



Ocean Transportation Sustainability Report 2020

Letter from leadership

Last year changed the world in so many unforgettable ways. It certainly changed the way we work, but has not changed our business or our values and we are proud of the tenacity of our teams and loyalty of our customers and partners.

At Cargill, safety has and always will be our number one priority. We took an early decision to send our employees to work from home before it became mandatory and have prioritized their safety and psychological well-being, providing virtual resilience courses, flexible working hours and around the clock support.

Beyond our workforce, Covid-19 has impacted the daily lives and well-being of seafarers in unprecedented ways, resulting in a humanitarian crisis at sea. As frontline workers of the maritime industry transporting 90% of global trade, seafarers play a critical role in managing the flow of goods upon which the world depends. Last year disruptions and delays left hundreds of thousands of crew members stranded on ships well beyond the end of their contracts. For many, this meant spending several months away from their homes and families with uncertainty about when the situation would improve. We took the matter seriously right from the beginning and have worked – and continue to work – hand in hand with our shipowners and partners to facilitate and accelerate crew changeovers. Internally, we created and implemented a tracking tool to monitor how long crews have been onboard our vessels, enabling us to anticipate when an issue may arise and proactively take action.

Towards the end of the year, the Global Maritime Forum (GMF) set up a Crew Task Force to advocate for action across the industry. As part of this, Cargill played a lead role in drafting the Neptune Declaration ahead of its launch in January 2021. The declaration recognizes that the global shipping community has a collective responsibility to resolve the current crew crisis and urges signatories to unite to facilitate changeovers and set gold standard health protocols. Cargill was a founding signatory and we continue to push hard for progress.

The global pandemic accelerated many trends and the interest in environmental issues and threat of climate

change has never been higher. For our ocean transportation business, 2020 commenced with a seamless transition to the new low sulfur fuel as the International Maritime Organization's (IMO) Global Sulfur Cap came into force on January 1, 2020. We reaped the benefits of our meticulous preparation and maintained full compliance across our fleet throughout the year with minimal issues and disruptions.

The focus rapidly switched from sulfur to CO₂ and the year was filled with projects and partnerships to move us further along our decarbonization journey. You can read about these in the report, highlights include investing more than 3 million USD in retrofitting Energy Saving Devices (ESDs) onboard some of our vessels; becoming a strategic partner of ZeroNorth, a tech start-up that provides digital tools that improve vessel performance and reduce fuel consumption; and partnering with BAR Technologies to combine world-class yacht racing design and technology to use wind propulsion to reduce CO₂ emissions from commercial shipping by as much as 30%.

In October, the GMF launched the Sea Cargo Charter (SCC), a new framework for assessing and disclosing the climate alignment of ship chartering activities that is in line with the IMO's target of reducing greenhouse gas (GHG) emissions from global shipping by 50% by 2050. I had the honor of chairing the drafting committee and truly believe that the SCC will transform the way our industry addresses its decarbonization challenge. Cargo owners and shipowners will be able to align their chartering activities with responsible environmental behavior, and by standardizing the way that CO₂ emissions are reported, industry level progress against the IMO's 2050 target will be tracked.

Last year we continued to make encouraging progress by reducing the carbon intensity across all vessel sizes and we have reported per vessel category for this first time in this report, moving towards the SCC reporting standards. Our fleet continued to evolve and we increased the number of small sizes once again, resulting in a higher number of voyages compared to the previous year. Despite this, we significantly reduced our CO₂ emissions whilst still carrying a similar total volume of cargo. Since 2017, we have now

saved almost 1.5 million metric tons of gross CO₂ emissions which is a significant number. We have achieved this by selecting younger and better rated vessels, using digital tools to optimize vessel performance and operations, and retrofitting ESDs onto some of our fleet.

Most importantly, we continue to learn. We are gaining a better understanding of those factors we can influence and those we cannot. We know, for example, that we can constantly improve our vessels' performance, whereas changes in global commodity flows are beyond our control. Changes in flows inevitably result in additional ballast legs and subsequent fuel consumption. We are therefore learning the importance of being agile. In a world that is constantly changing, the ability to adapt has never been more important.

This year's report takes us to the end of our 2020 targets. We published the first annual sustainability report for our ocean transportation business back in 2017 and have maintained the pace, continually learning along the way. We have not met all our targets and recognize there is still a lot to be done, but we are energized by the progress achieved and I am both optimistic and excited about what lies ahead.

A new materiality assessment will be conducted later in the year and we will align our new goals with the maritime industry's targets and Cargill's corporate commitments.

Thank you for your interest. We look forward to working with you as we continue our sustainability journey.



Jan Dieleman
President, Cargill Ocean Transportation



1.

