



Cargill Ocean Transportation

Delivering unique perspectives and insights
to help your business *thrive*



Discover Our Business - 2020

A message from our leader

Jan Dieleman, Business Leader
Cargill Ocean Transportation

Cargill Ocean Transportation is a leading freight-trading business that provides bulk shipping services to customers across the globe. Founded in 1956 in Geneva, our business benefits from the rich heritage and expert capabilities of the Cargill corporation.

The maritime sector is going through a period of significant change. Since 2009, the market has wrestled with overcapacity, reduced financing, generational change, digitalization, increased regulations, stricter sustainability targets and disruption to trade flows. In 2020, the COVID-19 global pandemic has created new levels of uncertainty and the need to be agile has never been stronger.

Cargill is ideally positioned to meet the challenges of this new world. We are developing critical capabilities in areas such as risk management, advanced trading, digitalization, analytics and sustainability, and we are collaborating with our industry peers to help transform the maritime industry at large.

Our customers are the center of every decision we make. We are committed to providing customer-centric solutions that integrate digital technology and reduce our impact on the environment, as we strive to be the most transformational and cost-efficient service provider in the maritime bulk industry.



Jan Dieleman, Business Leader
Cargill Ocean Transportation

Cargill: 150 years of experience

Cargill has been providing food, agriculture, financial and industrial products and services across the world for more than 150 years.

Every day, Cargill connects farmers with markets, customers with ingredients, and people and animals with the food they need to thrive.

We have 160,000 employees in 70 countries who are committed to nourishing the world in a safe, responsible and sustainable way.

AGRICULTURE
FINANCIAL
FOOD
INDUSTRIAL

Revenues: \$113.5 billion
Earnings: \$2.82 billion
Total Assets: \$61.7 billion

FY19: June 1, 2018 – May 31, 2019



Cargill is organized around four segments



Agriculture

We buy, process and distribute grain, oilseeds and other commodities to makers of food and animal nutrition products. We also provide crop and livestock producers with products and services.



Food

We provide food and beverage manufacturers, foodservice companies and retailers with high-quality ingredients, meat and poultry products, and health-promoting ingredients and systems.



Financial

We provide our agricultural, food, financial and energy customers around the world with risk management and financial solutions.



Industrial

We serve industrial users of salt, starch, bio industrial and steel products. We also develop and market sustainable products made from agricultural feed stocks.

Cargill Ocean Transportation

Cargill Ocean Transportation provides bulk shipping services to customers across the world.

For more than 50 years we have been using the highest level of operational expertise to ensure the sustainable and efficient management of our fleet of around 600 vessels.

Cargill has a unique market perspective, combining best-in-class operations with expert trading in both physical and financial freight markets.

We keep our customers at the center of every decision we make.



200m+
tons of cargo

(dry and wet) shipped
each year



600+
vessels

navigating the world's
oceans at any one time



4,500
voyages

performed each year to
over 875 ports



2m+
mt of fuel

representing an
investment of 1bn + USD



Why Cargill?



