
Sustainability Report
2019

Ocean Transportation



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Stakeholders' letter

Dear reader,

This is the third edition of our annual corporate responsibility report for our ocean transportation business and, with each edition, we learn more. We learn that we are on a sustainability journey that sees us explore the new and the unknown. We learn that progress on results is not always linear and that we must be agile and continually adapt. And we learn – and understand - that in order to fulfil our long term goals, we must act with urgency.

Last year our industry was again marked by geopolitical events, trade tensions, disruption to supply chains and increasing concern about climate change and the environment. For the maritime industry, continued uncertainty about the U.S.-China trade deal, a mining disaster in Brazil and preparation for the International Maritime Organization's (IMO) 2020 Global Sulphur Cap drove volatility in freight rates and impacted trade flows and patterns.

In 2019, the discussion about decarbonization intensified: how can the maritime industry meet the IMO's targets of reducing the carbon intensity of shipping by at least 40% by 2030 and total GHG from global shipping by at least 50% by 2050? In the near term, the industry continues to discuss ways to accelerate towards achieving these goals and the IMO has been presented with a selection of approaches, for which a decision is expected to be taken during 2020. In the long term, we believe that a comprehensive energy transition will be required.

At Cargill, 2019 was a year of incremental progress and efforts to sow seeds for the future. We launched new initiatives; we formed strategic partnerships; and we led constructive discussions with our industry peers to advocate for new and improved standards to make global shipping more responsible, sustainable and a safer and more appealing place to work.

Decarbonizing shipping

Last year, we increased our focus on decarbonizing the maritime industry. In September, we signed the Global Maritime Forum's (GMF) Getting To Zero Coalition, joining fellow maritime leaders and influencers in a collective commitment to get zero emission vessels powered by net zero emission fuels onto the water by 2030. At Cargill, we are working hard to accelerate the reduction of CO₂ emissions from shipping – both in the short term and as part of our longer term pathway towards fulfilling the IMO's 2050 target. We see this as a three-phase pathway comprising the “now”, the medium term, and the necessary energy transition that lies ahead.

In 2019, we continued to modernize our fleet, we leveraged existing CO₂-reducing technologies and we optimized vessel efficiency. This has taken us into our first phase and, whilst we did not reduce our CO₂ emissions on a year-on-year

comparison with the previous reporting period (due to a change in our fleet portfolio and audit of our carbon accounting procedures), we launched a number of significant strategic initiatives to help us transition to the next phase. You can read more about these as you navigate through this report.

In our second phase, we will explore new solutions that could be technically and economically viable to bring further reductions; we will continue to work with partners to bring over-the-shelf solutions to market; and we will optimize our end-to-end supply chains. This will keep CO₂ reductions progressing in the medium term whilst the industry prepares for a more radical energy transformation in the future - the third phase of our pathway. These efforts will be enabled by accurate and transparent emissions reporting, so we are actively supporting the GMF's Charterers' Charter workstream that has been tasked with defining an industry standard process for reporting on emissions.

Safety first

Safety remains our priority at all times, both the safety of our employees and all of those involved in our business. Last year, we are pleased to report that - once again - there was no loss of life or major incident impacting the safety of our ocean transportation employees and we continued to work

on awareness about safety and well-being. This included participating in Cargill's first Global Safety Week, a week-long program of activities to promote knowledge and practical understanding of the importance of safety.

We appointed a Safety Officer and have set up new and improved ways of tracking and monitoring vessel incidents. At industry level, we continue to advocate for higher safety standards and improved crew welfare through our work with RightShip. Cargill has been a shareholder of RightShip since 2006 and today we hold two non-executive seats on the Board.

Attracting different talent

Across our company, we believe in the fundamental need for a balanced workforce, bringing together the expertise and experience of people from different backgrounds and genders. We know that more diverse teams perform better; we also know that our current workforce needs to be more diverse. Inclusion and diversity is a priority and last year we conducted a “pulse check” to see how we are doing against our industry peers. Whilst the results were encouraging, the maritime industry still lags behind on this topic, so we continue to challenge ourselves and pursue higher aspirational goals. At the same time, through our work with the GMF and other organizations, we are pushing to help

our industry evolve and attract new, different and more diverse talent.

To conclude, we are on a long journey, but time will fly, and we are working hard to accelerate progress. Nobody can achieve this alone, however, and we are encouraged by the collaborative spirit that we see across our industry. Last year we formed new partnerships, we continued to explore and innovate, we brought the outside in and we developed new talent. We now enter a decade that will be filled with uncertainty and change, the year 2020 in particular. We hope that together, we can make this change positive, profitable and sustainable.

We look forward to working with you as we continue on our sustainability journey.



Jan Dieleman
Business Leader
Cargill Ocean Transportation





Our business

Ocean transportation at Cargill

Cargill's ocean transportation business was formed in 1965 in response to growing demand for shipping services from the Cargill corporation. In 1990, we expanded our customer portfolio to serve companies other than Cargill, and today around 75% of our ocean transportation customers are external.

In 2000, Cargill strategically divested from vessel ownership and shifted to a chartering model, enabling us to focus our ocean transportation business on core logistics, freight trading and risk management. Since then, we continue to invest and trade vessel assets, both directly and through joint venture initiatives.

We strive to operate a leading freight-handling and trading business that provides best-in-class bulk shipping services to customers around the globe. In the dry bulk market, we maintain a 5% market share in a highly fragmented industry.

The global headquarters of our ocean transportation business are in Geneva, Switzerland. We employ more than 280 people in eight offices (Bulgaria, China, India, Japan, Singapore, Switzerland, the U.S. and

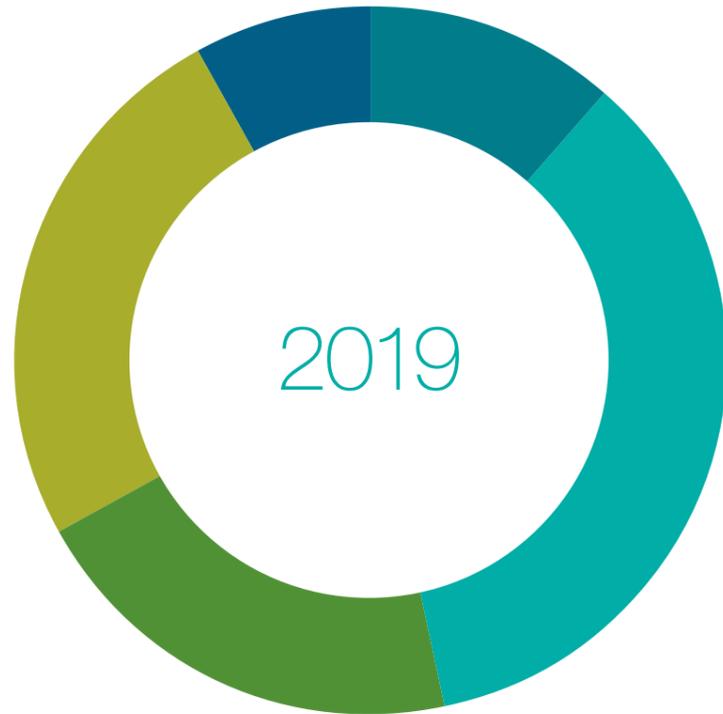
the Netherlands) and our specialist teams combine their maritime and trading expertise with the global reach, diversification and expert capabilities that the Cargill corporation provides. India and Bulgaria function principally as operations centers, while Switzerland, Singapore and the U.S. serve as our main trading hubs. As a vessel charterer, we neither employ nor contract any seafarers.

Cargill charters more than 600 vessels at any one time, operated by some of the world's leading ship-management companies. Our internal teams oversee the routing and efficiency of their operations.

More than 90% of our chartered vessels are dry bulk ships, while the remainder are clean product tankers.

A fleet of around 600 chartered vessels

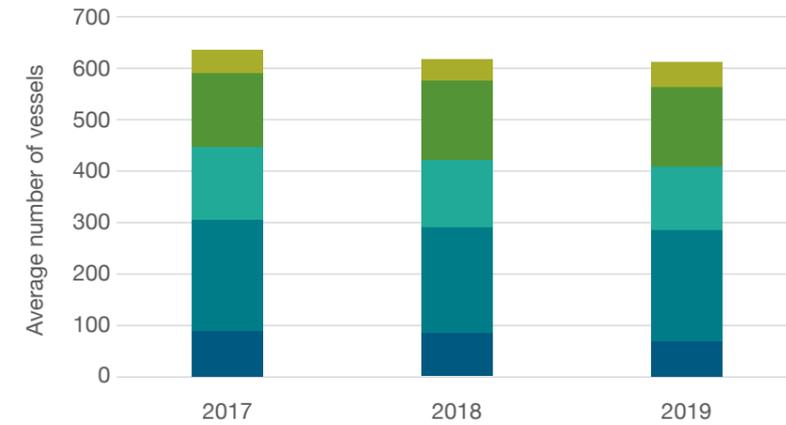
Cargill's chartered fleet in 2019



| | |
|-----------------|------------|
| Cape | 71 |
| Panamax | 217 |
| Supramax | 125 |
| Handy | 155 |
| Tankers | 48 |
| Total | 616 |

Our fleet evolves with our business strategy; since 2017 we have increased the number of smaller size vessels.

