengthen Communication with Dealers

China Agri has been attaching great importance to establishing reliable, stable and win-win relationships with key accounts, dealers, suppliers and other related parties in the upstream and downstream of the industrial chain. On the basis of consumer demand, the Company makes active efforts to develop and maintain its strategic partnerships with key accounts. At the same time, the Company continues to improve its product quality and services, by continuously optimizing the communication mechanism and cooperation mode with its suppliers and dealers, and thus promote a virtuous circle of the industry chain.



1 Improve the Value of Key Accounts

China Agri has always taken meeting customer's needs as a top priority of its work. The Company interacts with customers through various ways, continuously deepens cooperation with customers, makes full use of the resources advantages of the whole industry chain, conducts customer insight, development and maintenance, in order to continuously building a customer-oriented business operation system.



Case Study No. 1

Strengthen Interaction with Customers of Meal Products

The soybean meal market went through ups and downs in the first half of 2018, affected by Argentina's soybean production cuts and Sino-US trade frictions. On 23 June 2018, COFCO Oils & Oilseeds' meal products sales department held the Feed Enterprise Customer Conference in Xuancheng, Anhui province, in order to enable feed mills to better understand the Company's products and services, to timely grasp market trends, and to further consolidate the downstream feed mills and expand presence in regional markets. The conference was attended by representatives of large-scale feed enterprises such as Tongwei Group, Anyou Biotechnology Group and Haid Group. Through communication and sharing of upstream and downstream market information, the department expanded the sales channels of feed mills, which is beneficial for increasing the Company's sales volume and brand influence in the high protein meal market in central China.



2 Promote Supplier Management



Case Study No. 2

National Catering Channel Dealer Conference Held

On 20 March 2018, the Wheat Processing Division held the Catering Channel Dealer & New Product Promotion Conference. Liu Lanying, Deputy Secretary-General of the China Cuisine Association (CCA), was invited to deliver a keynote speech on the development trends of the catering industry, expounding on the demand trends of mid-to-high-end products, quality and efficiency improvement of the industry in 2018.

By dint of the conference, the Division took the initiative to catch up with the trend towards the consumption upgrading and the specialization of flour for civilian use, in a bid to promote the sinking of sales channels, upgrade products and improve dealer management. With professional channel management, it also enabled our flour products for catering services to occupy the commanding heights of the industry, created the potential energy of brand, and took the lead in entering the blue ocean market.



Case Study No. 3

COFCO Grains Develops Cooperation with Luckin Coffee

COFCO Grains and Luckin Coffee have been cooperating since the beginning of 2018. Since cooperation, the number of Luckin Coffee outlets has grown from 89 in Beijing to about 2,000 in 21 cities, while COFCO Grains' scones and ham & cheese croissants have been available in Luckin Coffee's outlets nationwide with rising sales. As a food supplier that has cooperated with Luckin Coffee since its start-up, COFCO Grains is also growing with Luckin Coffee.



Case Study No. 1

Improve Quality and Safety Management for Suppliers



In order to better ensure the quality and safety of Fortune (福临门) branded edible oil, COFCO Fortune Foods Sales and Distribution Co., Ltd. continuously optimizes the transit shipment and storage of foods, as well as transport services. Through various measures, including the implementation of the system for examining, verifying and approving the biddings (biddings for 10 warehouses), the daily supervision and inspection (22 warehouses and 11 logistics service providers) and the supervision on the rectification of problems (18 reports on rectification), the company has improved the quality and safety management for relevant suppliers and enhanced its ability to ensure the quality and safety of its products for end consumers.



Case Study No. 2

COFCO Oils & Oilseeds' Western Division Held Its 2018 Customer Conference

COFCO Oils & Oilseeds' Western Division held its 2018 customer conference with the theme of "join hands to create a future of mutual benefit" to introduce its general situation, strategic positioning and service capability to the participants, and also invited relevant staff from the hedging department of COFCO Oils & Oilseeds to exchange their views on the current market hotspots. This has enhanced communication, mutual trust and cooperation between COFCO Oils & Oilseeds and its suppliers.



3 Strengthen Communication with Dealers

China Agri has paid high attention to the sales links of the industry chain, continuously strengthened communication with dealers, and regarded dealers as an extension of its development and services. By integrating online and offline resources, China Agri

has been supporting dealers to achieve common development and mutual benefit with the Company, constantly improving its marketing network to better meet the needs of its business competition and development.



Case Study No. 1

COFCO Fortune Foods Sales and Distribution Co., Ltd. Held 2018 National Dealer Conference

On 31 March 2018, COFCO Fortune Foods Sales and Distribution Co., Ltd. held a national dealer conference in Zhengzhou, with the theme of "welcoming the new era, creating a new future". More than 300 key dealer partners and major sales teams from across China attended the conference, during which the company analyzed the small-package edible oil market, introduced in detail its strategies of market positioning, marketing and circumventing uncertainty, and discussed operation concepts and profit models with participants. At the same time, the company also portrayed a new blueprint for its dealer partners from all around the country, namely, adhering to the implementation of the brand development strategy of "one superiority, five priorities" as well as of the corporate development strategy of "focus on resources, better quality and efficiency". The company will work with its dealer partners to forge ahead with greater confidence and courage. This conference has also boosted the relationship between the company and its dealer partners. In the future, the company will continue to fully support its dealer partners to expand sales channels and enhance brand value.