Fast-paced markets demand experienced teams

At Cargill, people are the core of our business

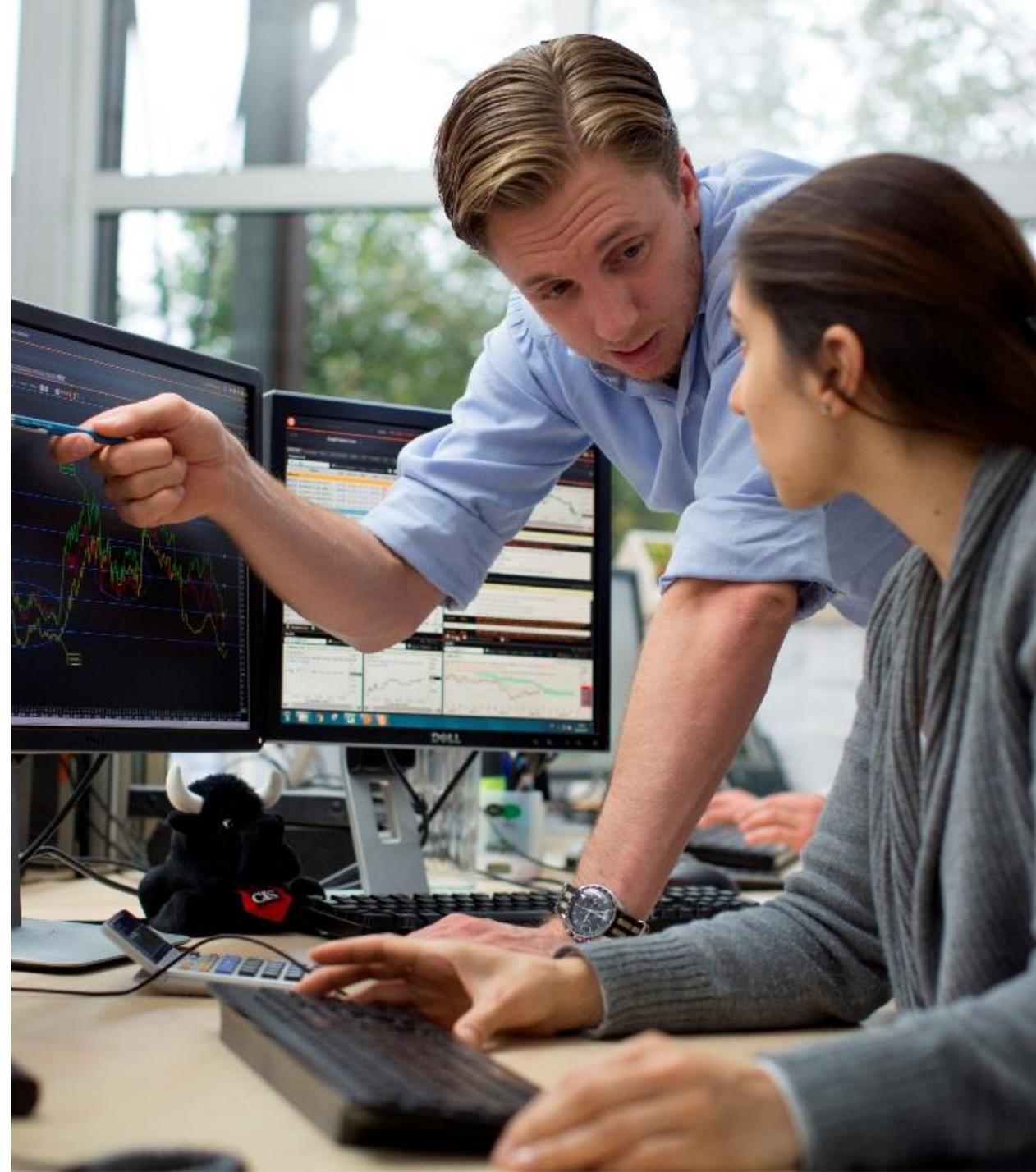
- Despite the rising interest and demand for technology solutions, we know that freight management is a people business.
- We invest in the best people and provide our customers with access to:
 - Global trading teams
 - Core trading hubs in Geneva, Singapore and New Jersey (relocating to Miami in 2020)
 - Regional business development professionals
 - Dedicated customer team
 - Global operations, with hubs in Bulgaria and India.
 - Offices in Bulgaria, China, India, Japan, Singapore, Switzerland, the U.S. and the Netherlands.



Risk management

We use our unique skills and expertise to mitigate price-risk volatility for shipowners and cargo owners

- For cargo owners:
 - Fixed and floating contracts
 - Contracts of Affreightment (CoA)
- For owners:
 - Fixed, floating and customized contracts
 - Profit-share options
- Bunker market protection:
 - Fixed and capped bunker prices
 - Future oil market opportunities



Pioneering digitally led innovation

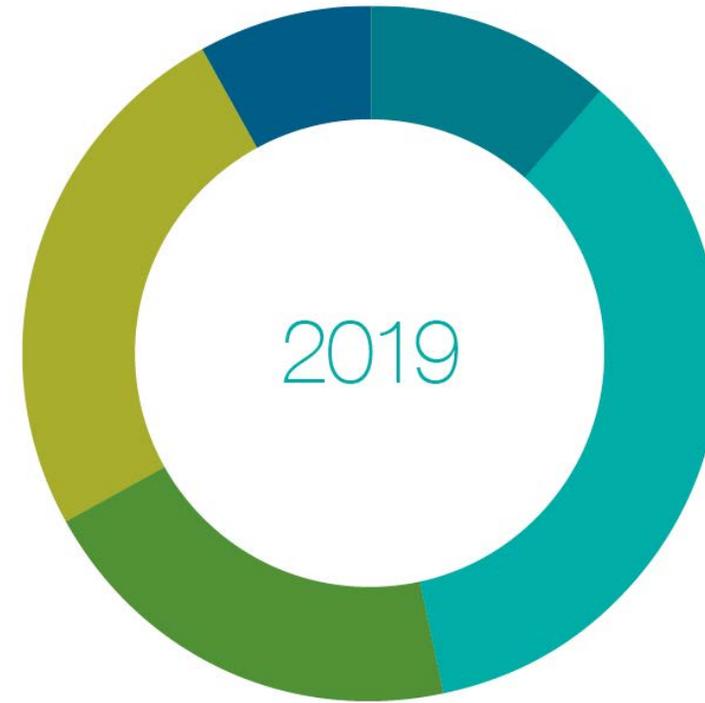
We are focused on staying at the forefront of the digital transformation