Evolution of Cargill's fleet 2017-2019



More than 200 million tons of cargo transported each year

During the reporting period, we carried almost 210 million tons of cargo, including iron ore, coal, grain, sugar and fertilizers. Our highly specialized product tankers transport edible oils, “clean” petroleum products, liquefied petroleum gas, caustic soda, fertilizers and biodiesels. Cargill does not transport any “dirty” petroleum products (crude oils or residual fuels).

In addition to the origins and destinations of the main trade flows identified in the chart on the following page, we do business in 70 countries. Our customer base includes the world's largest mining and agriculture companies; our suppliers are predominantly shipowners, fuel oil producers and port agencies.

Trade and economic development are vital to our business. An open, rules-based international trading system helps

to create economic opportunity, raise living standards and sustainably nourish the world. We support the World Trade Organization and its mission to help nations prosper through rules-based trade, and we work every day to ensure that the pathways of trade remain open, because our collective prosperity depends on it.

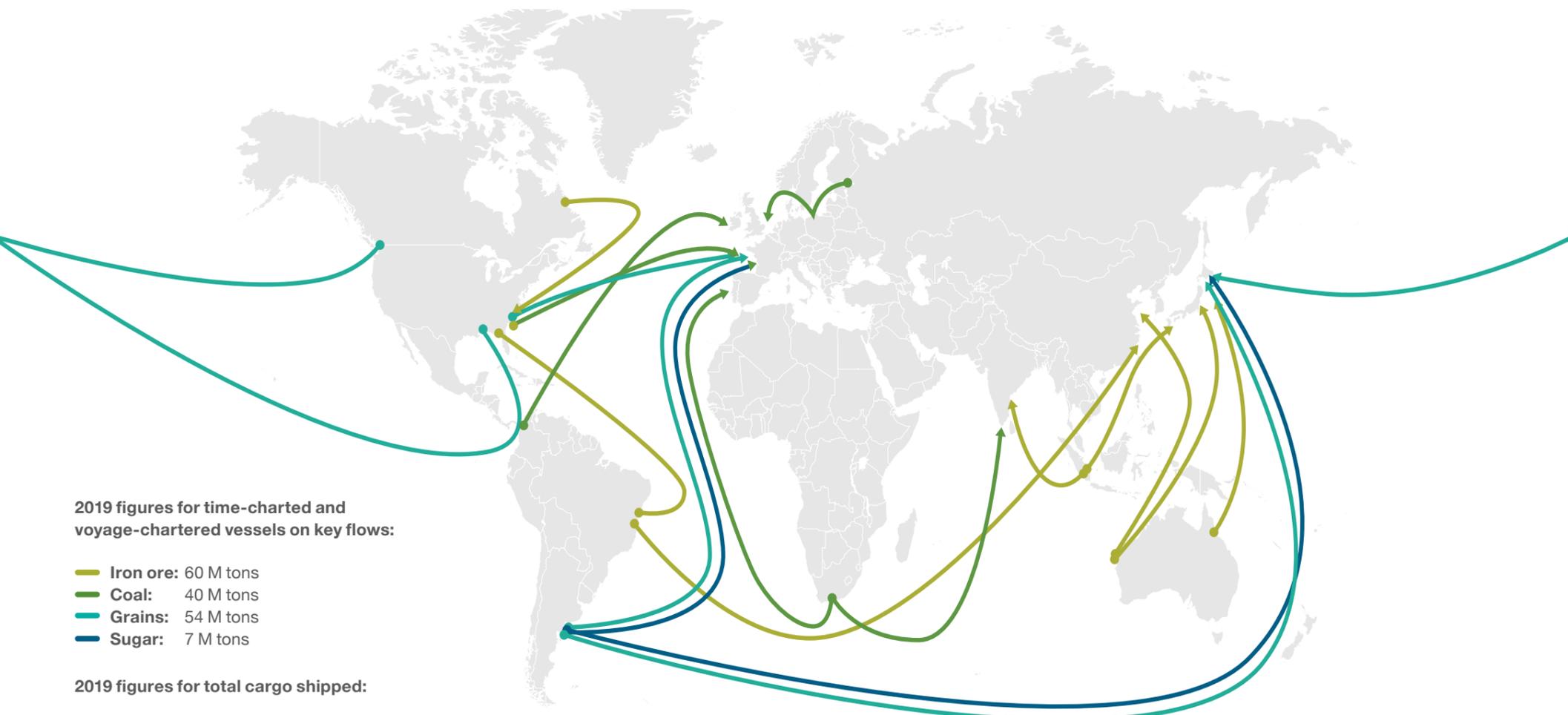
This report covers the activities and commitments of Cargill's ocean transportation business. It does not address any other businesses under the management or ownership of Cargill, Incorporated.

The report covers our operations during calendar year 2019 except where otherwise noted.

Operating in more than 70 countries.

We support an open, rules-based international trading system.

Our global commodity flows



About Cargill

Our purpose is to nourish the world in a safe, responsible and sustainable way.

160K employees

Working in 70 countries

With more than 150 years of experience

Delivering for customers in more than 125 countries

Supporting communities with 350 Cargill Cares Councils

We aim to be the **most trusted partner** for food, agriculture, financial and industrial customers.

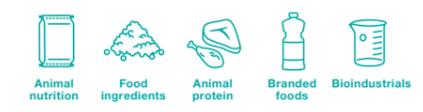
Our business

Every day, Cargill connects farmers with markets, customers with ingredients, and people and animals with the food they need to thrive.

We provide insights to our partners



We transform raw materials into finished goods



We move products around the world



For farmers

We supply feeds, other inputs and expertise to farmers, and buy crops and livestock from them



For customers

We deliver finished goods to customers in the foodservice, retail, consumer packaged goods and industrial sectors



How we work

Cargill's integrated operating approach enables our businesses to provide industry-leading products and services in their specific sectors while also drawing on the full world of Cargill's expertise. We deliver this expertise locally, quickly and reliably through world-class capabilities and operations everywhere we do business. Our global functions equip our businesses to do this effectively and efficiently by providing process governance and deep subject matter expertise on issues that affect us, our customers and other partners.

Our Executive Team is responsible for the company's strategic direction, talent development and overall financial performance. Led by Chairman and CEO David MacLennan, members of the Executive Team represent all of Cargill's enterprises, as well as major global functions. They use a diverse set of experiences from both inside and outside of the company to lead and achieve results.

Our Guiding Principles

Doing business ethically is key to our long-term strategy and relationships. Our seven Guiding Principles make up the core of our Code of Conduct. We require all employees and contractors to follow them, and expect our suppliers to do the same.

1. We obey the law.
2. We conduct our business with integrity.
3. We keep accurate and honest records.
4. We honor our business obligations.
5. We treat people with dignity and respect.
6. We protect Cargill's information, assets and interests.
7. We are committed to being a responsible global citizen.



Our approach to sustainability

Sustainability governance

Cargill has a corporate sustainability hub with experts on climate science, water, land use and more. The hub is led by Ruth Kimmelshue, a member of Cargill's Executive Team, who is responsible for global business operations and supply chain, as well as her role of Global Sustainability Officer.

This hub harnesses the full power of Cargill to aid the company's businesses as they drive sustainability efforts across their respective industries. It includes leadership and expertise from key functions including operations and supply chain management, corporate affairs and law, among others, to advance sustainability priorities around climate change, water resources, land use, farmer prosperity, and food loss.



Ruth Kimmelshue
Chief Sustainability Officer,
Corporate Vice President
for Business Operations
and Supply Chain

As a company, we are uniquely positioned to connect people and to make a positive impact on the planet through the products and services we provide.

Our ocean transportation business is part of Cargill's agricultural supply chain enterprise which is led by Joe Stone. Joe is a member of Cargill's Executive Team and was appointed to the Cargill Board of Directors in 2016. He has more than 30 years of experience with the company across numerous businesses and took on his current role on June 1, 2019. Previously, he served as Chief Risk Officer and led Cargill's animal nutrition businesses. Joe is passionate about sustainability and, outside of Cargill, sits on the Board of the World Food Program USA where he supports the lifesaving work of the United Nations World Food Program.



Joe Stone
Executive Vice President,
Cargill Agricultural Supply Chain



Jan Dieleman

Business Leader,
Cargill Ocean Transportation

Jan Dieleman has led Cargill's ocean transportation business since May 2016. Jan has been with Cargill for more than 20 years and led businesses in both the U.S. and Europe, including Cargill's energy business from 2012 to 2016. He has made sustainable shipping a priority, ensuring that Cargill actively drives progress across the maritime industry. As part of this, he became an Advisory Board Member of the Global Maritime Forum in 2018. He is also a Non-Executive Director of RightShip, the industry's reference for safety and environmental efficiency, where he advocates for higher efficiency standards and practices in shipping.



