



# Cargill Supplier and External Manufacturer Requirements Manual

**Version 3.0**

Effective June 1, 2018

**NOTE TO OUR SUPPLIERS AND  
EXTERNAL MANUFACTURERS**

Cargill acts on the belief that doing the right thing sets the foundation for long-term success. This culture is grounded in Cargill's Guiding Principles, which serve as the foundation for our ethical and compliance standards for conducting business throughout the world. We believe supply chains that support the global human and animal food systems must be safe, of high quality, and regulatory compliant.

Cargill is involved in numerous food supply chains around the world, from farm to table, and we are committed to providing healthy, nutritional products, and services. We will use only those product development, procurement, supply chain, transportation, storage, production, manufacturing, and distribution systems and suppliers that ensure the safety and regulatory compliance of our products. Every Cargill business, employee, supplier, and external manufacturer has a responsibility to ensure the production of safe products and to comply with applicable laws, regulations, and Cargill requirements. Ensuring safe, high quality, and compliant products for our customers and consumers is a responsibility shared with our supply chain partners.

Through our efforts with you, our suppliers and external manufacturers, we will continue to work to mitigate food safety risks, reduce quality risks, and keep people and animals safe. Your work is a critical component of ensuring a safe, sustainable and responsible supply chain, which helps Cargill, our customers and communities thrive. On behalf of Cargill, I want to thank you for your continuing hard work.

Sincerely,

Sean Leighton  
VP, Food Safety and Quality  
Cargill, Incorporated

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# Introduction

Cargill provides food, agriculture, financial, and industrial products and services to the world. Together with farmers, producers, suppliers, manufacturers, customers, retailers, governments, and communities, we help people thrive by applying our insights and over 150 years of experience. Our team of 155,000 professionals in 70 countries draws together the worlds of food, agriculture, nutrition, and risk management. We are continuously developing products that give consumers just what they're seeking, advancing nutrition, food safety, and sustainability. We help all of our partners innovate and manage risk, so they can nourish the world again tomorrow.

Cargill has established global human and animal food/feed safety, quality, and regulatory processes, and standards to ensure the integrity of all of our products and services. Our customers expect us to provide safe, high quality, and regulatory compliant products from the supply chains we operate in. Managing complex global supply chains requires full cooperation and support from our suppliers and external manufacturers (SEMs). To succeed our SEMs must be aligned with Cargill's guiding principles and operate in full compliance with Cargill's food safety, quality, and regulatory requirements.

In 2011, Cargill began deploying one global approach for qualifying suppliers and external manufacturers across our diverse businesses. A major goal of this approach was to enable Cargill to only qualify suppliers that meet our requirements and to leverage a common qualification process across our many businesses. The foundation of our requirements is for SEMs to have a food safety management system (FSMS) that is established, documented, implemented, and maintained. The most effective FSMS are established, operated, and updated within a common framework that is incorporated into the overall supply chain management activities of our production facilities. A well-functioning FSMS includes knowledge of the facility's hazards reasonably expected to occur that could affect, directly or indirectly, product safety and wholesomeness (typically managed through HACCP principles), interactive communication, system management, and implementation of effective prerequisite programs. Thus we align our approach

around the international standard of [ISO 22000](#). This approach provides assurance to Cargill and our customers that our supply chains are safe and responsible. We recognize that some processing aids, contact chemicals, and contact packaging may not be subject to the same legal, regulatory, and global food safety standards as materials considered by Cargill as human or animal food/feed ingredients. However, these suppliers are still expected to have processes in place to ensure the purity of their production, control contamination risks, notify us of changes, and meet our specifications. It is Cargill's desire to partner with SEMs to share best practices in the areas of food and feed safety, quality, regulatory compliance, and continuous improvement.

This manual is designed for use by our SEMs and provides information on (i) Cargill's food safety, quality and regulatory compliance requirements for SEMs (the "Cargill SEM Food Safety Requirements") and (ii) Cargill's food safety, quality and regulatory compliance qualification and management processes for SEMs ("Cargill's SEM Qualification and Management Processes").



