2012 CORPORATE RESPONSIBILITY REPORT

# Our responsibility in a changing world





When Cargill began in 1865, our business was founded on the belief that "our word is our bond." Today, as a diversified global company still grounded in a culture of trust and respect, this remains the standard by which we do business. We operate with integrity and accountability. We are committed to feeding the world in a responsible way; reducing our environmental impact; and improving the communities where we live and work. We are passionate about our goal to be the global leader in nourishing people and operating responsibly across the agricultural, food, industrial and financial markets we serve.

Our world faces complex challenges. The breadth and scope of our business gives us an unparalleled view – and with that broad perspective comes responsibility. We are committed to nourishing the world's growing population while protecting the planet. We continue to find new ways to help farmers produce more food more sustainably and to develop more efficient methods of moving food from times and places of surplus to times and places of deficit. We know that with the talents and conviction of our employees, we can help meet the challenge of ensuring all people have access to safe, nutritious and affordable food.

We focus on meeting today's needs without impairing the world's capacity to serve future generations. Cargill's interest extends beyond our own operations to the suppliers, partners and other stakeholders in our supply chains. A responsible supply chain respects people and human rights; produces safe and wholesome food; treats animals humanely; promotes the best, most responsible agricultural practices; and reduces environmental impact, including protecting the land and conserving scarce resources. Achieving this will require collaboration with all stakeholders across developed and emerging markets. We strive to demonstrate measurable progress against the supply chain issues that we can control and those we can influence.

We know our ability to grow as a company depends on the way we treat people, how we enrich our communities and how well we serve our customers. Through the efforts of our employees, Cargill will grow profitably and grow responsibly to meet the needs of a diverse, expanding and interconnected world.



### Our responsibility in a changing world

Cargill's goal is to operate in a responsible way across the agriculture, food, industrial and financial markets we serve. The four pillars of our approach to corporate responsibility focus on conducting business with integrity; operating responsible supply chains; working to feed the world; and enriching our communities.

Throughout our history, a strong commitment to ethics has shaped the way we do business at Cargill. We're proud of this legacy and grateful to our employees for always remembering that it's not just what we achieve, but how we achieve it that matters most. On the facing page, you can read more about our seven Guiding Principles, which are ingrained in our culture and serve as the foundation for the behaviors expected from all our employees in all parts of the world.

Our company's stakeholders are demanding greater transparency about where and how the raw materials that Cargill trades and processes are produced, and reassurance that every participant in the supply chain is acting in a responsible and sustainable manner. To respond to these changing expectations – and because it is the right thing to do – Cargill is working to develop standards that our businesses can use to assess and manage the environmental and social impacts of their operations and supply chains. We know we don't have all the answers to the complex environmental, economic and social issues the world faces. But we also realize that because of the scale of our operations, we can be a force for positive change.

Inside our company we also spend a lot of time and energy thinking about how the world grows and distributes its food, since the core of our business is about helping to provide the basic infrastructure of the global food system. We have a responsibility to engage in the discussion about how we can feed a world on its way to 9 billion people, and at the same time protect the environment. We believe Cargill can help contribute to creating a more food-secure world by advocating for policies that let markets work and enable farmers to thrive; expanding access to food, improving nutrition and pursuing partnerships to end hunger; and increasing agricultural productivity and incomes while ensuring responsible land use.

The fourth pillar of our approach to corporate responsibility is how we participate in our communities. Through our businesses, we touch the lives of millions of people – employees, customers, suppliers and neighbors. At Cargill, we bring together our business expertise and the personal involvement of our employees around the world to help strengthen the communities where we live and work. This has always been an important part of our company and the way we do business.

Being a trusted organization is one of the reasons for our success over the past 147 years. Our commitment to corporate responsibility is an important component of that trust. Going forward, we will continue to make demonstrable progress against our goal to operate responsibly in all parts of our business, in all the geographies we touch.

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Gregory R. Page Chairman and Chief Executive Officer Aug. 9, 2012

### Conducting Business with Integrity

For nearly 150 years, conducting business in an ethical way has been central to Cargill. Our company founder William Wallace Cargill believed a reputation for integrity was a key business differentiator. Cargill has earned and maintained a reputation for ethical business conduct ever since. Today, as a diversified global company still grounded in a culture of trust and respect, this remains the standard by which we do business.

### **Guiding Principles**

Adhering to high standards of business conduct has been important to Cargill since our founding in 1865. We are governed by a Code of Conduct, which is grounded by the seven Guiding Principles below.

### +21% We regularly ask our

employees how they feel about their work. From 2009 to 2011, more than 101,000 employees completed surveys measuring their satisfaction with advancement opportunities. relationships with co-workers, total compensation, recognition and work activities. Over the past ten years, Cargill's engagement score has increased 21 percent.

We obey the law Obeying the law is the foundation on which our reputation and Guiding Principles are built. As a global organization privileged to do business all over the world, we have the responsibility to comply with all of the laws that apply to our businesses.

### We conduct our business

with integrity We take pride in conducting our business with integrity. We compete vigorously, but do so fairly and ethically. We do not offer or accept bribes or inappropriate gifts and we comply with the laws and regulations that support fair competition and integrity in the marketplace.

### We keep accurate and

honest records Accurate and honest records are critical to making sound business decisions and maintaining the integrity of our financial reporting. Our business information, in whatever form, must reflect the true nature of our transactions. We honor our business obligations Our business relationships are grounded in mutual trust, and have been throughout Cargill's history. We build and maintain the trust and confidence of our customers and other business partners by communicating honestly, respecting information entrusted to us, and standing behind our commitments.

### We treat people with

dignity and respect We achieve our goals through our people. We provide a safe workplace and value the unique contributions of our global team, enabling those who support Cargill's goals to achieve their own individual potential.

# We protect Cargill's information, assets and

interests We count on one another to act as stewards of the organization. To preserve the value of Cargill, we protect the information and assets entrusted to us and avoid situations that may let personal interests influence our business judgment.

# We are committed to being a responsible global

citizen The breadth of our operations means that Cargill touches almost every aspect of society. With our global reach comes the responsibility to understand and manage our impact. We maintain strict environmental and food safety standards within our operations and share our global knowledge and experience to help meet economic and social challenges.