- Digitalization is creating opportunities far beyond increased efficiencies. We recognize that digital transformation is an essential enabler for revenue growth.
- We are using digitalization to offer new value propositions to our customers, new services and even create entirely new business models.
- Our digital transformation focus is on trading, vessel performance, operational excellence and customer experience.



A safe, modern and efficient fleet

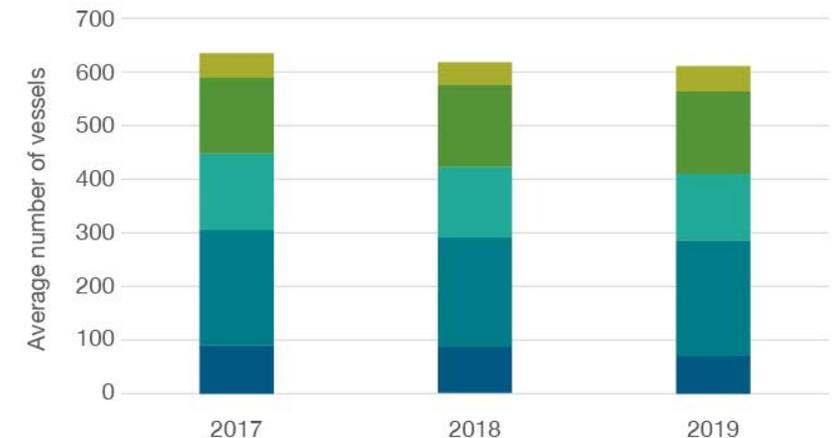
- Cargill charters its fleet of around 600 vessels. We look to work with owners to improve the overall performance of their vessels by using energy-saving devices and digital tools.
- We place high importance on the energy efficiency and risk rating of our ships and ensure that 100% of our vessels are independently vetted by RightShip.
- In 2019, Cargill's fleet achieved:
 - Majority of vessels rated 4- and 5-star by the RightShip risk-rating
 - 81% of our fleet rated A-D by the RightShip efficiency rating
 - 130 independent vessel inspections
 - Average vessel age less than 7 years
- With increased industry regulations (ballast water, sulphur oxide and greenhouse gas emissions), Cargill is optimizing vessel efficiency and ensuring full compliance with all regulations.