**Our
business and
stakeholders**

Our business at a glance

About Cargill

Privately owned
Credit ratings:
S&P: A
Moody's: A2

160k
employees

150+
years of experience

\$113.5bn
revenues (fiscal year 2019)

Ocean transportation

195m+
tons of dry and wet cargo

70+
countries

4.5k
voyages

11.4k
port calls

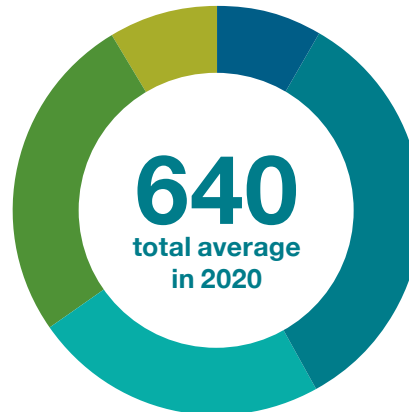
250+
customers

\$2bn+
time charters

\$0.7bn
fuel spend

\$0.6bn
port costs

Our fleet



| | |
|----------|-----|
| Cape | 55 |
| Panamax | 214 |
| Supramax | 150 |
| Handy | 167 |
| Tankers | 54 |

Cargill's average
chartered fleet in 2020

Our people

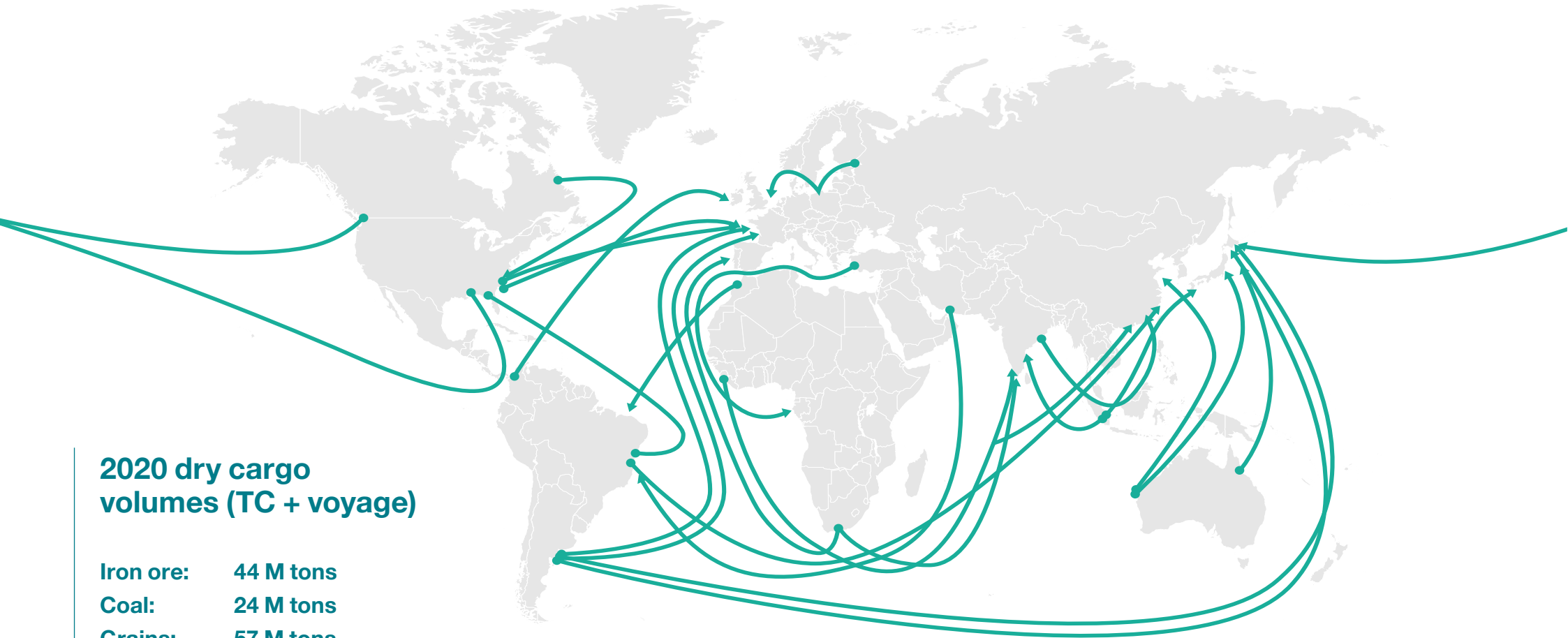


| | |
|--------|-----|
| Male | 60% |
| Female | 40% |

20+
nationalities
8
offices

55+ years of experience in providing customer-centric solutions.

Our global commodity flows



2020 dry cargo volumes (TC + voyage)

| | |
|--------------|-----------|
| Iron ore: | 44 M tons |
| Coal: | 24 M tons |
| Grains: | 57 M tons |
| Sugar: | 8 M tons |
| Bauxite: | 8 M tons |
| Fertilizers: | 17 M tons |
| Other: | 27 M tons |

