



2023 ESG Report

Cargill[®]



Soy

Table of contents

133 Supply chain overview

134 Dashboard

135 Focus areas

137 Programs and partnerships

151 References

About this chapter

This chapter covers calendar year 2022. Information in this chapter is for that time period, unless otherwise noted. All data is for soy purchased and handled by our local sourcing businesses in South America, unless otherwise noted. For our previous soy progress reports, visit our [website](#).

It is a dynamic time in the global soy supply chain, with significant developments emerging on a continuous basis to spur us toward long-lasting, sectorwide transformation.

On the one hand, key destination markets like the European Union are enacting new regulations aimed at protecting forests and ensuring due diligence in countries of origin. These are helping to reshape the demand side of the market. Meanwhile with regard to supply, new solutions and partnerships in South America are giving farmers more options than ever to use sustainable practices and build more resilient food systems.

As Cargill, we are proud to connect these two sides of the market and build supply chain solutions that work for everyone. Over the past year, we have made strong progress in mapping our direct supply chain using farm-level polygons, completing this work for all the countries in South America where we source soy ([see p. 145](#)). We have also engaged with indirect suppliers to advance due diligence. And we have co-developed numerous projects and solutions with a wide range of partners on restoring forests, certifying sustainable production and increasing supply chain traceability. Meanwhile, our system of controls to understand and mitigate risks in our supply chain has never been stronger ([see p. 146](#)).

Alongside our maturing programs for land use and climate, we are expanding efforts into interconnected areas like water and human rights in the soy supply chain that also tie back to Cargill's corporate sustainability commitments ([see p. 150](#)). This is enabling us to have a more comprehensive positive impact on the communities that grow soy in South America, so we can ensure a sustainable supply and a bright future for farming in the region.

We have achieved much over the past few years, and yet we know there is much more to do. With the support of our customers, farmers and other partners, we will continue to build the solutions the world urgently needs.



Robert Horster

*Cargill Environmental Markets Lead
and Cargill Agricultural Supply Chain
Enterprise Sustainability Lead*

Supply chain overview

Our South American business sources soy in Brazil, Argentina, Paraguay, Bolivia and Uruguay. The business stores, processes and ships soybeans and other soy products to customers in the region and around the world.

Assets in Cargill's operations

135
country elevators

9
processing plants

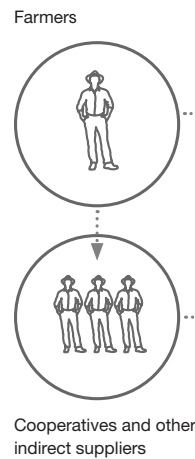
14
ports

26
offices

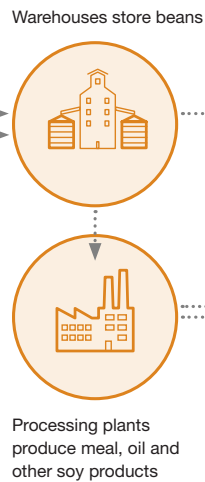
How our soy supply chain operates

○ = Cargill operations

Suppliers



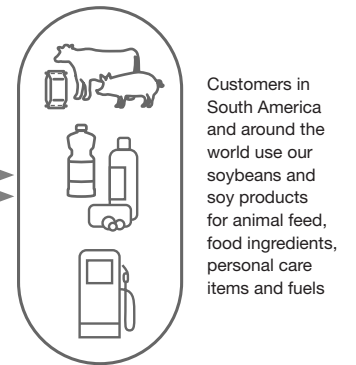
Storage and processing



Ports and transport



Customers



Dashboard

Our business in South America buys soy both directly from farmers and indirectly from cooperatives, processors and traders. We are mapping the farms of our entire network of direct suppliers using polygon boundaries, while also engaging with indirect suppliers to drive change toward sustainable practices and end deforestation ([see p. 145](#)).

The figures below are for calendar year 2022 and are for soy purchased and handled by our local sourcing businesses in each country. Over a year ago, we completed polygon mapping of our direct suppliers in Brazil, meaning that all our directly sourced soy in that country comes from farms that have been mapped. We also recently achieved the same in Argentina, Bolivia, Paraguay and Uruguay. This data will be included in our next report, when we have been able to fully audit the mapping information for these countries.

Going forward, we need to continually update our database of polygon maps because our supplier base shifts somewhat each crop season. Still, building this database has been a significant milestone in our journey to be able to monitor, report and take action within our supply chain. It was made possible by the perseverance of our teams across the region to map and validate the operations of many thousands of suppliers.

Key performance indicators

Focus area	Metric	Progress					
		Argentina	Bolivia	Brazil	Paraguay	Uruguay	
Transparency	Industrywide soy production (million tons)	43.9 ^x	3.0 ^x	125.6 ^x	3.4 ^x	2.8 ^x	
	Approximate number of suppliers selling soy to Cargill	4,800	300	14,900	1,600	700	
	Percentage of volume by type of supplier	Direct	66	74	64	45	86
		Indirect	34	26	36	55	14
Traceability	Percentage of directly sourced volumes coming from suppliers whose farms have been polygon mapped	99	75	100	95	94	
DCF	Percentage of volumes estimated to be DCF since 2008 (see p. 151 for our methodology)	98	73	94	96	100	

Focus areas

Sustainable soy from South America

Our timebound targets

By 2025, we will eliminate deforestation from our soy supply chain in the Amazon, Cerrado and Chaco biomes, in line with our commitment under [the Agriculture Sector Roadmap to 1.5°C](#) [☑]

By 2030, we will ensure all the soy we source in South America is DCF and all soy globally is deforestation-free, in line with our corporate commitment for all commodities

Our approach

Our businesses source soy from all 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 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 rural economies and communities.

Our strategic approach to soy sustainability in South America 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

Read more in our [Policy on Sustainable Soy - South American Origins](#) [☑].

