

Particulars

Organisation Name	Cargill Incorporated		
Corporate Website Address	http://www.cargill.com		
Primary Activity or Product	Oil Palm Growers, Processor and/or Trader		
Related Company(ies)	Company	Primary Activity	RSPO Member
	Cargill Tropical Palm Holdings Pte. Ltd	Oil Palm Growers	
	Cargill BV	Processor and/or Trader	
	Cargill Palm Products Sdn Bhd	Processor and/or Trader	
	Cargill Australia	Processor and/or Trader	
	Cargill International Trading Pte. Ltd, Singapore	Processor and/or Trader	
	Cargill NV, Belgium	Processor and/or Trader	
	Cargill GmbH, Germany	Processor and/or Trader	
	Cargill Cocoa and Chocolate, Netherlands	Processor and/or Trader	
	Cargill India Private Limited	Processor and/or Trader	
	Cargill Grain & Oilseeds Co., Ltd in Yangjiang, Nantong, and Machong China.	Processor and/or Trader	
	Cargill Oil Packers BVBA, Belgium	Processor and/or Trader	
	LLC Cargill, Efremov, Tula region, Russia	Processor and/or Trader	
	Cargill Plc , Notts, United Kingdom	Manufacturer	

Country Operations	Australia, Belgium, Brazil, Germany, India, Indonesia, Malaysia, Netherlands, Russian Federation, Singapore, United Kingdom, USA
Membership Number	2-0215-11-000-00
Membership Type	Ordinary Members
Membership Category	Palm Oil Processors and Traders
Primary Contacts	Mr. Mark Murphy Address: Cargill Office Center, PO Box 9300, Minneapolis, MN 55440-9300, Minneapolis United States
Person Reporting	chandramohan dharmapalan

Related Information

Other information on palm oil:

Cargill is committed to sustainable palm oil production, sourcing and usage. In July 2011, we announced our commitment that our supply of palm oil products to our customers in Europe, United States, Canada, Australia and New Zealand will be RSPO certified and/or originated from smallholder growers by 2015 (this excludes palm kernel oil products). This commitment will be extended across all Cargill's oil and trading businesses to cover 100% of its palm oil products and all customers worldwide by 2020

For more on Cargill's sustainable palm oil production practices, please visit [Click here to visit the URL](#)

Reporting Period	01 June 2012 - 31 May 2013
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Oil Palm Growers

Operational Profile

1. Main activities as a palm oil grower

- Palm oil grower & miller

Operations and Certification Progress

2. Total landbank available

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2.1. Total landbank licensed

54483

2.2. Total landbank for oil palm cultivation

41626

2.3. Total landbank for conservation

4482

3. About your estate operations

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3.1. Total area of estate plantations - planted

41410

3.2. Mature area

35665

3.3. Imature area

5745

3.4. Area certified

18242

3.5. Number of estates/Management Units

15

3.6. Number of estates/Management Units certified

5

4. In which countries are your estates?

4.1. Indonesia

- Kalimantan Barat
- Sumatera Selatan

4.2. Malaysia

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4.3. Other

5. Schemed smallholder operations that supply your organisation

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5.1. Area of scheme smallholder plantations - planted

27310

5.2. Area of scheme smallholder plantations that are certified

18513

6. New plantings and developments

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6.1. Area planted in this reporting period

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6.2. Have New Planting Procedures notifications been submitted to the RSPO for the plantings this year?

Yes

7. Third party Fresh Fruit Bunches sourcing

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7.1. Tonnes of outside FFB purchased from sources that are not company, scheme smallholders or contracted outgrowers

4228

7.2. How much of this is certified?

243

8. Fresh Fruit Bunches processing operations

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8.1. Number of Palm Oil Mills operated

5

8.2. Number of Palm Oil Mills certified

2

8.3. Number of Palm Kernel crushers and/or Palm Kernel mills operated

1

8.4. Number of Palm Kernel crushers and/or Palm Kernel mills certified

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9. Total Fresh Fruit Bunches processing production capacity

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9.1. Total annual Crude Palm Oil production capacity

