
Cargill Policy on Sustainable Fiber-based Packaging

As one of the world's largest buyers of agricultural commodities, our purpose is to be the leader in nourishing the world in a safe, responsible and sustainable way. Our aim is to be the most trusted partner in agriculture, food and nutrition.

In 2014, Cargill endorsed *The New York Declaration on Forests* at the United Nations Climate Summit, pledging to do its part in halving the rate of loss of natural forests globally by 2020 and striving to end natural forest loss by 2030. In 2015, Cargill released a [Policy on Forests](#) and detailed Forest Protection Action Plans for priority supply chains and fiber-based packaging procured for Cargill businesses globally.

Cargill spends more than \$1.2 billion annually on packaging. Of the fiber-based packaging Cargill purchases, approximately 98 percent falls into three categories: corrugated, paper bags and folding cartons sourced from regions around the world.

In 2016, Cargill partnered with the World Wildlife Fund to conduct an in-depth analysis of our corrugated, paper bag, and folding carton global suppliers in order to understand the forest management practices behind the fibers utilized to make our packaging. Utilizing that baseline, we developed an action plan to work with our suppliers towards eliminating any fiber from unknown forest origins, or high risk sources, and increasing the amount of credibly certified products.

Cargill is committed to sustainable forest management and conservation. Going forward, we will require the assurance that all fiber-based packaging from our suppliers contains fiber that 1) comes from a known forest source, 2) is legally sourced from its country of origin, 3) does not cause forest conversion, 4) does not originate from High Conservation Value Areas (HCVs), unless these areas are credibly certified, and 5) does not conflict with human and traditional rights.

We seek to partner with suppliers who share our commitment to operating responsibly and sustainably. Our ideal suppliers provide recycled and certified products, with a preference for Forest Stewardship Council (FSC) certification.

In addition to responsibly sourcing the fiber used in our products, Cargill's global strategic sourcing and procurement team continuously looks for opportunities to minimize packaging and optimize material usage, without compromising product quality or safety.

While all our packaging suppliers may not immediately conform to our Policy on Forests and fiber-based packaging sourcing policy, we will hold ourselves accountable to ensure that our packaging suppliers, and their supply chain partners, make reasonable progress in moving to meet our policy requirements in a timely manner.

Our Commitment

Cargill's goal is to achieve a 100-percent¹ responsibly-sourced fiber-based packaging supply by 2025. We will take a phased approach to achieving this goal.

- To be considered responsibly-sourced, Cargill will give preference to 100 percent recycled or [Forest Stewardship Council \(FSC\)](#)²-certified fiber where available, also considering factors such as integrity and cost. We will also accept any certification system endorsed by the [Programme for](#)

[the Endorsement of Forest Certification](#). We will work with our suppliers to help them reach full chain of custody, with a preference for FSC certification.

- By 2018, 100 percent of fiber-based packaging with fiber origins in higher risk regions will be recycled or at a minimum, third party verified to meet the FSC Controlled Wood Standard.
- By 2020, 100 percent of fiber-based packaging with fiber origins in higher risk regions will be sourced responsibly: recycled or certified, with a preference for FSC.
- By 2025, 100 percent of fiber-based packaging Cargill procures will be sourced responsibly: recycled or certified, with a preference for FSC.

Policy Scope

The scope of this policy includes all corrugated, paper bags and folding carton packaging made from wood fiber, making up approximately 98 percent of the fiber-based packaging we buy. It applies to the selection and retention of all significant and substantial packaging suppliers and contracts exceeding \$10,000 annually. To ensure business continuity, some instances of “spot buys” from locally-sourced and/or episodic suppliers with less than \$10,000 annual spend or approximately 1-2 percent of our supplier base are outside of the scope of this policy.

Supplier Conformance

Where forests intersect with our products and business, we seek to promote long-term solutions to forest conservation. Our aim is to drive lasting, positive improvements across our supply chains in collaboration with our partners.

- Our commitment is to work with suppliers who are committed to helping us achieve our sourcing targets, engaged in continuous improvement practices, and making efforts toward adherence to our policy.
- When Cargill acquires a new business, a milestone-based implementation plan will be developed to ensure compliance with our policy within two years of acquisition.
- Packaging suppliers who are considered out of compliance with our policy will be evaluated and may be suspended if they are confirmed, through a credible source, audit or verification process, to be in violation of our fiber-based packaging policy.

Transparency and Progress Reporting

- Cargill will be transparent in reporting progress on an annual basis as part of our sustainability reporting.
- Cargill will review this policy at least every two years in light of evolving science, regulatory and social considerations associated with responsible forest management.

¹ Percentage of fiber-based packaging will be calculated based on spend.

² The Forest Stewardship Council (FSC) has three types of certification:

Forest Management certification is awarded to forest managers or owners whose management practices meet the requirements of the FSC Principles and Criteria.

Chain of Custody certification applies to manufacturers, processors and traders of FSC certified forest products. It verifies FSC certified material and products along the production chain.

Controlled Wood is designed to allow organizations to avoid the categories of wood considered unacceptable. FSC Controlled Wood can only be mixed with FSC certified wood in labelled FSC Mix products.