Andrew Barker

Global Head of Operations and Sustainability Lead,
Cargill Ocean Transportation

Andrew Barker is a member of Jan's leadership team and serves as the sustainability lead for our ocean transportation business. This involves overseeing all business activities, industry partnerships and initiatives related to our sustainable shipping strategy. Andrew is our Head of Operations and is responsible for managing Cargill's fleet of more than 600 vessels.

Andrew is supported by a sustainability hub that includes key leaders from across our business. In 2019, we also created a new role of Safety Officer to further strengthen our efforts to improve industry safety standards and ensure that the vessels we charter operate safely.

Cargill has made sustainable shipping a priority and we are driving progress across the maritime industry.

Cargill's ocean transportation sustainability hub comprises:

Jan Dieleman
Business Leader

Andrew Barker
Head of Operations and Sustainability Lead

Stanislav Mateev
Operations Manager

Nikolay Stoev
Safety Officer

George Wells
Head of Assets and Structuring

James Lewis
Long Term Tonnage Lead

Ann Shazell
Lead Lawyer

Heidi Farr
Communications Director

Jan-Willem van den Dijssel
Americas Lead

Ying Ying Lim
APAC Lead

Olivier Josse
Head of Tankers

Alignment with the SDGs

We know that the private sector has an important role to play in helping the world achieve the United Nations Sustainable Development Goals (SDGs).

For our ocean transportation business, each of our sustainability priorities aligns with at least one of the SDGs.



Our stakeholders

We consider our stakeholders to comprise the following:



Customers



Governments



Communities



Employees



Industry and trade associations



Financial institutions



Academic institutions



Potential candidates



Suppliers



Non-governmental organizations (NGOs)



Consumers and the general public



Shareholders

Our partners

In 2019, our ocean transportation business was a member of - or partnered with - the following associations and organizations:



We also leverage key global relationships that are maintained at the corporate level:



Material relevance

In 2017, we completed our first materiality assessment specifically for our ocean transportation business. This assessment has served as the basis for our first three corporate responsibility reports and 2020 sustainability targets.

Since conducting the initial assessment, we continue to engage regularly with our stakeholders, both internally and externally. These exchanges have led us to believe that the topics identified in the original assessment remain highly relevant to our business today.

We conducted our assessment in line with recognized practices. This started with a horizon scan of the relevant industry topics and challenges, including a review of the pertinent and persistent media topics, as well as report-based and anecdotal evidence from our senior leadership team. This was followed by a stakeholder outreach and engagement initiative with strategic customers, business leadership and employees. Feedback was gathered through online surveys.

The 2017 materiality assessment identified that the aspects most material to our business are:

- Emissions
- Safety and well-being
- Anti-corruption
- Inclusion and diversity
- Ship recycling

As a vessel charterer, however, we have limited ability to control or influence certain material aspects. Seafarer well-being and ship recycling are notable examples, and stand out in the chart on the following page. But as a leading global organization with a strong sense of responsibility, we make it our business to continue to advocate for and influence – where possible - all of the aspects identified in our materiality assessment.

In 2020, we will conduct a new materiality assessment and use this as guidance when setting our next set of sustainability targets and actions. We will also look to expand the scope of stakeholder engagement and invite more feedback from suppliers and NGO partners.

As a leading global organization with a strong sense of responsibility we continue to advocate for and influence – where possible - all of the aspects identified in our materiality assessment.





Our sustainability priorities

1

Send our employees home safely and improve safety standards across the maritime industry.

2

Reduce GHG emissions across our fleet and lead the maritime industry to a more sustainable future.

3

Recruit, develop and retain a diverse workforce and build a more balanced and inclusive culture.

4

Protect ocean health and biodiversity and minimize our impact on the marine ecosystem.

5

Conduct our business ethnically and responsibly, honor our obligations and treat everyone with dignity and respect.

6

Support the maritime industry's efforts to make ship recycling more transparent and responsible.

1 People, safety and well-being

Cargill is committed to sending our employees home safely at the end of each day. We are also striving to improve safety standards across the maritime industry.

Seafaring is widely recognized as one of the most dangerous jobs that exist. Crews spend months away from their families, suffering from isolation, anxiety and other mental health issues, including suicide. They endure violent storms, accidents, flooding, explosions, even pirate attacks, and the risk of abandonment is still a reality.

Crews spend months away from home and their mental well-being is a constant concern.

Why is it important to our stakeholders?

In 2019, there were around 1.65 million seafarers serving on merchant vessels⁵. Living and working conditions onboard are typically basic, particularly on older or poorly maintained vessels, and payment of crew salaries remains an issue - in some cases, salaries are still not paid on time.

Crew safety is often endangered by simple human error. Fatigue, stress and access to training are frequently considered below acceptable – all are issues that, if attributed sufficient time and resources, could be significantly improved.

Onboard security was a particular concern in 2019, a year which saw a series of attacks on tankers in the Strait of Hormuz. Crew safety was put at high risk, with vessels requiring military escorts for an extended period and a British-flagged vessel seized for more than two months.

Why is it important to Cargill?

As a charterer, Cargill is not responsible for the management, maintenance or crewing of the fleet we operate - this is managed instead by our shipowner partners. Nonetheless, we try to influence our partners and encourage safe practices and ethical treatment of their crews in three ways: by selecting owners of modern and well-maintained vessels; by partnering with owners to encourage best practices; and by setting clear expectations through our Supplier Code of Conduct.

For our 280 employees, whose safety at the workplace is our priority, we emphasize the importance of safety every single day and strive to foster a work environment that is both physically and psychologically safe.

We emphasize the importance of safety every single day.

2020 targets

Maintain

current share of 4- and 5-star rated vessels according to RightShip

100%

of fleet RightShip approved

100%

of supplier contracts with a duration of one year or more reference our Supplier Code of Conduct

Establish

a shipowner benchmarking tool to rate suppliers on their fleet operations and safety performance more reference our Supplier Code of Conduct

Achieve

zero injuries within our offices



Progress

Better quality and higher rated ships

We know from experience that better quality ships improve crew safety. Last year, all of our vessels received RightShip approval (or the necessary waiver). The RightShip Qi index (quality index) is a vetting tool that uses big data and predictive analytics to determine the likelihood of a vessel having an incident within the next 12 months. Vessels are rated from 1-star (high probability) to 5-star (low probability) and Cargill prioritizes vessels rated 3-star and above. In 2019, the majority of the vessels in our long term time-charted fleet were rated 4- and 5-stars and we increased the average individual vessel rating.

In addition to RightShip, we conducted more than 130 inspections to continually check the safety standards, certification, classification and registration of the vessels we charter. We also continue to verify that that our fleet complies with International Labor Organization standards.

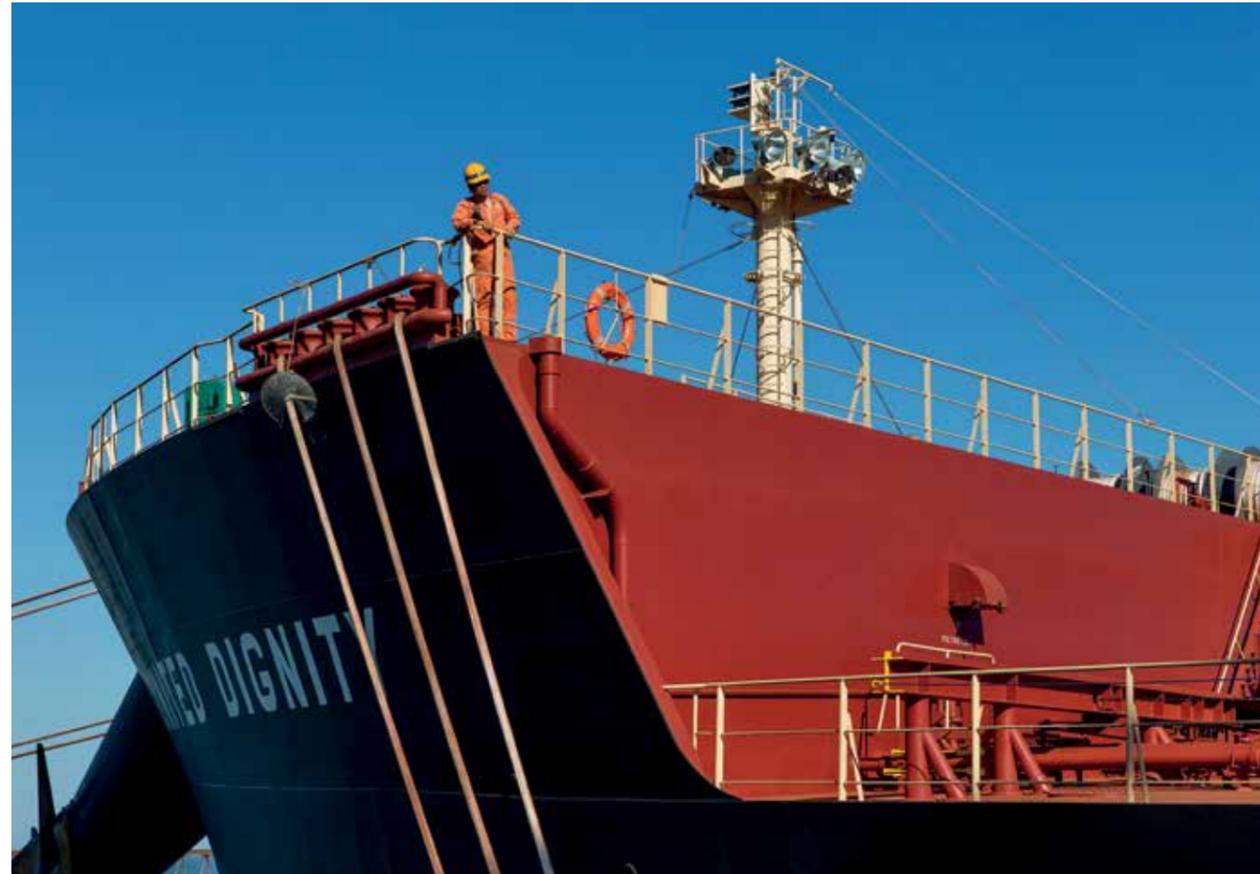
100%
of our vessels approved by RightShip.

