Along with our partners, Cargill is committed to solving the urgent challenge of protecting forests and native vegetation in South America while supporting farmers and their communities. We are taking a risk-calibrated approach, directing our efforts and resources toward the highest-risk soy volumes in our supply chain. We also are working in broad coalitions to achieve sector-wide transformation in an inclusive way.

**Our systems are enabling us to monitor more**

In order to identify the risks in our supply chain and direct our interventions as effectively as possible, we must understand the sources of the soy we buy and how it was produced. That’s why mapping our soy supplies has been one of our most significant areas of focus during the past two years.

We are now mapping our direct supplier network using polygon farm boundaries. In our highest-priority areas – direct farmer suppliers in the states of Maranhão, Tocantins, Piauí and Bahia (Matopiba), and the Cerrado biome more generally – we are making good progress. We completed polygon mapping for Matopiba in June and aim to do the same throughout the Cerrado by the end of 2021. We will continue to expand polygon mapping across the full breadth of our South American soy supply chain.

This work, combined with cutting-edge technologies, will enable us to monitor activity on the ground and respond more quickly to issues (see pg. 10). And we will be able to share more information with customers about where their soy purchases are coming from through tools like our new SoyaWise™ traceability portal (see pg. 16).

**Innovation is taking flight**

There is no one solution that will solve the complex issues around forests and farming. We need to surface all ideas and sort through them to find the answers that will address these core issues in an inclusive and scalable way. That’s why we are encouraged that the Land Innovation Fund for Sustainable Livelihoods is running at full speed. A first round of projects is already creating impact (see pg. 12). And a second round will open the fund to a larger group of partners with a wider range of expertise (see pg. 13).

**Bold ideas are emerging**

In addition to protecting existing forests and native vegetation, we are working with partners like World Resources Institute (WRI) on ways to restore degraded lands. It’s why we teamed up to contribute to Initiative 20x20, which seeks to protect and restore 50 million hectares of land in Latin America and the Caribbean by 2030. We are examining mechanisms that will enable us to scale up this work, with the plan to share more in the months ahead.

**We are optimistic**

Progress is taking place on many fronts. We see it in our conversations as part of the multistakeholder advisory group to the COP26 Forest, Agriculture & Commodity Trade (FACT) Dialogues, the Soft Commodities Forum, and other roundtables. And although we know there is still considerable work to do, we are encouraged by the headway being made and grateful for all our partners who are working with us to do more.

Robert Horster
Global Sustainability Lead for Agricultural Supply Chains, Food Ingredients and Bioindustrial
Cargill is committed to transforming our agricultural supply chains globally to be deforestation- and conversion-free (DCF) by 2030. This includes taking action now to find solutions for soy from South America in the quickest and most effective way possible. Our global forest policy lays out our overarching approach to achieving this target. It is founded on our belief that farming and forests can and must coexist. Finding solutions for this equation is what we and our partners are striving to achieve.

Our businesses source soy from all of the major growing regions in the world. We are focused on South America as the highest-priority region for soy sustainability because it is home to vital landscapes such as the Amazon, Cerrado and Gran Chaco biomes that must be protected. Meanwhile, the region has grown rapidly in the last few decades to become a major source of the world’s soy, and this growth has underpinned many local, rural economies.

**Our strategic approach rests on three core concepts:**

- Supply chain traceability and mapping efforts should be risk-calibrated
- Prioritization should direct resources toward the highest-risk supplies from the highest-risk areas
- Inclusive sectorwide transformation – centered on farmer engagement – is necessary to truly protect vital ecosystems

We have made four commitments to do our part for sustainable soy from South America:

<table>
<thead>
<tr>
<th>Transforming our soy supply chain to be <strong>deforestation-free</strong> while protecting native vegetation beyond forests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting <strong>responsible production</strong>, which benefits farmers and surrounding communities</td>
</tr>
<tr>
<td>Respecting and upholding the <strong>rights of workers, indigenous peoples and communities</strong></td>
</tr>
<tr>
<td>Upholding the <strong>high standards of transparency</strong> through reporting of key metrics, progress and grievances</td>
</tr>
</tbody>
</table>

Read more in our [Policy on Sustainable Soy - South American Origins](#).
Our commitment to reporting

We are firmly committed to sharing our progress in building a sustainable, deforestation-free soy supply chain. Part of that commitment includes continuing to publish two reports each year: a mid-year update and a year-end review.

