



Corporate Responsibility at Cargill

Our company

Cargill is an international producer and marketer of food, agricultural, financial and industrial products and services. Founded in 1865, our privately held company employs 142,000 people in 66 countries. Cargill helps customers succeed through collaboration and innovation, and we are committed to applying our global knowledge and experience to help meet economic, environmental and social challenges wherever we do business.

Our Commitment

When William Wallace Cargill founded our company in 1865, he deliberately set out to ensure that we earned and maintained a reputation for integrity, which he saw as a key differentiator in those times.

Corporate responsibility is part of everything we do. It is a process of continually improving our standards, our actions and our processes. Corporate responsibility extends not only to our own operations but to our wider communities and is based on four commitments:

- We will conduct our business with high levels of integrity, accountability and responsibility.
- We will develop ways of reducing our environmental impact and help conserve natural resources.
- We will treat people with dignity and respect.
- We will invest in and engage with communities where we live and work.

We recognize our continued success depends on the growth and health of our communities and partners, as well as the vitality and conservation of our natural resources. We are working with a diverse group of global, national and local organizations to support responsible economic development, help protect the environment and improve communities.

Our Actions

We first set company-wide environmental goals nearly a decade ago, in 2001. New goals are established every five years to continue to drive excellence. Our latest goals extending through May 2015 include:

- Improve energy efficiency by 5 percent from our fiscal 2010 baseline
- Improve GHG intensity by 5 percent from our fiscal 2010 baseline
- Increase renewable energy use to 12.5 percent of our energy portfolio
- Improve freshwater efficiency by 5 percent from our fiscal 2010 baseline

We achieved our 2010 goals on renewable energy and freshwater use. In the past four years, we improved our Green House Gas (GHG) intensity by 1.5 percent from our baseline, which was short of our 8 percent goal. Yet we gained numerous skills and processes along the way that will help us continue to make progress in reducing our carbon footprint. We've also improved our operations' energy efficiency by more than 10 percent from our fiscal 2001 baseline and by more than 20 percent per U.S. \$1,000 of sales.



Environmental Innovation

We look to innovation as a way to preserve and protect the environment, whether by using energy and resources more wisely (which also helps reduce energy costs), pioneering the commercial use of renewable raw materials or helping customers to shrink their environmental footprints.

- We have developed an array of bio-based oils, lubricants, plastics and other products suitable for industrial applications. Our BIOH® polyol, a soy-based ingredient used in making flexible foams for upholstered furniture, received the Presidential Green Chemistry Challenge Award from U.S. Environmental Protection Agency.
- Cargill's NatureWorks LLC, creates biodegradable plastics from corn. It is the first commercially available polymer derived from 100 percent annually renewable resources. It uses 65 percent less fossil fuel to produce and reduces greenhouse gas emissions by 80-90 percent compared to traditional petroleum-based polymers.
- We are partnering with several U.S. cities to help convert methane from landfills and waste water treatment plants into useable energy sources. This mitigates the negative environmental impacts of releasing methane into the atmosphere, while generating revenue for the cities and reducing our energy costs.
- By combining global positioning satellite (GPS) technology with nutrient management information, our certified crop advisors are helping farmers deliver crop nutrients more precisely. This improves the efficiency of fertilizer use and prevents the overspray of pesticides.



We are converting biogas into energy providing a sustainable alternative to waste management and offsetting methane emissions.

Food Safety Leadership

At Cargill, safe food is fundamental to our business. Our customers rely on us for quality and our ability to safeguard the wholesomeness and integrity of the products we produce and sell. We are committed to providing safe food and animal feed products and services. We are working to achieve global food systems that are more transparent, harmonized and science-based in order to enhance public health outcomes and strengthen food security.

- Cargill is a founding member of Safe Supply of Affordable Food Everywhere (SSAFE), a non-profit organization that is officially recognized by the Food and Agricultural Organization (FAO) of the United Nations and the World Organization for Animal Health (OIE). SSAFE works to foster public-private partnerships that support the adoption of international science-based food safety, animal health and plant protection standards.
- We are a founding member of the Global Initiative on Food Systems Leadership (GIFSL), which is an international consortium of educational institutions working toward global food security and sustainability. GIFSL partners with intergovernmental organizations, food companies and non-governmental organizations. It focuses on training to develop the next generation of worldwide food system leadership committed to global food security. In 2009, GIFSL delivered the second of a five-year food safety program for Chinese officials who traveled to Europe and the United States to see, and experience first-hand, the implementation of food safety systems and to learn from intergovernmental agencies, academics and food companies.
- Through significant investments in science and innovation, Cargill is working to eliminate E. coli and other naturally occurring pathogens that can lead to food-borne illnesses. Many cattle carry



Our trace-back procedures allow Parmesan cheese makers in Italy to link their cheese to the feed ingredients that their milk cows consumed.



E. coli O157:H7, which does not affect animal health. In the United States, we have joined Epitopix and the National Cattlemen's Beef Association on a cattle vaccine project, which is aimed at reducing E. coli in cattle before they reach our processing plants. We are working with about a dozen feedlots near our packing plant in Ft. Morgan, Colorado as part of a study in which approximately 100,000 cattle will be vaccinated twice at the feedlots and tested for E. coli O157:H7 at several points at the plant. The data will then be compared on a day-by-day basis with cattle that were not vaccinated.