323992

9.2. Total annual Palm Kernel production capacity

78231

9.3. Total annual Palm Kernel Oil production capacity

14517

9.4. Total annual Certified Crude Palm Oil production capacity

142274

9.5. Total annual Certified Palm Kernel production capacity

39800

9.6. Total annual Certified Palm Kernel Oil production capacity

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9.7. Total annual FFB production capacity

598814

Marketing**10 Which supply chain options do you sell RSPO-certified palm oil products through?**

- Book & Claim
- Mass Balance
- Segregated

Time-Bound Plan**11 Date of first RSPO estate certification (planned or achieved)**

2009

12 Time-bound plan - Year expected to achieve 100% RSPO certification of estates

2015

13 What are your interim milestones towards achieving RSPO certification commitment (year and progressive CSPO%)

- South Sumatra : completed
- West Kalimantan:
 - a. PT Harapan Sawit lestari has completed RSPO certification Audit in April 2013. The scope of certification covers 2 Palm Oil Mills and all estate supply base, both Inti and Smallholder KKPA scheme.
 - b. Corrective actions identified for all NCs from this audit, public summary report is in progress and RSPO certificate is expected to be awarded by December 2013. Upon certification based on this audit, all volumes of CPO, PK and PKO produced by PT Harapan Sawit Lestari will be certified.
 - c. ISCC certificate has been awarded to PT Harapan Sawit Lestari last June 2013. ISPO certification audit will be conducted after RSPO certificate issued for PT Harapan Sawit Lestari.
 - d. PT Indo Sawit Kekal, RSPO pre-Assessment audit completed in February 2008 and then again on August 2010.
 - e. Corrective actions identified from these audits have been implemented with the exception on some on-going government licensing processes pertaining to the land (legacy issues from date of acquisition).
 - f. Timing of RSPO certification audit are anticipated in December 2013 depending on pace of government processing on on-going license processes.
 - g. Upon certification for PT Indo Sawit Kekal completed, all volumes of CPO, PK and PKO produced by Cargill Tropical Palm Holdings Pte Ltd will be RSPO certified.

Timebound plan - Year expected to achieve 100% RSPO certification of associated smallholders and outgrowers)

2014

14 What are your interim milestones towards achieving this RSPO certification commitment (year and progressive CSPO%)

- South Sumatra:
 - a. All current smallholder volume is RSPO certified
 - b. A plan is being developed to train and prepare additional independent smallholders surrounding our mills.
 - c. Objective is to certify 2,500 tons FFB by end 2013.
 - d. New mill – Mukut: Mukut area already certified under Sungai Lilin mill.
- West Kalimantan:
 - a. Smallholders KKPA scheme will be certified along with Inti expected by end of year 2013.

15 Time-Bound plan - Year expected to achieve 100% RSPO certification of independently sourced FFB

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16 What are your interim milestones towards achieving this RSPO certification commitment (year and progressive CSPO%)

Not applicable .

17 Which countries that your organization operates in do the above commitments cover?

Indonesia

Actions for Next Reporting Period**18 Outline actions that will be taken in the coming year to advance your plans for certification**

Please refer to action plans provided in Question 13

19 Outline actions that will be taken in the coming year to promote sustainable palm oil

- a. We will continue to build on the coverage momentum from last year where we garnered more than 200 news clips that covered CTP's journey and achievements as a sustainable business, with the RSPO as a reference standard.
- b. This coming year, we will continue with public speaking engagements as well as ongoing media outreach. Additionally, we have commissioned a documentary on sustainable business which will air on Channel News Asia late September 2013. RSPO and WWF are featured in the same programme.
- c. As award nominations are presented, we will select the appropriate ones to showcase our commitment to sustainability, such as Frost & Sullivan's upcoming business excellence awards.

20 Does your company have a public commitment relating to the GHG emissions of your operations?

Yes

Public commitment relating to the GHG emissions report:

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21 Do you publicly report the GHG emissions of your operations? - Existing operations (as per Criterion 5.6)

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Report the GHG emissions of operations - existing operations (as per Criterion 5.6)

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21 Do you publicly report the GHG emissions of your operations? - Expected emissions associated with new plantings

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Report the GHG emissions of operations - Expected emissions associated with new plantings (as per Criterion 7.8)

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Reasons for Non-Disclosure of Information**22 If you have not disclosed any of the above information, please indicate the reasons why**

Other

Reasons

Today we do not publicly report the GHG emissions of our operations. However, on selected transactions we share our GHG emission value to our customers since it has been included in bill of lading document, part of ISCC oil sales contract.

