



ANNUAL  
REPORT  
2017



**Cargill**<sup>®</sup>



ANNUAL REPORT 2017







## MESSAGE FROM THE PRESIDENT

4

## 2017 HEADLINES

Profile 8

6

## LEAD IN OUR MARKETS

10

## USE SIZE TO OUR ADVANTAGE

Economic and financial performance 17

Operating performance 19

Awards and recognition 20

14

## UNLEASH OUR PEOPLE'S POTENTIAL

Diversity 26

Health & Safety 28

*Semeando Futuro* 31

22

## BE THE MOST TRUSTED PARTNER

Corporate Governance 34

Value chain 35

Consumer health and safety 37

Sustainability management 38

Fundação Cargill 44

32

## DO THE ORDINARY EXTRAORDINARILY WELL

Innovation and technology 48

Infrastructure and quality 49

Product launches 50

Environmental management 52

46

## ABOUT THIS REPORT

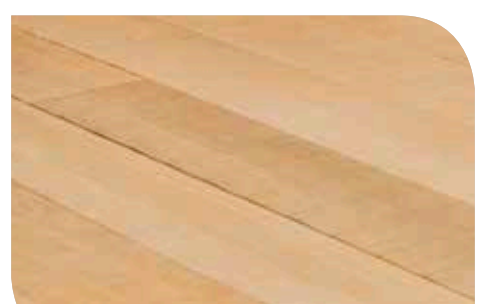
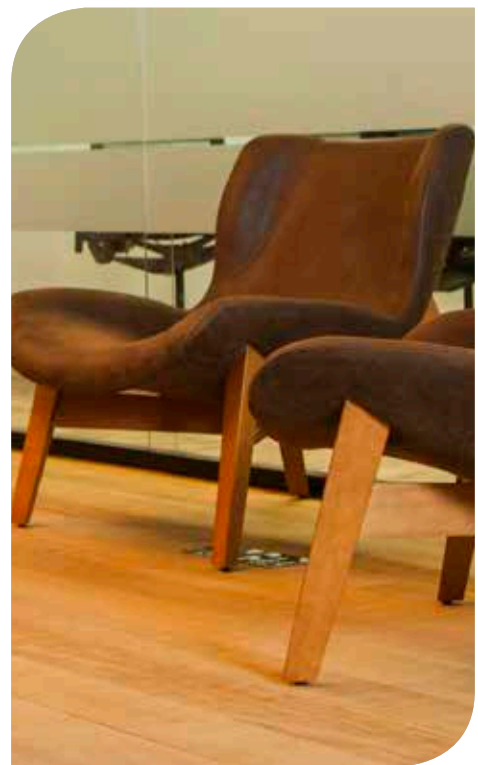
Materiality 66

GRI Content Index 68

64

# Message from the president

GRI 102-7



In a year of progress on technology, innovation and diversity, 2017 saw important achievements and continued advancement at Cargill. We grew 6%, posting net operating revenue of R\$ 35 billion. Brazil's exceptional grain harvest was a godsend, and despite the extended economic crisis, we continued to move forward: we launched new products, expanded our businesses, and invested in infrastructure, confident in our strength as a company and Brazil's resilience.

This is the legacy we want to leave—a company that is a partner to farmers, suppliers and customers; a company that invests and supports sustainability across the value chain.

Our North Route investments, for example, are helping Brazil become more globally competitive, while improving conditions for farmers. Work was completed on the Santarém (PA) grain export terminal expansion project, increasing the terminal's annual capacity from two to five million metric tons. Much of the added grain volumes are being shipped via the Tapajós River from a new river transshipment terminal that was also delivered in 2017 in the district of Miritituba, in Itaituba (PA). These projects create jobs and help reduce greenhouse gas emissions by reducing the number of trucks carrying agricultural products to other ports for export.

We have also focused on efficient technology and processes. The year 2017 saw significant acquisitions as well as major upgrades at our plants. We have invested R\$ 4.6 billion in the Brazilian market in the last seven years and expect to inject up to R\$ 400 million in 2018.

During the year, we expanded the Três Lagoas (MS) soybean mill, increasing its processing capacity from 2,100 metric tons per day to 3,200 metric tons per day. We also acquired 100% of the assets of Integral, further expanding our animal nutrition business.

Home-grown innovation at Cargill has also been strong: we have invested in developing ingredients and products for a healthier and more sustainable diet; in improving our relations with customers and farmers; and in new technologies that create value for the business. In 2017 alone, the Cargill Innovation Center for Latin America developed 81 projects.

We had important product launches in the food service business, including new versions of Elefante, Pomarola and Tarantella-branded tomato products; and in retail, with our new LIZA Caseira Fine Herb Mayonnaise product and our Genuine baking cocoa range.

In the cocoa value chain, 90 farms are now UTZ certified for using farming practices that conform to stringent rules, from crop management to compliance with environmental and labor regulations.

As signatories of the Global Compact and members of the Tropical Forest Alliance 2020, we monitor our value chain with support from our Sustainability Committee as well as from dedicated forums, including the Soy and Cerrado working groups, in which we collaborate with other organizations.

Fundação Cargill also delivered positive performance in 2017. It ran programs that benefited almost 38,000 people and launched the Social Impact on Food Assessment (*Tese de Impacto Social em Alimentação*), an unprecedented project in partnership with accelerator Artemisia that is identifying opportunities to explore in the industry.

Other management focuses have included safety and diversity. We revisited our values and reaffirmed our global commitment to ethics, people, sustainability and diversity. Severe injuries declined significantly in the year, and Diversity Week demonstrated our leadership's full engagement around diversity. In 2018 we will initiate a program to hire, and adapt our facilities to accommodate, transgender people, working to become an increasingly inclusive company.

No less can be expected of a company with an ambition to be the global leader in nurturing the world in a safe, responsible and sustainable manner. Inclusion and diversity are a part of how we achieve this objective.

**Luiz Pretti**  
**President of Cargill in Brasil**

## 2017 headlines

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**155,000 employees** worldwide and **more than 10,000 in Brazil**



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915 *Semeando o futuro* volunteers participated in initiatives that **benefited more than 21,000 people** in 49 cities

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**R\$ 35 billion** in net operating revenue



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**Shareholders' equity** grew by 17% in the year



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Invested **R\$ 790 million** in 2017 and **R\$ 4.6 billion** in the last 7 years

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Fundação Cargill **celebrated its 45<sup>th</sup> anniversary**



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**Disposed of 650,000 liters of used cooking oil** through our **Ação Renove o Meio Ambiente** program in 2017

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Five days of lectures, workshops and special programs in different locations to **discuss Diversity**

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**More than a dozen product launches in retail and food service including...**

New LIZA Mayonnaise flavors

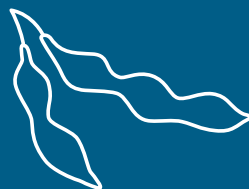
New Pomarola, Elefante and Tarantela-branded tomato products

Our new Genuine baking cocoa range

New Nutron Livelle and Proobefef Resist animal nutrition ranges

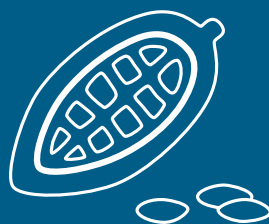
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**Triple S** (Sustainably Sourced & Supplied) certification program present in four states: Paraná, Mato Grosso, Pará and Goiás



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Our *Cacau Floresta* program assessed 70 properties and **benefited 123 family farms**



# Profile

GRI 102-7

With global headquarters in Minneapolis, Minnesota (USA), Cargill was founded in 1856 and now operates in 70 countries, employing 155,000 people worldwide. Cargill Brazil was established in 1965 and is the company's largest operation outside the US, employing 10,157 people. [GRI 102-1, 102-3, 102-4, 102-8](#)

Our headquarters in Brazil are in São Paulo (SP) and we have an extensive presence in 17 states and the Federal District, including manufacturing sites, warehouses, port terminals and offices in 160 municipalities. [GRI 102-3, 102-4](#)

Cargill helps customers and partners in the agriculture, food, animal nutrition and manufacturing industries to succeed through collaboration and innovation, offering solutions across marketing, processing and distribution of products and services. We are committed to sharing our global knowledge and experience to help meet economic, environmental and social challenges wherever we do business.

## MANUFACTURING SITES, PORTS AND OFFICES IN THE SOUTHEAST



**Uberlândia (MG)** Soybean and corn processing (to produce starches and other ingredients) and production of sweeteners



**Shared Services Center – Uberlândia (MG)**



**Cevasa\* Patrocínio Paulista (SP)** Sugar, ethanol and power plant



**Porto Ferreira (SP)** Production of maltodextrin and glucose; production of chocolates and toppings for the industrial and food service markets



**Mairinque (SP)** Production and sale of vegetable fats, mayonnaise, oils, composite oils, and industrial specialties



**Itapira (SP)** Animal Nutrition



**Mogi Mirim (SP) CAN Innovation Center** Animal Nutrition



**Guarujá (SP) Export Terminal (TEG\*)** Grain exports



**Guarujá (SP) Sugar Export Terminal (TEAG\*)** Sugar exports



**Campinas (SP) Innovation Center**



**Head Office, São Paulo (SP)**

## MANUFACTURING SITES AND PORT IN THE SOUTH



**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 meal for animal nutrition; industrial specialties

\*Joint ventures



**Paranaguá (PR)** Grain export terminal



**Chapecó (SC)** Animal Nutrition

## MANUFACTURING SITES IN THE NORTHEAST



**Barreiras (BA)** Soybean crushing for meal; soybean oil refining and supply for biodiesel



**Ilhéus (BA)** Cocoa processing for the food industry

## MANUFACTURING SITES IN THE MIDWEST



**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



**Goianira (GO)** Animal Nutrition



**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 mill



**SJC Quirinópolis (GO)** Sugar, ethanol, and bioenergy plant

## PORTS IN THE NORTH



**Porto Velho (RO)** Grain terminal



**Santarém (PA)** Grain export terminal



**District of Miritituba, Itaituba (PA)** Road-to-river grain transshipment terminal

**Cargill businesses in Brazil** GRI 102-2, 102-6

**Agriculture** – Cargill purchases, processes and markets soybeans and other commodities globally. We also trade in sugar and cotton in the global market.

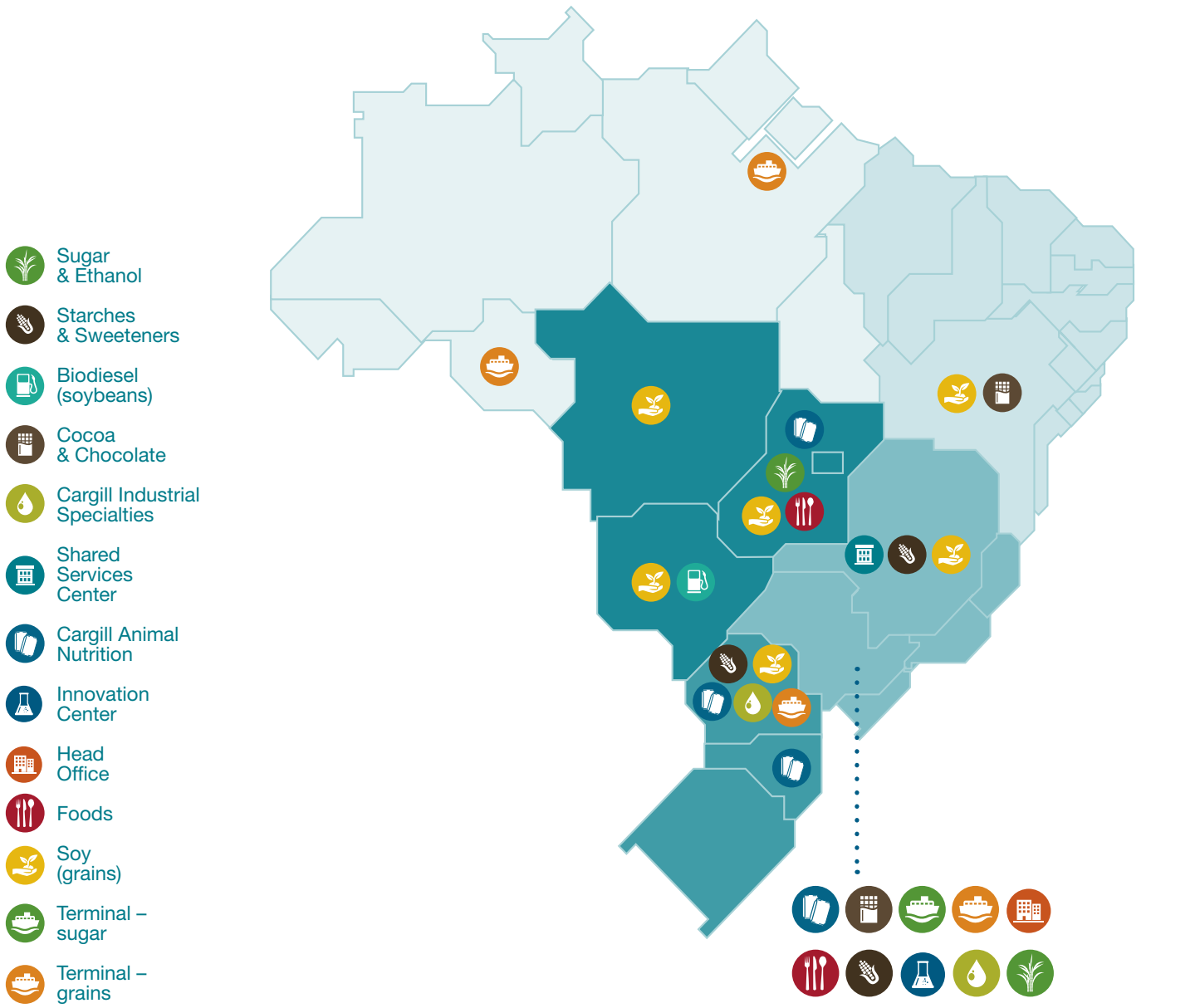
**Food** – Cargill supplies a wide range of ingredients to the food and beverage industry. We also deliver innovation to the retail and food service markets and have our own, high-quality branded consumer products.