Case Study No. 2

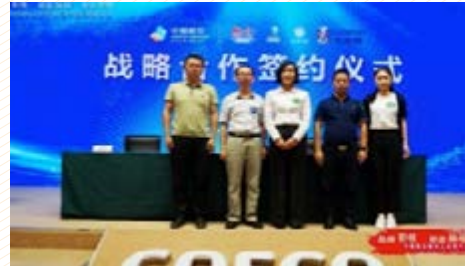
COFCO Oils & Oilseeds' Medium-packaged Business Team Carried Out Activities with Dealers in Various Forms

In 2018, the medium-packaged business team of COFCO Oils & Oilseeds strengthened communication with dealers through various forms: organized visits to manufacturing enterprises for dealers to deepen their understanding of our products, services and operation capability and to enhance mutual trust; held 15 order-placing meetings nationwide, achieving total trading volume of 100,000 tons; held eight national channel dealer meetings to enhance business contacts and solidify cooperation, so as to ensure consistency between the development planning and the direction of upstream and downstream business.



Case Study No. 3

COFCO Grains Held Food Industry Top Customer Conference, Strengthening Cooperation with Downstream Food Enterprises



On 6 August 2018, the Wheat Processing Division held an industrial customer business meeting with the theme of "brand leading, R&D-driven development and professional services" at COFCO LDC, and invited distinguished guests and top customers from China's food sector to explore a new blueprint for the development of the industry. Experts in various fields expounded on the changes and development trends of the food industry. Innovative products were also launched during the conference. In addition, the conference advocated for putting efforts to boost the development of the food industry with the help of technological innovations on raw materials.



Environmental Protection

- / Fulfilling Energy Conservation and Emissions Reduction
- / Advocating Recycling and Conserving Resources
- / Clean Energy
- / Water Resources Management

In 2018, China Agri firmly responded to the national requirement of doing a good job in the uphill battle for prevention and control of pollution, upheld and practiced the concept of “lucid waters and lush mountains are invaluable assets”, stuck to the basic state policies of resource conservation and environmental protection, and embarked on the green development route for building ecological civilization. With the target of providing quality, safe, green and low-carbon products for the society, the Company actively promoted the energy conservation and environmental protection management, further ensured the security and stability of the production and operation environment as well as the reliable quality of the products. The Company continued carrying out the social responsibility of environmental protection to achieve the harmonious development of the Company and the environment.



China Agri recognized the essence of environmental protection and energy conservation is to protect productivity. The Company therefore vigorously promoted environmental protection compliance and supporting and upgrading of energy saving and environmental protection facilities, improved norms for environmental protection risk control, and constructed the identifying mechanism of business laws and regulations. The Company improved its capacity to respond to emergencies, further enhanced its management, and earnestly advanced the effective implementation of its energy conservation and environmental protection management.

In the context of productivity improvement, China Agri in 2018 reduced part of its pollutant emissions instead of further increase compared to that of 2017 via key projects such as implementing technical transformation to reduce exhaust emissions, enhancing cost control of sewage treatment, deploying high-performance equipment, strictly controlling pollutant emissions and encouraging the use of clean energy. The Company decreased waste water discharge by 11,150 tons, ammonia nitrogen by 3.33 tons and SO₂ by 43.94 tons.



	Oilseeds Processing Business	Rice Processing and Trading Business	Brewing Materials Business	Wheat Processing Business
Total Water Consumption (Unit: ton)	5,959,570 ↑ (3,476,206)	-	3,515,533 ↓ (3,996,089)	-
Waste Water Output (Unit: ton)	3,565,408 ↑ (2,824,574)	84,660 ↓ (375,290)	2,891,010 ↓ (3,231,119)	-
Waste Water Discharge (Unit: ton)	2,206,730 ↑ (1,600,509)	84,660 ↓ (361,922)	2,891,010 ↓ (3,231,119)	-
COD (Unit: ton)	111.74 ↑ (54.26)	11.77 ↓ (36.3)	586.18 ↑ (285.93)	-
Ammonia Nitrogen (Unit: ton)	4.49 ↓ (4.85)	0.43 ↓ (1.25)	16.40 ↓ (18.55)	-
SO ₂ (Unit: ton)	349.18 ↓ (383.10)	-	182.18 ↓ (192.20)	-
Oxynitride (Unit: ton)	392 ↑ (306)	-	67.6 ↓ (109)	-
CO ₂ Discharge (Unit: ton)	524,467 ↑ (236,462)	0 ↓ (257)	-	-
Emissions Intensity of CO ₂ (Unit: ton/RMB 10,000)	0.085 ↑ (0.046)	0 ↓ (0.000314)	-	-
Comprehensive Energy Consumption (Unit: ton of standard coal equivalent)	483,774 ↑ (379,328)	19,571 ↑ (17,181)	68,766 ↓ (82,858)	34,954 ↑ (33,606)
Comprehensive Energy Consumption Intensity (Unit: ton of standard coal equivalent/RMB 10,000)	0.08 ↑ (0.07)	0.39 ↑ (0.02)	0.40 ↓ (0.47)	0.03 ↓ (0.04)
Coal (Unit: ton)	158,493 ↑ (140,131)	0 ↓ (666.65)	35,024 ↓ (47,131)	1,535 ↓ (1,758.86)
Electricity (Unit: 10,000 kWh)	71,709 ↑ (55,731)	15,317 ↑ (13,219)	9,201 ↓ (10,254)	24,380 ↑ (22,668)
Natural Gas (Unit: 10,000 cubic meters)	1,087 ↑ (709)	2.90	-	107-(107)
Steam (Unit: MkJ)	6,005,354 ↑ (4,711,753)	-	657,859 ↓ (678,180)	18,448
Methane Yield (Unit: 10,000 cubic meters)	-	-	-	-
Methane Utilization (Unit: 10,000 cubic meters)	-	-	-	-
comprehensive energy consumption/t production (Unit: kilogram of standard coal equivalent)	30.20 ↑ (30.15)	11.4 ↑ (10.43)	115.32 ↓ (121.7)	13.50 ↑ (12.92)
water consumption/t production (Unit: ton)	0.401 ↑ (0.355)	-	5.9 ↑ (5.87)	-
Purchase volume of packing materials (Unit: ton/10,000 strips)	129,503 ton ↑ (105,897 ton)	3,300,000 ton	5,948,500 strips	woven bags: 109,720,000 strips adhesive bonded fabric: 30,690,000 strips plastic coiled materials: 912 ton (Packaging bags: 105,210,000 strips adhesive bonded fabric: 23,240,000 strips plastic coiled materials: 650 ton)

No toxic and hazardous waste emissions.