185m
tons dry cargo

10m
tons wet cargo

4.5k
voyages

11.4k
port calls

Our stakeholders



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



Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping



RAINMAKING



STSA 



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

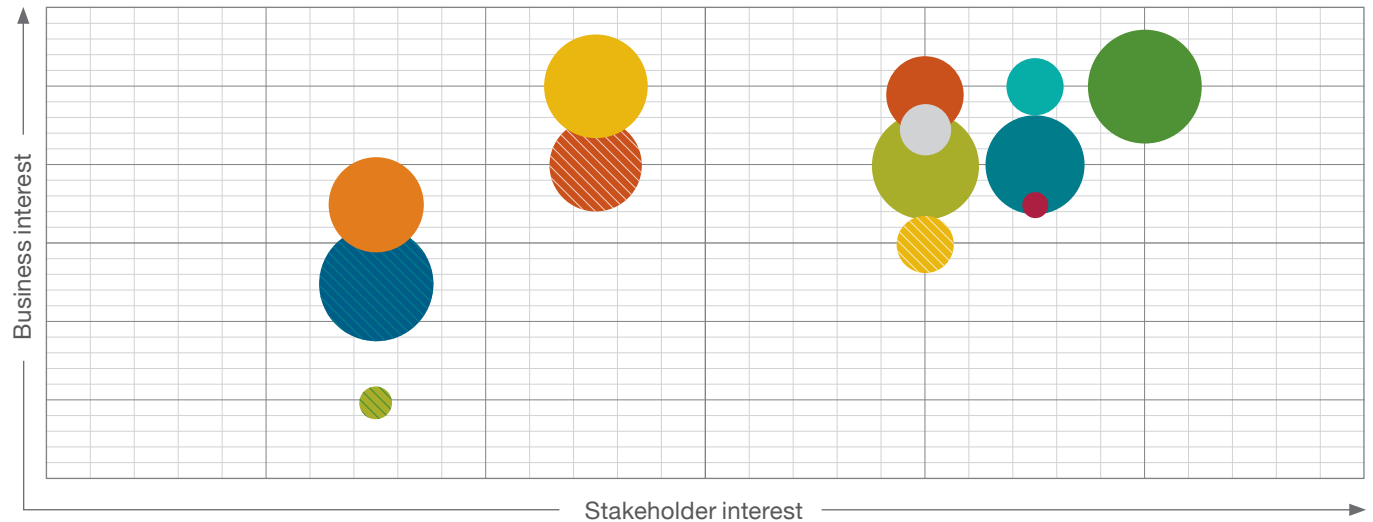


Material relevance

In 2017 we completed our first materiality assessment specifically for our ocean transportation business. This assessment has served as the basis for our first four sustainability reports and takes us through to the end of our 2020 targets. A new materiality assessment will take place this year.

The 2017 assessment was carried out in line with recognized practices. The results identified the five aspects most material to our business as follows:

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



Key

- | | |
|--|--|
| ● Waste | ● Inclusion and diversity |
| ● Partnerships | ● Biodiversity |
| ● Water scarcity | ● Seafarers well-being |
| ● Employee engagement | ● Safety and well-being |
| ● Security | ● Ship recycling |
| ● Anti-corruption | ● Emissions |
| ● Trade & economic development | |

Note: The axes illustrate the level of stakeholder or business interest; the bubble size indicates Cargill's ability to influence the issue.

2.

**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.

The issue

Seafaring is one of the most dangerous jobs that exist and 2020 was a testimony to this. Disruptions due to the Covid-19 pandemic left hundreds of thousands of seafarers stranded onboard ships beyond the expiry of their contracts, in some case for several months. The anxiety and isolation of spending extended periods of time away from their families, combined with the risk of accidents and often poor conditions, have escalated concerns about crew mental well-being.

In 2020, Covid-19 impacted the daily lives and well-being of seafarers in unprecedented ways causing a humanitarian crisis at sea.

| 2020 targets | Progress | |
|--|--|---|
| Maintain current share of 4- and 5-star rated vessels according to RightShip | 14% increase in 2020 |  |
| 100% of fleet RightShip approved | 100% |  |
| 100% of supplier contracts with a duration of one year or more align with our Supplier Code of Conduct | 100% |  |
| Establish a shipowner benchmarking tool to rate suppliers on their fleet operations and safety performance | Created in 2019 and rolled out progressively in 2020 |  |
| Achieve zero injuries within our offices | Zero injuries in 2020 |  |

Taking action to make progress

What we said in 2019

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 International Labor Organization (ILO) standards.

Continue to distribute Supplier Code to Conduct to all partners on contract for one year or more.

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.

What we did in 2020

Increased by 14% the number of 4- and 5-star rated vessels; increased by 21% the number of voyages conducted by 4- and 5-star rated vessels; and increased the average RightShip star rating for our long term time charter (LT TC) fleet to 4.21.

Continued to monitor and ensure that RightShip is used to vet all the vessels we charter. Ensured 100% compliance with ILO standards.

Distributed the Supplier Code of Conduct to all of our port agents, bunker fuel suppliers and shipowners.

Monitored our fleet constantly for safety related incidents and used our internal incident tracker to rate shipowner safety performance. Refined and improved the tracker tool in preparation for roll-out across the commercial teams in 2021.

Introduced the “See, Stay, Stop” principle and maintained regular safety related briefings with employees. **Participated in Cargill’s second Zero Harm Week**, with virtual trainings and presentations to emphasize the importance of psychological health and advice on how to manage stress. **Opened a new Employees Assistance Program hot line** that is covered by Cargill’s health insurance policy.

Covid-19 response and crew changeover crisis

Worked closely with our shipowners and partners to plan, facilitate and accelerate crew changeovers. Created and implemented an in-house tool to track and manage the length of time crews have been onboard our vessels. Played a lead role in the GMF Crew Change Task Force preparing and drafting the Neptune Declaration (launched January 2021).

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 and carbon-neutral future.

The issue

The IMO set a target in 2018 to reduce total GHG emissions from shipping by at least 50% by 2050 against a 2008 baseline, which includes reducing the carbon intensity of ships by at least 40% by 2030. A radical transformation is required and the maritime industry need to prioritize decarbonization.

Global shipping must reduce its GHG emissions by at least 50% by 2050. To achieve this, Zero Emission Vessels need to be operational and on the water by 2030.