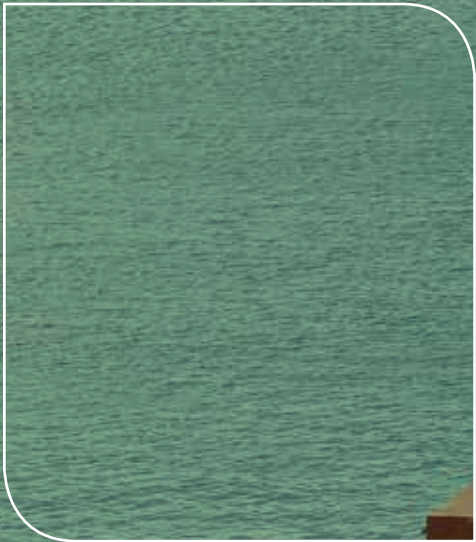
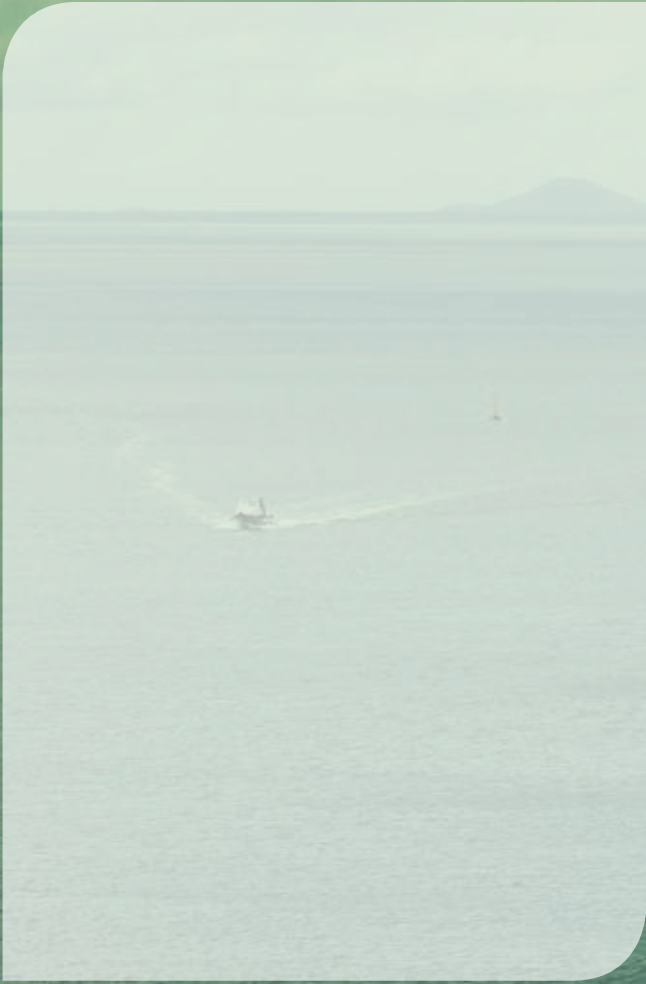
**Animal Nutrition** – We develop animal nutrition ingredients under our Nutron and Integral brands.

**Industrial** – We develop and market sustainable products based on agricultural raw materials: we supply vegetable oils for the manufacture of lubricants, medicines, cosmetics, coatings and chemicals. Our starch range caters to the paper, chemicals, textiles, mining, pharmaceutical and other industries.

**Financial** – Cargill offers lending and risk management financial solutions developed for farmers and agribusiness and food companies.

**MAIN BUSINESS UNITS IN BRAZIL**







**LEAD IN OUR  
MARKETS**

# Strategic management

Chapter headings in our Sustainability Report 2017 are inspired by the five guiding principles underpinning our company-wide strategy: Lead in our markets, Unleash our people's potential, Be the most trusted partner, Use size to our advantage; and Do the ordinary extraordinarily well.

Focused on our purpose, vision and direction, Cargill—the world's largest privately held corporation—has used these pillars to define metrics and skills in a robust game plan for success. [GRI 102-5](#)

Our leadership group-wide was engaged in a Game Change Challenge, a series of events created to challenge employees throughout fiscal year 2017 to demonstrate the five skills in our Game Plan for Success (GPS), which set us apart from the market and will enable us to fulfill our purpose.

## Our Game Plan for Success: Cargill's Strategic Direction

**Purpose**  
Why we exist ▶

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

**Vision**  
Where we're going ▶

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

**Direction**  
How we'll get there ▶

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

**Measures**  
How we track progress ▶

**Winning Means:**

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



**Capabilities**  
What will set us apart ▶

**Trading and Risk Management**

**Sustainable Supply Chains**

**Digitalization and Analytics**

**Market Insights and Innovation**

**Thought Leadership and Stakeholder Engagement**

# Cargill Values GRI 102-16

We announced our new and renovated values in October 2017, when executives met with our Global CEO to discuss the attributes that define us as a company. The changes are designed to guide our decisions and conduct; drive high performance, integration and simplification; ensure alignment on cultural and ecosystem expectations; and encourage our employees to go beyond the company's fence lines and demonstrate courage, risk taking and daring.

With a continuing focus on developing our people, we implemented a program to disseminate our values so they are fully embedded in our culture by June 1, 2018. As part of the initiative, an e-book was launched in March to explain the meaning of each of our values.

## Cargill Leadership Expectations

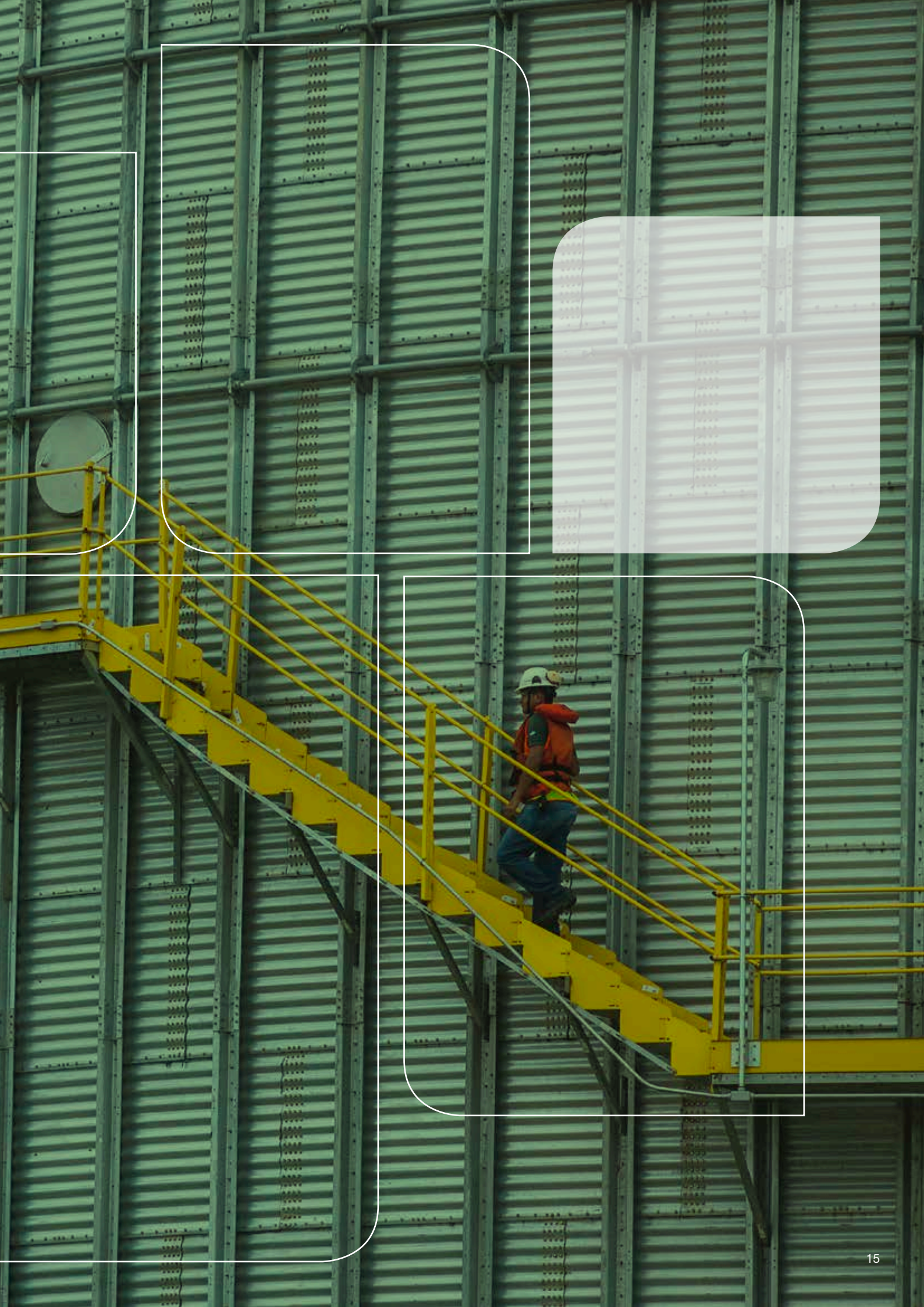
We are all expected to demonstrate leadership behaviors to drive high performance.





**USE SIZE  
TO OUR  
ADVANTAGE**





Cargill has 23 manufacturing sites, six port terminals, 189 warehouses and transshipment terminals, and two innovation centers operated by approximately 10,000 employees in 160 municipalities across 17 Brazilian states and the Federal District. Our size is one of our greatest assets, and one which we have strategically used to our advantage: For Cargill, one of the largest companies in Brazil, 2017 was a year of significant acquisitions, projects in progress, and improvements at our manufacturing sites.

In October 2017 we concluded the acquisition of Integral Nutrição, which produces products for dairy and beef cattle in Brazil's Midwest, generating R\$ 80 million in net revenues per year. Cargill took over 100% of the company's assets on the first business day of 2018. The acquisition includes a manufacturing site in Goianira (GO) with approximately 100 employees and a portfolio of mineral supplement and premix products.

There have also been changes in the Vale do Sapucaí Ltda. (Cevasa) power plant joint venture in Patrocínio Paulista (SP). The business plan for the joint venture was reevaluated, with Canagrill transferring its interest to Cargill.

We agreed to sell our operation in São José do Rio Pardo (SP) to Doehler in 2017. Following an assessment of strategic aspects and alignment with our global strategy, Cargill decided to exit the fruit preparations and icing business in Brazil.

Cargo Brazil also has a business unit—Cargill Risk Management (CRM)—that develops risk management solutions for farmers and agribusiness and food companies. CRM helps customers protect themselves against product pricing risks, offering a range of solutions for different agricultural commodities.

### **Banco Cargill**

Another of our differentiators is our financial arm, Banco Cargill, which helps to build trusted, enduring relations with the agricultural value chain. Banco Cargill provides services and loans to agricultural, industrial and cooperative clients using an expedited credit approval process that is enabled by Cargill's credibility and agribusiness expertise.

As a result of the credit crunch in 2017, Banco Cargill was compelled to adapt to the new market conditions and reduce its lending portfolio, restricting loan availability to agribusiness customers while consistently upholding ethical business conduct and remaining as a trusted partner to farmers.

Banco Cargill ended financial year 2017 with R\$ 3,288,348 thousand in assets, down 30% from the previous year, with its lending portfolio declining by 25% to R\$ 2,228,920 thousand. The Bank also ended the year with losses of R\$ 53,811 thousand, explained primarily by a provision for loan losses reflecting the adverse economic conditions. These loans were successfully renegotiated and customers are continually monitored by the Bank's Credit Risk and Commercial departments.



**23 manufacturing plants**



**6 port terminals**



**10,000 employees**



**17 states**

# Economic and financial performance

GRI 102-201

**Cargill invested R\$ 790 million in Brazil in 2017, and R\$ 4.6 billion in the last seven years**

## Macro economic conditions

The Brazilian Central Bank's Economic Activity Index and the IBGE's GDP growth index, both at approximately 1%, show that Brazil is resuming growth and pulling out of the deep crisis of recent years.

Agribusiness has continued to demonstrate its ability to create wealth, in great measure thanks to productivity improvements in recent years as a result of major investments and the efforts of players in the value chain.

The still-high levels of economic stagnation—with the output gap in negative territory—and Brazil's record grain crop in 2017 resulted in benign inflation as measured by the Broad Consumer Price Index (IPCA), which ended 2017 at 2.95%, below the Central Bank's lower target. This led to continued interest rate cuts, with the SELIC rate ending the year at 7% per annum.

## Financial results

Against this backdrop, Cargill Brazil generated net operating revenue of R\$ 35 billion in 2017, up 6% from 2016. Despite the higher revenues compared with 2016, net income declined by R\$ 115 million (16%), ending the year at R\$ 593 million, reflecting pressures on margins due to the larger crop.

**Investments** Cargill invested R\$ 790 million in Brazil in 2017, and R\$ 4.6 billion in the last seven years. We expect to invest between R\$ 300 and R\$ 400 million in 2018, with investments declining compared with the previous year as they near maturity. Indebtedness increased by 8% compared with 2016—from R\$ 8.8 bn to R\$ 9.5 bn (up R\$ 736 million). The increase is negligible considering the nature of Cargill's debt, which essentially consists of money provided by our parent company at a lower capital cost than a conventional loan in Brazil.

CARGILL ALIMENTOS (HOME + ANIMAL NUTRITION) FINANCIAL RESULTS 2017 – R\$ MM GRI 201-1

<b>CARGILL ALIMENTOS LTDA.</b>	<b>2016</b>	<b>2017</b>	<b>Change</b>
<b>Net Operating Revenue</b>	33,053	34,955	6%
<b>Net Income for the Year</b>	708	593	-16%
<b>Equity</b>	3,593	4,193	17%
<b>Capital Expenditure (PPE)</b>	775	793	2%
<b>Total Assets</b>	<b>13,177</b>	<b>14,590</b>	<b>11%</b>

CAL CONSOLIDATED

<b>NET REVENUE (THOUSANDS)</b>	<b>2016</b>		<b>2017</b>	
<b>Domestic Market<sup>1</sup></b>	11,546,491	35%	10,311,634	29%
<b>Foreign Markets</b>	21,506,200	65%	24,643,544	71%
<b>Total net operating revenue</b>	<b>33,052,691</b>	<b>100%</b>	<b>34,955,178</b>	<b>100%</b>
<b>CAL Consolidated</b>				
<b>GROSS REVENUE (thousands)</b>	<b>2016</b>		<b>2017</b>	
<b>Domestic Market</b>	12,904,319	38%	11,258,724	32%
<b>Foreign Markets</b>	21,506,200	62%	24,643,544	68%
<b>Total gross revenue</b>	<b>34,419,519</b>	<b>100%</b>	<b>36,172,268</b>	<b>100%</b>

<sup>1</sup> Including all deductions (taxes and deductions) in the domestic market.