1 Fulfilling Energy Conservation and Emissions Reduction

China Agri has adhered strictly to the “Energy Conservation Law of the People's Republic of China” and organized enterprises to conduct benchmarking management on the combustion efficiency of coal-fired boilers and benchmarking management on steam unit consumption per product of each working section in order to find the gaps. The Company has increased the utilization efficiency of energy sources including coal and steam by measures such as adjusting control parameters and applying gas-gas heat exchanger, vapor-water heat exchanger and high and low-temperature oil heat exchanger to further reduce the emissions of pollutants such as carbon dioxide and do a good job in the uphill battle for the prevention and control of pollution.



Case Study No. 1

Upgrade and Revamp Facilities to Reduce Emissions of oxynitride

In March 2018, COFCO TTC (Beijing) Foods Co., Ltd. conducted upgrading and transformation on the emissions of its steam generators, boiler burners and smoke chimneys according to Beijing's regulations on the emissions of boilers. The oxynitride emissions were reduced from 120 mg to below the emissions standard of less than 30 mg after the upgrading, meeting the latest emissions standard of Beijing. In September 2018, the company also transformed the smoke extraction system of its ovens in the workshops by installing two new oil fume purifiers (in line with the new standard for 2019) and passed the acceptance check of the environmental impact assessment of Beijing.

2 Advocating Recycling and Conserving Resources

China Agri has improved its management and technologies in accordance with the “Cleaner Production Promotion Law of the People's Republic of China”. The Company has improved its energy measuring system, conducted energy-saving diagnosis, applied modes such as contracted energy management, eliminated outdated equipment and promoted the operating efficiency of air compressors, electric motors, water pumps and so on to save electricity and achieve resource saving.



Case Study No. 1

Adopt Contracted Energy Management Mode to Achieve the Energy-Saving Technological Improvement for Air Compressors

At the beginning of 2018, COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. conducted the energy-saving technological improvement for air compressors and cooperated with energy companies via the contracted energy management mode. According to the technological transformation expectation, the plan aiming an energy saving rate of no less than 20% is expected to save at least 1.85 million kWh of electricity per year, cutting costs by RMB 1.35 million. Four UDT200A-6VFD high-efficiency and energy-saving air compressors were put into operation in March 2018, which generated benefits of RMB 1,058,600 as of the end of 2018.

3 Clean Energy

In order to implement the Renewable Energy Law of the People's Republic of China, the Air Pollution Prevention and Control Action Plan and the relevant arrangements, China Agri's subsidiaries have responded to the call of local governments vigorously by eliminating small coal-fired boilers and coordinating with local power supply, heat supply, gas supply and other departments on matters concerning pipeline routes in accordance with the principles of giving priority to grid connection and building winter heating systems with natural gas and electricity based on the actual situation. Considering the actual situation of the companies, they have employed clean energy sources including biomass energy and natural gas to replace thermal coal, delivering supports for defending blue sky. In 2018, four enterprises of China Agri eliminated their coal-fired boilers, which were replaced by natural gas-fired boilers. COFCO Oils & Grains Industries (Huanggang) Co., Ltd., for example, reduced its sulfur dioxide emissions by 36 tons for the year, after shifting to natural-gas-fired boilers.



Case Study No. 1

Transform Air Outlets

Xiamen Haijia Flour Mills Co., Ltd. conducted the noise reduction and dedusting facilities transformation on 11 air outlets of the fans on the roofs of its No. 1 and No. 2 flour milling workshops, aiming at the noise reduction and aging dedusting facilities of the air outlets in the workshops, in order to ensure that its noise emissions and dust removal could comply with the environmental regulations.



Noise reduction of air outlets of the fans on the roofs of flour milling workshops

4 Water Resources Management

Following the "Circular Economy Promotion Law of the People's Republic of China", China Agri has recycled the condensate water and cooling water of all working sections and reused the reclaimed water for production and landscape purposes after processing so as to achieve the multistage and cascade utilization of water resources, reduce the water consumption and costs, and promote sustainable development.



Case Study No. 1

Washing Water Reclamation Project Achieved Sound Results

During the process of fats refining, it is quite hard to deal with large amount of washing water generated from washing centrifuges since the water contains compounds including oil, phosphorus and sodium soaps of fatty acids, which caused higher costs for the sewage treatment. In order to solve this problem, COFCO Yellowseas Oils & Grains Industries (Shandong) Co., Ltd. conducted a washing water reclamation project, reusing the water after oil removal and filtration. The company reduced the water consumption and wastewater discharge by about 90%, improving the utilization efficiency of water resources, relieving the processing pressure on sewage workshops and cutting its emissions to the environment.