Since publishing our action plan in 2019, we have continued to expand our supply chain mapping and monitoring capabilities, enabling us to share more information than ever before. Going forward, we are standardizing which supply chain numbers we will publish at what intervals, according to what makes most sense for the crop seasons involved. Most of our supply chain data will be calculated annually to reflect that a supply chain is a snapshot for a given crop season.

Additionally, we will also align all data to the calendar year for greater consistency across all countries.

Year-end report

- Industrywide production figures
- Number of Cargill suppliers and percentage that are direct or indirect
- Deforestation- and conversion-free (DCF) calculations
- Progress on polygon mapping
- Total area monitored by certification programs
- Number of blocked farms
- Number of grievances

Mid-year update

- Progress on polygon mapping
- Number of blocked farms
- Number of grievances

What to expect in our year-end 2021 report

- We recently completed polygon mapping of direct supplier farms in the Matopiba region of Brazil. This will enable us to calculate our deforestation- and conversion-free (DCF) volumes for Matopiba using polygon mapping in our next report, instead of our current methodology based on sector averages and Cargill’s market share.

- Likewise, we will use polygons to calculate DCF volumes for any other Brazilian states where we have completed polygon mapping. We are aiming for this to include the entire Cerrado biome.

- We will also share additional updated information on our entire South American soy supply chain for 2021, in line with the reporting schedule on this page.
We are building a transparent supply chain

Our business in South America buys soy both directly from farmers and indirectly from other cooperatives, processors and traders. We are making good progress in mapping this supplier network. We have advanced from mapping by georeferenced single points to the more sophisticated methodology of polygon mapping all our direct suppliers’ farm boundaries, aiming to complete this process as quickly as possible. Progress on this polygon mapping since our last report is listed below. Other figures will be updated for our 2021 year-end report, in line with our new reporting cycle (see previous page). All figures include soy purchased and handled by our local sourcing businesses in each country.

Previously reported figures for the 2019-20 crop season

<table>
<thead>
<tr>
<th>Brazil</th>
<th>Argentina</th>
</tr>
</thead>
<tbody>
<tr>
<td>122.6  million tons industrywide soy production</td>
<td>55.9  million tons industrywide soy production</td>
</tr>
<tr>
<td>15,000 Approximate number of suppliers selling soy to Cargill</td>
<td>5,200 Approximate number of suppliers selling soy to Cargill</td>
</tr>
</tbody>
</table>

Sources for industry data: OECD-FAO, USDA, Uruguay’s Ministry of Agriculture

Because the list of suppliers we buy from shifts each crop season, we must remap our supply chain every year. Supply chain mapping figures on this page are for the most recent crop season prior to the date those figures were calculated. These figures will fluctuate year to year along with our base of suppliers, but we will always aim to keep as close to 100% mapped as possible.
2.4 million tons industrywide soy production

Approximate number of suppliers selling soy to Cargill

Paraguay

1.9 million tons industrywide soy production

Approximate number of suppliers selling soy to Cargill

Uruguay

2.000

94

6

Paraguay

Bolivia

Uruguay

Sources for industry data: OECD-FAO, USDA, Uruguay’s Ministry of Agriculture

Because the list of suppliers we buy from shifts each crop season, we must remap our supply chain every year. Supply chain mapping figures on this page are for the most recent crop season prior to the date those figures were calculated. These figures will fluctuate year to year along with our base of suppliers, but we will always aim to keep as close to 100% mapped as possible.
Progress on our action plan
The six elements of our action plan

- **Assess and plan implementation**
  - Defining our policies, action plans and key performance indicators, and training our internal teams so they can help advance them

- **Understand supply chain risks**
  - Identifying the sources of all our soybeans in South America and the risks of deforestation in those areas, through mapping and analysis

- **Engage supplier partners**
  - Working closely with farmers to provide them with resources, make sure their concerns are addressed and enlist them in leading the sector’s transformation

- **Deploy action levers**
  - Spurring progress by building solutions that curb deforestation and provide farmers with alternatives as they seek to maintain their livelihoods

- **Advance transformational partnerships**
  - Engaging with many stakeholder groups, including farmers, processors, traders, NGOs and governments, to create lasting protection for forests and native vegetation

- **Monitor, verify and report**
  - Using advanced systems to confirm that the change we want to see is taking place, promote transparency and take corrective action when needed

We are doing our part to help lead the soy sector forward to a sustainable future. Broad partnerships are needed to create the transformation we are collectively striving toward. At Cargill, we are working in real time to make progress with our partners, including farmers, customers, NGOs, government agencies and industry forums. Close collaboration with each of these groups is at the heart of our soy action plan.

