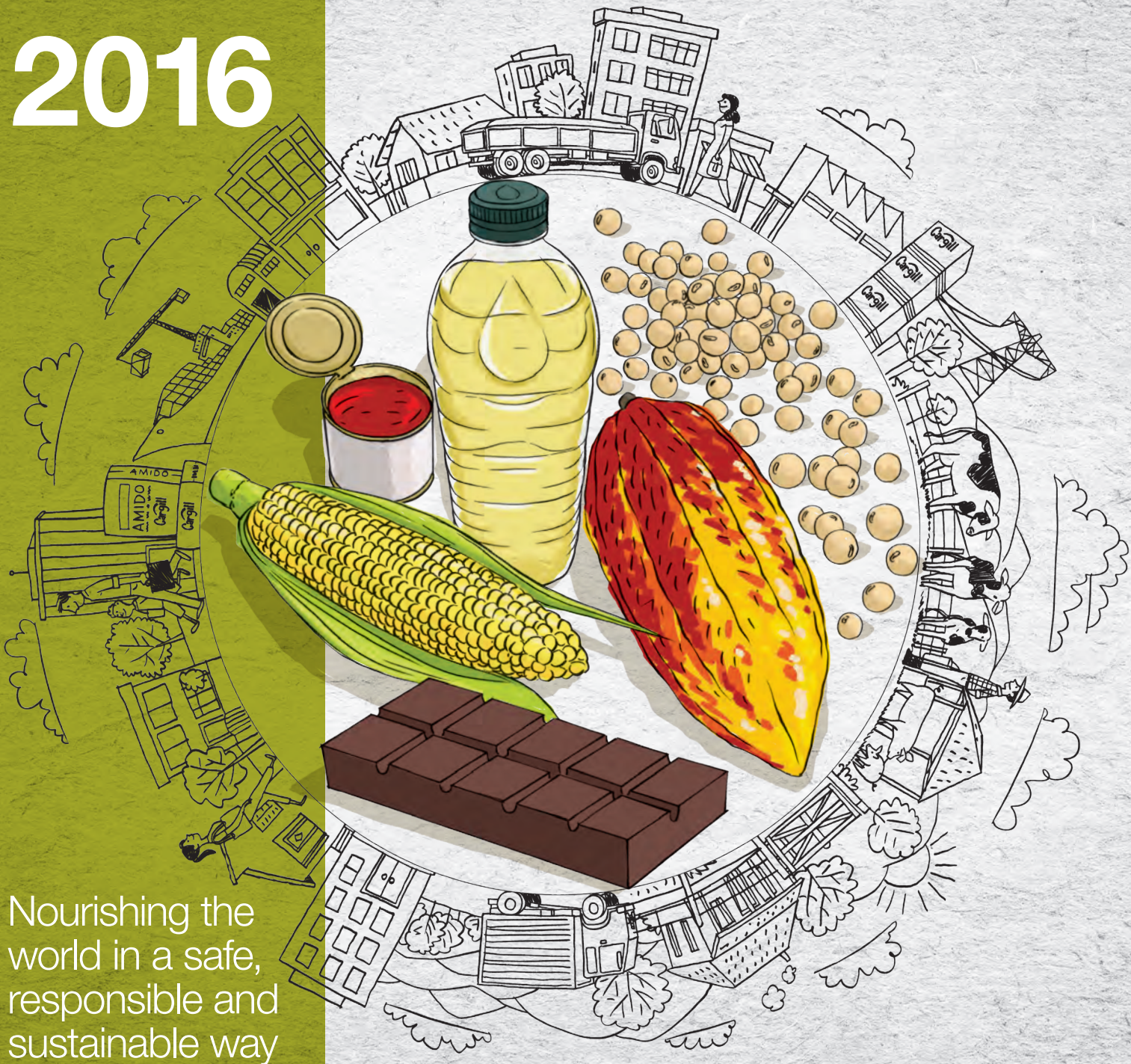


2016



Nourishing the world in a safe, responsible and sustainable way

# Sustainability Report





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# Message from the president

(G4-1, G4-13)

Nourishing the world in a safe, responsible and sustainable way. That's Cargill's purpose. It expresses our strategic direction and also the way we seek to create value for the business, our clients, and society – committed to people, the planet, and a dignified and healthy future for everyone. As we look back at 2016, once again we are immensely proud to see the principles of responsibility, safety, and sustainability present in our decisions and relationships with clients, employees, shareholders, and the entire community.

With determination and confidence, we saw the Brazilian political-economic crisis of 2016 as a challenge, an opportunity, and we did not let ourselves falter. Today, it is impossible to think about feeding the world without including Brazil. The country is strategic to fulfilling Cargill's overall purpose. Therefore, the contributions on

our part remain significant. We ended 2016 with nearly BRL 775 million in investments, which enabled, among other actions, the completion of the expansion works at the Três Lagoas (MS) plant and at the Santarém (PA) terminal, and the construction of the Miritituba (PA) terminal, in addition to the launch of the operation of our first river fleet in Brazil – Cargill's second largest fleet in the world. These investments will enable significant gains in cost and efficiency in grain exports in the coming years.

Even with so many works, especially in the North and Midwest of the country, and the routine operations of our units, we end 2016 without any fatal accidents in Brazil, a result of the continuous prevention, training, and communication work carried out, with improvements implemented every year. Safety has always been and will continue

to be a priority for Cargill, because life is non-negotiable.

We are committed to keeping this indicator at zero, and helping the company reach the zero fatality target globally.

The year 2016 was also a period of intense efforts and achievements in the quest to expand and diversify our businesses. We strengthened our presence in the cosmetics segment with the launch of Lyveum, an ultra-refined vegetable oil, an innovative solution for the sector. Following the growth strategy, we acquired a micro-ingredient company based in Ponta Grossa (PR). We also concluded the second wave of the project for consolidating financial, accounting, tax, and human resources activities, as well as other areas, in Cargill Business Service, in order to increase the efficiency of our processes.

We also brought novelties to the consumer products segment. In the Liza line, we invested in a differentiated product, Liza Caseira (Homemade) mayonnaise with extra virgin olive oil. In addition, we announced our partnership with Borges for marketing olive oils and vinegars. We launched

“Nourishing the world in a safe, responsible and sustainable way. That's Cargill's purpose.”







## “We believe in dialogue as a tool for change.”

Liza Algodão (Cotton) in special packages for foodservice. In the area of animal nutrition, we put Vita Pet on the market, a premium food line for dogs and cats, the result of the joint work of different areas of Cargill.

Regarding our commitment to the environment, we highlight the main results achieved one year after the launch of our Forestry Policy, including: training 300 employees to implement the Cadastro Ambiental Rural (CAR – Rural Environmental Registry), CAR evaluation of 12,000 producers related to the soybean production chain in Brazil, and training over

148,000 farmers and suppliers (in Brazil, Indonesia, Paraguay, Zambia, and West Africa) to promote sustainable land use.

We also believe in dialogue as a tool for change. It was also through this transparent approach that we created and acquired significant collective construction space with other companies, civil society organizations, academia, and government representatives. Among the projects carried out in this context, I highlight the work with the Moratória da Soja (Soy Moratorium) and the Grupo de Trabalho da Soja (Soybean Working Group); participation

of the Coalizão Brasil: Clima, Florestas e Agricultura (Brazilian Coalition on Climate, Forests, and Agriculture), focused on reducing greenhouse gases and the low carbon economy; and collaborating with the Tropical Forest Alliance 2020 to combat deforestation.

I share with you the immense pleasure of seeing that our responsible attitude has been recognized beyond our walls. Some examples that filled us with pride were the presence of Cargill in the Guia Exame de Sustentabilidade 2016 (2016 Exame Sustainability Guide); recognition as the largest company among the 500 in the sector in the 12th edition of Best of Agribusiness; two of our retail brands winning Top of Mind, remaining undefeated in the Agroleite Trophy, and many other awards.

It really was a year of many accomplishments, and I end by thanking our staff for their engagement and commitment, and our clients and partners for choosing Cargill. I invite everyone to learn a little more about our initiatives and performance in 2016 on the following pages.

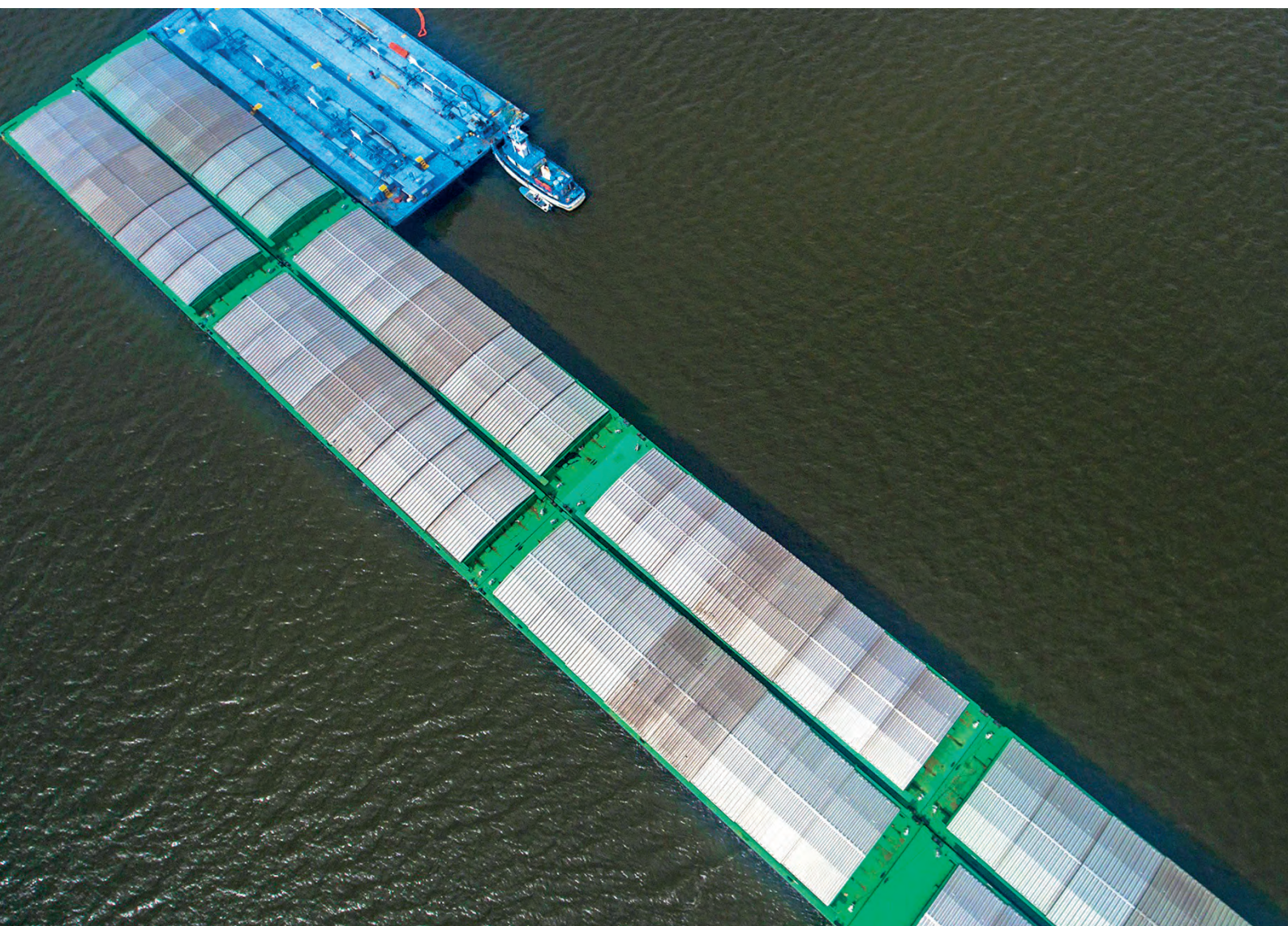
Enjoy your Reading!

**Luiz Pretti**

*President of Cargill in Brazil*







# About the Report

The Cargill 2016 Report brings together the outstanding initiatives, challenges, and performance of Cargill Alimentos Ltda. and its main subsidiaries, including Cargill Agrícola S.A. and Banco Cargill, in the period. This year, we also included information regarding Cargill Animal Nutrition, responsible for the company's animal nutrition

business. The Report was prepared according to the methodology of the Global Reporting Initiative (GRI) – Essential level, benchmark in global and multisector practices for reporting economic, social, and environmental information. **(G4-7, G4-17, G4-28, G4-32)**

This document, published annually in Portuguese and

English in print, PDF for download, and hotspot, seeks to reflect the transformation and evolution process that Cargill is going through. In addition to reporting concisely and objectively, we seek to balance the positive aspects and the points for improvement of the economic, social, and environmental aspects addressed. **(G4-29, G4-30)**





## Materiality

When developing this document, we welcomed the opinion of our stakeholders, such as NGOs, associations, competitors, clients, suppliers, employees, the government, and specialists. These stakeholders were selected according to three criteria: broad knowledge of Cargill's business, extensive industry knowledge, and relationship with the organization. In a consultation carried out in 2015, through telephone interviews, they pointed out the aspects that they consider most important for the company's sustainability. This process gave rise to a materiality matrix, which consolidated the different points of view, and from which the material aspects for our business were extracted. (G4-18, G4-19, G4-24, G4-25, G4-26)



### Materiality (G4-18, G4-19)

- Product: consumer health, quality, labeling, greenwashing
- Effluent quality: impact of chemicals (fertilizers and herbicides) and effluent disposal
- Water consumption, and efficient water reuse consumption and sources of water for reuse
- Suppliers and rural producers in compliance with the company's procurement practices policy
- Compliance with environmental and labor criteria and clauses, and those regarding society and human rights
- Rights to water use and water conservation in areas of scarcity
- Chemical impacts (fertilizers and herbicides), and management and disposal of waste in the soil
- Emissions and their reductions
- Food safety, genetically modified organisms (GMOs), recalls, certifications
- Efficient and sustainable farming practices
- Impacts of business on communities, and engagement with the community



# Material aspects and GRI aspects

(G4-20, G4-21, G4-27)

GRI ASPECT	MATERIAL ASPECT OR ASSOCIATED SUBJECT
<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>	
Water	Water consumption, efficiency in water consumption and sources of water for reuse Rights to water use and water conservation in areas of scarcity
Biodiversity	Efficient and sustainable agricultural practices
Emissions	Emissions and their reductions
Effluents and waste	Effluent quality – impact of chemicals (fertilizers and herbicides) and effluent disposal Chemical impacts (fertilizers and herbicides) and management and disposal of waste in the soil
Products and services	Product (consumer health, quality, labeling, greenwashing)
Compliance	Compliance with environmental, labor, and societal and human rights criteria and clauses
<b>HUMAN RIGHTS PERFORMANCE INDICATORS</b>	
Investments	Compliance with environmental, labor, and societal and human rights criteria and clauses
Non-discrimination	Health, safety and well-being of workers (focus on Cargill employees)
Freedom of association and collective bargaining	Freedom of association and child, bonded or compulsory labor (focus on suppliers)
Child labor	Compliance with environmental, labor, and societal and human rights criteria and clauses
Compulsory or bonded labor	Compliance with environmental, labor, and societal and human rights criteria and clauses
Safety practices	Health, safety and well-being of workers (focus on Cargill employees)
Indigenous rights	Compliance with environmental, labor, and societal and human rights criteria and clauses
Assessment	Compliance with environmental, labor, and societal and human rights criteria and clauses
Supplier assessment for human rights	Suppliers and rural producers in compliance with the company's procurement practices policy
Mechanisms for grievances and complaints related to human rights	Health, safety and well-being of workers (focus on Cargill employees)
<b>SOCIAL PERFORMANCE INDICATORS</b>	
Local communities	Impacts of the business on communities, and engagement with the community
<b>PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS</b>	
Customer health and safety	Food safety, genetically modified organisms (GMOs), recalls and certifications





	MATERIAL ASPECT WITHIN AND OUTSIDE THE ORGANIZATION						
	Cargill	NGOs	Associations	Competitors	Clients	Suppliers	Specialists
	X		X	X	X		X
	X			X	X	X	
	X			X		X	X
		X		X		X	X
	X	X		X	X	X	
		X		X	X	X	
	X	X	X	X		X	X
	X	X		X	X		
	X	X					
	X	X		X	X		
	X				X		
	X	X		X	X		
	X	X		X	X		
	X	X		X	X		
	X	X		X	X		
	X	X	X	X		X	
	X				X		
	X	X		X			X
	X		X	X	X		

Questions, suggestions, or more information (G4-31, G4-33)

Contact us by email [assuntos\\_corporativos@cargill.com](mailto:assuntos_corporativos@cargill.com).



# Cargill at a glance

The main figures and facts from 2016, a year of changes, advances, and new partnerships for Cargill.



Reaffirmation of purpose and relevance on the global stage as a leading company  
**nourishing the world in a safe, responsible and sustainable way**

Operation in the **agriculture, animal nutrition, food, financial, and industry** areas



Operations in  
**176 Brazilian municipalities**

## BRL 33 billion\*

was the net revenue of Cargill Alimentos in 2016

\*Data referring to Cargill Alimentos, integrating the results of Cargill Agrícola S.A. and Animal Nutrition.

# 9,875

employees in Brazil



**Health and Diversity Committees**

were created to give these aspects more emphasis and attention.

# 467,331 m<sup>3</sup> of water

were recycled and reused from June to December 2016, a much larger volume than that recorded in 2015/2016, which was 199,723 m<sup>3</sup>.







## Integrated operation

Our corn biorefinery in Castro (PR) began serving the client Evonik on the same site, in a business relationship with innovative social and environmental practices for the sector in Latin America.

## New level

With the launch of an ultra-refined vegetable oil and acquisition of a micro-ingredient company in Ponta Grossa (PR), we now operate in 100% of the industrial oil production chain and strengthened our competitiveness.



