

## Monitoring and verification

### Our approach

To ensure suppliers are adhering to our no-deforestation and peat commitments, we use satellite technology to remotely monitor and detect any changes to forested areas. We verify compliance with our **Policy on Sustainable Palm Oil** using our own guidelines and industry frameworks. Cargill is now working with Earthqualizer and Satelligence to enhance our robust monitoring capabilities in support of our commitment to be deforestation-free in the palm oil supply chain by 2025.

### Verifying compliance with NDPE commitments

We leverage satellite technology combined with precise plantation location data to conduct remote monitoring of palm plantations and their adjacent areas. This ensures there are no indications of deforestation or unauthorized activity on peat or forested lands.

# 99%

of traceable mills covered by satellite monitoring

## EU Deforestation Regulation

The EUDR prohibits placing or making available relevant products linked to deforestation on the EU market. Cargill shares the European Union's objective of combating deforestation and forest degradation linked to the production of agriculture commodities and products. The EUDR reflects many of Cargill's commitments to increasing transparency and traceability in our supply chains. When the regulation takes effect, all referenced supply chains must implement measures to ensure they are deforestation-free.





## 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

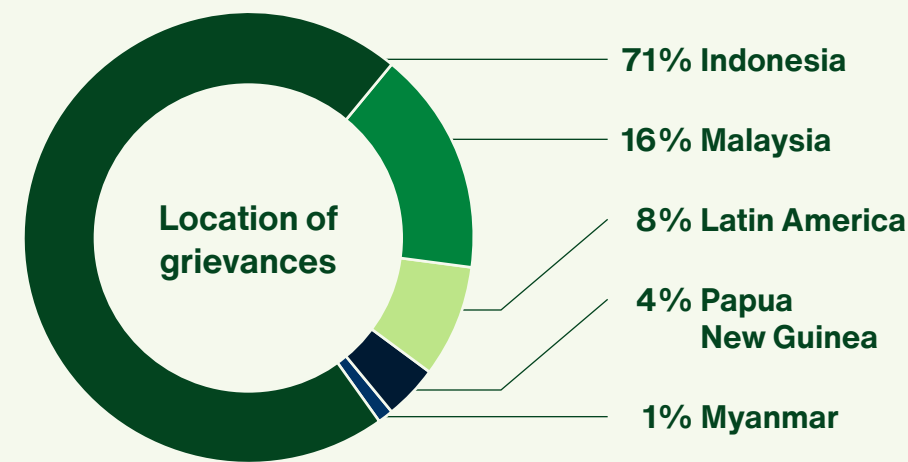
### Grievances logged

30

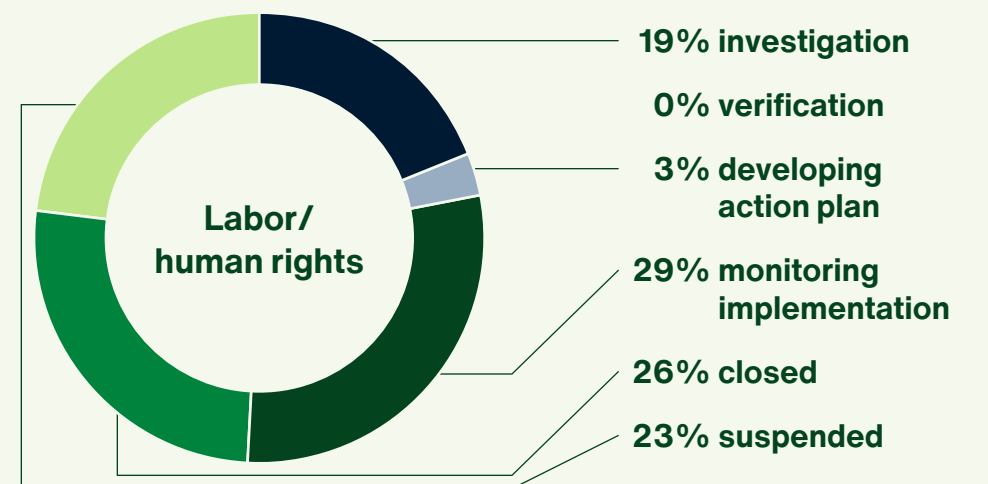
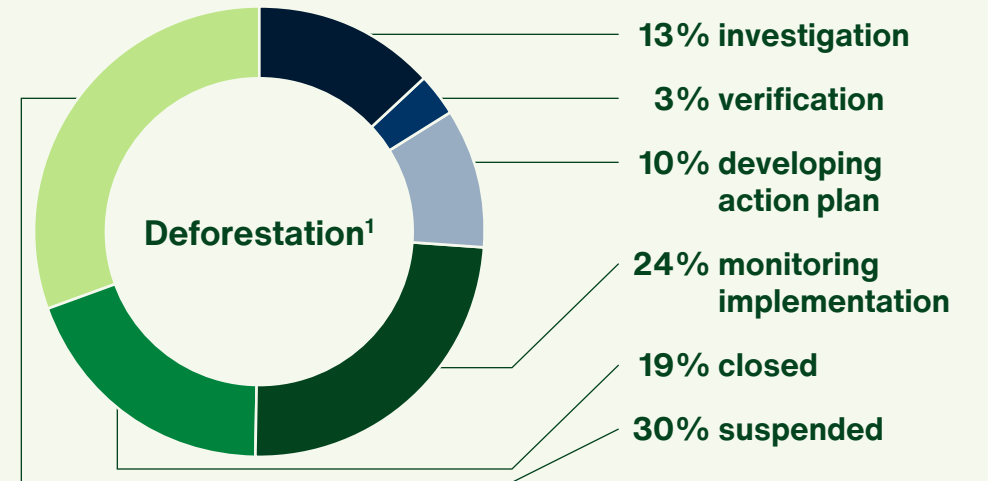
direct third-parties

79

indirect third-parties



### Addressing grievances



<sup>1</sup> 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

# 640

farmers engaged in livelihood improvement programs

# 28%

of palm mills are traceable to plantations

# 530

direct workers engaged to improve welfare and working conditions

# 58%

of mills have action plans addressing NDPE commitments

# 2,000

indirect workers engaged to improve welfare and working conditions