Our chartered fleet in 2019

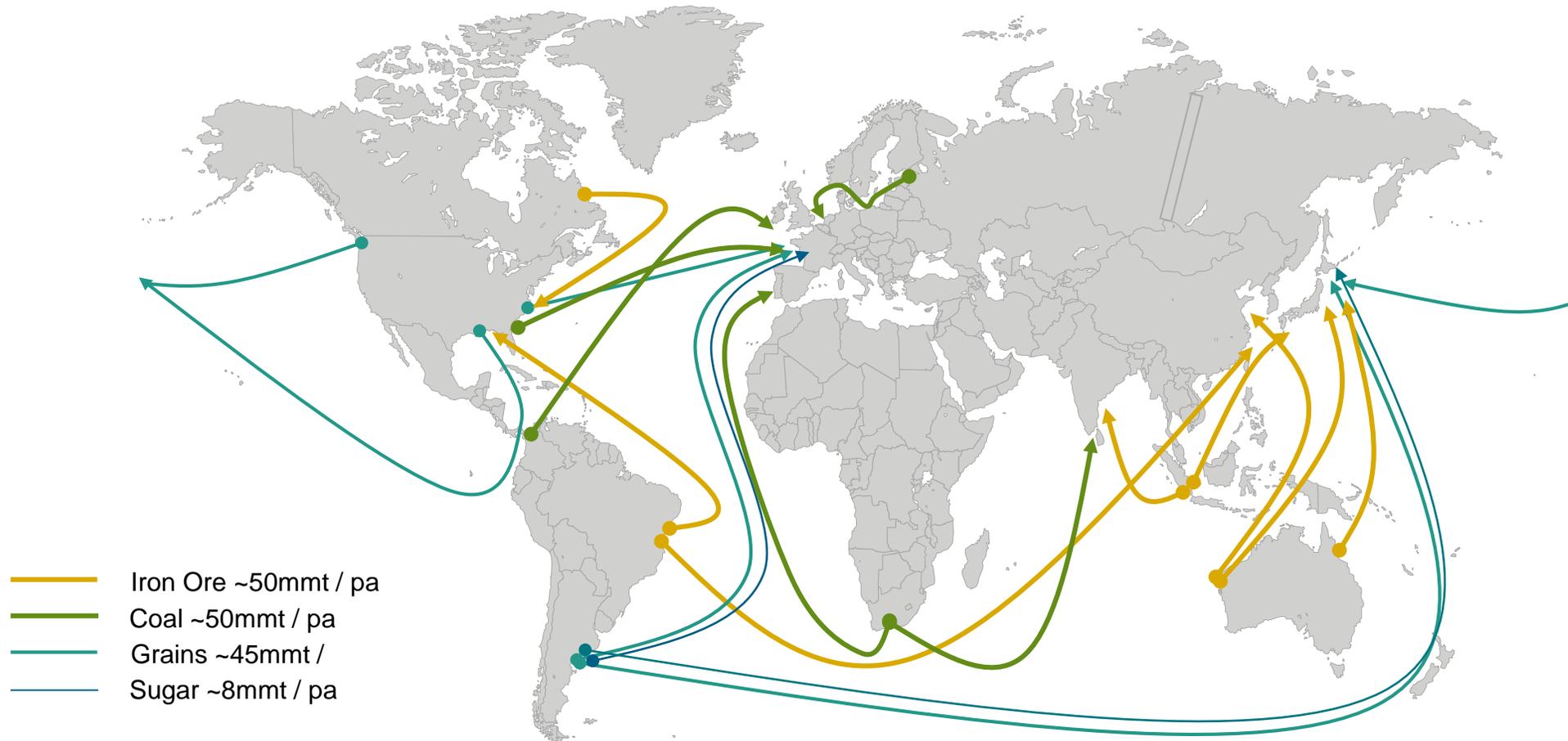
Cape	71
Panamax	217
Supramax	125
Handy	155
Tankers	48
Total	616

