

Cargill Palm Oil Progress Update

August 2015

At Cargill, we remain committed to building a traceable and sustainable palm oil supply chain. In our third palm oil progress update, we share findings from a series of supplier field assessments, an update on our pilot project on labor issues and supply chain traceability data for the first half of 2015.



Supplier field assessments

Cargill has completed 9 of 11 planned supplier field assessments in its palm oil supply chain. The field assessments, which were conducted by TFT (The Forest Trust), are detailed evaluations of sustainability practices, covering palm oil mills and their suppliers. These locations are not owned by Cargill, but we do source palm oil from them. The goal is not to find fault, but to evaluate, understand and improve our supply chain.

Field assessments took place in peninsular Malaysia and Brazil, at locations which were selected as a representative sample of the broader supply chain. In all locations various opportunities for improvement were identified. The next step is to formulate action plans to bring the millers and suppliers assessed in line with our 2014 sustainable palm oil policy and to use the lessons we learned and expand the new measures to our broader supply chain.

Pilot project on labor issues

In May 2015, Cargill joined with TFT to field test TFT's "No Exploitation" standard at our PT Harapan Sawit Lestari plantation in West Kalimantan. TFT drafted the standard based on feedback from a number of social experts in the industry. The assessment was useful in providing insights that affirm Cargill's robust plantation employment policies, while helping us strengthen our practices to better cater to the welfare of our employees. One such practice is identifying more optimal periods when electricity from our mills is made available to employee housing communities.

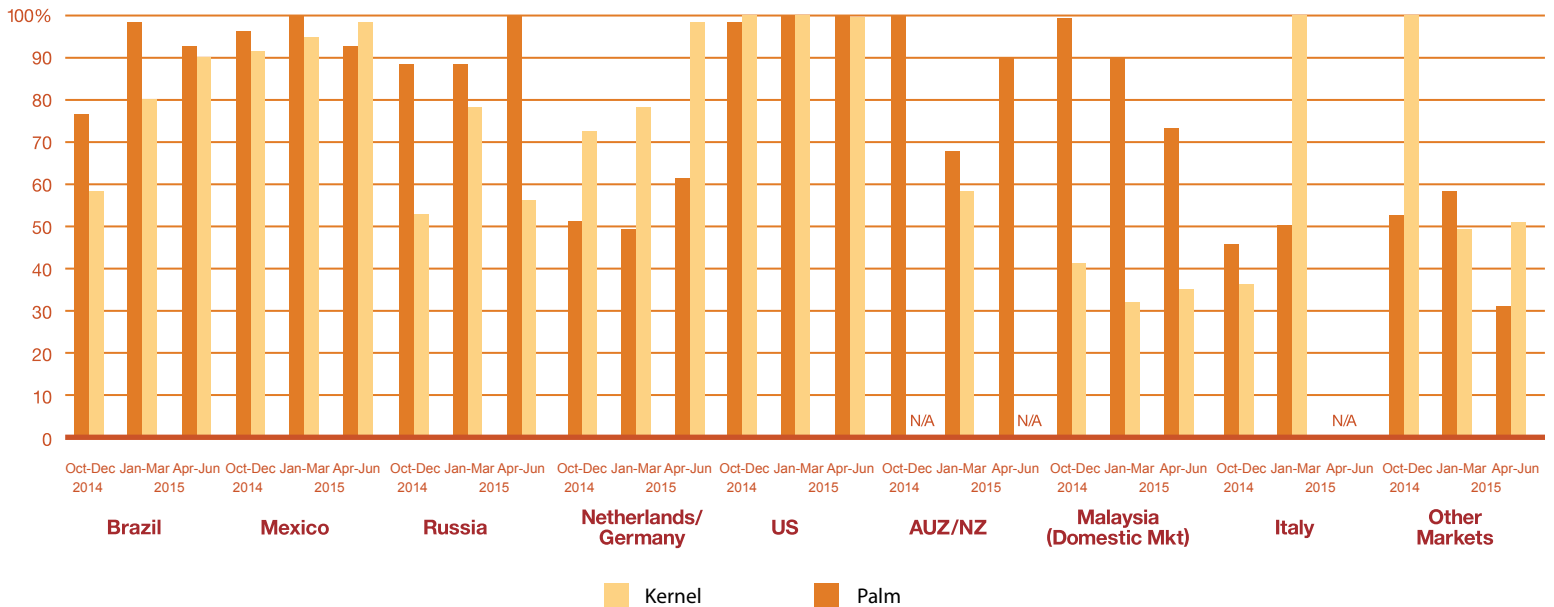
Cargill supports TFT's objective of a draft standard to ensure plantation employees are treated fairly, and believes it is important to include other industry players, NGOs and governments to develop standards that are relevant to industry and effective in preventing labor exploitation.