2020 targets

15%

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

Progress

5%

reduction since 2016



80%

of our fleet will be rated A through D by RightShip

80%

in 2020



100%

compliance with the IMO's Global Sulphur Cap in 2020

100%

in 2020



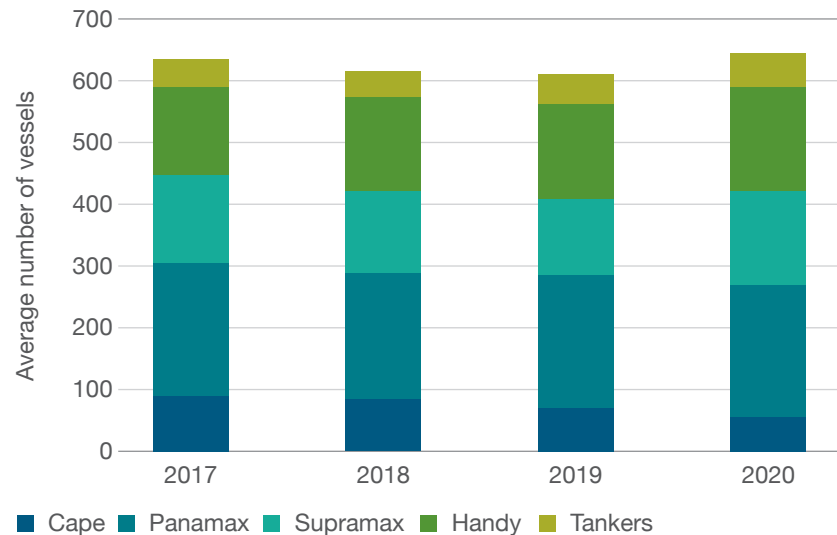
New 2030 targets

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

In 2019, Cargill adopted a Scope 3 target of reducing GHG across the company in its global supply chains by 30% per ton of product by 2030.

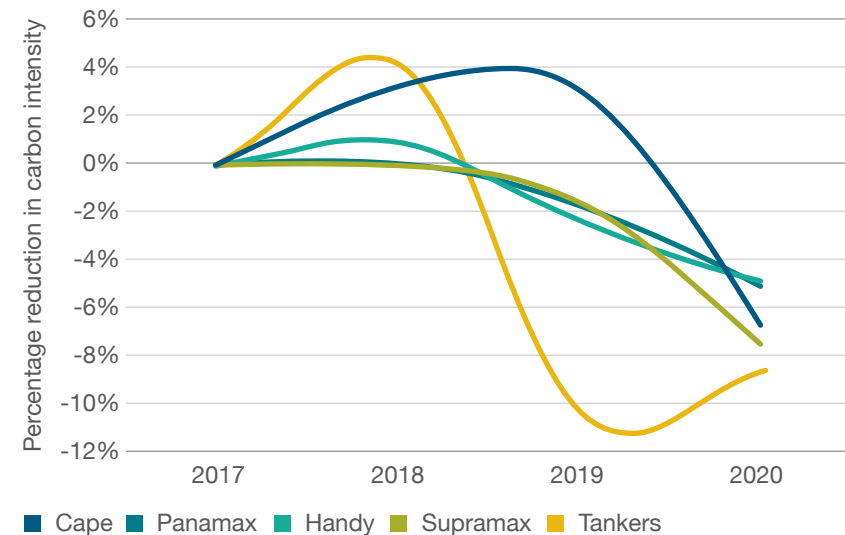
In 2019, Cargill joined the GMF's Getting To Zero Coalition (GTZ) alongside fellow maritime leaders in a collective commitment to get Zero Emission Vessels powered by net zero emission fuels onto the water by 2030

Our fleet evolves with our business strategy and since 2017 we have steadily increased the number of smaller sized vessels. As larger vessels allow more cargo to be carried with less emissions, we have worked hard to reduce CO₂ emissions across all vessel sizes.



Evolution of Cargill's fleet 2017-2020

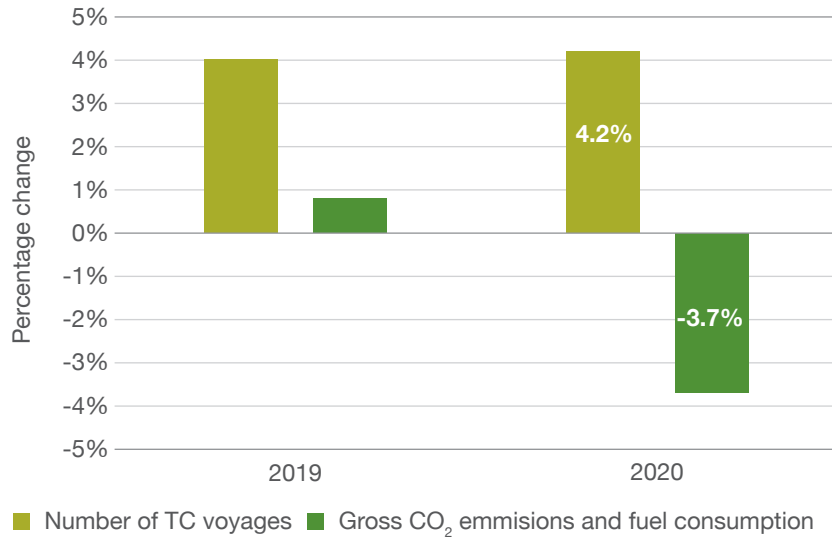
We have continually reduced the carbon intensity across all vessel sizes over the last four years by selecting more efficient vessels, by using digital tools to optimize vessel operations and by retrofitting energy saving devices to reduce CO₂ emissions.



