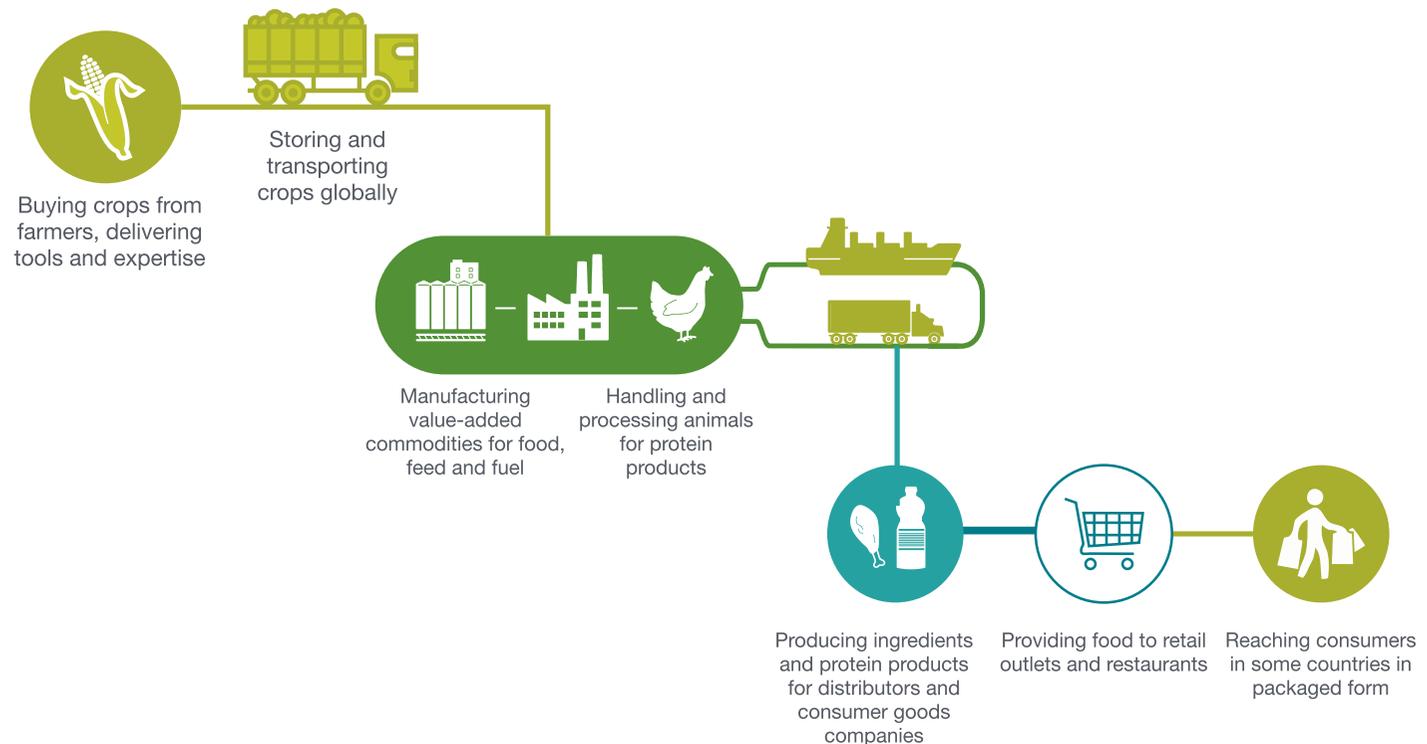




Cargill provides food, agriculture, financial and industrial products and services to the world. Together with farmers, customers, governments and communities, we help people thrive by applying our insights and over 150 years of experience. We have 155,000 employees in 70 countries who are committed to feeding the world in a responsible way, reducing environmental impact and improving the communities where we live and work.

## CONNECTING FARM TO PLATE



# Making a lasting impact

Cargill continues to deliver on our corporate responsibility and sustainability initiatives in the Asia Pacific region. Our charitable giving in this region for 2017-18\* was over USD 13 million to advance programs that made a difference across three core pillars: nourishing the world, protecting our planet and enriching our communities.

This report highlights our efforts to contribute to the social and economic development in three of the world's most populous countries and important growth markets for Cargill globally: China, India and Indonesia.