## Operating Responsible Supply Chains

We are working to tackle the complex economic, environmental and social challenges in our supply chains. We believe a responsible supply chain is one that respects people and human rights; produces safe and wholesome food; treats animals humanely; promotes the best, most responsible agricultural practices; and reduces environmental impact, including protecting the land and conserving scarce resources. Cargill works with business partners, governments, non-governmental organizations (NGOs) and communities to foster sustainable economic development and promote responsible practices.

### Reducing environmental impact In fiscal 2012, we

continued to make progress on our 2015 environmental sustainability goals, which include improving energy efficiency by 5 percent; improving greenhouse gas (GHG) intensity by 5 percent; increasing renewable energy to 12.5 percent of our energy portfolio; and improving freshwater efficiency by 5 percent. During fiscal 2011 and 2012 - the first two years of our current five-year goal cycle - we improved energy efficiency 3.6 percent, GHG intensity 4.9 percent and freshwater efficiency 4.8 percent. Renewables accounted for 13.5 percent of the company's energy portfolio in 2012. In 2011, Cargill participated for the first time in the Carbon **Disclosure Project, earning** a score of 72, above the average score of 52 for all submitters.

#### Investing in renewable

energy In Canada, a wasteto-energy project at our beef processing facility in Alberta will increase to 80 percent the plant's ability to generate energy it uses in production. This publicprivate collaboration to create energy from waste that otherwise would be destined for a landfill is the first of its type in North America and the largest single waste-toenergy project Cargill has undertaken on the continent. The new system will eliminate 21,000 metric tons of fossil fuel emissions annually, in addition to mitigating the facility's electric energy requirements by producing 1.4 megawatts of power. The facility also has an existing methane gas capture that prevents release of this GHG into the atmosphere and uses it as fuel for the plant. In South Korea, a Cargill-funded biogas plant on the island province of Jeju converts livestock manure into energy through a fermentation process that generates methane, which is converted into electricity and sold to the local power grid, generating nearly 700,000 kilowatt-hours of electricity each year.

### Reducing deforestation in the Amazon Since 2004, Cargill and The Nature

Conservancy have worked to protect the Brazilian rainforest and help farmers grow soy more sustainably. The program has already helped 412 farms covering 132,000 hectares (326,200 acres) of land around the Santarém area in the state of Pará comply with conservation laws, helping reduce illegal deforestation. Now, we are extending the initiative to reach farmers in the adjoining state of Mato Grosso, covering an additional 15 million hectares of land (37 million acres) including 2.5 million hectares (6.2 million acres) planted in soy that are most at risk from planned road improvements. We are also are launching a new effort to promote production of sustainable cocoa - native to the Amazon biome - helping to restore deforested lands in Pará, while presenting small-scale farmers with an economically viable alternative to land speculation and cattle ranching.

### Shipping more

sustainably Cargill is collaborating with two NGOs to set a new industry standard on fuel efficiency for chartering vessels. Since June 2012, we have been evaluating each ship's environmental performance as part of our decisionmaking process in chartering vessels using the Existing Vessel Design Index fuel efficiency ratings system, which indicates a ship's GHG emissions and energy efficiency. Cargill carried about 190 million metric tons of commodities on chartered vessels in 2011. Now, some of those charters will be diverted away from the



SUSTAINABLE BEEF As global meat consumption continues to rise, Cargill and other leaders in the beef industry – in collaboration with the World Wildlife Fund – formed the Global Roundtable for Sustainable Beef in 2012 to help reduce the impact of beef production on the environment.

### CORPORATE RESPONSIBILITY IN ACTION

We employ innovative approaches to conserve resources, use renewable raw materials and reduce impacts to help preserve and protect the environment. We promote the best, most responsible agricultural practices, including working closely with farmers to increase yields sustainably and treat animals humanely.

We are committed to safeguarding the wholesomeness and integrity of the food we produce and sell.

We respect people and human rights by treating our employees with dignity and respect and providing safe, secure and healthy work environments.

lowest-rated vessels to ships operating more sustainably. We also participate in the Sustainable Shipping Initiative, working together with other companies and NGOs to develop a more sustainable shipping industry.

### Training cocoa smallholders to farm sustainably As part of the Cargill Sustainable Cocoa

Program, we are expanding our work to secure the sustainability of cocoa production and improve the livelihoods of cocoa farming communities in Côte d'Ivoire, Cameroon, Ghana, Vietnam, India and Brazil. Farmers we trained in Côte d'Ivoire are benefiting from an average income improvement of nearly 30 percent as a result of a better quality crop and higher yields. During the four-year Farmer Field School program, farmers learn about safety and good agricultural practices, including postharvest activities such as pruning, plantation renewal and cocoa fermentation methods. The field schools help cooperatives and farmers become UTZ and Rainforest Alliance Certified, providing assurance that their cocoa is produced in a responsible way. In 2011, we expanded the training



In Vietnam, where we have trained more than 12,000 cocoa farmers, Cargill collaborated with governments, other cocoa industry leaders and NGOs to establish a Cocoa Project Management Unit (PMU) in March 2012. The Cocoa PMU, an official government body of the Vietnamese Ministry of Agriculture and Rural Development, is dedicated to the long-term growth of sustainable cocoa in Vietnam.

program to Cameroon, and in February 2012, we announced a four-year commitment to provide training to 15,000 farmers in Ghana in cooperation with the Ghana Cocoa Board.

### Certifying palm sustainability and raising living standards

By 2015, all the palm oil products Cargill supplies to customers in Europe, the United States, Canada, Australia and New Zealand (excluding palm kernel oil products) will be certified by the Roundtable on Sustainable Palm Oil (RSPO) and/or originated

from smallholder growers. This commitment will be extended across all Cargill's oil and trading businesses to cover 100 percent of the company's palm oil products and customers worldwide - including China and India - by 2020. We have already implemented RSPO principles on our own plantations; 94 percent of the crude palm oil Cargill sourced in 2011 from Indonesia was from palm oil plantations that are RSPO members, and we are working with our suppliers to improve sustainable practices and promote RSPO compliance. Smallholders play a key role in the production of



YIELD INTENSIFICATION In the United States, our AgHorizons business is working with The Nature Conservancy to develop conservation recommendations that complement our efforts to significantly increase corn and soybean yields. The pilot program will measure the sustainability of our Agronomy ProShop® practices, a research effort to develop yield-boosting strategies for farmers.