Care for Employees

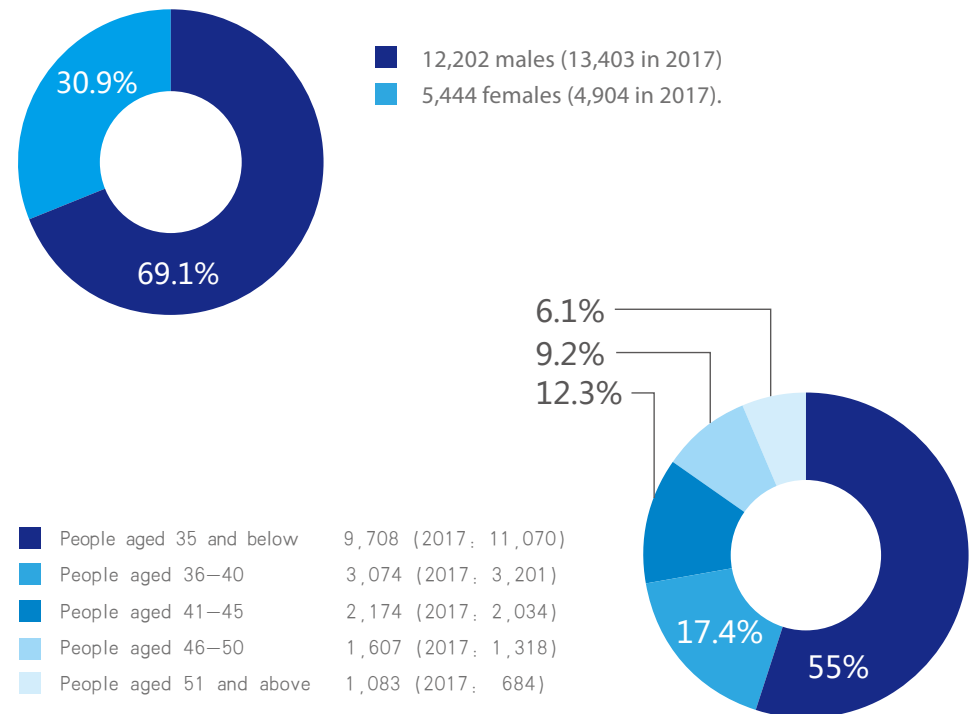
- / Safeguard the Rights and Interests of Employees
- / Attach Importance to Employee Development and Value Realization
- / Workplace Safety and Health
- / Care for Employees

Employees are the most precious resource and wealth for an enterprise, which are also important for its further development. China Agri always is concerned about the self-realization of employees. Through creating transparent corporate culture, the Company is committed to helping every employee achieve their personal development.



Adhering to the management concept of scientific operation, China Agri integrates and optimizes the Company's organizational structure, as well as improves various rules and regulations to protect the legitimate rights and interests of employees; promotes reform of the salary and performance incentive system; pays attention to the growth of employees, actively organizing various training activities to help them to enhance their professional ability, and promoting their career development for self-value realization; strengthens investment in occupational safety and health; and holds a variety of recreational and sports activities to enrich the lives of employees.

As of 31 December 2018, the total number of employees at China Agri was 17,646 (18,307 in 2017).



1 Safeguard the Rights and Interests of Employees

China Agri aims to establish a legal, harmonious, efficient and stable employment system. The Company respects and protects the rights and interests of its employees, strictly abiding by China's Labor Law, Labor Contract Law, and other laws and regulations, as well as preventing child labors. We treat every employee equally to make sure offer of employment, wages and promotions are not discriminated against for their ethnic group, race, nationality, gender, religion, age, sexual preference, political faction and marital status. The Company makes salary payments, overtime payments and other benefits according to China's Labor Law. The Company strives to improve its employee management systems on an ongoing basis and has established sound supervisory systems to protect labor rights, which is mainly shown in the following aspects:

1. 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, prevent the policy on forced labor and protect the legitimate rights and interests of our employees.
2. 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, 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.
3. 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.
4. 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.

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.

China Agri has built a complete remuneration management system to ensure competitive salary benefits for employees and allows employees to enjoy incentive orientation associated with performance results, reflecting performance first and good work deserving good pay.



Case Study No. 1

Hold Employee Representative Conference, Passing Adjustments of Social Security Payment Base

In line with the requirements of the Notice on Approving Social Security Payment Base Submission between 1 July 2018 and 30 June 2019, the No. 27 document for 2018 issued by the Ministry of Human Resources and Social Security, the average workers' pay in Jingzhou, Hubei was raised to RMB 3,870 in 2018. COFCO OILS & GRAINS INDUSTRIES (JINGZHOU) CO., LTD. handed out questionnaires to 85 employees and took all of them back, with nobody choosing the plan A while all the respondents choosing the plan B; 44 people attended the employee representative conference, with nobody choosing the plan A while all the attendees choosing the plan B. The company applied for paying social insurance and public housing accumulation funds under the plan B from July 2018 to June 2019.



2 Attach Importance to Employee Development and Value Realization

1. Employee Career Development

China Agri always adheres to the talent-based principle and continuously explores the growth mechanism of talents to provide diversified growth space for employees. On the basis of clarifying the path of career promotion and development for employees in management and professionalism, the Company further opened up the internal boundary for talents to provide a channel for the flow of talented people across institutions. In 2018, the Company actively promoted the reserve talents plan and selected young cadres with high potential and outstanding performance to strengthen work ability of the cadre team and ensure stable organizational structure. We also conducted systematic education and training in rotation under the theme of "understanding politics, business and management" to promote the sustainable development by enhancing team capability. The Company broke the traditional concept and reduced the number of managerial positions in order to further establish a streamlined and efficient functional headquarters and to realize a "quality" "enhancement" based on "downsizing" of "quantity". We also adjusted the position management mechanism from the traditional "job hierarchy based on position hierarchy" to the "1 + N" mechanism in accordance with position map. This not only simplified the management level, shortened the decision-making process and improved the management efficiency, but also broadened the coverage of talents and provided a more open platform for the growth of talents.



Case Study No. 1

Carry Out Technical Title Review of 2018

A total of 17 employees from the production department, logistic department, quality control department, finance department, business department, and comprehensive management department signed up to participate in the 2018 technical title review of COFCO OILS & GRAINS INDUSTRIES (JINGZHOU) CO., LTD. The review was divided into four parts: qualification assessment, written examination, technical practice and an interview. After the strict qualification assessment, the 17 participants attended the written examination. The technical title review helped employees to strengthen learning thus enhancing their professional and technical capabilities.