## Delivering shared value

Corporate responsibility and sustainability continue to become increasingly interweaved with our business objectives. They serve as our social license to operate as we demonstrate how our contributions improve the lives of farmers and help grow the local economy. In the past year, we partnered with local governments, NGOs and industry bodies to improve the lives of more than 1.3 million people in rural communities across Asia Pacific through farmer productivity and financial training, nutrition programs and school building exercises.

## Leveraging partnerships

We remain committed to working closely with governments in the region to develop corporate responsibility programs that

are aligned with their own economic and social objectives. Key highlights of 2017-18 included our work with the Indian authorities to advance food security in the country, our partnership with the Chinese authorities to educate manufacturing companies about the importance of environmental protection, and our efforts to establish 100 percent transparency in our palm oil supply chain starting at the source in Indonesia.

## Unwavering commitment to sustainability

We are on track to meet our 2020 goal of building a 100 percent transparent, traceable and sustainable palm oil supply chain and we continue to advance towards our 2030 goal of eliminating deforestation in our supply chains. We are consistently and transparently reporting our progress on our commitments related to addressing issues of deforestation, development on peat areas and exploitation of labor and communities and inclusion of smallholders (NDPE), while creating a clear roadmap and indicators to measure our progress.

## It is only the beginning

Going forward and being passionate about our purpose to nourish the world in a safe, responsible and sustainable way, we will continue investing in local communities through economic development and partnerships combined with the volunteer efforts of our employees. Working with farmers, customers, communities and other partners, we look forward to bringing about meaningful change.



**Peter van Deursen**  
CEO, Asia Pacific

\*Cargill follows fiscal calendar from June 1 to May 31. The period considered for the purpose of this document is FY 2017: June 1, 2016 to May 31, 2017 and FY 2018 YTD Q3: June 1, 2017 to Feb 28, 2018

# Leading bold impact for change in Asia



## Growing outreach

-  USD 13 million annual charitable contribution in 2017-18 in Asia
-  1.9 million farmers taught sustainable agricultural practices
-  100 million consumers reached annually through fortified edible oils in India



## Nourishing our world

-  1.1 million people impacted by Cargill-CARE partnership in India in the last decade
-  470 women farmers to be supported by Cargill-Heifer partnership in China by 2020
-  100,000 rural citizens impacted by Cargill-WFP partnership in Indonesia



## Protecting our planet

-  150,000 trees planted in Indonesia
-  100% transparency, traceability, sustainability targeted for palm oil supply chain by 2020
-  1,000 Philippino farmers trained, 300 certified in sustainable coconut oil production



## Enriching our communities

-  85 schools built in Vietnam impacting 13,000+ children annually
-  18,000 children impacted through education programs in Indonesia and China
-  100,000 people provided better healthcare services in India, Thailand, Indonesia

# Building a strong corporate responsibility and sustainable development portfolio in China

In China, a major market for us, we have significantly and consistently expanded the footprint of our corporate responsibility and sustainable development initiatives. Present in the nation and strengthening our business in China for over 46 years, we have moved hand-in-hand with farmers and customers and grown together with them. Today, Cargill in China has over 10,000 employees and is spread over 50 locations in the mainland.

Nourishing our world, protecting our planet and enriching our communities—our three corporate responsibility and sustainable development priorities remained high on the radar for Cargill in China in 2017-18. We realized early that we could profoundly influence Chinese society not only through our corporate behavior, but also our way of life, which is an important mission for us.

Being a leader committed to nourishing the world in a safe, responsible and sustainable way, we continue to drive this mission in China, building the food system, tapping the market for farmers, and operating in the agriculture, food, industry and financial domains.

During the past few years, nourishing our world was a priority and we worked together with multiple stakeholders to enhance the food system, nutrition and farmer livelihoods. We trained farmers to help them increase their production efficiency and achieve safer and more sustainable agriculture and food production. We also engaged

actively with farmers to reduce grain loss and celebrate events such as World Food Day. Furthermore, we invested in the rural community to improve children's nutrition and the lives of farmers.

We also took on more social responsibilities, attaching great importance to protecting the planet. We guided and led communities and enterprises in an initiative that aims to raise awareness of science-based environmental knowledge and to promote green low-carbon lifestyles.

