

Addressing grievances

Our approach

When an issue is identified through our monitoring efforts, we immediately address it. For example, when deforestation grievances are identified and validated, we immediately suspend suppliers and work with them to define an action plan with clear timelines and milestones.

Our supplier suspension process is outlined in our [Palm Grievance Procedure](#).

To address labor and human rights issues in the palm oil supply chain, we prioritize engagement based on varying levels of severity and impact to drive long-term capability and compliance improvements.

When a supplier is unable or unwilling to make progress within the agreed upon timeframe, or has repeated non-compliances, we remove the supplier from our supply chain.

We hold ourselves and our suppliers accountable to respond to grievances, set time-bound action plans to ensure progress, and close the grievance in a timely manner as agreed to by the complainant. We do not tolerate retaliation against anyone who, in good faith, raises a concern or participates in an investigation or whistleblowing.

KPI progress

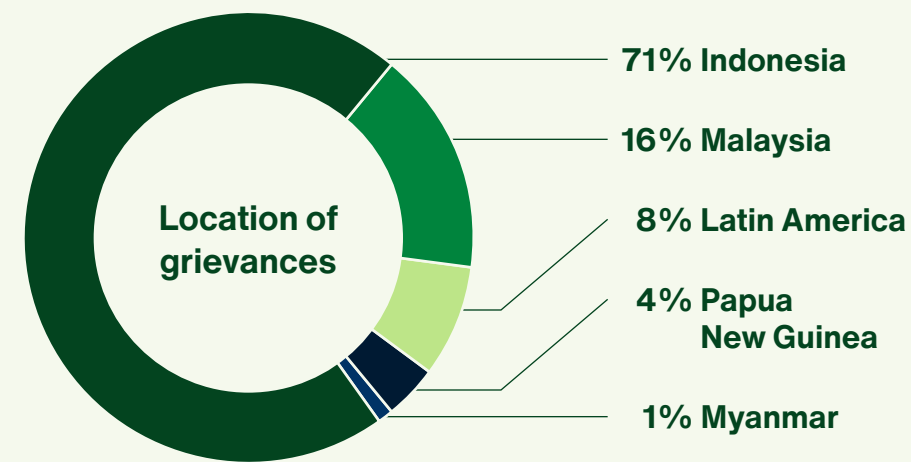
Grievances logged

30

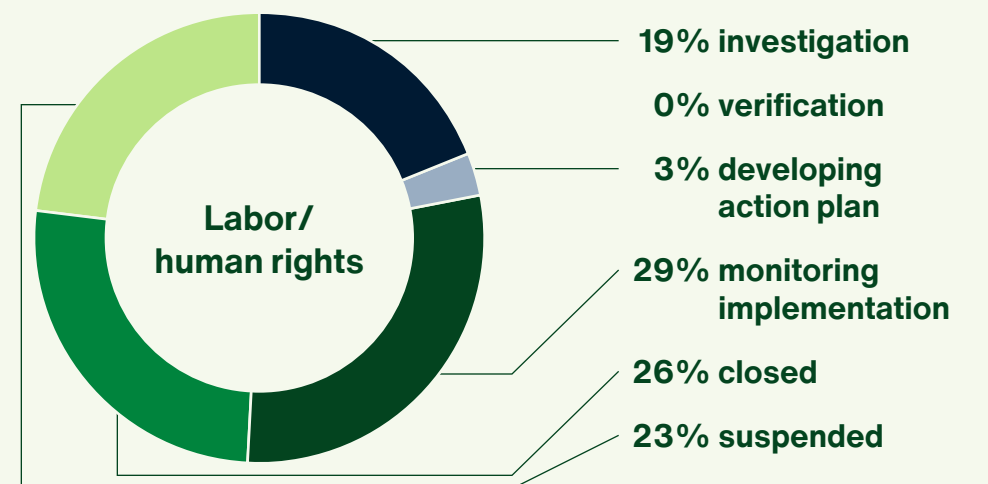
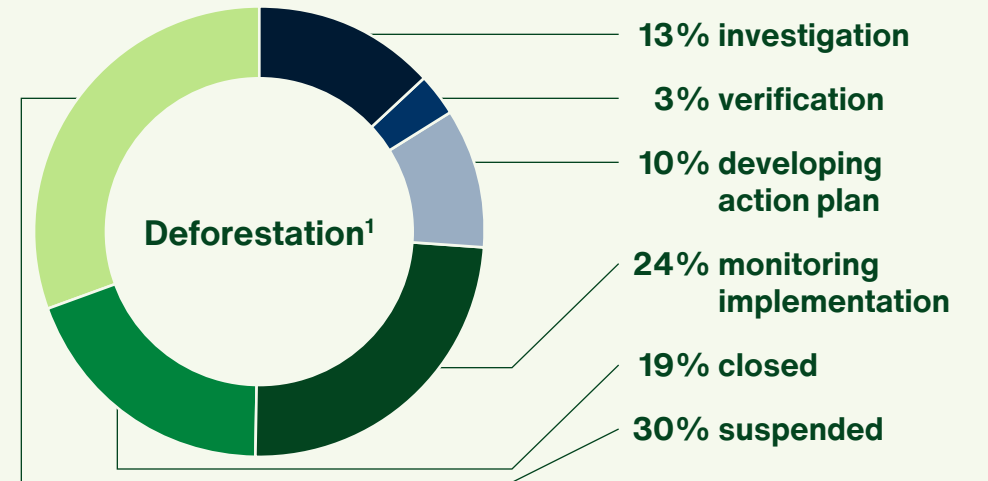
direct third-parties