# I. Requirements for Ingredient and Food Contact Packaging Suppliers, Food Grade Chemical and Processing Aid Suppliers, and All External Manufactures

There are four basic components to Cargill's SEM Food Safety Requirements: (A) Legal and Regulatory Requirements, (B) International Standards & HACCP Requirements, (C) Good Manufacturing Practice (GMP) Requirements, (D) Cargill Specific Requirements. There are also (E) Cargill General Recommendations.

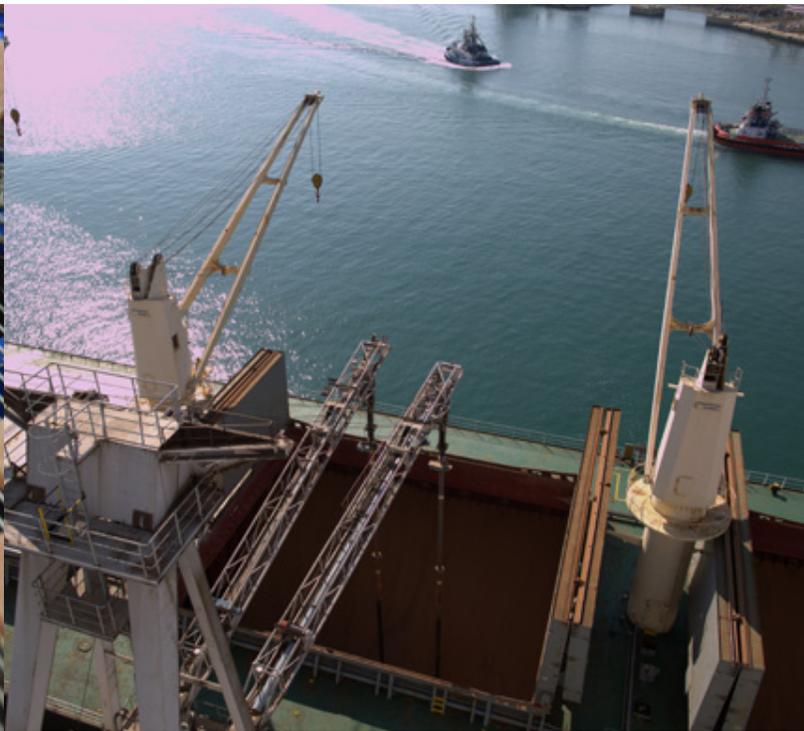


## A. LEGAL AND REGULATORY REQUIREMENTS

Cargill requires SEMs to establish their food safety and quality programs to fully comply with all applicable legal and regulatory requirements and be prepared to demonstrate documented proof of such compliance. It is each SEMs obligation to determine, understand and comply with the legal and regulatory requirements that apply to their operations and products both in the country of manufacture and the country of delivery of services and products. If Cargill requires any SEM to comply with the laws and regulations of any other jurisdiction, Cargill will communicate those additional requirements. In some cases, Cargill may require SEMs to comply with industry guidance/standards.

This includes, but is not limited to, the SEM ensuring their product and facilities meet the legal and regulatory requirements of:

- product registration
- labeling
- facility operational permit(s)
- undesirable substances (i.e., dioxins, heavy metals, etc.)
- biotechnology (i.e., genetically modified, fermentation processes, etc.)
- standard of identity
- claims - nutritional/health, natural, non-GMO and others
- allergens
- animal welfare



- generally recognized as safe
- irradiation
- hygiene, hazard analysis, good manufacturing practices
- food packaging and supporting documents to prove migration limits
- transport of product
- use of:
  - animal proteins
  - additives (i.e., preservatives, flavorings, etc.)
  - medications
  - partially hydrogenated oils
  - marine ingredients
  - GMO ingredients
  - antibiotics
  - chemicals and processing aid

## B. INTERNATIONAL STANDARDS & HACCP REQUIREMENTS

Cargill requires that SEMs comply with Codex, the international standard for food safety programs, <http://www.codexalimentarius.org>, which includes requirements for Hazard Analysis and Critical Control Point (HACCP) principles and system:

- For human and animal food [GENERAL PRINCIPLES OF FOOD HYGIENE CAC/RCP 1-1969](#)
- Additionally for animal food [CODE OF PRACTICE ON GOOD ANIMAL FEEDING CAC/RCP 54-2004](#)
- Chemical and Processing Aid SEMs must meet or exceed purity standards defined in the [FOOD CHEMICALS CODEX \(FCC\)](#)

## C. GOOD MANUFACTURING PRACTICE REQUIREMENTS

Cargill requires that SEMs have programs in place to address the following:

- [ISO/TS 22002-1:2009](#) – Prerequisite programmes on food safety – Food Manufacturing (Part 1)
- [ISO/TS 22002-4:2013](#) – Prerequisite programmes on food safety – Food packaging manufacturing (Part 4)
- [ISO/TS 22002-6:2016](#) – Prerequisite programmes on food safety – Feed and animal food production (Part 6)



## D. CARGILL SPECIFIC REQUIREMENTS

In addition to meeting the requirements listed in sections A, B and C above, Cargill has identified a number of specific, additional requirements which all SEMs must meet. Certain Cargill segments may demand a unique requirement that is specific to that segment's industry or customer market.

1. **Animal Welfare:** SEMs involved in primary animal production must treat all animals with care and respect, use antibiotics responsibly and in accordance to applicable laws and regulations, and provide efficient nutrients. SEMs shall have a systematic approach to animal handling. A robust systematic approach will be demonstrated through documented compliance towards the current edition of "Recommended Animal Handling Guidelines and Audit Guide" published by the North American Meat Institute (NAMI) or country equivalent guidelines. Program(s) shall address management commitment, hiring practices, employee training, regular monitoring, documentation of deficiencies, and corrective actions. Reference: <http://www.animalhandling.org/ht/d/sp/i/26752/pid/26752>
2. **Brokers, Distributors, Traders and Exporters:** In cases where products are procured through brokers, distributors, traders or exporters (B/D/T/E), which are a type of SEM, the requirements of this manual still apply. The B/D/T/E is required to source only from Cargill approved producing locations and ensure those locations comply with the requirements in this manual. The B/D/T/E must demonstrate that traceability of the product to Cargill approved producing location is maintained and obtain Cargill's approval when the source of their procured product is proposed to change. Delivering product from a producing location that is not approved by Cargill is prohibited.
3. **Compliance Monitoring:** To measure SEM's compliance with the requirements outlined in this manual, Cargill reserves the right to conduct announced on-site audits or visits of an SEM's facilities, including the use of independent third-party certifying bodies. SEM must provide the auditor access to the production facility, documents, records, and samples pertaining to the product or material sold to Cargill. Audits may occur during the initial evaluation and qualification process or any time after food safety qualification is determined and while the SEM is still active for Cargill. Upon receipt of any unsatisfactory compliance monitoring results and SEM's failure to implement corrective actions for identified non-conformances, Cargill reserves the right to suspend any purchases from SEM until corrective actions are implemented, or to terminate its relationship with SEM.
4. **Documents and Records:** SEM must implement a process to control food safety, quality and regulatory documents and records. As part of the evaluation of a SEM, the SEM will be requested to provide documents substantiating the SEM complies with the requirements of this manual.
5. **Economically Motivated Adulteration:** SEM must consider as part of their hazard analysis economically motivated adulteration, defined as fraudulent, intentional substitution or addition of a substance in a product for the purpose of increasing the apparent value of the product or reducing the cost of its production, i.e., for economic gain. It is prohibited for an SEM to produce product that has been economically adulterated or to use such materials in their supply chain.
6. **Emergency Response Program:** SEM must develop and implement an emergency response program that addresses the most likely anticipated emergencies (natural or man-made) and the provisions made to mitigate risks to product supply, food safety and quality.