Carbon intensity per vessel size

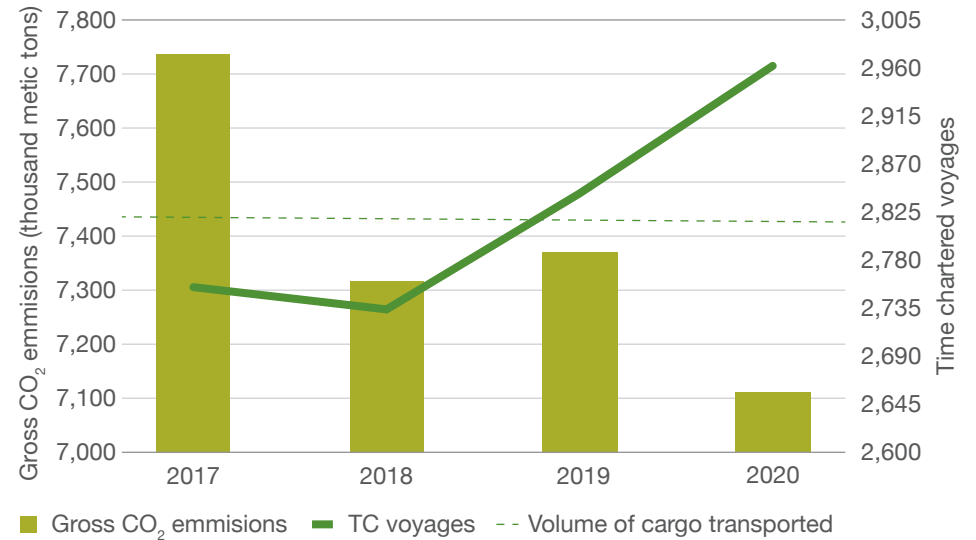
An evolving fleet with reduced carbon intensity across all vessel sizes.

Despite increasing the total number of time-chartered (TC) voyages last year, we significantly reduced our CO₂ emissions against 2019, demonstrating the growing impact of our continued efforts to operate a more energy-efficient fleet.



Percentage change against previous year for number of voyages and CO₂ emissions

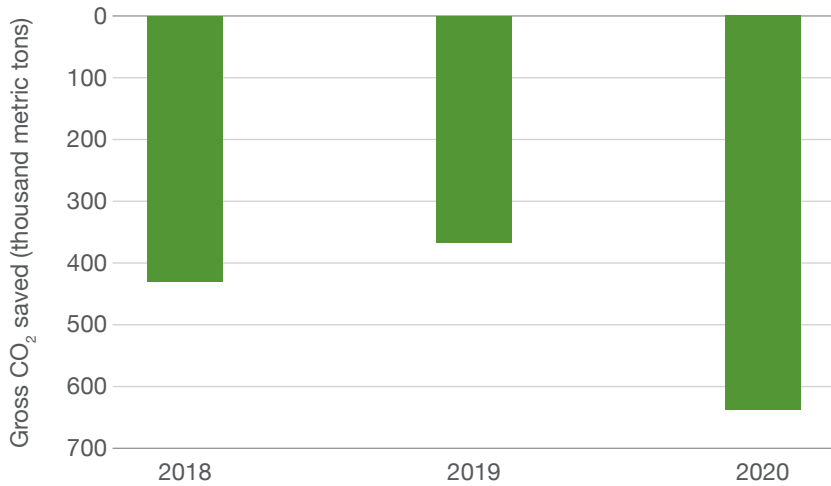
Over the last three years we have carried a similar volume of cargo and continually increased the number of TC voyages due to our fleet's evolution, yet decreased our fuel consumption and gross CO₂ emissions against 2017.



Gross CO₂ emissions, TC voyages and cargo transported 2017-2020

More voyages, similar volume of cargo, but significantly less CO₂ emissions.

Our significant reduction in fuel consumption against fuel consumption in 2017 for the last three consecutive years results in an aggregated gross CO₂ savings of just short of 1.5 million metric tons since 2017.



