



Responsible Supply Chains at Cargill

Cargill uses its leadership in food and agriculture to tackle the complex economic, environmental and social challenges in our supply chains. 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.

Responsible sourcing takes into account social and environmental considerations when managing relationships with suppliers and is an integral part of managing the chain of supplies from where they are produced to where they are used.

Interest is growing as to where products originate and whether they are produced in a responsible and sustainable manner. We consider responsible sourcing to be part of the company's commitment to conduct business with integrity and responsibility, to treat people with dignity and respect, and to help protect and conserve the environment.

Promoting sustainable agricultural practices

We are supporting efforts to help farmers adopt sustainable agricultural management practices, improve land use, increase the quality and quantity of their crops, and promote safe and efficient working practices. In rural areas where education and literacy levels are low, information and training is improving farming methods and efficiencies in pesticide and fertilizer use, and increasing farmers' incomes.

- 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.
- The UTZ CERTIFIED cocoa program – founded by Cargill, along with Dutch development organization Solidaridad and others in the cocoa sector – has introduced independent certification to improve agricultural, environmental and social practices in cocoa production. Through Cargill's Farmer Field Schools program small-scale farmers are benefitting from on average a 30 percent increase in their incomes from higher yields, as well as an improvement in the quality of their crop for which they receive a quality-related bonus payment from Cargill. Our various training programs reached 25,000 farmers in 2010 and will result in more than 10,000 tons of cocoa beans being available for use in sustainably certified chocolate and cocoa products.
- Cargill, in partnership with Unilever, has started a pilot project to implement more sustainable farming practices for winter oilseed rape. Rapeseed oil is an essential ingredient in spreads and dressings. The project in Germany, the world's largest producer of the crop, aims to assess existing agricultural methods and the potential impact of introducing more sustainable practices for this crop. It is hoped this will deliver the conditions and criteria for a sustainable winter oilseed rape supply chain by 2012.

Ensuring responsible labor practices

We do not accept or support the use of illegal, abusive or enforced labor. We believe it is essential that all those in the supply chains work together to ensure children and adults are not subject to these conditions. We work hard to provide all employees with an equitable, safe and supportive work environment providing competitive wages and the rights to join a union and voluntarily negotiate.

- Cargill is a signatory to the Brazilian National Pact for the Eradication of Slave Labor. Developed by the Brazilian government, the International Labor Organization and The Ethos Institute for Social Responsibility, it monitors suppliers. We will not do business with those who appear on this list.
- We have joined other members of the global cocoa and chocolate industry to work with West African governments and NGOs to take action to ensure cocoa is grown without the worst forms of child labor. We are also investing in our own projects to improve educational



opportunities for children and prevent children from being subjected to forced or dangerous work on farms.

- We adhere to national laws that require those working on palm plantations be at least 15 years old in Indonesia, provided this does not disrupt school attendance and they are protected from exploitation and hazards.

Conserving forests and biodiversity

The rising global demand for crops, such as soy and palm oil, has raised concerns about conserving tropical forests, preserving biodiversity, and protecting populations and habitats of animal species. We have policies to ensure environmentally responsible and sustainable practices are employed in our own operations. We are also working alongside global multi-stakeholder initiatives to establish and promote sustainable production practices, and we are partnering with international organizations to help protect and preserve the populations and habitats of endangered species.

- 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 Brazilian soy processors and exporters to agree to a Soy Moratorium not to purchase soy from lands deforested in the Amazon Biome since July 24, 2006. Since this agreement we have been working with industry, NGO partners and Brazilian environmental authorities to independently monitor soy production and sanction farmers deforesting in the Amazon Biome. It has been an important contributor to reducing deforestation, showing that soy is no longer a key factor.
- We are partnering with Fauna & Flora International, Conservation International and WWF in Indonesia and Papua New Guinea to protect orangutan populations, the natural habitat of the world's largest butterfly and local biodiversity.
- In Indonesia, Cargill is supporting the government's 'One Man One Tree' program, which aims to plant (and care for) at least one tree for every person living in Indonesia. Cargill employees will plant 220,000 trees across the country's 10 provinces and will help see that the newly planted trees receive appropriate care for three years. Some of the seedlings will come from Cargill's cocoa nurseries.

Upholding animal health and welfare

We are committed to being at the forefront of animal welfare practices, and our animal welfare programs are in compliance with all applicable legal and regulatory requirements. We ensure that the livestock and poultry under our care are raised in an environment that satisfies their physical, nutritional and health requirements, and that they are cared for in a manner that minimizes distress.

- 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.
- We were the first in the industry to institute a policy of purchasing hogs only from farms that have been certified under the National Pork Producers Council's Pork Quality Assurance Plus (PQA+) program, which includes animal welfare standards.

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