



Cargill Policy on Forests

OUR VISION

As one of the world's largest buyers of agricultural commodities, our purpose is to be the global leader in nourishing people. Cargill is committed to using our market leadership to promote a healthy environment and a secure food supply for a growing, more affluent global population.

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 food security for all.

OUR COMMITMENT

In 2014, Cargill endorsed *The New York Declaration on Forests*, announcing at the United Nations Climate Summit **our goal to eliminate deforestation across our entire agricultural supply chain**, halving it by 2020 and ending it completely by 2030. **Our aim is to be the most trusted source of sustainable products and services** and by taking action, and working with our customers, we will help them achieve their own deforestation-free commitments by 2020 or sooner.

Cargill sits in a unique position between growers and consumers. We commit to using our position in the supply chain to take practical measures to help protect forests and mitigate agriculture as a driver of deforestation, where we do business around the world.

Where forests intersect with our agricultural supply chains, we will:

- Promote long-term solutions to forest conservation, including the protection of old growth, primary forests, High Conservation Value (HCV) and, where relevant, High Carbon Stock (HCS) lands and peat areas, regardless of depth.
- Require compliance with existing local land and forest use laws, prohibit production on illegally deforested land, and work with governments to strengthen existing forest laws and enforcement.
- Evaluate, and will suspend, business with suppliers who are confirmed, through a credible source, audit or verification, to be in violation of our forest policy, and unwilling to remediate non-compliance issues or concerns.
- Review future capital investments in accordance with this Policy on Forests.
- Work with governments, customers, industry and civil society to establish and implement sound land use policies in order to safeguard and govern natural resources including forests, support actions to resolve land tenure issues, and ensure beneficial economic development and positive social impacts on local communities.
- Support integrated, multi-stakeholder approaches to regional land use planning and the inclusion of smallholder farmers and large-scale producers and suppliers in the development and promotion of best agricultural management and conservation practices to help combat deforestation.
- Respect labor and human rights throughout our supply chains in accordance with our [Guiding Principles](#).
- Resolve complaints and conflicts through an open, transparent, consultative process.
- Report annually on the implementation of this policy and actions taken to mitigate risks associated with deforestation in Cargill supply chains.
- In 2016, establish key performance indicators to help us measure baseline and targets for our 2020 commitment, such as stakeholder engagement, hectares impacted and positive economic development.
- In 2016, form a forest or land advisory council made up of independent third-party stakeholders to provide counsel and advise on our land use and deforestation action going forward.



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CORE BELIEFS

Cargill's Policy on Forests reflects our core beliefs for a sustainable future:

- **Farmers *and* consumers have to be key partners in the discussion.** We respect farmers as stewards of their land and the environment, and the right of consumers to understand how the food they feed their families is grown. We are well-positioned to work with all our stakeholders to shape this debate and look for pragmatic solutions.
- **Market forces will help.** Efforts to promote sustainability need to make economic sense for those involved, particularly farmers. Free trade and price mechanisms are not perfect, but they can help ensure that the right products are produced in the right places.
- **Innovation** in products and processes can help provide ways of producing more with less, reducing our impact on the environment. New methodologies require careful evaluation with stakeholders to ensure that their concerns are being addressed.
- **The world needs solutions that are scalable.** In the context of feeding 9.5 billion people by 2050, we need to think about sustainability on a global scale and focus our efforts on solutions that will have a significant impact.

OUR APPROACH

Deforestation is a global issue, but it is the local context where the work must get done. Our Policy on Forests sets principles to guide Cargill businesses in addressing deforestation risk in their supply chains. Our approach provides practical steps our businesses can take towards policy implementation and our shared goal of ending deforestation by 2030. Oversight for this work lies at the enterprise level with Cargill's Sustainability Council.

Our approach entails seven primary components:

1. *Conduct an assessment of current deforestation risks within the supply chains and determine the greatest need for action:* Map key suppliers or supply chains. Conduct geospatial assessments of sourcing areas where forest loss risks may be greatest.
2. *Review current sourcing practices in the supply chain by geography to determine where they contribute to forest loss:* What are the mainstream sourcing requirements in the market? What are Cargill's? What are customers' requirements and expectations for this market?
3. *Evaluate the current state of forest loss in the supply chain or region:* Determine hot spots for action with respect to illegal deforestation or loss of High Conservation Value lands. Determine whether existing laws are being enforced.
4. *Engage producers and suppliers:* Inform, educate and improve understanding and awareness of risks associated with forest loss, identify partners with whom to collaborate. Promote voluntary mechanisms and/or incentives that enhance supplier compliance with local laws and sourcing requirements.
5. *Establish processes monitoring and verifying progress, identify local partners to help build capacity and credibility:* Concentrate on the where significant impact can be achieved.
6. *Contribute to sector leadership and pursue collaboration with business partners, government and civil society in the development of institutional responses:* Promote multi-stakeholder engagement and encourage government to enforce laws, promote sustainable forest management and inclusive land use planning that accommodates the rights and livelihoods of local communities.
7. *Report progress annually:* Disclose implementation progress and gaps.