



## **I. EXTERNAL DESCRIPTION**

### **GRIEVANCE PROCESS FOR CARGILL’S POLICY ON SUSTAINABLE PALM OIL (“PALM GRIEVANCE PROCESS”) – (Updated June 2019)**

#### **1. BACKGROUND**

Cargill’s Policy on Sustainable Palm Oil (“Palm Policy”) commits to provide a transparent & open process for stakeholders to raise grievances related to the Palm Policy. Cargill is committed to an open and transparent process where all grievances are dealt with fairly and in a timely manner. The results of this process are publicly disclosed.

Cargill acknowledges that the Roundtable on Sustainable Palm Oil (“RSPO”) has an established grievance procedure, and takes guidance from the RSPO process for grievances that are also raised within the RSPO’s own grievance framework. Decisions that arise from RSPO’s process inform Cargill’s Palm Grievance Process. However, Cargill makes decisions independent of RSPO’s procedure, especially in cases where Cargill’s Palm Policy or Grievance Process may warrant a more specific and transparent approach to stakeholder concerns.

Cargill will continue to consult with stakeholders and review our Grievance Process on a regular basis to ensure effectiveness.

Implementing an effective grievance mechanism is a part of being a responsible global citizen, in line with [Cargill's Code of Conduct and Guiding Principles](#), [Commitment on Human Rights](#), and [Supplier Code of Conduct](#). Cargill has a long standing Ethics Open Line, accessible through the web and by telephone. [Cargill's Ethics Open Line](#) is hosted by Navex Global using their hotline system known as EthicsPoint, a secure site **not** operated as part of Cargill’s website or intranet. Special instruction is provided to help facilitate reports regarding palm oil.

#### **2. OBJECTIVES**

Cargill’s Palm Grievance Process serves as a guide to review, address, and monitor the outcome of any grievance from any external parties concerning the Palm Policy across Cargill’s global palm supply chain. It aims to provide a transparent, open, and predictable process for dealing with grievances. Cargill recognises and appreciates that feedback and input from stakeholders help to enhance transparency and continuous improvement of our supply chain.

Cargill’s grievance process is developed with the aim of achieving long-term transformation of our supply chain and the palm oil industry. We engage and support our suppliers in addressing non-compliances through time-bound action plans. If a supplier does not want to engage in this Grievance Process in good faith, Cargill will cease doing business with that supplier.

#### **3. SCOPE**

A “grievance” is a complaint or concern, associated with Cargill’s Palm Policy, which an individual or a group seeks to address with Cargill. A grievance must be raised in writing, by email, online or by phone via Cargill’s Ethics Open Line system. A “grievance raiser” refers to the individual or group submitting a concern or grievance to any of these channels. The “grievance subject” is the object of the grievance.

This Palm Grievance Process is deployed by Cargill to handle any grievance from internal or external parties, including individuals, employees, contractors, suppliers, and civil society organizations concerning implementation of the Palm Policy. This includes recording grievances, verifying claims, rectifying confirmed issues, reporting the

verification results and actions, delivering the response to stakeholders and managing and monitoring follow-up actions.

Cargill's Palm Policy and Grievance Process applies to Cargill's plantations, processing and trading operations, and all third-party suppliers.

Cargill prohibits harassment, intimidation and the use of violence by any Cargill employee, supplier, third party and contractor throughout engagement in the Grievance Procedure. Cargill will not tolerate retaliation against anyone who, in good faith, raises a concern or participates in an investigation or whistleblowing.

(a) Grievances against suppliers

There are two situations related to grievances against suppliers:

1. Cargill is sourcing directly from a supplier against whom a grievance has been raised (direct supplier)
2. Cargill is sourcing through an intermediary from a supplier against whom a grievance has been raised (indirect supplier).

When a complaint against a supplier is submitted to Cargill, Cargill will engage the grievance raiser and the implicated grievance subject to discuss the issues raised in accordance with this Process, with the end-objective of resolving the issues where they have been confirmed.