## Creating jobs

In 2016, we created about 200 direct jobs, as well as indirect jobs and business opportunities in the region of Uberlândia (MG) during the second wave of the Cargill Business Service (CBS) consolidation project.



Investments of **BRL 775 million** in logistics and port infrastructure, which enabled, among other actions, the completion of the works at the Santarém (PA) and Miritituba (PA) terminals.



## 10 years of the Moratória da Soja (Soy Moratorium)

As members of this new initiative, together with companies, NGOs, associations, and the Brazilian government, we celebrated ten years of this commitment. In May 2016, we committed to support its renewal for an indefinite period of time – until it is no longer needed.



Active work with the **Coalizão Brasil: Clima, Florestas e Agricultura (Brazilian Coalition on Climate, Forests, and Agriculture)**



## Cargill Foundation

Developed 24 initiatives in 35 cities in Brazil, which benefited over 34,000 people.



## Recognition

Cargill entered the list of the Exame Sustainability Guide 2016, which includes the most sustainable companies in the country.



## 3S Certification

The environmental seal developed by Cargill gains a partnership with Instituto BioSistêmico, which provides rural soy producers with technical assistance during certification process.



**21,828**  
farmers

engaged in programs toward best agricultural practices.

# Our management

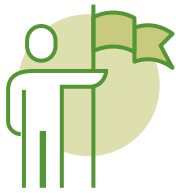
How we operate and lead ethically and sustainably

## Cargill in the world

When young William Wallace Cargill decided to buy a small grain storage space in the city of Conover (Iowa, United States) in 1865, he did not imagine that 150 years later, the Cargill-MacMillan family company would become the largest private capital company in the world. With global headquarters in Minneapolis, Minnesota (USA), Cargill now operates in 70 countries, has 150,000 employees worldwide, earned USD 107 billion in sales and other revenues in 2016, and is recognized for the quality of its products and business ethics.

(G4-3, G4-5, G4-6)

Today, we are 150,000 employees committed to the company's purpose of being a leader in feeding the world safely, responsibly, and sustainably. By generating and internationally marketing food and agricultural, financial, and industrial products and services fairly and ethically, we contribute to the development and prosperity of our society. (G4-9)



### Agriculture

- Cargill purchases, processes, and distributes grains and other commodities to manufacturers of food products for human and animal consumption. The company also provides products and services to rural producers and cattle ranchers.

### Food

- Cargill provides food and beverage manufacturers, foodservice companies, and retailers with high quality products and ingredients.

### Industrial

- Cargill serves users of energy, saline, starch, and steel industrial products. The company also develops and markets sustainable products using agricultural raw materials.

### Financial

- Cargill provides financial and risk management solutions to clients in the agricultural, food, financial, and energy sectors worldwide. (G4-4, G4-8)

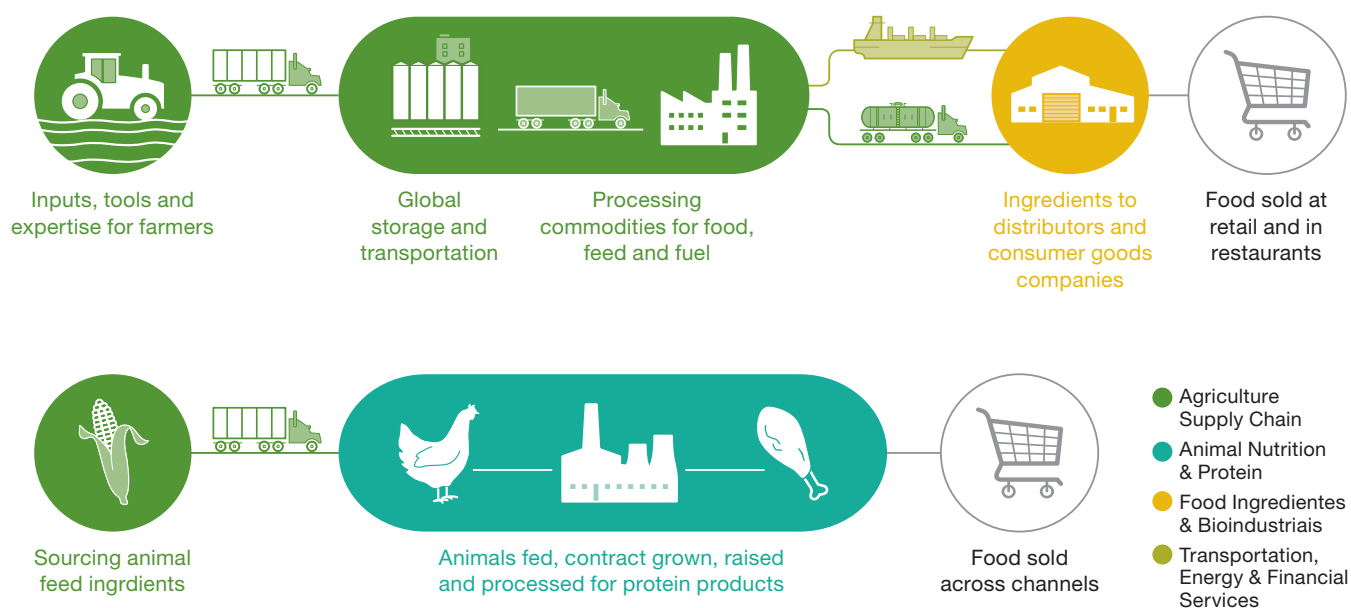




# Our value chain

(G4-12)

The following infographic shows our contribution to global supply chains.



## Our strategic direction

### PURPOSE

Cargill will be the leader in nourishing the world in a safe, responsible and sustainable way.

### VISION

We will be the most trusted partner in agriculture, food and nutrition.

### DIRECTION

We will win through a combination of distinct capabilities, high-performing businesses and bold leadership on issues that shape the future world.

### MEASURES

Winning means:

- Customers prefer us
- Employees choose us
- Communities welcome us
- Owners earn an attractive return

### Cargill in Brazil

- In the country since 1965
- Is one of the largest food industries in Brazil
- 9,875 employees
- Headquarters in São Paulo
- 22 factories
- 6 port terminals
- 192 warehouses and transshipments
- 1 Cargill Business Services
- 2 Innovation Centers
- Joint ventures and subsidiaries in 17 Brazilian states and the Federal District

# Main Brazilian Units



## FACTORIES, PORTS, AND OFFICES IN SOUTHEAST BRAZIL



### Uberlândia (MG)

Processing of soybeans and corn (for the production of starches and by-product ingredients) and the production of acidulants



### Cargill Business Services – Uberlândia (MG)



### Cevasa\* – Patrocínio Paulista (SP)

Sugar, ethanol, and energy plant



### Porto Ferreira (SP)

Production of maltodextrins and glucose; manufacture of chocolates and toppings for the industrial and foodservice market



### Mairinque (SP)

Production and sale of vegetable fats, mayonnaise, oils, composite oils, and industrial specialties



### Itapira (SP)

Animal Nutrition



### CAN Innovation Center – Mogi Mirim (SP)

Animal Nutrition



### TEG\* – Guarujá Export Terminal (SP)

Grain exports



### TEAG\* – Guarujá Sugar Export Terminal (SP)

Sugar exports



### Innovation Center – Campinas (SP)



### Central Office – São Paulo (SP)

## FACTORIES AND PORT IN THE SOUTHERN REGION



### Toledo (PR)

Animal Nutrition



### Castro (PR)

Processing and production of corn-based ingredients



### Ponta Grossa (PR)

Soybean milling and degumming; production of crude oil and bran for animal nutrition; industrial specialties



### Paranaguá (PR)

Port terminal for grain export



### Chapecó (SC)

Animal Nutrition

## FACTORIES IN THE NORTHEASTERN REGION



### Barreiras (BA)

Soybean milling for meal production; soybean oil refining and supply for biodiesel production



### Ilhéus (BA)

Processing cocoa by-products for the food industry

## FACTORIES IN THE MIDWESTERN REGION



### Primavera do Leste (MT)

Soybean processing; production of meal and crude and refined oil; packaging, marketing, and distribution of oil



### Três Lagoas (MS)

Soybean processing; production of degummed vegetable oil and biodiesel; manufacture of soybean meal



### Goiânia (GO)

Production of tomato products



### Itumbiara (GO)

Production of vegetable fat



### Rio Verde (GO)

Soybean milling; meal production; crude oil production; refining, packaging, marketing, and distribution of oil



### SJC – Cachoeira Dourada (GO)

Sugar plant



### SJC – Quirinópolis (GO)

Sugar, ethanol, and bioenergy plant

## PORTS IN THE NORTHERN REGION



### Porto Velho (RO)

Grain transshipment



### Santarém (PA)

Port terminal for grain export



### Miritituba District, Itaituba (PA)

Road and river grain transshipment terminal

\*In these companies, Cargill has a stake through joint ventures (JVs).

# How we operate

## Ethical Principles (G4-56)

“... our word  
is our bond.”

– Mr. John MacMillan, 1923



Ethics has conducted Cargill's success over its 150-year history. Its solid leadership position in the global market is built daily on the pillars of transparency and respect for our stakeholders: clients, shareholders, employees, and communities. All business carried out in the countries where we operate begin with the principle of fair competition and is promoted fairly and honestly.

To ensure these principles, Cargill created the Code of Conduct, which describes the company's ethical and compliance standards for conducting business around the world and guides all 150,000 employees. Cargill also developed the Supplier Code of Conduct, which determines the ethical standards required throughout its value chain.

Ethics is  
the guiding  
thread of  
our success.  
We build  
our global  
leadership  
based on  
transparency  
and respect.





## Learn about the seven ethical principles that govern our performance worldwide:

### 1. WE OBEY THE LAW

- Complying with the law is the basis of our reputation and our ethical principles. As a global organization privileged for doing business around the world, we are responsible for complying with all laws applicable to our business.

### 2. WE CONDUCT OUR BUSINESS WITH INTEGRITY

- We are proud to conduct our business with integrity. We face competition vigorously, but ethically and fairly. We do not offer or accept bribes or inappropriate gifts, and we comply with laws and regulations that support fair and integral market competition.

### 3. WE KEEP ACCURATE AND HONEST RECORDS

- Accurate and honest records are critical to proper business decision-making and to maintaining the integrity of our financial reports. Business information, in any form, should reflect the actual nature of our transactions.

### 4. WE HONOR OUR BUSINESS OBLIGATIONS

- Throughout the entire history of Cargill, our business relationships have been based on mutual trust. We gain and maintain the trust of our clients and other business partners by communicating with transparency, respecting the information entrusted to us as part of our commitment to the relationship.

### 5. WE TREAT PEOPLE WITH DIGNITY AND RESPECT

- We reach our goals through 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.

### 6. WE PROTECT CARGILL'S INFORMATION, ASSETS, AND INTERESTS

- We count on everyone to manage the organization. To preserve the value of Cargill, we protect the information and assets entrusted to us and avoid situations that may allow personal interests to influence our judgment when conducting business.

### 7. WE ARE COMMITTED TO BEING A RESPONSIBLE GLOBAL CITIZEN

- The wide range of our operations gives Cargill a share in almost all sectors of society. With our global reach comes the responsibility of understanding and managing our impact. We maintain strict food and environmental safety standards in our operations, and share our global experience and knowledge to help meet economic and social challenges.

## How we lead

(G4-34)

Today, Cargill's global leadership is the responsibility of the Executive Board, formed by the president and nine directors, and leads the execution of the global strategies defined by the parent company.

Cargill's senior leadership relies on the support of five standing committees, and in some cases, committees that are created specifically to address certain issues. Executives from Cargill do Brasil, as well as from other parts of the world, make up the corporate committees, ensuring that the specificities of the business at each location are taken into account when creating initiatives and projects.

Currently, the committees are structured as follows:

### Business Ethics Committee

Works toward compliance with the Code of Conduct and manages risks related to Cargill's brand and reputation. It also defines the company's position regarding public policies and stakeholder relationships, to ensure integrity and transparency when conducting business.



### Human Resources Committee

Supports the task of attracting, selecting, and managing talent based on guidelines for promoting diversity and inclusion. The Committee also discusses and reviews policies regarding remuneration, benefits, labor practices, pension fund investments, and career transition initiatives.

### Financial Risk Committee

Responsible for defining policies, standards, and procedures for risk management, in order to guarantee the sustainability of the business before the economic and financial factors that may impact operations.

### Occupational Health and Safety Committee

Monitors the indicators related to the health and safety of employees, and supports initiatives toward compliance and improvement of safety standards and procedures inside and outside the company.

### Sustainability Committee

Operates with the objective of disseminating the sustainability strategy in all areas of the company and in the communities where Cargill is present. Currently, it is formed by the president and ten other company leaders. In 2016, the group gained important support by including the Director of Animal Nutrition – now the Committee has representatives from all Cargill business units.

Aiming to meet local objectives and needs, two other committees were created in Brazil in 2016:

### Health Committee

Its main objective is to connect and strengthen Cargill's health initiatives, such as the benefits area, outpatient clinics, and prevention campaigns. With a series of actions planned in partnership with the Human Resources department, the Health Committee seeks to help employees take responsibility for their own health care.

### Diversity Committee

A multidisciplinary group with representatives from all areas of Cargill, which aims to build an inclusive work environment that respects human differences. The first actions of the Diversity Committee in 2017 are focused on the gender issue, a global focus of Cargill. However, other aspects of diversity will also have specific actions throughout the year.





## Risk management

The risk management system is one of the components of Cargill's business management success. By anticipating risks that may impact operations, we are able to make more assertive decisions, quickly and responsibly.

The main risks monitored are:

- Credit risk
- Exchange rate and interest rate risk
- Liquidity risk
- Risk of commodity prices
- Risks arising from climate change

The company also has in place Cargill Risk Management (CRM), a business unit responsible for offering solutions in the area of risk management to rural producers and companies in the agricultural sector and the food industry. CRM helps clients protect themselves from market risks when pricing their products, offering differentiated solutions for various agricultural commodities.

## Sustainability management

In line with Cargill's changes in Brazil and the world, and the company's overall purpose, in 2016 the Sustainability Committee defined the strategic vision for its actions up to 2020: to contribute for the company to be recognized as the most reliable source of products and sustainable services. To this end, the Committee's management will be based on four pillars: governance, strategic partnerships, Cargill's sustainability positioning, and communication and education.

### Relevant aspects

Since 2015, the Committee's working groups have been developing initiatives based on nine aspects of greatest relevance to the sustainability of the company and the regions impacted by our business. They are: land use, water, energy, climate change, best agricultural practices, occupational health and safety, work health and safety compliance, communities, and suppliers.

In 2016, the Committee chose three aspects from this group to focus more intensely and thus concentrate more strongly on its management: occupational health and safety, occupational health and safety compliance, and land use.







CLIENTS

# Trust and innovative solutions

News about products and client relations

## Material aspects



Product:  
consumer health,  
quality, labeling,  
greenwashing



Food safety,  
genetically  
modified  
organisms  
(GMOs), recalls,  
certifications



Efficient and  
sustainable  
practices in  
agriculture

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Três Lagoas

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new markets

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animals

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Long-term  
relationship





## Cargill and its clients

In order to feed the world safely, responsibly, and sustainably, Cargill has a growing need to strengthen bonds of trust with clients, who take our products to end consumers. The success of the company depends on the ability to offer them efficiency and solutions aligned with the best economic, social, and environmental practices. We want to be our clients' first choice.



### Bond of trust

**In this section, we present the main challenges, lessons learned, and developments in initiatives such as:**

- Integration of our grain-related business and soybean processing in South America
- Expansion of Três Lagoas (MS)
- Partnership with the Spanish brand Borges
- Consolidation in the cosmetics sector – with the development of new technology
- Beginning of the operations of one of our clients on the site of our corn biorefinery, in Castro (PR)
- Impact on cocoa production, caused by the drought in Brazil and other factors
- Continuous efforts to improve our production process, using the Elefante brand as an example
- Cargill Business Service (CBS) progress

**See these and other aspects below.**

## Integrated strategy

The management style of grouping similar businesses in the same business platform reached South America. In 2016, we began to operate in an integrated fashion throughout the grain production chain and processing of soy, cotton, sugar cane, corn, palm, sorghum, and wheat from Argentina, Bolivia, Brazil, Colombia, Ecuador, the United States, Paraguay, Peru, the Dominican Republic, Uruguay, and Venezuela.

The main objective of the new business management model is to leverage synergies and gains in efficiency, which the company intends to translate into performance benefits for shareholders, clients, suppliers, employees, and the communities where we operate.

Benefits:

- Agility
- Quality of products and services
- Competitiveness
- More operational safety
- Career opportunities for employees





## Countdown at Três Lagoas

We began the first operational tests and are almost ready to reopen our soybean milling plant in Três Lagoas (MS), whose expansion work began in 2014. With an investment of BRL 240 million, the soybean processing capacity jumped from 2,100 tons/day to 3,200 tons/day beginning in 2017, when we resumed 100% of the operation, which will allow us to increase the production of meal and oil for producing biodiesel.

In biodiesel production, glycerin is also obtained, used in several industrial applications. With the refinery, a 99% pure glycerin will be produced, whose applications are directed to the cosmetics, food, and beverage industries.

The expansion project also includes the expansion of rail and waterway modes, through which we will transport our production. The extension of the rail terminal will serve to improve the biodiesel load; and the waterway terminal will improve for the meal load.

## What's new

With experience in distribution and the strength of the brands Borges and Maria, Cargill is preparing to market the products domestically. See also the highlights of 2016 in the categories of tomato sauces and oils and fats.

### Promising partnership

The agreement to market products from Borges Branded Foods was one of Cargill's main initiatives in the food category in 2016. Since September, we added extra virgin olive oil, the premium olive oil line, and Borges balsamic vinegar to our portfolio, as well as the new Maria extra virgin olive oil, directly from Spain.