This approach to building a sustainable, deforestation- and conversion-free supply chain for soy in South America is anchored in The Soy Toolkit created by Proforest, adapted for the specifics of our business and what we have learned doing similar work in other geographies and supply chains. Regarding risk assessment overall, land conversion is our primary filter in order to protect natural landscapes.
Understand supply chain risks

Building supply chain traceability
Supply chains for commodities like soy include many actors who store, ship and process, with supplies from individual farmers comingling along the way. This allows food to be available precisely when and where it’s needed all over the world at relatively low cost, but it makes traceability much more complex.

Cargill buys soy directly from farmers and also from indirect suppliers who may have bought it straight from the farmer or from other indirect sources. We are finding solutions to trace all these supplies so we can know more about this soy and potential risks. We are starting with direct suppliers because we can engage with them to change production practices. We are also designing systems and processes to create traceability of indirect supplies.

Direct supplies
We have the greatest ability to trace, monitor and influence soy bought directly from the farmer. In Brazil, most of our soy volumes are sourced this way, especially in higher-risk areas in the northern part of the country.

Indirect supplies
Tracing soy bought indirectly is much more complex, since it can change hands several times and is frequently comingled. We are engaging with our indirect suppliers to build traceability for these volumes. Meanwhile, we already demand that all soy we buy from indirect suppliers meets the same ethical and legal compliance standards as soy we buy directly. If we find this is not the case, we take action.

The importance of polygons
As we build traceability for soy from all sources, our next step in understanding the risks in our direct supply chain is to map the boundaries of farms using polygons. Drawing on satellite data from external sources, this more sophisticated method helps us identify and monitor land use connected to the soy we buy in a much more precise way.

As a first priority, we recently completed polygon mapping of direct suppliers for the Matopiba region of Brazil. We are now mapping other areas as quickly as possible. Once the polygons are defined and matched to farming operations, we will be able to monitor and respond to any conversion in our direct supply chain on an ongoing basis in a more timely manner. This is thanks to advances in machine learning technology and satellite data that is updated more frequently.
**Training for small family farms**

Since 2011, Cargill and the Instituto Biosistêmico (IBS) have partnered to bring cost-free training to Brazil’s smallholder farmers growing soybeans for biodiesel, to help them grow their crops with more sustainable methods.

Technical visits to farms by IBS specialists analyze soil, erosion, crop rotation and fertilizer applications. In addition to greater productivity and protecting the natural resources of their farms, farmers also receive a premium for their soy, with the amount varying by state.

Across six states in the 2019-20 crop season, the family farming program benefitted more than 1,700 farmers directly and 700 farmers within cooperatives.

**Expanding to Argentina**

Our Triple S certification program gives farmers a means to verify that their soy has been produced according to high standards, including being deforestation- and conversion-free (DCF). Having established this program in Brazil and Paraguay, we recently began expanding it to Argentina to meet rising demand from export markets.

We are partnering with leading producer association Asociación Argentina de Productores en Siembra Directa (Aapresid) to help Argentine farmers to identify current practices, provide training to improve and certify a chain of custody. In recent months, this has involved visiting more than 100 farms to establish a baseline on environmental, social and regulatory indicators. From there, we will build a cycle of continuous improvement as we prepare to eventually offer Triple S soy out of the Argentine market to customers worldwide.

**Strengthening sustainability in Bolivia**

Likewise, soy certified by the Round Table on Responsible Soy (RTRS) meets stringent criteria to provide assurance about how it was grown. In this process, establishing a chain of custody is crucial.

In the coming months, we expect to become the first company to achieve RTRS chain of custody certifications in Bolivia. Building on the success of our RTRS supply chain in Brazil, this will connect Bolivian farmers’ sustainable soy products to broader markets. This demonstrates our pioneering approach and our commitment to helping farmers improve agricultural practices in the country. We are now contacting farmers to determine who may want to pursue this certification with us.