In cases relating to indirect suppliers, where Cargill is impacted through intermediary relationships with our direct suppliers, Cargill's palm grievance coordinator will engage the direct supplier and utilize the supplier's own grievance process to resolve the matter. However in situations where Cargill is not satisfied with the direction of our direct suppliers' grievance engagement, Cargill may consider other decisions to be determined through Cargill's Palm Grievance Process.

(b) Group association

Cargill recognizes there are instances where grievances are raised against entities associated with our suppliers, for example through a shared parent company or individuals who with large ownership interest or ability to influence our supplier. Cargill will consider the following criteria to help identify where such "group association" brings the grievance subject within the scope of this Grievance Process.

- i. Publicly listed subsidiary and/or joint venture partner regardless of controlling percentage
- ii. Common shareholders whose total shareholding value creates substantial influence
- iii. Individuals with management influence that include board of directors regardless of position

We will engage the entity with which Cargill has the commercial relationship, and expect compliance at the group level to Cargill's Palm Policy.

(c) Non-palm commodities

The scope of this Grievance Process is limited to palm oil. Other commodities are out of scope. However should Cargill source from the commodity, the supplier is subject to Cargill's Supplier Code of Conduct and Forest Policy.

In cases of forest logging, we will issue a warning to our suppliers that they would be considered non-compliant and suspended from our supply chain if the deforested land is then developed for palm production.

Grievances related to Cargill plantations may be addressed through a local, culturally appropriate grievance procedure, unless a community or their representative has opted to follow this mechanism.

#### 4. REFERENCES

This Palm Grievance Process is developed as a part of our Palm Policy, April 2019 (revised from July 2014) and is based on the following guidelines:

- a) Cargill Code of Conduct & Guiding Principles
- b) Cargill Supplier Code of Conduct
- c) Cargill Policy on Forests
- d) Cargill Commitment on Human Rights
- e) With reference to the UN Guiding Principles on Business and Human Rights
- f) CAO Guide to Designing and Implementing Grievance Mechanisms for Development Projects

#### 5. PROCEDURE

- a) Grievances can be expressed via any of the following channels:

Via internet to	<a href="#">Cargill Ethics Open Line</a>
By telephone to	<a href="#">specific phone number for your country</a>
By fax to	+65 6393 8797 ATTN: Stakeholder Engagement Manager
In writing to	Stakeholder Engagement Manager C/O Cargill Asia Pacific Holdings Ptd Ltd 138 Market Street #17-01, Capita Green Singapore 048946