Once it become a mandatory by RSPO or ISPO to publicly report GHG emission, we will comply with this requirement.

Palm Oil Processors and Traders

Operational Profile

1. What are the main activities of your organisation?

- Refiner of CPO and CPKO
- Post-refinery processor
- Trader

Other:

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Operations and Certification Progress

2. Do you have a system for calculating how much palm oil and palm oil products you use?

Yes

3. Total volume of all palm oil products handled in the year:

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3.1. Total volume of Crude Palm Oil handled in the year:

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3.2. Total volume of Palm Kernel Oil handled in the year:

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3.3. Total volume of other Palm Oil Derivatives and Fractions handled in the year:

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3.4. Total volume of all palm oil and palm oil derived products handled in the year:

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4. Volume of Crude Palm Oil that is RSPO-certified

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4.1. Book & Claim

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4.2. Mass Balance

29743

4.3. Segregated

117707

4.4. Identity Preserved

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4.5. Total volume of Crude Palm Oil handled that is RSPO-certified:147450

5. Volume of Palm Kernel Oil handled in the year that is RSPO-certified--

5.1. Book & Claim--

5.2. Mass Balance9356

5.3. Segregated12730

5.4. Identity Preserved--

5.5. Total volume of Palm Kernel Oil handled that is RSPO-certified22086

6. Volume of all other palm-based derivatives and fractions handled in the year that is RSPO-certified--

6.1. Book & Claim--

6.2. Mass Balance32008

6.3. Segregated7016

6.4. Identity Preserved--

6.5. Total volume of palm-based derivatives and fractions handled that is RSPO-certified39024

7. Do you ask your suppliers if the palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8?No

Report on suppliers if the palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8--

Time-Bound Plan

8. Date of first supply chain certification (planned or achieved)

2010

9. Time-bound plan - Year expected to achieve 100% RSPO certification of all supply chains

2020

10. What are your interim milestones towards achieving this RSPO certification commitment (year and progressive CSPO%)?

The palm oil facilities in Europe, USA, Malaysia, Australia and Russia are already supply chain certified. Thus, all the facilities related to our 2015 corporate commitment have achieved RSPO certification.

Each individual business unit has its own target to achieve the Cargill corporate commitment. We don't include that targets in this report as we don't report out on individual business unit level.

11. Timebound plan - Year expected to only 'handle/supply' RSPO certified oil palm products

2020

12. What are your interim milestones towards achieving this RSPO certification commitment (year and progressive CSPO%)?

Cargill is committed to supply palm oil products to our customers in Europe, United States, Canada, Australia and New Zealand with RSPO certified and/or originated from smallholder growers by 2015 (this excludes palm kernel oil products). This commitment will be extended across all Cargill's oil trading businesses to cover 100% of its palm oil products and all customers worldwide by 2020

13. How do you promote RSPO and RSPO certified sustainable palm oil to your customers proactively?

We regularly communicate our efforts on sustainability and RSPO to our customers

We offer our customers the option to utilize the mass balance and segregated physical chain of custody trading models approved by RSPO

We are actively involved in the organisation of several industry events, as we are present as a speaker on multiple occasions to share our vision on how to achieve sustainable palm in the palm supply chain.

We have signed up for the different EU market initiatives to stimulate the uptake of sustainable palm amongst the local manufacturers and users of palm oil, either directly or via the associations that we are member of.

Sustainability continues to be a key theme in all of our external engagements with media and speaking opportunities. RSPO is integral to those conversations.

14. Do you plan to use the RSPO trademark?

Yes

If yes, when do you plan to apply for the trademark license?