Installing Cargill safety standards across our partners

Safety is Cargill's number one priority and we endeavor to install the same rigor amongst our long term partners. Last year, we incorporated the Cargill Supplier Code of Conduct into all contracts with a duration of one year or more and we expect our partners to adhere to high standards of safety and crew welfare at all times. We monitor and track this through our internal incident tracker and, in 2019, we created a special tool that captures, reports and grades incidents on a severity scale that enables us to benchmark shipowner performance. As the tool evolves, we will start to share it with shipowners.

We are also trialing different tools that drive transparency and collaboration with our long term partners, with the aim of selecting one of these tools to be rolled-out to our long term fleet in 2020.

We created a specialized tool that captures, reports and grades incidents on a severity scale to benchmark shipowner performance.



Newly appointed Safety Officer

Last year, we appointed a Safety Officer dedicated to our ocean transportation business. In addition to working closely with our shipowner partners to drive higher industry standards, he is liaising with Cargill's corporate health and safety team to evaluate and identify best practices inside and outside the company that can be applied to our business. By doing so, we are improving awareness of safety and well-being amongst our ocean transportation personnel and last year participated in Cargill's first internal Global Safety Week. The intention is to repeat this week-long campaign, which is rich in activities and learning opportunities for employees across the company, in 2020.

In 2019, Cargill organized its first internal Global Safety Week.

Driving improved safety standards across the maritime industry

At industry level, as a shareholder of RightShip since 2006 (where we hold two non-executive seats on the RightShip Board) we continue to push for higher safety standards and better crew welfare across the industry. Through our membership of the Global Maritime Forum, we are participating in the "Together in Safety" workstream, and this was one of the four lead themes at the GMF Annual Summit in October 2019.

We also continue to work with organizations dedicated to improving seafarer well-being, such as the Seamen's Church Institute (SCI) in North America and Cargill was proud to be the lead sponsor once again of the SCI Mountain Challenge in 2019. Over the years, this partnership has helped to raise significant funds for the SCI to drive awareness and initiatives that improve the lives of seafarers.

Next steps

Improve safety by increasing the percentage of RightShip 4- and 5-star rated vessels in our fleet.

Ensure that 100% of our fleet is RightShip approved and compliant with ILO standards.

Trial tools that drive transparency and collaboration with our long term partners, with the long term goal of implementing some of them to our long term fleet.

Monitor and track incidents using our internal incident tracker and **further develop our shipowner performance benchmarking tool** and introduce it to shipowner partners.

Improve awareness of office safety and well-being amongst our employees, including the importance of psychological health.

Work closely with RightShip and support the GMF to keep pushing for higher safety standards and improved crew well-being across the industry.

2

Climate change and health

Cargill is committed to reducing GHG emissions across our fleet and to leading the maritime industry to a more sustainable future.

The IMO set a target in 2018 to reduce total GHG emissions from shipping by at least 50% by 2050 against a 2008 baseline. To achieve this, radical changes are required and the maritime industry must prioritize working towards a carbon-neutral future.

Shipping must reduce its GHG emissions by 50% by 2050 – a task comparable with halving the emissions of a country the size of Germany.

Why is it important to our stakeholders?

Global economic growth dipped during 2018-19, global industrial production (a leading indicator of demand for maritime transport) decelerated and global merchandise trade growth fell¹. Nonetheless, maritime transport remains the backbone of globalized trade, with more than four fifths of the world's merchandise trade (by volume) carried by sea. Whilst down on the previous year's figure, UNCTAD projected that international maritime trade growth would still increase by 2.6% and will continue to rise at a compound annual growth rate of 3.4% over 2019-24². The total world fleet of 95,402 ships (of which 71% were bulk carriers and tankers) remains high; but so too do their emissions³. In 2019, shipping's contribution to global GHG emissions remained at around 2.5%⁴.

To combat this, the IMO set a target in 2018 to reduce total GHG emissions from shipping by at least 50% by 2050 (compared to a 2008 baseline). This includes reducing the carbon intensity of ships by at least 40% by 2030. To achieve this, industry leaders believe that zero-emission vessels need to be operational and on the water by 2030.

In 2019, the maritime industry prepared for the IMO'S Global Sulphur Cap. Until the end of last year, vessels were burning

traditional maritime fuel (high sulphur fuel HSFO), and producing sulphur oxides (SOx), nitrous oxides (NOx) and microscopic particulate matter (black carbon) as a result. These are all harmful to human health, and have been shown to contribute to respiratory and heart disease, as well as lung cancer. As part of its efforts to fight against this, the IMO introduced a sulphur regulation that reduces the authorized level of sulphur in marine fuel from 3.5% to 0.5%, effective January 1, 2020. Last year was marked by extensive preparations as the global shipping industry prepared to comply.

Why is it important to Cargill?

Climate change and health are the areas identified as highest material relevance to Cargill's ocean transportation business. As a charterer and vessel operator, we have four ways to influence our environmental performance: the type of vessels we charter; the way we operate them; the energy efficiency optimization of ships we charter in the future; and our parceling business.

Cargill also has a commitment to reduce GHG across its supply chains, which includes our ocean transportation business. At a global level, the corporation has aligned with the Paris Agreement and we have set science based targets to guide our progress.

2020 targets

15%
reduction in CO₂ emissions per cargo-ton-mile in our time chartered fleet against 2016 baseline

80%
of our fleet will be rated A through D by RightShip

100%
compliance with the IMO's Global Sulphur Cap in 2020

New 2030 target

30%
reduction in GHG per ton of product across Cargill's global supply chains by 2030 against a 2017 baseline.

Since last year's report was published, Cargill has adopted a Scope 3 target of reducing greenhouse gas emissions **across the company in its global supply chains** by 30% per ton of product by 2030.

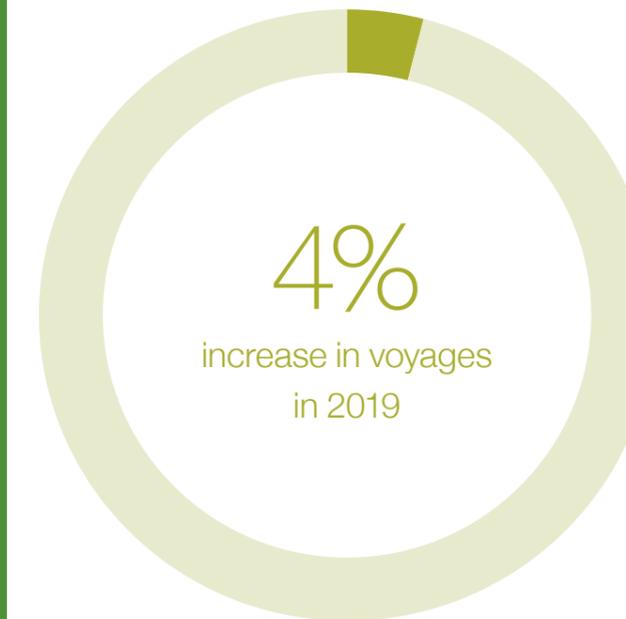


Last year, we changed our fleet portfolio and increased the number of smaller sized vessels to align with our business strategy (as illustrated by the charts on page 5). At the same time, we carried almost the same volume of cargo, which meant more voyages on smaller size ships than in 2018. All of these factors meant that in 2019, our CO₂ emissions per cargo-ton-mile increased by 2.3% against the previous reporting period.