This complements the work we are doing in Bolivia with Solidaridad and national producer association Asociación de Productores de Oleaginosas y Trigo (ANAPO) to build our Sustainable Soy Pathways program. It is engaging farmers with the tools, knowledge and resources to grow their soy in more sustainable ways. Field visits were limited at the start of 2021 due to the ongoing COVID-19 pandemic. In the meantime, we have confirmed interest from about 170 small producers, selected the parameters and methodologies, and started training field technicians.

**Engagement in Paraguay**

The COPRONAR growers’ cooperative in Paraguay’s department of Alto Paraná has been very engaged with enabling their members to increase sustainable soy production. The cooperative invited Cargill to speak at a recent agricultural show, where one of our sustainability experts joined a workshop to discuss trends in the industry and answer farmers’ questions. Media coverage of the workshop and our comments helped amplify the topic in the country’s agricultural community, allowing us to engage growers and advance the conversation.
Integrated progress toward sector transformation

The Land Innovation Fund for Sustainable Livelihoods – which Cargill launched with a commitment of $30 million – supports projects that will help protect forests across South America. Administered by Chemonics International, the fund is employing an active and integrated approach to selecting projects. This portfolio approach will work on multiple levels to simultaneously address the complex and interrelated challenges currently preventing the soy sector from achieving transformation. The first round of projects was funded and launched in January. Based on the learnings from this work, we are currently developing a second round, which will launch later this year (see next page).

To learn more about how to get involved, visit the fund’s website.

Updates on the first round of projects:

**Farmer level**
Programs that help farmers adopt sustainable practices, use new technologies, measure impact, and protect natural habitats

- CIMATEC has begun work with AIBA, the producer association in Brazil’s state of Bahia, to develop a system for AIBA’s farmers that monitors land use, water resources and good agricultural practices.
- The two organizations are also preparing to launch three online competitions for young innovators to promote sustainability in the soy supply chain, to be held during the second half of 2021.
- Solidaridad is seeking to improve the carbon balance of soy cultivation areas in Bahia, with plans under technical review. Work has begun with at least 20 farmers to help refine the methodology.

**State level**
Policy and fiscal mechanisms that broadly promote the protection of forests and restoration of degraded lands

- A project led by think tank Agroicone is working with the four state governments in Mato Grosso to develop policies and fiscal incentives to restore native vegetation on privately held lands.
- Agroicone engaged with environmental secretaries of the four states and completed a report with an overview of restoration in the region as well as a policy benchmark. These are informing discussions with policymakers and producer associations that began in June.

**National level**
Collaboration with a range of institutions to create opportunities and remove barriers for sector-wide transformation

- Brazil-based innovation hub AgTech Garage successfully launched a first challenge for startups that will develop new technologies and approaches to reduce deforestation in the Cerrado.
- Six startups were selected from 73 applicants. Their concepts range from monitoring tree health remotely to using AI for preventing forest fires to quantifying and tracing carbon in the soy supply chain.
- These startups will receive funding; support from AgTech Garage through connections with corporate partners, researchers and other specialists; mentoring; media exposure; and enhanced technical assistance from EMBRAPA.

**Regional level**
Platforms that bring together many types of stakeholders throughout South America aimed at unlocking new solutions

- Solidaridad organized and held multistakeholder platforms in Argentina and Bolivia in April to look at regulatory and monitoring tools. The fund will engage many of the stakeholders who attended for participation in the second round of projects. In Paraguay, a multistakeholder platform is being established.
- Through the multistakeholder platforms, Solidaridad is supporting strategic planning processes aimed at increasing dialogue and exchange on agricultural production and forest legislation among stakeholders in the Gran Chaco.
Broadening the Land Innovation Fund

Our first round of projects for the Land Innovation Fund were selected with the intent of learning how to create farm-level interventions in Brazil’s Cerrado that protect forests and native vegetation. Having established a successful working model, the intent now is to open up this next round to a much wider set of proposals to get all possible options and creative thinking on the table. Future rounds will become more targeted as we identify the most promising pathways for transforming the soy sector across South America to be free of deforestation and conversion. This is part of our philosophy with the fund not just to attract innovative projects and partners, but to be innovative in our own approach as well.

For more information on how and when to submit concept papers, watch the fund’s website.