In China, Cargill's employees positively impact the community every day. Since 2004, Cargill's employees have volunteered more than 200,000 hours to help enrich communities.

All these efforts are based on Cargill's guiding principle of "conducting business with integrity". Good ethics govern our consciousness and attitude. Cargill's guiding principles, deeply rooted in our corporate culture, remain the code of conduct for all Chinese employees.

In the future, Cargill will unrelentingly carry out its business in a responsible manner, together with its partners. We will make further contribution to the strategy of rural revitalization and the building of a beautiful China.



**Jerry Liu**  
President, Cargill China

# Key milestones in China

| 1971  | 1972  | 1984  | 1988  | 1992   | 1997   | 2005   | 2010   | 2013   | 2014   | 2015   | 2016   |
|---|---|---|---|--|--|--|--|--|--|--|--|
| Cargill in China starts from a feed mill facility in Taiwan | Begins trading with Chinese mainland shortly after Richard Nixon's historic visit | Enters Hong Kong with grain and protein trading | Builds the first joint-venture cottonseed-crushing plant. | Cargill Animal Nutrition begins to offer farmer training programs in China | Opens the first China feed mill in Jiaxing, Zhejiang | Becomes one of the first foreign agricultural companies to receive an internal distribution license in China | Kicks off China's 2020 growth vision; opens first-of-its-kind fructose plant with over-the-fence model in Luohe, Henan | Starts operating a vertically integrated poultry supply chain of the animal protein business in Anhui province with an investment of USD 370 million | Begins the construction of an integrated port/crush/refining facility in Huanghua, Hebei Province which includes a 5,000 Tons per Day (TPD) Soybean Crush plant, a 100,000 metric ton (MT) berth and a 900 TPD bulk refinery | Opens new animal nutrition technical application center in Hebei and its 33 <sup>rd</sup> feed mill in Yangjiang | Establishes the Cargill ONE Innovation Center in Shanghai which integrates many products and businesses in Asia and is committed to the study of consumer-oriented food material taste, food nutrition constituents and innovative menus |