In the last months of the year,

we were dedicated to importing and analyzing the product line and distribution strategies. We combine Borges' knowledge and tradition with Cargill's excellence in execution. We want to cover national territory – remembering that Borges is already very strong where it is present, mainly in the Southeast Brazil. Communications actions are planned for the second half of 2017.

### Successful series

In Pomarola, leader in its category, we continued the Pomarola Chef line with the launch, in September 2016, of Provençal sauce signed by French chef Erick Jacquin. The series began during the previous year with a recipe of tomato sauce with lemon, olive oil, and basil developed by Carla Pernambuco. The brand, characterized by innovation and pioneering, has the right conditions for our company to establish partnerships with renowned chefs.

In the Elefante Saborizado line, we put two more flavors on the



shelves, stroganoff and marinade, which now make up the series alongside bay leaf, fine herbs, and onion and garlic. The new products are the result of extensive research, in which we identified that the consumers of the brand expect quality associated with practicality in their daily lives, with flavors already known by their palate.





## Contribution to the market

In order to demonstrate our commitment to Brazil's current standards, we comply with the National Health Surveillance Agency (ANVISA), and in August 2016, we started a public campaign to collect products from the consumer market. We point out that Cargill adopts strict controls of food safety, hygiene, and quality, as well as best manufacturing practices, as established in the applicable standards, in order to guarantee a product that does not pose any health risk. We evaluate health and safety impacts and look for improvements in almost 100% of our significant product and service categories. **(G4-PR1)**

## We are strongly committed to food safety.

Regardless of the collection issue, it should be noted that in the last five years we have made solid investments in processes and equipment throughout our production chain, which involves activities in the field, harvesting, separating fruit, transport, and cleaning, reinforcing Cargill's conviction to continuously improve itself through technologies and innovating processes and products.

## Adequate labels

Strong culture and consistent policies reflect Cargill's commitment to food safety. Therefore, we contribute, alongside representative associations of the food industry, to ANVISA's new regulation requiring information on allergenic foods on the labels.

Within the company, we trained our employees involved in this issue to ensure that information was available and clear on our labels and the specifications for the production market, as soon as the resolution was published on July 3, 2016.



## More sustainable packaging

In order to complete the Elefante brand packaging portfolio, we have the tetrapack concept available throughout Brazil. It is also worth noting that in 2016 we began implementing a series of initiatives to make our packaging more sustainable, with the maximum possible reduction in the use of raw materials in its production, such as layers of aluminum, paints, and paper.



## Homemade flavor

In the Liza line, the main advance in 2016 was in mayonnaise – we bet on a differentiated product: Liza Caseira with extra virgin olive oil. The purpose is to make the traditional recipes for mayonnaise tastier and more full-bodied, with touch of olive oil to provide more flavor.

## Oil that yields more

Cargill has been increasingly active in the foodservice market, with new solutions and by expanding its portfolio.

In oils and fats, we already had an extensive range of products, more focused on the big operators. In 2016, we launched Liza Algodão, a special oil for frying, focusing on small and medium operators.





## Integrated operation

Our corn biorefinery, in Castro (PR), already operates with the first client based at our site. With this model, unprecedented for this segment in Latin America, we expect to have social and environmental gains, and boost business in the region and long-term business relationships.

In a market with a growing demand for a higher value-added product that overcomes the commodity concept, Cargill has been investing in its portfolio in the area of starches and sweeteners, constant labor training, and structuring differentiated services. In March 2016, we consolidated an important part of this strategy: serving clients with factories on the same site.

The project began three years ago, with the inauguration of

the Castro plant, located 200 kilometers from Curitiba (PR), where we process corn for the production of its by-product ingredients, such as starches, glucose syrup, and dextrose. With this initiative, we created about 800 indirect jobs in the region. The total area is 352 hectares, of which 2.5 are occupied by Cargill. The rest is occupied by other partner company facilities. Our first neighbor is Evonik, a world leader in specialty chemicals.

### WHAT WE DO

- We pipe dextrose directly to the Evonik factory, which processes it into amino acids.
- We serve the national market with solutions in starches and sweeteners for use in dairy products, candies, confectioneries, beverages, breads, and in the paper and cardboard industry, as well as animal nutrition.

### OUR STRATEGY

- To install factories in regions with availability of raw material, adequate logistics conditions, and infrastructure.
- Be close to clients
- Offer differentiated service

### WHAT WE WANT

- Long-term business relationship
- To boost business in the region

## The challenge of cocoa

To mitigate impacts caused by Brazil's drought and economic downturn, and fulfill our 2016 commitments, we seek even more efficiency by importing part of the raw material needed in our cocoa and chocolate operations.

The year 2016 can be summarized as a challenging year for the cocoa business, for Cargill and the whole country. Three main factors made the scenario more difficult in the period:

- The severe drought in Bahia was detrimental to the crop, and also demanded efforts in water management
- The low availability of raw materials affected our price competitiveness
- There was a drop in Brazilian purchasing power, who in the last three years began replacing products with higher value added with cheaper options

It is important to point out that Brazil has a more complex reality regarding cocoa than the rest of the world. We are the only country with great consumption potential that produces cocoa itself.



In this context, two areas support our work regarding the development of this market. We are dedicated to both productivity, with significant investments in partnership programs, and adequate environmental and social conditions for cocoa production. For these reasons, in addition to launching a certified product, today Cargill is one of the leaders in this discussion and in the quest to improve sustainability in the Brazilian cocoa crop (see page 52).

### Certified Chocolate

The Genuine line, produced by the company for the foodservice segment, already has Genuine UTZ Milk Chocolate, made from certified cocoa beans. The UTZ seal guarantees that the best practices of management, cultivation, and safety have been adopted throughout the cocoa production chain, from the farms in Bahia to the factory where chocolate is produced, in Porto Ferreira (SP). The product is offered in 1.05 kg bars and can be used for making Easter eggs, truffles, toppings,



fillings, and desserts, among other culinary recipes. Cargill's desire is for other companies to embrace this trend by increasing the volume of certified chocolates and by-products, thus benefiting the entire chain and Brazil (see page 52).

## Entering in new markets

With the challenge of doubling its market share over the next three years, Cargill begins operating throughout the industrial oil production chain and enters the cosmetics market.



For the Cargill Industrial Specialties (CIS) business unit, focused on the production of high value added industrial oils – 100% renewable and biodegradable –, the year 2016 was a significant evolution. We gained new clients, entered the cosmetics segment by launching Lyveum (see table), an unprecedented solution for the

cosmetics market, and acquired a micro-ingredient company in Ponta Grossa (PR).

Some factors contributed to CIS dealing well with obstacles such as the country's political and economic recession and difficulties in the processing segment, also affected by the price of oil. Some of the main ones are:

- Portfolio Diversity – We operate in the consumer, personal care, processing, oleo chemical, and corp protection segments, a variety that allows us to better overcome periods of crisis;
- Technical competence in providing services and controlling costs.





## New factory

### WHAT WE DO

- The new factory, based in Ponta Grossa (PR), processes and produces oleo chemicals and emulsifiers for the food, animal nutrition, and industrial segments in the domestic market and for export.

### NEW STRATEGY

- The acquisition of the plant is an essential part of Cargill's long-term vision.
- We are widely recognized as a food industry in the country and we want to become stronger in the industrial area as well.

### WHAT WE WANT

- Increase the production capacity of CIS, since the Mairinque (São Paulo) plant is at its production limit.
- Increase the product portfolio.
- Act throughout the production chain of industrial oils.

#### Ultraóleo, pioneering solution

Increasing the validity of the final product and reducing the level of oxidation were some of the technical issues that Cargill scientists overcame in order to achieve an ultra-refined vegetable oil much desired by cosmetic manufacturers. Lyveum oil expands our portfolio of biodegradable products and gives the final product the same properties and stability of a mineral oil (petroleum by-products). Pioneering the application in cosmetics, the technology is being patented and is already being marketed by Cargill.

## Solutions for animals



The drop in Brazilian purchasing power and the historic rise in the price of corn in 2016, due to water instability that resulted in a 20% reduction of the country's corn crop, also required extra efforts from the animal nutrition segment, which includes our Animal Nutrition business. With the economic recession, people began consuming less animal protein, since it is more expensive than vegetable protein, affecting the financial structure of the whole chain.

The challenges, however, did not stop us from moving forward in our purpose of becoming a key partner. To address these challenges, we rely on our business model and intensify our efforts to bring new products, new technologies, and qualified service to producers and ranchers, to help them through this most critical period, contribute to their growth, and strengthen our business ties.

With three factories, located in Itapira (SP), Toledo (PR), and Chapecó (SC), the Animal Nutrition business in Brazil has an annual revenue of BRL 700 million – and the advantage of having the experience and cutting-edge solutions developed by our global matrix. We stand out on four major fronts of animal

nutrition in the country – pig farming, dairy cattle, beef cattle, and poultry – and we provide, on a much smaller scale, nutrition for domestic animals such as dogs and cats.

Learn about some of our differentiators, and what we offered to the market in 2016:

### Differentiators

#### GLOBAL KNOW-HOW, LOCAL PRESENCE

We have solutions from two global Cargill Animal Nutrition research centers. A third team in Brazil develops specific applications, products, and technology for our production, climate, and soil characteristics.

#### EXCELLENCE IN SERVICE

We provide technical support to our clients through the specialized work of 150 employees, trained in veterinary, animal science, and agronomy.

#### SUSTAINABILITY

We work with national suppliers selected and registered in our system, which periodically evaluates the conduct of companies on issues such as bonded labor and illegal deforestation.

## Highlights of the year



### PIG FARMING

Launch of the Rapid TPS feed (technology, convenience, and safety), directed to piglets in the post-weaning phase. It is designed to be a highly nutritional, practical, and sustainable food, which allows for reduced manufacturing costs, energy savings, and lower storage of ingredients. We want to improve the zootechnical and financial results of this phase of breeding, positively impacting the other stages of animal husbandry. To develop it, we invested USD 1.5 million in the implementation of a production line at our factory in Toledo (PR).



### DAIRY CATTLE

An odorless powder added to the cow's feed helps to balance the animal's temperature so that it continues to have an adequate appetite, and as a result, it continues to produce good amounts of milk. The solution helps maintain proper body temperature and was developed by global Cargill especially for tropical countries, in other words, in very hot regions.



### POULTRY

In poultry, we highlight our food additives, which act on the digestive system, benefiting the intestinal microflora and, with this, the growth of the birds. The solution replaces antibiotics in the production of this type of meat, increasingly consumed by the population.



### BEEF CATTLE

In 2016, we launched our line of minerals and entered this market in Brazil. With this, we want to strengthen our position in production for pasture, a business in which the country, due to its territorial characteristics, is well developed. At Cargill's entrance into this segment, we are investing USD 7 million in the production of minerals in Itapira (SP).

### PETS

A new line of premium foods for dogs and cats brings the advantage of containing meat in its formula, increasing the absorption of nutrients and making it better accepted by the animals. The product contains no dyes and helps to control urinary pH, among other benefits. It is the result of the partnership between different areas within Cargill, from research to marketing, in an increasingly frequent practice in our operations in Brazil and worldwide.





## Long-term relationship

Banco Cargill is the financial arm of Cargill in Brasil. This way, we are always close to producers. We closely understand their reality and their needs, and work to achieve a virtuous cycle, in a safe, healthy financial scenario guided by ethics and best market practices.

The institution provides services and loans to agricultural, industrial, and cooperative clients through an agile credit approval process, won by Cargill's credibility and knowledge of agribusiness. In 2016, we went through a phase of severe instabilities in patterns of rainfall, aggravated by the loss of the country's investment grade at the end of 2015. The States of Maranhão, Tocantins, Piauí, and Bahia had a 50% crop failure in cotton and 40% in soybeans. In Goiás, there was a 75% crop failure in corn. In Bahia, which experienced its fourth year of drought, we also faced the problem of helicoverpa, one of the most aggressive pests in agriculture.

Given this scenario, our strategy was to stay with rural producers, providing financial alternatives in a time of severe shortage of financing in the market. We plant long-lasting relationships and are confident about the 2017 crop, which looks as if it will yield good results.



### Bank figures in 2016

BRL 4,295,862  
in assets,

4%  
higher than  
the previous  
fiscal year.

- The loan portfolio showed a small drop of 3%, reaching BRL 2,798,051.
- Loss of BRL 3,097, caused mainly by the provision for doubtful accounts due to the adverse economic scenario. These credits were successfully renegotiated, and clients are constantly monitored by the Bank's Credit and Risk and Commercial areas.







# Engaged in diversity

Valuing our professionals and their development

## Material aspects



Compliance with environmental, labor, and societal and human rights criteria and clauses

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## Cargill and its professionals

The human development area of Cargill is under construction. That is how we may characterize the profound transformation we have been going through mainly since the middle of 2016. The goal is to value our people, serve our business more efficiently, and as a consequence, achieve our goal of feeding the world responsibly, safely, and sustainably.

### Our people

#### Cargill Brasil in 2016

9,875\*  
employees

\* This number does not include joint ventures.



176

cities in the country



27.5%

of leadership positions  
are held by women



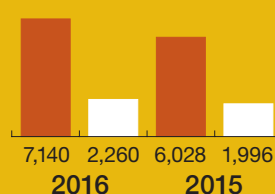
11.9%

of leadership positions  
are held by blacks

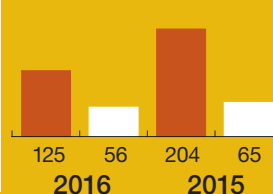


#### TOTAL EMPLOYEES BY EMPLOYMENT AGREEMENT (G4-10)

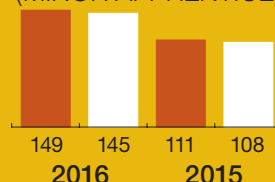
##### CLT – OPEN-ENDED CONTRACT



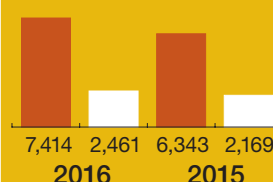
##### CLT – FIXED-TERM CONTRACT



##### MENOR APRENDIZ (MINOR APPRENTICE)

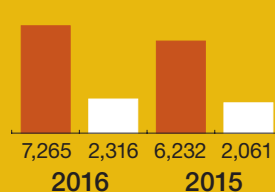


##### TOTAL

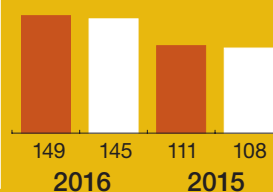


#### TOTAL NUMBER OF EMPLOYEES BY JOB TYPE (G4-10)

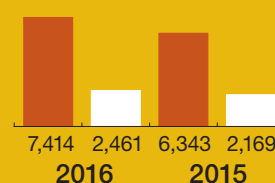
##### FULL TIME (40 HOURS WEEKLY)



##### PART TIME (20 HOURS WEEKLY)



##### TOTAL



Men



Women





## TOTAL NUMBER OF EMPLOYEES BY REGION (G4-10)

## NORTH

2016	2015
 544	 416
 125	 99

## NORTHEAST

2016	2015
 769	 696
 151	 139


## MIDWEST

2016	2015
 2,611	 2,286
 803	 778

## SOUTH

2016	2015
 843	 761
 278	 273

## SOUTHEAST

2016	2015
 2,647	 2,184
 1,104	 880

## Highlights in people in 2016

- The Talent Attraction and Acquisition area became more advisory, providing important gains to the business.
- Flows and contracting processes are standardized and organized to provide gains in efficiency.
- The Safe Driving Policy was revised, including guidelines on the use of the cell phone in company or private vehicles.
- Ally Program, focused on discussing issues related to LGBTs – lesbian, gay, bisexual, and transgender individuals. It is a voluntary educational program with the aim of providing information and tools so that we may build a more diverse and fairer work environment.

## TOTAL

	2016	2015
MEN 	7,414	 6,343
WOMEN 	2,461	 2,169

The significant increase in the number of professionals from one year to the next is due to including employees from one of the business units that was not included in the previous report (Cargill Premix and Nutrition – CPN).

In some regions, a substantial part of the organization's work is performed by professionals legally recognized as freelancers, for cargo transport services.

## Integrated vision

The change involving human resources activities seeks integrated vision and models of structures, processes, and systems. The result of this work begins to be perceived with the formation of the Health Committee and the Diversity Committee, with the consolidation of the Cargill Business Service (CBS), in Uberlândia (MG), and strategies for attracting and retaining talent. It also manifests itself in our work as signatories of the National Pact for the Eradication of Bonded Labor and in our interest in improving the model of our relationship with Brazilian unions.



## Health and safety

Integrated management is also the word of order in health and safety at Cargill. That is why, in 2016, we created the Health Committee, whose main objective is to connect and boost all initiatives related to this aspect in the company, such as the benefits area, outpatient clinics, and prevention campaigns. With a series of actions that are being planned by the Committee in partnership with the Human Resources area, the idea is to create a health promotion and prevention environment, relying on our employees to take responsibility, on the one hand, so they may feel responsible

for their own health; on the other, so they may clearly see that the benefit and quality of life programs offered by the

company belong to everyone and are a collective good, so that they always make conscious use of them. In 2017,





## Safety, a non-negotiable value.

initiatives will be implemented after the creation of the Health Committee.

Safety has always been a priority for Cargill, in Brazil and worldwide.

The good news is that in 2016 there were no fatal accidents in the country. The company, however, is not satisfied, and works to achieve zero fatality globally.



**In Brazil, new strategies are being developed and represent advances in company culture. These initiatives are based on three pillars:**

- Each employee's sense of responsibility for safety
- More attention to risks, i.e. situations that may be fatal or severe, which may change people's lives indefinitely
- Training focused on operational discipline and communication



## SIF, an essential indicator

Having consistent metrics is another key safety issue. Therefore, we reviewed existing indicators and adopted one more, the Serious Injury and Fatality Incident (SIF), which helps us identify risks. This is a post-fact indicator, that is, it allows analysis after an incident or evidence of risk. Our goal, and major challenge, is precisely to work preventively and, in this sense, SIF is an extremely important indicator for our business.