Our commitments



Transforming our soy supply chain to be **deforestation-free** while protecting native vegetation beyond forests



Promoting **responsible production**, which benefits farmers and surrounding communities



Respecting and upholding the **rights of workers, indigenous peoples and communities**



Upholding **high standards of transparency** through reporting of key metrics, progress and grievances

Our action plan

Since launching our first action plan in 2019, we are proud of the progress we have made to map our supply chain and build broad-reaching programs to help drive sectorwide transformation. Now that our approach has matured, we worked this year with external experts to redefine our action

plan so we can continue making progress toward our goals. This process included conducting extensive industry benchmarking and interviews with some of our stakeholders.

Our refreshed action plan is closely aligned with our commitments for sustainable soy, with activities that drive

progress on those commitments as well as our overarching target of having a DCF soy supply chain by 2030. Activities in support of these objectives in our action plan are found throughout this report.



Transforming our soy supply chain to be **deforestation-free** while protecting native vegetation beyond forests

- Progress on engagement with indirect suppliers
- Advance deliverables for the Agriculture Sector Roadmap to 1.5°C
- Foster mechanisms to incentivize forest conservation



Promoting **responsible production**, which benefits farmers and surrounding communities

- Support farmers with the implementation of low-carbon practices
- Incentivize projects for recovering degraded land through restoration and through expansion over degraded pastureland
- Ensure compliance with legislation in our supply chain



Respecting and upholding the **rights of workers, indigenous peoples and communities**

- Continuously strengthen our due diligence procedures
- Train our employees and partners about our policies and tools to report concerns



Upholding **high standards of transparency** through reporting of key metrics, progress and grievances

- Publish regular reports about our progress
- Continuously reassess the KPIs we report based on stakeholder expectations and best practices in the sector



Promoting **communication**

- Promote knowledge exchange based on experience of different commodities
- Increase internal engagement

Programs and partnerships

There is no single solution to achieve sectorwide transformation for soy in South America. That's why we have taken a portfolio approach, working with a wide range of partners on dozens of projects to incubate solutions that are effective in different local contexts. Whether we are leading the work ourselves, leaning on our technical partners for implementation, or working in broad coalitions, the goal is to give farmers the knowledge, tools and incentives they need to move to sustainable production.

Helping farmers comply with the Forest Code

Brazil's Forest Code is among the world's most rigorous legal protections. It requires that farmers conserve a certain amount of native vegetation within the property they own, with the percentage varying by region. Working with farmers to verify they are complying with the Forest Code and regularizing their overall operations within the regulatory framework will help ensure large amounts of forests and other native vegetation are protected. It also assists farmers

in maintaining their license to operate and access to financing, while providing added benefits for biodiversity, water resources and more.

To date, we have helped more than 160 farmers in the states of Maranhão and Bahia with this regularization work and our assistance has been well-received.

Defining a protocol for low-carbon soy



Alongside other companies in the soy sector, we are partnering with Embrapa, Brazil's government agency for agricultural research, to create **a new protocol for low-carbon soybeans**. Cargill is committing \$420,000 to sponsor this three-year project, which will establish a certification protocol with science-based, verifiable and internationally accepted indicators.

The protocol will identify what attributes of soy production will account for lower carbon compared to conventional practices used in the neighboring region. The goal will be to establish a label to go with the certification system, to differentiate low-carbon soy in the marketplace. Ultimately, the protocol will help drive an overall reduction in carbon emissions per ton of soy produced, as growers and users of soybeans adopt it as a verified system.

Recovering degraded lands across Brazil

Restoration is a key area of our work. In June 2022, we launched an initiative in Brazil with a commitment to have 100,000 hectares under restoration over five years. Thirty projects are already underway focusing on sequestering carbon, conserving biodiversity, and improving soil and water quality.

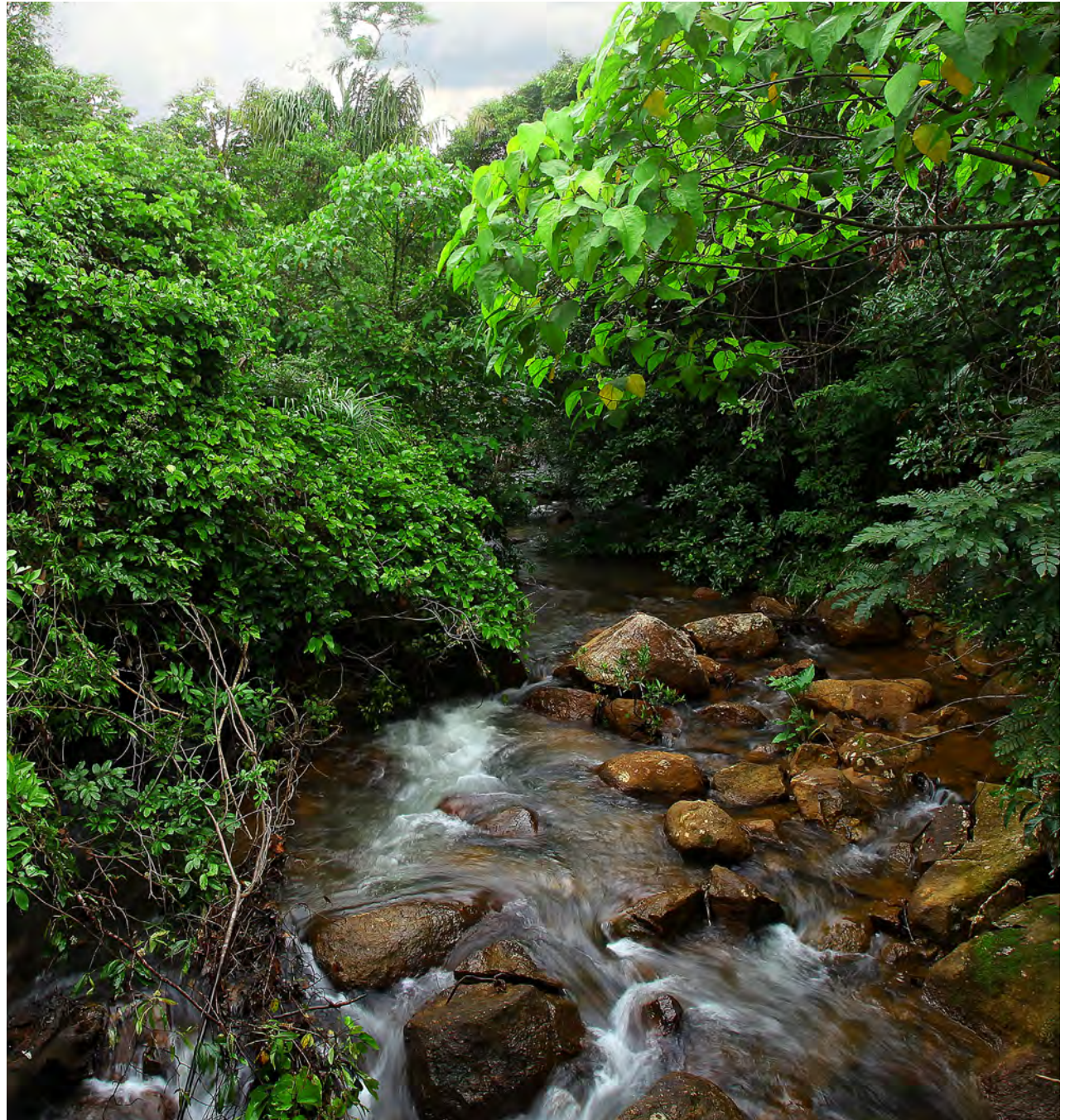
For example, in Uberlândia we are working with several partners to recover 3,000 hectares of degraded pastures and 1,500 hectares of permanent preservation areas in the Tijuco River basin. About \$4 million in funding from Cargill will help restore rangelands, conserve remaining native vegetation, protect water quality and help farmers in the area adopt low-carbon technologies.