Introducing Land Innovation Dialogues

In order to get as many great ideas as possible percolating, we are supporting partners and other organizations as they host events that discuss the interconnected issues of ending deforestation in South America. We are calling these events Land Innovation Dialogues, and we anticipate the first series will begin in the coming months. Because other organizations are hosting them, we expect the dialogues to attract a broader audience to these important issues than we could reach alone. We also hope these events will draw a wider range of proposals for the next rounds of the fund. Due to COVID-19, the dialogues will be virtual at the start. For details on the dialogues, visit the fund’s website.

Our four focus areas for Round 2 proposals

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy and Regulatory Instruments</strong></td>
<td>Solutions to improve agricultural practices, develop the potential of ecosystem services, and protect natural habitats</td>
</tr>
<tr>
<td><strong>Methods and Tools</strong></td>
<td>Efforts that open doors and expand opportunities for innovators from diverse backgrounds to become engaged in the development of a sustainable and DCF soy supply chain</td>
</tr>
<tr>
<td><strong>Participation and Diversity</strong></td>
<td>Solutions for farmers on the ground through integrated and multistakeholder actions that focus on measurable results and impact</td>
</tr>
</tbody>
</table>

What’s different in our approach to selecting projects?

<table>
<thead>
<tr>
<th>Round 1</th>
<th>Round 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focused on the Cerrado</td>
<td>Expanding to other biomes like the Gran Chaco</td>
</tr>
<tr>
<td>Proposals by invitation</td>
<td>Proposals open to all</td>
</tr>
<tr>
<td>Sought organizations with established processes for interventions at different levels, from the farm to the region</td>
<td>Seeking a more diverse group of organizations with all types of expertise</td>
</tr>
</tbody>
</table>
Documenting a ‘green wave’

During the past 18 months, we have partnered on several projects with Brazil-based nonprofit Climate Ventures. One of these has been to co-sponsor a study of the business climate for entrepreneurs and investors in Brazil, including the hurdles and the most promising pathways to bring climate solutions to scale in the region and transition to a green economy. We published a report on our findings in May.

Titled “The Green Wave,” the report gathers the perspective of numerous specialists and experts across Brazil to provide important historical context, a detailed examination of the issues currently at hand, and examples of groundbreaking startups. It also explores areas of opportunity like regenerative businesses, the bioeconomy, markets for environmental assets, and advances in product traceability. We believe it will help illuminate new ways forward.

How and why we block farms

Our strong system of controls helps ensure the integrity of our soy supply chain in Brazil. Every day, our automated system consults lists managed by various agencies and organizations (see table to the right). When a farming operation appears on one of these lists, it is immediately blocked so it is not eligible to sell soy to us.

We also block other farms registered to the same person or entity in the local area of the country, depending on the violation involved. These affiliated farms cannot be unblocked until we conduct a thorough analysis to help ensure that soy from the violating farm is not being rerouted and sold to us through the affiliated operation. These affiliated farms are re-evaluated each new crop season to confirm they are still complying.

| Blocked farms by list in the first half of 2021 |
|-------------------------------|------------------|------------------|
|                                | Number of farms we blocked | Additional operations we analyzed to avoid rerouting of soy from restricted areas |
| Federal lists                 |                               |                               |
| IBAMA                        | 134                           | 131                           |
| Covering all of Brazil, this list by the country’s environmental agency includes embargoes for all types of illegal environmental activity such as illegal deforestation, improper licenses and farm management issues |
| ICMBIO                       | 6                             | 5                             |
| Covering all protected conservation areas within Brazil, this list includes embargoes for deforestation violations inside those areas |
| Slave Labor List             | 6                             | 0                             |
| Including all of Brazil, this list marks suppliers accused of making use of workers under conditions analogous to slavery according to Brazilian laws |
| State lists                  |                               |                               |
| Embargoes Mato Grosso        | 118                           | 131                           |
| A list managed by the state’s environmental agency recording all environmental violations |
| List of Illegal Deforestation (LDI) from Pará | 6                             | 1                             |
| A list run by the state’s environmental agency covering illegal deforestation |
| Sectoral lists               |                               |                               |
| Green Grain Protocol         | 68                            | 36                            |
| This is part of a commitment signed in 2014 that establishes criteria for responsibly purchasing grain from farms operating in Pará |
| Soy Moratorium               | 69                            | 25                            |
| Managed by the Soy Working Group, this list monitors all types of conversion of native vegetation to soy production in Brazil’s Amazon biome |
| Total                        | 407                           | 329                           |
Preserving the Gran Chaco

We signed a letter of intent to join a project co-led by the U.N. Environment Programme that seeks to protect and restore ecosystems through good land use practices while still enabling food production. In Paraguay, Project FOLUR (Food Systems, Land Use and Restoration) is focused on decoupling soy and beef production from deforestation using a landscapes approach, among other objectives.