Gross CO₂ emmissions saved since 2017

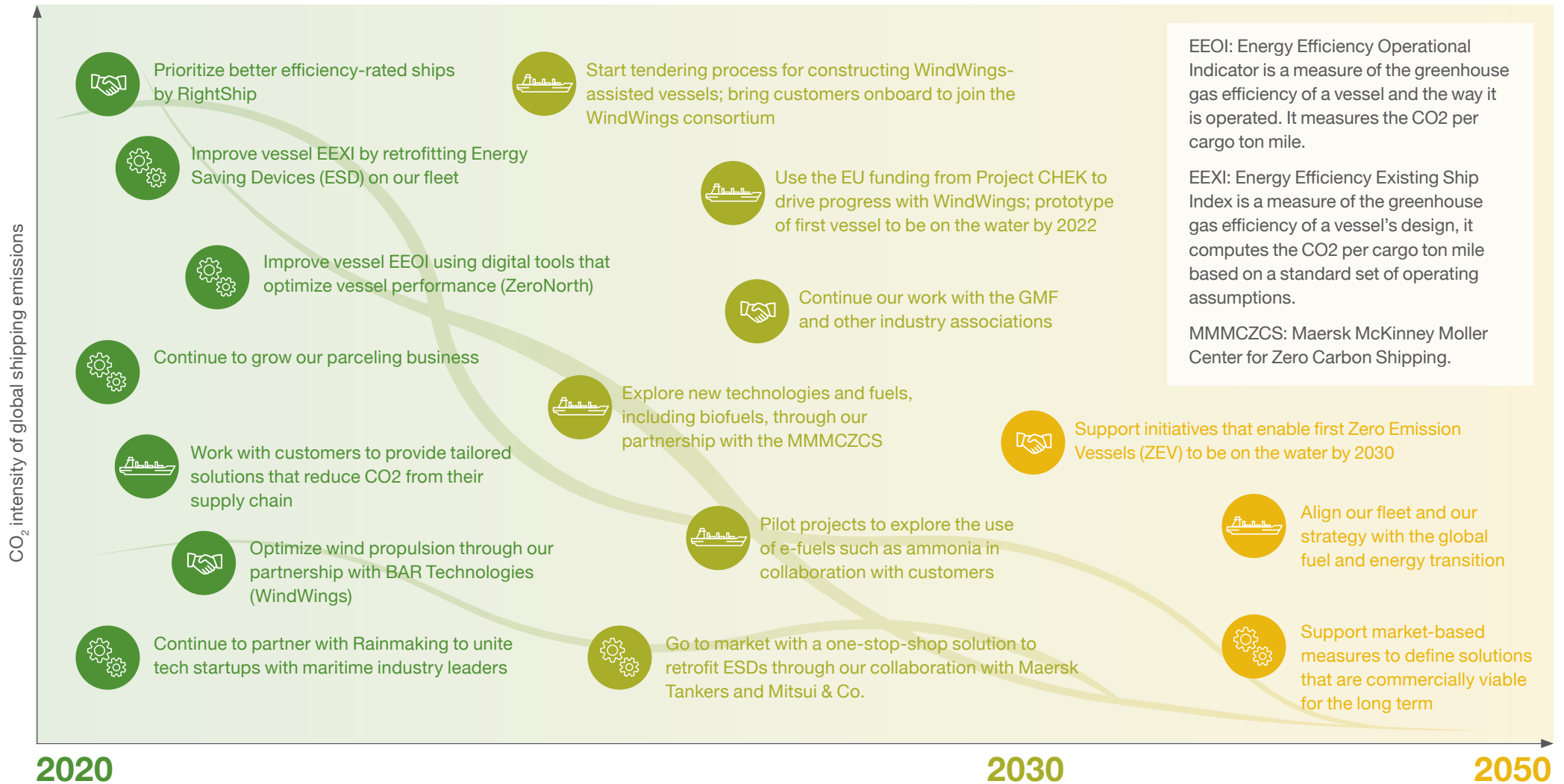
| | 2017 | 2018 | 2019 | 2020 |
|--|-------|-------|-------|-------|
| TC voyages | 2,756 | 2,735 | 2,845 | 2,965 |
| Volume of cargo transported (million metric tons) | 174.6 | 172.5 | 171 | 166.3 |
| Fuel consumption (thousand metric tons) | 2,481 | 2,342 | 2,361 | 2,274 |
| Gross CO₂ emmissions (thousand metric tons) | 7,740 | 7,309 | 7,371 | 7,102 |

TC voyages, cargo transported, fuel consumption and gross CO₂ emmissions

Almost 1.5 million metric tons of gross CO₂ emmissions saved since 2017.

Our 2050 pathway to ZERO

Our pathway is aligned with the **IMO's commitment** to reduce GHG from shipping by at least 50% by 2050; with the **Sea Cargo Charter's commitment** to set a new benchmark for responsible shipping and transparent climate reporting; and with **Cargill's commitment** to reduce GHG by 30% per ton of product across our global supply chains against a 2017 baseline.



Taking action to make progress

What we said in 2019

Promote accurate and transparent emissions reporting across the maritime industry.

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

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

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

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

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

What we did in 2020

Played a lead role in drafting and launching the Sea Cargo Charter (SCC), a new framework for assessing and disclosing the climate alignment of ship chartering activities around the globe that is aligned with the IMO's 2050 GHG target. The SCC will enable cargo-owners and shipowners to align their chartering activities with responsible environmental behavior and incentivize international shipping's decarbonization. **Cargill was founding signatory of the SCC.**

Installed around 3 million USD worth of energy saving equipment onboard some of our long-term time-charter vessels (13 vessels in total) since the end of 2019. The intention is to keep growing the program.

Initiated systematic checks on daily reported vessel consumption to ensure accurate reporting. Trialed digital tools that use naval architecture and AI to predict fuel consumption in all types of conditions (weather, speed and draft). **Implemented ZeroNorth's "Optimize" software** to optimize voyage speed. **Cargill also became a strategic investor in ZeroNorth in September 2020.**

Executed trials with a selection of vessels to optimize time spent in port and now analyzing the results to establish their effectiveness. Started to work on developing a power management dashboard tool to manage this.

Continued to save between 25 and 30% CO₂ emissions for our parceling customers versus their conventional shipping model. **Grown our parceling customer base customer base by 20%** by focusing on expanding our activities in North Brazil. Initiated discussions with customers to lock in long-term deals and strategic alliances.