We mapped  
**12**  
high-risk activities that received special safety attention.



## Saving lives

The Program LIFE savers – Salvando Vidas, implemented in Brazil since 2015, seeks to engage our employees and align concepts and expectations at a global level, to ensure the integrity of those who work with us. The program encourages the adoption of practices that identify risks and help eliminate hazardous situations in 12 high-risk activities. Emphasis is given to the expected behaviors and minimum requirements required to perform tasks safely.



The 12 activities, with their respective risks and hazards, were mapped from an analysis

that showed which behaviors most involved fatalities at Cargill worldwide.

## Safe Driving Policy

Among the 12 activities highlighted globally by Cargill is traffic safety. This item gained focus in 2016, following Cargill's global plans to achieve zero fatality

in its operations. In this context, safe driving is a very important aspect, since the collision of motor vehicles was the main cause of fatalities in our company in the last 13 years.

Based on scientific research

that points out the main causes of traffic accidents, we also changed our Safe Driving Policy in 2016, including:

- Prohibiting the use of electronic mobile devices, including those using hands-free technology, while our employee is driving on behalf of the company, operating a vehicle owned or leased by the company, except when the vehicle is parked in a safe place
- People driving must not use mobile devices to conduct Cargill-related business while commuting to work, including driving a personal vehicle



## Culture of diversity

In 2016, we focused on the subject of diversity and created mechanisms that allowed us to build a vision and integrated conduct on this aspect. Based on information already available and the experiences of the internal networks, such as Women in Operation in Brazil (MOB), Pride (LGBT) and Cargill's own strategic intention, the Brazilian Diversity Committee was structured.

It is a multidisciplinary group with representatives from all areas of the company interested in developing the subject. At the end of 2016, the Committee organized an action plan to coordinate the various initiatives. The first project will be gender-focused, a global focus of Cargill, but all other aspects of diversity will have specific actions. Even more subjective issues, such as the importance of diversity of thought and the unconscious bias of managers in decision-making, are also on the agenda for 2017.



We created the Diversity Committee to prioritize the actions and discussions related to this aspect.



## Attracting and retaining talent

Among the main changes experienced by Cargill's Human Resources area, the initiatives that are being designed and implemented regarding the attraction and acquisition of talent deserve special mention.

From June to December 2016, a total of 90% of the positions (500 jobs) made available in Brazil were conducted by our internal recruitment teams. In cases of expansion projects or reorganizing areas or very specific positions, we continue to use the support of external consultants.

We are building a new recruiting model in Brazil, with several benefits:

- Contribute knowledge to the human development area of the company
- Have an integrated view of the needs of each business and its specifics
- Boost internal movements
- Reduce the cost involved in processes
- Optimize time



## Gender issue

The agribusiness market is mostly formed by male professionals. From June to December 2016, Cargill employed 58.6% men, of the total number of employees. For the next year, as one of the Human Resources goals and with the support of the Diversity Committee, the challenge is enormous.

## OUR GOALS

**30%**  
of available positions  
with women finalists  
in the selection  
processes conducted  
by CBS.

**50%**  
of available positions  
with women finalists in  
the selection processes  
for management  
positions.



## Hand in hand with universities

As part of our purpose to have a company that values differences of thought and knowledge, fundamentally guided by ethics, we commissioned a survey in 2016 to understand how well Cargill is known among students from 200 Brazilian universities.

Based on this analysis, we concluded that future agronomy practitioners, for example, would prefer to work for 14 other companies before choosing Cargill. We also identified that the main reason for our low placement in the three categories evaluated (humanities, engineering, and agronomy) is the little knowledge that this group has of our performance. Our next step will be

to propose a relationship program with important universities throughout the country, which will include lectures and working day activities at Cargill, among other initiatives.

We are also revisiting our internship program, for which we created recruitment trails, designed for the specifics of the profiles and the needs of the areas of the company.





## Ethics as part of everyday life

All our employees, upon joining the company, go through an integration program. In this first contact with Cargill, they learn about the company's Code of Conduct. Outsourced security

professionals also receive information about our ethical principles. Cargill has a set of ethical principles, described in the Code of Conduct, which places human rights at the center of the company's and its employees' performance. In addition, training and qualification sessions are organized at all Cargill units to ensure compliance with internal policies and commitments assumed by the company. In 2016, for example, 7 Ally Program training sessions on diversity were carried out, resulting in 182 trained employees, and 3 training



sessions on the Program to Combat Sexual Exploitation of Children and Adolescents, organized by the NGO Childhood Brasil, resulting in 3 trained people. (G4-HR2, HR7)



## Shared services

In 2016, we concluded the second wave of the Cargill Business Service (CBS) consolidation project, located in Uberlândia (MG). This is a global trend for Cargill, to focus on financial, accounting, tax, administrative, human resources, information technology, and purchasing activities in a single place.

CBS was inaugurated in 2015 with the objective of bringing gains in operational efficiency, which are already being perceived by our suppliers and clients. To structure CBS, we carried out hundreds of internal professional movements and created about 200 direct



jobs in the region, as well as indirect jobs and business opportunities. Today, CBS has 500 employees and makes an important contribution to Cargill's growth strategy based on the world's best practices for continuous improvement and shared services.

**CBS is an important contribution to our growth strategy.**







# Change and well-being for everyone

Our relationship with society and the communities close to our operations

## Material aspects



Suppliers and rural producers in accordance with the company's procurement practices policy



Rights of water use and conservation of water in areas of scarcity



Chemical impacts (fertilizers and herbicides) and management and disposal of waste in the soil



Emissions and their reductions



Impacts of business on communities and engaging with the community



Effluent quality: impact of chemicals (fertilizers and herbicides) and effluent disposal



Water consumption and efficient water consumption and sources of water for reuse

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Cargill Foundation





## Cargill and society

The future of our business depends on the capacity for change throughout our production chain. Taking a leading role in safe, responsible, and sustainable food is necessarily driven by how we manage our value chain and by our commitments to environmental conservation and restoration. It also depends on relationships with rural producers, communities, clients, NGOs, governments, and national and international institutions. To this end, Cargill invests in a mature and lasting relationship with these stakeholders in order to contribute to the continuous evolution of the company, the industry, and Brazil.

## Quality relationship

In this section, we highlight the main initiatives toward our relationship with society and the communities close to our operations, and we update their progress in 2016. They are presented on the following fronts:

- **Business responsibility**
- **Our commitments**
  - Cargill Forest Policy
  - Sustainability in the soybean supply chain
  - Sustainability in the cocoa supply chain
- **Our environmental indicators**
- **Social and environmental programs**
- **Cargill Foundation**



## Business responsibility

### Our guidelines

The quality and safety of food offered by Cargill also depend on the trusting relationships we have established with our suppliers. The company's commitment to ethics and best social and environmental practices extends throughout our value chain. For this purpose, two key documents guide our business relationship. One of them, the Supplier's Code of Conduct, sets the operation guidelines for this stakeholder, according to the values and ethical principles of the company. The other, the Buyer's Code of Ethics, brings together a set of rules for our professionals.

Direct purchases of materials and inputs are governed by the Supplier's Code of Conduct, which establishes the rules for supply and whose formal acceptance is a condition to participate in any procurement process with the company. All Cargill investment agreements and contracts include clauses that address human rights issues such as the eradication of bonded labor and child labor. (G4-HR1, HR-10)





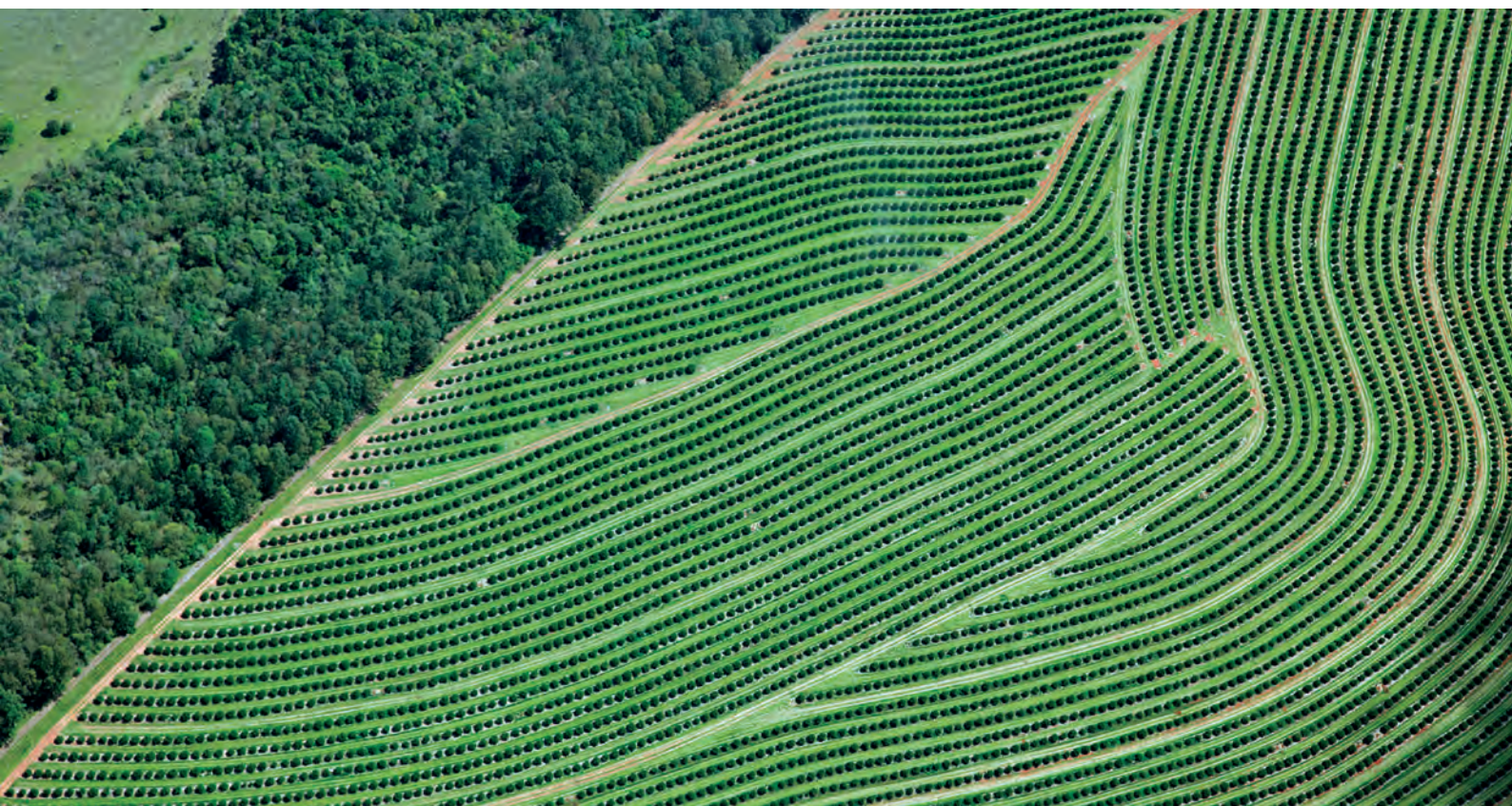
## Georeferenced monitoring

In accordance with Brazilian law, Cargill does not purchase agricultural products or grains from illegally deforested areas. In order to assure ourselves of the origin of our raw material, today we have in place advanced mechanisms of information analysis. Through geographic information systems, we can monitor and analyze our grain supply chain.

Cargill also has a partnership with the NGO World Resources Institute (WRI) for the development of global geo-referenced public information bases to monitor supply chains linked to the agricultural sector. Another key reference in this process is the list of embargoes – from producers who are not in compliance with the legislation – made available by the Brazilian Institute of the

Environment and Renewable Natural Resources (IBAMA).

Cargill consults the document for each new contract, and we commit to not market products from such areas, as well as not to negotiate the sale of inputs or financing for them. To this end, we have in place strict internal procedures ensuring that we do not conduct business with any embargoed area.



### Global partnership (G4-15)

In 2016, Global Cargill created a partnership with WRI for our businesses worldwide, to strengthen sustainability in our supply chain and ensure our partners the safety and transparency of our environmental practices.

WRI developed a platform to consolidate forest loss data, to which Cargill Brasil also contributes in order to make the available information more robust and accurate for the company, the industry, and other stakeholders.

We make sure our raw materials do not come from illegally deforested areas.



# Our commitments (G4-DMA)

## Not one hectare less

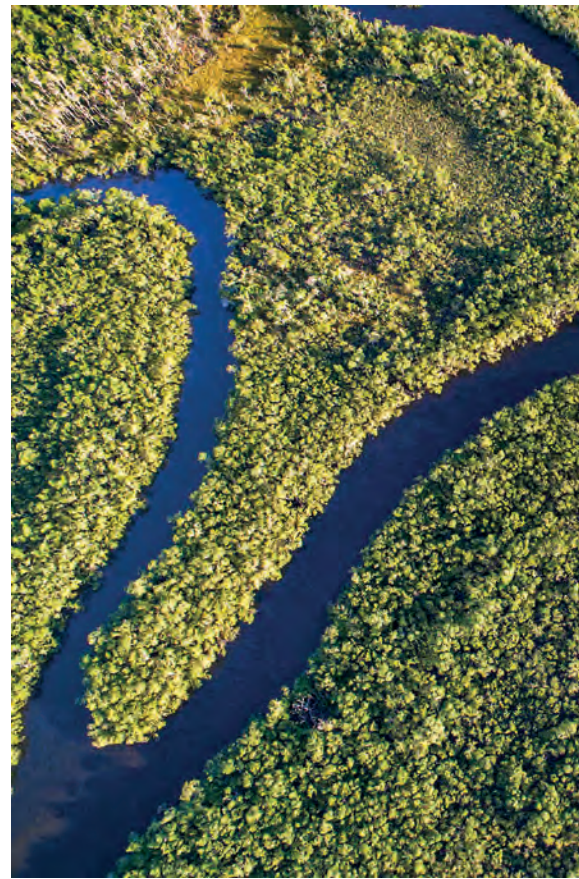
(G4-15)

Forests are fundamental to the present and future of Cargill and the planet. That is why we are committed to reducing deforestation in all our agricultural supply chains. Among several actions in this regard, the company supports the New York Declaration on Forests since 2014.

We use our knowledge as one of the world's largest buyers of soybeans, palm oil, and other crops to promote sustainable

agriculture. We work with farmers, governments, environmental organizations, and members of the communities in which we operate to find practical and scalable solutions.

In Brazil, recent reports point to progress and challenges on this journey, with emphasis on ten years of the Moratória da Soja (Soy Moratorium) (see *page 48*). Cargill currently works with over 15,000 soybean farmers and collaborates with governments, NGOs, and partners to implement the Brazilian Forest Code and promote forest protection.



## Nourishing the world and protect the planet

Learn about our main initiatives in recent years focused on feeding the world and protecting the planet.

### 2004

- We have been tracking and managing deforestation linked to our supply chain via satellite.
- Since then, we have also supported The Nature Conservancy (TNC) in the Soja Mais Sustentável (More Sustainable Soy) project (see *project details on page 50*).
- Cargill joined the Round Table on Sustainable Palm Oil.

### 2006

- Launch of the Moratória da Soja (Soy Moratorium), which has been defended by industries in the sector and environmental organizations for ten years (see *more information on page 48*).

### 2009

- Creation of the Cargill Sustainability Committee (see *page 18*).

### 2011

- Launch of the Soja Plus Program (see *page 49*).
- Expansion of the Soja Mais Sustentável project to Mato Grosso (see *page 50*).
- Launch of the Cacau Mais Sustentável (More Sustainable Cocoa) project in Pará (see *page 53*).

### 2014

- At the United National Climate Change Conference, Cargill joined dozens of other companies, governments, and civil society groups from around the world to support the New York Declaration on Forests. The signatories pledged to do their part to reduce, stop, and reverse the global loss of forests, and increase food safety for all.

- We issued a palm oil policy aimed toward eliminating any source of this substance from our supply chain that is linked to the deforestation of environmentally sensitive areas, including peat bogs and the exploitation of Indigenous communities.

### 2015

- We launched the Cargill Policy on Forests, a document with company commitments and goals that includes the approach to evaluating our suppliers and our investments based on forest protection principles (see *details on page 45*).
- International recognition through 3S Certification (see *page 51*).







## Global forest protection policy

(G4-EN27)

Cargill's Forest Policy, launched in 2015, expresses our commitment to protecting the planet's most biodiverse areas by reducing deforestation by 50% across our agricultural production chain by 2020 and by 100% by 2030. Another commitment to mitigating our environmental impacts is the Forest Protection Action Plan.

### Principles

- Rural producers and consumers are important partners in this debate.
- Market forces can help.
- Product and process innovation may help to find ways to produce more with less, reducing our impact on the environment.
- The world needs solutions at scale.

### The Forest Policy establishes:

- Compliance with the law in all regions where our production chain is present.
- Fostering family farming.
- That environmental principles will always be adopted in the company's future investments.
- That suppliers that do not comply with the principles of the Policy will be suspended.
- The adoption of seven practical steps to protect forests, overseen by corporate areas and the Cargill Sustainability Committee.

### Seven steps to forest protection

- Assess current deforestation risks in value chains and prioritize actions.
- Assess current procurement practices across the value chain and determine where they contribute to forest loss.
- Assess the current state of forest loss in the regions home to Cargill's production chain.
- Engage producers and suppliers in the principles of the Forest Policy.
- Establish processes for monitoring and identifying local partners to help build competencies.
- Contribute to sector leadership and seek collaboration with business, government, and civil society partners to develop institutional responses.
- Disclose results annually.