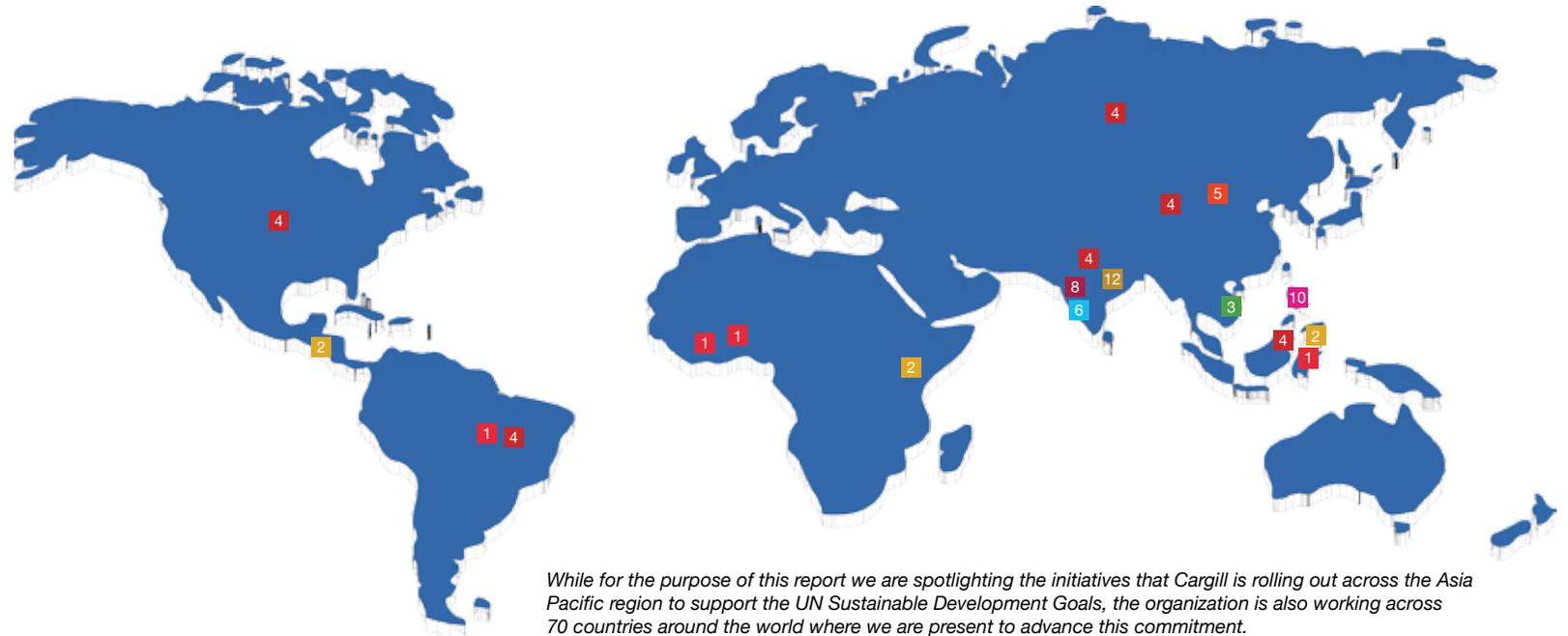


---

Nourishing China in a

safe, responsible and sustainable way

# Walking in the path of Sustainable Development Goals (SDGs)



Cargill is committed to supporting the Sustainable Development Goals (SDGs) established in 2015 by the United Nations. We are using our global reach, deep insight and experience within the agriculture, food and nutrition sectors to help achieve the SDGs. Our work in nourishing our world, protecting our planet and enriching our communities has uniquely positioned us to understand the role we can play and contribution we can make, alongside our partners, to advance the aim of the global goals to end poverty, address climate change and ensure prosperity for all by 2030.

**No poverty**

Committed to benefiting one million cocoa farmers in Indonesia, Cote d'Ivoire, Cameroon, Ghana and Brazil by 2030, Cargill's Cocoa Promise Program is improving incomes and living standards, and delivering a transparent and sustainable supply chain

**Zero hunger**

Cargill and WFP have collaborated to support Homegrown School Meals programs in Indonesia, Kenya and Honduras

**Good health and wellness**

Cargill in Vietnam has launched a large-scale safety vehicle initiative to promote traffic safety and safe driving behaviors in commercial operations. Cargill will offer 720 cars on rental to employees by 2020

**Quality education**

Cargill's Global Scholars Program, provides financial support to undergraduate students in China, India, Indonesia, Russia, Brazil and USA. In Vietnam, Cargill will build 100 schools by 2020 (from the existing 85)

**Gender equality**

Cargill-Heifer's Qingshan Sustainable Livelihoods project enables women-led, family-owned poultry farms in Anjiaba and Zhongyan villages in China to thrive by increasing family income, creating an organized chicken production system and building market linkages

**Clean water and sanitation**

Cargill has partnered with TechnoServe (Project Saathi), installing a 1000-meter water supply for 1,200 farming households in Davangere, Karnataka. Cargill also provides water purification systems to schools in India

**Decent work and economic growth**

Cargill's Agri Fellow program in Karnataka, India is helping rural unemployed youth to build agri-enterprises. In Indonesia, Cargill is providing training to help farmers/smallholders improve their income and food security

**Reduced inequalities**

As part of a Sustainable Coconut Oil Program in the Philippines, Cargill is supporting farmers to achieve the Rainforest Alliance certification for their copra. 2,500+ small farmers have also received access to healthcare

**Responsible consumption and production**

Cargill in India has changed the packaging of its NatureFresh™ wheat flour brand, replacing plastic with polymers with better functional properties. This has lowered plastic usage by 27% and Cargill's carbon footprint

**Climate action**

Cargill aims to reduce GHG emissions in its operations by at least 10% by 2025. Cargill's commitment is aligned with science-based targets, aimed at keeping the global rise in temperature below 2 degrees celsius

**Life below water**

Cargill is helping aquaculture producers raise more fish and seafood sustainably and adapt to climate change. The focus is on increasing farmer yields, and improving food security and farmer livelihoods

**Life on land**

Cargill aims to build a 100% transparent, traceable and sustainable palm supply chain in Indonesia by 2020. It is utilizing a High Carbon Stock (HCS) study to determine eligible planting areas of palms