Increased conversations with customers to understand and explore their interest in green shipping solutions. Noted significant additional demand for this and **already have two Memorandum of Understanding in place with customers** seeking to study the viability of green solutions (WindWings and new fuels).

Taking action to make progress

What we said in 2019

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

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

Partner with fellow industry leaders to explore and develop new fuel types and technologies.

Define and start delivering on the key goals and activities of the Global Maritime Forum's (GMF) 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.

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

What we did in 2020

Presented our three main bauxite/alumina customers with their respective carbon footprint. Helped them understand emissions reporting best practices (in line with the Sea Cargo Charter) so they can challenge their other freight suppliers and start reporting a consolidated shipping carbon footprint.

Made significant and rapid progress with our partner, BAR Technologies, and naval architect, Deltamarin - with modeling currently indicating fuel savings of 20% to 30%. On track to achieve the Approval In Principle in early 2021 and will start constructing the first MR product tankers with shipyards after that. In parallel, work began on implementing wind-assisted propulsion on dry bulk vessels.

Became a founding partner of the Maersk Mc-Kinney Moller Center for Zero Carbon Shipping (MMMCZCS) alongside A.P. Moller-Maersk, ABS, MAN Energy Solutions, Mitsubishi Heavy Industries, NYK Lines and Siemens. The MMMCZCS is a non-profit commercial foundation that serves as an independent research center designed to foster collaboration across the entire shipping sector. **Started work to increase the viability and scalability of biofuels as maritime fuel.**

Participated in the launch of the Getting To Zero (GTZ) coalition's webinar series that aims to bring transparency about future fuels and technologies to GTZ members, with an immediate focus on ammonia, methanol and hydrogen. The workstream is also developing an investor toolkit comprising a techno-economic model and risk register that will enable investors in the energy transition to better understand the risks and benefits of the different zero carbon fuels.

Defined our current policy on carbon offsets: Cargill Ocean Transportation will not use credits to offset carbon on a voyage by voyage basis by selling "net zero" voyages as this will not help the maritime industry reduce its CO₂ emissions. Our decision is aligned with the Sea Cargo Charter reporting which does not consider carbon offsetting when reporting emissions.

Continued our work with the GTZ coalition. **GTZ is developing a model that will highlight the competitiveness gap between fossil fuels and zero carbon fuels**, designed to enable regulators to make constructive decisions when considering which policies to support in relation to decarbonizing shipping.

3. Inclusion and diversity in our workforce

Cargill is committed to recruiting, developing and retaining a diverse workforce. We are building a more balanced and inclusive culture within our business whilst also pushing for progress across the maritime industry.

The issue

Despite progress in recent years, the maritime industry still suffers from a notable gender imbalance. Lack of inclusion, sub-standard feelings about personal safety, gender stereotyping, low numbers of females occupying senior roles and distinct inequalities in pay are just some of the reasons that make shipping unappealing to females.

In 2020, seafarers remained predominantly male and more than half of the onshore workforce was female, with the majority occupying junior or administrative roles.

2020 aspirational goal

10%
increase in female representation in leadership roles by 2020 compared to a 2015 baseline

Progress

2%
in 2020



2030 aspirational goal

50%
Gender Parity in leadership positions across Cargill globally by 2030

Taking action to make progress

What we said in 2019

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

Focus on providing career development opportunities and actively recruit a more diverse slate of candidates when interviewing for open positions.

Mentor and promote qualified internal talent.

What we did in 2020

Continued our efforts to create a positive and inclusive work environment that appeals to talents from all backgrounds. **Worked closely with Halcyon (recruitment firm specializing in maritime careers) as part of a GMF-led initiative to create an I&D charter for the shipping community, and participated in Halcyon's Global I&D Survey to benchmark how Cargill Ocean Transportation compares with similar organizations.** Provided all employees with the opportunity to undertake Unconscious Bias Training in line with our recognition that the better we understand biases and how they impact day to day decision making, the better we mitigate risks associated with them.

Explored a range of initiatives to maximize opportunities to hire qualified female talent, working closely with our recruiters and search firms to cast the net as widely as possible. We strive for diverse candidate slates that have 50% female and 50% male candidates. When hiring early career graduates as part of our talent pipeline we aspire to intake equal numbers of males and females.

Used our internal mentoring program to identify and support high-performing talents and help them grow toward future Cargill leaders.

As industry leaders, at Cargill we are committed to a culture that embraces and values differences

At the corporate level, Cargill is working hard to accelerate the inclusion and diversity of our global workforce and ensure everyone has an equitable opportunity to succeed. In 2016, Cargill signed the Paradigm for Parity™ coalition and the company aspires to 50% Gender Parity in leadership positions by 2030.

To do so, Cargill has debiased 1,000 job descriptions to make them gender neutral, added an Inclusive Leadership factor to our succession planning processes, and provided trainings on inclusive leadership learning/professional development, amongst many other actions.

2020 was also a key year in our fight against black racism in the U.S. In December, Cargill joined OneTen, uniting with more than 30 other leading companies to leverage our collective strength to drive meaningful, sustainable and systemic change that addresses one of the root causes of the racial divide in the U.S. – economic opportunity.

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.

The issue

Oceans play a critical role in stabilizing the 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.

Oceans must be protected, supported and maintained.

2020 targets

Progress

Include

Supplier Code of Conduct guidelines for best practices regarding waste management on all voyage instructions

100%

in 2020



Explore

the use of exhaust gas cleaning systems (scrubbers)

Complete



Zero

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

Zero

in 2020



Taking action to make progress

What we said in 2019

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 discussions about the Northern Sea Route (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.