**NET OPERATING REVENUE – R\$ MM**

change 6%



# Operating performance



## Industry overview

According to data from Companhia Nacional de Abastecimento (CONAB), Brazil's 2016/2017 grain crop exceeded 238 million metric tons, or more than one metric ton per capita.

The 26% growth was driven primarily by soybeans, which accounted for nearly half of the expansion, and with soybeans grown in South America accounting for half of global production.

## Results of operations

The company continued to pursue its strategy for growth through investment and innovation. In 2017 we completed the expansion at our Três Lagoas (MS) manufacturing site, which now has a capacity to crush more than 1 million metric tons of soybeans annually. The plant also renewed its International Sustainability & Carbon Certification (ISCC) for the production of biodiesel, a fuel producing more than 60% less CO<sub>2</sub> emissions compared with fossil fuels. In early 2017 we completed the acquisition of SGS Micro-ingredients in Ponta Grossa (PR) as part of a strategy to expand our oleochemicals business and build a sweetener business. In addition to new products, we now have room to expand our production capacity. Investments of approximately R\$ 20 million are planned over a period of one and a half years at the new plant.

Further expanding our vegetable oil business, we developed important new customer accounts for the supply of Envirotemp™ FR3™, a plant-based transformer oil product that is innovative for its superior sustainability, safety and efficiency. In addition to the product proper, Cargill provides technical support to validate applications where the new vegetable oil product can replace conventional mineral oil in transformers used by Brazil's largest electric utilities.

Cargill also launched a range of new consumer products that have been developed and launched in response to trends in consumer demand for products that are healthier, more affordable and in smaller servings that avoid waste and are more environmentally friendly. We expect our consumer products and food service businesses to grow by 4% to 5% in 2018.

In animal nutrition, our market share increased from 14% to 16% by volume (metric tons processed into animal feed).

# Awards and recognition

Our efforts to be a leader in nurturing the world in a safe, responsible and sustainable manner earned Cargill a variety of awards and recognition throughout 2017.



## 3<sup>rd</sup> Vox Empresarial Awards

2<sup>nd</sup> highest recall in Santarém (PA)

## Dinheiro Rural's Best Agribusiness Company

Best for corporate management



## Top Companies for Communications with Journalists



## Exame magazine's Biggest & Best



## Reader's Digest's Most Trusted Brands

LIZA won in the Food & Beverage – Edible Oil category

## Sul for Export

11<sup>th</sup> among Brazil's top exporters



## Troféu Benchmarking Brasil

In the Social and Environmental Education, Information and Communications category, with a case study about our Forest Code Campaign

## Troféu Gente Nossa Fornecedores

Top supplier of vegetable oils

## Reputation Institute Ranking

16<sup>th</sup> among Brazil's Best Reputed Companies

## Love Mondays

37<sup>th</sup> among the 50 most loved companies in Brazil



50 Mais Amadas  
Grandes Empresas - 2017



## Best Agribusiness Companies 2017 – Globo Rural

Soybeans and Oils, the largest among the top 500 and Animal Nutrition



## Folha Top of Mind

Elefante won in three categories

## Sales Leaders, ABRAS list – SuperHiper

Awards in the composite oil, salad dressing, tomato puree and paste, and tomato sauce categories



## Líderes do Brasil (LIDE)

In the Agribusiness Leaders category



## Guia Exame de Sustentabilidade

Top agribusiness companies for sustainability

## MarCo 2016 Corporate Reputation

Among the 100 top companies for corporate reputation in Brazil

## Troféu fornecedor Nota 10 – ABAD

Broths, Sauces and Seasoning



## Troféu Agroleite

Nutrition Category (our Nutron brand won the award for the 16<sup>th</sup> year running)



**UNLEASH  
OUR PEOPLE'S  
POTENTIAL**



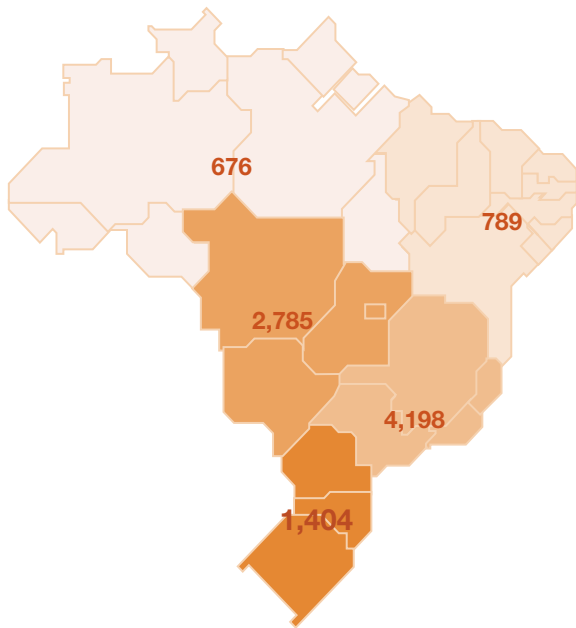


In a voluntary employee survey, Cargill ranked 37<sup>th</sup> in the Love Mondays List 2017, which ranks the 50 companies that are best loved by employees. This recognition has crowned an extensive HR Transformation program undertaken globally at Cargill. Initiated in 2016 with a goal to empower our people, review our models, processes and systems, and drive efficiencies, the HR Transformation program was rolled out in Brazil in April 2018. The new strategy has increased investment in training. This included an event themed, “Manager 4.0: managing people in the digital age” in January 2018, as well as a range of training events on our new processes and tools.

## CARGILL EMPLOYEES

GRI 102-8





**Total  
9,852**

1 Apprentices are not reported in this segment by region, which accounts for the differences in the figures in the other tables.

**WORKFORCE  
BY REGION<sup>1</sup>** GRI 102-8

**TOTAL WORKFORCE BY EMPLOYMENT CONTRACT AND GENDER** GRI 102-8

CONTRACT TYPE	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Definite term	204	65	269	125	56	181	107	35	142
Indefinite term	6,028	1,996	8,024	7,140	2,260	9,400	7,443	2,267	9,710
Junior apprentice	111	108	219	149	145	294	156	149	305
<b>Total</b>	<b>6,343</b>	<b>2,169</b>	<b>8,512</b>	<b>7,414</b>	<b>2,461</b>	<b>9,875</b>	<b>7,706</b>	<b>2,451</b>	<b>10,157</b>

**WORKFORCE BY EMPLOYMENT TYPE** GRI 102-8

EMPLOYMENT TYPE	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	6,232	2,061	8,293	7,265	2,316	9,581	7,550	2,302	9,852
Part time	111	108	219	149	145	294	156	149	305
<b>Total</b>	<b>6,343</b>	<b>2,169</b>	<b>8,512</b>	<b>7,414</b>	<b>2,461</b>	<b>9,875</b>	<b>7,706</b>	<b>2,451</b>	<b>10,157</b>

**WORKFORCE BY AGE RANGE<sup>1</sup>** GRI 102-8

AGES	2017
Under 30	3,290
30 to 50	5,723
Over 50	839
<b>Total</b>	<b>9,852</b>

1 Apprentices are not reported in this segment by age range, which accounts for the differences in the figures in the other tables.

# Diversity

GRI 103-45

Cargill sees diversity as a rich mixture of organizational and human traits, experiences, skills and traditions. In 2016 Cargill implemented an integrated action plan to build our vision for diversity, and implemented our Brazil Diversity Committee. | [more information in Corporate governance.](#) |

Diversity has been widely discussed during Diversity Week, of which we have had two editions, in April 2017 and 2018. We also initiated the Cargill Pride Talks, a series of round tables that discussed diversity and LGBT+ inclusion at Cargill throughout 2017. Other events and meetings also provide a forum to discuss the inclusion of people with disabilities, race and gender issues, and unconscious bias.

## Recruiting and selection

Our recruiting and selection process has seen a number of changes. To increase diversity among trainees, candidates are not permitted to provide information about the universities they have studied at on their resumes or to recruiters during final interviews. This allows candidate performance to be assessed without bias deriving from the reputation of their universities. In another program, our Talent Acquisition function began selecting transgender people and hired our first transgender employee in June 2018, in São Paulo (SP).



## GENDER

A global focus at Cargill, gender issues are also a priority in Brazil, where the majority of people working in agribusiness are men. To address this challenge, our Talent Acquisition function aims to have at least 30% women candidates among finalists for a position at Cargill. For leadership positions above the senior manager level, the target percentage is 50%.

In November the Cargill Women's Network (CWN)—a global network that aims to make a difference for women's empowerment and to create a more inclusive work environment for all—was launched in Brazil. We have also run our *Mulheres Operando no Brasil (MOB)* program since 2015, with a commitment to encouraging women at Cargill Brazil to dare to achieve, confident in their leadership and execution capabilities.

## Other programs

### AfroCargill

This program works to build an environment where conditions are the same for everyone, regardless of ethnicity.

### Cargill Pride Network

This program works to promote LGBT+ inclusion through networking to develop and share knowledge.

**Allies** An education program within the Cargill Pride Network for employees who want to learn how to create a more equal work environment. In 2017, Cargill had more than 300 allies in Brazil.

## Global Anti-Discrimination Policy

GRI 103-406

In May 2018 Cargill launched a Global Anti-Discrimination Policy that applies in all countries where we operate. In line with our Code of Conduct, Cargill's employment opportunity policy prohibits discrimination or harassment against any employee or candidate based on race, ethnicity, color, religion, origin, ancestry, sex, gender, gender identity and expression, sexual orientation, age, disability, pregnancy, citizenship status, union affiliation or any other right protected by law. The Policy reflects Cargill's current drive to empower, respect and put people first each day.

**Cargill's  
employment  
opportunity  
policy reflects our  
current drive to  
empower, respect  
and put people  
first each day**



# Health and safety GRI 103-45

A non-negotiable value at Cargill Brazil, our health and safety strategy is aligned with Cargill's Global Environment, Health and Safety Policy. This policy is supported by our CEO and contains requirements based on OHSAS 18001 (Occupational Health and Safety Assessments Series) and ISO standards on requirements and best practices for businesses.

In Brazil, our focus has been on initiatives to encourage employees to take the reins of their health and safety. Our leadership was engaged in two major programs in 2017 – LIFE and Essential for You—in addition to initiatives as part of our Safe Driving Policy.

Implemented in Brazil in 2015, Cargill's LIFE program aligns concepts and expectations at a global level to protect the integrity of workers by preemptively identifying tasks involving unsafe behavior or conditions that could result in injury. Emphasis is placed on behavioral expectations and the minimum requirements to perform tasks safely. In 2017, the program prioritized activities involving the highest levels of risk to eliminate the chances of serious injuries or fatalities. The strategy was highly successful, with these types of injuries declining by 80% and with no fatal injuries occurring in Brazil during the year.

In addition to inspections on critical activities as part of the program, safe practices are also assured by legal compliance assessments, internal and independent audits, management inspections, and machine and equipment inspections. Safety is monitored within Cargill's management system using standard reports and dashboards.

We have also implemented initiatives and strategies addressing the specific requirements of each business, as well as global initiatives, such as a reviewing our safety management approach and indicators, risk assessments, incorporating human behavioral aspects, and implementing engineering solutions. These initiatives have related metrics covering both reactive indicators (after an injury occurs) and proactive indicators (which help to prevent incidents). [GRI 103-403](#)

**80%**  
reduction in serious injuries through our *Atingir Zero* program

**HEALTH & SAFETY MANAGEMENT KPIS<sup>1 2</sup>** GRI 403-2

Business	Metric	Fiscal year 2016/2017	Fiscal year 2017/2018	
	Reactive	RIFR <sup>3</sup>	0.38	0.72
		SIFR <sup>4</sup>	0.28	0.18
<b>Animal Nutrition</b>	Proactive	SIFp Observation Rate <sup>5</sup>	n.d.	2.53
		Hierarchy of Controls <sup>6</sup>	n.d.	0%
<b>Foods; Starches &amp; Sweeteners; Cocoa &amp; Chocolate</b>	Reactive	RIFR <sup>3</sup>	0.61	0.79
		SIFR <sup>4</sup>	0.18	0.14
	Proactive	SIFp Observation Rate <sup>5</sup>	n.d.	9.46
		Hierarchy of Controls <sup>6</sup>	n.d.	40%
<b>Grains &amp; Soybean Processing</b>	Reactive	RIFR <sup>3</sup>	1.24	0.9
		SIFR <sup>4</sup>	0.24	0.07
	Proactive	SIFp Observation Rate <sup>5</sup>	n.d.	3.38
		Hierarchy of Controls <sup>6</sup>	n.d.	100%
<b>Administrative Locations</b>	Reactive	RIFR <sup>3</sup>	0.23	0.14
		SIFR <sup>4</sup>	0	0.14
	Proactive	SIFp Observation Rate <sup>5</sup>	n.d.	0
		Hierarchy of Controls <sup>6</sup>	n.d.	0%

1 New metrics included following a review of our safety strategy.  
 2 Historical data is available for reactive metrics (injuries) only.  
 3 RIFR (reportable injury frequency rate);  
 4 SIF Rate (severe/fatal or potentially serious injury frequency rate).  
 5 SIFp Observation Rate (hazards reported by employees. This metric is used to evaluate risk and our culture of reporting identified risks).  
 6 Hierarchy of Controls (this metric measures the robustness of controls to eliminate and mitigate exposure to the most significant risks at the workplace).

**TRAINING** GRI 410-1

When joining Cargill, all employees receive induction training on safety, our code of conduct, and human rights.

Following induction training, they receive special training relating to their duties and applicable legal requirements, such as training on work at heights, confined spaces, electrical safety and other topics. Our training plan includes monthly refresher training courses, attendance at which is monitored.

Training hours have increased in recent years to address new accident prevention programs at Cargill as well as changes to Brazilian safety regulations NR10, NR13, NR17, NR33 and NR35. Our goal is to provide safety training or retraining to 100% of employees each year.

**Essential for You**

Officially launched in 2017, the program is designed to support the health and well-being of Cargill employees and their dependents. The goal is to create a culture of self-care, self-awareness and prevention by encouraging employees to seek out the knowledge they need for balanced and high-quality living. As of March 2018, the program's Internet platform ([www.essencialcargill.com.br](http://www.essencialcargill.com.br)) had 2,940 registered employees. The program comprises four pillars, each with a range of associated benefits. GRI 401-2

**The four pillars of the program**

**Essential for your Well-being**

Access to fitness centers (*gympass*) and toy vouchers



**Essential for your Health**

Check-up, pregnancy program



**Essential for Your Life**

Financial education programs



**Essential for Your Career**

Variable compensation program





# 540

Drivers participated in the three latest editions of our *Amigo Fiel* program



## Amigo Fiel: safe drivers

Created to provide professional drivers with information about safety, quality of life and the importance of combating roadside sexual exploitation of children and adolescents, our *Amigo Fiel* Program also offers services including legal advice, blood pressure testing, blood glucose testing, dental checkups, dietary advice, and haircuts. Over the last few months, 540 drivers participated in activities in Goiânia (GO), Três Lagoas (MS) and Uberlândia (MG).