### 2016

- We supported the extension of the Moratória da Soja for an indefinite period.
- We developed our first Forest Report, which describes the progress made in our action plans to protect them and promote sustainable land use in our supply chains for cocoa, soybean, palm oil, cotton, corn, and packaging based on fiber. It was released in January 2017 and is available at [www.cargill.com.br/wcm/groups/public/@ccom/documents/document/na32006855.pdf](http://www.cargill.com.br/wcm/groups/public/@ccom/documents/document/na32006855.pdf).

We are committed to eliminating deforestation linked to our value chains.

## Forest Report

The main results of our initiatives in Brazil were disclosed in the 2017 Forest Report:

### Direct activities

- Evaluation of over 12,000 farmers in our soybean supply chain regarding the progress of implementing the Cadastro Ambiental Rural (CAR – Rural Environmental Registry). Currently, 60% of producers are registered with the CAR.
- Maintenance of restrictions on the areas embargoed by IBAMA (illegal deforestation) and the Pact for the Eradication of Bonded Labor, for all origination of agricultural products by Cargill.
- Expansion of the Soja Mais Sustentável program with The Nature Conservancy (TNC) in order to advance producers' compliance with the Forest Code, in addition to the CAR, in the States of Mato Grosso and Pará.
- Training and education of the 300 employees of Cargill's sales team, to evaluate and monitor the progress of the implementation of the Forest Code and guide producers concerning the CAR.
- Development and distribution of 18,000 brochures and 200 banners focused on communication and guidance on the Brazilian Forest Code for farmers and farmers' associations.
- Translation and distribution of 1,000 copies of the Imaflora guidelines to implementing the Forest Code, for international producers and partners.

### Sectorial actions and multistakeholders

- Participation in the Grupo de Trabalho da Moratória da Soja (Soy Moratorium Working Group) and in the development of the strategy that led to its extension without an expiration date. In addition, we worked on building a Working Group to defend the transparency of Forest Code information, with the participation of the Brazilian Association of Vegetable Oils Industries (ABIOVE), Greenpeace, TNC, the Amazonian Environmental Research Institute (IPAM), and the World Wide Fund for Nature (WWF).
- Participation in the Protocolo Verde de Grãos (Green Grain Protocol) of the State of Pará, which incorporates the CAR as a requirement for grain purchasing and origination.
- Support and expansion of the Soja Plus Program for the MAPITOBA States (Maranhão, Piauí, Tocantins, and Bahia), with the CAR incorporated as a key indicator in the process.
- Execution of a cooperation agreement with the Ministry of the Environment to support the implementation of the CAR.
- Focus on education, involvement, and awareness, in order to improve and support implementation of the Forest Code, including:
  - Distribution of 10,000 folders to producers and producer associations on the procedure for implementing the CAR.
  - Distribution of 2,000 banners to encourage the implementation of the CAR in all producer associations and branches of Banco do Brasil in the State of Mato Grosso.
  - Distribution of 5,000 manuals on the implementation of the Forest Code.

**Read the complete Report:** <http://www.cargill.com.br/wcm/groups/public/@ccom/documents/document/na32006855.pdf>.

**To learn about the Forest Policy in its entirety, visit:** [www.cargill.com.br/wcm/groups/public/@csf/@brazil/documents/document/na31914457.pdf](http://www.cargill.com.br/wcm/groups/public/@csf/@brazil/documents/document/na31914457.pdf).



### United to combat climate change

Cargill is a member of the Coalizão Brasil: Clima, Florestas e Agricultura (Brazilian Coalition on Climate, Forests, and Agriculture), and assumed the co-leadership of two working groups to implement the Brazilian Forest Code and Sustainable Logistics. The Coalizão Brasil is a multisector movement, composed of entities that lead agribusiness in Brazil, which discusses issues arising from climate change from the perspective of a new economy, based on the low emission of greenhouse gases (GHGs). The movement is based on a document including 17 concrete proposals, aimed toward reducing GHG emissions and a low-carbon economy. Learn more at <http://coalizaobr.com.br/2016/>.



## Sustainability in the soybean supply chain

In this aspect, you will learn more about our transformative initiatives and examples of our relationship with rural producers that contribute to significant progress incorporating best agricultural practices and forest protection.

### Soybean Action Plan (G4-15)

To comply with our Global Policy for Forest Protection and eliminate deforestation in our production chain, we have established five priority areas and respective action plans for forest protection. One of them was specially developed for the production of soybeans in Brazil.

ACTION	UPDATE
Extension of the Moratória da Soja beyond May 2016	Agreement signed for an indefinite period
Request the CAR as a requirement for purchase	Diagnosis of the supply chain, communication campaign on the CAR (video), communication campaign on the Forest Code (Imaflora guide), producers without the CAR sign a declaration making the commitment to register
Ensure that all suppliers comply with the Brazilian Forest Code	
Lists of embargoed and bonded labor areas as a purchasing criteria	Procedure for list consultation established for soybean purchase
Partnership with industry, government, environmental organizations, and clients	Participation in the Coalizão Brasil and the Grupo de Trabalho da Soja (GTS – Soybean Working Group)



## Ten years of the Moratória da Soja (Soy Moratorium) (G4-15)

In 2016, we celebrated ten years of the Moratória da Soja – an unprecedented initiative that brought together companies, associations, NGOs, and the Brazilian government in a sole commitment to not cultivate, market, or finance soybeans produced in deforested areas of the Amazon biome. The agreement has contributed to reducing deforestation in the region over the past decade.

Some analyzes pointed to soybeans as one of the vectors responsible for deforestation in the Amazon region. There was, however, a lack of precise information and data to estimate the involvement of the soybean crop in this problem, a fact that did not diminish the greater concern, which was to address the deforestation problem. Cargill had already begun a partnership with The Nature Conservancy (TNC) in 2004 to foster best practices for rural producers in the region. But, more was needed, the joint commitment of all parties involved.

Thus, the private sector, civil society, and the federal government, represented by the Ministry of the Environment and Banco do Brasil, began working together through the Grupo de Trabalho da Soja (GTS – Soybean Working Group). In this group, monitoring soybean planting in the Amazon biome was improved through satellite imagery. Based on this assessment, companies



### Cadastro Ambiental Rural (CAR – Rural Environmental Registry)

An action plan addressing the Forestry Policy was developed especially for the soybean production chain in Brazil, with specific goals and deadlines. Our commitment in 2016 was to begin an intense communication campaign with producers on the Cadastro Ambiental Rural, and to carry out the analysis of about 15,000 suppliers regarding adherence to the Forest Code, specifically the CAR.

## In 2016, we celebrated ten years of the Moratória da Soja.

were given guarantees regarding suppliers who could offer soybeans in areas free of deforestation.

Gradually, the Brazilian government has also been implementing measures that help reduce deforestation, such as the beginning of integrated surveillance operations in 2009 – IBAMA,

Federal Police, Highway Police, the Army, and state environmental departments. In 2012, the new Brazilian Forest Code came into effect, introducing two important instruments: the CAR and the Programa de Regularização Ambiental (Environmental Regularization Program). In May 2016, we supported the renewal of the commitment for an indefinite period – until it is no longer needed.

Cargill follows this evolutionary movement and has actively participated in important initiatives related to sustainability. The Moratória da Soja shows that it is possible to produce grains, serve our clients, and feed our populations while respecting natural resources.





### Soja Plus (G4-15)

Soja Plus is a free and voluntary educational program to continuously improve the economic, social, and environmental management of Brazilian rural property, preparing it for sustainable production and meeting market demands. It seeks to contribute to the conservation of natural resources, the governance of productive activities, and the social well-being of workers, rural producers, and local communities.

The program was created in 2011 through a partnership between the Brazilian Association of Vegetable Oils Industries (ABIOVE) and the Association of Soybean and Corn Producers of the State of Mato Grosso (APROSOJA/MT). Currently, it is present in four states – Mato Grosso, Mato Grosso do Sul, Minas Gerais, and Bahia –, based on partnerships between producers, industry, civil society, academia, and financial institutions. Producers participating in the program receive training courses on environmental and social legislation as well as personalized technical assistance on their properties.



### Partnership with the University of Viçosa

As part of the Soja Plus program, Cargill is supporting a differentiated model in Minas Gerais, conducted in partnership with the University of Viçosa in three main stages:

- Students are selected for training in quality of life in agriculture, health and safety in rural work, and labor legislation.
- Then the trainees are sent to selected farms with the help of Cargill, where they stay for a week to apply a checklist.
- At the end, each student presents an action plan to the farmer with information about what and how to improve their processes.

Also participating in the training are the Federation of Agriculture and Livestock of the State of Minas Gerais (FAEMG), the National Rural Apprenticeship Service (SENAR), the Institute Antonio Ernesto de Salvo (INAES), ABIOVE, and unions.

### Protocolo Verde de Grãos (Green Grain Protocol) (G4-15)

The Protocolo Verde de Grãos, signed in 2014, is one of the agreements between the government of Pará, the Public Attorney's Office, and the private sector to eliminate illegal deforestation in the main production chains in Pará. It is a voluntary and private instrument, but it includes the consent and participation of the government.

The Protocol establishes criteria for responsible purchasing in the soybean production market in Pará, which attest to the environmental and social regularity of the agricultural products sold.

The criteria for purchase are:



- Have the CAR
- Issue an invoice
- Not be on the list of embargoed areas
- Not be on the list of areas with reports of bonded or compulsory labor
- Check for illegal deforestation by the Project for Monitoring Deforestation in the Legal Amazon by Satellite (PRODES)

Cargill commits to not market soybeans in Pará with producers that do not meet all these criteria.



## Soja Mais Sustentável (More Sustainable Soy) (G4-15)

The Soja Mais Sustentável (More Sustainable Soy) project has been carried out through the joint efforts of Cargill and the NGO The Nature Conservancy (TNC) since 2004. The initial objective was to ensure that all company suppliers in the Amazon region were in compliance with their environmental obligations, for through inclusion in the Cadastro Ambiental Rural (CAR), the first step towards definitive environmental regulation. To this end, the program carried out, together with producers, the environmental diagnosis of properties and the identification of Permanent Preservation Areas (PPAs), Legal Reserves (LRs), environmental liabilities, and remnants of vegetation on the properties. With this data and the CAR, rural producers have a strong environmental management tool at their disposal. Since then, the project has evolved in important ways.

### PHASE 1

Inclusion of 383 soybean-producing properties, from Santarém (PA) to Belterra (PA), in the CAR.

- The project expanded and covered the cocoa production chain in São Félix do Xingu (PA).
- It also inspired the creation of an environmentally adapted model, which was followed by other companies, organizations, and governments with which the TNC later worked.

### PHASE 2

- Investments of USD 3 million to support actions protecting the Amazon and the Cerrado,



advancing the issue of environmental adequacy of soybean supplying properties and expanding best agricultural practices and responsible grain production to municipalities in the north of Mato Grosso, and neighbors to highway BR-163 (Cuiabá-Santarém).

### PHASE 3

- With the end of the CAR registration period, Soja Mais Sustentável enters a new phase until 2018, which is the post-CAR agenda of compliance with the Forest Code. The project will support the governments of Mato Grosso and Pará in complying with the Programa de Regularização Ambiental (PRA – Environmental Regularization Program) and in developing technologies for the recovery of degraded areas through pilot properties in both states.

### RESULTS

- 847 properties in Mato Grosso underwent detailed environmental analysis; individual reports generated from these analyses were delivered to trade unions and property owners. These producers are being prepared for the new environmental challenges, especially for the implementation of the Forest Code.

## Programa Cargill de Agricultura Familiar (Cargill Family Agriculture Program)

Currently, the program serves about 1,000 individual family farmers and 1,200 through cooperatives. It accounts for the production of 200,000 tons of soybeans in 120 cities in the states of Goiás, Mato Grosso do Sul, Minas Gerais, Pará, Paraná, Rio Grande do Sul, Santa Catarina, and São Paulo. The Programa Cargill de Agricultura Familiar enabled our biodiesel plant in Três Lagoas (MS) to obtain the Social Fuel Seal, granted by the Ministry of Agrarian Development (MDA) to biodiesel producers that promote social inclusion and regional development by generating jobs and income for family farmers who have the Statement of Eligibility to PRONAF (DAP).





## Querência+ Project: Sustainable Landscapes

The project aims to establish local pacts to improve the social and environmental performance of production chains in the city of Querência (MT). It is coordinated by the Amazon Environmental Research Institute (IPAM) and relies on the technical cooperation of several organizations to carry out actions in three main areas: strengthening environmental governance, strengthening family agriculture, and supporting the creation of the Multisector Forum. Cargill contributes to the project by engaging local producers through the 3S and 2BS certifications, thus encouraging best social and environmental practices and controlling deforestation on Querência properties.



## 3S Certification

Six years ago, demanded by the needs of agribusiness, Cargill decided to implement its own environmental certification, with indicators defined based on rigorous benchmarking and a focus on soybean producers. In 2016, our 3S Certification (Solutions for Sustainable Procurement) gained special support: the technical assistance of the BioSystemic Institute (IBS) in our processes. Developed in 2010, the 3S Program is a voluntary environmental certification that contributes to zero deforestation and encourages best production practices by providing rural producers with the necessary guidance for the production of more sustainable soy in social and environmental aspects. Currently, it is present in three states: Paraná, Mato Grosso, and Pará, in which 170 soybean producers are now certified. Certification processes and procedures are verified annually in Brazil by independent auditing.

## Partnership with the BioSystemic Institute (IBS)

Provides technical assistance to rural producers who are part of the certification program. In partnership with Cargill, 3S Certification is implemented in four stages: educating producers, diagnosis of the property, preparation of an individual action plan, and continuous improvement. The 3S Certification process foresees in its scope two years of monitoring the producers.

## Communication channels

Producers have several communication channels with the IBS to answer questions and assist them when implementing the action plan. Among them, WhatsApp

groups, 0800, SMS, newsletters, booklets, and a 3S portal which centralizes the information from the diagnosis and, thus, facilitates the producers' monitoring of the indicators.

## Benefits

The initiative combats the degradation of land with high environmental value, guarantees worker well-being, and manages greenhouse gas emissions (GHG), while increasing the engagement



of producers in the search for sustainable practices with continuous improvement – a differentiator of the program. Producers are encouraged to systematically evolve

regarding aspects such as land use, best agricultural practices, compliance with labor legislation, and worker's OH&S. The 3S also considers product traceability in its mass balance control system. As a result of all these benefits, rural producers expand their perspectives in the market and improve their management.

## Other certifications

Cargill also works with two certifications for the production of biodiesel: 2BSvs (Biomass Biofuels Sustainability voluntary scheme) and ISCC (International Sustainability & Carbon Certification). The 2BS standard is focused on biodiesel production in Europe and was developed to enable farmers, throughout the biomass supply chain, to demonstrate that their products are in compliance with the European Renewable Energy Directive. The 2BS soybeans produced by Mato Grosso do Sul producers participating in the Programa Cargill de Agricultura Familiar (Cargill Family Agriculture Program) are sent to the Três Lagoas factory, which produces ISCC – certified biodiesel.

## RTRS

Cargill holds the Round Table on Responsible Soy (RTRS) certification for the chain of custody of two of its plants: Rio Verde (GO) and Uberlândia (MG). The two plants receive soybean production from a certified group of producers in Goiás and Minas Gerais. In this way, Cargill contributes to the achievement of the sustainability goals of one of its important clients.



## Sustainability in the cocoa supply chain

(G4-DMA)

Increase efficiency and expand agricultural production in Brazil in a sustainable way. This is one of the major challenges for the cocoa industry in Brazil, an aspect that has been guiding Cargill's initiatives, strengthening dialogue with rural producers and boosting partnerships between Cargill with companies and entities linked to the sector.

### UTZ Certification

We started a pioneering sustainability project when we brought UTZ certification to Brazil in 2012, which follows a strict code of conduct regarding best agricultural practices and compliance with environmental and labor legislation. Until then, 100% of our cocoa was purchased via third parties. By encouraging certification, we began buying about 5% of our cocoa directly from the producers who wanted to certify. We ended 2016 with 90 certified farms, equivalent to approximately 10,000 hectares, in the states of Bahia and Espírito Santo. Our goal is to certify 200 farms by 2019.

### National strategy

Brazil is the only major country in this segment that produces and consumes 100% of its cocoa, which generates stress in the market in periods of instability, such as the drought that affected the crop in 2016. Therefore, increasing productivity by ensuring sustainable

90  
farms with UTZ  
certification of  
best agricultural  
practices.





practices in the field and industry will represent a major breakthrough for the industry in the coming years.

To this end, in 2016 Cargill decided to go further and impact the chain as a whole. As a member and one of the leaders of the Association of Cocoa Processing Industries (AIPC), and with the participation of other industries in the sector, we have defined a national strategy to increase cocoa production: in five years, the plan is to jump from 200,000 to 300,000 tons of production of the raw material in the country.

The program called Nível Brasil (Brazil Level) is a result of the lessons learned and experience that this group of companies already has about the sustainable production of cocoa. We at Cargill are contributing, for example, to projects that started in the last five years within the company, and may now gain scale through industry collaboration. Among them, the Cacau Mais Sustentável and the Tuerê Project can be highlighted (see below). Achieving a sustainable vision for increased cocoa production favors industry, strengthens rural producers, and makes our product more competitive overseas.

### Cacau Mais Sustentável (More Sustainable Cocoa)

Cargill also operates in the areas of cocoa production in Pará. One of the projects is Cacau Mais Sustentável, created with the support of The Nature Conservancy (TNC) of the Ministry of Agriculture, through the Executive Commission of the Cocoa Plantation Plan (CEPLAC), and the Alternative Cooperative of Small Rural and Urban Producers of São Félix do Xingu (CAPPRU). The main objective is the environmental regularization of rural properties through the Cadastro Ambiental Rural (CAR) and income generation in the São Félix do Xingu micro region. One of the assumptions of this action is



to recover the deforestation area of the Amazon. Today, there are 83 producers that have incorporated sustainable practices and represent an approximate area of 400 hectares of planted cocoa, with estimated production in five years of approximately 400 tons.