For more information, please visit Cargill.com/palmoil.

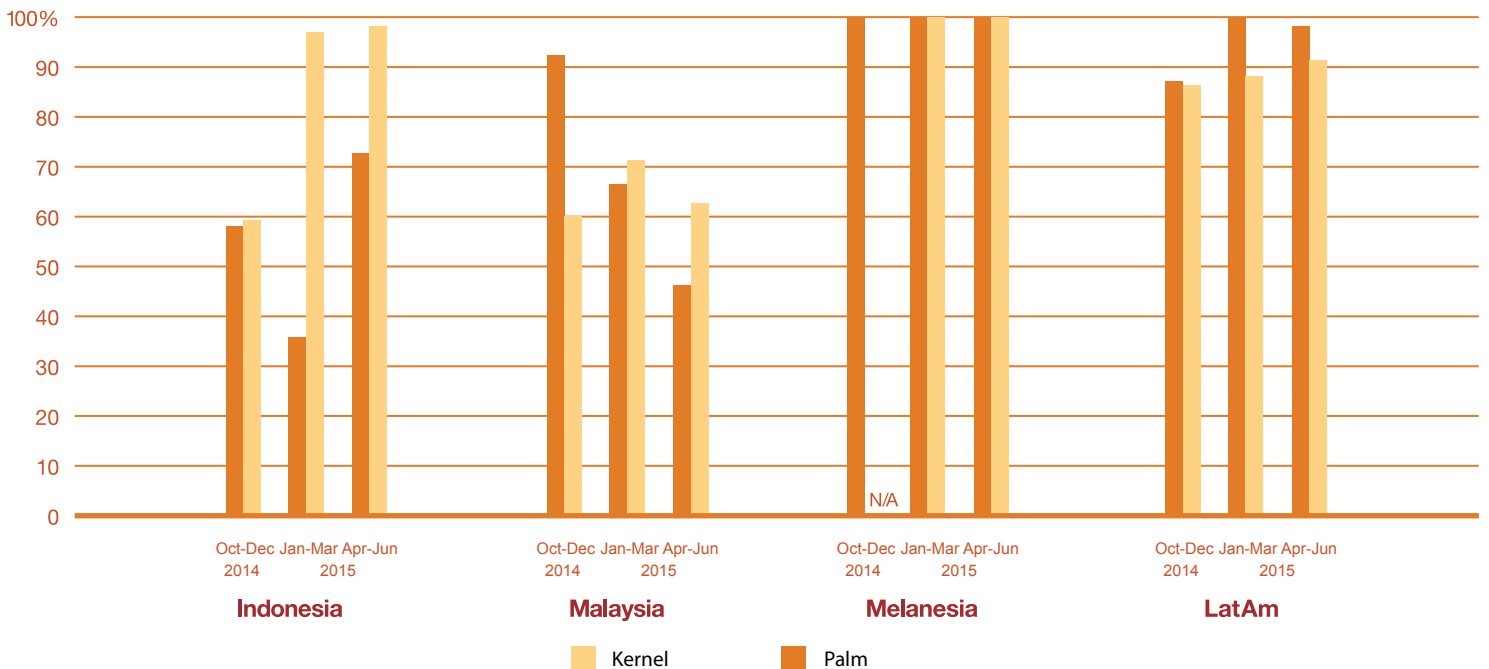
Supply Chain Traceability Progress

Cargill is working to build a 100 percent traceable and sustainable supply chain. It is our goal to achieve 100 percent traceability to the mill by December 2015 and to provide palm oil that is 100 percent traceable to sustainably managed plantations by 2020.

Traceability to the mill in key markets



Traceability to the mill by country of origin



Note: The traceability data included in this report should be considered estimates. The data covers what we physically delivered and processed. Cargill is cooperating with industry partners to develop verification and reporting of traceability information. The percentages were calculated based on self-declarations by our suppliers. Previous Malaysian origin data was based only on shipments for key markets, however it now includes exports to other markets. 'Other markets' includes palm and kernel products shipped from Malaysia to the UK, Central and Eastern Europe (the Caucasus), West and North Africa, Middle East, central and South Asia, Asia Pacific, and the Pacific rim. We have also included refined products from other refiners. The most recent data also includes specific markets such as India, Pakistan and Algeria. The inclusion of these markets have slightly impact the traceability status at origin due to the fact that purchasing methods for these markets have not facilitated access to traceability from suppliers. From July onwards, we expect our traceability to improve significantly as a major supplier, who has made similar no deforestation and traceability commitments, has agreed to share traceability information in some markets. We will continue to encourage our suppliers to operate and report as required. In the absence of substantive progress, some sourcing relationships may be reconsidered. We will do this in a transparent manner.