# Semeando Futuro

GRI 103-413, 413-1

Following a four-stage contest initiated in February 2017, Cargill's Corporate Volunteer Program celebrated its 20<sup>th</sup> anniversary under a new name: *Semeando Futuro*. The new chapter in the program was launched in September at our Três Lagoas (MS) plant, where contest winner Carla Eliane Ferreira Barbosa works. During the ceremony, she received a plaque as a token of thanks and recognition. 28% of Cargill's 176 operations (the scope of this report) are covered by the program. In fiscal year 2017/2018, 90% of communities had positive perceptions of the Company, with: 36% of locations served by social programs and 9.5% of employees engaged in volunteer programs. Our business units also implement initiatives to meet local needs, such as campaigns to collect donations for a range of organizations and support for environmental initiatives. Many of our business units have open doors programs that allow community residents to visit our facilities.

## In 2017

915  
volunteers

49  
participating  
cities

21,000  
people  
benefited

3,102 hours of  
volunteer work





**BE THE  
MOST  
TRUSTED  
PARTNER**

Corporate responsibility permeates everything we do at Cargill, from our relations with farmers to our post-consumer initiatives. This also helps us to deliver on our commitment to nourishing the world in a safe, healthy and sustainable way, while inspiring good practices and thriving alongside our partners, customers and communities.

Progress in the last decade has generated significant results across our supply chains. We use a range of metrics, protocols and indexes to track data and take a more strategic approach to business management, in line with our global practices and commitments.

### Risk management

Our risk management system is another successful component of our management approach. By anticipating risks with the potential to impact our operations, we are able to make better-informed, more agile and more responsible decisions. The primary risks we monitor are: credit risk; foreign-exchange and interest rates; commodities prices; and climate change.

## Cargill's Guiding Principles

We obey the law

We conduct our business with integrity

We keep accurate and honest records

We honor our business obligations

We treat people with dignity and respect

We protect Cargill's information, assets and interests

We are committed to being a responsible global citizen

# Corporate Governance

GRI 102-18

Cargill's global leadership is the responsibility of our Executive Board, which is formed by our CEO and eight executive officers. In 2017, two of our executives were women.

The Executive Board oversees the execution of our overall strategy, and is supported by five permanent committees as well as *ad hoc* temporary committees to address emerging issues.

Cargill executives from around the world, including Brazil, form corporate committees that ensure specific business matters in each location are taken into account in developing global initiatives and programs.

We currently have four acting global committees: Business Ethics, Human Resources, Financial Risks, and Occupational Health & Safety. We also have three local committees: Health, Diversity and Sustainability.

In 2017 the Sustainability Committee focused on three action plans addressing Working Hours Management; Occupational Health & Safety; and Land Use.

## Ethical Conduct

GRI 102-16

To ensure our principles and values are adhered to, Cargill's Code of Conduct outlines our company's ethical and compliance standards for conducting business throughout the world and serves as a guide for our 150 employees. All employees receive training on the Code when they join the Company, and are responsible for complying with the Code and for preventing, detecting and communicating any violations of applicable laws and regulations or our policies. Our Ethics Open Line is available for employees and third parties to report concerns. [GRI 103-412, 412-2](#)

# Value chain

GRI 102-9, 103-408, 103-409, 103-411

Cargill's commitment to ethics and good social and environmental practices extends to our value chain, as we recognize that the quality and safety of our food products is dependent on trusted business relations with suppliers.

Our internal policy is compliant with applicable laws and regulations, and direct purchases of materials are governed by a Supplier Code of Ethics, which must be formally accepted as a condition of doing business with the Company. We also have a Buyer's Code of Ethics containing a set of rules related to procurement. All agreements contain clauses establishing rules on compliance and human rights, including the rights of indigenous peoples. [GRI 412-1, 412-3](#)

## Partnerships

As part of the global community, we recognize the important role we play in helping to address some of the world's most significant challenges. We partner with governments and social welfare organizations to address concerns related to human rights, including forced labor, human trafficking and other illegal practices. Suppliers may under no circumstances employ child, forced or slave labor, whether directly or indirectly. Any breach of this prohibition results in contract termination. [GRI 103-412](#)

Among the potential negative social impacts from our supply chain, we have identified risks that include slave labor, illegal logging, and environmentally non-compliant materials sourced from farmers.

As a signatory to the Business Pact against Roadside Exploitation of Children and Adolescents, we Support the *Na Mão Certa* program, an initiative created by NGO Childhood Brasil to engage governments, businesses and third-sector organizations in combating the sexual exploitation of children and adolescents on Brazil's roads. Drivers working for Cargill receive guidance through initiatives in partnership with the program. In 2017 we organized three different campaigns at six business units, with more than 640 truck drivers participating. In 2018 we plan to expand initiatives to all locations where we are present, and to have at least one person trained and qualified to run *Na Mão Certa* campaigns in each of these communities. [GRI 408-1, 414-2](#)

Our central procurement, invoicing and receipt management system automatically blocks all employers listed in the Brazilian Ministry of Employment's "slave labor blacklist". We are also a signatory of the National Pact to Erad-

**The *Na Mão Certa* program, an initiative to mobilize society against roadside sexual exploitation of children and adolescents, provided guidance to more than 640 truck drivers at Cargill business units in 2017**

icate Slave Labor and an institutional partner of InPACTO, an organization that works to unite the private sector and civil society organizations in preventing and eradicating slave labor across value chains. [GRI 412-3, 414-2](#)

In 2016 we established a global partnership with NGO World Resources Institute (WRI) to strengthen sustainability across supply chains and provide greater assurance and transparency to our partner’s environmental practices. WRI has developed a platform to compile data on

deforestation, and Cargill Brazil is contributing to make available information more robust and accurate for the Company, our industry and other stakeholders. Our [2017 Report on Forests](#), available on the Cargill website, contains further information on the subject. [GRI 102-12, 304-2](#)



**SOCIAL SCREENING** [GRI 103-414](#)

Cargill uses Vendor Management Office (VMO) capability assessment and Request for Information (RFI) forms in our vendor screening systems to identify and assess actual or potential negative impacts from supply chains.

Conducted by our Strategic Sourcing function, these screening assessments do not include certain situations in which supplier contracts are concluded directly with the relevant functions, farmers, trucking companies and third parties. As part of this, a total of 2,120 new suppliers were screened against human rights requirements in 2017, 49% more than the 1,418 suppliers screened in 2016.

[GRI 414-1](#)

The process includes actions to prevent, mitigate or contain these impacts, such as: escalating information to our supplier committee, obtaining a legal opinion, or blocking the relevant supplier.

The supplier capability assessment evaluates whether suppliers have formal policies and whether these are extended to their suppliers. Request for information forms include information on occupational health and safety, air emissions, effluent management, inventory and materials handling, soil and groundwater protection, biomass, waste management and other aspects related to eco-efficiency, protected areas, water-stressed areas, eradication of child and forced labor, and eradication of child sexual exploitation. Indicators measuring our supplier’s sustainability performance are updated on a quarterly basis.

# Consumer health and safety

103-416



Cargill has a clear commitment on food safety: to protect people and animals from diseases or injuries caused by the handling or consumption of our food products.

Our food safety policy is based on: the *Codex Alimentarius* standards and principles for human and animal food; the principles of the World Organization for Animal Health (OIE) on matters related to animal health; and the principles of the International Plant Protection Convention (IPPC) on matters related to plant health.

We use a scientific approach based on food safety risks, and systems that prioritize actions to prevent biological, chemical and physical damage. Cargill's approach includes robust programs covering hygiene, Hazard Analysis and Critical Control Points (HACCP), and defined management responsibilities.

Food safety practices, regulations and regulatory oversight vary from one country to another. As a global company, our food safety system has been designed to protect the integrity of local, regional and global supply chains by generally exceeding local requirements. Our approach covers prevention, intervention and response to help improve public health.

# Sustainability management

Cargill's Sustainability Strategy 2020 is designed to help the company achieve recognition as the most trusted source of sustainable products and services. This strategy has begun to deliver results and recognition. In November 2017 Cargill ranked among the best companies in the agribusiness sector for the second year running in *Guia Exame de Sustentabilidade*.

Focused on governance and strategic partnerships, Cargill's approach to sustainability, communications and education in 2017 targeted efforts at priority issues across three pillars: Nourishing the world, Protecting our planet, and Enriching our communities. Supporting decision making at Cargill, our Sustainability Committee is part of our governance structure and is composed of 11 members of senior management. Cargill has also committed to achieve improvement on key issues affecting our business (see the table opposite).

**Cargill ranked among the best companies in agribusiness for the second consecutive year**





## 1 Nourishing the world



### Goals

Improving food security and nutrition, advancing food system innovation and strengthening farmer livelihoods.

### Priority issues

- Food security and nutrition
- Food system innovation
- Good agricultural practices

## 2 Protecting our Planet



Improving land use, advancing climate solutions and protecting water resources.

- Land use
- Climate change
- Suppliers
- Water resources

## 3 Enriching our communities



Strengthening economic and community development and driving lasting impact through employee engagement.

- Financial and management support for social-impact programs
- Volunteer work in local communities
- Employees
- Health & Safety
- Customers

We assess the performance of our strategy in periodic Sustainability Committee meetings, against the following indicators and targets.

### SUSTAINABILITY COMMITTEE INDICATORS (KPIS)

ISSUE	STRATEGIC OBJECTIVE	Target	Performance <sup>1</sup>		
			3Q 15/16	3Q 16/17	3Q 17/18
Climate change	Reduce greenhouse gas emissions	10%	-12.50%	-1.33%	8.99%
Energy	Improve energy efficiency	5%	3.51%	2.65%	9.03%
	Increase the use of renewable energy	18%	89%	91.63%	92.77%
Water	Increase water efficiency	5%	-4.20%	1.27%	6.35%
Health & Safety	Eliminate reportable injuries related to the health and safety of employees and contractors	0.10	-	-	0.07
Communities	Improve our relations with communities through engagement and initiatives to support their economic and social development	>70%	94%	95%	90%
Suppliers	Assess our suppliers <sup>1</sup> economic and social sustainability performance	75%	84%	97%	72% <sup>2</sup>

<sup>1</sup> These figures are for the third quarter of each crop year and are measured against the relevant target.

<sup>2</sup> The baseline has changed as a result of an annual review of category and supplier segments and the standard approach to supplier onboarding and offboarding. Despite the percent reduction, the overall rating improved.

## CARGILL POLICY ON FORESTS

GRI 103-304

Cargill has supported the New York Declaration on Forests since 2014 and, as part of our commitment to end deforestation in our supply chains, in 2015 we launched the Cargill Policy on Forests. The Policy expresses our global commitment to protect the areas with the greatest biodiversity on our planet by halving deforestation by 2020 and ending it completely by 2030. In 2016 our teams began measuring and monitoring deforestation in the soy supply chain in Brazil.

Brazil's soybean supply chain is among the company's priorities and is addressed by a dedicated action plan for suppliers. The first step is registration with the Rural Environmental Registry (CAR), an important step in achieving compliance with the Brazilian Forest Code. The goal is to raise suppliers' awareness about the benefits of achieving environmental compliance, and to point them the way.

## SUSTAINABLE SOYBEAN PRODUCTION



### Triple S Program

Since 2010, our Triple S (Sustainably Sourced & Supplied) certification program has assessed suppliers against a range of indicators in a stringent benchmarking program. This innovative certification program is focused on traceability, continual improvement and sustainability. Actions are prioritized and implemented on certified farms, engaging farmers on a journey in which sustainable practices are encouraged and recognized. The program was expanded to Goiás in 2017 and is now present in four states (Paraná, Mato Grosso, Pará and Goiás), with a total of 163 properties and more than 394,000 hectares of farmland currently being monitored. Internal indicators on soil and water management, pesticide use and waste disposal, for example, have shown improvement in each dimension: from 43.60% to 51.37 % in the environmental dimension; from 47.48% to 52.56% in the social dimension; and from 49.48% to 54.81% in the production dimension (economic pillar).

#### Improvement

From 43.60% to 51.37 % in the environmental dimension; from 47.48% to 52.56% in the social dimension; and from 49.48% to 54.81% in the production dimension (economic pillar).

### Green Grain Protocol

Signed in 2014, this voluntary agreement between the government of Pará, the Public Prosecutors' Office and the private sector aims to eliminate deforestation in Pará's main production chains. It establishes requirements and guidelines to ensure business transactions between companies and farmers in Pará are environmentally responsible to prevent grains from being sourced from illegally deforested areas. Cargill strengthened its procedures in 2014 to better deliver on our commitment.



### **Cerrado Working Group**

Created in 2017, the Cerrado Working Group (GTC) brings together Brazilian and international NGOs, companies, governments, banks and consumers. In its first year, it was led by Cargill in partnership with WWF-Brazil. The multisectoral group aims to eradicate deforestation in the *Cerrado* and to reconcile soybean production with environmental, economic and social interests. To achieve this, the WG has explored a variety of solutions and options to address existing problems.

### **Soja Plus**

This is a free and voluntary educational program to help Brazilian farmers achieve continuous improvement in the economic, social and environmental management of their properties, preparing them for the sustainable farming practices that markets now demand. The initiative was created in 2011 by a partnership between ABIOVE and the Mato Grosso Soybean and Corn Farmers' Association (APRO-SOJA-MT) and is present in five states: Mato Grosso, Mato Grosso do Sul, Minas Gerais, Bahia and Goiás.

### **Soy Working Group and Moratorium**

Cargill actively participates in meetings of the Soy Working Group (GTS), formed by members of the Brazilian Association of Vegetable Oil Producers (ABIOVE), the Brazilian Association of Cereal Exporters (Anec), the Ministry of the Environment, Banco do Brasil and other civil society organizations, such as Greenpeace and WWF-Brazil. The Soy Moratorium is an industry agreement signed by the group in 2006 whereby companies pledged not to market or finance soybeans produced in areas in the Amazon that have been deforested post-2008.