**Peace justice and strong institutions**

Cargill obeys the law, conducts its business with integrity, keeps accurate, honest records, honors business obligations, treats people with dignity and is committed to being a responsible global citizen

**Partnership for goals**

Cargill is partnering with organizations and stakeholders to meaningfully impact the nutrition and health of those in its communities, foster sustainable economic development and promote responsible business practices in its supply chains

# Nourishing our world

## Transforming nutrition and livelihoods



**“I am Deng Surong and among the challenges I faced in my life is the one when in my 20s (over 40 years ago), I had a car accident and owing to improper treatment, ended up with a debilitating limp. Many years later, I had to take on the responsibility of caring for my grandson, which was hard on my meager income. I was looking therefore to augment the income from four sows (that were old and could not produce piglets) and egg-laying chickens. It was at this time that I became part of a project by Cargill, where I received 100 broiler chicks that got me started”.**

**Deng Surong**  
Qingshen Sustainable Livelihoods project

Deng Surong’s tale of ‘poverty to profitability’ ended with her selling over 700 chickens, that helped her to earn RMB 20,000 in the first year. Her story also resonated with the journeys of over 240 small households who participated in the Cargill and Heifer International’s jointly launched Qingshen Sustainable Livelihoods project. The project enabled the women-led, family-owned poultry farms in Anjiaba and Zhongyan villages in the Sichuan province to increase family income, create an organized chicken production system and build market

linkages. By June 2020, the project will assist 471 farms directly.

### **Sweetening the corn story**

Besides poultry farmers, corn growers in China too were trained by Cargill, to help them improve their yield. Recognizing that despite high production figures, corn output in the Jilin and Henan provinces had failed to meet expectations, Cargill has been engaging with 260,000 farmers since 2012, offering them free training on advanced corn planting technology to

---

## **Reducing grain drain**

According to recent statistics by China’s State Administration of Grain:

- In grain damage in northeast China could rise up to **10.2%** due to the traditional “ground-piling” method
- **700** tons of corn loss reduced through Cargill donated granaries
- **RMB 1.4 million** increase in the total farmer income

increase productivity, and reverse environmental impact due to excess water use and runoff.

### Preventing grain damage

Cargill's transformational hand was visible in yet another project, where it donated over 400 granaries to farmers in China to help them enhance grain storage, increase incomes, mitigate environmental impact and improve corn production. Rolled out in partnership with the former State Administration of Grain, Cargill helped 400 households in three villages in Jilin province to build scientifically-designed modular corn granaries. The program reduced corn loss by 700 tons, leading to an increase of 1.4 million RMB in the total income of local farmers.

### Engaging with the Chinese government

As part of its government advocacy plans, Cargill built up strategic partnerships with various Chinese government

departments including the former Administration of Quality Supervision, Inspection and Quarantine, the Development Research Center of the State Council, the former China Food and Drug Administration. The goal has been to improve food safety and security strategies by building platforms for international communication, policy research and capacity creation.

### Creating food of the future

During 2017-18, we set up Cargill ONE, Asia's first innovation center in Shanghai, designed to create innovative food products and new flavors for customers in China.



## Expanding earnings

By raising chickens:

242 families received financial assistance in Zhongyan and Anjiaba

85 families benefitted from Passing on the Gift

RMB 3,000 was the incremental yearly income for families in Anjiaba village

RMB 2,500 was the incremental yearly income for 65 percent of families in Zhongyan village

# Protecting our planet

## Staying on the highway to environmental protection



**“I am Zhang Danian, Head of the village committee, Yu Tang village and I would like to talk about the tree-planting project launched by Cargill, where it has planted tens of thousands of trees in our village. The project has greatly improved the green cover in the local community. Moreover, the trees donated and planted by Cargill will also bring economic benefits for the future, enabling us to plant more trees. Therefore, this is also a great project in terms of sustainability, thanks to Cargill volunteers who have been involved in the tree planting activity”.**