79

indirect third-parties



Addressing grievances



¹ Percentages do not total 100% due to rounding of decimals.

Supplier engagement

Our approach

We updated our due diligence process, developed in collaboration with the Consortium of Resource Experts (CORE), including Daemeter and Proforest, to enhance our commitment to sustainable sourcing. Our process is now initiated with a required questionnaire for all suppliers, followed by a thorough verification by our team. We continue to improve our processes and align with evolving regulations and customer requirements.

We enforce third-party suppliers compliance with our Sustainable Palm Oil Policy and Supplier Code of Conduct through:

- site visits
- assessments
- hands-on workshops

Our actions

Brazil: The Aggregator Refinery Transformation (ART) program, in partnership with the Earthworm Foundation, supports the improvement of Brazilian suppliers’ practices to meet our Policy on Sustainable Palm Oil. In 2023, there was noticeable progress observed during field visits and technical assistance calls. A series of training sessions were organized with over 80 supplier employees, providing technical support on community, individual improvement, and empowerment topics.

Latin America: We expanded our work with palm oil suppliers in Colombia, Honduras, Nicaragua, Guatemala, and Mexico to consolidate our Continuous Improvement Program, supporting over 10 high-risk suppliers to ensure compliance with our Sustainable Palm Oil Policy and NDPE principles. We also helped suppliers implement EUDR requirements, with a significant emphasis on legal compliance and zero-deforestation efforts.

We expanded our training programs, creating capacities with over 100 people from nearly 90 mills in various countries towards EUDR compliance.

We adapted our **Connected4Change platform** to map and enable better deforestation analysis in collaboration with Proforest. This change aims to collect the necessary compliance evidence for EUDR and the Corporate Sustainability Due Diligence Directive (CS3D).

Malaysia: For three years, we worked with Earthworm Foundation to develop a mill-level engagement framework to enhance adherence to our No Deforestation commitment. This 2019 initiative bolstered mills’ capacity to gather TTP data and establish robust platforms to govern fresh fruit bunches (FFB) suppliers.

Indonesia: We conducted two new workshops for Indonesian palm suppliers titled “Navigating Global Sustainability Challenges Together” to lay the groundwork for a resilient supply chain. The first workshop in Jakarta focused on mill suppliers, introducing our commitment to eliminating deforestation and conversion-free strategies. The second workshop in Medan engaged refiners, crushers, and traders, emphasizing regulatory readiness and tailored consultations.

Progress

94%

volumes covered by NDPE policy

92%

direct suppliers (traders/refiners) with NDPE policy

Direct mills

68%

completed self-assessments.