30 projects already underway have the potential to restore

14,000 hectares

Toward a total target of

100,000 hectares





2.69 million hectares

Amount of land we are monitoring across South America as part of various certification programs

Studying regenerative agriculture in the Cerrado

Building viable economic models for sustainability and conservation will require understanding of how these models can work effectively. With this goal in mind, Cargill is investing approximately \$1 million to sponsor Regenera Cerrado, a broad environmental study that includes more than 30 scientists in various trials and research. Partners include Embrapa, Brazil's government agency for agricultural research; leading think tank Instituto Forum do Futuro; operational execution by Institute BioSistêmico (IBS); and various universities.

Regenera Cerrado [↗] is investigating the benefits of adopting regenerative agricultural practices in the Cerrado biome, examining 12 farms with various histories of using

these practices across 11 technical objectives. They include impacts to biodiversity, soil systems and water resources, as well as financial outcomes for farmers.

The three-year study launched in October 2022 and will generate scientific data around regenerative agriculture so farmers, companies and civil society institutions can make science-based decisions. This will help ensure that our programs have tangible, verifiable impact and that farmers have good options to make commercial decisions that benefit both them and the planet.

Giving farmers and customers strong options

For years, our proprietary soy certification program known as Triple S has served as a strong model for continuous improvement in sustainable production. Farmers enrolled in Triple S earn a premium for using verified criteria, while customers receive soy produced with sustainable methods, including being DCF.

Now, we are continuing to expand and deepen the program as a trusted offering. First, we expanded Triple S beyond soy to corn, canola and cotton, as well. Second, we went through a rigorous validation process to benchmark Triple S at **the Silver Level for SAI Platform's Farm Sustainability Assessment (FSA) 3.0** [↗]. We are the first in South America's soy sector to achieve this milestone. It builds confidence in Triple S and makes it an even more attractive program for farmers and customers alike.

“The partnership with Cargill is very much in line with what Algar Farming seeks in the market: promoting sustainable agriculture through good practices, encouraging the regeneration of areas, and, consequently, the appreciation in the final price of commodities that these actions provide. It is a company that is in synergy with our purposes, both environmental and economic. We appreciate the possibility of activating so many projects together and we hope that we can always go further, in all our production units.”

Marlos Alves

President of Algar Farming and Triple S participant

Land Innovation Fund

Opening economic pathways to conservation

The **Land Innovation Fund for Sustainable Livelihoods** was launched with a \$30 million commitment from Cargill and is managed by Chemonics International. Now in its third year of activity, the fund has enabled three rounds of projects aimed at developing innovative solutions, models and tools for supporting a

DCF soy supply chain in South America.

The fund is a demonstration of our commitment to transform the soy sector alongside our partners. With many projects now far into implementation and some already concluded, a clearer picture than ever is emerging regarding what will

be needed to help farming and forests coexist. Farmers need clear incentives and strong markets for the environmental services they can produce. Thanks to the fund, its partners, and many other organizations across the soy sector, pathways toward those economic models are appearing on the horizon.

Of the 37 projects funded to date, the following three case studies offer a good cross-section of learnings for the way forward. Meanwhile, the fund will continue to pursue its goal of sustainable agriculture that supports farmer livelihoods and a transformed landscape across the region.

The fund's engagement to date

\$13
million
in funding
awarded by
the fund

\$5.3
million
in additional
funding from
third parties

1.9
million
hectares

37
projects

45
innovations

47
partners

1,400
farms



Land Innovation Fund

A sustainable tool to ensure market access

The Visión Sectorial del Gran Chaco Argentino (ViSeC) is a multistakeholder effort to protect native vegetation in the Chaco biome. To help Argentine farmers demonstrate that their

soy does not come from recently deforested areas, the Land Innovation Fund (LIF) provided support and helped convene ViSeC; CIARA, Argentina’s industry association for edible oils;

the Peterson Control Union; and the Rosario Stock Exchange to design a new digital traceability platform, with contributions from multiple other organizations.