**Zhang Danian**  
Cargill Tree Planting Project, Anhui Province

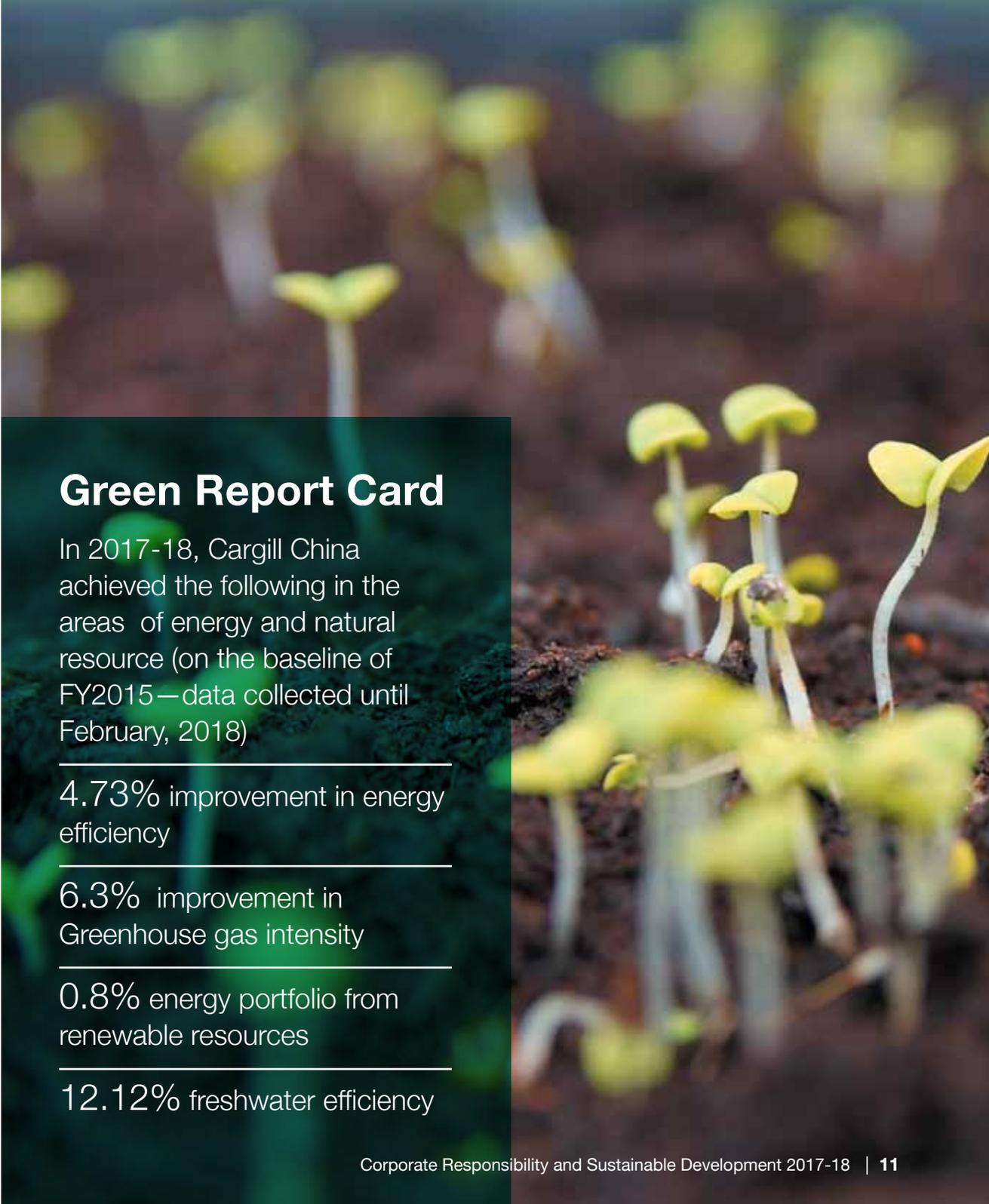
For Cargill in China in 2017, issues related to reducing environmental vulnerability became inextricably linked with planting trees and enhancing the green cover in the country. Taking the support of China Environmental Protection Foundation for this mammoth task, we forayed the local community in several areas, including Chuzhou City, in Anhui province which was facing eco-environmental vulnerability, helping it reverse environmental degradation and preserve its natural assets.

In the past three years, Cargill has planted over 76,000 trees, helping in controlling water loss and soil erosion, protecting water sources and improving the environment. Strengthening the roots of sustainability, the program has helped to transform and benefit the lives of over 4,600 people. Five villages have felt the deep impact of the tree planting initiative, which has drawn investments worth USD 480,000 from the company.