### Operating Responsible Supply Chains



INNOVATIVE SOLUTION Cargill's ClearLane® enhanced deicer blends salts and organic additives to increase performance while lowering the amount of salt used per application by 30 to 40 percent compared to regular road salt – resulting in reduced impact on watersheds, aquatic life and vegetation. The product received the U.S. Environmental Protection Agency's "Design for the Environment" designation in 2011. sustainable palm oil. After receiving RSPO certification for Cargill's PT Hindoli palm plantation in South Sumatra, Indonesia, we helped 8,800 smallholder farmers around our plantation gain RSPO certification as well - the first in the world to do so. We work directly with farmers to help increase yields, improve incomes and raise standards of living, enabling farmers to move from subsistence farming to owning viable and healthy agricultural businesses. Smallholder communities also have access to the schools, infrastructure and support, such as water treatment facilities and health clinics. we build and fund on our plantations. In June 2011, these smallholders received their first premiums from the sale of RSPO-certified sustainable palm oil from the palm they produced. Now, a group of these farmers has received International Sustainability & Carbon Certification-EU.

#### Providing market access

In Zambia, we train farmers at our Cargill Cotton field schools as part of the **Competitive African Cotton** Initiative and Cotton made in Africa program. By increasing productivity and competitiveness, the program aims to grow the incomes of smallholder farmers in the Eastern province of Zambia by at least 34 percent from 2009 to 2012. The number of Cargill farmers participating has increased to 100,000 in 2012 from 26,300 in 2010. We now manage more than 2,000 demonstration plots to help farmers replicate what they learn in their fields. The initiative focuses on enhancing agricultural practices in order to

increase yields, improve farm management to optimize cotton and food crop production in balanced crop rotation plans, and promote a brand for socially and environmentally sustainable cotton in retail outlets worldwide with the name "Cotton made in Africa." Cargill recognizes the barriers many female farmers face, so we adapted our extension care and training specifically for women. We offer these services through more than 800 Cargill Cotton Women's Clubs reaching more than 16,000 female cotton farmers.

### Treating animals humanely We are

committed to being at the forefront of animal welfare practices. We ensure that the livestock and poultry under our care are raised in an environment that satisfies their physical, nutritional and health requirements, and that they are cared for in a manner that minimizes distress. Cargill is participating in a commercial-scale study of housing alternatives for egg-laying hens in the United States. The Coalition for Sustainable Egg Supply (CSES) study is evaluating the impact of various laying hen housing systems on food safety, the environment, hen health and well-being, worker health and safety, and food affordability. The first research flocks were placed in April 2010; the CSES study is expected to be completed in 2014. In our pork business, we continue to study sow housing options and animal husbandry techniques. Currently, 50 percent of our U.S. hog facilities do not house sows in gestation stalls. As new housing is added or replaced, we are using alternatives to sow gestation stalls. In 2011, employees of our meats business in Canada and the United States further demonstrated our commitment to animal health and welfare through their certification as professional animal handling auditors through the Professional Animal Auditor Certification Organization. To help ensure that our animal welfare standards are met, we use remote video auditing systems at all of our North American beef processing facilities, using a third-party vendor to monitor activities and help ensure compliance and improvement.

# Producing safe and wholesome food At

Cargill, food safety means protecting people and animals - at every step in the supply chain - from illness or injury resulting from handling or consuming Cargill food products. In 2011, we adopted enhanced food safety operating principles that guide our actions and drive our goal to provide high quality, safe food every time, everywhere. This includes close assessment and monitoring of our suppliers and third-party processors. After Cargill initiated two voluntary recalls and suspended production of ground turkey at its Springdale, Arkansas, facility in 2011, we conducted a complete reassessment and update of the facility's food safety plan to include new safety measures. We have put in place similar enhancements at all of our U.S. turkey processing facilities. Cargill continues to pursue additional sciencebased tools to reinforce our food safety program, such

as high-pressure processing and new vaccines for animals to combat naturally occurring pathogens. We collaborate with university researchers, companies and government bodies to accelerate the development of new technologies that have shown significant promise. For example, we are working with the U.S. Department of Agriculture (USDA), the University of Georgia and a private company to adapt a system for use in detecting pathogens in animals that can lead to food-borne illness. This technology has the potential to be the first real-time pathogen detection system put to practical use. We also are working with the USDA and another company to perfect, validate and achieve regulatory approval for a live microbial culture treatment for poultry. Preliminary trials indicate this product could significantly reduce salmonella in poultry. We also share our food safety expertise with customers and governments around the world. In China, where

food safety is a top-of-mind concern, Cargill has been working since 2008 in a public-private partnership to advance food safety; more than 60 program participants from government, industry and academia have traveled to Europe and the United States to learn about food safety standards and procedures.

### Creating a safe

workplace We treat our employees with dignity and respect and strive to provide a safe, secure and healthy workplace at Cargill facilities around the world. Cargill is making strong progress toward reaching our 2015 workplace safety goals, which include achieving zero fatalities, zero injuries at 75 percent of our more than 1,200 operating locations globally and a Reportable Injury Frequency Rate (RIFR) of 2.0 - indicating the number of injuries per 200,000 hours worked. In fiscal 2012, Cargill's RIFR was 2.1 - a 22 percent improvement over fiscal 2011 and our best RIFR



In Brazil, Cargill buys electricity produced from renewable resources, resulting in lower energy costs and improved environmental sustainability. Hydropower supplies electricity for soybean crushing, tomato processing and other plants. By 2013, we also expect to be using some wind power. Cargill Brazil formed an independent trading company that supplies green and conventional energy to Cargill plants and trades it on behalf of customers, allowing us to directly access the wholesale market and efficiently aggregate power purchases in Brazil. ever. More than 70 percent of our locations worked injuryfree in fiscal 2012. We also launched a new campaign called Focus on LIFE (Lifealtering Injury and Fatality Elimination) that addresses factors leading to serious injuries and work-related fatalities. The foundation for this work is based upon research Cargill sponsored and participated in along with six other multinational companies.