## SUSTAINABLE COCOA PRODUCTION

Demand for chocolate grows at the same rate as the global population, between 2% and 3% a year. This attracts investments to the sector and has led to growth in cocoa production in Latin America. Brazil has the land, climate, technology, genetics capabilities, and investment capacity to become a major player in this sector. Cargill has continued to invest in expanding cocoa production in Pará and rebuilding production in Bahia, working with the Brazilian Association of Cocoa Processing Companies (AIPC). Investing in cocoa production means developing better-quality products for customers, and enhancing farming methods brings benefits both to the company and to the cocoa-producing community around the world.



### *Cacau Floresta*

70 properties assessed  
123 family farms  
450 hectares of area, 900 kg/ha  
productivity

Developed in partnership with The Nature Conservancy (TNC) and the Ministry of Agriculture, the *Cacau Floresta* program aims to rehabilitate degraded areas in Pará through agroforestry. Through this model, Cargill hopes to expand cocoa production without felling a single tree in the state. The project was initiated in 2013 in the region of São Félix do Xingu, in a collaboration with the Cocoa Plan Executive Committee (CEPLAC) and the São Félix do Xingu Smallholders and Small Business Cooperative (CAPPRU).

### *Tuerê Project*

96 farmers in 2017  
150 farmers by 2018  
Results: quality, productivity and  
GHG emissions reduction

In Novo Repartimento, Pará, Cargill runs the *Tuerê* Program in partnership with Solidaridad Network, CEPLAC and the Municipal Department of Agriculture. The project operates within the largest smallholder settlement in Latin America, home to around three thousand families. The NGO selected farmers to undergo assessments and receive support through the *Horizonte Rural* platform, with the assessment indicating the need for technical assistance, environmental compliance, and better market access.



## Cargill Cocoa Promise and UTZ Certification

90 farms certified  
BA, ES and PA  
200 properties by 2019

A commitment that has permeated our operations at Cargill in the last ten years, the Cocoa Promise has strengthened our efforts to help develop cocoa-producing farms in a sustainable way. In 2012 we introduced UTZ certification in Brazil, which attests that agricultural products are produced to stringent standards, from crop management to compliance with environmental and labor legislation.

## Brazilian Coalition on Climate, Forestry and Agriculture

A multisectoral movement formed by business associations, companies and civil society organizations seeking to advance and achieve synergies in the protection, conservation and sustainable use of forests. As a member of the coalition and a leader of the working group to implement the Brazilian Forest Code and Sustainable Logistics, Cargill participates in discussions on sustainable agriculture and mitigating and adapting to climate change in a new, low-carbon economy.



# Fundação Cargill

GRI 103-413

With a mission of promoting healthy, safe, sustainable and affordable food—from farms to consumers—for 45 years Fundação Cargill has developed and supported projects aimed at social transformation and value creation in the food supply chain. Geared to communities surrounding our operations, the Foundation's projects involve volunteers from the company, civil society organizations, institutions and associations.

In 2017 Fundação Cargill ran programs in 12 municipalities, benefiting 37,960 people. Around 7% of the 176 operations within the scope of this report were benefited by the programs. [GRI 413-1](#)

Most projects are selected through public calls for proposals. Six initiatives received management and financial support of up to R\$ 100,000 in 2017, benefiting more than 459,000 people. The call for proposals in 2018 selected seven projects out of 168 candidates, which will collectively benefit 15,988 people. The Foundation will continue to accept proposals through December 2018 for projects with a social impact within a radius of up to 150 kilometers from Cargill's operations and offices. Selected projects will receive from R\$ 50,000 to R\$ 200,000 in funding.

## SOCIAL IMPACT ON FOOD ASSESSMENT

In partnership with social project accelerator Artemísia, in October Fundação Cargill launched the Social Impact on Food Assessment (*Tese de Impacto Social em Alimentação*), an unprecedented initiative to identify opportunities in the food industry with a focus on low-income communities. The project is part of a partnership between the two organizations to improve people's quality of life.

The assessment provides relevant information on the challenges faced by low-income communities and the industry in Brazil; and points to opportunities for the development of social-impact businesses that can make a positive contribution to society. One of the selected businesses was startup Sumá in Balneário Camboriú (SC), which offers a fair marketing platform for family farms: the solution connects farmers directly to food buyers, increasing their margins.

## Food in Focus

Our Food in Focus Award—which recognizes innovative projects in healthy nutrition at universities—is organized annually by the Cargill Foundation in partnership with Enactus, an international non-profit organization that promotes social enterprise in 1,700 universities in 36 countries.

## In 2018

40 project proposals submitted

15 initiatives selected for mentoring and funding

Focus: family farming, food waste, nutrition education, and entrepreneurship

Learn more at [alimentacaoemfoco.org.br](http://alimentacaoemfoco.org.br)

## NutriQuiz

Launched in 2016, the NutriQuiz mobile app is an opportunity for Fundação Cargill to interact with stakeholders and identify material issues needing to be addressed in society. The free trivia app contains a total of 400 questions and answers related to nutrition education, using an entertaining approach to provide information about balanced nutrition.

**> MORE THAN 5800 DOWNLOADS  
IN 2 YEARS**





# DO THE ORDINARY EXTRAORDINARILY WELL





# Innovation and technology

Through innovation and technology, Cargill does the ordinary extraordinarily well. We continually invest in more efficient processes and management models, and work to develop ingredients and products supporting healthier and more sustainable nutrition.

A highlight in 2017 was the launch of our Lévia+ range, an oils and fats portfolio solution developed in collaboration with the State University of Campinas (UNICAMP). The new range uses innovative, patented technology to reduce saturated fat content without an increase in trans fats. The product is ideally suited as a filling ingredient for cookies, panettones, cakes, ice cream, chocolate bonbons, and other products.

## Innovation centers

### Mogi-mirim (SP) Campinas (SP)

The Cargill Innovation Center for Latin America researches and develops ideas that benefit customers and help to integrate our food ingredients business units continent-wide.

#### In 2017, the Center developed:

- 81 B2B projects, including:
- 41 projects directly with customers
- 11 Innovation Days
- 32 customer visits

## New ways of interacting

### GPS – Farmer relations

An innovative farmer relations platform that will introduce new ways of interacting with farmers.

### Nutron startup circuit

Entrepreneurs from 15 agribusiness startups participated in a meeting in partnership with AgTech Garage, which selected participants based on potential synergies with our Animal Nutrition business.

### Digital Business Day

More than 120 leaders attended a panel and lectures in December 2017, with executives from several leading companies as guest speakers. Participants experienced an “immersion” in technology, in which they learned about industry best practice and technologies holding promise for the future. The event led to the creation of **DataViz**, a challenge in which Cargill employees present project proposals describing ways that data analytics can improve business performance, activities and internal procedures.

# Infrastructure and quality

## Production lines

In 2017 Cargill Animal Nutrition invested more than R\$ 35 million in expanding production capacity at our Itapira (SP) plant for our Probeef product range for grazing beef cattle. Following the expansion, which includes dosing bins, a blending system and robotic palletizing units, the plant's production capacity will be doubled in the second half of 2018.

In an investment of R\$ 240 million, our **soybean milling plant in Três Lagoas (MS)** increased its processing capacity from 2,100 metric tons per day to 3,200 metric tons per day. Production of meal and oil for biodiesel has also increased.

**Cargill has invested R\$ 120 million in a fleet of 20 barges with a capacity to handle 3 million metric tons per year in Pará**

## Progress on the North Route

Brazil's North is a strategic corridor for the outbound shipping of grains. Recognizing this, Cargill is developing a project called "North Route" in Pará. We believe these investments will help to make Brazil's agricultural commodities more competitive in global markets, while providing better economic conditions for farmers. They are also helping to bring sustainability into agribusiness by providing job opportunities and reducing truck traffic in densely populated areas, such as along the roads leading to ports in Brazil's Southeast—the North Route uses river barges producing extremely low levels of CO<sub>2</sub> emissions.

In 2017, work was completed on the Santarém (PA) grain terminal expansion, in an investment of R\$ 240 million to increase annual handling capacity from two to five million metric tons. Much of the added grain volumes are being shipped via the Tapajós River from a new river transshipment terminal that was also delivered in 2017 in the district of Miritituba, in Itaituba (PA), in an investment of approximately R\$ 180 million.

For this 300 kilometer section of river, Cargill has invested approximately R\$120 million in a fleet of 20 barges and three towboats with a capacity to transport three million metric tons per year.

Through these investments, the region is set to become one of Brazil's most important grain export corridors in the coming years. Cargill is also building a new port terminal in Capim Bay, Abaetetuba, Pará. The findings from a social and environmental, technical and financial feasibility assessment for the project were positive. The new private terminal, with an initial cost of R\$ 700 million, will have a capacity to handle approximately six million metric tons of grains per year. The terminal is scheduled to commence operations between 2022 and 2025, depending on demand and other strategic decisions.

# Product launches

## Food Service



Our tomato product portfolio was expanded in 2017 to offer greater versatility to the food service segment, with Elefante, Pomarola and Tarantella-branded tomato products now available in 1.02 kg and 2 kg sachet packaging.

## Mayonnaise



In the mayonnaise segment, we launched a new Fine Herb flavored mayonnaise product as part of our LIZA Caseira range (240g and 196g sachets).

## Other tomato products



- **Pomarola Chef:** in 2017, renowned chef Erick Jacquin was featured in a TV commercial animation developed by Cargill.
- **Elefante products** in 140g and 280g Tetra Pak packaging
- **Pomarola and Tarantella** tomato sauce in 190g sachet packaging

## Genuine range



In January 2017 Cargill launched a new range of baking cocoa:

- **Genuine 100% Baking Cocoa, available in 500g packaging**
- **Genuine 50% Sweetened Baking Cocoa, available in 1.05kg packaging**
- **Genuine 33% Sweetened Baking Cocoa, available in 1.05kg packaging**

## Animal Nutrition



A recent survey among Brazilian pig farmers found that the breeding stage is the most challenging in the pig farming lifecycle. In response, Cargill has developed Livelle, an integrated and innovative Nutron-branded solution that aims to meet nutritional, physiological and intestinal health needs in new sow lines in the breeding phase.

Proobefef Resist, also from Nutron, is the first mineral supplement in Brazil that is resistant to rain and moisture. The solution provides optimal mineral supplementation for grazing cattle during the rainy season, while reducing or eliminating product losses due to hardening or sludging.

## LIZA Origens



LIZA Origens is a five times extra filtered, 100% vegetable oil made from soybeans sourced from properties with Triple S (Sustainably Sourced & Supplied) certification, which promotes initiatives for continual improvement on certified farms | [read more on page 40](#) |. LIZA Origens is also tracked for greenhouse gas (GHG) emissions using an inventory method that measures emissions at each stage of the supply chain, delivering a more transparent and responsible product.

### Bottled composite oils

Traditional, Fine Herbs, Onion and Garlic, Oregano and Basil.

### Liza Soy Pink October

This special edition featured information about the Pink October campaign and tips on preventing breast cancer.

# Environmental management

Environmental management at Cargill conforms to the company’s international and local standards, and is focused on: using natural resources, such as water, efficiently; properly disposing of effluents and waste; protecting biodiversity; and minimizing greenhouse gas emissions.

Environmental performance disclosures related to water, effluents, and waste and emissions cover the following business units and their operations:

BUSINESS UNITS	Operations
Starches & Sweeteners	Uberlândia and Castro
Sugar & Ethanol	CEVASA and SJC BioEnergia
Cocoa & Chocolate	Ilhéus and Porto Ferreira
Foods	Mairinque, Itumbiara and Goiânia
Animal Nutrition	Chapecó, Itapira and Toledo
Industrial Specialties	Mairinque and Ponta Grossa
Grains & Processing	Plants: Uberlândia, Ponta Grossa, Barreiras, Primavera do Leste, Três Lagoas, Rio Verde
	Ports
	Warehouses

**WASTE MANAGEMENT** GRI 103-306, 306-2

Cargill’s waste and effluent management system conforms to our EHS (Environment, Health and Safety) Policy and the company’s global policy, which is adapted to the particularities and risks of each business. Internally audited every two years, the system has set global targets and also supports the Ministry of Environment’s National Policy on Water Resources and National Solid Waste Policy (PNRS).

Waste is treated and disposed of properly and in accordance with specified requirements. Non-hazardous waste is sent for: reuse, recycling, energy recovery, underground waste injection, landfilling, composting and incineration. Hazardous waste is sent for: co-processing, local storage, recycling, reuse, incineration, landfilling, industrial landfills, or composting. Organic waste is sent for landfilling or composting.

**Environmental education**

Our *Renove o Meio Ambiente* initiative also has an environmental education and awareness component that is run in partnership with municipal governments. In Mairinque (SP), our “Environment at Schools” program collected more than 7,200 liters of residual vegetable oil for recycling and about 10,000 students learned about the importance of recycling and waste segregation in 2017. Reaching 32 public and private schools, the program has been a success case for residual vegetable oil collection and recycling. In addition to environmental awareness-raising initiatives, participating schools host collection stations for used vegetable oil. The proceeds from the collected oil were donated to the schools’ parent-teacher associations, helping to enhance cultural events that have been organized for all community residents. In November 2017, the program was launched in Praia Grande (SP), where 20 municipal schools were equipped with used vegetable oil collection stations and provided with communications materials to raise awareness about the importance of recycling among students and residents.



## *Renove o Meio Ambiente*

A highly successful post-consumer disposal program, our *Renove o Meio Ambiente* initiative collected 650,000 liters of used cooking oil for proper disposal in 2017, and has sent more than 2.7 million liters of oil for recycling since the program was implemented in 2010, providing a raw material for the production of biodiesel, a clean and renewable fuel. Led by our LIZA vegetable oil brand, the initiative combines cooking oil recycling with environmental education.

Our goal for 2018 is to expand the number of used vegetable oil collection stations in the North and Northeast, and encourage recycling through Loyalty Program machines.

## Casa so+ma

In 2017 Cargill opened Casa so+ma, a facility for disposing of recyclable waste in Grajaú, in the East side of São Paulo. Community residents can trade their recyclable waste for points in our so+ma rewards program. Points can be traded for different types of rewards, such as groceries—including our entire range of Pomarola, Tarantela, Elefante and LIZA products—personal-care products, and professional education courses. The goal of the program is to support social and economic development and create new habits and an entrepreneurial culture in low income communities, using waste as a “currency” for engagement.

**502 families reached**

**27,417 kg of waste sent for recycling**

**Generated savings of:**  
**86,000+ kWh of electricity**  
**115,000+ liters of water**  
**139,000+ kg of CO<sub>2</sub>**

### Lifecycle assessment GRI 103-303, 103-305

In 2017 Cargill conducted lifecycle assessments for our Elefante tomato paste products for the second consecutive year. The goal is to assess and identify impacts in each stage of the value chain. The assessments are conducted in collaboration with Fundação Espaço Eco, a sustainability consulting firm that develops projects that enable organizations to measure and understand the environmental, social and economic impacts from their products. The results from the assessments inform decisions on the use of raw materials and packaging materials, helping to reduce impacts more effectively. In 2018, lifecycle assessments will be extended to other products.