7. **Facility Third Party Food Safety Accredited Certification:**  
SEMs for human food must be certified to a [Global Food Safety Initiative \(GFSI\)](#) benchmarked certification program or have a documented agreement with Cargill regarding certification. For animal food/feed segments of Cargill or for instances where the SEM's industry is outside the scope of available GFSI benchmarked accredited certification programs, SEM must obtain the requested alternative certification (e.g., FAMI-QS, GMP+, EFISC, ISO 9001, etc.) or have a documented agreement with Cargill regarding certification. Once certification has been achieved Cargill must be immediately notified if certification lapses.
8. **Food Allergen Control:** Where applicable, systems must exist for the control and prevention of incidental co-mingling of food allergens and to ensure proper labeling of allergens in products.
9. **Food/Feed Safety Product Testing:** Product that is tested for any biological, chemical or physical hazard that may render a human or animal food product unfit for its intended use may not be shipped until testing is complete and product is determined safe.
10. **Good Laboratory Practices:** Systems must be in place to ensure reliability of laboratory results for testing done on products or materials produced for Cargill. This includes use of internationally recognized test methods, documented procedures, trained and competent technicians, calibrated and maintained equipment.
11. **Internal Audit Program:** SEM must conduct internal audits at planned intervals of their facilities to determine whether their food safety, quality and regulatory system conform and are effectively implemented. There must be a system for monitoring completion of internal audit findings with actions implemented documented. SEM must document auditor qualifications for their internal audit program.
12. **Leachability/Migration:** SEMs that supply packaging materials to Cargill must be prepared to provide proof of compliance with applicable packaging regulations including, but not limited to, migration and/or leachability testing results with the material that are intended to be contained in the packaging.
13. **Notification of Changes:** Cargill must be notified of and approve any changes or modifications to the production location, product specification, product inputs and/or production process steps which could reasonably affect performance, quality, food safety or regulatory compliance. Cargill will determine appropriate action to review the change and requalify the SEM and related product, if necessary, for use. Changes or modifications may include, but are not limited to: changes to agreed upon product specification, packaging material or appearance, production process, formulation or composition, type of fermentation, actual producing location, etc.
14. **Packaging:** Product sold to Cargill must be packaged in clean, dry containers, bags, drums, bulk conveyance, etc., free of foreign material and chemical migration from inks. Packaging must be brand-new, with the exception of bulk conveyance and totes that are designed to be cleaned, sanitized, and re-used. Bulk conveyance and totes must not carry as a previous load anything that would contaminate or affect the fitness for use of the product. Packaging must be sealed according to communicated requirements.
15. **Product Defense:** SEM must have measures in place to reduce the chances of intentional contamination of the human food/animal food supply through production, storage, and transportation processes. This may also be known as food defense or food security.
16. **Product Specifications:** SEMs will ensure products meet agreed upon specifications.

17. **Product Traceability/Product Recall:** SEM must maintain current, written product traceability and recall programs, and maintain verification that these programs are effective.
18. **Special Certifications:** If Cargill specifications require particular certifications, such as organic, dietary, non-GMO, etc., then the actual producing location must be certified by a certifying body acceptable to Cargill and Cargill must be immediately notified if certification lapses.
19. **Supplier Qualification Program:** SEMs must have in place preventative measures for food safety, regulatory compliance, and quality management programs for their suppliers. Prevention requires that these features be integrated into the SEMs procurement processes and requires close interaction with growers, suppliers, manufacturers, distributors, service providers, and importers. All SEMs must have approval and monitoring programs for their own suppliers which, at a minimum, consist of a combination of appropriate programs, specifications, policies and procedures described in this document.
20. **Terminals/Transloading:** Facilities used to transfer or store bulk materials need to be qualified by Cargill.
21. **Transparency:** SEM must adopt a transparent approach to working with Cargill, including the disclosure of relevant policies and procedures. SEM must disclose the location of the actual producing facility manufacturing product for Cargill, as well as the origin of raw materials if required by Cargill to address a geographic event or customer request.
22. **Warehouse and Transportation:** External or 3rd Party warehouse or transportation contracted by SEM must be within scope of their food safety management system.