87%

with NPDE policy

Third-party suppliers

63

refineries

1,570

mills

Supplier engagement components



Questionnaire and desk-based due diligence



NDPE policy and implementation plan



Self-assessments



Continuous improvement plan



Field assessments



Training

Improving labor and human rights

Our approach

We are committed to protecting the human rights of workers, indigenous people, and local communities in our supply chains as detailed in our **Human Rights Policy** and our **Policy on Sustainable Palm Oil** and in line with international human rights principles and applicable local laws. We support efforts to address labor and human rights issues by governments and organizations, including the **International Labour Organization** (ILO) and the **United Nations Children's Fund** (UNICEF), RSPO Human Rights Working Group, and Earthworm No Exploitation standard.

Colombia: Labor Formalization Project. As a principal collaborator, we play a pivotal role in partnering with the ILO, FEDEPALMA, and other entities to advance decent work, improve working conditions, and ensure compliance with labor regulations in Colombia. This initiative emphasized labor formalization and occupational health and safety through strategic intervention plans that included both in-person and virtual training

sessions. Between 2023 and 2024, approximately 600 workers and producers, received training on these critical topics. By educating companies on the importance of labor formalization and compliance with regulations, we help protect workers' rights, improve working conditions, and promote fair labor practices.

Malaysia: Labor Transformation Program. In 2023, we partnered with Earthworm for a three-year program to address human rights issues in Malaysia's supply chain, focusing on training, assessment, capacity building, and monitoring suppliers on topics such as forced labor, child labor, and land rights.

Human Rights Program. Partnering with a leading global company and NGO implementation partner, we have assessed a palm oil supplier in Sabah as part of an initiative aimed at addressing specific human rights issues, including the risks of child labor, forced labor, and health and safety concerns. The program emphasizes monitoring, addressing, and preventing structural risks. We will continue to work closely with the company and the supplier to review the assessment results and address any gaps identified. In 2023, the first supplier successfully completed the assessment, and another is scheduled to begin in 2024.

ILO Cargill training session in Colombia



KPI progress

82%

of direct suppliers with human rights commitments in their NDPE policy

Landscape initiatives

Our approach

We are committed to facilitating scalable solutions for human rights and eliminating deforestation through authentic partnerships. By actively collaborating with a broad spectrum of stakeholders, including mills, growers, buyers, and public institutions, we address complex, widespread challenges and drive systemic change.

Through landscape-level initiatives and platforms, we address challenges that span geographical and jurisdictional boundaries. We currently participate in eight palm-related landscape programs worldwide.

[Learn more.](#)



Our actions

Colombia: Backed by FEDEPALMA and Proforest, our support for the Lebrija Landscape project continues as the program proceeds with its implementation phase in 2023. We engaged 30 producers from six mills in our supply chain in executing action plans focused on deforestation prevention, conservation, and farm water management. The program offers technical assistance and has conducted two field workshops aimed at equipping suppliers with practical tools for sustainable palm oil production.

- One high-risk and five low-risk mills in the Lebrija River Basin landscape
- Six mills in Cargill’s supply chain engaged in the program.

Intel4Value landscape program We collaborate with Solidaridad on two initiatives in Colombia. With the Intel4Value landscape program, we provide support for compliance with environmental commitments among palm producers and workers in the Catatumbo region of Colombia. In 2023, 444 smallholders received specialized training to measure progress made towards sustainability goals and completed the Colombian Sustainability Index baseline to identify gaps in best practices.

Strengthening our partnership We also signed a new global partnership with Solidaridad to provide training in sustainable agricultural best practices and improve compliance with social and environmental requirements for an

additional 520 palm oil producers in Colombia over three years. In its first year, we designed a work plan with six mills in our supply chain to achieve the project’s objectives and trained over 70 palm oil producers in best practices.

Malaysia: The global partnership with Solidaridad has also extended our work to Malaysia, where we aim to train over 1,000 smallholders in sustainable agricultural best practices to improve compliance. In its first year, Over 400 smallholders received training in sustainable agricultural practices.

Additionally, our support for the Southern Central Forest Spine (SCFS) landscape program continues into the program’s third year focused on supply chain transformation, forest protection and restoration, farmer resiliency, workers, and families. The SCFS has a strong connection with our supply chain in Pahang and Johor and is a co-funding opportunity to drive collective action to address systematic challenges in Peninsular Malaysia, including the shift to 100 % traceability and implementing sustainability policies benefiting workers.

To enhance traceability, we engaged in joint workshops with FFB dealers, a strategy expanding to more mills in collaboration with industry bodies. Additionally, we facilitated pilot programs for grievance mechanisms at two mills, ensuring workers’ rights in alignment with the United Nations Guiding Principles led by Earthworm.