2014

15. Which countries that your organization operates in do the above commitments cover?

Australia, Brazil, China - People's Republic of, India, Malaysia, Netherlands, Russian Federation, United Kingdom, USA

Actions for Next Reporting Period

16. Outline actions that will be taken in the coming year to promote sustainable palm oil

- a. Actively promote sustainable palm with customers, via national country initiatives, seminars
- b. Continue to encourage our third party suppliers to join RSPO and attain certification.
- c. Encourage our customers to become RSPO members
Offer our customers the option to utilize all physical 'chain of custody' trading models authorized by the RSPO, i.e., 'segregation' and 'mass-balance'. We will deliver RSPO certified product in response to market demand.
- d. In 2013, we have Initiated a three year programme in partnership with Solidaridad and Wild Asia to train and certify independent smallholders in Peninsular Malaysia
- e. We are mapping our supply chain with TFT and work on continuous improvement programmes with key suppliers

17. Does your company have a public commitment relating to the GHG emissions of your operations?

Yes

Public commitment relating to the GHG emissions

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18. Does your company have a public commitment to only purchase palm oil from suppliers that disclose their GHG emissions?

No

Public commitment to only purchase palm oil from suppliers that disclose their GHG emissions

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Reasons for Non-Disclosure of Information

19. If you have not disclosed any of the above information please indicate the reasons why

Other

- Other reason:

We have not disclosed the total palm oil volumes that Cargill handles because we consider that to be competitive sensitive information. We have only stated the RSPO certified volumes that we handle .

Application of Principles & Criteria for all members sectors

20. Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C

- Water, land, energy and carbon footprints
 - Land Use Rights
 - Ethical conduct and human rights
 - Labour rights
 - Stakeholder engagement
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Water, land, energy and carbon footprints policy[P-Policies-to-PNC-waterland.pdf](#)

For administration purpose, attachment files are renamed automatically

Land use rights policy

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Ethical conduct and human rights policy[P-Policies-to-PNC-ethicalconducthr.pdf](#)

For administration purpose, attachment files are renamed automatically

Labour rights policy

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Stakeholder engagement policy[P-Policies-to-PNC-stakeholderengagement.pdf](#)

For administration purpose, attachment files are renamed automatically

20.1. If none, please specify if/when you intend to develop one

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21. What steps will your organization take to minimize its resource footprints?

At Cargill, we have established environmental goals to reduce our environment footprint . By 2015 , Cargill aims to improve energy efficiency by 5% ; improve GHG intensity by 5%; increase renewable energy to 12.5% of its energy portfolio; and improve freshwater efficiency by 5% .

Among some our steps taken for example in our oil palm estates are the responsible use of fertilizers, utilization of mill residues as organic fertilizers, program to improve transportation efficiency and operation of POME Methane capture at Manis mata Mill and seek degraded land for future expansion. We also have a strict no burn policy for land preparation .

Information on our actions and progress to reduce our environmental footprint in various Cargill locations globally is available in our web site at

[Click here to visit the URL](#)

22. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?

We have our own Code of Conduct which outlines our company's ethical and compliance standards for employess when conducting business in the world . The Code is grounded in our seven Guiding Principles, which serve as the foundation for the behaviors expected from all of our employees in all parts of the world.

For example , in our oil palm plantations, those values are firmly upheld. PT Hindoli and PT Harapan Sawit Lestari were both conferred Best Investor statuses in their respective locations, in recognition of our achievements in the areas of corporate social responsibility, technology in environmental management, employee-employer initiatives and employment practices, as well as business stability and compliance with regulations. We will indefinitely maintain those high ethical standards in our day-to-day operations.

For further information on Cargill code of conduct please refer attachment on Cargill Guiding Principles.

23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?

Yes, Cargill have supported many community programmes in various locations world wide where we conduct business and live. Please refer the Cargill Corporate Responsibility Report for 2013 as attached .

For example , in each of our oil palm plantation , we have a dedicated team that plan three years ahead on the community programs. We have regular dialogs with local communities and government to ensure our programmes are relevant and sought after. Examples of such programmes include a \$1m water treatment plant in Palembang, a \$150,000 clean water system in the underprivileged village of Desa Sentosa in South Sumatra and a \$45,000 mobile library in Ketapang. We have also built schools for local communities and helped them build a viable long-term source of income by way of a local vegetable farm in Sungai Lilin as well as participation in our smallholder programmes. The impact has been positive, going by qualitative feedback as well as the multiple awards conferred on both plantations. We are looking into formal feedback mechanisms by way of surveys.