## E. CARGILL GENERAL RECOMMENDATIONS

These Cargill General Recommendations are not requirements broadly across Cargill, but some business segments may require completion of these recommendations prior to use. It is important to note that these recommendations will become requirements in the near future and will be included in future revisions of this manual.

1. **Quality System:** In addition to having a food safety management system it is highly recommended that an SEM have a quality management system (QMS). The FSMS and QMS are often interwoven into a single system for truly optimal performance. A good example of an accreditation for QMS is [ISO 9001:2015](#). The ISO 9000 series is based on seven quality management principles: customer focus, leadership, engagement of people, process approach, improvement, evidence-based decision making, and relationship management.
2. **Sustainability:** Cargill aims to be the most trusted source of [sustainable](#) products and services for our customers. With our global presence, market expertise and supply chain capabilities, we are committed to creating a more sustainable, food-secure future. Our customers and communities trust Cargill for solutions that will nourish the world and protect the planet, both now and for future generations. Meeting the requirements of this manual will set our SEMs on a course to providing sustainable and responsibly sourced products, but sustainability goes further and Cargill's sustainability priorities are in land use, climate change, water resources, farmer livelihoods, food security and nutrition.



# II. Requirements for FCC Compliant and/or Technical Grade Food Contact Chemical and Processing Aid Suppliers

## II. REQUIREMENTS FOR FCC COMPLIANT AND/OR TECHNICAL GRADE FOOD CONTACT CHEMICAL AND PROCESSING AID SUPPLIERS

All chemical SEMs providing materials that Cargill designates as a food grade material will meet the requirements of Section I. “Requirements for Ingredient and Food Contact Packaging Suppliers, Food Grade Chemical and Processing Aid Suppliers, and all External Manufactures.” Section II of this manual is applicable when SEM will be providing a “FCC Compliant” or “Technical Grade” material. If there is uncertainty regarding Cargill’s required material classification for a specific food contact chemical or processing aid, please contact your Cargill representative to discuss requirements.

### A. LEGAL AND REGULATORY REQUIREMENTS

Cargill requires SEMs to establish their quality and regulatory programs to fully comply with all applicable legal and regulatory requirements and be prepared to demonstrate documented proof of such compliance. It is each SEMs obligation to determine, understand and comply with the legal and regulatory requirements that apply to their operations and products both in the country of manufacture and the country of delivery of services and products. If Cargill requires any SEM to comply with the laws and regulations of any other jurisdiction, Cargill will communicate those additional requirements. In some cases, Cargill may require SEMs to comply with industry guidance/standards.

This includes, but is not limited to, the SEM ensuring their product and facilities meet the legal and regulatory requirements of:

- product registration
- labeling
- facility operational permit(s)
- undesirable substances (i.e., dioxins, heavy metals, etc.)
- biotechnology (i.e., genetically modified, fermentation processes, etc.)
- standard of identity
- hygiene, hazard analysis, good manufacturing practices
- Transport of product
- use of:
  - o animal derived inputs
  - o chemicals and processing aids
  - o catalysts

### B. INTERNATIONAL STANDARD

- Chemical and Processing Aid SEMs who are supplying FCC Compliant product must meet or exceed purity standards defined in the FOOD CHEMICALS CODEX (FCC). SEMs providing a Technical Grade product must meet agreed upon product specifications.

### C. CARGILL SPECIFIC REQUIREMENTS

In addition to meeting the requirements listed in sections A and B above Cargill has identified a number of specific, additional requirements which all SEMs must meet. Certain Cargill segments may demand a unique requirement that is specific to that segment’s industry or customer market.

1. **Allergen Control:** Where applicable, systems must exist for the control and prevention of incidental co-mingling of food allergens and to ensure proper communication of allergens in products.
2. **Brokers, Distributors, Traders and Exporters:** In cases where products are procured through brokers, distributors, traders or exporters (B/D/T/E), which are a type of SEM, the requirements of this manual still apply. The B/D/T/E is required to source only from Cargill approved producing locations and ensure those locations comply with the requirements in this manual. The B/D/T/E must demonstrate that traceability of the product to Cargill approved producing location is maintained and obtain Cargill’s approval when the source of their procured product is proposed to change. Delivering product from a producing location that is not approved by Cargill is prohibited.
3. **Compliance Monitoring:** To measure SEM’s compliance with the requirements outlined in this manual, Cargill reserves the right to conduct announced on-site audits or visits of an SEM’s facilities, including the use of independent third-party certifying bodies. SEM must provide the auditor access to the production facility, documents, records, and samples pertaining to the product or material sold to Cargill.