Impact of Southern Central Forest Spine program (SCFS)

91%
reduction in deforestation in the landscape’s key sensitive area

28%
of palm mills are traceable to plantations

58%
of mills have action plans addressing NDPE commitments

640
farmers engaged in livelihood improvement programs

530
direct workers engaged to improve welfare and working conditions

2,000
indirect workers engaged to improve welfare and working conditions

Brazil: We support the Tomé Açu landscape program in partnership with Earthworm Foundation, using an integrated approach involving brands, commodity producers, smallholders, authorities, and local communities northeast of Pará to develop small palm producers while achieving regenerative landscape impacts. We have strengthened farmer associations and cooperatives through formalization of 10 businesses, expected to produce a 30% increase in revenue for rural entrepreneurs. Our women's empowerment efforts included interviews with 400 women and training for 120 female leaders. As a result, over 400 families have participated in the program, six municipalities have benefited from food security initiatives, and land rights have been reinforced through property registration and access to credit.

Indonesia: We continue to assist smallholders in obtaining ISPO and RSPO certification in Ketapang, West Kalimantan in partnership with IDH — The Sustainable Trade Initiative, JDE Peet's, and FORTASBI (the Indonesian Sustainable Oil Palm Smallholders Forum) in our Ketapang, West Kalimantan plantations.

Siak Pelalawan Landscape Program (SPLP) in Riau, Indonesia. In partnership with seven other major companies, we aim to meet our commitments through the design of a landscape program that supports the government Green Growth District (Siak) and implementation of the Sustainable Palm Oil National Action Plan in Indonesia (Pelalawan). The SPLP initiative is aimed at protecting forests, enhancing smallholder livelihoods, reinforcing labor and land rights, and promoting sustainable practices.

SPLP has trained close to 7,500 oil palm farmers in good agricultural practices (GAP). These practices increase knowledge of plantation registry letters (STD-B) and land titles, crucial for meeting ISPO standards required by 2025. As a result, nearly 200 additional smallholders received STD-B in 2023, bringing the total to close to 600 smallholders in the region since 2020.

Understanding the districts' stakeholders and intricate landscape is vital for steering land use toward responsible production and conservation. SPLP has created detailed profiles for 11 villages, laying the groundwork for effective land-use management.

Our participatory mapping efforts have covered almost 400,000 hectares, including nearly 10,000 hectares of village land-use plans now under management and protection. Furthermore, SPLP has strengthened close to 3,500 hectares of village forest through paludiculture, which is wet agriculture and forestry on peatlands, and supported the recovery of nearly 110 hectares within the village forest.

To address environmental and social risks associated with districts' mills, SPLP has consolidated an aggregated IRF profile for over 50 mills engaged in palm oil production. This profile is instrumental in guiding these mills towards NDPE production standards.

Both Siak and Pelalawan's district governments have shown a strong commitment to ecosystem management and no-deforestation plans. They are now establishing conservation regulations in 12 villages, three more than in 2022, and developing district action plans for sustainable palm oil.

While 2023 marks the fourth and final year of SPLP's initial phase, the program is set to extend into a second phase from 2025 to 2029. Project activities and objectives are being discussed within members, responding to the change of challenges compared to when the initial program was designed in 2020. SPLP will continue to focus on implementing village land-use plans, advancing social forestry, and rewarding efforts to protect forests.

Hindoli Landscape Program. The Hindoli Landscape Program empowers over 2,500 independent smallholders managing nearly 7,000 hectares of plantations that supply our Tanjung Dalam mill in the Musi Banyuasin region near our Hindoli plantation in South Sumatra. Through this program, smallholders receive support to achieve RSPO and ISPO certification and training to enhance their organizational skills and form cooperatives. This assistance enables their growth and development, fosters community resilience, and enables environmental stewardship.



Sungai Linau Landscape Program. This program focuses on the protection of peat forest within Giam Siak Kecil-Bukit Batu Natural Reserve and its vicinity via community-based land use planning. This protection is achieved through a community effort to reduce livelihood pressures on the reserve through sustainable practices in partnership with companies including several major brand name organizations. The program also targets GHG emissions reduction through forest and peat protection and supports the development of alternative livelihoods for villagers.