## Respecting people and human rights Cargill is

committed to the respect and protection of human rights, the elimination of discrimination in employment and occupation and promotion of equal rights – both within our own operations and across our supply chains. In our sugar business, for example, Cargill follows strict criteria to ensure the company does not engage commercially with mills that do not obey labor and environmental laws. As a founding member of Bonsucro, a global nonprofit that reduces the impacts of sugar cane production, we support its certification standard, including legal compliance, environmental implications and human rights. As part of the global chocolate and cocoa industry, we are working with the governments of Côte d'Ivoire and Ghana, NGOs and other international groups, including the International Cocoa Initiative and the International Labour Organization, to protect children from abusive and dangerous work on farms and bring about sustainable change to the way cocoa is grown and harvested in West Africa.

# 5,000

In Germany, we used advanced technology such as ultra-filtration and reverse osmosis to build a comprehensive water-treatment system at one of our plants, allowing most of the water to be collected, purified to drinking water quality and recycled for use in steam boilers, cooling towers and in the barley steeping process. The new system also helped eliminate 5,000 metric tons of sludge annually.

### Working to Feed the World

Food security exists when all people have access to safe, nutritious and affordable food that provides the foundation for an active and healthy life. Cargill businesses contribute to food security by providing consumers with nutritious food that helps improve diets. Each year, we work with millions of farmers to help them raise more food more sustainably, reach more markets, receive fair pricing and improve their standards of living. We also collaborate with partners in the public and private sectors to find long-term solutions to hunger and ensure all people have access to safe, nutritious and affordable food. Over the last five years, Cargill has contributed more than \$55 million to reduce hunger and improve nutrition around the world through partnerships with a diverse group of global, national and local organizations.

### Moving food to areas of



BOOSTING PRODUCTION We provide knowledge and tools to help farmers improve the productivity and health of their animals, benefiting 25,000 dairy, poultry and aqua farmers across the southern and western regions of India. need The world currently produces enough calories to feed everyone everywhere they just don't get distributed in a way that alleviates hunger. Cargill moves food from areas of surplus to areas of deficit to improve food security. For example, after frost damaged a major portion of the white corn crop in Mexico in 2011, Cargill visited farmers to estimate crop damage, then found ways to supplement the local crop with white corn from other markets, including South Africa and the United States. We imported yellow corn for use as animal feed, freeing up white corn to be used in making tortillas, a staple of the Mexican diet. In India, where demand for pulses and lentils exceeds local supply, Cargill developed new supply chains to source these proteins from Canada, Australia and the Black Sea region, providing opportunities for farmers and food for consumers.

### Using unique capabilities to supply emergency food aid

In times of crisis, we donate food, provide funding and

assist with distribution. Cargill's donation of 10,000 metric tons (more than 22 million pounds) of rice helped support the World Food Program (WFP) USA's efforts to fight hunger and malnutrition in the Horn of Africa. The donation underscores Cargill's unique business capabilities and the challenge of global food security. Cargill sourced the rice and managed the ocean transportation and logistics. The rice helped feed nearly 1 million people for one month. In Mexico, we responded to hunger and malnutrition among the Tarahumara people living in remote areas of the Sierra highlands region of Chihuahua by donating white corn, sugar and edible oil to feed hundreds of families suffering from severe drought and unusually cold weather conditions in early 2012.

#### Investing in agriculture

We invest in agricultural research, development and infrastructure to help increase global food production. Cargill is conducting research on the variables that affect corn yields in order to help farmers harvest more corn from the same acreage. Working on test plots across the U.S. Midwest, we developed a program to identify the best combination of crop inputs and agronomic practices. The result has been average yield increases of 20 percent. Now, we are expanding this research to soybeans. In fiscal 2012, Cargill invested more than \$3.7 billion in assets and facilities that create new capabilities and more capacity to better feed the world. For example, we are rebuilding our West Fargo canola and sunflower oil processing plant in North Dakota, United States, to increase production. In July 2012, we completed a \$25 million modernization of our Hales Point grain elevator in Tennessee, United States, increasing storage and unloading speed and tripling the elevator's grain handling capacity.

### Helping farmers improve productivity We

help smallholder farmers by providing training in agricultural best practices and access to inputs, credit, storage and technology to increase their productivity

#### CORPORATE RESPONSIBILITY IN ACTION

We are committed to helping feed the world's growing population while at the same time protecting the planet – supporting Cargill's vision to be the global leader in nourishing people. We help farmers increase agricultural productivity and incomes while ensuring responsible land use. We develop more efficient methods of moving food from areas of surplus to areas of deficit. We expand access to food, improve nutrition and pursue partnerships to end hunger in collaboration with the public, private and nonprofit sectors around the world.

We advocate for policies that promote trust-based open trade, efficient local markets, safety nets for producers and consumers, and removal of obstacles to agricultural investment.

in a sustainable way, which raises their own living standards and produces surpluses to help nourish others. Across China. more than 3.18 million farmers have participated in Cargill's productivity-enhancing programs on animal nutrition, sanitation, genetics and farm management. Cargill conducts more than 20 training sessions per day to help farmers improve efficiency and raise more food safely and sustainably. In Mexico, where corn is one of the most important crops, the country imports 10 million tons per year to meet local demand. In the state of Yucatán, we are helping more than 300 farmers of white corn become entrepreneurs. We expect to significantly increase yields and hope to triple farmer incomes, while providing food for the community.

### **Supporting African**

agriculture Cargill has joined other companies in pledging support for initiatives to improve agriculture in Africa as a means to ensure global food security in the decades to come. The initiatives include a partnership to support smallholder farmers, improve domestic grain production and more than \$1 million for vocational agriculture



In Egypt, Cargill is collaborating with CARE to introduce soybeans as a new crop. The three-year project focuses on increasing crop yields and improving market access to generate higher profits for farmers, while conserving water and restoring soil fertility.

education in Mozambique; the Competitive African Cotton Initiative, a three-year program that will improve the livelihoods of 450,000 smallholder cotton farmers and their 2.7 million family members in Benin, Burkina Faso, Côte d'Ivoire, Malawi, Mozambique and Zambia; and the Cocoa Livelihoods Program in West Africa, which trains 35,000 cocoa farmers and increases farmers' access to financial services.