Evolution of Cargill's fleet 2017-2019



A unique perspective on global trade

Cargill's global commodity flows



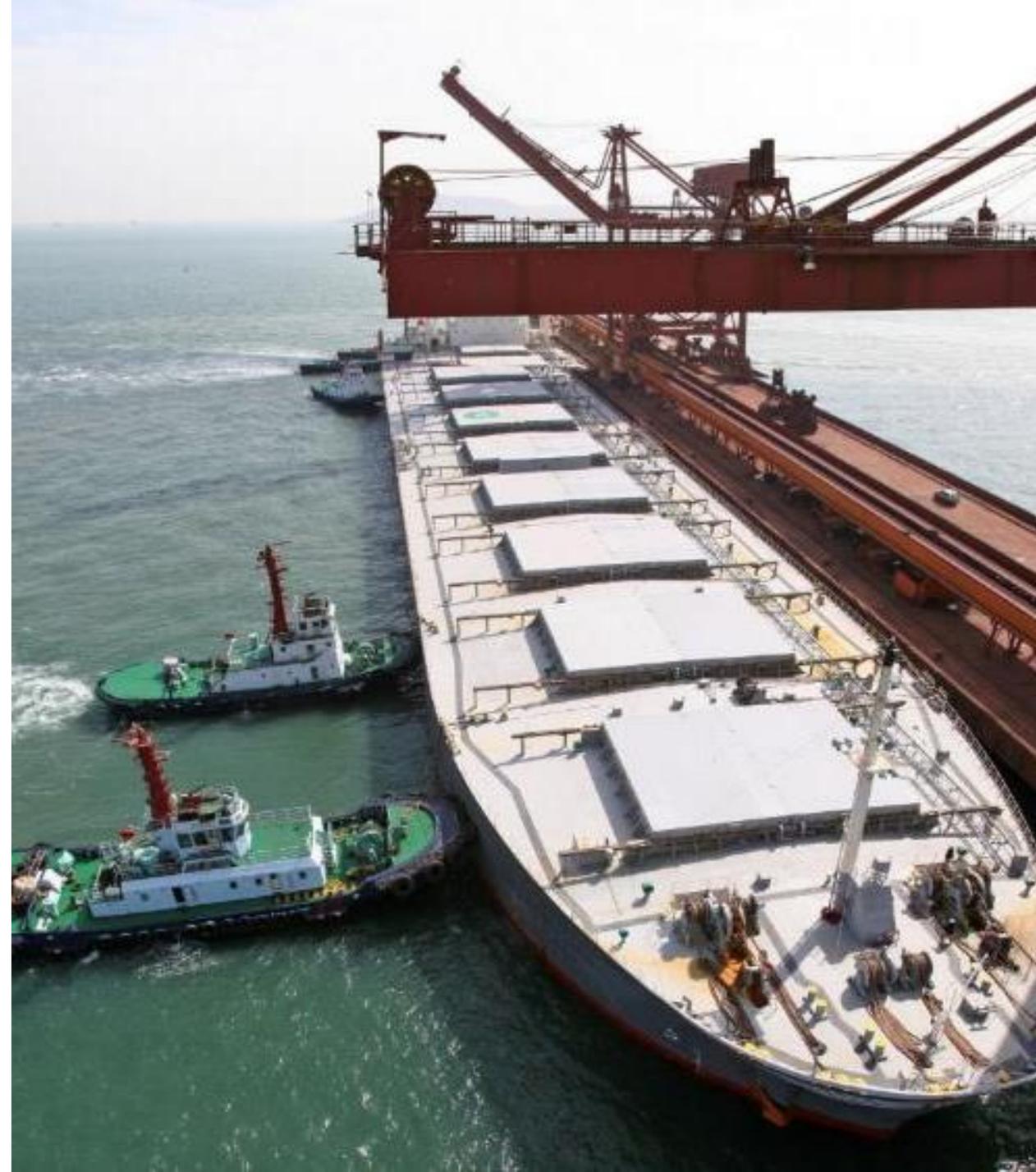
Our services



Dry bulk

Scale that gives peace of mind: transporting more than 200 million tons of dry bulk each year

- As a cargo owner, commodity trader, freight trader and vessel operator, Cargill is uniquely positioned to understand the demands of global commodity markets and transportation.
- Over the past ten years, Cargill's time-chartered fleet has doubled from 330 vessels to an average of around 600 ships today. This allows Cargill to position ships efficiently and provide a variety of options to our customers.
- Today, the business is focused on delivering safe and efficient operations and valuable market insights. We are active in the FFA market which allows Cargill to mitigate price risk for shipowners and cargo owners.



Parceling

Save money, gain market access and reduce your CO2 emissions

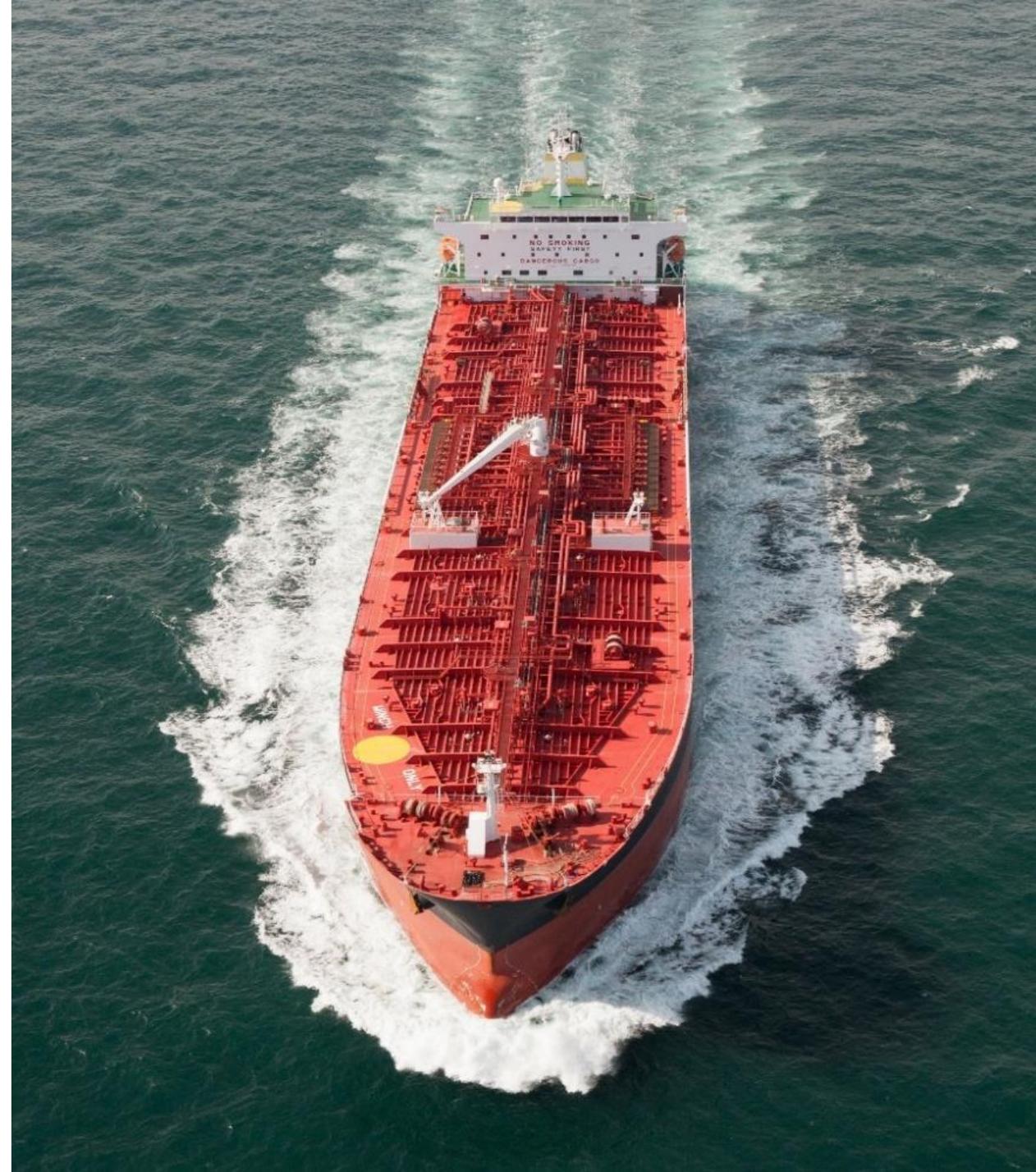
- Parceling is the use of one vessel to carry cargo from multiple charterers between two or more locations.
- As a market leader in ocean transportation, Cargill has regularly managed shipments from Australia to Chile, Peru, and Mexico. We have now expanded our parceling service into Asia and the Middle East.
- Parceling provides shippers with the opportunity to save money and gain access to new markets in an efficient way. CO2 emissions are also considerably reduced for each shipment.
- For customers shipping smaller volumes, parceling can reduce CO2 emissions by 20 to 40% per voyage.