When analyzed per vessel size, however, comparing emissions against both the previous year and the year

before that, we have made encouraging progress. We have reduced the carbon intensity across all vessel segments (with the exception of cape size) and have made notable reductions on the smaller size vessels, handy size in particular.

In 2019, our gross CO₂ emissions and fuel consumption also increased by just 0.8% to 7,317,000 metric tons, despite increasing our total number of voyages by as much as 4% (the higher number of voyages explained again by the change in fleet portfolio).



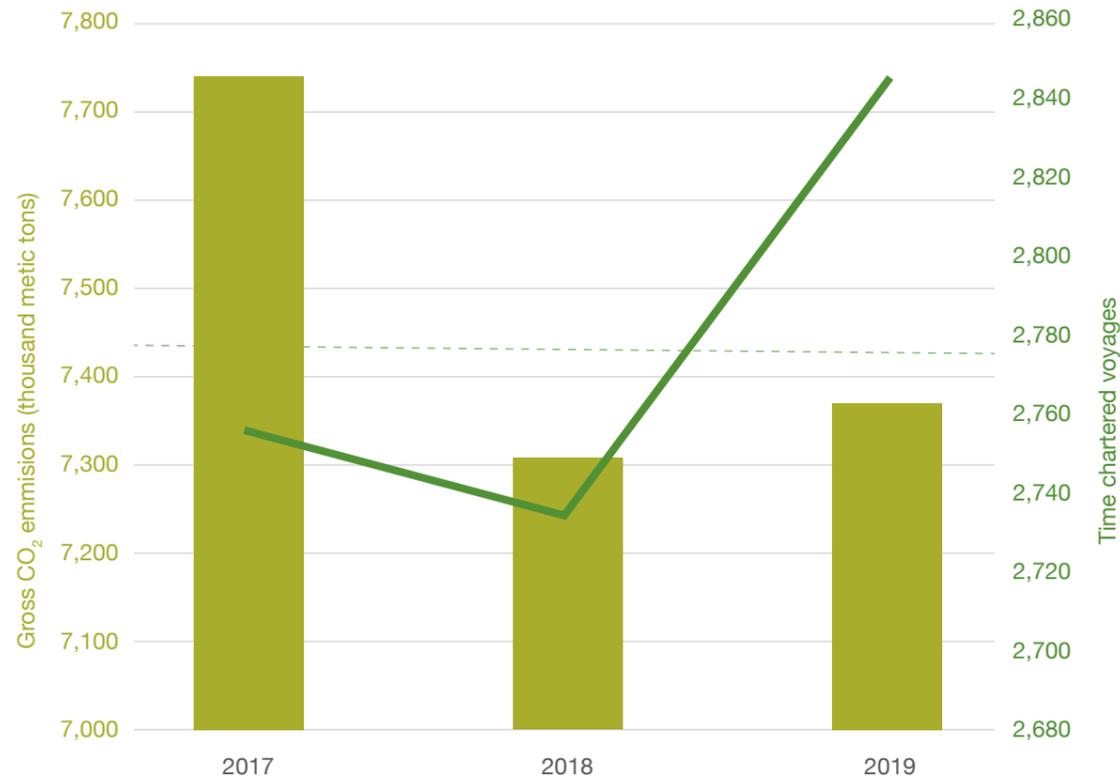
In 2019, we reduced the carbon intensity across all vessels, with notable progress on the smaller sizes.

In 2017, 2018 and 2019, the volume of cargo we transported has remained steady at 170 million metric tons (time chartered voyages only). Yet each year we have decreased our fuel consumption against our fuel consumption in 2017, and our respective gross CO₂ emissions as a result. This means that our aggregated gross CO₂ savings over the last 2 years amounts to around 800,000 metric tons.

Of particular interest is the increased number of time-chartered voyages in 2019. Despite the significantly higher number of voyages last year, the reduction in fuel consumption and CO₂ emissions between 2019 and 2017 remains comparable to the reduction between 2018 and 2017, thus demonstrating the impact of our continued efforts to operate a more energy-efficient fleet, whilst exploring the use of energy-saving devices onboard some of our vessels.

Over the last 2 years we have saved around 800,000 metric tons of gross CO₂ emissions.

Gross CO₂ emissions and time chartered voyages 2017 - 2019



■ Gross CO₂ emissions ■ Time chartered voyages - - Volume of cargo transported (illustrative line)

| | 2017 | 2018 | 2019 |
|---|-------|-------|-------|
| TC voyages | 2,756 | 2,735 | 2,845 |
| Volume of cargo transported (million metric tons) | 174.6 | 172.5 | 171 |
| Fuel consumption (thousand metric tons) | 2,481 | 2,342 | 2,361 |
| Gross CO₂ emissions (thousand metric tons) | 7,740 | 7,309 | 7,371 |

Progress

Optimizing vessel efficiency and voyage operations

Throughout the year we continued to build a more energy-efficient fleet, especially with our long term time chartered fleet, and we worked with shipowners to improve the efficiency of their vessels, either through retrofitting energy-saving devices or by improving voyage operations. We are also implementing a data-sharing clause to enhance the level and availability of vessel information, allowing us to make better decisions.

Retrofitting energy-saving devices, such as the use of specialized hull paints, LED lights or installation of stern appendages in front of a ship's propeller, can reduce CO₂ emissions by 5 to 10%. Last year, we worked with our shipowner partners to retrofit such devices on our long term time chartered fleet and have already completed six vessels. To date, we have invested – or committed to invest - more than 2.5 million USD on energy-saving equipment and are looking to do more of this. Through our partnership with Maersk Tankers and Mitsui & Co. ("Project Njord" –

launched in October 2019) we are testing the business case for retrofitting these devices, with a long term aim to offer turn-key CO₂-reducing solutions to the wider maritime market.

Through our digital vessel performance project, we improved the way we operate vessels and tested a range of performance management and voyage optimization tools. Optimization includes reducing the time spent in port and in 2019 we ran a trial with selected vessels to monitor and reduce their fuel consumption and emissions whilst in port. We also reviewed our overall time spent in key ports, with a view to further optimizing vessel turnaround where possible.

In addition to optimizing existing vessels and improving operations, we are working on cross-industry projects to explore new vessel designs that use technologies that aim to fulfil the IMO's targets.

Retrofitting energy-saving devices that reduce CO₂ emissions by 5 to 10%.

Reducing fuel consumption and emissions by minimizing time spent in port.

Improving our vessel efficiency through performance management and voyage optimization tools.

Solutions for customers to reduce their CO₂ emissions

Last year, our parceling business continued to grow and we shipped around 1.25 million metric tons of dry bulk. Parceling allows customers shipping small volumes to favor larger sized vessels, significantly reducing emissions as a result. Customers can save 20 to 40% in CO₂ emissions per voyage and we have seen an increasing demand for this service.

Parceling allows customers shipping smaller volumes to save 20 to 40% in CO₂ emissions per voyage.

We are working closely with our customers across the globe to better understand their sustainability objectives and propose greener shipping solutions that reduce their carbon footprint. In 2019, we saw particular interest from aluminum producers and, through our membership of the Aluminum Stewardship Initiative, we are exploring new opportunities to further develop this.



Modern vessels that have been verified by RightShip

We continue to modernize and improve the efficiency of our fleet by prioritizing the highest rated vessels according to the RightShip GHG Emissions Rating system. We also minimize the use of ships that are more than 15 years old.

Last year, 81% of our vessels were rated A through D by RightShip and all of our vessels were rated by RightShip before finalizing contracts. As new, more modern vessels enter the market, however, existing ships may be downgraded in the RightShip ratings and this can impact reporting.

We also maintained the average age of our fleet below 7 years as we know that younger, more modern vessels offer improved technologies that optimize efficiency and reduce fuel consumption and emissions.



81% of our vessels were rated A through D by RightShip, surpassing our 2020 target.

Collaboration to drive initiatives across the maritime industry

In 2018, Cargill became a founding member of the Global Maritime Forum (an international not-for-profit organization that convenes leaders from across the maritime sector) and our Business Leader sits on the GMF Advisory Board. Last year, we actively participated in the GMF's Decarbonization Taskforce and took a lead role in drafting the Poseidon Principles (launched in June 2019) and co-chaired the Fuels, Technologies and Transitions Pathways workstream.

We participated in the GMF Annual Summit in Singapore, signed the GMF's Getting To Zero Coalition, and have committed to leading the Charterers' Response to the Poseidon Principles – an initiative that will look to establish a common reporting framework or methodology for reporting on emissions. The GMF continues to explore carbon pricing for the maritime industry and, through our membership, we are following and supporting progress.

We are working with the Global Maritime Forum to establish a common emissions reporting framework for the shipping industry.



