



Cargill Policy on Forests

We commit to transform our agricultural supply chains to be deforestation-free, through prioritized supply chain policies and time-bound action plans.

Scope

This policy applies to all Cargill operating entities, all agricultural supply chains, including direct and indirect sourcing, processing, and physical trading. This policy takes effect immediately.

Purpose

As one of the world's largest buyers of agricultural commodities, our purpose is to be the global leader in nourishing the world in a safe, responsible and sustainable way.

We believe forests and farming must coexist and both are crucial to life on the planet. Forests provide food, water, fuel, medicine and livelihoods to billions of people, while providing vital habitat, regulating the climate and storing carbon for the wider environment. Agriculture is essential to the livelihoods of billions of people and to food security for all.

Cargill sits in a unique position between growers and consumers. We commit to using our position in the value chain to: take practical measures to help protect forests, mitigate agriculture as a driver of deforestation, provide farmers with access to markets, and promote rural economic development.

Approach and Governance

The science is telling us we need to act now, as evidenced in recent [IPCC](#) reports. Cargill shares this sense of urgency to address global climate and sustainability challenges, including forest protection. Our task is to move as quickly and effectively as is practical considering the needs of people and the planet.

Recognizing both the size and complexity of our global supply chains and the importance of taking a rigorous approach across all our businesses, we have established a set of internal land use operating guidelines. These provide the base foundation and direction required by individual Cargill businesses to deliver on this corporate deforestation-free commitment and serve as an addition to existing policies and procedures held at the corporate and individual supply chain levels.

The guidelines are also designed as a platform from which each business can accelerate its own progress against the deforestation commitment, e.g. in our Palm business we are committed to a 2020 target.

These internal guidelines are supported by supply chain working teams for each supply chain risk or origination biome comprising sustainability, commercial and corporate affairs employees from related areas of the company. Additional support and guidance are provided by Cargill's Sustainability Hub and overseen by our executive level sustainability advisory process.

Policy Requirements

To measure and prove progress on our commitment, commercial and business functions must:

1. Map

Map the origin of goods in the supply chain to the appropriate level of granularity required to define supply chain risk and to assess compliance with Cargill's deforestation-free commitment and land use operating guidelines. Appropriate levels of granularity will be interpreted according to the supply chain but may include mapping to the producer, aggregator/intermediary or the jurisdiction levels.

2. Define

Apply appropriate and measurable forest definitions to the individual supply chain and/or origination biome so that progress against our commitment can be measured, monitored and verified. Cargill sees that forest and land definitions are situational where the unique characteristics of each different supply chain and/or biome must be considered. Definitions should consider local social, rural economic factors and farmer considerations, as well as the broader issue of indirect land use change. Businesses will work through multi-stakeholder channels and/or consult with multiple stakeholders to align on a sufficient definition of forest. Forest definitions may include the High Carbon Stock Approach (HCSA) or conversion free approaches.

3. Quantify and Risk Assess

Quantify the level of deforestation in the supply chain so that subsequent action can be taken for its reduction and elimination. Deforestation in a particular geography can be measured once the definition has been established in step 2, thereby allowing each business to annually report the percentage of the supply chain that complies with the deforestation-free commitment.

4. Monitor

Establish a monitoring mechanism to enable routine compliance assessment of the supply chain against Cargill's deforestation-free commitment. Combined with measurable performance indicators to be developed in step 7, this will enable regular supply chain

performance assessment. Depending on the supply chain's unique situation, we consider as applicable a variety of monitoring mechanisms and approaches, including remote image monitoring, government agency monitoring and ground monitoring, as well as external stakeholder engagement and consultation.

5. Develop Action Plans

Develop clear and credible action plans in order to address identified risks in the supply chain and deliver against Cargill's Policy on Forests. Action plans will be clear, measurable, fall within industry norms, socialized externally and periodically reviewed and updated as necessary. Plans will consider transparency of supply, steps to address the most salient issues, practical solutions for sustainable development and the role of collaborative efforts and advocacy to drive change at scale.

6. Verify

Provide an externally credible level of assurance to stakeholders regarding land use claims or status. Where available, supply chains will conform to established industry standards for verification. Where unavailable, an effective verification approach will need to be developed, based on a determination of the appropriate level required: first-party, second-party or third-party.

Cargill views the Accountability Framework initiative's (AFi) definition of verification as important context for its supply chains.

7. Measure

Establish Key Performance Indicators (KPIs) in order to transparently measure and demonstrate overall progress on Cargill's commitment. Each supply chain is required to report on supply chain specific KPIs as well as corporate mandated KPIs.

Corporate-mandated KPIs include:

- % of supply chain mapped
- % of supply chain monitored
- % of supply chain verified
- % of supply chain that complies with deforestation-free commitment

8. Report

Transparently share progress on our commitment with stakeholders, including monitoring and verification methods as well as KPIs and time-bound implementation plans.

Procedures for executing each step have been set out in internal operating guidelines.

Related Policies & Procedures

The Cargill Policy on Forests is a statement of corporate-level commitment. This commitment is made with the acknowledgment that related policies and procedures, such as those listed below, may address adjacent issues and make additional timebound commitments not referenced in the Policy on Forests.

- Cargill Sourcing & Purchasing Policy
- Cargill Supplier Code of Conduct
- Cargill Policy on Sustainable Palm Oil
- Cargill Cocoa & Chocolate *Protecting our Planet* Strategic Action Plan
- Cargill Policy on Sustainable Soy – South American Origins
- Cargill Commitment on Human Rights
- FAO Voluntary Guidelines Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT)
- World Cocoa Foundation Cocoa & Forests Initiative (CFI)
- UN Global Compact

Additional References

[Accountability Framework initiative](#) (AFi): Delivering on ethical supply chain commitments