Tankers

15 million tons of clean products per year

- We have a team of freight traders and tanker operations professionals dedicated to the transportation of “clean” liquid products (Cargill does not carry any crude products).
- Our time-chartered tankers fleet has grown considerably and currently comprises around 20-25 MRs and 3-5 LR.
- In the MR segment, we partner with Maersk Tankers in a joint MR pool (more details on next page).
- Each year, Cargill’s tankers deliver over 600 fixtures. Our commodity expertise includes petroleum products, edible oil, caustic soda, fertilizers and biodiesels.
- We offer comprehensive freight solutions using FFA derivatives markets to minimize your freight risk.
- In addition to RightShip, Cargill operates an in-house tanker vetting policy to ensure the highest operational standards.



Joint MR pool with Maersk Tankers

Strategic collaboration to increase scale and improve customer service

- Since 2019, Cargill has collaborated with Maersk Tankers to create a joint tankers pool that is now one of the largest pools in the MR spot market with more than 60 vessels. The pool aims to have 100 vessels by 2021.
- The partnership combines Cargill's experience in trading with Maersk Tankers' strong technical and digital expertise.
- The alliance leverages Maersk Tankers' progressive digital tools to optimize speed, reduce fuel consumption and reduce CO2 emissions.
- Cargill and Maersk Tankers have similar values, visions and ambitions and are working together to share ideas, information and expertise to tackle the industry challenges, notably a shared commitment to make shipping more sustainable.



Flexible solutions for different structures

We leverage our size, external partners and position as part of the wider Cargill corporation

- Our ocean transportation business has an asset owning joint venture/investment vehicle and we are able to leverage relative credit strength in the shipping market through bareboat leasing deals with owners. We have around 50 vessels in our books under this structure.
- Through our decarbonization workstream, we have financed the installation of energy-saving devices and other efficiency upgrades onboard our vessels.
- We are open to commercial management agreements with owners.
- Our derivatives desk can provide active risk management of index linked charter using freight derivatives (FFAs), allowing owners access to the market to fix their rate when they choose.



**Safe, responsible and
sustainable shipping**



Sustainable shipping

At the very center of our business strategy

- We have made sustainability an integral part of our business and are committed to making shipping safer, greener and more responsible, both across our operations and the wider maritime industry.
- Our sustainability strategy is aligned with the U.N. Sustainability Development Goals (SDGs) and focuses on six priorities:
 - People, safety and well-being
 - Climate change and health
 - Inclusion and diversity in our workforce
 - Ocean health and biodiversity
 - Ethical business conduct and compliance
 - Ship recycling
- As a member of the U.N. Global Compact, Cargill is committed to annual sustainability reporting. Since 2018, we have produced an annual Corporate Responsibility Report specifically for our ocean transportation business.