24. Where relevant, what prevents you from trading/processing only CSPO?

Supply availability and demand for CSPO from customers

25. Are you sourcing 100% physical CSPO?

No

Details your organization's plan to cover sourced palm oil and palm kernel oil, which is not yet segregated or identity preserved, through Mass Balance. If you have not committed to sourcing 100% of palm products under the Mass Balance supply chain system until the goal of 100% segregated or identity preserved CSPO can be achieved, please explain why

We are progressively working/coordinating internally within our business units in various locations and discussion with our suppliers /customers to first meet our 2015 commitment of supplying either segregated or mass balance palm oil and oil originating from smallholders to our customers in USA, Europe, Australia , Canada and New Zealand .

We have included smallholders in our commitment as we believe they should not be excluded from a sustainable supply chain. We are working on programs to train smallholders towards RSPO certification and focus on continuous improvement. It takes time and efforts to drive change.

26. Has your company integrated aspects of traceability into any other products handled? If so, how?

We have implemented the The Cargill Cocoa Promise program which is our global commitment to supporting sustainable cocoa. It builds on the partnerships we've developed over many years to support the long term security of the cocoa supply chain. It focuses on three key areas where we can make the biggest difference: farmer training, community support and farm development.

The program in partnership with customers, governments, NGOs and local communities support not only traceability activities, but also makes a difference to farmer productivity, increasing their incomes and improving livelihoods. By the end of 2013 we will have trained 60,000 farmers through Farmer Field Schools in Cote d'Ivoire, as well as 15,000 by 2016 in Ghana. We have also started to extend these initiatives to other cocoa-growing countries, including Cameroon, Brazil, Vietnam and Indonesia

Challenges

1. Significant economic, social or environmental obstacles

1. Availability of CSPO is challenging for stand alone refiners to secure supply to meet customer demand
2. Lack of awareness among the independent estates, smallholders and mills about RSPO.
3. Difficult for smaller users to embark on supply chain certification because of lack of resources.
4. Contradictory principles and criteria between RPSO and ISPO related to land use rights and conservation. ISPO certification is require by Indonesian law and that fundamentally means plantations have to fully utilize all of its land banks for economic purposes, i.e. planting of palm trees. ISPO publicly reiterated that at the 2013 5th Palm Oil Summit in Jakarta. Biodiversity, HCV/peat preservation and community land reserves are of a secondary or even tertiary priority. Conversely, the voluntary RSPO requires that HCV/peat are preserved, community rights are respected and biodiversity is ensured, while at the same time, complying with local laws and regulations.

This is an urgent matter as the two standards in their current form would mean most plantations are in breach of law or sustainability principles. Left unchecked, Indonesia-based RSPO member growers will only leave the RSPO over time to be compliant with ISPO and to ensure they are not unduly penalised under the RSPO's conservation requirements.

5. RSPO's proposed policy that land cleared without approved HCV assessment after 2005 is subject to penalties (requiring compensation or resulting in being expelled from RSPO) poses a few significant issues for the industry as a whole:

- It provides ample reason for non-RSPO members who did development after 2005 and especially after 2009 to never join RSPO
- Makes it impractical for RSPO member companies to acquire other companies who did development after 2005 and especially 2009 when done so without RSPO approved HCV assessment; regardless if HCV values existed or not prior to clearing. Long-term, this can reduce the footprint of sustainable production, even if the overall footprint of the industry expands. In essence, this turns RSPO into an organization that promotes non-RSPO members growth in the industry.
- It will not be effective in achieving the ultimate objective of conserving HCV areas without a mechanism that ties this back to government laws, policies, regulations (such as ISPO for Indonesia).

2. How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

No

Robust:

Yes

Simpler to Comply to:

No

3. How has your organization supported the vision of RSPO to transform markets?

Yes. We have regular engagement with suppliers, customers and NGOs on our sustainability practices and actions . We have also initiated a three year smallholder program in Malaysia in partnership with Solidaridad and Wildasia to raise the capability of smallholders to RSPO standards.

We are also mapping our palm oil supply chain with TFT and work on continuous improvement programmes with key suppliers