Audits may occur during the initial evaluation and qualification process or any time after food safety qualification is determined and while the SEM is still active for Cargill. Upon receipt of any unsatisfactory compliance monitoring results and SEM's failure to implement corrective actions for identified non-conformances, Cargill reserves the right to suspend any purchases from SEM until corrective actions are implemented, or to terminate its relationship with SEM.

4. **Documents and Records:** SEM must implement a process to control quality and regulatory (and food safety where present) documents and records. As part of the evaluation of a SEM, the SEM will be requested to provide documents substantiating the SEM complies with the requirements of this manual.

7. **Facility Third Party Food Safety or Quality Accreditation:**

Cargill requires that SEMs maintain certification to: A certification scheme that is acceptable in Section I. of this manual, or ISO 9001: QUALITY MANAGEMENT SYSTEMS REQUIREMENTS, or have a documented agreement with Cargill regarding certification. Once accreditation has been achieved Cargill must be immediately notified if certification lapses.

8. **Good Laboratory Practices:** Systems must be in place to ensure reliability of laboratory results for testing done on products or materials produced for Cargill. This includes use of internationally recognized test methods, documented procedures, trained and competent technicians, calibrated and maintained equipment.



5. **Economically Motivated Adulteration:** SEM must consider as part of their hazard analysis economically motivated adulteration, defined as fraudulent, intentional substitution or addition of a substance in a product for the purpose of increasing the apparent value of the product or reducing the cost of its production, i.e., for economic gain. It is prohibited for an SEM to produce product that has been economically adulterated or to use such materials in their supply chain.

6. **Emergency Program:** SEM must develop and implement an emergency response program that addresses the most likely anticipated emergencies (natural or man-made) and the provisions made to mitigate risks to product supply, food safety (where food safety system is present) and quality.

9. **Internal Audit Program:** SEM must conduct internal audits at planned intervals of their facilities to determine whether their quality and regulatory system (and food safety system where present) conform and are effectively implemented. There must be a system for monitoring completion of internal audit findings with actions implemented documented. SEM must document auditor qualifications for their internal audit program.

10. **Notification of Changes:** SEM may not make any changes in the production process or inputs (including processing aids) of any product without prior notice and written approval by Cargill if the change(s)



would adversely affect the SEM's ability to meet the specification(s) and/or deliver the same product as qualified by Cargill. Additionally, Cargill must be notified of and approve any change of production location. Cargill will determine appropriate action to review the changes and requalify the SEM location and related product, if necessary, for use.

11. **Packaging:** Product sold to Cargill must be packaged in clean, dry containers, bags, drums, bulk conveyance, etc., free of foreign material and chemical migration from inks. Packaging must be brand-new, with the exception of bulk conveyance and totes that are designed to be cleaned, sanitized, and re-used. Bulk conveyance and totes must not carry as a previous load anything that would contaminate the material. Packaging must be sealed according to communicated requirements.
12. **Product Defense:** SEM must have measures in place to reduce the chances of intentional contamination of the product through production, storage, and transportation processes. This may also be known as food defense or food security
13. **Product Specifications:** SEM will ensure products meet agreed upon specifications.
14. **Product Testing:** Unless agreed upon in writing, SEM will not ship product with any test results pending.
15. **Product Traceability/Product Recall:** SEM must maintain current, written product traceability and recall programs, and maintain verification that these programs are effective.
16. **Supplier Qualification Program:** SEMs must have in place appropriate preventative measures for regulatory compliance, and quality management programs for their suppliers. Prevention requires that these features be integrated into the SEMs procurement processes and requires close interaction with growers, suppliers, manufacturers, distributors, service providers, and

importers. All SEMs must have approval and monitoring programs for their own suppliers which programs, at a minimum, consist of a combination of appropriate programs, specifications, policies and procedures described in this document.