Cargill's Jan Dieleman participating in a panel discussion about decarbonization at the 2019 Global Maritime Forum Annual Summit in Singapore. Image: Global Maritime Forum/Wilson Santinelli

A three-phase journey to 2050

Cargill believes that the scale and complexity required to fulfil the IMO's 2050 target will require a series of incremental changes as shipping – and the energy sector – transitions to carbon-neutral. We see this as a journey comprising three phases.

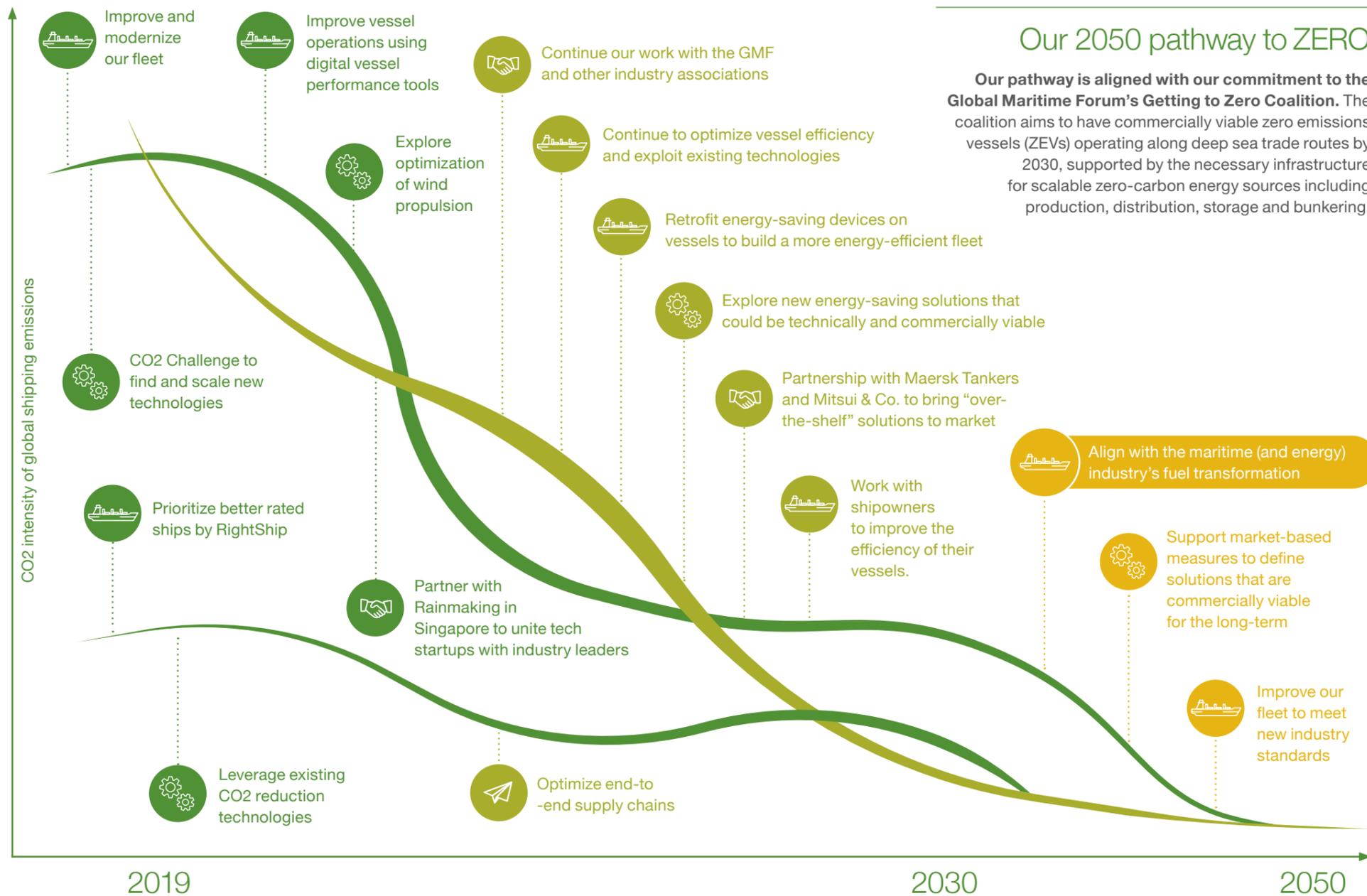
Up until now (and during phase one), we have been reducing our GHG emissions by optimizing vessel efficiency and operations using existing energy-saving technologies and industry collaboration. In phase two, we will explore new technologies: if zero-emission vessels are to be on

the water by 2030, significant change and innovation will be necessary. Simultaneously we will continue to reduce our emissions by further exploiting existing technologies, increasing partnerships and optimizing end-to-end supply chains.

Beyond that, we will be looking to support market-based measures that define solutions that are commercially viable for the long term, and we will align with the maritime industry's energy transformation and improve our fleet to meet new industry standards.

Fulfilling the IMO's 2050 target will require a series of incremental changes.

We see this as a three-phase journey towards zero emissions.



Reporting and measurement of emissions

We continue to track voyages and emissions using the IMO's standard energy and efficiency operational indicator methodology (EEOI). In our 2018 report, we stated that by improving the composition of our fleet and optimizing vessel efficiency, we were able to reduce CO₂ emissions per-cargo-ton-mile across all vessel sizes by 12.1% against our 2016 baseline. Since publishing that report, we have audited our carbon accounting procedures and found some data source issues. This explains in part why our aggregated reduction in CO₂ emissions since 2016 has decreased to 4.8%, with the rest explained mainly by a change in our fleet portfolio (less cape size vessels), as explained earlier.

The more we work on this, the more we learn, and the more we realize that emissions reporting is a complex process. It is also essential that data is collected and analyzed consistently from one report to another.

We use a series of indicators that track vessel selection and design, operations, logistics and technical details and continue to challenge our system to ensure the most accurate, transparent and stable methodology possible.

We conclude by advocating for the need for a standard GHG emissions reporting process that will become the industry norm. We are therefore pleased to be contributing to the GMF's Charterers' Response to the Poseidon Principles workstream that has been tasked with designing and developing such a process. We will work with our industry peers throughout 2020 to bring this to life and, as of next year, will look to align our reporting with the new GMF standard.

Last year, DNV GL once again independently reviewed and approved our methodology.

The more we work on this, the more we learn. We are on a sustainability journey and still have much distance to cover.

Full compliance with the IMO's 2020 Global Sulphur Cap

Throughout 2019 we continued to prepare rigorously for the IMO's Global Sulphur Cap which came into force on January 1, 2020. To do so, we took a collaborative approach with our shipowner partners and suppliers, including individual implementation plans for each of our vessels, to make sure that our fleet was ready and 100% compliant.

Our in-house bunker procurement desk ran a fuel testing program with key bunker suppliers to keep informed about the latest progress and learn about the new compliant fuels. We also secured contracts in major bunkering ports to minimize delays and disruptions during the transition period.

For the last two years, Cargill has advocated for strict enforcement of the regulation. We have manifested our support at leading industry events and publicly shared our support in both the maritime and broader business media. Throughout all of our external – and internal – communications, we have continually reiterated our commitment to full compliance.

Through our membership of the Trident Alliance, where we became part of the Steering Committee in 2019, we have called for strict enforcement. It is our belief that enforcement is critical to ensuring a level playing field across the industry, and we continue to advocate for this.

100%
compliance through rigorous preparation and a collaborative approach with our shipowner partners and suppliers.

Next steps

Reducing emissions

Ensure 100% compliance with the IMO' Global Sulphur Cap.

Work with customers to develop joint solutions that reduce their CO₂ emissions.

Create an annual statement for selected bauxite and iron ore customers to show their yearly carbon footprint alongside a commodity benchmark.

Monitor and reduce emissions in port through trials with selected vessels that continue to optimize time spent in port.

Start work on a project for a new wind-assisted MR product tanker.

Vessel efficiency

Promote energy-saving solutions on our long term time chartered fleet.

Use our digital vessel performance tool to **improve decision-making on fleet selection and operations.**

Grow our parceling business and standardize parcel freight for certain flows and customers.

Prioritize the use of highest RightShip rated vessels and a younger, more modern fleet.

Verify 100% of our fleet's RightShip ratings before finalizing contracts

Industry collaboration and advocacy

Support the need for carbon pricing – preferably an IMO-led scheme - through our work with the GMF Decarbonization workstream.

Define and start delivering on the key goals and activities of the GMF's Fuels, Technologies and Transitions workstream.

Follow the global trend for carbon offsetting and evaluate whether suitable as a short term and temporary solution for our business, whilst **advocating for an industry fund** to support decarbonization research and development.

3 Inclusion and diversity in our workforce

Cargill is committed to recruiting, developing and retaining a diverse workforce across the company. We are building a more balanced and inclusive culture, whilst also driving progress across the maritime industry.

The maritime industry is undergoing several changes and such disruption will certainly affect its workforce. From automation to employee diversity to skilled workers, shipping is shaping its workforce of the future, and increasing the number of females needs to be a part of that.