Case Study No. 2

Conduct "Blue Program" Series Training

In 2018, COFCO Oils & Oilseeds launched the "Blue Program" series training to strengthen young manager cultivation. It aimed to cultivate a team of young managers who are politically literate, able to think from the perspective of the whole industry chain, as well as good at operation and management. The phase I of the program broke the job level limit, admitting 28 trainees, all of whom are from the business frontline. The phase I of the program kicked off at COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. in April and successfully concluded at COFCO Oils (Qinzhou) Co., Ltd. in November. During the 236-day phase I, five centralized research and study activities were organized. Contents covering political theory learning, business logic, sand table simulation, operation of the whole industry chain, discussions on regional business, visits to benchmark enterprises, management and leadership, and self-improvement were offered in the form of centralized training, subject practice and coaching to help the trainees broaden their horizons, make rapid progress, and enhance themselves systematically.



Case Study No. 3

Centralized Project Training with Theme of "Learning System, Understanding Rules, and Focusing on High Quality"

From 28 to 30 November 2018, the Project Investment Department of COFCO Grains held centralized project training with the theme of "learning system, understanding rules, and focusing on high quality" at COFCO (Dongguan) Oils & Grains Industries Co., Ltd. COFCO Grains' Project Investment Department, Audit and Risk Control Department, Production and Quality Safety Department, as well as Discipline Inspection and Supervision Department jointly provided training on seven subjects covering elaboration on documents on anti-corruption, as well as COFCO Grains' investment management system, project safety management system, and audit processes and cases. Lecturers from Mydao detailed regulations on project bidding and the contract management system, discussed relevant risks and proposed countermeasures. Furthermore, an excellent project team was invited to share their experience and classic cases. During the training, the trainees were organized to have classroom tests, and visit the rice and flour projects at our industrial park in Dongguan, which further consolidated their training and studying achievements.



2. Employee Competency Improvement

China Agri has always regarded employees' professional skill development as the most valuable strategic investment. We develop a unique employee training and professional skill improvement system and create 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. The Company's staff training rate was 100% in 2018.

In 2018, China Agri actively created learning opportunities for young employees and ensured employees can continuously improve their work performance by means of the existing training system, applying scientific training management methodology, establishing an internal trainer operation mechanism, strengthening the management trainee project and other distinctive excellent and efficient curricula.



Case Study No. 1

COFCO Grains Cultivates Skilled Personnel for Specialized Positions in Industry

COFCO Grains attaches great importance to the cultivation of skilled personnel for specialized positions in the industry. It has actively partnered with COFCO Trading Vocational Education School to carry out training for relevant jobs and vocational skill appraisal in accordance with its business development demand and COFCO's annual vocational skill appraisal program. From 2017 to 2018, COFCO Grains organized a number of centralized training and skill appraisal for subordinate companies, targeting "grains and oils keepers", "grains and oils quality inspectors", "rice makers" and "flour makers". During the period, around 100 employees became qualified in the school's centralized training and appraisal, as well as obtained relevant professional qualification certificates, which effectively improved the skill level of professional talents in COFCO Grains' subsidiaries, providing a strong support for the high-quality and rapid development of grain and cereal production.



Case Study No. 2

Organize Job Skill Competition

From 20 to 22 November 2018, COFCO OILS & GRAINS INDUSTRIES (JINGZHOU) CO., LTD. carried out the 3rd job skill competition in a bid to enhance workers' job skills in the company's factories in Jingzhou, stimulate employees' competitive spirit of "technology learning, ability strengthening, and skills competing", and foster a team of knowledge-based and skilled high-quality talents. The competition was divided into theory and practice examinations, involving the utilization of office software, fire safety skills, welding technique, quality testing skills, and forklift skills. All departments organized employees to sign up for the competition and 72 employees were eligible. After fierce competition, 21 of them achieved excellent results.



3 Workplace Safety and Health

In 2018, China Agri continued to promote its efforts in building and promoting workplace safety regarding special safe production programs as a major control measure to prevent dangerous sources. The Company also detailed all indexes and specified safe production responsibilities layer by layer. In 2018, the Company added various safety management standards and measures such as the Management Measures of COFCO Oils & Oilseeds on Major Environmental Protection Risks, the Quality Safety Management Red Line of COFCO Oils & Oilseeds, the Management Measures of COFCO Grains on Quality Safety Education Training. From the perspective of measure management, the Company comprehensively standardized various workplace safety and formed unified management and control standards to promote that all construction and operation activities were carried out in accordance with the law.

Meanwhile, in order to further improve its quality safety management system, COFCO Grains has formulated various regulations such as the Quality and Safety Responsibility System, Comprehensive Emergency Plan for Safe Production Accidents, and Management Measures for Administrative Accountability for Quality Safety since 2017, basically forming its quality safety system. Each year, COFCO Grains signs a quality safety responsibility letter with factories and carries out performance appraisal on its factories. The responsibility letter includes three index categories, namely the accident index, technology index and process index, involving 45 detailed items in 12 sub-categories, which comprehensively cover work content such as safe production, food safety and ecological environmental protection.



Case Study No. 1

Organize Emergency Practice for Fire Caused by N-hexane Leakage

In line with the annual work plan, COFCO Oils & Oilseeds successfully held the emergency practice for fire caused by the n-hexane leakage at COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. in the morning of 10 April 2018, in a move to improve COFCO Oils & Oilseeds factories' accident escape and emergency response ability, as well as standardize the emergency response process for dissolvent leakage, poisoning choke and fire accidents to prevent major risks. More than 70 managers and production safety management staff from over 26 companies in seven major regions watched the emergency response demonstration. The practice effectively verified the scientificity and practicability of COFCO Oils & Oilseeds' emergency plan, tested the emergency rescue ability of grassroots workers in dealing with accidents, as well as further improved the safety and responsibility awareness of general staff.