2023 progress

Year three and final year of Phase 1 implementation:

- Nearly 6,000 hectares of peat forest within GSK-BB Biosphere Reserve and in Sungai Linau boundaries effectively protected under social forestry license by LPHD (village forest group)
- Nearly 24,300 hectares is under community-based forest and fire monitoring. Since the start of the program, one of the partners on the ground, Asia Pulp & Paper, has built the capacity of villagers on fires management. After three years, the villages have a solid fire patrolling team with more funding from the village government to operate.
- Over 450 smallholders have been trained by Musim Mas (as part of the implementers) on GAP training, and over 300 smallholders are joining the intensive coaching. In addition, Musim Mas also delivered a “Training of Trainers” which over 30 participants attended (over 20 extension workers and 10 independent smallholders).
- A socio-economic baseline study conducted across villages helped identify the gender issues present in the landscape, and started raising gender awareness in Sungai Linau and Tanjung Damai villages. Development of financial literacy training for women is currently underway.
- Participatory mapping has been completed in all four villages (Sungai Linau, Sumber Jaya, Tanjung Damai, and Bandar Jaya villages). Communities within these four villages have also been closely engaged for their awareness of protecting and conserving the remaining forest in the landscape. So far, 40 hectares in Sungai Linau has been identified to be used as agroforestry, while nearly 500 hectares identified in Sumber Jaya and Tanjung Damai villages for potential agroforestry/reforestation.



Smallholder programs

Our approach

We empower smallholders to build capacity and promote responsible farm development by strategically working with select mills in our supply chain. We promote sustainable agricultural practices by offering training programs and assist with the development of action plans to determine the key actions that need to be taken to achieve RSPO certification. We conduct land use analysis and pre-certification audits to assess smallholder readiness to facilitate their capacity to achieve certification.

In 2023 we worked with organizations in four different countries to make progress towards our goal to increase the quantity of farmers certified under a sustainability program. Compared to last year, we increased the number of certified farmers from 9,830 to 15,600 in 2023.

Our actions

Guatemala: In 2023, we continued our collaboration with Palmas del Ixcán to assist smallholders in Cargill's supply chain in adopting sustainable agricultural practices and building their capacity to achieve RSPO certification. Expanding on key environmental and social studies conducted in 2022, including land use analysis and pre-certification audits, a mock audit was performed to assess the readiness of the smallholders for RSPO certification. This exercise identified remaining gaps that needed to be addressed for certification. Using these insights, we revised our strategy and updated the action plan to help over 20 smallholders achieve RSPO certification.

Indonesia: We continued to assist smallholders in obtaining ISPO and RSPO certification in Ketapang, West Kalimantan in partnership with IDH — The Sustainable Trade Initiative, JDE Peet's, and FORTASBI (the Indonesian Sustainable Oil Palm Smallholders Forum) in our Ketapang, West Kalimantan plantations.

Mexico: The Holistic Program for sustainable palm oil in Mexico — developed through collaboration with the RSPO, Proforest, the Mexican Federation of Palm Oil (FEMEXPALMA), our customers, and suppliers — continued to make significant strides in transforming our palm oil supply chain. This program trained nearly 650 sustainability professionals from over 75 organizations across nine countries in various aspects of palm sustainability. A specialized course in document management was offered, equipping 30 participants to become internal auditors following ISO 19011 guidelines.

In producer development, four producer groups advanced towards RSPO certification, with compliance baselines finalized or updated and action plans developed through rigorous awareness and commitment-building processes. In total, 11 mills defined their sustainability commitments. Additionally, 117 RSPO-certified producers are progressing towards milestone B of the Independent Smallholders Standard, covering approximately 1,350 hectares. Overall, smallholder producers saw a 139% increase in income through the Holistic Program's support.

Malaysia: For the past decade, we have partnered with Wild Asia Group Scheme (WAGS) to support nearly 675 independent smallholders in Perak, including 45 women and nearly 30 individuals from marginalized Orang Asli communities. Our partnership has achieved RSPO Certification standards and demonstrated our robust commitment to diversity and sustainability in our supply chain.

The strength of our supply chain is intertwined with the communities that cultivate the production of palm, and our policy commitments to sustainability inform our efforts to ensure that the people and environment are safe and respected.