This georeferencing platform is currently entering a proof-of-concept phase, with plans to scale it for broad adoption

by 2024. Once it is widely available, all producers in Argentina will be able to use it to show that their soy was grown on areas that were not deforested after December 31, 2020, which is especially important for the Chaco. The platform will be tailored to enable simple integration with private information

systems, making it easy for farmers and companies to use.

Crucially, this platform will provide traceability so that Argentine farmers can ensure their soy is compliant with both national legislation and new deforestation regulations in the European

Union. It will keep their soy eligible for export to this key market and help strengthen the linkage between sustainable practices and economic incentives.

A unified commercial solution

Building scalable solutions for farmers is key to achieving sector-wide transformation. Four different startups were developing digital platforms for farmers to measure various environmental services. They were able to combine into a single platform named HyperT – short for “HyperTransparency.” This was due to support from the Sustainable Soy in the Cerrado Program, a partnership between the fund and AgTech Garage, part of the PwC network. Additional support came from Cargill, CPQD,

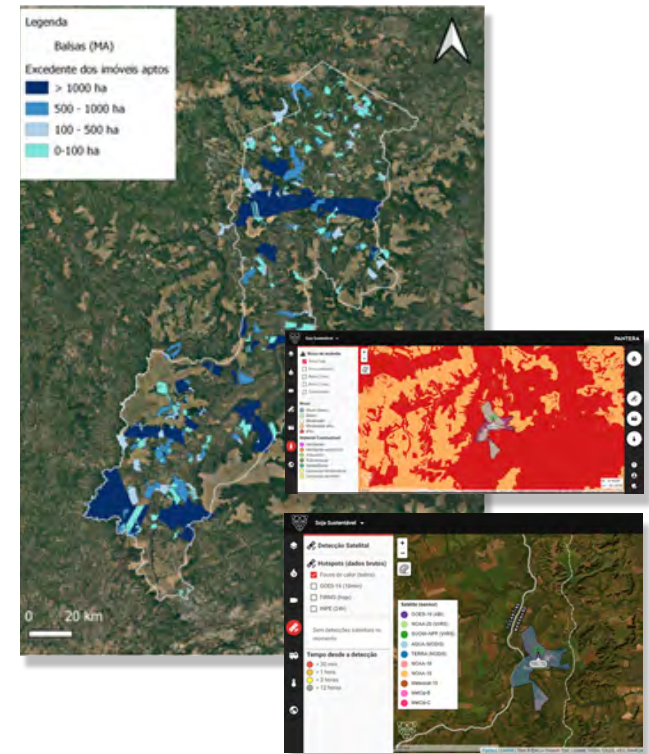
Embrapa and Embrapii. In April 2023, AgTrace, BrainAg, brCarbon and umgrauemeio used their respective areas of expertise and launched this unified platform, which can produce a complete analysis of each farm. This includes any documentation that may be missing for the farm’s socio-environmental compliance, guidance on how to prevent fires and other environmental damage, and the potential for financial returns from carbon credits earned through conservation of native vegetation – all in one platform.

HyperT is now available for commercial use. The goal is to scale it to farmers across the Cerrado biome in the coming growing seasons. Companies in the soy sector will also be able to use it to build incentive programs for farmers based on the environmental outcomes they generate.

Structured in modules, HyperT will be able to add other services in the future, making it an easy single solution for many farmers and companies.

“There is a growing global demand for farmer- and community-focused sustainable production that maintains productivity and good agricultural practices. Accordingly, we have opened our farms to prototype traceability solutions being developed by startups such as HyperT, so we can understand how startups and traders pursue solutions to add value to commodities like soy.”

Lucas Goulart
Farmer in Maranhão state



Land Innovation Fund

Understanding what drives farmers' decision-making

Recently, the fund sponsored a behavioral science field study applied to sustainability in the soy supply chain by researcher Fernanda Gomes from the International Institute for Sustainability (IIS), carried out in partnership with the Center for Conservation Sciences and Sustainability (CSRio) at the Pontifical Catholic University of Rio de Janeiro (PUC-Rio).

The goal was to speak directly with farmers and learn more about the factors that shape their decisions for land use. From September to December 2022, Gomes spoke to 69 farmers across the Matopiba region. Here are some of her reflections from this experience.

Q: You traveled in remote areas for months to meet farmers. What was your biggest takeaway from that experience?

Gomes: Undoubtedly my biggest takeaway from this experience was to dive deeply into the farmer's reality: to learn about their past stories and the challenges they had to overcome as pioneers planting soy in new lands; their current reality dealing

with risks related to climate change, instability in the commodities market and the political arena; and their plans and expectations about the future. Each interview had a life lesson.

Q: What do you think are the biggest hurdles to farmers adopting more sustainable practices and conserving or restoring native vegetation? How can we overcome those hurdles?



15,000+ km
Distance Fernanda Gomes traveled through some of Brazil's most rural areas to speak to dozens of farmers for her study

Gomes: Agriculture in Brazil is an activity that demands high investment. Each year the producer goes into debt to buy seeds, fertilizer, new machinery and more to finance the crop, assuming all the risk with losses in the field. Every time they have to make a decision about the farm, they counterbalance

the benefits and the costs of it. Minimizing the risks assumed by the farmers, offsetting costs or compensating them for eventual losses will definitely incentivize them to adopt more sustainable practices and set aside areas for restoration or conservation.

Q: What do you think the public most frequently misunderstands about how farmers make decisions about their production methods?

Gomes: Most farmers are environmentally conscious and aware of the impacts of agricultural activities on nature and vice versa. They have a good understanding

about ecosystem services and the contributions of nature to people. Sometimes, not adopting sustainable practices is only due to financial restrictions and not because they lack concern for the environment.

Read more reflections from Gomes [on the fund's website](#) [↗].