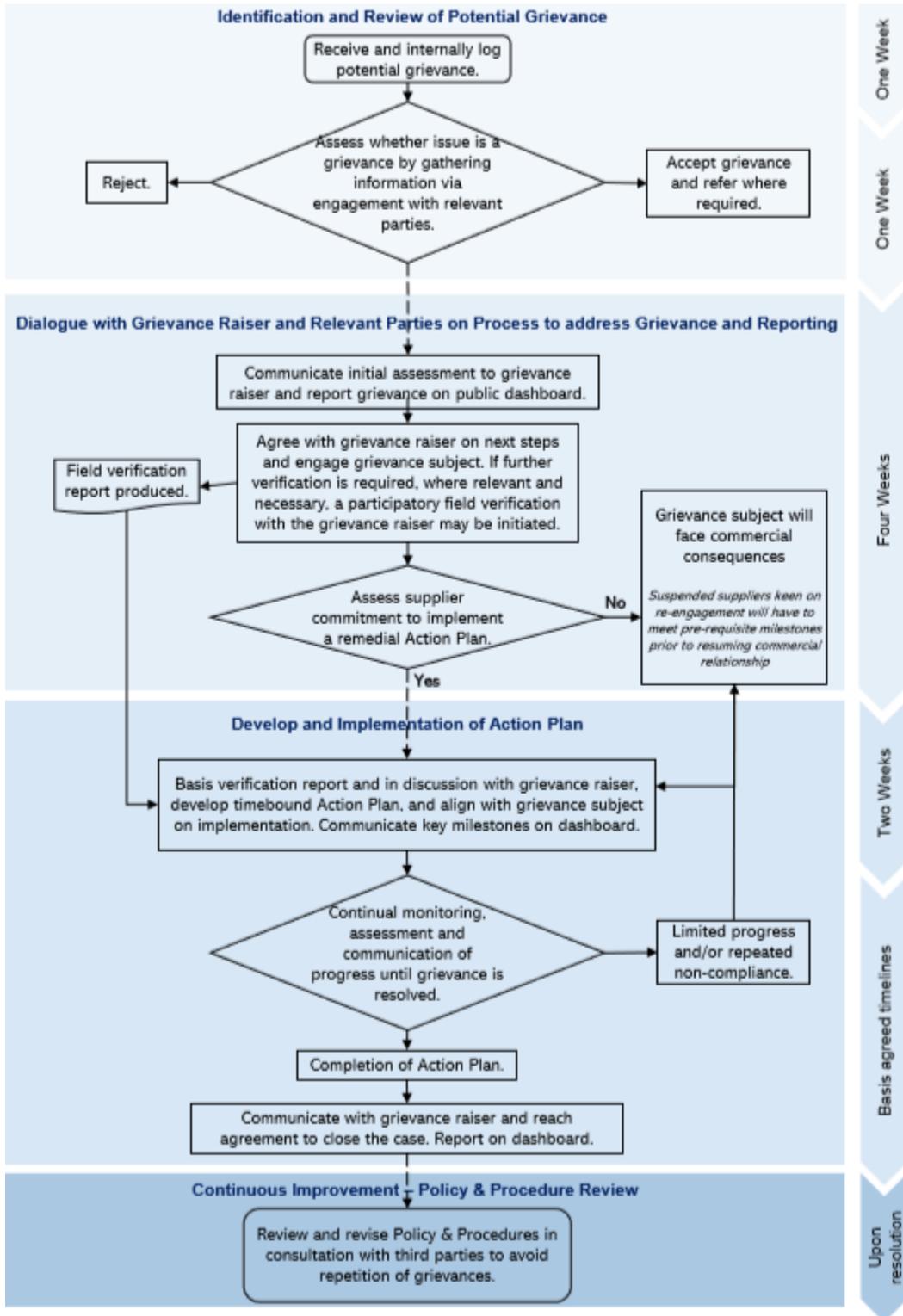
- b) Grievances should include the following information:

- Full Name
- Name of Organization (if any)
- Job Title
- Address
- Phone No./Fax No./Email Address (at least one contact point)
- Description of the grievance in detail
- Evidence to support the grievance

Contact details are required to seek further clarification on the grievance. The party reporting the grievance (grievance raiser) may request that their identity remain confidential. Any party may appoint a third-party to submit their grievances provided that the third-party follows the procedure.

In addition to grievances submitted through the official channels above, issues raised through unofficial channels, such as the media and the internet, may be investigated and recorded as a grievance if accepted.