100%
compliance with
2020 Global
Sulphur Cap

15%
decrease in CO2 emissions
per cargo ton mile against
2016 baseline

**OUR 2020
TARGETS**
amongst others

100%
of Cargill's fleet
RightShip approved

80%
of Cargill's fleet
rated A-D by
RightShip's energy
efficiency index

ZERO
accidents

Our sustainability priorities

1

Send our employees home safely and improve safety standards across the maritime industry.

2

Reduce GHG emissions across our fleet and lead the maritime industry to a more sustainable future.

3

Recruit, develop and retain a diverse workforce and build a more balanced and inclusive culture.

4

Protect ocean health and biodiversity and minimize our impact on the marine ecosystem.

5

Conduct our business ethically and responsibly, honor our obligations and treat everyone with dignity and respect.

6

Support the maritime industry's efforts to make ship recycling more transparent and responsible.

People, safety and well-being

Safety is our no.1 priority

- Cargill is committed to sending our employees home safely at the end of each day. We are also striving to improve safety standards across the maritime industry.
- For our 280 employees, we emphasize the importance of safety every single day. In 2019, there was no loss of life or major incident impacting the safety of our employees and we continued to work on awareness about safety and well-being.
- We know that better quality ships improve crew safety and we continue to use better and higher RightShip-rated vessels.
- 100% of our ships are RightShip approved and we prioritize 4- and 5-star rated vessels and a young and modern fleet.
- We are also installing Cargill safety standards across our partners and, through our work with RightShip, we are driving improved safety standards across the industry.



3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



Climate change and health

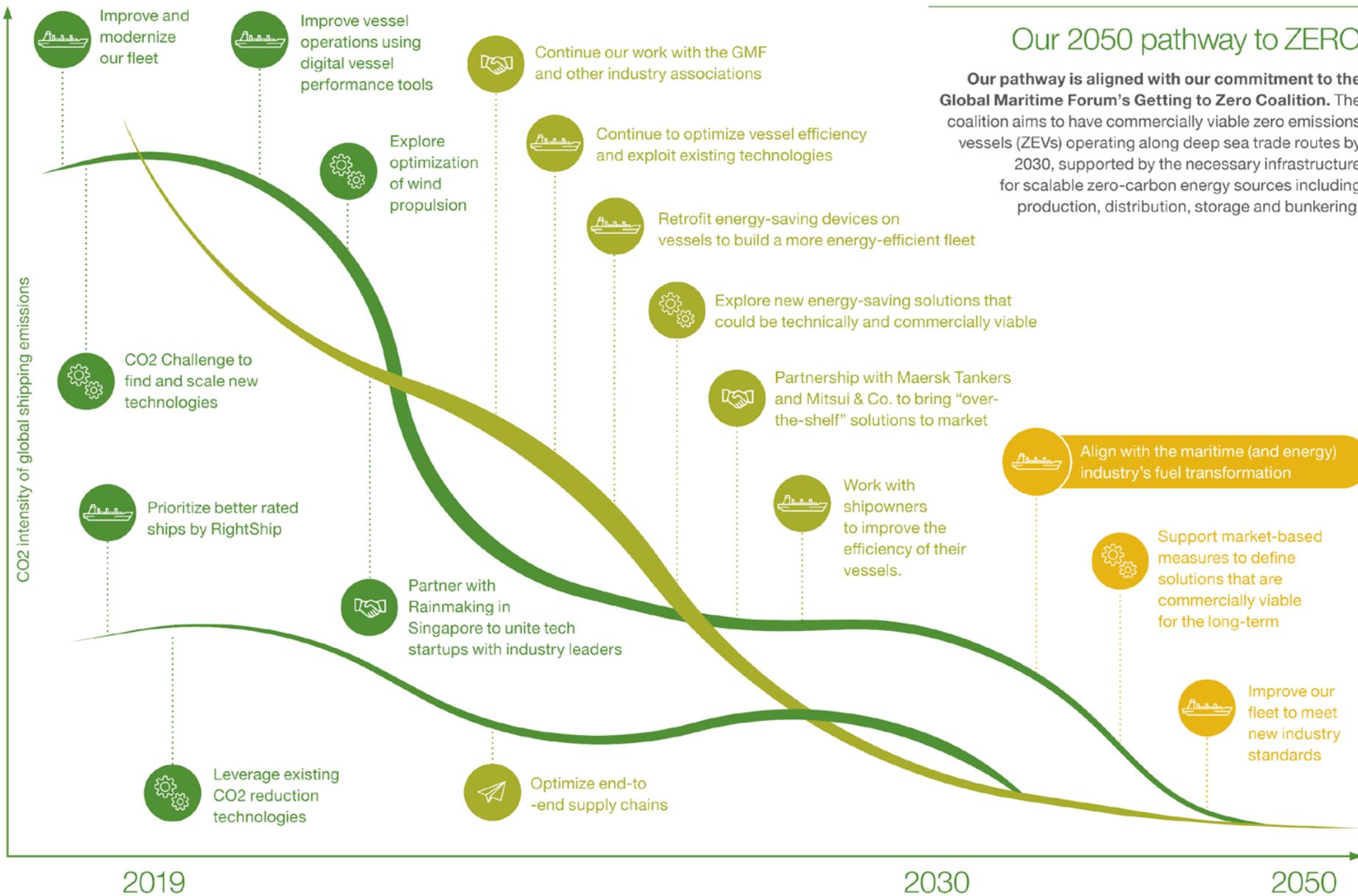
Reducing GHG emissions across our fleet and leading the maritime industry to a more sustainable future