#### Increasing yields In

Canada, Cargill AgHorizons helps farmers maximize yields by optimizing inputs. In 2012, we introduced FieldSense<sup>™</sup>, a program that analyzes field characteristics, such as organic matter and moisture, to create fertility plans, so farmers apply crop nutrition with extreme precision to increase productivity. We expect to expand the program to 200,000 acres by 2014 (80,900 hectares). In Thailand, Cargill's Farmers Academy has trained more than 3,500 tapioca farmers in planting practices to help them increase yields on more than 4,800 hectares (11,860 acres). Another 100 Thai

60% In China, where agricultural irrigation water accounts for more than 60 percent of the country's annual water consumption, Cargill is working in cooperation with the government to improve farm irrigation in rural areas to conserve water, increase crop yields and, as a result, farmer incomes. The project helps farmers in Henan, Sichuan and Xinjiang provinces, which have been hit by drought.

### Working to Feed the World



PROVIDING 1 MILLION MEALS Partnering with the nonprofit Kids Against Hunger, Cargill provided 1 million meals for children and their families facing significant food security challenges in Guatemala, Honduras and Nicaragua. Cargill employees packaged meals, which are carefully formulated to be nutritionally complete, simple to prepare and easily digestible for undernourished children. tapioca farmers have visited our three demonstration farms, where we increased root production by more than 70 percent during 2011 and 2012. Through continued research, we hope to double yields again on our demonstration farms within the next three years; we also have plans to add three more demonstration farms and expand our geographic reach.

### Encouraging crop

diversification As part of the Southern Africa Soy Value Chain Development Program, Cargill is working with TechnoServe to build capacity for crop diversification. The program will reach a minimum of 5,000 smallholder farmers over three years, helping raise farmer incomes by expanding soy production. We also are working with TechnoServe to co-develop a soy quality criteria in line with the Zambia Agricultural **Commodities Exchange** specifications. Through our global partnership with TechnoServe, Cargill has provided more than \$1.5 million, as well as technical volunteer support for projects that help entrepreneurial people in poor areas of the developing world build businesses and create income and opportunities for their families.

## Promoting responsible agricultural practices

We help farmers around the world to use more sustainable agricultural management practices. In northeastern China, corn yields are not reaching their full potential and input inefficiencies are high, resulting in excess water use, runoff and water quality problems, as well as GHG emissions. To improve corn production, mitigate environmental impacts and improve food security, Cargill is partnering with the World Wildlife Fund (WWF) and one of our customers to train 25.000 corn farmers by the end of 2014. We are establishing demonstration farms to highlight sustainable agricultural practices - from planting, tilling and harvesting to storage and selling. Our goal is to improve yields by 20 percent, reduce waste by 10 to 15 percent, conserve water and reduce overall environmental impact, including carbon footprint reductions from fertilizer optimization. Ten demonstration farms are underway in northeast China's Jilin Province, located in the Amur-Heilong River Basin, a WWF priority ecoregion that is home to many endangered animal species.

### Advancing agricultural education We focus

on raising more food sustainably - helping to feed the world, while protecting the planet. Cargill and the Institut Pertanian Bogor are collaborating to build Indonesia's first palm oil teaching farm. Located in the Jonggol sub-district of Bogor, the teaching farm will train students in plantation production and sustainable agricultural management techniques. The partnership will prepare the next generation of industry experts to help advance palm oil sustainability standards. Announced in July 2012, the farm will also conduct research in the plantation sector and serve as a reference to other palm oil companies in the application for Roundtable

on Sustainable Palm Oil and Indonesia Sustainable Palm Oil certification. The first palm seedlings will be planted at the farm in October 2012.

### **Providing financing**

Farmers need access to pre-planting financing, so they can purchase seeds and plant their crops with the fertilization necessary for a successful harvest. The pre-planting assistance Cargill provides to cotton farmers in sub-Saharan Africa and to grain and oilseeds farmers in Eastern Europe helps them maximize the vields and quality of their crops, which increases their incomes, leading to greater food security and further investment. Cargill financing has helped 94,000 smallholder farmers in Zambia, nearly 29,000 smallholder farmers in Zimbabwe and 1,200 farmers in Romania and Hungary.

### Partnering with food processors Partners in Food Solutions (PFS) links

the expertise of corporate volunteers with food processors in the developing world. Cargill employees join peers from General Mills and Royal DSM in contributing technical and business support to food processors in Africa. PFS assists small and medium-sized processors of foods - such as corn, soy, peanut butter, rice and honey - to become more efficient producers of high quality, nutritious and safe foods, while increasing demand for the crops of smallholder farmers who supply those businesses. PFS is currently working with 35 food processors in Tanzania, Zambia, Malawi and Kenya, impacting nearly 103.000 smallholder farmers.

who support more than 500,000 family members. The processors supply food to millions of consumers across Africa, including food aid recipients and retail customers.

### **Improving nutrition**

Today, almost 1 billion people around the world go without sufficient food. In India, Cargill and the World Food Programme (WFP) are working together with the Indian government to improve food security and nutrition in the state of Madhya Pradesh, which has one of India's highest concentrations of hunger and malnutrition. The project provides health and nutrition training, promotes safe drinking water and sanitation and helps create household kitchen gardens to improve nutritional quality and provide income. Cargill has contributed \$14 million since 2001 to support WFP projects. We also support the fortification of flour with vitamins and minerals to reduce illness. prevent birth defects and improve health. Cargill has donated nearly \$1 million to the Flour Fortification Initiative to promote micronutrient fortification of flour around the world. Global acceptance of fortified flour is growing – the initiative has increased global wheat flour fortification to 30 percent from 18 percent and now reaches more than 2 billion people across 74 countries that mandate flour fortification.