The goal is to help preserve natural vegetation in the Gran Chaco by piloting interventions across nearly 200,000 hectares. Cargill will help facilitate discussion for how best to drive adoption of more sustainable practices within the soy sector, using both market mechanisms and national regulatory standards. We also will invest $500,000 over six years into related projects that support FOLUR’s goals.

Platforms for best practices in Argentina

We continue to make progress with sector partners on two initiatives in Argentina that will help elevate sustainability in the country’s soy supply chain. The Visión Sectorial del Gran Chaco Argentino (ViSeC) – which aims to protect native vegetation in its namesake biome of the Gran Chaco – defined its ambitions, mission and structure. This includes the role that producers, processors and traders, civil society, and government will each play. The group also is setting up its working committees as it looks to determine next steps in the coming months.

Similarly, the Programa Argentino de Carbono Neutro (PACN) – which seeks to establish commonly accepted tools based on recognized methodology for calculating carbon emissions across several sectors – released two documents in consultation with the working group for grains and oilseeds that Cargill helps to lead. Published in April, these manuals provide guidance to companies on how to calculate carbon balances and implement best agricultural practices for reducing atmospheric carbon. By implementing science-based methodologies and practices, both ViSeC and PACN will work to drive the recognition of Argentine soybeans as a sustainable product on the world market.

Finding solutions with experts

In the latest meeting of our Land Use and Forest Sustainability Advisory Panel in April, we discussed recent progress with our panel of 10 experts. This included accomplishments through the Cargill-led Land Innovation Fund and our ongoing work to incorporate land use solutions into our soy supply chains.

The panel was pleased to see definitive action emerging and discussed how to continue finding ways forward to incentivize the changes we want to see in the market. Between now and the panel’s next discussion, we will also be meeting more frequently one-on-one with panel members to more continuously gather their thinking.

Collaborating for change across the region

Recognizing that collective action is crucial, we are working with others in our industry through the Soft Commodities Forum (SCF) to drive systemic change in the soy sector. The group is developing pre-competitive solutions that center on farmers and recently signed two partnerships in Brazil to engage farmers at the landscape level in Matopiba and Mato Grosso. These partnerships will help eliminate soy-driven conversion of natural habitats in high-risk areas. The latest report on the SCF’s progress, particularly in Brazil’s high-priority 61 municipalities, is available here.
Showing customers their supply chains

Providing our customers with more information about their individual soy purchases gives them confidence and helps provide greater transparency within the industry. That’s why we launched our SoyaWise™ traceability portal for customers at the start of 2021.

Within SoyaWise, customers can use a map tool powered by ArcGIS to follow their soy shipments back to the region and even the municipality of origin. They can overlay this with a variety of data like deforestation risks, Cargill’s priority action areas, overall soy production and more, so they can get a clearer picture than ever before about where and how their soy was grown. They can also download sustainability certificates for any relevant purchases, so they can pass that assurance down the value chain, as well.

To date, we have onboarded some of our largest soy customers in Europe onto the tool, and their feedback has been positive. They appreciate the ability to dive into more detail on their individual soy purchases and the fact that the portal archives data over time. Both of these things make it easier for them to answer questions from their own customers about the soy’s origins. And the portal makes them more aware of the breadth of our portfolio of sustainable soy products, such as our Triple S certified soy that has seen strong growth in Europe in the last few years. During the coming months, we will expand use of the portal to other customers in Europe, and eventually to those in other regions as well, based on customer demand. This platform complements similar traceability portals for our palm and cocoa supply chains.

“SoyaWise is very useful, with readily available, transparent data on our soy supply chain. It makes it feel so much more real.”

Hugh Burton, Senior Procurement Lead at ABAgri
Addressing grievances

We take immediate action to investigate when we receive reports of a problem related to our supply chain. Our grievance process lays out a transparent mechanism for us to review, address and monitor any concerns as they are raised to us in relation to compliance with our soy policy. This includes documenting who raised the grievance, the farms or organizations being investigated, the status of our investigation, and our findings.