### **Walking the talk on sustainability**

In China, Cargill focused not only on reducing its own environmental footprint, but also working within Chinese communities and industries, calling for action and influencing change. Through its campaigns, Cargill and its partners were able to enhance public awareness about environmental protection and thereby build a platform that would benefit future generations.

In a key move, we extended the life of our flagship green program launched in partnership with the China Environmental Protection Foundation—the China environmental caravan. The environmental caravan, symbolized by an eco-friendly, remodeled truck, was successfully rolled out by Cargill in China in Shandong province in 2015. Since then, it has been helping students and communities to gain a better understanding of the importance of environment protection and embrace



---

**“It’s been the third year of the Cargill environmental caravan program, I’m so glad to see partners like Cargill working together with us on environmental protection. We’ve seen so many people being engaged and impacted by this program through a very interesting and innovative way. We look forward to continue working with Cargill in the future”.**

**— Xu Guang**  
Secretary General, China Environmental Protection Foundation

sustainable practices. The environmental caravan has thus far visited 18 cities, trained 171 steel industry managers and reached over 10,000 citizens in China, alongside more than 1.1 million people online.

In 2017-18, we kept the caravan on the road as it continued its tour in Guangdong province. For

this leg of the journey, the focus was on the importance of water protection.

### **Creating waves in the area of water preservation**

Recognizing that water is life and at the heart of many cities, the environmental caravan raised awareness about the impact of water pollution and encouraged water preservation and protection activity in the region.

The environmental caravan made waves on the third stop of its Guangdong province tour, creatively engaging the local audience in Yangjiang by holding a concert fronted by local songbirds who sang tunes about water.

A training session was also held for 118 executives from the steel industry who learnt about the regulations and laws put in place by the Chinese government to protect the environment and how they could bring these to life when they returned to their sites, plants and mills.

## **Green Report Card**

In 2017-18, Cargill China achieved the following in the areas of energy and natural resource (on the baseline of FY2015—data collected until February, 2018)

---

4.73% improvement in energy efficiency

---

6.3% improvement in Greenhouse gas intensity

---

0.8% energy portfolio from renewable resources

---

12.12% freshwater efficiency

# Enriching our communities Making dreams come true



**“My name is Su Qian Yao and I have been involved in the Yangjiang Special School Project that Cargill launched to help physically challenged children. Of the various caring activities introduced by Cargill, I have particularly liked the program that made my dream come true. It all began when we were asked to write down what we wished for on a card. I wrote ‘dancing on a big stage and performing for people’. I couldn’t believe how lucky I was when I received an invitation from the CEO of Cargill, David MacLellan, to come to Shanghai to perform at Cargill’s 150<sup>th</sup> anniversary celebrations! Before long, I was on a big stage, dancing before hundreds of people. And today, owing to my unremitting efforts, I have been elected to the Guangdong Disabled Art Troupe as a professional dancer! My dream did come true!”**

**Su Qian Yao**  
Cargill Yang Qi Yangjiang Special Education School Project

Su Qian Yao is among the many children who have been part of the Cargill Yangjiang Special Education School Project established in 2007 by Cargill Cares Yangjiang Council, that aims to help special children better develop with both psychic and physical support.

She is also among those who participated in Cargill China’s innovative community initiative—“150 Dreams for the 150<sup>th</sup> Anniversary”. As part of this program, Cargill China employees took up the responsibility of fulfilling the dreams of 150 children from poor families in the country.

With strong support from Cargill employees, all 150 dreams were adopted within one week! Over 1,000 employees from 25 locations around the country were also involved in the project.

The Cargill Yangjiang Special Education initiative and “150 Dreams for 150<sup>th</sup> Anniversary” project are just an example of how Cargill in China is working

to build a better community. In China, more than 40 Cargill Cares Councils were built to better enrich local communities through more than 100 community activities each year.

## **Chow that cheered**

Committed to nourishing children in impoverished areas of China, Cargill, in partnership with local NGO Beijing Horizon Non-profit Development Center, donated more than 12,000 nutritious meals to four schools in Jilin, Gansu, Sichuan and Shanxi provinces. Over 400 students received better nutrition through this project and it helped the school combat absenteeism (owing to poor health) and low concentration levels. We also worked with customers and a nutrition expert to share knowledge and tips on a healthy diet for children receiving medical treatment and launched a tailored ‘Recipes of Love’ booklet to improve nutrition for children receiving care.