### Nourishing children In

Central America, Cargill provides protein-rich food for schools; our employees prepare and serve some of these nutritious lunches, which have helped boost school attendance in areas where families struggle with undernourishment. Enrollment has more than doubled thanks to the meals and classroom improvements led by CARE. In Mexico, where more than 20 million children suffer from inadequate nutrition, we built a dining room in the impoverished Chalco Valley area of Mexico City. The facility, which opened in July 2012 and is the 13th operated by the nonprofit Fundación Comedor Santa María, serves two meals daily to 200 children.

#### **Funding food banks**

Cargill provides food and funding to food banks around the world. In Ukraine,



In Canada, we support Breakfast for Learning, a nonprofit that provides nutritious food for more than 259,000 students at 2,384 school-based programs. Our employees help prepare and serve breakfast to the children.

a food bank based in Kiev - the first of its kind in the country - and our employee volunteers helped with startup activities. During its first six months, the food bank collected and redistributed 101,880 kilograms of food to more than 265.000 people. In the United States, Cargill supports Feeding America with volunteers, product donations and \$7 million since 1986. We also provide food safety training and support its food sourcing program, which secured more than 3 billion pounds of food in 2011. As a founding member of Global FoodBanking Network, Cargill has provided more than \$1.4 million to support the establishment of new food bank networks in India. Mexico, Turkey, Romania and South Africa, as well as helping expand food banks in Poland, Hungary, Canada and Argentina, resulting in the acquisition and distribution of millions of pounds of food that was previously going to waste.

Cargill provides funding for

# Advocating for policies that increase food

security Cargill advocates for policies and supports programs that improve risk management and safety nets for producers and consumers, including combating volatility in food prices. We also contribute to research efforts that help inform and shape policy. Cargill has contributed \$5 million over 10 years to support the Stanford Center on Food Security and the Environment, including research on oil palm and land use issues in Indonesia, aquaculture feeds in China, and assessments of biofuels

around the world.



EXPANDING CAPACITY In Spain, our donation to Fundació Banc dels Aliments in Barcelona is helping expand the capacity of the food bank to accept, store and transport fresh and frozen food. As a result, the food bank is increasing the amount and diversity of food products offered through its 308 food distribution centers, reaching nearly 104,000 people. We also provide product donations and volunteer support.

# Enriching our Communities

Cargill helps build vibrant and stable communities where we live and work by supporting programs that provide long-term solutions to community issues, engage our employees and leverage their expertise, and offer opportunities to collaborate with others. We contribute 2 percent of our global consolidated pre-tax earnings, based on a three-year trailing average, to programs that improve nutrition and health, education, and environmental stewardship. Cargill's charitable giving reached \$69.9 million across 57 countries in fiscal 2012. Together, our employees, businesses and community partners make positive, measurable improvements in our communities.



DONATING FLOUR In 2012, we worked with our customer, a large supermarket retailer, to provide 10 truckloads of flour to Feeding America food banks. More than 180,000 two-pound bags of flour were shipped to food banks in six U.S. states. Fighting poverty We help people raise their standards of living through better education, training and opportunities. Our five-year, \$10 million partnership with CARE is on target to achieve our goal of helping 100,000 people lift themselves out of poverty by 2013 in Brazil, Côte d'Ivoire, Egypt, Ghana, Guatemala, Honduras, India and Nicaragua. In Ghana, we work with 110 cocoaproducing communities to raise farm families' incomes, while keeping children in school and out of the fields. We also support new village savings and loan associations, helping communities mobilize funds to improve off-farm income-generation activities, such as small shops and marketable trades. In India, we are working with CARE to address root causes of poverty by strengthening 9,000 farmers' livelihoods through training, new technology and market access, while increasing women's economic opportunities through business self-help groups and training. In Central America, we provide supplies for farmers and training in administration and marketing to non-agricultural families,

as well as establish rural

banks and community revolving funds to provide credit for agricultural, commerce and home improvement projects.

### Improving access to nutritious food We work with partners to improve nutrition. Since 2004, we have funded the installation of vegetable gardens at nearly 100 elementary schools in seven cities in Brazil through the "de grão em grão" -Grain by Grain - program. The program has reached 390,000 children, 12,300 teachers, 3,770 school cooks and produced more than 750 tons of nutritious food used in school lunches. In Nicaragua, Cargill employees packed 28,000 meals for the Father Fabretto Children's Foundation, which delivers meals to two public primary schools serving 460 children near Cargill's poultry farms. In Honduras, Guatemala and Nicaragua, we partner with World Soy Foundation and CARE to promote soybeans as part of good nutrition, including teaching people to prepare meals from proteinrich soybean products.

Increasing availability of food Cargill and our employees support food banks around the world. In India, we worked with the Global FoodBanking Network and Aidmatrix Foundation to establish the India Food Banking Network (IFBN) and the first food bank, which opened in June 2012 in partnership with the Government of Delhi. IFBN plans to open at least one food bank in every Indian district by 2020. In Argentina, we use our experience in transportation and logistics to help 17 major food banks distribute food more effectively to reach more beneficiaries.

### **Constructing kitchens**

We help create kitchens where safe food can be prepared and served. In Central America, Cargill and CARE built kitchens and enhanced storage in 31 schools reaching more than 8,000 children. The kitchen storage rooms help ensure food safety and provide space to prepare meals and allow parents and teachers to participate in food safety and nutrition talks. In Indonesia, our PT Hindoli palm plantation employees in Sumatra built a new kitchen, dining facility and dormitory for the nearby At-Taqwa Orphanage, replacing dilapidated buildings that had inadequate toilets and

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#### CORPORATE RESPONSIBILITY IN ACTION

We support solutions to end hunger, increase access to health education in developing and emerging countries, and improve youth nutrition and wellness. We contribute to programs that improve access to education for underprivileged children and provide training and schooling in science, technology, engineering and math. We support projects that promote sustainable agricultural practices, provide environmental conservation education, and protect and improve accessibility to water.

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We participate in our communities. Our employees contribute thousands of volunteer hours and make charitable donations that have a significant local impact.

offered little protection from the elements. In Argentina, we donated equipment and materials to create a bakery for Estación Misionera Maria Madre de la Esperanza, a charity near one of our flour mills. Cargill employees offered workshops, teaching the mainly unemployed beneficiaries to bake bread for the charity while learning a new job skill and providing charity workers more time to receive food donations.