Case Study No. 2

Launch Rice, Flour and Beer Malt Cross Inspection Campaign

COFCO Grains adopts various supervision and inspection mechanisms simultaneously and uses flight inspection, cross inspection, special inspection and other inspection approaches, forming cross inspection and mutual inspection over rice, flour and beer malt. In 2018, COFCO Grains carried out four cross inspection activities, or 35 groups in total, covering all of its factories, with 1,095 potential safety hazards identified. Meanwhile, its factories launched a wide self-inspection campaign. By the end of October, its factories had identified 11,653 potential safety hazards, 11,622 of which had been rectified, with the rectification rate reaching 99%.

4 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 live, embracing the atmosphere of 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".



Case Study No. 1

Establish Employee Club to Enrich Leisure Life

In March 2018, the trade union of COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. issued the Management Measures for the Sponsorship of COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. Employee Club (Trial) with the aim of enriching the leisure life of employees, which received enthusiastic responses from the company's trade union members. In June 2018, three clubs of football, badminton and baking were formally established after the approval of the trade union committee. At present, there are about 110 members in each club.

After the establishment of the clubs, all activities were carried out in strict accordance with the proposed regulations and plans. The football club organized a friendly match with the President Club of the Zhangjiagang Football Association. The club also participated in the "Poly Real Estate Cup" football match of the first Zhangjiagang Youth Games and won the fourth place. The baking club launched DIY bread making and Mid-Autumn moon cake making activities, which provided a learning platform for the company's baking lovers. The badminton club mainly conducted regular in-house training, with two venues set up in the urban area and the port area. Training activities were conducted once a week.



1 / Activities Supporting Physical and Mental Health of Employees

Cultural activities are a stage for employees to show their talents, which are also an important platform to cultivate their tastes. In 2018, China Agri continued to carry out cultural and sport activities against the backdrop of traditional festivals to enrich employees' leisure life through employee clubs.



Case Study No. 2

Employee Badminton Competition Held

On 11 May 2018, the trade union of COFCO OILS & GRAINS INDUSTRIES (JINGZHOU) CO., LTD. organized the 2018 employee badminton competition with the aim of creating a harmonious corporate culture atmosphere and establishing an interactive platform for employees to further enrich their leisure life. Employees actively participated in the match, and nearly 27 players from various departments of the company signed up for the competition. The employee badminton competition not only enriched employees' spare time and improved their awareness of healthy life, but also enhanced the friendship among them and strengthened corporate cohesion.



2 / Care for Employees



Case Study No.1

Implement Employee Assistance Plans and Normalize Consolation Work

In 2018, relevant leaders of COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. teamed up with financially challenged family of employees to implement assistance programs, which aimed to further demonstrate the company's care for employees, carry out the Assistance Program of COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. for Financially Challenged Family of Employees, as well as establish a long-term assistance mechanism.

Before consolation and assistance were offered, people who had teamed up with financially challenged family of employees arranged communications between company leaders and these families to identify the latter's cause of difficulty, living conditions and current living needs. The company completed four assistance projects every quarter, ensuring that all employees in the assistance groups were covered. The annual consolation standard was RMB 1,500 per person. In addition, the company dynamically managed the files of financially challenged employees. New financially challenged employees were randomly added to different assistance groups by the democratic management committee of the trade union as assistance targets.



Case Study No.2

Visit Frontline Employees

During the Spring Festival of 2018, the chairman of the trade union and members of the female employee committee of COFCO Flour Industry (Haining) Co., Ltd. visited financially challenged frontline employees, bringing festival greetings to them, in response to COFCO Grains' notice on caring grassroots employees and boosting their morale. During the days of reunion, the company's caring and greetings were brought to financially challenged family of employees, making employees feel warmth in winter and greatly boosting their morale.