We take grievances seriously. We do not tolerate retaliation against anyone who, in good faith, raises a concern or participates in an investigation or whistleblowing. We prohibit harassment, intimidation and the use of violence by any employee, supplier or third-party contractor throughout engagement in our grievance process. Additionally, all suppliers are subject to Cargill’s Supplier Code of Conduct and our Policy on Forests.

We want your feedback on how we can enhance our actions and future reporting. Please share your thoughts by email so we can use them to keep improving our processes and policies.

Continuing to protect the Amazon

In 2006, Cargill worked with many others to establish the Amazon Soy Moratorium, a voluntary commitment that says that we will not buy soy from farmers who deforested areas of the Amazon biome after July 2008. Cargill remains unwavering in our commitment to the Amazon Soy Moratorium as a crucial means of protecting the biome.

The Amazon moratorium remains a strong success story, as soy production in the biome has continued to increase without driving deforestation. The latest moratorium report shows that for the 2019-20 crop year, only 2% of the soy grown in the Amazon biome was not compliant with the moratorium. Meanwhile, 95.9% of the deforestation that occurred in the 107 soy-producing municipalities in the biome was not associated with the conversion of forests to soy. This demonstrates that soy has essentially expanded over areas cleared prior to 2008.

Annually, we contract third-party audits to verify our supplier verification processes and systems, as a way to guarantee compliance with the moratorium in the Amazon. This makes it possible not only to provide transparency to our external stakeholders, but also ensures that over the years our systems can be tested and improved as technology advances.

Audits have never found noncompliant soy in our Amazon supply chain. Additionally, although the Amazon moratorium is an agreement just for soy, we also refuse to buy any other commodities from farms that have been shown to be noncompliant.

35 soy-related grievances were reported in our system during the first half of 2021

77% of these were unrelated to our supply chain or operations
South America’s major biomes

The Amazon, Cerrado and Gran Chaco biomes spread across several countries. In order to understand them in the context of our supply chain mapping, it’s important to recognize that they are vastly different in terms of their natural characteristics and the local communities that depend on them. The Amazon is the world’s biggest tropical forest, home to an immense amount of biodiversity as well as indigenous cultures. Soy farming occurs mainly around its edges. Meanwhile, the Cerrado is a savannah that stretches across Brazil’s agricultural heartland. Farming activity here serves as the backbone for local economies and 46 million inhabitants. The Gran Chaco spreads across parts of Argentina, Bolivia and Paraguay. It is the continent’s second-largest forest, home to important biodiversity and many different communities as well.

The Amazon

- **85%** of native vegetation in Brazil still intact
- **2.0%** of soy planted in Brazil today is on land that was native vegetation in 2008, none of which enters Cargill’s supply chain

The Cerrado

- **52.5%** of native vegetation still intact
- **8.3%** of areas cleared of native vegetation between 2014 and 2019 had soy on them for the 2019-20 crop

The Gran Chaco

- **80.9%** of native vegetation still intact
- **1.5%** of areas cleared of native vegetation since 2008 had soy on them for the 2019-20 crop

Understanding our DCF figures

We are committed to building a deforestation- and conversion-free (DCF) supply chain as quickly as possible. To do this, we are mapping where our South American business buys soy from and analyzing what portion of it was grown on land that may have been converted from native vegetation in recent years. This analysis will be done on an annual basis for each of the five countries where our South American business sources soy, ultimately based on polygon mapping of farms for direct suppliers.

As an intermediary step while we complete our polygon mapping, we established a methodology to report DCF estimates by determining how much of the sector’s total soy production comes from areas free of conversion (see next page). We used 2008 as a reference point for our analysis, which aligns with Brazil’s Forest Code. As a significant buyer of soy across the region, we used the assumption that our percentages of DCF soy in our direct supply chain are in line with the sector in total. We multiplied sector DCF rates by our market share of soy volumes to arrive at a total estimated DCF percentage for our soy in Brazil in our January 2021 report.

We used the same methodology to calculate our estimated DCF percentage for Argentina and Paraguay. Because complete data is not available for these two countries, we limited our analysis to areas where Cargill has commercial activities.

Cargill soy volumes estimated to be deforestation- and conversion-free (DCF)

All figures were originally published in our January 2021 report and are for the 2019-20 crop year or comparable period by country, excluding trading volumes.
How we calculated our DCF percentages for direct supply

1. Satellites continuously gather data about land use and feed it to many organizations for research and analysis. The U.S. Geological Survey and the University of Maryland regularly publish datasets on crop production and land conversion, respectively.