### Elefante Tomato Paste (kg), comparison between 2014 and 2016:

- 9% less GHG emissions (50 grams of GHG per kg of tomato paste)
- 3.911 t reduction in CO<sub>2</sub>e/year (emissions from a fleet of 827 cars over a period of 1 year)
- 4% reduction in the product's water footprint
- 17 liters of water per kg of tomato paste, a reduction of 1,216,335 m<sup>3</sup> of H<sub>2</sub>Oe per year, equivalent to a full year of water supply for an average of 16,662 people.





WASTE BY TYPE GRI 306-2

**WASTE DISPOSAL<sup>1</sup> (t) 2015/2016**

Unit	Hazardous	Nonhazardous	Organic	Total
Grains & Soybean Processing	432	9,009	29,026	<b>38,467</b>
Starches & Sweeteners	32	1,275	47,985	<b>49,293</b>
Cargill Animal Nutrition	275	696	0	<b>971</b>
Cocoa & Chocolate	28	18,209	30,249	<b>48,486</b>
Foods	2	611	764	<b>1,377</b>
Cargill Industrial Specialties	5	1,849	2,107	<b>3,961</b>
<b>Total</b>	<b>774</b>	<b>31,649</b>	<b>110,131</b>	<b>142,554</b>

**WASTE DISPOSAL<sup>1</sup> (t) 2016/2017**

Grains & Soybean Processing	345	8,714	29,007	<b>38,066</b>
Starches & Sweeteners	77	1,953	38,344	<b>40,373</b>
Cargill Animal Nutrition	598	5,282	48	<b>5,928</b>
Cocoa & Chocolate	13	963	898	<b>1,874</b>
Foods	48	14,283	18,709	<b>33,040</b>
Cargill Industrial Specialties	38	225	23	<b>286</b>
<b>Total</b>	<b>1,118</b>	<b>31,420</b>	<b>87,030</b>	<b>119,568</b>

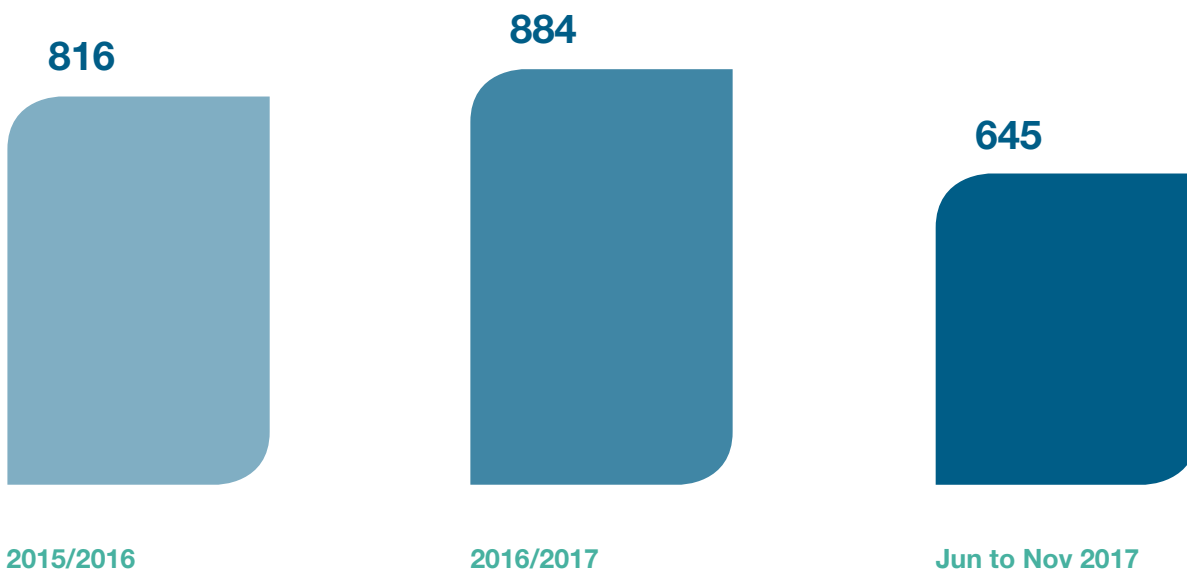
**WASTE DISPOSAL (t) JUN TO NOV 2017**

Grains & Soybean Processing	134	2,785	16,083	<b>19,002</b>
Sugar & Ethanol	591	353,400	0	<b>353,993</b>
Starches & Sweeteners	38.22	2,835	19,509	<b>22,380</b>
Cargill Animal Nutrition	187	1,935.7	23.2	<b>2,146</b>
Cocoa & Chocolate	4	958	912.93	<b>1,875</b>
Foods	16	6,049	14,033	<b>20,099</b>
Cargill Industrial Specialties	74	94	10	<b>178</b>
<b>Total</b>	<b>1,043</b>	<b>368,058</b>	<b>50,568</b>	<b>419,670</b>

<sup>1</sup> Historical information is unavailable for our Sugar & Ethanol Business due to recent upgrades to the measurement system.

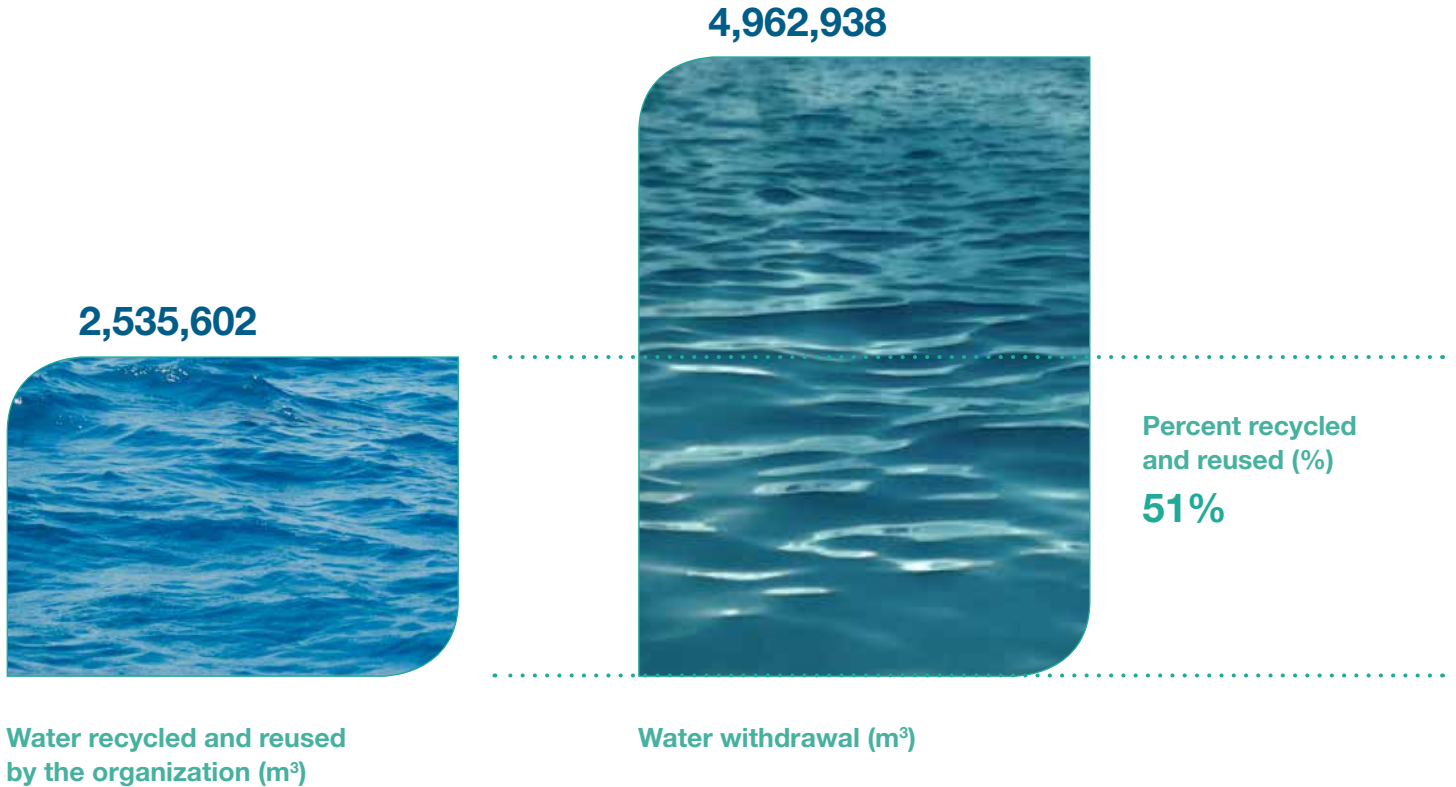


**TRANSPORTATION OF HAZARDOUS WASTE (t)<sup>1,2</sup> GRI 306-4  
TRANSPORTED/TREATED**



1 All waste materials are transported for compliant treatment and final disposal. No hazardous waste materials are transported internationally.  
2 Our Starches & Sweeteners business unit and the Itumbiara operation of our Foods business are not included.

**WATER RECYCLED AND REUSED<sup>1,2</sup> - 2017** GRI 303  
**JUN 2017 TO NOV 2017**



1 Historical information is unavailable as the measurement system has been upgraded.

2 The data covers the following business units: CEVASA: Water recycling estimates are made based on water balances for the manufacturing plant, with recycling amounts fluctuating depending on the production plan for the crop year. SJC Bioenergia: residual water is reused in fertigation (agricultural use). Our Animal Nutrition business unit has no water recycling or reuse processes. Starches & Sweeteners: water reuse declined in relation to the previous year as a result of the reduced use of condensate in evaporators (TK-6019) at the corn plant and reduced use of water from reverse osmosis at the citric acid plant.

Cargill’s business units each have specific policies on water management; however, a single policy is in place company-wide to protect the environment and the health and safety of employees, contractors, customers and communities. Cargill has a global target of increasing water efficiency by 2020. From a 2015 baseline, water consumption has decreased by 8.9 million cubic meters.

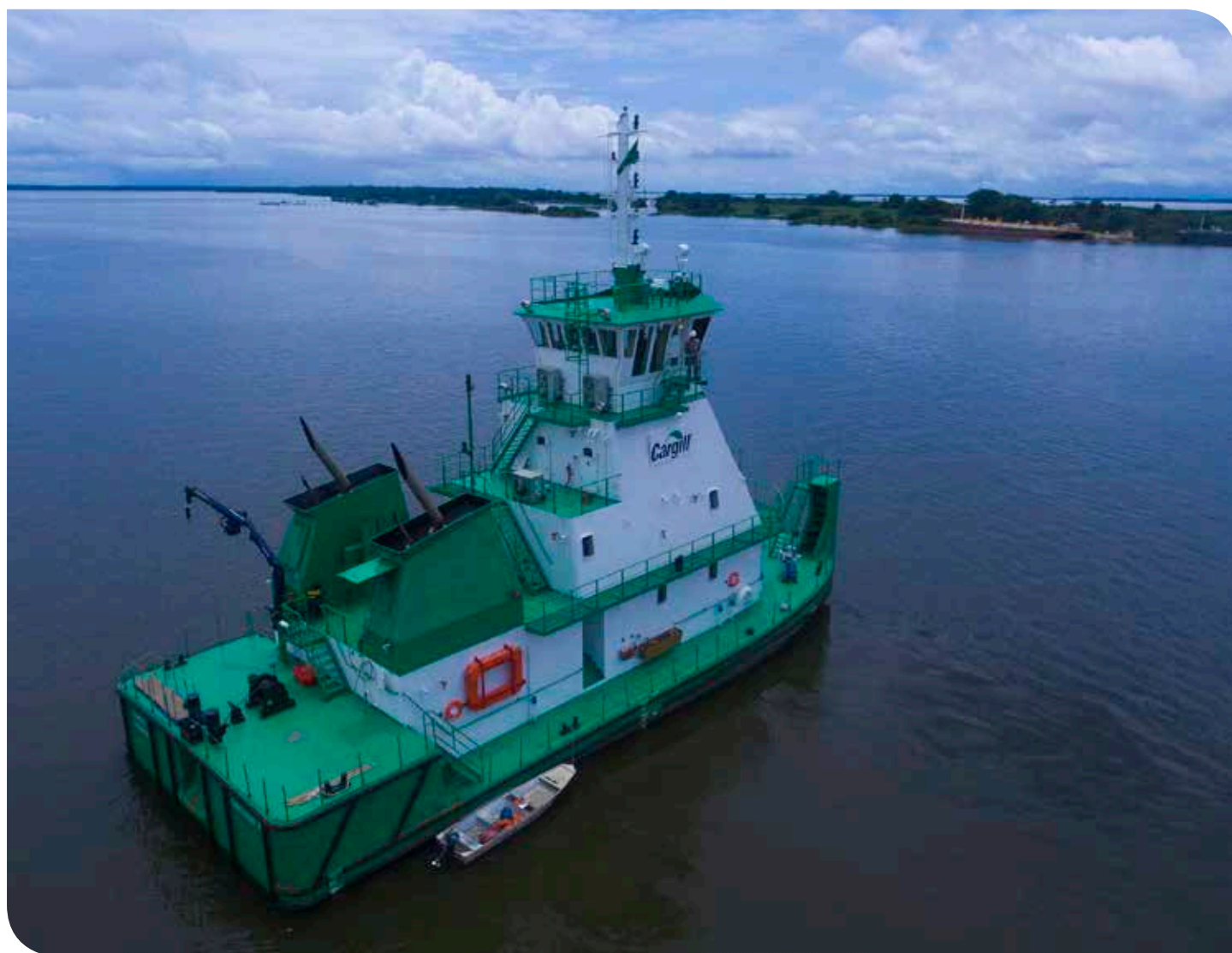
Programs have been implemented to ensure that our operations discharge no process or sanitary wastewater or storm water into, or cause any other adverse affects to, surface water and groundwater. Inventories are used to monitor our operations and groundwater quality, and engineering projects help to modify and minimize the use of groundwater.

One of the three projects currently in progress at our starch and sweetener unit in Uberlândia (MG) will reduce potable water consumption at the plant by approximately 30%. In an investment of R\$ 150 million, the project will be completed by the end of 2018, and will also introduce a new range of innovative solutions for beef and dairy cattle farmers in Brazil, as well as a modified starch for value-added products.