Land Innovation Fund

The next round of projects

The Land Innovation Fund will continue to work in broad coalition with many different types of partners to achieve soy sector transformation across South America. In May 2023, Chemonics announced the proposals that will receive support as part of the fund's third round of projects. They include:

Regenerative practices in Bolivia

1 The lowlands of eastern Bolivia are home to an ecosystem known as the Chiquitano Dry Forest that is under great pressure from deforestation. This project will pilot regenerative agricultural practices in different soil conditions across 53,000 hectares – aiming to influence 1 million hectares of soy and cattle farms in the region.

Implementing partners:

The Foundation for the Conservation of the Chiquitano Forest (FCBC), in partnership with the Regional Consortium for Experimental Agriculture (CREA) in Bolivia and the Conservation Strategy Fund (CSF)

Climate-smart and sustainable landscapes in western Mato Grosso

2 The aim of this project is to enable sustainable solutions that integrate easily into the current jurisdictional approach for the REDD+ system. In an area that includes some of the highest soy-producing municipalities in Brazil – and some of the highest rates of land conversion – the project will seek to drive conservation and restoration through economic incentives.

Implementing partners:

The Amazon Environmental Research Institute (IPAM), in partnership with Produzindo Certo and ProForest

SustentAgro: Crop-livestock-forest in sustainable soy chains

3 Continuing to connect farmers to viable economic models for sustainable services, this project will examine how 30 farms across 60,000 hectares can validate their environmental compliance and sustainability criteria. Uniquely, it will look at the integrated crop-livestock-forest system with the goal of connecting producers to carbon markets and other sources of revenue for environmental services.

Implementing partner:

The ILPF Network Association

Forest Carbon Incentives

4 This project will address the major gap of agricultural sector engagement in the state of Tocantins' REDD+ program, which will soon sell verified carbon credits. The project aims to develop a multi-stakeholder initiative to engage farmers in REDD+, especially soy and beef producers who wish to maintain access to international markets requiring zero land conversion or low-carbon agricultural commodities.

Implementing partners:

Earth Innovation Institute (EII), in partnership with Produzindo Certo and Taxo Agroambiental



Putting farmers at the center

We continue to support the collective action of the Soft Commodities Forum (SCF) to drive sector transformation – including putting the farmer at the center of this effort through the Farmer First Clusters initiative.

Launched in late 2022, the Farmer First Clusters focuses on the four states of Brazil's Matopiba region, employing a tailored, smart mix of solutions in different landscapes to address deforestation and conversion and encourage alternative mechanisms for conservation. This includes clusters related to restoring native vegetation; compensation for surplus legal reserve; integrated farming of livestock, crops and forests; incentives for expanding soy in existing pastureland; and technical assistance and extension services for sustainable production and compliance with the Forest Code.

The Farmer First Clusters has defined key progress indicators and is signing up implementation partners. Cargill has committed \$1.35 million over three years to the initiative, as part of our far-reaching efforts to ensure that farmers have viable economic alternatives to land conversion.



Helping farmers meet new requirements

In Paraguay, regulation of farming operations is moving the sector down a sustainable path. To help farmers comply with the country's social and environmental regulations, we worked with an industry group on a common set of recommendations.

Paraguay requires farmers to have a risk analysis done for social and environmental indicators to receive a formal license to operate. This includes ensuring farms conserve 25% of forested areas and protect waterways. It also covers proper treatment of workers and fair wages, as well as protections for indigenous lands.

We are working with our suppliers to help them understand how to comply with the requirements from the licensing process, as well as ways that they can restore forested areas if they do not meet the 25% conservation minimum. In this way, we are also helping them preserve access to key exporting markets like the European Union.

Gathering around the table to find solutions

Multi-stakeholder roundtables are an important way to drive sectorwide progress and are a good complement to the initiatives we lead individually. In addition to work with ViSeC in Argentina to advance supply chain traceability ([see p. 141](#)), we participate in ongoing roundtables in Paraguay to help drive farmer regularization with regards to government licenses and social and environmental protocols. Discussions in Paraguay have also focused on common maps for polygons and other approaches that help standardize sustainable practices.

We also are working toward a soy roundtable in Bolivia. In December 2022 and again in May 2023, our team met with numerous stakeholders such as farmers and traders, financial institutions and NGOs. We discussed minimum criteria to move towards more sustainable production, measuring carbon sequestration, cutoff dates for deforestation and more. This will help move the country's soy sector toward a more sustainable future.

\$1.35 million

Amount Cargill is committing to the Farmer First Clusters initiative over three years

Building traceability across South America

We are proud to share that we have now completed mapping of polygons from all farm boundaries for all our direct suppliers in Argentina, Bolivia, Paraguay and Uruguay who delivered soy to us in our fiscal year 2022 (between June 1, 2021 and May 31, 2022). This mapping was not completed in time to use in our internal audit and DCF calculations for 2022, which is why our reported numbers on [page 134](#) are less than 100%. However, in the future, we will be able to continually update our database to account for new suppliers and stay as close to 100% mapped as possible.

This complex and rigorous achievement involved extensive work by our sustainability and commercial teams to gather information about thousands of suppliers across large areas within these four countries. To do it, commercial teams used a tool called Survey123 from ArcGIS to catalog information about each supplier and link them to polygons from public databases. Across the four countries, we identified more than 20,000 polygons connected to our thousands of suppliers, and commercial teams engaged with suppliers directly when needed to get information. We are now verifying the amount of volume produced in each farm to guarantee that we mapped all volumes received in each country (see more about this process on [p. 147](#)).

In this effort, our extensive commercial knowledge and relationships were key. It demonstrates how our broad reach and industry-leading capabilities can make crucial

connections to enable sustainable agricultural production. Going forward, not only can we monitor soy entering our direct supply chain across South America, we can also engage with farmers if we see an environmental risk and make them aware of sustainable solutions that may be available for conserving native vegetation, sequestering carbon, and other environmental outcomes.