17. **Terminals / Transloading:** Facilities used to transfer or store bulk materials need to be qualified by Cargill.
18. **Transparency:** SEM must adopt a transparent approach to working with Cargill, including the disclosure of relevant policies and procedures. SEM must disclose the location of the actual producing facility manufacturing product for Cargill, as well as the origin of raw materials if required by Cargill to address a geographic event or customer request.
19. **Warehouse and Transportation:** External or 3rd Party warehouse or transportation contracted by SEM must be within scope of their food safety or quality management system.

#### D. CARGILL GENERAL RECOMMENDATIONS

These Cargill General Recommendations are not requirements broadly across Cargill, but some business segments may require completion of these recommendations prior to use. It is important to note that these recommendations will become requirements in the near future and will be included in future revisions of the requirements found in this manual.

**Sustainability:** Cargill aims to be the most trusted source of [sustainable](#) products and services for our customers. With our global presence, market expertise and supply chain capabilities, we are committed to creating a more sustainable, food-secure future. Our customers and communities trust Cargill for solutions that will nourish the world and protect the planet, both now and for future generations. Meeting the requirements of this manual will set our SEMs on a course to providing sustainable and responsibly sourced products, but sustainability goes further and Cargill's sustainability priorities are in land use, climate change, water resources, farmer livelihoods, food security and nutrition.



### III. Evaluation and Qualification of Suppliers and External Manufacturers (Applies to All Product Types)

Cargill will evaluate and qualify each SEM as part of their supply chain. It is important during the evaluation that SEMs provide as much detail as possible to ensure Cargill understands the complete controls the actual producing facility has in place to mitigate the hazards of the products procured. Cargill’s SEM Qualification and Management Process has five basic components: (A) initial information and document request, audit and/or verification, (B) pre-qualification corrective action plans, (C) food safety, quality and regulatory agreement, (D) determination and communication of initial food safety and quality qualification status, and (E) plant trials as required.

#### A. INITIAL INFORMATION, DOCUMENT REQUEST, AUDIT AND/OR VERIFICATION

Each prospective SEM must undergo a food safety, quality and regulatory compliance review. Use of questionnaires, requested documentation review, inspection surveys, publicly available information, government data, 3rd party food safety certifications, Cargill on-site audits, product testing, and review of specification conformance capability are some of the methods that Cargill may utilize to ensure our SEMs are able to consistently meet our requirements.

#### B. PRE-QUALIFICATION CORRECTIVE ACTION PLANS

If Cargill identifies any failure of the SEM to comply with our requirements in the initial audit and verification phase, the SEM must develop a corrective action plan, including timeline for implementation. Cargill will evaluate all corrective action plans for appropriateness in closing the identified non-conformance prior to determining final qualification status. A qualification decision will not be made until all non-conformances identified by Cargill

needing closure have an agreed upon corrective action plan in place. Failure to effectively close non-conformances may result in a disqualification status by Cargill.

#### C. FOOD SAFETY, QUALITY AND REGULATORY AGREEMENT

Cargill requires that SEM agrees to adhere to all Cargill and regulatory requirements. Agreement is demonstrated by signature on our Food Safety, Quality and Regulatory Agreement which will be presented for review and signature at the end of the evaluation process.

#### D. DETERMINATION AND COMMUNICATION OF INITIAL SEM FOOD SAFETY AND QUALITY QUALIFICATION STATUS

Cargill will determine and communicate the initial food safety and quality approval status of a SEM following completion of the initial audit and verification phase and, as appropriate, development and/or implementation of a corrective action plan. Food safety and quality status may be specific to SEM product(s)/material(s)/service(s), production line(s), and/or plant(s), but is normally general to the actual producing location. Note: this determination is of FOOD SAFETY AND QUALITY STATUS ONLY. It does not guarantee the SEM has actually been or will be awarded business with Cargill. Cargill’s food safety and quality status classifications are: (i) Approved, (ii) Approved with Conditions, (iii) Not Approved and (iv) Disqualified. Use of an SEM by Cargill will be limited to those that have an acceptable food safety and/or quality status.