#### Supplying clean, safe

water We help improve access to safe drinking water. In Indonesia, we built a pipe and water tank network from a Cargill-constructed water treatment plant to the village of Desa Sentosa. The villagers now have access to piped, clean water for the first time in their lives. In Russia, we help provide safe drinking water to the village of Krugliki, near Cargill's facility in Efremov. Cargill funded geological testing, deep drilling, tests and piping so village residents, most of them local farmers, will no longer need to carry water in buckets from delivery trucks.

#### **Expanding schools**

We help increase students' access to education. In Uttar Pradesh, India, we expanded the Pardada Pardadi Girls Education and Vocational



In Vietnam, we have built 56 Cargill Cares schools serving more than 12,000 children – the most recent is the Nga Dien Kindergarten in the Thanh Hóa Province, which opened in May 2012. Access to education is essential in this growing country with a high population of young people. By 2015, we aim to build 75 schools reaching 17,000 children. School to accommodate more students - now 1,100 - including building several new classrooms, a computer laboratory, an English teaching center and sanitation facilities, along with a bus to transport the girls to school. Our employees also helped purchase bicycles and winter uniforms for students. In Gurgaon, India, we fund all school expenses and have improved buildings at the Pragati Vatika school that serves more than 300 children of daily wage laborers; our employees volunteer there as teachers and mentors. In Central America, our employees have constructed 49 classrooms, while our work with CARE helps ensure nearly 10,000 students in some of the poorest communities have access to education. In Argentina, we built an incubation and hatching room within the poultry production process facility at Fortín Olavarría Agro-technical High School No. 1, located near a Cargill grain elevator, to expand education options for students while increasing production of food that is consumed at the school and donated to neighbors in need. In China, we continue to provide funding for the China Children and



KEEPING KIDS IN SCHOOL Cargill and CARE have helped nearly 35,000 children – at risk of becoming child laborers – to graduate from primary school. We are working with CARE to improve educational opportunities for children in Honduras, Guatemala, Nicaragua, Ghana, Côte d'Ivoire and India.

### Enriching our Communities



PROTECTING WETLANDS Cargill supports the efforts of U.K.-based nonprofit Wildfowl & Wetlands Trust, including its Inspiring Generations education project to bring students from underprivileged schools outdoors to experience nature and see science in action. Funding from Cargill helps 2,000 local children to participate. Teenager's Fund, which creates rural schools and supports the education of 14,000 children. In 2011, we subsidized training for 40 teachers.

### Investing in education

We invest in science, technology, engineering and math (STEM) education to ensure students are prepared to meet the demands of tomorrow's work environment. In the United States, we partner with organizations, such as Project Lead the Way and Engineering is Elementary, to help educate the next generation of American scientists and engineers - reaching more than 100 schools and more than 15,000 students. In 2011, we also increased our support for the Minneapolis Public Schools with a three-year commitment to expand STEM education and enhance college preparedness, building on more than 10 years and \$18 million in support for this urban school district that serves 32,000 students in Minnesota, United States. In the United Kingdom, we provided funding to enhance mathematical, chemistry, technology and robotics facilities and programs at local schools. In Italy, our employees designed and led an after-school program to teach students about environmental issues, food safety and health and safety practices. In India, we support CARE's work to improve learning outcomes for more than 40,000 children - projects are now underway in 122 primary schools in the state of Gujarat; already, there is more than a 30-percent improvement in the learning

level achievement of children in language and math.

### Bridging the digital divide We support

communities by donating computers and books to advance learning opportunities. In Zambia, we are working with Computer Aid International

to provide computers for the Kampamule Basic School in the Katete district using a Zubabox solarpowered container that provides internet access via satellite. We also provide technology support, including computers and overhead projectors, to schools in two small communities in the Netherlands. In Egypt, we support El Maawa, a shelter that offers breakfast, classes and activities for boys living on the streets of Cairo. Cargill employees donated four computers and volunteer at the shelter, where the boys learn to make crafts, which the shelter markets for them. In Indonesia, we created a mobile library at our Harapan Sawit Lestari palm oil plantation in Kalimantan, which promotes reading and serves as a mobile speaking platform for other initiatives, such as healthcare awareness campaigns.

### Advancing learning for

older students We develop partnerships with higher education institutions that provide access to the best people and ideas relevant to the worlds we serve: agriculture, food and risk management. We contribute to environmental research and applied agricultural learning. In Honduras, we support Zamorano University, a leading agriculture school serving 1,100 students. Cargill helped fund reconstruction of the school's meat processing facility to create a modern, state-of-the-art teaching space. We also fund scholarships, and our employees provide technical support to the school.

### Protecting marine environments and supporting seafarers

To raise awareness of marine conservation issues, Cargill partners with the Antinea Foundation, which conducts scientific research to better understand the marine environment and its ecosystems. We sponsor part of the Antinea Foundation's 10-year sea expedition to 100 of the most important marine eco-regions in the world. The expedition includes research in medicine, biodiversity, ecology, climatology and underwater archaeology. Research results will provide Cargill's ocean transportation business with insights into the environmental impact of shipping on the world's oceans. We also support the Sailor's Society, which provides services to merchant seafarers around the world. Our employees participate in Sailor's Society activities to raise funds for seafarers and their families. including the Three Peaks Challenge, in which 10 teams from Cargill scaled the three highest peaks in the United Kingdom.

Preserving rivers We partner with organizations that are leaders in protecting natural resources. In the United States, Cargill supports Living Lands & Waters (LL&W), a nonprofit that helps restore rivers and educates people about environmental issues, including providing funding for a floating classroom that brings students to rivers to learn about waterways. The floating classroom is a 150foot barge that can host up to 60 students who learn about the current river environment and role of navigation on the river. Cargill employees also volunteer for LL&W river cleanups and tree planting projects in the communities along major rivers where Cargill has operations. In Hungary, we are working with World Wildlife Fund (WWF) to restore Szabadság Island on the Danube River and upgrade the water management system, improving water quality for more than 20 million people who obtain drinking water from the river. WWF is leading extensive conservation work to encourage the regeneration of native habitat on the island, located near a Cargill port facility.