- Climate change and health are the areas of highest material relevance to our ocean transportation business according to our latest materiality assessment.
- As a charterer and vessel operator, we have four ways to influence our environmental performance:
 - The type of vessels we charter
 - The way we operate them
 - The energy efficiency optimization of ships we charter in the future
 - Through our parceling business
- We are reducing the carbon intensity of our operations across all vessel sizes (see next page) and made notable CO2 reductions on the smaller sizes in 2019.
- Over the last two years (2018-2019), we have saved around 800,000 metric tons of gross CO2 emissions.



Decarbonizing shipping: Our 2050 pathway to ZERO

- The International Maritime Organization (IMO) set a target in 2018 to reduce total GHG emissions from shipping by at least 50% by 2050 compared to a 2008 baseline.
- Cargill believes that the scale and complexity required to fulfil the IMO's 2050 target will require a series of incremental changes as shipping – and the energy sector – transitions to carbon-neutral. We see this as a journey comprising three phases: Our 2050 pathway to ZERO.
- As part of this, Cargill ran a CO2 Challenge in 2018 to find and scale new technologies to further reduce a ship's CO2 emissions. This has since led to exploring the optimization of wind propulsion, particularly wing sails.
- We are building a more energy-efficient fleet and are working with shipowners to improve the efficiency of their vessels. Our digital vessel performance project improves the way we operate vessels, whilst testing a range of performance management and voyage optimization tools.
- By installing energy-saving devices (specialized hull paints, LED lights or stern appendages in front of a ship's propeller) we are reducing CO2 emissions on certain vessels by 5 to 10%.
- Through our strategic collaboration with Maersk Tankers and Mitsui & Co., we are testing the business case for retrofitting such devices with a long term aim to offer turn-key CO2-reducing solutions to the wider maritime market.
- In 2019, we signed the Global Maritime Forum's Getting To Zero Coalition (see next page).
- Most recently, we have partnered with Rainmaking to run a 2020 program in Singapore that will unite startups with industry leaders to test and scale transformational technologies that reduce CO2 emissions from shipping.



Inclusion and diversity in our workforce

Developing a diverse workforce and a more balanced and inclusive culture

- Cargill believes that diverse and agile teams make a stronger organization, one that better understands and serves our customers and the communities where we operate.
- We have committed to recruiting, developing and retaining a diverse workforce and to building a more balanced and inclusive culture. *We have started to benchmark our actions against our industry peers and are mentoring our existing talent to build the future leaders of Cargill.*
- *Since 2015, we have increased the number of females in leadership roles by 3%.*
- We are also driving progress across the maritime industry, where females currently represent just 2% of the workforce.



Ying Ying Lim, APAC Lead
Cargill Ocean Transportation

Industry collaboration

Collaborating to accelerate progress across the maritime industry

- We partner with strategically selected organizations and associations to encourage collaboration at industry level.
- Since 2006, we have been a shareholder of RightShip and are working together to drive better safety standards across the maritime industry.
- Cargill was a founding member of the Global Maritime Forum (GMF) in 2018 and Jan Dieleman is a member of the GMF Board. We played a lead role in drafting the Poseidon Principles; we are co-chairing the GMF's Fuels, Technologies and Transitions workstream; and we are developing the Charterers' Response to the Poseidon Principles to establish a common reporting framework or methodology for reporting on emissions.
- In September 2019, Cargill signed the GMF's Getting To Zero Coalition.
- We also leverage global relationships that are maintained at the corporate level.



Corporate partnerships:





Helping the world *thrive*