The descriptions of Cargill's Food/Feed Safety Status classifications follow:

**Approved:** Cargill may use an SEM who is in "Approved" status. To be in "Approved" status, the SEM must have provided Cargill a signed Food Safety, Quality and Regulatory agreement. To remain in this status, an SEM must ensure documentation is updated as required, and SEM meets continuing requirements such as performance results in food safety, quality, and service.

**Approved with Conditions:** Cargill may use a SEM who is in "Approved with Conditions" status upon (i) verification that an acceptable corrective action plan has been developed and a mutually agreed upon timeline for closure is in place and/or (ii) an acceptable plan is developed and implemented to mitigate perceived risk. At such time as Cargill has verified, to its satisfaction, successful completion of an established corrective action plan, the SEM may be moved to "Approved" status.

**Not Approved:** Cargill will not use a SEM who is in "Not Approved" status. A SEM who is in "Not Approved" status and desires to become "Approved" must develop and implement a corrective action plan, approved by Cargill, and Cargill must verify successful completion of the corrective action plan and compliance with our requirements. Verification of effective completion of corrective action plan may include an on-site audit.

**Disqualified:** Cargill will not use an SEM who is in "Disqualified" status. Disqualified status reflects that a SEM has severe gaps in its food safety programs. SEMs who are assigned "Disqualified" status are not allowed to re-apply to supply Cargill for at least one year from the date they are assigned this status and, if they re-apply to supply Cargill, will be required to go through Cargill's most stringent verification process.

## E. PLANT TRIALS

If an SEM is required to complete a plant trial, this requirement will be communicated to the SEM during the qualification process. A plant trial may not occur in a Cargill or an SEM facility until the SEM has been assigned an acceptable Food Safety Status. The results of a plant trial may or may not change a SEM's Food Safety Status.



# IV. Ongoing Management of Suppliers and External Manufacturers (Applies to All Product Types)

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Cargill's ongoing management of SEMs has five main components: (i) periodic audit and/or verification of compliance, (ii) ongoing monitoring, (iii) triggering event management, (iv) post-qualification corrective action plans and (v) updates to Food Safety and Quality Qualification Status.

## A. MONITORING PERFORMANCE

As part of its SEM program, Cargill will monitor SEMs ongoing performance through various means. Cargill will advise each SEM of those documents and other information it will require for its monitoring from the SEM. The required documents could change periodically. Some examples of the type of documentation and other information that may be required are listed below:

- Product Data (e.g., protein, fat, fiber, ash, MDF, moisture, particle size)
- Microbiological testing results
- Contamination testing results
- Monthly reports on Key Performance Indicators
- Third Party Audits
- Product Safety Data Sheet (SDS)
- Complaints
- Management of Change records
- Batch records
- Process Control Charts (Targets / Ranges)

## B. TRIGGERING EVENT MANAGEMENT

A "Triggering Event" is an event or circumstance that might cause Cargill to change the Food Safety Status or another component of its management of one or more SEMs. A change to the Food Safety Status of a SEM or another component of Cargill's management of a SEM may be positive or negative. Examples of triggering events include, but are not limited to, the following:

- Product Retrieval Incidents – e.g., Recall, Withdrawal
- Repeated failure to meet specification requirements
- Plant, Ingredient or Process Change at the SEM or Cargill
- Specification Change by SEM or Cargill
- Industry/Economic/Media Events – e.g., melamine
- Change in Regulations or Regulatory Enforcement
- Trends in Key Performance Indicators
- Audit Results

## C. UPDATES TO FOOD SAFETY AND QUALITY QUALIFICATION STATUS

If the results of a periodic audit and/or verification, ongoing monitoring or a triggering event investigation reflect that an SEM is not meeting Cargill's SEM Food Safety and/or Quality Requirements, Cargill has the right to change a SEM's approval status.