### Tuerê Project

Another initiative related to cocoa is the Tuerê Project, in the city of Novo Repartimento (PA). We work in partnership with the Solidaridad Network, CEPLAC, and the Municipal Department of Agriculture. The initial objective was to work within the largest rural settlement in Latin America, with about 3,000 families, initially selecting 17 producers who participated in the application of the tool called Horizonte Rural (Horizon Rural), which diagnoses the main production bottlenecks and presents alternatives. This project revealed the need for technical assistance, environmental regularization, and better access to the market. By the end of 2016, a total of 50 producers benefited from this initiative.



### Southern Bahia

We also note that 75 producers in southern Bahia have benefited from training and qualification. Farmers improve their knowledge of technology and technical support to help them achieve better productivity, while the community benefits from projects that improve their environment, health, and nutrition. For this action, Cargill has had a partnership with the National Rural Apprenticeship Service (SENAR) since 2014.

# Environmental indicators

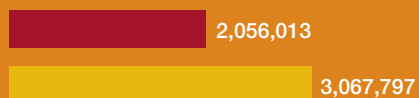


## Water

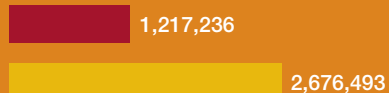
### Total volume of water withdrawn, by source (G4-EN8) (m<sup>3</sup>)

■ June 2016 to Nov. 2016 ■ 2015/2016

Surface waters  
(wetlands,  
rivers, lakes,  
oceans)



Groundwater



Rainwater  
directly  
harvested and  
stored by the  
organization



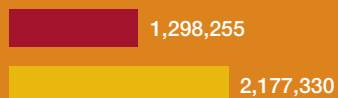
June 2016 to Nov. 2016	0
2015/2016	0

Effluents  
from another  
organization

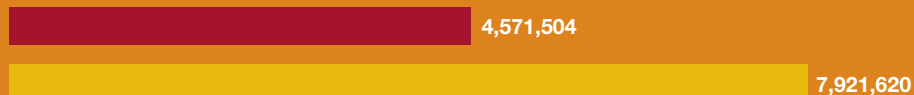


June 2016 to Nov. 2016	0
2015/2016	0

Municipal water  
supply or other  
water supply  
companies  
(municipal utility  
companies)



TOTAL





### Percentage and total volume of recycled and reused water (G4-EN10)

■ June 2016 to Nov. 2016 ■ 2015/2016 ■ 2014/2015

#### Total volume of recycled and reused water (m³)



#### Total volume of water withdrawn (m³)



#### Total volume of recycled and reused water as a percentage of total withdrawn water (%)



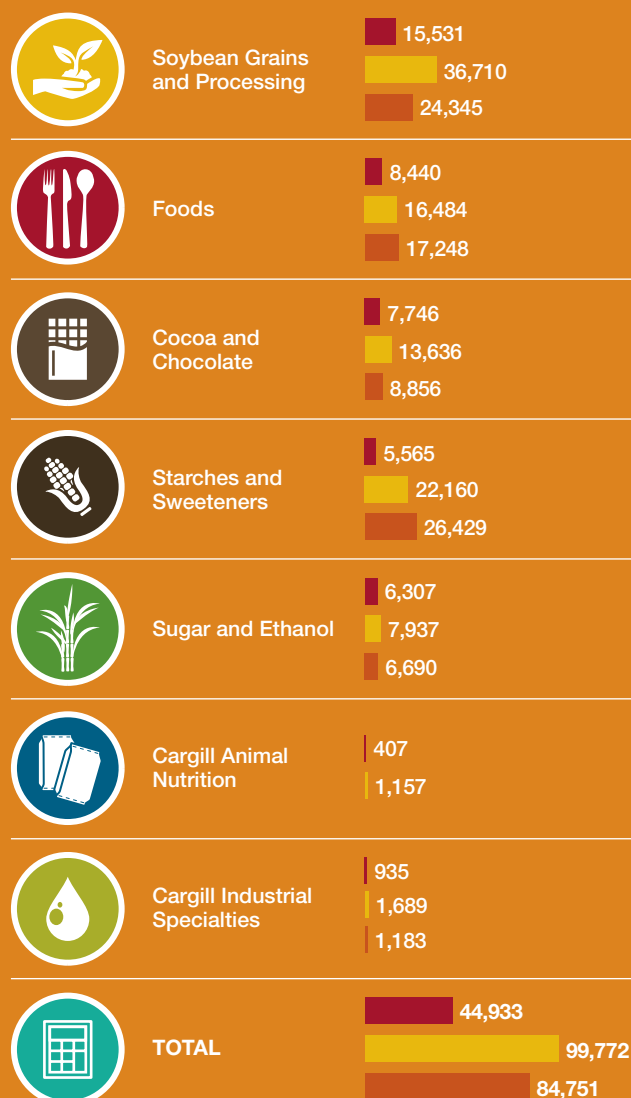
The total volume of recycled and reused water increased significantly compared to 2015/2016. The reason for this was a change in monitoring, which began to incorporate the Goiânia unit in the period covered by the Report. There was also a higher reuse rate in order to reduce the need for external water collection.



### Emissions

### Gross direct emissions of greenhouse gases (GHGs) – Scope 1 (G4-EN15) (tCO<sub>2</sub>eq\*)

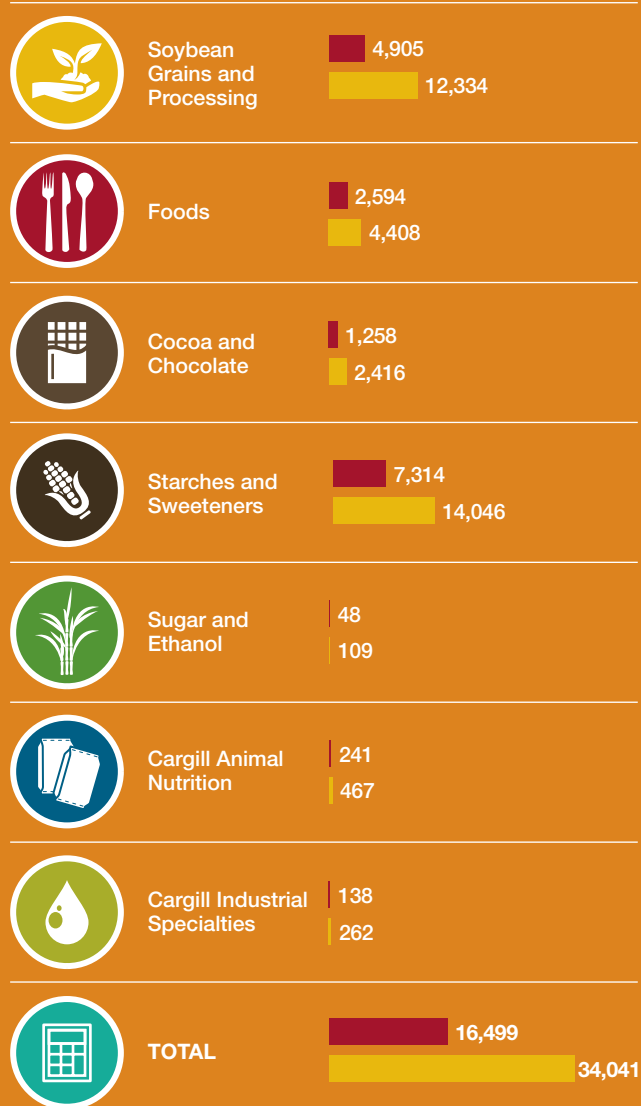
■ June 2016 to Nov. 2016 ■ 2015/2016 ■ 2014/2015



\*The methodology adopted was the GHG protocol, and the gases included in the calculation are: CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Biogenic emissions of CO<sub>2</sub> were not managed. The consolidation approach chosen for the emissions was operational control.

### Indirect emissions of greenhouse gases (GHGs) from purchased energy – Scope 2 (G4-EN16) (tCO<sub>2</sub>eq\*)

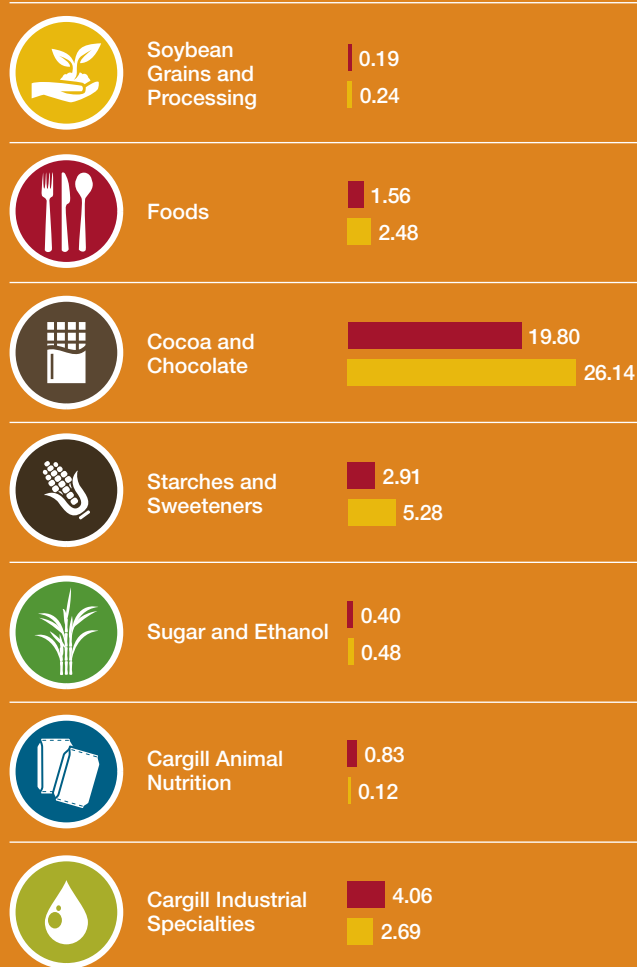
■ June 2016 to Nov. 2016 ■ 2015/2016



\*The methodology adopted was the GHG protocol, and the gases included in the calculation were: CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. The consolidation approach chosen for the emissions was operational control.

### Rate of greenhouse gas emissions (GHGs)\* (G4-EN18) (%)

■ June 2016 to Nov. 2016 ■ 2015/2016

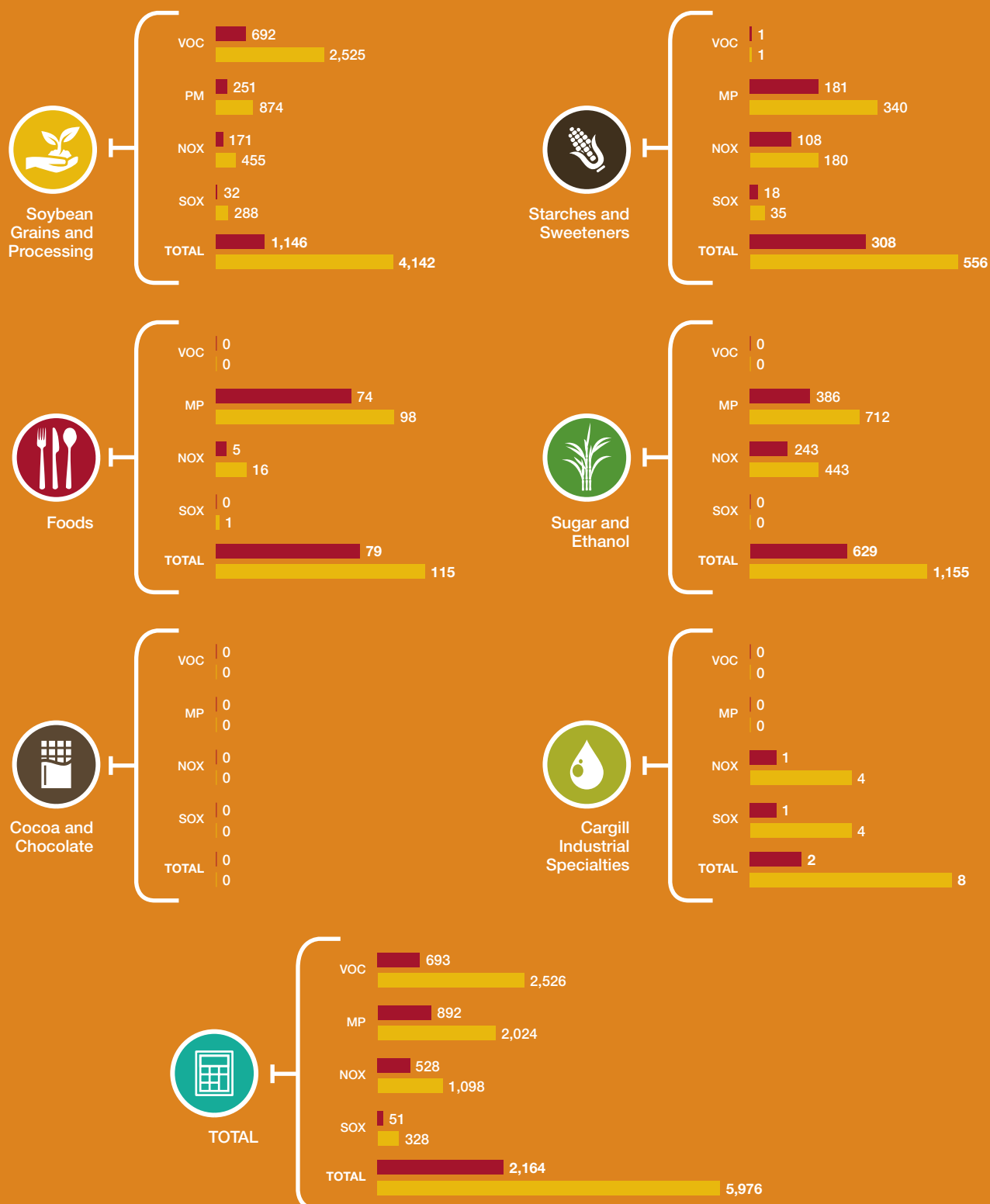


\*The metric used to calculate this rate is a ratio between the GHG emission intensity per ton produced by each enterprise. Scopes 1 and 2 emissions are added and then divided by the amount produced. The gases included in the calculation are: CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. The types of GHG emissions included in the intensity rate are direct (Scope 1) and indirect (Scope 2).



**Volume of NOX, SOX and other significant air emissions  
for each of the following categories (G4-EN21)  
(t)**

■ June 2016 to Nov. 2016 ■ 2015/2016





## Effluents and waste

### Total volume of planned and unplanned water discharge, by destination (G4-EN22) – (m³)

■ June 2016 to Nov. 2016 ■ 2015/2016 ■ 2014/2015

	DIRECT	INDIRECT	TOTAL
Soybean Grains and Processing	134,981 417,907 896,764	86,036 199,164 186,700	221,017 617,071 1,083,464
Foods	725,408 1,280,431 1,177,978	17,367 36,179 39,944	742,775 1,316,610 1,217,922
Cocoa and Chocolate	53,28 111,419 36,316	– 0 0	53,628 111,419 36,316
Starches and Sweeteners	230,224 1,052,955 1,666,744	580,991 945,446 0	811,215 1,998,401 1,666,744
Sugar and Ethanol	– 0 0	818,060 1,401,159 1,393,910	818,060 1,401,159 1,393,910
Cargill Industrial Specialties	6,733 11,003 29,750	2,027 6,511 0	8,760 17,514 29,750
TOTAL	1,150,974 2,873,715 3,289,635	1,504,481 2,588,459 1,620,554	2,655,455 5,462,174 4,910,189

### Volume of significant air emissions for each of the following categories\* (G4-EN23) – (t)

BUSINESS	JUNE 2016 TO NOV. 2016			
	HAZARDOUS	NON-HAZARDOUS	ORGANIC	TOTAL
Soybean Grains and Processing	214	4,299	13,346	<b>17,859</b>
Foods	9	8,313	16,981	<b>25,303</b>
Cocoa and Chocolate	3	35	319	<b>357</b>
Starches and Sweeteners	42	922	18,385	<b>19,349</b>
Sugar and Ethanol	17	107,947	20	<b>107,984</b>
Cargill Animal Nutrition	240	3,075	0	<b>3,315</b>
Cargill Industrial Specialties	4	147	12	<b>163</b>
TOTAL	529	124,738	49,063	<b>174,329</b>

\*The waste disposal method was determined by the contracted company responsible for the work.





### Total weight of each of the following transported and treated waste\* (G4-EN25) – (t)

■ June 2016 to Nov. 2016 ■ 2015/2016 ■ 2014/2015



Transported hazardous waste



Treated hazardous waste



\*Sent to specialized companies that decontaminate and send to the final destination 100% of the hazardous waste. No hazardous waste is transported internationally.

2015/2016				2014/2015			
HAZARDOUS	NON-HAZARDOUS	ORGANIC	TOTAL	HAZARDOUS	NON-HAZARDOUS	ORGANIC	TOTAL
432	9,009	29,026	<b>38,466</b>	796	14,432	32,581	<b>47,809</b>
28	18,209	30,249	<b>48,486</b>	48	19,045	25,222	<b>44,315</b>
2	611	764	<b>1,377</b>	0	1,609	0	<b>1,609</b>
32	1,275	47,985	<b>49,293</b>	78	12,393	98,723	<b>111,194</b>
42	154,474	41	<b>154,556</b>	24	162,866	0	<b>162,890</b>
275	696	0	<b>971</b>	0	0	0	<b>0</b>
5	1,849	2,107	<b>3,961</b>	9	329	0	<b>338</b>
816	186,123	110,172	<b>297,111</b>	955	210,674	156,526	<b>168,155</b>

The figures for each type of waste generated indicate a constant decrease in the volume generated. Considering an estimate for the end of fiscal year 2016/2017, we project a reduction of 7% compared to fiscal year 2015/2016 and 25% compared to fiscal year 2014/2015.