Engaging with indirect suppliers

In Brazil, we continue to work with indirect suppliers, like farmer cooperatives, to promote sustainable practices and due diligence across the soy sector. In 2023, we worked with other peer companies to take a sectoral approach to this engagement, so that all cooperatives and intermediary suppliers have a single set of common expectations no matter who they sell to.

In June of this year, we began defining protocols for traceability and compliance that these suppliers will use. The sector worked with leading technical expert Instituto BioSistêmico (IBS) on these protocols, and indirect suppliers will have until the 2024 crop year to implement them.

In Bolivia, we began an individual engagement with all indirect suppliers to clearly define our expected protocols that align with our soy policy and our Supplier Code of Conduct. Ultimately, this work will be another form of due diligence to increase traceability in our indirectly sourced soy, protect against non-compliant soy leaking into our supply chain, and promote responsible production across the entire sector.



Ensuring due diligence

We rely on public data to connect farm polygons to the entities selling soy to us. But that public data only tells part of the story. In reality, a farmer may have many commercial relationships with family members and affiliated business entities that can make it hard to determine who exactly is selling soy to us – or reselling it from their business partners. Additionally, while land is registered to the owner, someone

else may be leasing it from that owner to grow crops, meaning that the producer’s name does not appear in public databases.

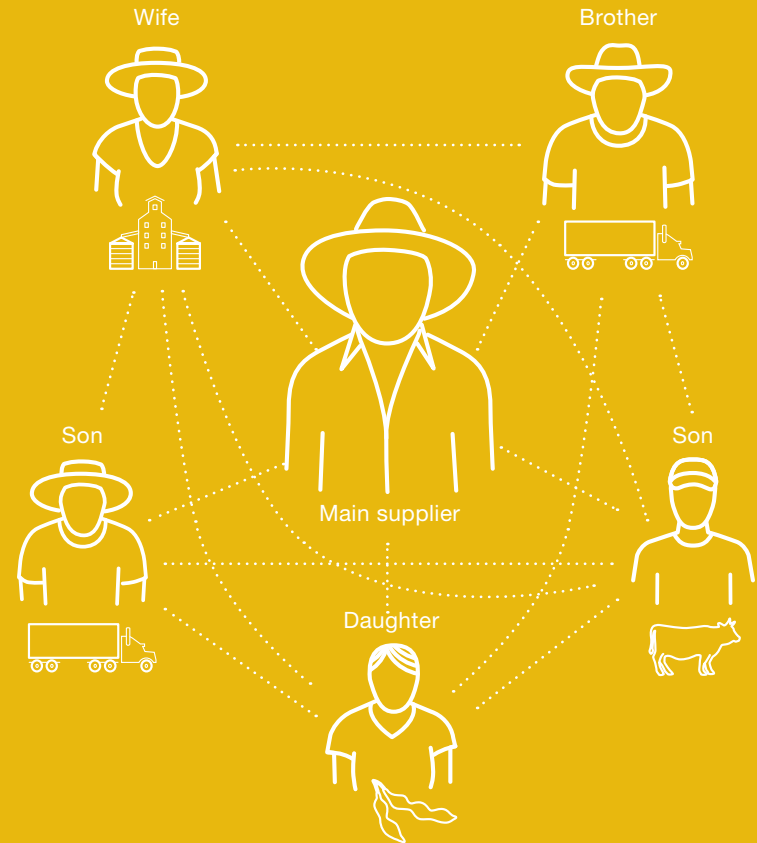
But we are not letting this complexity deter us. We have developed a robust approach to solving this puzzle, creating transparency in our supply chain while also enabling

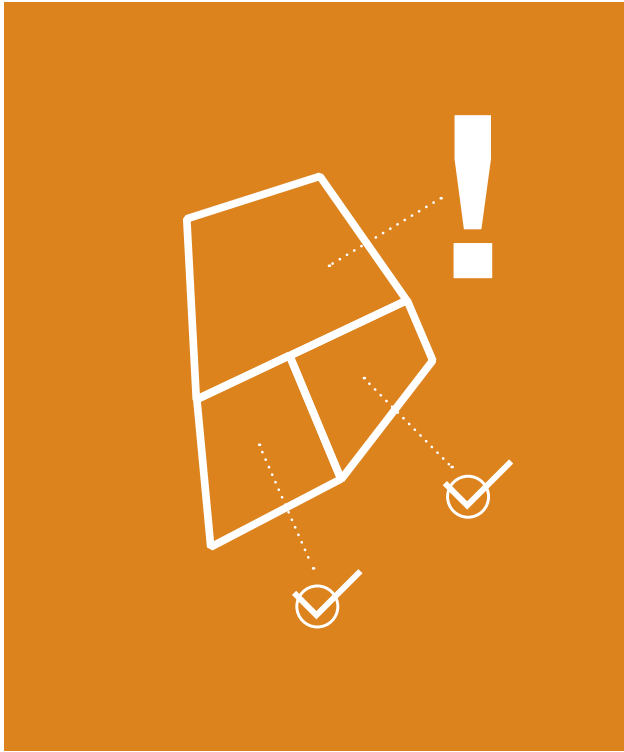
our farmer partners to show that they are doing the right thing. Our system is one of continuous improvement, and commercial relationships evolve and change continuously as well. But we are relentless in our work to keep refining it and proud of our industry-leading data and controls. It gives us good visibility to investigate and act, especially when a supplier is accused of violating our soy policy.

1 Mapping

To ensure that we are accurately mapping the polygons producing the soy we buy – and that soy grown by entities blocked in our commercial system is not being rerouted through business partners – our commercial teams outline aedge in our databases to supplement public data, while being sure to adhere to applicable privacy laws.