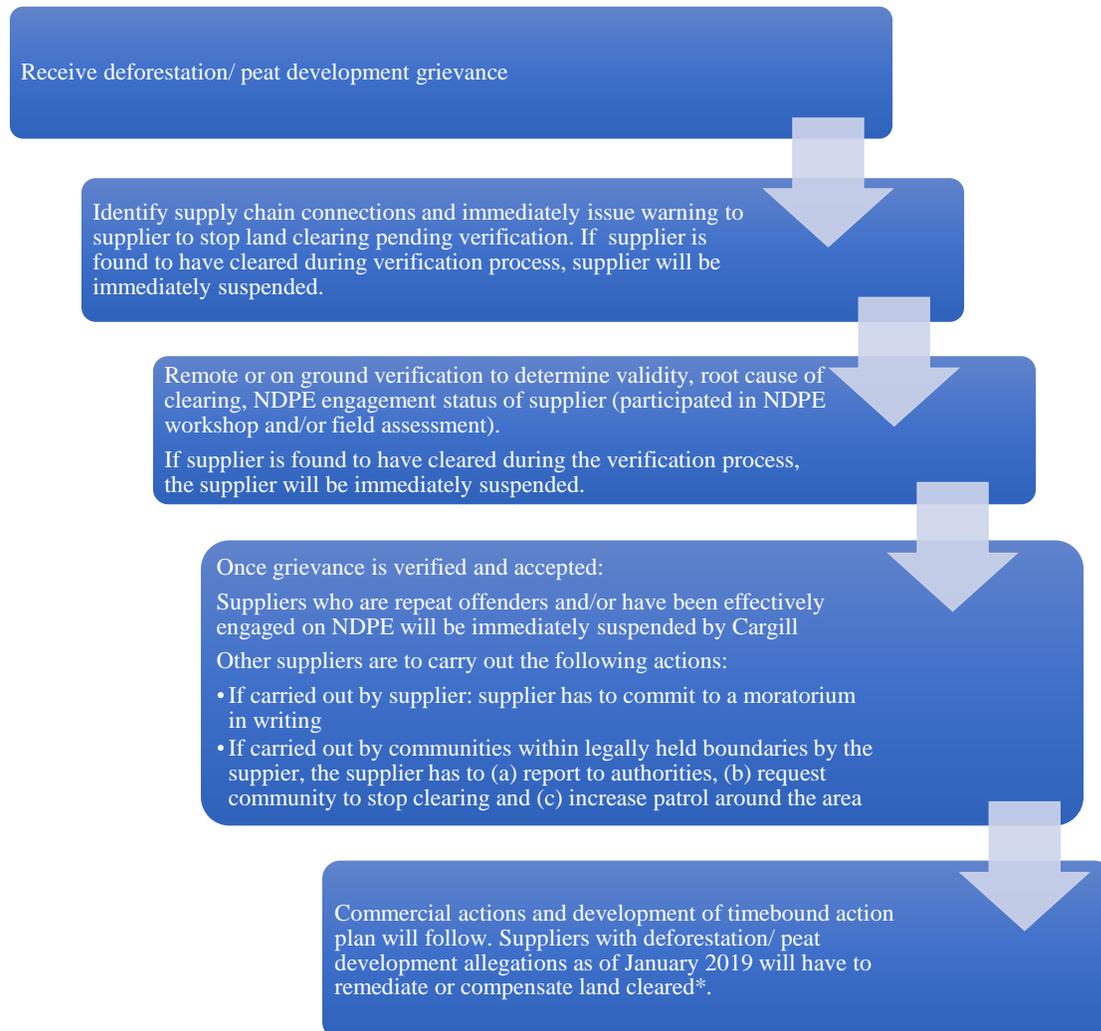
## II. GRIEVANCE PROCEDURE PROCESS FLOW



## I. ANNEX 1: DEFORESTATION AND PEAT DEVELOPMENT

Due to extensive issues of deforestation and peat development arising within the palm oil industry, Cargill is taking a more stringent approach to such non-compliances in our supply chain. In line with our commitments to a deforestation-free supply chain by 2020, we are taking immediate steps to stop any additional clearing upon detection.

Any verified deforestation and peat development grievances as of 1 January 2019 will undergo the following procedure in addition to the existing Palm Grievance Process



Cargill emphasizes that we treat labor and human rights grievances with the same degree of concern and immediate action to stop further non-compliances. We are developing similar annexes for these issues and will update this document once completed.

\* Cargill is committed to work with the industry and experts to develop guidelines on remediation. Suppliers who are bound by these expectations must submit interim written commitments to remediate once details are finalized.