What we did in 2020

Trialed the new incident tracker (which improves decision-making when procuring quality tonnage) with our commercial teams before rolling out a refined version across the global commercial teams. Continued to capture incidents and work with our shipowners on root cause analysis.

Continued to closely follow industry discussions about the NSR to assess the pros and cons, but **remain with our view that 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. Aligned with Cargill Transportation & Logistics** who have asked Cargill suppliers to not transit the NSR with Cargill container cargo.

Strictly adhered to industry regulations regarding our scrubber-fitted fleet at all times. Quickly rectified the small number of equipment malfunction, such as SO₂/CO₂ monitoring equipment or wash water PH sensors. Whilst the equipment was being repaired/replaced, vessel managers and crew followed the IMO recommendations in case of monitoring equipment malfunction.

Continued to follow industry research around scrubbers but noted a decline in general interest – the unexpected economics of 2020 made scrubbers a less interesting topic. **Paused our active installation program and currently working on a case by case basis.**

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.

The issue

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.

2020 targets

Zero

incidents of corrupt practices

Our Cargill code of Conduct outlines the company's ethical and compliance standards, based on seven Guiding Principles (listed on page 30) that are ingrained in our culture.

Progress

Zero

in 2020



Taking action to make progress

What we said in 2019

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.

What we did in 2020

Remained an active member of the Maritime Anti-Corruption Network (MACN) where our lead lawyer for our ocean transportation business serves as Vice Chair; **and of BIMCO (the international shipping association) where we are involved in drafting standard contracts** and clauses designed to create balanced and fair risk allocation between shipowners and charterers.

Continued to distribute our Supplier Code of Conduct which clearly outlines our zero tolerance for corrupt practices. Launched a project to adapt the Code of Conduct to make it more specific for shipping, tailoring certain aspects so that they better resonate with our external counterparties.

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.

The issue

Whilst ship recycling can be a safe and environmentally sound process, it also presents significant human and environmental dangers. When not conducted under safe and controlled conditions, injuries, work-related diseases and even fatalities can be frequent.

Breaking up structurally complex ships with insufficient safety controls and inspections is a major occupational and environmental health hazard.

2020 targets

Progress

Participate

Participate in industry discussions on ship recycling

Discussed with several of our shipowners but need to widen this now to regulators and other industry players involved in ship recycling



Develop

an engagement plan with shipowners and regulators

Work in progress



Taking action to make progress

What we said in 2019

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.

Develop an engagement plan with shipowners and regulators.

What we did in 2020

Kept this topic on our radar, but did not make the progress we had envisaged. Industry events were replaced with online events which complicated making new personal contacts.

Continued to discuss this internally but did not progress to the next stage. More work needs to be done on this with our long term shipowner partners.

Proactively discussed with some of our shipowners to better understand the destiny of the vessels we charter. In doing so, we established that most of our shipowners sell their vessels on to other shipowners before they are ready for recycling. This makes ship recycling an issue where our ability to influence in our role as a charterer complicated, especially as the average age of our fleet is around just 7 years.

3.

**Our
corporate
approach to
sustainability**

About Cargill

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

We are
155K
employees

Working in
70
countries

With more than
155
years of
experience

Delivering for
customers
in more than
125
countries

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



Our business

Every day, we connect farmers with markets, customers with ingredients, and people and animals with the food they need to *thrive*.

For farmers

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



We provide insights to our partners



We transform raw materials into finished goods



For customers

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



We move products around the world



How we work

Our 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.

Cargill's 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 and corporate responsibility

Our purpose is to nourish the world in a safe, responsible and sustainable way. It is who we are. It is why we exist. As the world faces extraordinary challenges – from climate change to food insecurity – delivering on our purpose is more critical than ever before.

Our global Sustainability and Corporate Responsibility strategy sets clear priorities based on the most material issues to our business. We identified these by evaluating the environmental, social and economic impacts of our diverse business and supply

chains and in close partnership with external stakeholders. As we drive progress against these areas, we will do so by engaging, empowering and advancing sustainable practices across farm and field, because we believe agriculture is how we will deliver.

Agriculture is how we help people and the planet thrive.

As the world joins in advancing the U.N. Sustainable Development Goals, we believe

that many of the solutions to the challenges we are facing can be found in the very place our food system begins: Agriculture. Agriculture can be a force for good. We aim to empower farmers and workers, support local communities, promote safe and fair working conditions and ensure food is nutritious and plentiful for all. We are also driving progress on priorities that safeguard our planet and ensure we are operating our business in a sustainable way. Through our work with key partners, collaborative

initiatives with our customers and through constantly innovating the products and services that we offer, we are committed to creating impactful change that leverages our scale of operations and reach.

By empowering farming communities, protecting land and regenerating our soils, we will nourish this growing population – safely, responsibly and sustainably.

Statement of fact

Company name: CARGILL INTERNATIONAL SA

Subject: Corporate Sustainability Report of Cargill Ocean Transportation

Version No.: 2020 Report

Assessment date: 2021-03-11

Statement number: 110285528 -21 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 2020 Corporate Sustainability Report of Cargill Ocean Transportation reflect the actual emissions.

Issued in Hamburg, 11 March, 2021,

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Guido Carstensen





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