<b>WATER WITHDRAWAL BY SOURCE (M<sup>3</sup>)</b> GRI 303-1	<b>2015/2016</b>	<b>2016/2017</b>	<b>Jun to Nov 2017</b>
<b>Surface water, including water from wetlands, rivers, lakes, and oceans</b>	3,067,797	6,530,834	6,634,930
<b>Groundwater</b>	2,676,493	2,493,273	1,473,751
<b>Rainwater collected directly and stored by the organization</b>	0	58,686	57,982
<b>Municipal water supplies or other public or private water utilities</b>	2,177,330	2,595,473	1,266,874
<b>Total</b>	<b>7,921,620</b>	<b>11,678,365</b>	<b>9,433,538</b>

\*Sugar & Ethanol Unit: water management is conducted using flow meters installed at water intake sites. Water consumption readings are taken daily and recorded in an information system called PIMS.

\*\*Starches & Sweeteners Unit: consumption is monitored using water meters and flow transmitters at the plant, and the data is compiled into spreadsheets that are monitored by the operation.



WATER DISCHARGE BY QUALITY AND DESTINATION GRI 306-1

UNIT	Periods	Direct	Indirect	Total
<b>Grains &amp; Soybean Processing</b>	2015/2016	417,907	199,164	617,071
	2016/2017	n.d.	n.d.	527,325
	Jun to Nov 2017	n.d.	n.d.	308,296
<b>Foods<sup>1</sup></b>	2015/2016	1,280,431	36,179	1,316,610
	2016/2017	1,132,202	17,367	1,149,569
	Jun to Nov 2017	1,090,849	0	1,090,849
<b>Cocoa &amp; Chocolate</b>	2015/2016	111,419	0	111,419
	2016/2017	239,060	0	239,060
	Jun to Nov 2017	172,964	0	172,964
<b>Starches &amp; Sweeteners</b>	2015/2016	1,052,955	945,446	1,998,401
	2016/2017	604,792	1,204,088	1,808,880
	Jun to Nov 2017	239,692	576,389	816,081
<b>Sugar &amp; Ethanol<sup>2</sup></b>	2015/2016 <sup>2</sup>	0	n.d.	n.d.
	2016/2017	0	2,030,082	2,030,083
	Jun to Nov 2017	0	1,177,809	1,177,809
<b>Cargill Animal Nutrition<sup>3</sup></b>	2015/2016	n.d.	n.d.	n.d.
	2016/2017	n.d.	n.d.	n.d.
	Jun to Nov 2017	n.d.	9,530	9,530
<b>Cargill Industrial Specialties<sup>4</sup></b>	2015/2016	11,003	6,511	17,514
	2016/2017	12,666	2,027	14,698
	Jun to Nov 2017	7,375	n.d.	7,375
<b>Total</b>	2015/2016	2,873,715	1,187,300	4,061,015
	2016/2017 <sup>5</sup>	1,988,720	3,253,564	5,769,609
	Jun to Nov 2017	1,510,880	1,763,738	3,583,904

1 The Foods business unit includes the Goiânia (GO) operation only.

2 No historical information is available due to a system upgrade.

3 This data is being reported for the first time in this report.

4 Not available; information on indirect water discharge was not included in the calculations.

5. The sum of total direct and indirect water discharge volumes for the Grains and soybean processing unit.

## EMISSIONS GRI 103-305

More than 90% of the energy we use is renewable energy from biomass, which significantly reduces our direct greenhouse gas (GHG) emissions. Emissions are managed under global and business-specific policies focused on compliance with applicable regulations and industry best practices that support the sustainable development of society.

In 2017 Cargill had a global target of reducing GHG emissions intensity by 5% by 2020, with fiscal year 14/15 as a baseline. During 2017 we also committed to an even more ambitious target: to cut greenhouse gas emissions from our operations at least 10% by 2025, against a 16/17 baseline. Our targets include both scope 1 and 2 emissions. Qualitative emissions targets are established under Conama Resolution 382 (December 26, 2006) (applicable to our Sugar & Ethanol business).

<b>DIRECT GREENHOUSE GAS EMISSIONS (tCO<sub>2</sub> EQUIVALENT) SCOPE 1<sup>1,2,5</sup> GRI 305-1</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>Jun to Nov 2017</b>
<b>Grains &amp; Soybean Processing</b>	36,710	26,659	10,646
<b>Sugar &amp; Ethanol</b>	n.d.	n.d.	41,473
<b>Starches &amp; Sweeteners</b>	22,160	10,691	4,731
<b>Cocoa &amp; Chocolate</b>	13,636	10,202	1,545
<b>Foods<sup>3</sup></b>	16,484	14,215	8,768
<b>Cargill Industrial Specialties</b>	1,689	1,105	199
<b>Total gross CO<sub>2</sub> emissions</b>	<b>90,679</b>	<b>62,873</b>	<b>67,362</b>
<b>BIOGENIC CO<sub>2</sub> EMISSIONS (tCO<sub>2</sub> EQUIVALENT)<sup>4</sup></b>			<b>Jun to Nov 2017</b>
<b>Grains &amp; Soybean Processing</b>			339,556
<b>Sugar &amp; Ethanol<sup>4</sup></b>			8,289.50
<b>Starches &amp; Sweeteners</b>			2,096.60
<b>Cocoa &amp; Chocolate</b>			1,544.51
<b>Foods<sup>3</sup></b>			63,307.50
<b>Total biogenic CO<sub>2</sub> emissions</b>			<b>416,794.11</b>

1 The calculations include CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub>

2 Increased co-generation, reduced energy intensity (primarily due to higher boiler efficiency), and higher output combined to improve our emissions rates.

3 The Foods business unit includes the Goiânia and Mairinque operations only.

4 Historical information is unavailable as the measurement system has been upgraded. Biogenic emissions information is not available for Cargill Animal Nutrition and Cargill Industrial Specialties.

5. Information is not available for Cargill Animal Nutrition.

**INDIRECT EMISSIONS FROM PURCHASED ELECTRICITY - SCOPE 2 (tCO<sub>2</sub> EQUIVALENT)<sup>1</sup>** GRI 305-2

	2015/2016	2016/2017	Jun to Nov 2017
<b>Grains &amp; Soybean Processing</b>	12,334	10,101	3,692
<b>Sugar &amp; Ethanol</b>	n.d.	n.d.	12,515
<b>Starches &amp; Sweeteners<sup>2</sup></b>	14,046	11,389	4,429
<b>Cargill Animal Nutrition<sup>3</sup></b>	467	241	n.d.
<b>Cocoa &amp; Chocolate</b>	2,416	3,284	1,973
<b>Foods<sup>2</sup></b>	n.d.	n.d.	11,335

1 The calculations include CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub> and NF<sub>3</sub>.

2 Historical information is unavailable for our Sugar & Ethanol and Foods Businesses due to a measurement system upgrade. Information is not available for Cargill Industrial Specialties.

3. Information is not available for Cargill Animal Nutrition.

**GHG EMISSIONS INTENSITY<sup>1</sup>** GRI 305-4

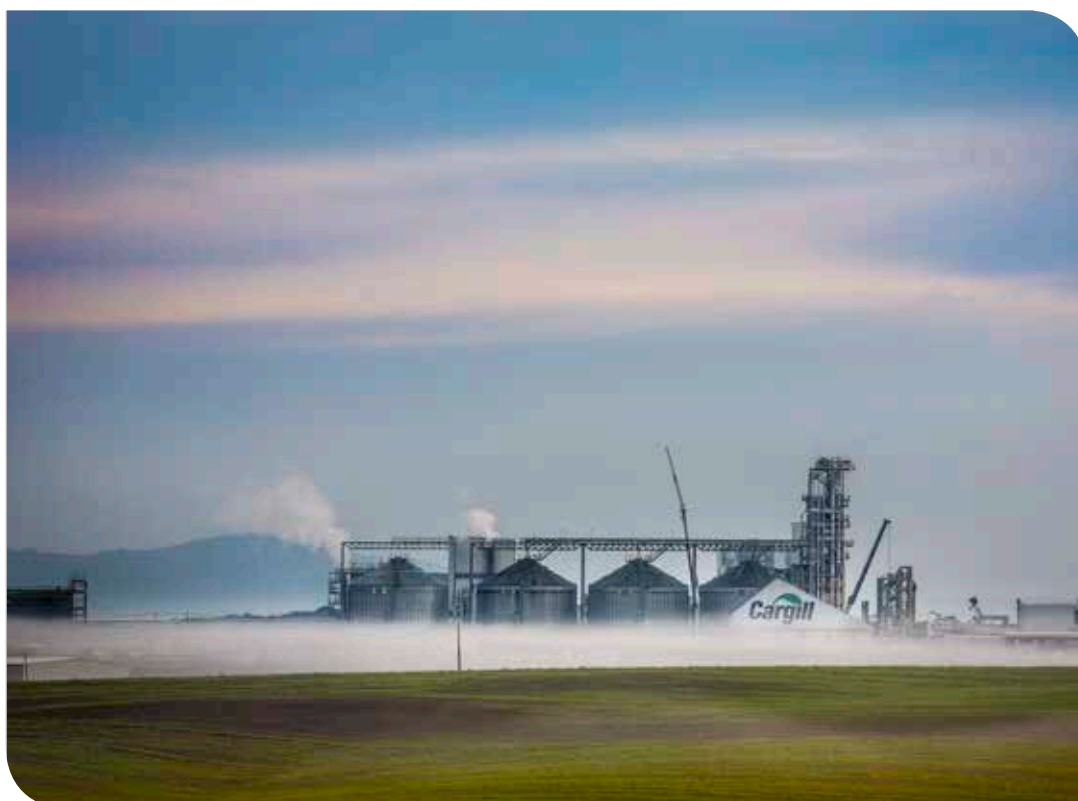
	Jun to Nov 2017
<b>Grains &amp; Soybean Processing</b>	0.001
<b>Sugar &amp; Ethanol<sup>2</sup></b>	0.11
<b>Starches &amp; Sweeteners</b>	0.02
<b>Cocoa &amp; Chocolate<sup>3</sup></b>	
<b>Foods<sup>4</sup></b>	5.81

1 Data for previous years is unavailable due to a measurement system upgrade. Data is also unavailable for our Industrial Specialties and Animal Nutrition businesses.

2 Includes the CEVASA operation only.

3 Includes the Porto Ferreira operation only.

4 Includes the Goiânia operation only.



NITROGEN OXIDES (NOX), SULFUR OXIDES (SOX), AND OTHER SIGNIFICANT AIR EMISSIONS<sup>1</sup> GRI 305-7

**GRAINS & SOYBEAN PROCESSING**

<b>SIGNIFICANT AIR EMISSIONS (t)</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>Jun to Nov 2017</b>
NOx	455.00	339.00	215.00
SOx	288.00	69.00	35.00
Persistent Organic Pollutants (POP)	0.00	0.00	0.00
Volatile Organic Compounds (COV)	2,525.00	1,466.00	655.00
Hazardous Air Pollutants (HAP)	0.00	0.00	0.00
Particulate Matter (PM)	874.00	438.00	216.00

**SUGAR & ETHANOL<sup>2</sup>**

<b>SIGNIFICANT AIR EMISSIONS (t)</b>			
NOx			847.00
SOx			435.77
Persistent Organic Pollutants (POP)			0.00
Volatile Organic Compounds (COV)			0.00
Hazardous Air Pollutants (HAP)			0.00
Particulate Matter (PM)			1,875.35

**STARCHES & SWEETENERS**

<b>SIGNIFICANT AIR EMISSIONS (t)</b>			
NOx	180.00	204.55	65.41
SOx	35.00	55.18	51.18
Persistent Organic Pollutants (POP)	0.00	0.00	0.00
Volatile Organic Compounds (COV)	1.00	1.00	0.46
Hazardous Air Pollutants (HAP)	0.00	0.00	0.00
Particulate Matter (PM)	340.00	403.06	197.85

**COCOA & CHOCOLATE**

<b>SIGNIFICANT AIR EMISSIONS (t)</b>			
NOx	0.00	274	249
SOx	0.00	24.72	25.13
Persistent Organic Pollutants (POP)	0.00	0.00	0.00
Volatile Organic Compounds (COV)	0.00	0.00	0.00
Hazardous Air Pollutants (HAP)	0.00	0.00	0.00
Particulate Matter (PM)	0.00	730.82	702.47

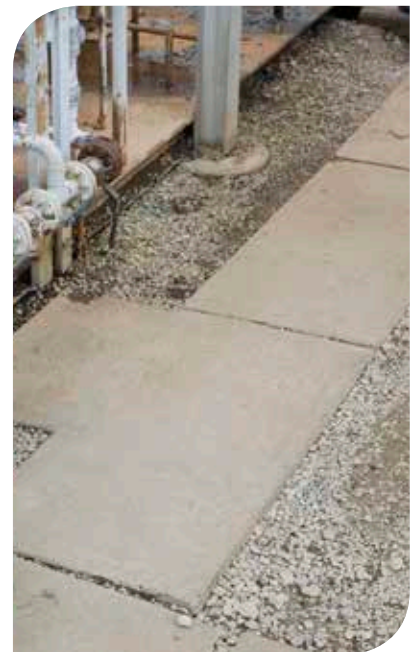


## FOODS

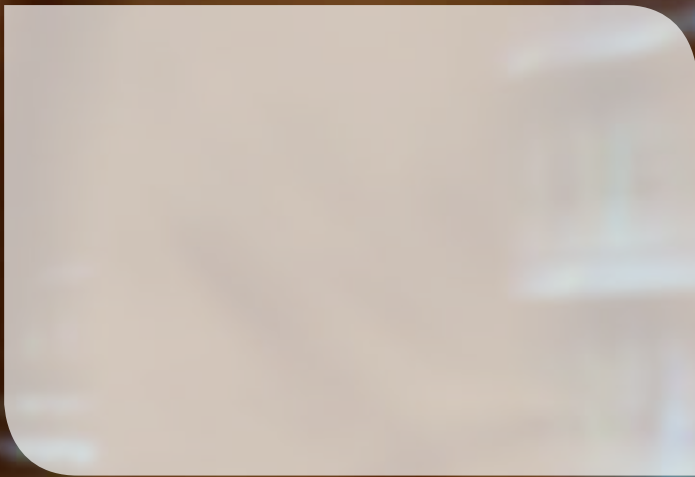
SIGNIFICANT AIR EMISSIONS (t)	2015/2016	2016/2017	Jun to Nov 2017
NOx	16.00	43.59	48.21
SOx	1.00	0.60	0.62
Persistent Organic Pollutants (POP)	0.00	0.00	0.00
Volatile Organic Compounds (COV)	0.00	0.00	0.00
Hazardous Air Pollutants (HAP)	0.00	0.00	0.00
Particulate Matter (PM)	98.00	572.66	1,391.19
Carbon Monoxide (CO)	1.67	1.67	1.74

1 Data is unavailable for Cargill Industrial Specialties and Cargill Animal Nutrition.

2 Historical data is unavailable for the Sugar & Ethanol business due to a measurement system upgrade.







# ABOUT THIS REPORT

This report has been prepared in accordance with the reporting framework established by the Global Reporting Initiative (GRI), a recognized authority in sustainability reporting, and is our first report based on the GRI Standards, using the Core option. GRI 102-54

The report contains data for Cargill Alimentos Ltda. and its primary subsidiaries in Brazil, including Cargill Agrícola S.A., Banco Cargill and Cargill Animal Nutrition, for the period from January 1 to December 31, 2017, as well as information about the market and trends in the first half of 2018. GRI 102-45, 102-50

Published annually in both Portuguese and English, our reports are addressed to all our stakeholders and are designed to provide information in a transparent and objective manner, describing our strategic agenda and our positive and negative social and environmental impacts. GRI 102-52

Any questions, suggestions or requests for further information about our Sustainability Report 2017 can be sent by e-mail to [assuntos\\_corporativos@cargill.com](mailto:assuntos_corporativos@cargill.com) GRI 102-53

## Materiality

The materiality process used to inform the content for our Sustainability Report 2017 elicited inputs from external stakeholders in a survey on the topics in Cargill's sustainability strategy.