## Our environmental education projects

Learn about Cargill's initiatives focused on the environmental awareness of children, youth, and adults.

### Prêmio Cargill de Sustentabilidade (Cargill Sustainability Award)

This contest, sponsored by Cargill Brasil, aims to reward practices and projects (carried out or not) of its employees and

third parties that present initiatives for the intelligent use of natural resources in the company and in the communities where we work or with which we coexist.

Its third edition, in 2016, recognized initiatives aimed toward energy use. There were 37 registered projects, 14 participating locations,

and over 70 employees involved. In the end, three winners were chosen, one in each category: Company in Action; Innovation Company; and Home and Community in Action. The results of the projects received add up to an annual savings of 1,700 kilowatt-hours of energy and BRL 5.3 million for the company.

### Ação Renove o Meio Ambiente (Action to Renew the Environment)

#### ● WHAT IT IS

Carried out since 2010, this is an initiative of the brand Liza with the goal of offering consumers a practical and sustainable alternative for the environmentally correct disposal of spent cooking oil. Currently, it has over 650 collection points in 8 Brazilian states: São Paulo, Rio de Janeiro, Minas Gerais, Goiás, Santa Catarina, Paraná, Rio Grande do Sul, and Mato Grosso do Sul.

#### ● HOW IT WORKS

Cargill coordinates partnerships with supermarket chains, companies, and NGOs to implement a kitchen oil recycling and waste shipment system for biodiesel production. Lectures on recycling, environmental preservation, and environmental education and awareness actions are also part of the program.

#### ● BENEFITS

Cooking oil, if dumped in sinks and drains, causes damage to the sewage system, and in some cases, may even impact the quality of water from rivers, dams, lakes, and groundwater. Thus, through the program, the population may correctly dispose of their waste and contribute to producing a more sustainable fuel. Since its launch in 2010, the program has already collected over 1.7 million liters of post-consumer cooking oil, sufficient to pollute up to 42.5 billion liters of drinking water, which is the volume of water necessary to supply the basic needs of the population of the city of São Paulo, with 11,967,825 people, for 32 days. According to the United Nations, each person needs 3,300 liters of water per month (about 110 liters of water per day) to meet their consumption and hygiene needs.

#### ● 2016 HIGHLIGHTS

The Action Renew to Renew the Environment is gaining more and more relevance and scope throughout the country. Recognized by its educational nature and the focus on end consumers, we have achieved very important results and gained recognition. In 2016, we began expanding the program to our foodservice clients. Today, in addition to providing oils and fats, we are responsible for managing and correctly disposing of waste from large generators, turning our chain increasingly more sustainable.

For more information on the locations of the stations, visit: <http://www.liza.com.br/Sustentabilidade/Acao-Renove>.







## Ecoarte

### ● WHAT IT IS

A major initiative toward environmental education and awareness about recycling. The Ecoarte project went to nine cities in the state of São Paulo, impacting 10,000 people.

Through the brands Liza, Elefante, and Pomarola, we carry out cultural activities centered around recycling. Over 10,000 PET bottles, 600 cans of Pomarola tomato sauce, and tens of kilos of cardboard that would have been discarded and considered unusable gained new meaning in the hands of students aged 6 to 16 from public schools in nine cities in the state of São Paulo. These municipalities were visited by a traveling truck that explained to the visitors how to recycle the various types of packaging.

### ● HOW IT WORKS

Municipal schools in the state of São Paulo are invited to expand the environmental knowledge of the community through work developed by their students in workshops about recycling and reuse of materials, assembling plays, videos, and other activities. Teachers also participate in special workshops on the National Solid Waste Policy (PNRS) and guidelines for working with children. On weekends, an event in a square open to the public works to raise environmental awareness toward recycling for all those who participate in the action.

### ● BENEFITS

Children, youth, and adults gain awareness of their responsibilities concerning the generation and correct disposal of waste and recyclable packaging.

## Programa Meio Ambiente nas Escolas (Environmental Program in Schools)

### ● WHAT IT IS

A partnership between Cargill with Preserva Recicla and the Auá Institute of Social and Environmental Entrepreneurship, focusing on environmental education in public schools in five municipalities of São Paulo: Carapicuíba, Cotia, Itapeverica da Serra, Itapevi, and Mairinque.

### ● HOW IT WORKS

Environmental educators in the school's learning process throughout the school year, accompanied by the Environmental Department and the Board of Education, carry out awareness activities on environmental preservation and waste management issues, and the strengthening of the reverse logistics network of edible oil, implemented by Preserva.

### ● 2016 HIGHLIGHTS

In 2016, a total of 49,848 students from 128 schools benefited from the program. The consolidated oil collection shows that 17,943 liters were collected, representing over 8,970 packages sent for recycling and BRL 7,177.20 reverted to the schools' Parent-Teacher Associations (APMs).



## Life cycle analysis

A fundamental methodology for sustainability management, still seldom used in the Brazilian market, began to be applied by Cargill in 2016. Through this tool, focused on life cycle analysis, we were able to define the actual environmental impact of

each phase involved in the development of a product. For this diagnosis, we chose the production chain of the Elefante brand tomato paste.



## Thinking about the Future

Implemented in the municipality of Castro (PR) in 2014, along with the inauguration of our factory, the Geração Futuro (Future Generation) program has already benefited 591 young adults with 26 courses. Structured on three action fronts (citizenship, professional qualification, and entrepreneurship), in 2016 we began the line called entrepreneurial generation, through

which we promote the development of a business ecosystem between young people and adults in the Castro region. Participants are encouraged to identify new business opportunities in the food value chain. As a learning strategy, at the end of the cycle, those responsible for the businesses with the greatest potential visited similar companies already consolidated.

## Cargill Foundation (G4-SO1)

Created in 1973, the Cargill Foundation supports, develops, and implements social projects in the communities where the company is present. Our mission is to promote healthy, safe,

sustainable, and accessible food from the field to the consumer's table, disseminating knowledge and enabling initiatives that promote social change based on innovative actions that

generate sustainability in the food production chain.

To this end, we rely on the partnership of volunteer employees, civil society organizations, institutions, and several associations that raise awareness toward the importance of healthy and balanced eating. In 2016, over 34,000 people benefited directly from the Foundation's actions.



The Cargill Foundation was established in  
**1973.**





## The 2016 portfolio



40  
projects



38  
volunteer  
committees



625  
volunteers



52  
municipalities



34,058  
beneficiaries



### De Grão em Grão

Developed by the Cargill Foundation since 2004, the project De Grão em Grão (From Grain to Grain) qualifies the small producer of family agriculture to improve quality, diversification, and distribution of vegetables. In addition to improving the production routine, farmers are encouraged to form cooperative groups to expand marketing through federal incentive programs such as the Food Acquisition Program (PAA) and the National Food Program at Schools (PNAE).

## Alimentação em Foco Award

The Cargill Foundation, in partnership with Enactus Brasil, annually holds the Alimentação em Foco (Food in Focus) Award, which focuses on innovative university projects in the area of healthy eating. Enactus is an international non-profit organization that fosters social entrepreneurship in universities. It operates in 36 countries and in over 1,700 educational institutions.

The award is an exclusive initiative for the 90 universities registered in Enactus Brasil. In 2016, the Award included over 30 participating institutions. Twelve

innovative and transformative projects were selected that impacted on their local communities, of which three won the Enactus Brasil National Championship. The winners received financial support to develop the project and mentoring from the staff of the Cargill Foundation and Enactus Brasil.



## Field research

In 2016, two diagnoses were performed:

- Diagnosis of 23 priority locations, based on secondary data
- More in-depth diagnosis of 4 locations, Goiânia (GO), Santarém (PA), Uberlândia (MG), and Três Lagoas (MS)

The plan is that, beginning 2018, our operations will be more coordinated with the results of these diagnoses.

## Fountain of Youth

We promote the formation of healthy eating habits through the national campaign called Fonte da Juventude (Fountain of Youth). Created by the Novos Urbanos, a social behavior and consumption innovation group, the campaign promotes increased consumption of fruits and vegetables, and influences the agenda and public policies regarding eating and nutrition.



### Food innovation (G4-S01)

We believe in social change through innovative projects that promote sustainable food solutions. Therefore, we seek to develop and collaborate with actions that have the power to generate impact and change.

In 2016, we supported Refettorio Gastromotiva, a project designed by chef David Hertz, founder of Gastromotiva, and by chef Massima Bottura of the NGO Food for Soul. The initiative transformed the surplus of food served at the Olympic Village during



Refettorio  
Gastromotiva

the Rio 2016 Olympic and Paralympic Games into dishes prepared by renowned national and international chefs, all volunteers, to feed people in socially vulnerable situations. About 120 meals a day (lunch and dinner) were served free of charge, showing the power of food processing. From the initiative, approximately 6 tons of food was prevented from going into the trash. After the Olympics, Refettorio expanded its activities, and became a restaurant school and a hub for projects focused on food and social inclusion.





## Education and food

To commemorate World Food Day (October 16), we launched the NutriQuiz app, which may be accessed on smartphones. Developed initially for a young audience, it is a question and answer game about food education. The user can, for example, understand the nutritional table and relate it to the ingredients that make up their

food choices. For the Cargill Foundation, the app is an opportunity to interact with the audience and identify important issues to be worked on with society. The app is within everyone's reach. Just download it from the Play Store or the App Store.



## Partnerships for social change (G4-SO1)

The Cargill Foundation supports projects carried out by third parties, selected through public notice, with two central objectives: to engage our company in innovative proposals and to strengthen and recognize organizations that carry out important work in the country toward social change through healthy food.

NAME OF THE PROJECT	SUPPORTED INSTITUTION	O QUE É?	BENEFICIARIES	LOCATION
<b>Do Campo à Cidade (From the Field to the City)</b>	Association of Family Farmers of the Vinte de Março Settlement	We support initiatives to guarantee the permanent production and marketing of the inputs produced by the producers on the settlement, whose main source of income is the sale of fruits and vegetables.	20 family farmers	Três Lagoas (MS)
<b>Bioma Verde Vida (Green Life Biome)</b>	Instituição Verde Vida	Nearly 10,000 people in socially and nutritionally vulnerable situations are benefited through a community garden. Healthy food production is sold at affordable prices. The amount raised is used in social projects in the community itself.	10,000 people	Chapecó (SC)
<b>Alto Arapiuns</b>	Instituto Aeroclube	We support small farmers, through sustainable agriculture techniques, in the recovery of degraded areas.	100 members of riverine communities	Santarém (PA)
<b>Geração (Generation)</b>	Instituição Ação Moradia	We promote community entrepreneurship from the production of healthy foods. The project trained women in the areas of healthy food handling and entrepreneurship education.	40 women	Uberlândia (MG)
<b>Cartas na Mesa (Cards on the Table)</b>	Narrativa da Imaginação	Card game about healthy eating, malnutrition, and obesity, used as an educational tool, playful and interactive for children, youth, adults, teachers, and health professionals.	6,000 people	Uberlândia (MG)







RETURN TO SHAREHOLDERS

# Year of good results

Our financial performance and  
recognition of our work

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Awards and recognitions

## A year of overcoming

In 2016, the Brazilian Gross Domestic Product (GDP) declined for the second consecutive year, with a decrease of 3.6% compared to 2015, when the economy had already retracted 3.8%. The data, published by the Brazilian Institute of Geography and Statistics (IBGE), confirmed the worst recession in Brazilian history. Despite negative GDP figures, Cargill ended 2016 with a

net operating revenue of BRL 33 billion\* – a result that was quite expressive and higher than the previous year.

In 2016, investments totaled BRL 775 million, approximately BRL 140 million more than in 2015, confirming our commitment to the company's growth plans in Brazil, even in an unfavorable scenario. We continue to believe in the recovery of the country's

economy and are committed to using our global knowledge and experience to overcome economic, environmental, and social challenges wherever we do business.

**The complete financial statements of Cargill Alimentos and Cargill Agrícola S.A. for 2016 may be accessed on Cargill's website, at**

**<http://www.cargill.com.br/pt/noticias/NA32026265.jsp>**



### 2016 Financial results\*

**Consolidated Cargill Alimentos (Cargill Agrícola S.A. + Animal Nutrition)**

Net operating revenue:

**BRL  
33,053  
million**

*\* This year, we announced for the first time the consolidated result of Cargill Alimentos, which includes the results of Cargill Agrícola S.A. and Animal Nutrition.*



**Result for the year:**

**BRL 708 million**



**Shareholders' equity:**

**BRL 3,593 million**



**Investments:**

**BRL 775 million**

**Total assets:**

**BRL 13,177  
million**







## Awards and recognitions

In 2016, we received several awards and recognitions for our joint work as a company and the individual performance of our professionals. Achievements such as these strengthen us and encourage us to further develop our business ethically and fairly.

### Exame Sustainability Guide



Our company was chosen one of the three most sustainable in the agribusiness sector, according to the Exame Sustainability Guide.

The guide is the most respected survey on

corporate sustainability strategy and in 2015 included the participation of 210 companies operating in Brazil.

### Best and Largest

In its Best and Largest 2016 ranking, Exame magazine elected Cargill the largest Brazilian agribusiness company. The company featured for the first time among the 400 agribusiness companies in Brazil, according to sales criteria. In addition to this recognition, we were leaders in other categories – the largest North American company in the country and the largest company in Southeast Brazil – and we were the third largest exporter in Brazil and the ninth largest company in the country in the ranking of the thousand largest.



### 100 Most Influential Personalities in Agribusiness

Luiz Pretti, President of Cargill in Brazil, is among the 100 Most Influential Personalities in Agribusiness, according to a list published annually by Editora Três. Our executive features among “the businessmen in agriculture”.

### Top of Mind

For the first time, in 2016, the Top of Mind – Datafolha survey conducted with over 7,000 people in all regions of Brazil – questioned consumers about 35 products used in the kitchen. When asked “What brand comes to mind?” in the cooking oil category, 46% of respondents answered: Liza. On the market since 1975, Liza oil is a trusted quality brand for Brazilians. In the new category of tomato sauces and paste, the Elefante brand has the largest recall, with 23% of mentions – and Pomarola, also our brand, ranked second, with 15%.



### Benchmarking Brasil

Cargill was recognized by Benchmarking Brasil 2016, one of the most traditional and respected sustainability seals in the country. With the case ‘Cargill Award for Rational Water Use’, the company ranked 11th in the awards, which recognize companies with the best environmental management practices.



## Best of Agribusiness

Our company won the 12th edition of the Best of Agribusiness award, as the largest company among the 500 in the sector. The award, an initiative of Globo Rural magazine and Editora Globo, in partnership with Serasa Experian, is the result of a ranking of companies based on performance and management, divided into 20 segments.



## Superior Taste

We won the iTQi Superior Taste Award for the Genuine White and Milk chocolates, in Brussels, Belgium. The two products were presented to a jury composed of renowned chefs and sommeliers from prestigious European institutions and evaluated based on the following criteria: first impression, aspect, aroma, texture, and flavor.

## Sul for Export Award

Based on data released by the Ministry of Development, Industry, and Commerce, Amanhã Magazine promotes the Sul for Export Award, a ranking highlighting the ten largest exporting companies at the ports of Santa Catarina, Paraná, and Rio Grande do Sul. Cargill was recognized as the second largest exporter in the southern region of the country.



## ABERJE Award

For the various actions carried out commemorating Cargill's 150/50 years, which was attended by 190 subsidiaries, the company was the regional champion of the Brazilian Association of Business Communication (ABERJE) Award, one of the most important awards in the country in best practices.



## The Best of Dinheiro Rural

Cargill was the winner in the Production Chain Management category of the Best of Dinheiro Rural award. The award elects the company that best communicates with its partners at all levels of its production process.



## Launch of the Year

In the Salty Grocery category, our company received the Launch of the Year 2016 award, for the Elefante Sabores line. The award is promoted by SuperHiper Magazine, an official publication of the supermarket sector, in partnership with GfK Brasil.





## Trusted Brands

For the 15th consecutive time, the Liza brand received the Trusted Brands Award from Seleções (Reader's Digest) magazine in the category Edible Oil. Liza received a special mention at the event, for its invincibility and presence since the creation of the award.

## Food Industry Lide Award

Cargill was the winner of the Export Industry category at the 2016 Food Industry Lide Award, presented at the 4th Brazilian Food Industry Forum, held by Lide – Group of Business Leaders and Lide Agribusiness, in Goiânia (GO).

## Abad Fornecedor Nota 10 (A+ Supplier)

Cargill received the 2016 Fornecedor Nota 10 Award in the "Salty Grocery" Product Basket category. The award is carried out by the Brazilian Association of Wholesalers and Distributors (ABAD) and by the Nielsen research company.



## Fi Innovation Awards

Cargill ranked among the top three finalists in the Most Innovative Food Ingredient category of the Food Ingredients South America Innovation Awards 2016, the region's top award for the food and beverage ingredients industry. The company competed for the award with the Lévia +e solution – created by the Research and Development area, in partnership with the State University of Campinas (UNICAMP), and produced at our Mairinque (SP) and Itumbiara (GO) plants.



## Agroleite Award

Nutron, a brand of Cargill Animal Nutrition in Brazil, was voted, for the 15th time, the best company in the Nutrition category, according to the 2016 Troféu Agroleite award. The award is considered one of the most important and coveted in the sector.

## Empresas Mais Award

Cargill ranked third in the Food and Drink category of the Empresas Mais ranking, promoted by O Estado de S. Paulo newspaper. The ranking was determined based on the analysis of the financial results of over 1,500 companies in the country.