Just 2% of the maritime industry is currently represented by females.

Why is it important to our stakeholders?

Two in five – or 40% - of the world's 3.5 billion workforce are women⁶, yet women represent just 2% of the maritime industry⁷. Despite progress in recent years, with an increased number of females obtaining access to education and training for maritime studies, fundamental imbalances remain. These include lack of inclusion, sub-standard feelings of personal safety, gender stereotyping, low numbers of women occupying senior or management roles, and distinct differences in pay - a survey conducted by the Maritime HR Association in 2018 revealed that women working in shipping are still earning an average of 45% less than men occupying similar positions.

In parallel, the world is moving towards increased automation. Initial industry reports indicate that

automation in the transportation sector is likely to lead to a significant shift (as opposed to a reduction) in the global workforce⁸. Specifically for shipping, this is expected to create demand for new types of jobs, such as remote operators, worldwide operating maintenance crews and mobility-as-a-service providers.

Why is it important to Cargill?

Cargill believes that diverse and agile teams make a stronger organization, one that better understands and serves our customers and the communities where we operate. We strive to create a safe and inclusive environment for our employees, one that incorporates a broad range of backgrounds, experiences and perspectives. This is crucial to our ability to attract and retain the very best people, and to our continued success in the market.

2020 aspirational goal

10%

increase in female representation in leadership roles by 2020 compared to a 2015 baseline.

In 2016, Cargill signed the Paradigm for ParitySM coalition, an organization committed to achieving gender parity across all levels of corporate leadership by 2030.



Progress

More balanced recruitment process

Since 2015, we have increased the number of females in leadership roles by 3%. Last year, we continued our efforts to ensure a more balanced recruitment process when acquiring talent for our ocean transportation business. From a gender perspective, we are now tracking the percentage of positions with a 50% or more diverse slate of candidates at first interview stage, and we are increasing the diversity of our interview panels. In all cases, we remain committed to hiring the most qualified candidate for the role.

3% increase in females in leadership roles.



Ying Ying Lim, APAC Lead, Cargill Ocean Transportation

Industry benchmarking

In 2019, we decided to compare ourselves to our industry peers for the first time on this and partnered with the Diversity Study Group (DSG). DSG is the first organization dedicated to championing diversity and inclusion across the shipping industry, and we commissioned them to provide detailed analysis of diversity and inclusion statistics and opinion data to help us gain a better understanding of where we are today with our efforts to progress.

As part of this, we participated in a customized version of the DSG Diversity in Shipping Survey. The study looks at employee engagement and how to foster an inclusive and diverse environment. We were pleased to see more than 60% of our employees take part on a voluntary basis and are now reviewing and evaluating the results, with a view to establishing an action plan based on these.

We undertook a comprehensive survey to understand what we need to do to progress.



Joanna Letcheva, Cape Desk Trader, Cargill Ocean Transportation

Mentoring

Meanwhile, we continue to mentor our existing talent and consider this an important development opportunity for our staff. We regularly review talent and use gender as a filter to see how diverse our talent pipeline is and what we are doing to develop and accelerate this.

Through our internal mentoring program, we identify and support high-performing candidates and prepare and promote talented individuals to grow towards becoming future leaders of Cargill.

We mentor and review talent regularly to ensure that high-performing employees develop into Cargill leaders.

Next steps

Foster a positive work environment to **attract and retain an increasingly diverse workforce.**

Focus on **providing career development opportunities.**

Actively participate in and promote **Cargill's Global Day of Inclusion.**

Actively **recruit a more diverse slate of candidates** when interviewing for open positions.

Mentor and promote qualified internal talent.

4 Ocean health and biodiversity

Cargill is committed to protecting ocean health and biodiversity by working closely with our suppliers to minimize the impact of our operations on the marine ecosystem.

Oceans play a critical role in stabilizing climate and supporting life and human well-being. They are a resource that needs to be protected and supported, yet the continually growing global population increases the impact of harmful stressors. This includes marine pollution from activities related to ocean transportation.

Oceans must be protected, supported and maintained.

Why is it important to our stakeholders?

The majority of ocean pollution (around 80%) still comes from land-based sources⁹. That said, shipping still contributes to the level of pollution, water quality and marine life through standard industry practices. These include ballast water discharge; waste discharge from ships, with growing concern about pollution caused by plastics and microplastics, as well as the disposal of hazardous and noxious substances; oil spills and spills of other matters; and acidification.

The IMO and other industry regulations address many of these issues. The Ballast Water Management Convention (enforced since 2017), for example, specifies where and in what manner ships can discharge ballast water, reducing the risk of invasive species being transported into new ecosystems.

The IMO's 2020 Global Sulphur Cap will see an increase in the number of vessels fitted with exhaust gas cleaning systems, also known as scrubbers. Scrubbers remove the

sulphur oxides from the ship's engine and boiler exhaust gases. In doing so, they create wash water that contains trace amounts of sulphates which is discharged into the sea. During the scrubbing process any decrease in the pH of the wash-water is largely neutralized by the natural alkalinity found in seawater, ensuring that the pH of the discharged water complies with guidelines established by the IMO.

In 2019, leading environment studies, including those published by Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT)¹⁰, CE Delft and Deltares¹¹, and a 3-year study by the Clean Shipping Alliance (CSA 2020)¹², alongside the IMO's and EU's own guidance, concluded that scrubbers are safe and compliant and have a minimal impact on the seawater concentration of sulphates.

Why is it important to Cargill?

As a charterer and vessel operator, Cargill does not own or crew its vessels. We therefore work with our shipowner partners and other suppliers to reduce the environmental impact of our operations within the scope of our ability. We focus on influencing control over accidents and spills, waste management, and the use of scrubbers.



ZERO
oil spills of 10m³
or more in 2019

2020 targets

Include

Supplier Code of Conduct guidelines for best practices with respect to waste management on all voyage instructions

Explore

the use of exhaust gas cleaning systems (scrubbers)

Zero

oil spills of 10m3 or more, and zero other incidents causing material negative environmental impact



Progress

Full compliance with industry regulations

We continue to distribute our Cargill Supplier Code of Conduct to all of our suppliers on contract for more than one year. This includes our shipowner partners and, through this document, we emphasize the need to respect the law and comply with maritime industry regulations at all times. This includes committing to reducing environmental impact, avoiding contamination and protecting water resources.

Cargill Code of Conduct distributed to all of our suppliers on contract for more than one year.

Improved incident tracking and reporting

In 2019, we were pleased to record zero oil spills of 10m3 or more, and zero other incidents causing material negative environmental impact. We have improved incident tracking and reporting across all vessel sizes and shipowners and oil spills of any size must now be escalated and reported to a centralized response team, who is responsible for collating and monitoring information as part of our new incident tracker.

Our newly appointed Safety Officer captures and follows up with each type of incident, categorizing information according to its severity and conducting a root cause analysis to better understand the origin and avoid reoccurrence.

The Northern shipping route across Arctic Seas

The Northern Sea Route (NSR) is a shipping lane between the Atlantic Ocean and the Pacific Ocean along the Russian coast of Siberia and the Far East, crossing five Arctic Seas. Over the past decade, global warming has caused ice-sheets to melt, opening up previously inaccessible Arctic shipping lanes, and the NSR is now accessible for an increasing 3 to 4 months per year.

During the favorable ice season, the NSR provides an alternative shipping “short-cut” between Europe and Asia, removing the need to pass through the Suez Canal or via the Cape of Good Hope. In addition to reducing transportation time, ships may reduce fuel consumption and CO2 emissions. The route is attracting increasing industry discussion and a number of trial voyages have been conducted by leading maritime players.

Cargill recognizes that the Arctic route presents an alternative shipping route with certain efficiency gains. However, there are currently too many unknown factors and potential dangers to the natural ecosystem to make

this a viable option for our dry and wet bulk cargo shipping business. The Arctic plays an essential role in regulating ocean currents and global climate patterns and we are mindful of exposing this unique natural ecosystem to potential accidents, oil pollution or collisions with marine wildlife that frequent global shipping could bring.

We also believe that a navigation season of just 3 to 4 months each year, unpredictable ice conditions, high insurance fees, the need for expensive specialized vessels, and a lack of search-and-rescue teams and support infrastructure are some of the other factors that require deeper investigation to see whether this could become a safe, sustainable and economically feasible alternative in the future.

For now, we are following investigations to see whether the NSR develops into a safe alternative future route that presents minimal risk to the environment and makes economic sense for our ocean transportation business.

The NSR currently presents several unknown factors and potential dangers to the natural ecosystem.

Scrubbers that are safe, efficient and compliant

Last year, we worked hard to support our shipowner partners with their preparation for the IMO's Global Sulphur Cap. To comply with the new regulations, the majority of our fleet - approximately 90% - is operating using the low sulphur compliant fuels, with the remaining 10% using scrubbers. We will take scrubber-fitted vessels on spot voyages or time charters, but for longer term time charters we have contracted the retrofiting of 46 vessels (a mix of dry bulk and tankers) with open-loop scrubbers.