## **Celebrating education and scholarships**

As part of our effort to promote

education through the five-year Cargill Global Scholars Program (CGSP), which was launched in 2013, we continued to engage and build partnerships with colleges within China, and countries like Brazil, India, Indonesia, Russia and the USA. The goal is to build a network of future leaders. Currently we have a cohort of 300 students from six markets, with 75 students from China from the Fudan University, Shanghai Jiaotong University, and China Agriculture University.

In 2017-18, 12 students from the three leading Chinese universities received financial support for their education and leadership training and mentoring under our flagship Global Scholars Program. During a three-day seminar in Shanghai, intended to enrich their leadership skills, the students participated in a series of learning courses on leadership and self evaluation, visiting Cargill's Nantong plant, job shadowing Cargill China leaders and getting involved in team-based activities.



# Employee engagement

## Moving forward by giving back

Cargill's interventions targeted at enriching our communities depend in large part on our employee volunteers, who work closely with our partners to make a difference to the world surrounding us. Employees work individually or collectively, to create impact by taking action. Globally, Cargill has 350 employee-led groups called Cargill Cares Councils (CCCs) to implement strategic community engagement activities. The Councils ensure that we are investing Cargill's financial and human resources to meet our business objectives while serving local communities.

### Showcasing Cargill's caring side

In China, employee volunteers of our Cargill Cares Councils contributed over 240,000 hours for community enrichment from 2004 to 2017-18. Take our Nantong plant for instance. In 2017 its CCC and employee volunteers clocked over 15,000 service hours. Around 400 employees were engaged, showcasing a participation rate of 90 percent. The average contribution per employee was three hours.

During the year, Cargill in China received the prestigious Best Volunteer Service Award at the 2017 China Corporate Social Responsibility Annual Conference. This award recognizes the outstanding contributions made by Cargill in community enrichment through strong employee engagement.

### Championing the earth and food causes

In 2017-18, Cargill China launched its annual Earth Day, Every Day campaign themed

around "Improving Natural Habitats". The CCCs across 28 locations spent a month disseminating knowledge about environmental protection and implemented 31 events. Until World Environment Day on June 5, over 1,200 Cargill China employees had joined the campaign, and contributed more than 5,000 volunteer hours to help local communities.

The Dongguan CCC for instance, launched "Earth Day Fair" in Qifeng Park, drawing over 700 people. Cargill's Pinghu CCC planted saplings in local residential areas of the city, while the Nanjing CCC and Nanjing office hosted a "Water Quiz" to increase sustainability-consciousness among people.

Whether it was the Weifang CCC launching the Green Run event for water saving, the Fushun CCC hosting a 3 km walk for cleaning up the Hun riverside, the Chuzhou CCC hosting game-based, green-themed learning activities for primary school students, or the

Tianjin CCC organizing a visit for students to an environmental exhibition to learn about water recycling—Cargill showed that it respected nature and had a sense of responsibility for the environment.

As in past years, our CCCs and employees also supported World Food Day in 2017. More than 800 employees participated in the World Food Day campaign around the theme of "Cargill Project 1/3". The aim was to draw attention and initiate action on the 1.3 billion tons of food lost or wasted each year, which was 1/3rd of all food produced for human consumption. A series of activities, including online and offline engagements, food donations, nutrition and food security programs were kicked off across China through 45 local CCCs.

---

## Helping improve natural habitats in 2017

CCCs in **28** locations participate in Earth Day, Every Day campaign

**31** events rolled out to spread knowledge about environmental protection

Over **1,200** employees joined campaign

**5,000** volunteer hours were contributed to help local communities



Cargill 嘉吉 “地球日” 社区添绿行动

# Our partners around the world



---

Cargill is working at the intersection of sustainability, food security and nutrition  
to find practical and scalable solutions focused on

helping the world *thrive*



**Cargill Investments (China), Ltd.**

10F, One ICC, Shanghai International Commerce Center

999 Huaihai Road (M), Shanghai, China 200031 | Tel: 021-33327888, Fax: 021-33327606