



Cargill Policy on Sustainable Palm Oil

Millions of people rely on palm oil to feed their families and support their livelihoods. Demand for edible oil will continue to grow as the world population approaches 9 billion by 2050. Palm oil, the highest yielding edible oil crop using less land per ton of oil produced than any other vegetable oil, is best positioned to satisfy this demand. However, with this opportunity comes the responsibility to address the known environmental, social and economic challenges and risks associated with this supply chain.

Cargill is committed to sustainable palm oil production and sourcing, which includes the conservation of biodiversity, reduction of greenhouse gases, improvement of livelihoods and food security. It is critical that all parts of the palm oil supply chain – from plantations to retailers – collaborate and act in an environmentally sustainable and socially responsible manner.

We endorse the Roundtable on Sustainable Palm Oil (RSPO) as the primary global sustainability standard for palm oil products and support the efforts of the RSPO to develop mechanisms to distinguish sustainable palm oil products.

Our Commitments

Cargill will build a traceable and transparent palm oil supply chain firmly committed to:

- No deforestation of high conservation value (HCV) lands or high carbon stock (HCS) areas
- No development on peat
- No exploitation of rights of indigenous peoples and local communities

We will work to ensure that all palm oil and palm products that Cargill produces, trades or processes are in line with these commitments.

We will collaborate and seek the support of suppliers, customers, governments, non-governmental organizations and other stakeholders to implement this policy.

No Deforestation:

- We commit to no deforestation by utilizing a High Carbon Stock (HCS)¹ study to determine eligible planting areas as a part of new palm developments.

¹ http://www.greenpeace.org/international/Global/international/briefings/forests/2014/HCS%20Approach_Breifer_March2014.pdf

- We support and actively engage with the stakeholders who are working to advance the science in this area. The High Carbon Stock Forest Study Report provides best practice frameworks and identification tools, which are being trialed in various plantations. Cargill understands and supports the fact that this research and development is based on fundamental ecological landscape conservation principles that aim to identify and protect as much HCS forest in the landscape as possible. In the interim and until this approach is finalized, HCS² forests will be protected.
- We support a robust, scientifically-sound, socially, politically and economically acceptable approach to identifying and protecting HCS forests.
- As a member of RSPO, we commit to preserve High Conservation Value (HCV) land under RSPO Principles and Criteria (P&C) 5.2 and 7.3.
- We maintain our long-standing no-burn policy, which is also an RSPO commitment under P&C 5.5.

No Peat:

- We commit to protecting peat defined as soil containing greater than 65% organic matter, regardless of depth.
- We remain committed to supporting RSPO P&C 4.3 and the standards set out in the RSPO Manual on Best Management Practices (BMPs) for existing plantations on peat lands.
- We will work with experts to explore options of peat definition, restoration or alternative uses in areas unsuitable for replanting.

No Exploitation:

- Cargill prohibits illegal, abusive, forced or child labor within our operations anywhere in the world and works with our supply chain partners to help ensure that children and adults are not subject to illegal, abusive or forced labor practices.
- We support and will implement RSPO P&C 6.12.1 and 6.12.3, banning the use of forced labor³.
- We commit to the respect and protection of human rights, the rights of all workers, including contract, temporary, migrant workers, the elimination of discrimination in employment and the promotion of equal rights⁴, the freedom of association and the right to collectively bargain⁵.
- We respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to the utilization of lands to which they hold legal, communal or customary rights.
- We support the inclusion of smallholders into sustainable palm supply chains.

² IBID

³ RSPO 6.12.1 and 6.12.3, ILO Convention 29 & 105

⁴ RSPO 6.3 & 6.13.1, UN Declaration of Human Rights, ILO Convention 100 & 111

⁵ RSPO 6.6, ILO Convention 87 & 98

- We support the Food and Agriculture Organization's Voluntary Guidelines on the Responsible Governance of Tenure.
- We support and implement RSPO P&C 6, and will work with parties to resolve complaints and conflicts through an open, transparent and consultative process.

Planning, reporting, and transparency:

- We will publish annual time-bound implementation plans. (Beginning December 2014)
- We will file semi-annual progress reports on implementation efforts to meet these policies. (Beginning September 2014)
- We will file Annual Communications of Progress reports with the RSPO.

Cargill's commitments to building a traceable palm oil supply chain and seeking compliance throughout the supply chain relative to policies on no deforestation, no peat and no exploitation are effective immediately, and supersede our 2015 and 2020 palm oil commitments. We will continue to offer and supply RSPO certified, ISCC certified or other equivalent certified products in support of our customer demands. We will continue to encourage and support our palm product supply chain partners to join the RSPO and become RSPO certified.

We will continue to analyze the implementation process and engage in a constant review and improvement process. To implement these policies, we intend to involve multiple stakeholders. As new information and knowledge comes to light, Cargill will adjust and improve policies in ways that are consistent with our goals of protecting forests, peat lands, local communities and human rights.

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