An example of how one Cargill supplier may have many family members with their own farming operations and affiliated businesses that can produce or sell soy





2

Validating

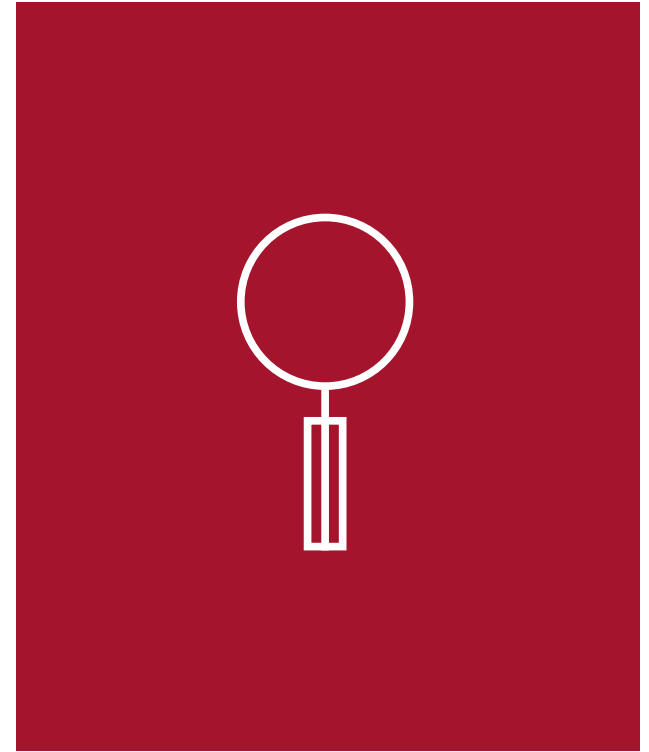
When direct suppliers deliver soy to us, they indicate the farm polygons where they grew that soy. As due diligence to ensure that these deliveries are accurately linked to the right polygons, we cross-reference the delivered volumes with average soy yields in the area. This allows us to make sure that a supplier isn't attributing more volumes to a polygon than is reasonable or likely based on the region's typical production.



3

Blocking

Our commercial systems automatically block any farm in Brazil that appears on various government lists for violations of the law or sectoral lists for failure to adhere to agreed environmental commitments. Thanks to our deep understanding of the commercial relationships in the supply chain, we can also block affiliated farms until we can confirm that non-compliant soy is not being re-routed to us through these alternative channels (see the [next page](#)).



4

Responding

When third parties feel we may have missed non-compliant soy being re-routed through business partners – or want to address some other issue they feel is not in compliance with our policies – they raise a grievance. We take these grievances seriously and investigate immediately ([see p. 148](#)).

How and why we block farms

Thanks to our detailed mapping of commercial relationships in our supply chain, we have a strong system of controls to help ensure the integrity of our direct soy supply chain in Brazil.

Every day, our automated system consults lists managed by various government agencies and sectoral organizations. When a farming operation appears on one of these lists [for a violation or noncompliance], 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 state, as well as those with whom they have a close commercial relationship. 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.

Each new crop season, we re-evaluate these commercial relationships and check to ensure that affiliated farms still are not re-routing soy from blocked commercial partners.

Our supply chain was audited this year for compliance with the Soy Moratorium and Green Grain Protocol, and no non-compliant soy was found.

Blocked farms by list in calendar year 2022

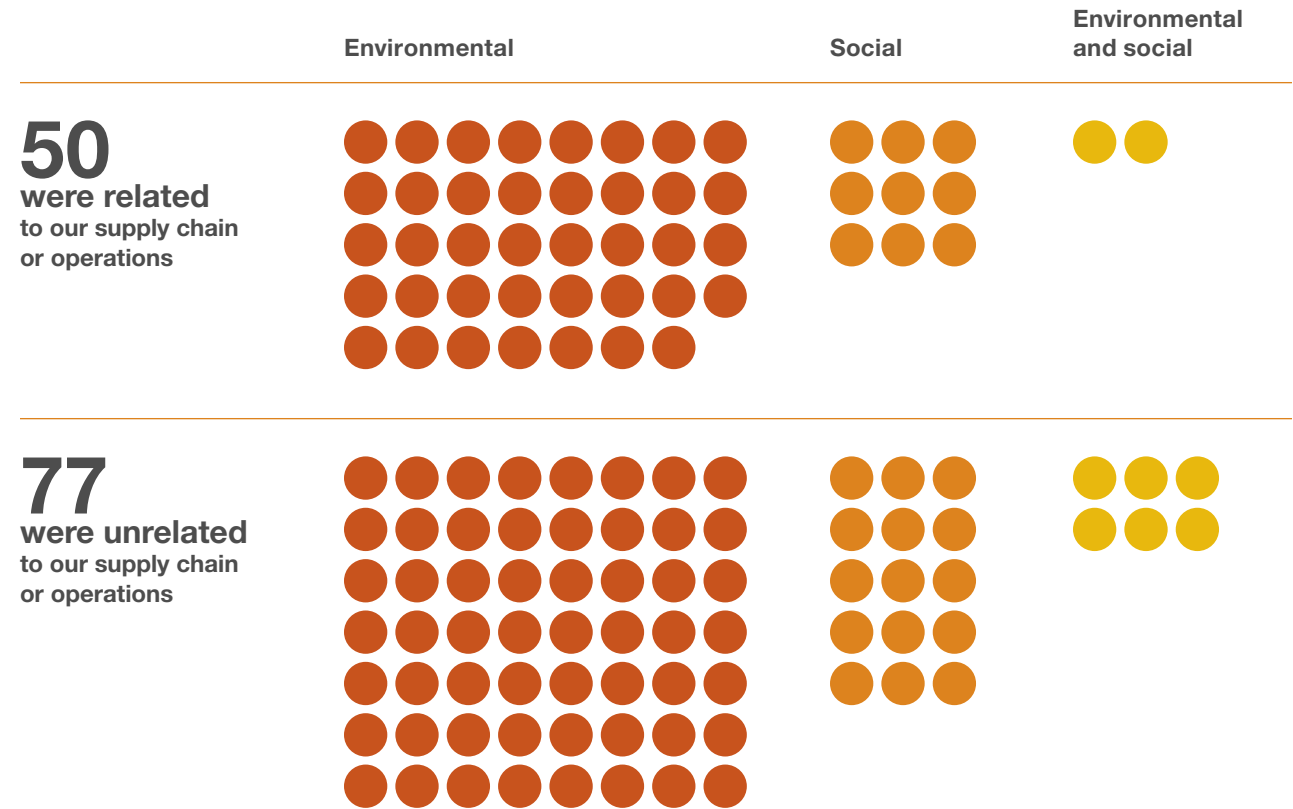
		Number of farms we blocked	Additional operations we analyzed to avoid rerouting of soy from restricted areas
Federal lists	IBAMA Covering all of Brazil, this list by the country's environmental agency includes embargoes for all types of illegal environmental activity such as illegal deforestation, improper licenses and farm management issues	909	702
	ICMBIO Covering all protected conservation areas within Brazil, this list includes embargoes for deforestation violations inside those areas	3	3
	Slave Labor List Including all of Brazil, this list marks suppliers accused of making use of workers under conditions analogous to slavery according to Brazilian laws	31	9
State lists	Embargoes Mato Grosso A list managed by the state's environmental agency recording all environmental violations	291	172
	List of Illegal Deforestation (LDI) from Pará A list run by the state's environmental agency covering illegal deforestation	58	0
Sectoral lists	Green Grain Protocol This is part of a commitment signed in 2014 that establishes criteria for responsibly purchasing grain from farms operating in Pará	48	5
	Amazon Soy Moratorium Managed by the Soy Working Group, this list monitors all types of conversion of native vegetation to soy production in Brazil's Amazon biome	125	56
Total		1,465	947