Over a period of two months, an online survey was taken by employees and external stakeholders, including suppliers and corporate responsibility, environment and governance professionals. We also held interviews with industry experts and nongovernment organizations. This structured stakeholder survey helped us to map our priority topics based on the three pillars of our strategy: 1. Nourish the world; 2. Protect our planet and 3. Enrich our communities.

*| Learn more about our strategy in Sustainability management |* GRI 102-40, 102-43

Our Corporate Affairs Department validated the most material topics and their disclosures against the company's global standards, in a prioritizing exercise. Our businesses and functions each provided a list of their stakeholders, and Corporate Affairs then prepared a consolidated list of stakeholders to be surveyed for the materiality process.

GRI 102-42

**1 Nourishing  
the  
world**

**2 Protecting  
our  
planet**

**3 Enriching  
our  
communities**

## Nourishing the world

COMMITMENTS	PRIORITIZED TOPICS	TOPICS
1. Good Agricultural Practices	Promoting the use of technologies in support of good agricultural practices	-
2. Food Security and Nutrition	Securing access to food through sustainable logistics	416: Customer health and safety
3. Food system innovation	Using innovative technologies in food production, transportation and consumption	-

COMMITMENTS	PRIORITIZED TOPICS	TOPICS
1. Land use	Building financial mechanisms that help to protect forests and develop agriculture in Brazil	304: Biodiversity 307: Environmental compliance 411: Rights of indigenous and traditional peoples
2. Water resources	Water conservation (reduce impacts from water withdrawal and ensure effluents are in a condition to be discharged into water bodies)	303: Water 306: Effluents and waste
3. Climate Change	Reducing greenhouse gas emissions intensity in our processes, facilities and transportation	305: Emissions
4. Suppliers and rural producers	Evaluating the sustainability performance of suppliers and farmers	411: Rights of indigenous and traditional peoples 412: Human rights assessment 414: Supplier social assessment

## Protecting our planet

## Enriching our communities

COMMITMENTS	PRIORITIZED TOPICS	TOPICS
1. Supporting projects with social and environmental impact	Developing projects that increase access to safe, healthy and sustainable food	413: Local Communities
2. Volunteer work in local communities	Strengthening partnerships with other organizations with a focus on community development	413: Local Communities
3. Health & Safety	Creating innovative solutions that change the way we work to enhance the health and safety of our employees	403: Occupational Health & Safety
4. Employees	Providing a safe and inclusive work environment	406: Non-discrimination 407: Freedom of association and collective bargaining 408: Child labor 409: Forced or compulsory labor

GRI 102-44, 102-46, 102-47

# GRI Content Index GRI 102-55

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
<b>GENERAL DISCLOSURES</b>			
<b>ORGANIZATIONAL PROFILE</b>			
<b>GRI 102: General disclosures</b>	102-1 Name of the organization	8	
	102-2 Activities, brands, products, and services	9	
	102-3 Location of headquarters	8	
	102-4 Location of operations	8	
	102-5 Ownership and legal form	12	
	102-6 Markets served	9	
	102-7 Scale of the organization	8	
	102-8 Information on employees and other workers	8, 24, 25	
	102-9 Supply chain	35	
	102-10 Significant changes to the organization and its supply chain	35	
	102-11 Precautionary principle or approach	The precautionary principle has not been formally adopted at Cargill Brazil, but the company observes applicable laws and regulations on avoiding or mitigating potential harm to the environment, people and communities as a result of our operations. In the event of an environmental incident, Cargill has documented procedures for preventing and remediating any environmental damage. These procedures are part of formal inspection procedures that apply to all operations involving the transportation and storage of potentially harmful materials.	
	102-12 External initiatives	36	

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
<b>GRI 102: General disclosures</b>	102-13 Membership of associations	Cargill is a member of trade associations and forums that discuss infrastructure, logistics, and social and economic development in Brazil. These include: Brazilian Association of Wholesale and Free-Market Power Consumers (ABRACE), Brazilian Tomato Supply Chain Association (ABRATOP), National Cereal Exporters' Association (ANEC), Brazilian Association of Port Terminals (ABTP), Brazilian Association of Cocoa Processing Companies (AIPC), Brazilian Association of Chocolate, Cocoa, Peanuts and Candy Producers (ABICAB), American Chamber of Commerce (Amcham/SP), Brazilian Food Industry Association (ABIA), Brazilian Oil Industry Association (ABIOVE), São Paulo State Industry Federation (FIESP), Minas Gerais State Industry Federation (FIEMG), Goiás State Industry Federation (FIEG), Brazilian Association of Business Communications (ABERJE), Brazilian Agribusiness Association (ABAG).	
<b>STRATEGY</b>			
<b>GRI 102: General disclosures</b>	102-14 Statement from senior decision-maker	4	
<b>ETHICS AND INTEGRITY</b>			
<b>GRI 102: General disclosures</b>	102-16 Values, principles, standards, and norms of behavior	13	
<b>GOVERNANCE</b>			
<b>GRI 102: General disclosures</b>	102-18 Governance structure	34	
<b>STAKEHOLDER ENGAGEMENT</b>			
	102-40 List of stakeholder groups	66	
	102-41 Collective bargaining agreements	All employees are covered by collective bargaining agreements.	
<b>GRI 102: General disclosures</b>	102-42 Identifying and selecting stakeholders	66	
	102-43 Approach to stakeholder engagement	66	
	102-44 Key topics and concerns raised	67	

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
<b>REPORTING PRACTICES</b>			
<b>GRI 102: General disclosures</b>	102-45 Entities included in the consolidated financial statements	66	
	102-46 Defining report content and topic Boundaries	67	
	102-47 List of material topics	67	
	102-48 Restatements of information	There were no restatements of information.	
	102-49 Changes in reporting	There were no restatements of information.	
	102-50 Reporting period	66	
<b>GRI 102: General disclosures</b>	102-51 Date of most recent report	2016	
	102-52 Reporting cycle	66	
	102-53 Contact point for questions regarding the report	66	
	102-54 Claims of reporting in accordance with the GRI Standards	66	
	102-55 GRI content index	68	
	102-56 External assurance	This report was not externally assured.	
<b>MATERIAL TOPICS</b>			
<b>ECONOMIC PERFORMANCE</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	17	
	103-2 The management approach and its components	17	
	103-3 Evaluation of the management approach	17	
<b>GRI 201: Economic performance</b>	201-1 Direct economic value generated and distributed	18	
<b>WATER</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	57	
	103-2 The management approach and its components	57	
	103-3 Evaluation of the management approach	57	
<b>GRI 303: Water</b>	303-1 Water withdrawal by source	58	
	303-3 Water recycled and reused	58	



GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
<b>BIODIVERSITY</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	40	
	103-2 The management approach and its components	40	
	103-3 Evaluation of the management approach	40	
<b>GRI 304: Biodiversity</b>	304-2 Significant impacts of activities, products, and services on biodiversity	36	
<b>EMISSIONS</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	60	
	103-2 The management approach and its components	60	
	103-3 Evaluation of the management approach	60	
<b>GRI 305: Emissions</b>	305-1 Direct (Scope 1) GHG emissions	60	
	305-2 Energy indirect (Scope 2) GHG emissions	61	
	305-4 GHG emissions intensity	61	
	305-7 NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	62	
<b>EFFLUENTS AND WASTE</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	52	
	103-2 The management approach and its components	52	
	103-3 Evaluation of the management approach	52	
<b>GRI 306: Effluents and waste</b>	306-1 Water discharge by quality and destination	59	
	306-2 Waste by type and disposal method	52	
	306-4 Transportation of hazardous waste	56	

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
<b>ENVIRONMENTAL COMPLIANCE</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary		
	103-2 The management approach and its components	Our policy on environmental compliance requires us to maintain compliance with applicable laws and regulations.	
	103-3 Evaluation of the management approach		
<b>GRI 307: Environmental compliance</b>	307-1 Non-compliance with environmental laws and regulations	In 2017 Cargill received two fines amounting in total to R\$ 20,000. <b>Ibiá (MG):</b> R\$ 15,000.00 for failing to timely renew the environmental license. Action taken: an action plan was developed to prevent recurrence, and the license has since been re-issued. <b>Três Lagoas (MS):</b> R\$ 5,000.00 for noise emissions. Action taken: an action plan was developed to meet regulatory requirements. <b>Previous years:</b> R\$390,000.00 in 2015 and R\$372,017.00 in 2016.	
<b>OCCUPATIONAL HEALTH &amp; SAFETY</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	29	
	103-2 The management approach and its components	29	
	103-3 Evaluation of the management approach	29	
<b>GRI 403: Occupational Health &amp; Safety</b>	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	29	
	403-3 Workers with high incidence or high risk of diseases related to their occupation		Information not timely made available for the report
<b>NON-DISCRIMINATION</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary		
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 406: Nondiscrimination</b>	406-1 Incidents of discrimination and corrective actions taken		Cargill reported two discrimination cases initiated in 2017 (one in 2016): one case was a claim for moral damages for alleged discrimination of a person with physical disabilities, and the other was a claim for moral damages due to an employee having been allegedly terminated in a discriminatory manner and treated harshly by their supervisor. The discrimination claim brought in 2016 and still pending in 2017 was dismissed by the Labor Court.

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	Cargill does not interfere in employees' affairs, and all employees are free to form or join unions and participate in collective bargaining.	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 407: Freedom of association and collective bargaining</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No risks or violations of the right to freedom of association and collective bargaining were identified.	
<b>CHILD LABOR</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	35	
	103-2 The management approach and its components	35	
	103-3 Evaluation of the management approach	35	
<b>GRI 408: Child labor</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	No significant risks for incidents of child labor involving Cargill suppliers were identified. In relation to our own operations, the risk of sexual exploitation of children was identified in our transportation operations. 35	
<b>FORCED OR COMPULSORY LABOR</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	35	
	103-2 The management approach and its components	35	
	103-3 Evaluation of the management approach	35	
<b>GRI 409: Forced or compulsory labor</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our risk map covers our soybean, tomato, cocoa, cotton, palm, and other supply chains. Cargill has a commitment not to tolerate incidents of forced or slave labor in our supply chains, and has not recorded any incidents in recent years.	
<b>SECURITY PRACTICES</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	30	
	103-2 The management approach and its components	30	
	103-3 Evaluation of the management approach	30	
<b>GRI 410: Security practices</b>	410-1 Security personnel trained in human rights policies or procedures		

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
<b>RIGHTS OF INDIGENOUS PEOPLES</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	There is no specific management approach in place for indigenous rights, as no related risk has been identified in our supply chains.	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 411: Rights of indigenous peoples</b>	411-1 Incidents of violations involving rights of indigenous peoples	No incidents of violations involving rights of indigenous and traditional peoples were identified in the year.	
<b>HUMAN RIGHTS ASSESSMENT</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	34, 35	
	103-2 The management approach and its components	34, 35	
	103-3 Evaluation of the management approach	34, 35	
<b>GRI 412: Human rights assessment</b>	412-1 Operations that have been subject to human rights reviews or impact assessments	All our operations are subject to human rights reviews or impact assessment, as well as reviews on aspects addressed by our Code of Conduct. 35	
	412-2 Employee training on human rights policies or procedures	34	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	35, 36	
<b>LOCAL COMMUNITIES</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	31, 44	
	103-2 The management approach and its components	31, 44	
	103-3 Evaluation of the management approach	31, 44	
<b>GRI 413: Local communities</b>	413-1 Operations with local community engagement, impact assessments, and development programs	31, 44	
<b>SUPPLIER SOCIAL ASSESSMENT</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	36	
	103-2 The management approach and its components	36	
	103-3 Evaluation of the management approach	36	

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION
<b>GRI 414: Supplier social assessment</b>	414-1 New suppliers that were screened using social criteria	36	
	414-2 Negative social impacts in the supply chain and actions taken	35, 36	
<b>CUSTOMER HEALTH AND SAFETY</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its boundary	37	
	103-2 The management approach and its components	37	
	103-3 Evaluation of the management approach	37	
<b>GRI 414: Customer health and safety</b>	416-1 Assessment of the health and safety impacts of product and service categories		Information not timely made available for the report
<b>Food Processing Sector Supplement - Customer health and safety</b>	FP5 Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards		Information not timely made available for the report
<b>MARKETING AND LABELING</b>			
<b>Food Processing Sector Supplement - Marketing and labeling</b>	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements		Information not timely made available for the report
<b>SOURCING</b>			
<b>Food Processing Sector Supplement - Sourcing</b>	FP1 Percentage of purchased volume from suppliers compliant with company's sourcing policy	In our Sustainability Report 2016, which contained information for broader Latin America, 84% of volumes purchased from suppliers were compliant with our sourcing policy and practices. Data is currently reported for Latin America and by country: In Brazil the percentage was 60% in fiscal year 2016-2017 (amounting to R\$ 59,375,651.98), and performance can now be managed by category and can also be viewed by our Vendor Management Office (VMO).	

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