2. Our team analyzed both of these datasets to calculate how much soy production in Brazil, Argentina and Paraguay did not take place on land converted from native vegetation since 2008, a date that aligns with Brazil’s Forest Code. This deforestation- and conversion-free (DCF) soy makes up the vast majority of the crop in these countries.

3. Knowing the sectorwide rate of soy that is DCF for each state in Brazil, we multiplied those percentages by the soy volumes originated by the local Cargill business in the 2019-20 crop year. For areas inside Brazil’s Amazon biome, we know that all of the soy we buy is DCF because every purchase we make is independently audited to ensure it is in compliance with the Amazon Soy Moratorium. So Cargill’s DCF rate for those areas is 100%. We then tallied our estimated DCF soy for all of Brazil and divided by our total soy volumes countrywide to arrive at Cargill’s estimated percentage of DCF soy.

4. We used the same methodology for Argentina and Paraguay. Because complete data is not available for all soy-producing states in these two countries, we used available data for all of the areas where we have commercial activities.

Rates of DCF soy

For Brazil, we analyzed these rates state-by-state. In Argentina and Paraguay where complete data is not available, we analyzed areas where Cargill has commercial activities. These figures were originally published in our January 2021 report and will be updated for the current crop season in our 2021 year-end report.
About Cargill

Our purpose is to nourish the world in a safe, responsible and sustainable way.
Our business
Every day, we connect farmers with markets, customers with ingredients, and people and animals with the food they need to thrive.

For farmers
We supply feeds, other inputs and expertise to farmers, and buy crops and livestock from them.

We provide insights to our partners

We transform raw materials into finished goods

We move products around the world

How we work
Our integrated operating approach enables our businesses to provide industry-leading products and services in their specific sectors while also drawing on the full world of Cargill’s expertise. We deliver this expertise locally, quickly and reliably through world-class capabilities and operations everywhere we do business.

Our global functions equip our businesses to do this effectively and efficiently by providing process governance and deep subject matter expertise on issues that affect us, our customers and other partners. Cargill’s Executive Team is responsible for the company’s strategic direction, talent development and overall financial performance. Led by Board Chair and CEO Dave MacLennan, members of the Executive Team represent all of Cargill’s enterprises, as well as major global functions. They use a diverse set of experiences from both inside and outside of the company to lead and achieve results.

Our Guiding Principles
Doing business ethically is key to our long-term strategy and relationships. Our seven Guiding Principles make up the core of our Code of Conduct. We require all employees and contractors to follow them, and expect our suppliers to do the same.

1. We obey the law.
2. We conduct our business with integrity.
3. We keep accurate and honest records.
4. We honor our business obligations.
5. We treat people with dignity and respect.
6. We protect Cargill’s information, assets and interests.
7. We are committed to being a responsible global citizen.

For customers
We deliver finished goods to customers in the foodservice, retail, consumer packaged goods and industrial sectors.

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Our approach to sustainability and corporate responsibility

Our purpose is to nourish the world in a safe, responsible and sustainable way. It’s who we are. It’s why we exist. As the world faces extraordinary challenges – from climate change to food insecurity – delivering on our purpose is more critical than ever before.

Our global Sustainability strategy sets clear priorities based on the most material issues to our business. We identified Climate, Land & Water and People by evaluating the environmental, social and economic impacts of our diverse business and supply chains.

As we drive progress against these areas, we’ll do so by engaging, empowering and advancing sustainable practices across farm and field, because we believe agriculture is how we’ll deliver.

**Agriculture is how we help people and the planet thrive.**

As the world joins in advancing the U.N. Sustainable Development Goals, we believe that many of the solutions to the challenges we’re facing can be found in the very place our food system begins: Agriculture. Agriculture can be a force for good. We aim to empower farmers and workers, support local communities, promote safe and fair working conditions and help ensure food is nutritious and plentiful for all. We’re also driving progress on priorities that safeguard our planet and ensure we’re operating our business in a sustainable way. Through our work with key partners, collaborative initiatives with our customers and through constantly innovating the products and services that we offer, we are committed to creating impactful change that leverages our scale of operations and reach.

By empowering farming communities, protecting land and regenerating our soils, we’ll nourish this growing population – safely, responsibly and sustainably.