### Supporting food banks

Cargill employees donate time and funds to local food banks. In Alberta, Canada, when our employees discovered that a food bank

could not accept perishable donations, they raised funds to install industrial refrigeration units, so the food bank can provide more balanced nutrition. We support 12 food-banking partnerships across Europe, including Le Caré, a food bank in Switzerland that also offers basic health services. Cargill employees help serve warm meals and prepare food, reaching thousands of people in need. In France, our contributions to the Fédération Française des **Banques Alimentaires have** funded the purchase of equipment and warehouse space, helping expand distribution of food throughout the network, which serves 740,000 people. In Germany, our employees volunteer at the Krefeld Foodbank's five sites - serving about 3,500 beneficiaries - where Cargill sponsors 80 warm meals per week. We also purchased new kitchen equipment to replace items that had become a safety hazard. Funding from Cargill also



In 2012, Cargill donated 100,000 books to help promote literacy at 27 primary and secondary schools needing educational resources in the Tema region of Ghana. The books, most of which are textbooks chosen to support the local schools' curriculums, were collected, sorted and shipped through the nonprofit Books for Africa. Cargill employees helped distribute books to some of the schools. We also sponsored a new Law and Democracy library at the University of Ghana, including donating 9,500 legal texts. supports Krefeld Foodbank's delivery of milk and cocoa drinks to over 900 needy schoolchildren.

### Building healthy communities Our

employees support programs that create healthier communities. In Argentina, Cargill partners with nonprofit Responde to support five rural towns - benefiting 1,845 people – by helping them achieve self-sufficiency and good nutrition through local food production and improved market access. Located near Cargill sites, the towns lack jobs and are losing population as demand for agricultural production workers declines. We sponsored more than 150 workshops focused on health, nutrition, motivation and technical advice. Residents now sell 70 products and services online. In the United Kingdom, we support the Loaves & Fishes shelter for homeless and vulnerable people that provides meals and shower facilities, mental health services, and drug and alcohol support. Our employees also created a vegetable garden, which the center uses to serve more nutritious meals.

### **Recycling materials**

In Poland, our employees actively support environmental stewardship initiatives, including encouraging employees and residents around our facility in Wroclaw to recycle electronic goods. They also work with an ecologist to present eco-lectures at local schools to increase environmental awareness.



**RESTORING THE ENVIRONMENT** More than 8,000 Cargill employees participated in Earth Day and World Environment Day events at more than 350 locations around the world focusing on environmental restoration and clean-up, education and recycling. In Malaysia, employees helped rehabilitate a mangrove forest and coastal mangrove swamps along Sungai Sepang Kecil, including planting 100 mangrove saplings, gathering mangrove seeds for future planting and collecting debris.

### **Key Global Corporate Responsibility Partners**

### CARE

Cargill and CARE, a leading humanitarian organization fighting global poverty, have partnered for more than 15 years to combat poverty. Our five-year, \$10 million rural development initiative is on target to reach its goal of helping 100,000 people in eight nations lift themselves out of poverty by 2013 by providing training and market access for farmers, education and nutrition support for children, and access to social services for communities.

#### **Feeding America**

Cargill's 25-year partnership with Feeding America, the United States' leading domestic hunger-relief charity, helps supply food to more than 37 million Americans each year. Cargill supports Feeding America's food safety program and its national produce program, which makes millions of pounds of produce available to people in need.

#### **Global FoodBanking Network**

The Global FoodBanking Network (GFN) helps alleviate world hunger by supporting food banks and their networks. Cargill is a founding member of GFN; since 2006 we have provided more than \$1.4 million to help establish new food bank networks in India, Mexico, Turkey, Romania and South Africa, as well as helping expand food banks in Poland, Hungary, Canada and Argentina.

#### **TechnoServe**

TechnoServe helps entrepreneurial people in poor areas of the developing world build businesses and create income and opportunities for their families. Through this partnership dating back to 2000, Cargill has provided more than \$1.5 million as well as technical volunteer support.

#### The Nature Conservancy

The Nature Conservancy seeks to strike a balance between economic opportunities and conservation of natural resources. It is a philosophy Cargill shares and has led to partnerships to help Brazilian farmers grow more sustainable soybeans, assist U.S. farmers in implementing conservation practices along the Mississippi and Missouri Rivers, and enhance environmental protection in China.

#### **World Food Programme**

Cargill and the World Food Programme (WFP) have partnered for more than 10 years to improve nutrition, health and educational opportunities for children in Central America, Africa and Asia. In our most current effort, Cargill donated a shipload of rice to WFP USA to fight hunger in the Horn of Africa. We are also working to improve food security in Madhya Pradesh, India.

#### World Wildlife Fund

Cargill and World Wildlife Fund (WWF) are working together to transform commodity markets and define better management practices in the trade and production of key commodities. Since 2007, Cargill has worked closely with WWF to support the organization's work with degraded land research, yield intensification studies, third-party supplier due diligence in palm oil in Indonesia, and sustainable agriculture and water practices in China.



**Cargill was recognized for its support of Big Brothers Big Sisters** of America's Hispanic Mentoring program, which works to attain positive educational outcomes for youth in Latino communities.

25 million With its vitamin-fortified cooking oil, Cargill helps address vitamin deficiency in India by reaching 25 million people per month.

The U.S. Agency for International Development (USAID) presented Cargill with its Partnership Award for our role in advancing food security in the developing world.

2015, Cargill will celebrate its 150th anniversary as a privately held company.

The China Children's Charity Award was presented to Cargill for its contribution to promoting rural education in China through the China Children and Teenagers' Fund.

In North America, four of our corn milling facilities have earned the U.S. Environmental Protection Agency's ENERGY STAR, the national symbol for protecting the environment through energy efficiency.

**Cargill's palm plantation in South Sumatra** received the Platinum Indonesia CSR Award for its smallholder farmer program that has improved living standards.

**12,770** (5,792.5 kilograms).

Cargill supplied the chocolate for the world's largest chocolate bar, weighing 12,770 pounds

**104** When completed, Cargill's grain facility in McLennan, Alberta, Canada will be able to load 104 rail cars in less than 12 hours, making it one of the most efficient grain terminals in northern Alberta.



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