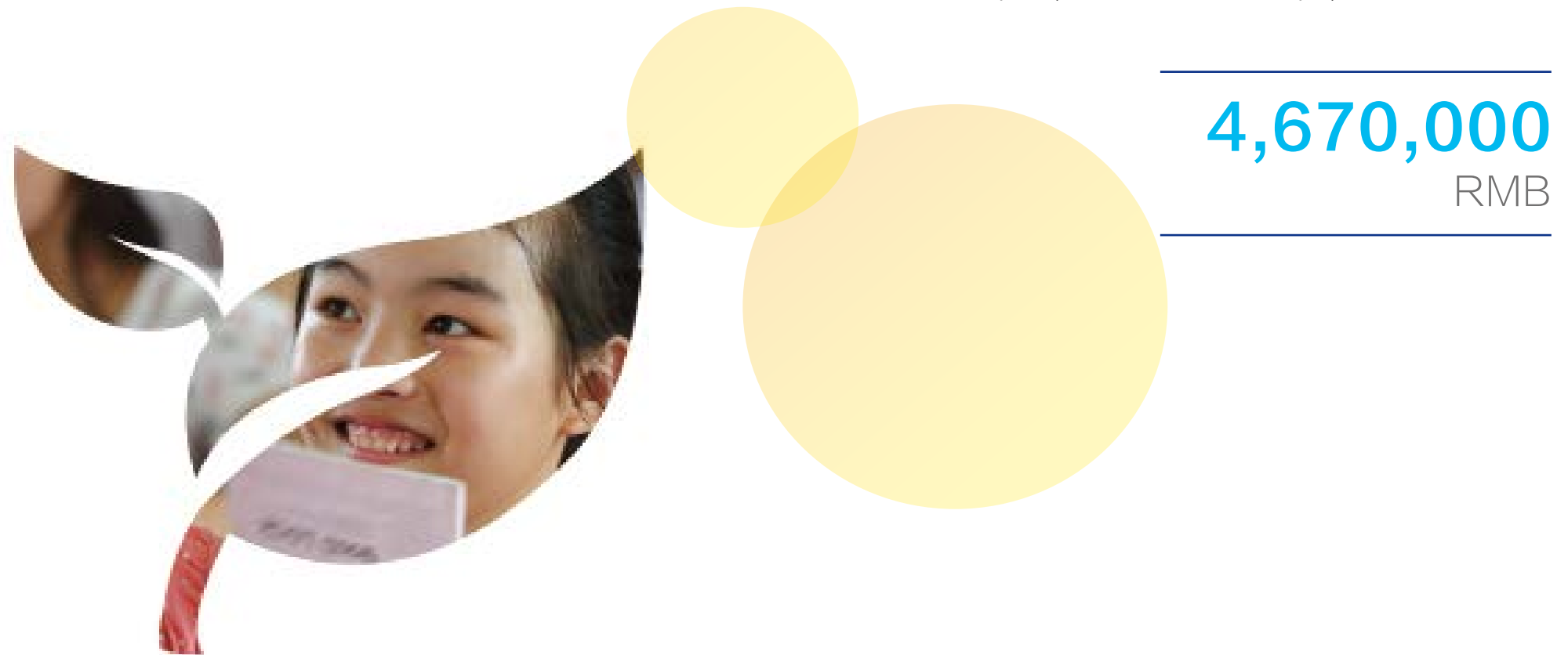


Charitable Work

/ Community Building / Caring for the Development of Teenagers/ Vulnerable Groups

Communities are like soil on which a company relies for existence and development, and the healthy development of the society cannot be realized without every “corporate citizen” getting involved. China Agri always pays attention to the combination of its economic benefits and social benefits. We also give back to the society through public activities in education, poverty alleviation and other sectors, making use of its own advantages.

In 2018, China Agri made external donations by strictly complying with the External Donation Management Measures implemented by parent company COFCO Corporation. The Company made donations for disaster assistance, poverty alleviation, the physically challenged, and impoverished students. In 2018, China Agri handed out special poverty alleviation funds of totally RMB 4,670,000 so as to fulfill its corporate social responsibility and show gratitude to and repay society, effectively playing a demonstration role in poverty alleviation as a central company.



1 Community Building



Case Study No. 1

Potential Safety Hazard Identification Activity Organized in Maqiao Community

On 3 June 2018, several full-time safety staff of COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. and volunteers from the Port Office of Zhangjiagang People's Government conducted the "Potential Safety Hazard Identification" voluntary service activity in the Maqiao community of Jingang town in an effort to effectively prevent safety accidents and create safe living environment for community residents.

Volunteers mainly checked whether the locations and quantities of fire exits, escape routes, emergency lighting, and evacuation indicator signs on each floor were up to fire safety standards, whether fire control devices were complete and usable, and whether the devices were regularly examined and maintained. Especially, they thoroughly removed sundries that were disorderly piled up and blocked fire passages when going against fire safety standards.



Case Study No. 2

"Hundred-Family Banquet" Themed "Dongrong Is Like One Family, Sharing Happiness Together" Held during the Double Ninth Festival

On 16 October 2018, when the Double Ninth Festival was celebrated, Xiamen Haijia Flour Mills Co., Ltd. organized the "Hundred-Family Banquet" activity in Dongrong Community in Huli District under the theme of "Dongrong Is Like One Family, Sharing Happiness Together". Xiamen Haijia Flour Mills Co., Ltd., together with Dongrong Community, carried out such activities as publicizing healthy wheaten food culture and visiting poverty-stricken families in the community, during which COFCO's product packages worth about RMB 6,100 were donated.





Case Study No. 3

Gave Moon Cakes to Elders in Panggezhuang Social Welfare Center during Mid-Autumn Festival

On 22 September 2018, COFCO TTC (Beijing) Foods Co., Ltd. sent Mid-Autumn Festival gifts — Xiangxue (香雪) moon cakes — to the elders living in the Panggezhuang Social Welfare Center. Considering the elders' physical conditions, the donated moon cakes, mainly made of low-sugar products with five kernels, quinoa or highland barley fillings, were all widely praised by the elders.



Case Study No. 4

Employees Organized to Take Part in Commonweal Environmental Protection Activity

On 3 June 2018, COFCO Oils (Qinzhou) Co., Ltd. took part in a commonweal environmental protection activity held by the Qinzhou Welove Volunteers Association in the Jinxi Garden of Qinzhou near Qinjiang's No. 4 Bridge and along nearby river channels under the theme of "Loving Qinjiang River, Caring for Mother River", so as to thoroughly implement spirits of key speeches of Chinese President Xi Jinping and guide employees to establish and practice the green development concept of "Lucid waters and lush mountains are invaluable assets". Employees earnestly cleaned wastes in grass, such as plastic bottles, packing bags and cigarette butts, with one hand holding a rubbish bag and the other one taking a tong. They seriously "beautified" the "mother river". The activity considerably improved party members' environmental awareness and practiced the environmental protection concept of "It is everyone's responsibility to protect the environment". Through picking up rubbishes and protecting the environment, employees started from little things around them, started from themselves, and voluntarily took part in the protection of the "mother river" to create an ecosystem of beautiful hills and waters.



