Land Use and Forest Sustainability Advisory Panel – November 2020 Meeting held virtually on 16 November, 2020

Panel Member Attendees	Justin Adams, Tropical Forest Alliance John Buchanan, Conservation International Maria Giraudo, Global Farmer Network Marina Piatto, Imaflora Marcos Sawaya Jank, INSPER Carlos Ortiz, Independent Agribusiness Advisor Luiz Amaral [Standing in for Anne Rosenbarger, World Resources Institute] Nigel Sizer, Rainforest Alliance Roz Naylor, Stanford University
Cargill Attendees	David MacLennan, Chief Executive Officer [for first hour] Ruth Kimmelshue, Chief Sustainability Officer and Business Operations and Supply Chain Leader Paulo Sousa, President, Brazil Jill Kolling, Vice President, Global Sustainability Michelle Grogg, Vice President, Corporate Responsibility John Hartmann, Cargill Ag Supply Chain Sustainability Lead Nick Martell-Bundock, Senior Director, Land Use Renata Nogueira, Cargill Ag Supply Chain Sustainability Lead, South America
Guest Attendee	Carlos Quintela, Chemonics International – Land Innovation Fund
Facilitator	Brendan May, Robertsbridge

SUMMARY OF MEETING NOTES

1. Opening and CEO Update

- David MacLennan welcomed the panel members and shared appreciation for their participation.
- MacLennan emphasized that sustainability is the most pressing issue for the food and agriculture industry, for this decade and beyond. To reinforce this, Cargill has integrated sustainability into the company's corporate strategy, which was discussed and approved by the board of directors.
- MacLennan also acknowledged that Cargill cannot solve the world's greatest sustainability challenges on its own. Meaningful progress will require active participation across the supply chain.

2. Cargill's Theory of Change

 Ruth Kimmelshue shared Cargill's theory of change for ending deforestation in critical supply chains, resting on three core concepts that are grounded in continued farmer engagement:

- Supply chain traceability and mapping efforts should be risk-calibrated.
- Prioritization should direct resources toward the highest-risk suppliers from the highest-risk areas.
- Sector-wide transformation is necessary to truly protect vital ecosystems.
- Key discussion points among the panel included the need for Cargill to:
 - Define risk-calibrated approach; develop a decision tree that indicates the consequences associated with the risks in question
 - Clearly communicate supplier expectations for compliance and non-compliance
 - o Drive collective action across stakeholders, including producers
 - Develop incentive mechanisms for farmers
 - Identify 1-2 key metrics to indicate progress
- The panel advised Cargill on the need for more specificity to ensure its theory of change is able to drive meaningful supply chain transformation.

3. Sustainability Updates

- Kimmelshue also shared key progress made across Cargill's sustainability focus areas of land use, climate change, water resources, farmer livelihoods, and human rights:
 - Earlier this summer, Cargill launched new, context-based <u>water targets</u> that prioritize action where it's needed most. The approach was developed in close partnership with the World Resources Institute.
 - Cargill recently announced a commitment to help farmers adopt soil health and regenerative agriculture practices on <u>10 million acres</u> of cropland in North America by 2030 – a key step in delivering the company's climate and water ambitions.
 - Cargill is engaging with external experts to look at opportunities to address the impact of land conversion on the prevalence of zoonotic diseases.

4. Land Innovation Fund for Sustainable Livelihoods

- Carlos Quintela provided an overview of Cargill's partnership with Chemonics on the \$30 million Land Innovation Fund for Sustainable Livelihoods; focusing on the fund approach, grant process and timeline of the fund.
 - The fund has four farm-focused innovation pathways: finance, production, engagement, and conservation.
 - The fund is focused on three biomes (Amazon, Cerrado, Gran Chaco) across five countries, with an immediate focus on the Brazilian Cerrado.
 - The implementation approach centers around a strong farm focus, adaptive management and gradual growth, pipeline development, and partnership building.
- Panelist discussion emphasized the need for farmer-focused solutions, increased urgency and scale, multi-stakeholder engagement and alignment, and established KPIs that can be used to measure and report progress over time.

7. The Panel agreed to reconvene in April 2021.