Addressing grievances

Our system of controls to block farms is thorough, but we also welcome concerns from third parties when they feel something is not right. 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](#).

127 soy-related grievances were reported in our system during calendar year 2022



Strengthening communities where we operate

Investing in WASH resources

Cargill has a global commitment to enable a water positive impact in our operations, supply chains and communities. That includes helping communities secure access to the clean water, sanitation and hygiene (WASH) resources they need for healthy living.

Brazil is a priority region within our global water commitment. This year, we launched a WASH initiative with Global Water Challenge to positively impact 20,000 people in communities closely tied to our operations and supply chains across five states.

Beyond helping communities improve access to drinkable water, these projects have an additional focus of empowering women in the communities with training and leadership resources. They also will benefit farmer livelihoods, as well as community health and resilience to climate change.

Protecting children from exploitation

Everywhere we do business, our commitment to protecting children is unwavering. We seek to prevent child labor, expand access to education and mitigate risk of other forms of exploitation. Starting 16 years ago, we were the first agribusiness in Brazil to work with leading non-profit partner World Childhood Brazil Institute to help protect children who may be vulnerable to sexual exploitation on Brazilian roadways through the On The Right Track program.

In addition, we are working with this organization to help local officials and community leaders get access to knowledge and resources so they can mitigate such issues in port towns. This year, we signed a public-private partnership with the local government in Pará state to help them expand their programming and promote greater awareness in protecting the rights of children and adolescents.

Protecting children in this way is an important human rights priority and one we are proud to help lead.

Making a positive impact

Our teams know that communities need resilience. Through the Cargill Foundation in Brazil, about 100 Cargill Cares Councils tied to our agricultural supply chain business regularly volunteer in the communities where we operate. They connect with community leaders to understand the most pressing needs where they can make a difference, and then they take action.

Activities frequently include supporting food banks, enabling female entrepreneurship and empowerment, helping smallholder farmers raise their productivity and livelihoods, and other efforts linked to improving food security.

1,400+ employee volunteers

help improve the communities
where they live and work



References

How we calculated our DCF figures

Brazil

For our directly sourced supplies, we used polygon farm boundaries to calculate our DCF percentage. For direct suppliers who own the land, we used automated consultation of the [INCRA-SIGEF website](#) (subscription required). For direct suppliers who rent land to grow their soy, our commercial team identified them and collected data.

Once these farm boundaries were identified, we analyzed historical satellite images from the U.S. Geological Survey and data from the University of Maryland to determine the percentage of soy volumes that came from farms where land had not been converted from native vegetation since 2008 – a date that aligns with Brazil's Forest Code.

For our indirect supplies, we used the historical data above to calculate the DCF percentage for the full soy sector in every municipality in Brazil. We then cross-referenced this sectoral average with our market share in the local area to arrive at a DCF percentage for our indirect supply in each municipality.

To arrive at a total DCF percentage of 94% for all of Brazil, we calculated a weighted average for each municipality based on our local proportion of direct and indirect supplies using the two methodologies above and then tallied a weighted average for the entire country.

Argentina, Bolivia, Paraguay and Uruguay

Although we completed polygon mapping for direct suppliers in these countries in recent months, it was too late to use these polygons in calculating our DCF percentage for 2022 during our internal audit. Therefore, in all four countries we used the sectoral average methodology based on our market share in each local producing region. For future reporting, we will use farm polygons to calculate DCF rates for direct supplies and sectoral averages to calculate DCF rates for indirect supplies, similar to what we did in Brazil for this report.

Footnotes

- i Source: [Ministerio de Agricultura, Ganadería y Pesca de Argentina \(MAGYP\)](#)
- ii Source: [Asociación de Productores de Oleaginosas y Trigo \(ANAPO\)](#)
- iii Source: [Companhia Nacional de Abastecimento \(CONAB\)](#)
- iv Source: [Instituto de Biotecnología Agrícola y Unión de Gremios de la Producción \(INBIO-UGP\)](#)
- v Source: [Ministerio de Ganadería, Agricultura y Pesca \(MGAP\)](#)



www.cargill.com

© 2023 Cargill, Incorporated.
Printed in U.S.A.

LEARN MORE
[About Cargill](#)
[Sustainability](#)
[Reporting Hub](#)

JOIN THE TEAM
careers.cargill.com

Cargill, Incorporated
P.O. Box 9300
Minneapolis, MN 55440