2 Caring for the Development of Teenagers



Case Study No. 1

"Happy Book Reading": Trade Union of Logistics Division Hosts Book Donation Activity

On 15 June 2018, the trade union of the logistics division of COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. organized the "Happy Book Reading" book donation public welfare activity at Zhangjiagang Lv Feng School, bringing summer vacation gifts to children there. The book donation mainly targeted the 'Books to New Home' public welfare activity held at the schools for children of migrant workers in Zhangjiagang city. On the one hand, the trade union used its membership fees purchased different kinds of books and journals suitable for children and teenagers to replace old books at the company's library whilst donating the old ones. On the other hand, the logistics division initiated and encouraged employees to voluntarily donate books in such ways as donating old books in exchange for new ones or gifts. With more than 20 days of efforts, 366 books were collected, which were donated together with 2,000 books previously collected by the 109 public welfare team of the Longtan Community. There is an old saying that "a bit of fragrance clings to the hand that gives flowers". Through serving schools and benefiting children of migrant workers, the activity enabled the company to make contributions to public welfare and shoulder its social responsibility whilst improving COFCO's brand reputation.



Case Study No. 2

Education Assistance Program for Mountainous Areas Held

In December 2018, a delegation comprising more than ten employees of COFCO (Chengdu) Oils & Grains Industries Co., Ltd. visited Wagu Primary School in Amo Village, Sedi Township, Liangshan Yi Autonomous Prefecture, Sichuan Province, where they carried out an education assistance program for the mountainous areas, bringing food and school supplies to local students. They saw the children's innocent smiling faces in the cold winter were heart-smelting. When giving love to the children in the mountainous areas, the employees also felt the warmth from the children in return.



3 Vulnerable Groups



Case Study No.1

Supporting Construction of Tea Workshop in Hengshan Village of Xiushui County for Poverty Alleviation

In order to further give play to the leading role of state-owned enterprises in poverty alleviation, COFCO Oils & Oilseeds assigned cadres who worked on secondment for poverty alleviation as the first secretaries of poverty-stricken villages and allocated RMB 2 million as special poverty alleviation funds for targeted poverty alleviation. It launched featured agriculture projects in accordance with local conditions to push ahead poverty alleviation, including support given for Hengshan Village of Xiushui County to build the tea workshop. Meanwhile, the Division actively promoted the development of the kiwifruit industry, infrastructure construction and appearance renovation of Hengshan Village, practically driving the local economic development. The cadres who worked on secondment for poverty alleviation assigned by COFCO Oils & Oilseeds actively provided suggestions to help Xiushui County get rid of poverty, successfully completed the tasks of assisting designated townships and poor villages and won high recognition of the local cadres and local people. As approved by the Village Construction Office of the Xiushui County CPC Committee, their designated poverty relief work was rated as "Excellent".



Case Study No.2

Participate in "Hiking for Love" Public Welfare Activity in Zhangjiagang

On 25 November 2018, the trade union of COFCO EAST OCEAN OILS & GRAINS INDUSTRIES (ZHANGJIAGANG) CO., LTD. organized 15 teams with 53 employees to participate in the "Hiking for Love" public welfare activity at Shazhou Middle School. Organized by the Zhangjiagang Charity Federation, the activity was launched in early November. The trade union formed project teams and selected sponsorship projects. It raised a total of RMB 6,900 to support "Sunshine Charity Connection", a charity project for financially challenged leukemia patients, bringing love to the patients. The route started from Shazhou Middle School and finished at Shopping Park. Total distance was 10 kilometers.





Case Study No. 3

Fulfill Social Responsibility to Help the Disadvantaged Group

In 2018, COFCO OILS & GRAINS INDUSTRIES (CHONGQING) CO., LTD. attached great importance to poverty alleviation. As a member of the poverty alleviation group of the Organization Department of the Jiangjin District Party Committee, the company followed the principle of helping the disadvantaged group and actively fulfilling social responsibilities. In respect of public welfare activities, the factory donated money to families of workers with cancer patients in the industry park; it visited 18 elderly people in local nursing homes, bringing love to them; and it gave cooking oil to three financially challenged families in the mountainous area for one year. In respect of financially challenged employee assistance, it helped financially challenged employees in accordance with their actual situations in different forms, such as family visits, work talks, gifts in kind, donation activities, visit patients, and festival consolation.



Case Study No. 4

Assist Impoverished Households in Qinbei and Qinnan Districts

In the targeted poverty alleviation tasks allocated by local governments, COFCO Oils (Qinzhou) Co., Ltd. assisted 28 poverty-stricken households in Tanlan Village, Pingji Town, Qinbei District, and eight poverty-stricken households in Gaotang Village, Dongchang Town, Qinnan District. In order to fulfill social responsibility as a state-owned enterprise and give back to the society, the company had donated materials and funds totaling RMB 469,000 to impoverished villages and households as of 22 September 2018, mainly used for developing the economy of impoverished villages, improving infrastructure facilities and building projects. The company implemented all poverty alleviation work and established a good corporate image.

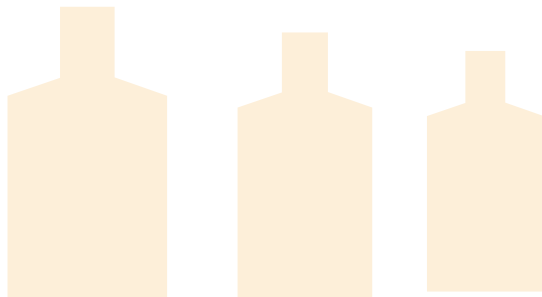
In 2018, two employees were sent to the two villages as volunteers for poverty alleviation. They sincerely visited villagers and the sites of agricultural production, did good and practical things for people in financial difficulties, in order to help them shake off poverty and become well-off with practical actions.



Case Study No. 5

Donation and Activity to Help Impoverished Students Held

In 2018, the trade union of COFCO Ningxia Rice Processing limited organized two donations to help two employees from other factories who were suffering from malignant diseases, with the total amount of more than RMB 6,000, which was donated by trade union members voluntarily. In addition, the trade union continued to carry out the activity to aid impoverished students. In August 2018, trade union members volunteered to help selling the company's products during the holidays for three consecutive weeks. The proceeds of more than RMB 6,000 raising there from was used to finance poverty-stricken college students.



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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:

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