

Cargill is committed to sustainable palm oil production and sourcing. With the growing demand for palm oil in both food and non-food applications, it is critical that all parts of the palm oil supply chain – from plantations to retailers – act in an environmentally sustainable and socially responsible manner. To that end, Cargill fully endorses the Roundtable on Sustainable Palm Oil (RSPO) as the primary global sustainability standard for palm oil products and supports the efforts of the RSPO to develop mechanisms to distinguish sustainable palm oil products in the market place.

In terms of production, palm oil is the world's most significant vegetable oil. Millions of people rely on palm oil to feed their families and support their livelihoods. This is especially significant for developing countries like India, Indonesia and China with growing populations and also for some of the poorest and most remote smallholder farming communities. Just as importantly, palm oil is the world's most productive vegetable oil crop, using less land per tonne of oil produced than any other vegetable oil crop.

Since the RSPO Principles & Criteria for sustainable palm oil production were ratified in November 2007, a growing number of plantations have been undergoing the official certification process to enable them to sell certified sustainable palm oil (CSPO) products. CSPO products are gradually entering the market place and the supply chain is adapting to enable these products to meet the demands of customers and consumers in the most efficient way.

Cargill believes palm oil products should be produced and sourced sustainably. We want to play a leading role in working towards sustainable palm oil supply and use through the RSPO, and through our own actions. As such we have made the following commitments:

1. We will continue to offer to supply RSPO certified palm oil products to our customers. In addition, we will continue to encourage and support our palm product supply chain partners to join the RSPO and become RSPO certified.
2. By 2015, the palm oil products Cargill supplies to our customers in Europe, United States, Canada, Australia and New Zealand will be RSPO certified and/or originated from smallholder growers (excluding palm kernel oil products).
3. By 2020, 100 percent of the palm oil products Cargill supplies to our customers worldwide from across all our oil and trading businesses will be RSPO certified and/or originated from smallholder growers.

We have already taken action to support sustainable palm production and given our position in the supply chain we are focusing our efforts on areas we can add most value. Specifically these include:

- We have made substantial progress in preparing our plantations to meet the RSPO Principles and Criteria. Our palm plantation – PT Hindoli in Sumatra, Indonesia – received its RSPO certification in February 2009 and we are working to certify our other palm plantation – Harapan Sawit Lestari – as quickly as possible. Our smallholders at our PT Hindoli plantation have also become the first smallholder scheme in the world to become certified under the RSPO's Smallholder Principles & Criteria. Our European, Malaysian, United States and Australian refineries have received RSPO mass-balance and segregated certification.
- Prior to the establishment of the RSPO criteria, we already committed not to plant on high conservation value forests (HCVF) and to only develop new plantations on 'degraded' land. We will not develop new plantations on deep peat land and will work to protect biodiversity, including orangutans and other species.
- We are continuing to collaborate with WWF to gauge progress and support our palm oil suppliers in Indonesia in implementing the RSPO Principles & Criteria. The process, which

began in 2010, is working with individual suppliers on key areas such as land permitting, and environmental and social practices.

- We are continuing to expand our partnerships with non-government organizations and local communities in the vicinity of our plantations to protect HCVF, biodiversity, including orangutans and tigers, and the land rights of local populations that could be affected by oil palm. We will continue to contribute to research and practical demonstration of the viability of palm oil development on degraded land.
- We are continuing to work with the Indonesian Palm Oil Association (GAPKI) and the Indonesian government to advocate for sustainable palm oil development.
- At the end of 2010, 70 percent of our total crude palm oil was purchased from RSPO members and we are focused on improving this figure across our global palm businesses.
- In partnership with Fauna and Flora International (FFI), we are also working in Malaysia and Indonesia to help smallholders understand the RSPO criteria. FFI is also leading an environmental sustainability assessment of our Malaysia smallholder supply chain. Additionally, we are working with the RSPO and Control Union Certification – an RSPO approved certification body – to provide training to our crude palm oil suppliers in Malaysia.
- We are offering our customers the option to utilize all physical chain of custody trading models authorized by the RSPO ('segregation' and 'mass-balance') and help them understand the RSPO requirements to enable them to make the best choice to meet their business needs. We will also offer our customers certificates depending on their preferences.