Responsible Supply Chains

Responsible sourcing is a vital part of our commitment and we are working with business partners, governments, non-governmental organizations (NGOs) and communities to foster sustainable economic development and promote responsible practices throughout our supply chains. Our activities are improving agricultural and labor practices, as well as helping conserve the environment.

- Through our partnership with The Nature Conservancy, we are providing on-the-ground support to farmers in Brazil's Santarém region to comply with the Brazilian Forest Code. Training farmers in reforestation techniques is resulting in areas of farmland being restored and protected, while helping our local suppliers fulfill their legal obligations.
- We actively support the Roundtable on Sustainable Palm Oil (RSPO) and are committed to helping lead efforts to move the palm oil industry towards more sustainable production. Our palm plantation, PT Hindoli in Indonesia has received RSPO certification and smallholders at this plantation have also become the world's first smallholder scheme to become certified under the RSPO's Smallholder Principles & Criteria. We are working towards getting RSPO certification for our other Indonesia plantation, PT Harapan Sawit Lestari. We already have responsible palm production policies on our own plantations, and we have set a goal of buying 60 percent of our total crude palm oil from RSPO members by the end of 2010. We have also announced a collaboration with WWF to undertake an assessment of our palm oil suppliers in Indonesia to gauge progress on implementing the RSPO standards.
- We have joined other members of the global cocoa and chocolate industry to work with West African governments and NGOs to take action to eliminate the worst forms of child labor. We also are investing in our own projects to improve educational opportunities for children that keep them from forced or dangerous work on farms.
- In the United States, where we have our largest meat processing operations, every employee in contact with beef cows undertakes an industry-leading, humane animal-handling training and certification program. We are also the first company of our size to introduce independent 24/7 video monitoring at all our North American beef, pork and turkey facilities. The program is designed to help plant operators teach and monitor performance in animal handling.



On our oil palm plantations in Indonesia, we have made a commitment to not plant on high value forests, not develop deep peat land and not use burning for land preparation. We also are actively supporting the Roundtable on Sustainable Palm Oil (RSPO) to promote sustainable palm production, and we are currently working towards certification of all our plantations.

Rural Development

We invest and provide support in rural areas through activities such as training hundreds of thousands of farmers each year on best practices in crop and animal agriculture, providing loans and credit assistance, establishing fair and transparent pricing policies and increasing access to markets. Such activities are helping to raise rural families' incomes and living standards, improving the quality of local agriculture, as well as developing infrastructure and operating facilities that strengthen the local economic base.



- In China, Cargill is working in cooperation with the government to improve farm irrigation in rural areas to conserve water, increase crop yields and as a result, farmer incomes. The first pilot project will take place in Henan province, which has been hard hit by drought. China's agricultural irrigation water accounts for 65 percent of the country's annual water consumption.
- More than 2.1 million Chinese farmers have participated in our free productivity-enhancing programs on animal nutrition, sanitation, genetics and farm management. Cargill will expand its farmer training centers to 40 locations in China, allowing for an additional 700,000 farmers to be trained on modern animal nutrition and planting technologies by 2015. The program helped Cargill win the 2008 global award for corporate responsibility from the U.S. State Department.
- In Côte d'Ivoire, our farmer training has resulted in higher yields and improved bean quality increasing farmers' income by on average 30 percent. Our cocoa buying stations also provide transparent pricing information and conduct quality checks to ensure farmers are rewarded fairly and get paid upon delivery.
- We've invested U.S. \$100 million to double the size of our canola crushing plant in Clavet, Saskatchewan in Canada. It is now the largest plant of its kind in the world. For the 8,000 farmers who grow specialty canola on contract for the plant, it means they have a locked in buyer for their crop. Cargill also provides marketing information and price-discovery tools so they can make good decisions on price.
- We have opened our sixth aquaculture feed mill in Vietnam. The plant in the Mekong Delta province of Dong Thap is designed to have an annual capacity of 60,000 tons of aquaculture feed, which will give our business in the country a total production capacity of 720,000 metric tons per year. We employ 560 people in Vietnam.



We are working to support local tapioca cultivation in Thailand. In a region known for rice farming we are aiming to double yields & increase farmers' incomes by 50 percent

Community Investment

We support programs that focus on improving nutrition and health, education and environmental stewardship. During fiscal 2010 we gave U.S. \$57.5 million to non-governmental organizations and community causes. Our corporate contributions are supplemented by our individual business units and employee-led fundraising and volunteer efforts through more than 250 Cargill Cares Councils around the world.

- Our six-year, U.S. \$5.5 million commitment with the World Food Programme (WFP) is bringing food, medication and improved hygiene, and new drinking water wells to schools serving more than 30,000 children in Indonesia. In 2010, we started a new project supporting a WFP school feeding program in India.
- A U.S. \$5.5 million contribution to address immediate hunger needs in the United States and around the world in December 2008.
- A donation of almost U.S. \$3.5 million to Habitat for Humanity to build houses on six continents. Our employee volunteers also contribute about 8,000 hours per year.
- We have joined partnerships with the Bill & Melinda Gates Foundation to improve the livelihoods of 200,000 cocoa and 265,000 cotton farming households in Africa.
- Overall we contribute 2 percent of our global consolidated pre-tax earnings to non-governmental organizations and community causes, based on a three-year trailing average.



Our U.S. \$10 million donation to CARE, a leading humanitarian organization, is helping 100,000 people in rural areas lift themselves out of poverty in six nations: India, Brazil, Ghana, Honduras, Guatemala and Côte d'Ivoire.

December 2010