We are closely following industry updates about the efficiency and safety of scrubbers and are confident in the latest reports that confirm that scrubbers have minimal impact on ocean health. As part of our commitment to fully comply with industry regulations, we will be providing the necessary wash water samples from all of our scrubber-fitted vessels, and will be sharing results with partners

and industry organizations for as long as we have scrubber-fitted vessels in our fleet.

Cargill is eager to further contribute to industry research around this subject and created a 2020 Task Force, of which one of the workstreams is dedicated to monitoring effluent and wash water samples from our long term scrubber-fitted fleet.

We are confident in the latest reports that confirm that scrubbers have minimal impact on ocean health.

Next steps

Use our improved tracking and reporting system to escalate incidents and conduct root cause analyses to **better understand the origin and avoid reoccurrence.**

Follow industry discussion about the NSR and its impact on the environment and continue to evaluate its economic viability for our business.

Provide effluent and wash water samples from all of our scrubber-fitted fleet in line with IMO guidelines.

Continue to **monitor research associated with the safety and environmental impact of scrubbers.**

5 Ethical business conduct and compliance

Cargill is committed to conducting business ethically and responsibly, to honoring our obligations and to treating everyone with dignity and respect.

An organization's ability to comply with regulations, act with integrity and maintain the trust of its stakeholders is fundamental to its long term viability.

For more than 150 years, Cargill has acted on the belief that doing the right thing sets the foundation for sustainable success.

Why is it important to our stakeholders?

Consumer groups and NGOs have repeatedly advocated for companies to demonstrate their commitment to ethical conduct. Investors are now increasing their expectations, alongside more robust enforcement by regulatory authorities.

The maritime industry is a traditional industry and there remains room for improvement to modernize procedures that will promote higher levels of transparency and professionalism. Issues such as the illegal or unethical treatment of seafarers, fraudulent registration of ships, inaccurate reporting on vessel performance or failure to respect contractual obligations are just some of the areas where progress is still required.

Why is it important to Cargill?

Cargill is known throughout the shipping industry – and in all industries where we operate across the world – as a company that conducts its business in a legal and ethical manner. Our Cargill Code of Conduct outlines the company's ethical and compliance standards, based on seven Guiding Principles (listed on page 8) that are ingrained in our culture and serve as the foundation for the behaviors expected from all of our employees, contractors and suppliers.

2020 targets

Zero

incidents of corrupt practices

Progress

Zero tolerance for bribery and other corrupt practices

Cargill has processes in place to ensure our employees and other stakeholders understand and adhere to the company's Guiding Principles. We take any breach of these principles or of our Cargill Code of Conduct very seriously and withhold our strong culture of doing the right thing at all times, and have zero tolerance for bribery and other corrupt practices.



Increased transparency and accountability across the maritime industry

We continue to advocate for increased transparency and accountability and reduced corruption across the maritime industry, notably through our active membership of the Maritime Anti-Corruption Network (MACN) where, since last year, our Lead Lawyer for ocean transportation serves as Vice Chair. Through this, we participate in regular MACN meetings to set the agenda for the organization's work to combat corruption across the industry.

We are also active members of BIMCO (the international shipping association) where we are involved in drafting standard contracts and clauses used in standard-form charterparties across the industry, designed to create balanced and fair risk allocation between shipowners and charterers.

Participating in industry efforts to combat corruption in the maritime sector.



Stricter collaboration with suppliers

We continue to work with our partners and suppliers to incorporate the Cargill Supplier Code of Conduct into our contracts – last year, the focus was on contracts for one year or more; moving forward, we are looking to also include this in our spot charter contracts. Simultaneously, we are increasing our expectation for the code to be not only acknowledged, but also adhered to, with written confirmation of supplier commitment.

Mitigating risk

Cargill's corporate risk and compliance department conducted an audit in 2017 that included our ocean transportation business. The following areas were identified as benefitting from additional risk mitigation plans: cyber security, data privacy, anti-bribery, fair competition, and commodity and derivatives markets. In 2018, we added another category: operational risks associate with time-chartered vessels. Each has been tackled with the necessary increased measures to reduce risk.

Last year, as we prepared for IMO's 2020 Global Sulphur Cap, an internal audit was conducted on the risks associated with the transition and our preparation for this. We incorporated the findings into our IMO 2020 preparation plan and continue to monitor these risks and identify ways to mitigate if necessary.

Next steps

Continue to advocate for **increased transparency and accountability and reduced corruption** across the maritime industry.

Increase our expectation for suppliers to strictly adhere to our Supplier Code of Conduct by requesting written confirmation of supplier commitment.

6 Ship recycling

Cargill is committed to supporting the maritime industry's efforts to become more transparent and responsible in the way that vessels are recycled.

Ship recycling can be a safe and environmentally sound process. But it can also be a major occupational and environmental health hazard, with high levels of fatalities, injuries and work-related diseases caused by breaking up structurally complex ships and insufficient safety controls and inspections.

Ship recycling can be a major occupational and environmental health hazard.

Why is it important to our stakeholders?

Ship recycling continues to decline, but remains just as dangerous. Around 18 million tons of ship material was sold for recycling in 2018, once again down on the previous year¹³. The 28% reduction is mainly due to market conditions, as well as uncertainty over what type of vessel to build in the future, largely driven by the IMO's 2050 decarbonization target.

In 2019, oil tankers took the lead for the first time overtaking dry bulk carriers, whilst Bangladesh, India, Pakistan and Turkey remained the leading recycling countries¹⁴.

The number of signatories of the IMO Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships of 2009 is growing and several countries have tightened regulations for ship demolitions in anticipation of the convention's enforcement. This includes China, who has banned the entry of all foreign

ships to China for recycling. India, meanwhile, is already applying the requirements of the Hong Kong Convention on a voluntary basis and investing in upgrading recycling facilities.

On the eve of 2019, a European Union regulation came into force requiring all EU-flagged ships to use EU-approved ship recycling facilities. Whilst the new, tighter requirements are driving industry improvements, questions have been raised regarding the capacity of certified scrapyards.

Why is it important to Cargill?

As a charterer and vessel operator, Cargill does not own, recycle or sell any vessels for recycling. We are also actively working to reduce the average age of our fleet and in 2019 the average age of our long term fleet was just 6.9 years (significantly less than the global average in 2019 of 20.98 years). Operating a young and modern fleet further reduces our ability to control where, how and when the vessels we charter will be recycled or demolished.

2020 targets

Participate

in industry discussions on ship recycling

Develop

an engagement plan with shipowners and regulators



Progress

Industry collaboration

Last year, we continued to work with industry partners to promote participation in the Ship Recycling Initiative and other collaborative efforts to move the industry towards more sustainable ship recycling practices. We also continued to monitor legislation related to ship recycling and its impact on our partners.

Direct engagement with our shipowner partners

The majority of our shipowner partners have young fleets and are therefore not involved in recycling. For those that are, however, we engage directly to reinforce our expectation that they use yards certified to the Hong Kong Convention standards.



Increasing our knowledge

Towards the end of 2019, we consulted a specialist provider of environmentally friendly and sustainable ship recycling services to increase our knowledge and see how we can further support our partners and the maritime industry as a whole.

We continued to deepen our knowledge by consulting with industry specialists.

Next steps

Participate in industry discussions about raising standards for safer and more responsible ship recycling.

Investigate our long term shipowner partners and ensure they are recycling vessels at yards that comply with the Hong Kong Convention.

Statement of fact

Company name: CARGILL INTERNATIONAL SA

Subject: Corporate Sustainability Report of Cargill Ocean Transportation

Version No.: 2019 Report

Assessment date: 2020-04-17

Statement number: 10207210-20 HH

DNV·GL

THIS IS TO STATE THAT

DNV GL Maritime Advisory has reviewed and assessed the chartering policy (Vetting Criteria & Operating Standards v3.2) and the methodology applied by Cargill Ocean Transportation to collect and process data to derive key performance indicators related to energy efficiency and emissions to air of the vessels operated by Cargill Ocean Transportation.

Based on our professional in-depth review and assessment we conclude that:

- 1) The chartering policy applied meets industry best practice to safeguard that the vessels chartered are as energy efficient and thereby emission friendly as reasonably practical.
- 2) The methodology applied to collect and process data to derive key performance indicators related to energy efficiency and emissions to air is in line with IMO MEPC.1/Circ. 684 "Guidelines for the voluntary use of the ship energy efficiency operational indicator (EEOI)" and results in a correct picture of actual emissions and meets industry best practice to display the Energy Efficiency Operational Index (EEOI) and subordinate indicators to internal and external stakeholders.
- 3) The emission-related numbers in the 2019 Corporate Sustainability Report of Cargill Ocean Transportation reflect the actual emissions.

Issued in Hamburg, 17 April, 2020,



Dr. Jan-Henrik Hübner



Guido Carstensen

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