## Best Agribusiness Professional

The Confederação Fiscal Empresarial (CONFEB), one of the business schools of Febracorp University, held the first edition of the CONFEB Award, which includes the best professionals, projects, and suppliers in the tax area in Brazil. Cargill's Tax Director, Andrea Anjos, was recognized as the Best Professional of the Year in the Agribusiness category.

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	G4-11 Percentage of employees covered by collective bargaining agreements	In 2016, Cargill initiated internal dialogues on a very challenging subject: the implementation of management of labor and union relations in the company, geared toward standardizing negotiations and harmonizing legal concepts and practices in order to maintain a good work environment. The scenario is extremely complex, with a series of different specificities from region to region. Through extensive analysis and studies, the Human Resources area has been working continuously to propose the best relationship strategy with labor unions, in line with Cargill's organizational values. All employees are covered by labor agreements or collective bargaining agreements.
Organizational Profile	G4-12 Description of the organization's supply chain	13
	G4-13 Significant changes regarding size, structure, ownership, and supply chain	4
	G4-14 Description of how the precautionary approach or principle is addressed by the organization	The precautionary principle is not formally adopted by Cargill in Brazil, but the company follows procedures provided by law to avoid or mitigate any damages in its operations posing hazards to the environment, people and communities. In the case of environmental accidents, Cargill has in place documented procedures for the prevention and remediation of any damages to the environment. These procedures are part of the company's formal assurance processes in all of its operations involving transportation and storage of materials potentially harmful to the environment.
	G4-15 Externally developed social charters, principles, or other initiatives	43, 44, 47, 48, 49, 50
	G4-16 Memberships of associations and organizations	Cargill participates in trade associations that discuss infrastructure, logistics and social and economic development in Brazil. These associations include: Brazilian Association of Large Industrial Energy Consumers and Free Consumers (ABRACE), Brazilian Association of the Industrial Tomato Production Chain (ABRATOP), National Association of Grain Exporters (ANEC), Brazilian Association of Port Terminals (ABTP), Association of Cocoa Processing Industries (AIPC), Brazilian Association of the Industry of Chocolates, Cocoa, Peanuts, Candy and By-products (ABICAB), American Chamber of Commerce (Amcham/SP), Brazilian Association of Food Industry (ABIA), Brazilian Association of the Oil Industry (ABIOVE), Federation of Industries of the State of São Paulo (FIESP), Federation of Industries of the State of Minas Gerais (FIEMG), Federation of Industries of the State of Goiás (FIEG), Brazilian Association of Business Communication (ABERJE), Brazilian Association of Agribusiness (ABAG).





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	G4-20 Aspect boundary, within the organization, of each material aspect	8
	G4-20 Aspect boundary, outside the organization, of each material aspect	8
	G4-22 Restatements of information provided in previous reports	There were no significant restatements in relation to the previous Report.
	G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries	Information regarding Cargill Nutrição, responsible for the company's animal nutrition business, is now considered in this year's Report. The consolidated financial result for Cargill Alimentos, which includes the results for Cargill Agrícola S.A. and Nutrição Animal, was disclosed for the first time.
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## SPECIFIC DISCLOSURE INDICATORS

### CATEGORY: ENVIRONMENTAL

Water	DMA Water	54, 55
	G4-EN8 Total water withdrawal by source	54
	G4-EN10 Percentage and total volume of water recycled and reused	55
Biodiversity	DMA Biodiversity	73
	G4-EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	We did not record any impact on biodiversity in protected areas or areas of high biodiversity value located outside protected areas. We have a series of projects that confirm our commitment to nourish the world in a responsible way to mitigate possible impacts.
Emissions	DMA Emissions	55, 56, 57
	G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)	55
	G4-EN16 Indirect greenhouse gas (GHG) emissions from the acquisition of energy (Scope 2)	56
	G4-EN18 Intensity of greenhouse gas (GHG) emissions	56
	G4-EN21 NOx, SOx and other significant air emissions	57

ASPECT	DESCRIPTION	PAGE/DISCLOSURE														
Effluents and Waste	DMA Effluents and Waste	58, 59														
	G4-EN22 Total water discharge by quality and destination	58														
	G4-EN23 Total weight of waste by type and disposal method	58, 59														
	G4-EN25 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention 2 annex I, II, III, and VIII, and percentage of transported waste shipped internationally	59														
Products and Services	DMA Products and Services	45														
	G4-EN27 Extent of impact mitigation of environmental impacts of products and services	45														
Compliance	DMA Compliance	74														
	G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	<table><tr><th>SIGNIFICANT FINES AND NON-MONETARY SANCTIONS</th><th>2016</th><th>2015</th></tr><tr><td>Total monetary value of significant fines (BRL)</td><td>373,017</td><td>390,000</td></tr><tr><td>Total number of non-monetary sanctions</td><td>0</td><td>1</td></tr><tr><td>Proceeding instituted through mechanisms of arbitration</td><td>0</td><td>0</td></tr></table>			SIGNIFICANT FINES AND NON-MONETARY SANCTIONS	2016	2015	Total monetary value of significant fines (BRL)	373,017	390,000	Total number of non-monetary sanctions	0	1	Proceeding instituted through mechanisms of arbitration	0	0
		SIGNIFICANT FINES AND NON-MONETARY SANCTIONS	2016	2015												
		Total monetary value of significant fines (BRL)	373,017	390,000												
		Total number of non-monetary sanctions	0	1												
		Proceeding instituted through mechanisms of arbitration	0	0												
		In 2015, Cargill received 10 notices of infraction; In 2016, five. The notices of infraction in 2016 generated a total liability of BRL 373,017. The cases involving the company were:														
<b>Três Lagoas (MS) – BRL 100,000</b> Reason: Emission of particulate matter not in compliance with the license. Measures adopted: correction and monitoring.																
<b>Três Lagoas (MS) – BRL 150,000</b> Reason: Emission of effluents not in compliance with legislation. Measures adopted: Development of action plan to achieve the parameters.																
<b>Goiânia (GO) – BRL 100,000</b> Reason: Disposal of waste in a permanent preservation area. Appropriate measures: Removal of waste from the site and training of employees so that the irregularity does not recur.																
		<b>Patrocínio (MG) – BRL 16,617</b> Reason: operation without a license. Measures adopted: the unit had applied for a license, but was already operating. The license has already been issued.														
		<b>Dourados (MS) – BRL 6,400</b> Reason: absence of environmental license and disposal of waste not in compliance with legislation. Measures adopted: not applicable, since we demonstrated that operations were conforming.														

CATEGORY: HUMAN RIGHTS		
Investments	DMA Investments	39, 42
	G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	42
	G4-HR2 Total number of hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations of the organization, including the percentage of employees trained	39





ASPECT	DESCRIPTION	PAGE/DISCLOSURE
Non-discrimination	DMA Non-discrimination	75
	G4-HR3 Total number of incidents of discrimination and corrective actions taken	In 2016, a case of discrimination was recorded at Cargill, which is still pending a decision by the Labor Court. The complainant alleges that she was informed that her presence in the company was not being appreciated and, for this reason, she was being transferred to a different workplace. In addition, she said that she was communicated by a manager that she did not match the profile of the company in view of the color of her skin (black). After this case, a report was made to the manager, there were conversations with the parties involved, and a labor suit was developed. Cargill's Legal Department is preparing the defense.
Freedom of Association and Collective Bargaining	DMA Freedom of Association and Collective Bargaining	75
	G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	In 2016, we did not identify any risk or violation of the right to exercise freedom of association or collective bargaining.
Child Labor	DMA Child Labor	75
	G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective eradication of child labor	<p>Child labor is not a recurring problem in Cargill's operations in Brazil. All of its contracts include a clause that establishes restrictions and sanctions if a supplier uses child labor. Cases of child labor have never been found in the company's operations or in its direct suppliers. In general terms, this issue is dealt with in the company in a legal manner and through incentive and private social investment programs to guarantee the future of children in the country.</p> <p>Another issue that is related to child labor is sexual exploitation of children. In this regard, Cargill signed a commitment to act in addressing the cause by becoming a signatory, in 2007, of the Corporate Pact against the Sexual Exploitation of Children and Adolescents on Brazilian Highways. The Pact provides that the company carries out continuous education campaigns and acts with truck drivers and transport service providers, turning them into agents of protection of children and adolescents.</p> <p>Cargill carries out these activities through its participation in the Na Mão Certa Program, an initiative by Childhood Brazil that aims to mobilize governments, companies and third-sector organizations around the most effective way to address sexual exploitation of children and adolescents on Brazilian highways. Officially launched on November 28, 2006, the Na Mão Certa Program is based on the Corporate Pact, proposed by Childhood Brasil in partnership with the Ethos Institute of Business and Social Responsibility and with the support of the International Labor Organization (ILO).</p> <p>The Program is of fundamental importance for Cargill's operations, since the company makes intensive use of road transport. Children and adolescents are susceptible to forced or family-induced sexual exploitation, and this usually occurs in places where there is a large concentration of truck drivers (fuel stations, rest areas and areas for loading and unloading of materials/products).</p> <p>Cargill disseminates information to drivers who come to its units, alerting them to the importance of addressing the cause and instructing them to report these cases. In 2016, Cargill carried out four campaigns on this matter, with the participation of ten plants. The campaigns took place on May 18 (National Day to Combat Sexual Abuse and Exploitation of Children and Adolescents), September 16 (Campaign "Together on the Road for Child Protection", in celebration of the National Truck Driver Day) and in internal events (Faithful Friend and National Traffic Week).</p> <p>The activities carried out on these dates included driver training and guidance, lectures, workplace workout, massage and health services, always approaching the Na Mão Certa Program and distributing informative materials, benefiting approximately 1,500 drivers.</p>

ASPECT	DESCRIPTION	PAGE/DISCLOSURE
<b>Forced or Compulsory Labor</b>	DMA Forced or Compulsory Labor	Cargill Brasil is one of the signatories to the National Pact for the Eradication of Bonded Labor. We are also members and founders of InPacto, an institute that developed and has been monitoring the Pact for ten years. We are committed to combating bonded or compulsory labor in our production chain and across the industry. See further details in the following item (G4-HR6).
	G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	<p>Most of Cargill's operations are directly related to the agricultural sector, mainly for the origination of grains and raw materials. Since this sector concentrates the largest number of cases of bonded labor identified in Brazil, the company takes a series of measures to mitigate this risk and manage its supply chains in order to avoid such occurrences:</p> <ul style="list-style-type: none"> <li>• The company is a signatory of the National Pact for the Eradication of Bonded Labor in Brazil, an initiative created by the Ministry of Labor and Employment (MTE), the International Labor Organization, the Ethos Institute, Observatório Social, and Repórter Brasil to involve companies and organizations with this aspect. Cargill participates in the group's annual meetings and submits to this group annual progress reports as a way of providing visibility to the actions that have been developed to ensure compliance with the Pact.</li> <li>• The company is associated with InPacto – Institute of the National Pact for the Eradication of Bonded Labor and a financial supporter of the institution.</li> <li>• Regarding management processes, today Cargill has an automated central system to block, in our procurement, billing, and receiving control systems, those employers listed in the bonded labor black list. In practical terms, all CNPJs (Corporate Taxpayer Numbers) included in the official list of the Ministry of Labor and Employment (MTE) are blocked in Cargill's computer systems, so that it is not possible to make purchases, sign contracts or receive goods from companies or individuals in this list. This blocking model ensures that negotiations with long-term delivery of goods are also covered by the blocking mechanism. For example, a purchase made months before the harvest (delivery of goods) is subject to assessments upon delivery of the product to Cargill and until settlement of the related debts.</li> </ul> <p>In short, if a company has sold goods to Cargill and has been included in the bonded labor black list at any time between the signing of the contract, delivery of goods and/or payment of debts, Cargill can identify this situation and cancel all negotiations with that supplier. To this end, all Cargill contracts have a clause that provide on the obligations of company suppliers and contractors and ensures the right to impose sanctions, such as suspension and cancellation of contracts that are not in compliance with these terms.</p> <ul style="list-style-type: none"> <li>• The standard draft of raw materials, products and services contracts today has a specific clause that establishes as a basic condition for commercial relations the respect for public policies related to bonded labor, in addition to restrictions and sanctions if the supplier uses or is accused of making use of bonded or compulsory labor.</li> </ul>
<b>Security Practices</b>	DMA Security Practices	39
	G4-HR7 Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	39
<b>Indigenous Rights</b>	DMA Indigenous Rights	76
	G4-HR8 Total number of incidents of violations involving rights of Indigenous peoples and actions taken in this regard	In 2016, we did not identify incidents of violation of rights of Indigenous or traditional peoples in our operations.
<b>Assessment</b>	DMA Assessment	76
	G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments	All our commercial operations are subject to assurance procedures regarding issues related to bonded or compulsory labor, in accordance with the requirements and details presented in the G4-HR6 indicator, associated with this aspect. Direct purchases of materials and inputs are also governed by our Supplier Code of Conduct, which sets forth the rules for supply and whose formal acceptance is a condition for participating in any of the company's procurement processes. This code is available at <a href="http://www.cargill.com.br/pt/fornecedores/index.jsp">http://www.cargill.com.br/pt/fornecedores/index.jsp</a> .





ASPECT	DESCRIPTION	PAGE/DISCLOSURE
Supplier Assessment For Human Rights	DMA Supplier Assessment For Human Rights	42, 77
	G4-HR10 Percentage of new suppliers that were screened using human rights criteria	42
	G4-HR11 Significant negative and potential impacts on human rights in the supply chain and measures taken in this regard processed and resolved through a formal mechanism	<p>All Cargill suppliers are subject to human rights impact assessments. No supplier with potential or with human rights impacts identified can be registered or used for any purpose by the company. Cargill has in place procedures for prior assessment of human rights violations, specifically bonded or compulsory labor, and occupational health and safety practices. Since the previous assessment is objective, no cases of violation of our assurance procedures were found, although we recognize the importance of the agricultural sector in relation to human rights violations.</p> <p>In 2016, we did identify instances of human rights violations in our value chains. The procedures implemented were sufficient to prevent such occurrences from being recorded. No contract terminations were necessary because of this type of violation.</p> <p>Cargill is a member of the National Pact for the Eradication of Bonded Labor and conducts an annual assessment of compliance with this commitment, reinforced by external audits linked to other certification programs.</p> <p>Commitments of the Pact:</p> <ol style="list-style-type: none"> <li>1. Recognize the legitimacy of the Register of Employers who have subjected workers to conditions analogous to that of bonded labor – “Black List” (Interministerial Ordinance MTE/SDH No. 2, of March 31, 2015)</li> <li>2. Establish commercial restrictions on individuals and legal entities included in the “Black List” that are part of the value chain of the company or organization</li> <li>3. Regularize labor relations in the value chain</li> <li>4. Support actions aimed at the professional qualification of rescued and vulnerable workers</li> <li>5. Support actions to reintegrate rescued and vulnerable workers into the formal labor market or into entrepreneurial initiatives, in partnership with public and private entities</li> <li>6. Promote information and communication actions aimed at preventing bonded labor</li> <li>7. Support and participate in InPact’s coordination to promote public policies for preventing and eradicating bonded labor</li> <li>8. Systematize, disseminate and share best practices for preventing and eradicating bonded labor</li> <li>9. Participate in the periodic monitoring process carried out by InPacto</li> <li>10. Develop a plan for implementing the commitments made with InPacto</li> </ol>
Human Rights Grievance Mechanisms	DMA Human Rights Grievance Mechanisms	77
	G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal mechanisms	In 2016, there was only one case of labor claim related to human rights violations, which is still pending decision by the Labor Court.

## CATEGORY: SOCIAL

GATEWAY COMMUNITY					
Local Community	DMA Local Community	62, 65, 77			
	G4-SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs		2016	2015	2014
		Percentage of operations implementing community engagement programs	20.00%	13.61%	13.46%
		There were no operations to implement community impact assessment programs or local community development programs.			
		62, 65			

CATEGORY: PRODUCT RESPONSIBILITY		
ASPECT	DESCRIPTION	PAGE/DISCLOSURE
Customer Health and Safety	DMA Customer Health and Safety	24
	G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	24

FOOD SECTOR SUPPLEMENT		
Food Sector Supplement	G4-FP1 Percentage of volume purchased from suppliers compliant with company's procurement policy.	Cargill Brasil has more than 15,000 suppliers. The total spent by the company on suppliers is USD 569,284,347. It is assumed that Cargill Brasil's suppliers compatible with the procurement policies are those managed by the Strategic Sourcing & Procurement (CSSP) area. The total spend managed by CSSP is USD 477,375,371. Thus, the percentage of volume purchased from suppliers compliant with company's procurement policy is 84%.
	G4-FP8 Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements.	<p>Cargill has the Food Legislation Guide available to its employees, with a focus on food labeling. In this document, the applicable regulations are organized and can be accessed in the Federal Official Gazette.</p> <p>For products sold in retail, Cargill has the Customer Service Department (SAC) and websites with information for consumers. In all websites of our brands, we have the session "Contact Us," through which it is possible to send emails that will also arrive at the Customer Service.</p> <p>All food additives, including coloring and flavor enhancers, when used in the composition of products, must meet the use limits established by product category and in accordance with Brazilian legislation. Similarly, consumer information should be properly provided when food additives are present in our products and when food and food ingredients intended for human or animal consumption contain or are produced from genetically modified organisms in accordance with requirements and limits laid down in national legislation, and pursuant to Cargill's Food Safety Policy.</p> <p>The ingredients and nutrients used to produce the products must comply with legislation, considering the final product to be consumed and the requirements of Cargill's Food Safety Policy, so that they are safe to health.</p> <p>Training conducted in 2016 with the teams, including the Marketing area, to adopt Cargill's procedures to review labeling for new products and items already available on the market provided greater clarity of responsibilities and areas that should be involved in order to ensure that labeling is appropriate to consumers and complies with legislation and Cargill's policies.</p> <p>In 2017, an assessment of results and a monitoring process will be carried out to define additional actions required, by business.</p>





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