

A photograph of a woman in a yellow sari carrying a large, round, reddish-brown clay pot balanced on her head. She is smiling and looking towards the camera. Her hands are raised, supporting the pot. In the background, other women are visible, some also carrying pots, and a man wearing a bright pink turban. The scene is set outdoors in a bright, sunny environment.

**Finding the
right balance**

Corporate citizenship is a concept that goes by many names in the business community – sustainability, corporate social responsibility, stewardship, and others. At Cargill, we define corporate citizenship as our total impact on society and the environment. Our commitment is built on four cornerstones:

Business practices – how we behave as a company

People practices – how we treat our employees

Environmental practices – how we treat the world around us

Community involvement – how we interact with communities and other stakeholders

Our responsibilities as a corporate citizen extend not only to our own operations but to the wider communities we impact. We work with our business and community partners to foster sustainable economic development, provide meaningful impact in communities and promote responsible business practices in our supply chains.

Contents

Message from Greg Page, 1

Accessible, safe, nutritious food, 2

Responsible sourcing, 8

Environmental stewardship, 14

Global stakeholders, 20

Message from Greg Page

Thank you for your interest in Cargill's Corporate Citizenship Review. Preparing this review has given us a chance to reflect on our progress toward improving our performance in the markets and communities we serve. At Cargill, we call this "corporate citizenship" and we define it as our "total impact on society and the environment."

Corporate citizenship is not a single goal, an award we can win or the responsibility of a special department. It is part of everything we do, every day – as employees, as businesses and as a global company. It is a process of continually improving our standards, our actions and our practices. It is a journey.

Today, Cargill has 158,000 employees in 66 countries. We serve agriculture, food, industrial and financial markets. We are responsible for the safe handling of food that nourishes millions of people around the world. And we are responsible for the environmental footprint and safe operation of more than 1,200 facilities.

Our responsibility also extends to our customers, who rely on us for quality and – increasingly – for the assurance that we can monitor the environmental and social impact of our products and services through the supply chain.

Our responsibility is even more acute because 75,000 of our employees – and more than 40 percent of our net assets – are in developing countries. We have unprecedented opportunities to help thousands of families rise from poverty. At the same time, many of those countries face issues ranging from deforestation to unacceptable labor practices – and our actions offer the possibility of improving industry practices.

We are committed to improving our greenhouse gas intensity by 8 percent by 2010. We also pledge to improve our water use efficiency by 2 percent by 2010. Between 2001 and 2005, Cargill businesses improved energy efficiency by 10 percent. We've set a goal to further improve energy efficiency by 20 percent by 2010, and to source 10 percent of our energy from renewable sources by then.

We recognize that the journey toward reaching our goals won't always be smooth.

This report describes some of the challenges, some of the successes, and some of the areas where we need to improve as a corporate citizen. We believe we can reduce our environmental footprint. We aim to be a constructive force where we do business, providing a positive impact on the lives of our employees, our suppliers, our customers and communities.

These aspirations are the right thing to do. But make no mistake – they also are *essential* to good business. Cargill's success is linked to our success as a good corporate citizen. We can't have one without the other.



Greg Page
Chairman and Chief Executive Officer

Cargill is an international provider of food, agricultural and risk management products and services. With 158,000 employees in 66 countries, we are committed to using our knowledge and experience to collaborate with customers to help them succeed.





Loading soybeans in the Amazon

Accessible, safe, nutritious food

Cargill's focus on food and agriculture puts us in a unique position to help address growing challenges in the global food supply that range from food safety and security to hunger and obesity.

By sourcing food effectively and moving it efficiently, Cargill can help meet the demands of a growing population. By developing innovative feeds and food ingredients, we can enhance the nutritive value of food. And by maintaining a successful business, we can continue to buy food from millions of farmers and have a positive impact on local and global economies.

Ensuring access to wholesome food

According to the World Health Organization, 1.2 billion adults are overweight. Conversely, United Nations data indicates that more than 800 million people are undernourished. Cargill is involved in addressing these issues throughout the food chain, both in developed and developing regions of the world.

Cargill has been at the forefront of helping customers – some of the biggest names in the food business – eliminate trans fat from their products. These efforts range from developing unique canola varieties to reformulating products that make them healthier while maintaining the taste consumers want.

Functional foods have a role to play in providing healthier food. For example, our CoroWise™ plant sterols are being added to

orange juice, milk and other products to help protect against heart disease.

Our specialty ingredients also provide health benefits including ActiStar™ starch, which has half the calories of regular starch. Our Zerose™ erythritol is a non-caloric sweetener that does not promote tooth decay. These and other ingredients allow our customers to create foods that combine convenience and great taste with health safeguards.

In the developing world, we are helping fortify foods with soy protein. For a farmer in Honduras suffering from HIV/AIDS, a bag of Cargill high-protein soy flour delivers vital nutrition that helps medicines work better. Through a Cargill-supported organization called the World Initiative on Soy in Human Health, we provide soy protein to fortify the biscuits that children may eat at school.

We also are helping to redefine the way people look at food with our Feed for Food™ program. The old adage that “you are what you eat” also applies to livestock. We are setting quality standards and organizing traceability systems to ensure that the feed is

Partnering with leaders in global health and nutrition

“In order to address the burden of disease in the United States and around the world, strategies to improve nutrition and fitness need to be more broadly applied,” said William Dietz, M.D., Ph.D., director of the Centers for Disease Control and Prevention Division of Nutrition, Physical Activity, and Obesity. “Cargill’s work with CDC on international flour fortification and workplace wellness programs makes them an innovative leader in global health improvement.”



Accessible, safe, nutritious food

tailored to the end product for consumers. In Italy's famous Parma region, special Cargill feeds help local dairy producers supply high-protein milk prized by producers of Parmesan cheese.

Leading in food safety

Our food businesses have implemented Hazard Analysis and Critical Control Point (HACCP) plans for all of our facilities around the world. HACCP plans anticipate points at which food safety challenges exist, then develop programs to prevent problems. We also ascribe to the Codex Alimentarius standards developed

Cargill's animal feed business in Italy has food-grade quality control systems in place to improve safety, nutrition and traceability to food products such as Parmesan cheese.



by the United Nations' Food and Agriculture Organization and World Health Organization.

Cargill was a pioneer in steam pasteurization to reduce *E. coli* in the meat industry – a technology we shared with the industry, rather than keeping it proprietary for a competitive advantage. More recently, we adopted lactic acid washes, steam vacuuming and UV scans in our meat facilities. The hide-on carcass wash we introduced dramatically reduces the presence of *E. coli* 0157:H7, the most virulent pathogen in beef production.

Today, we are looking farther back in the meat production process, seeking ways to prevent *E. coli* buildup in the feedlot and on the farm. We are also looking down the fabrication process, developing grinding processes that could help reduce the chance of spreading pathogens in value-added meat products.

We share our experience in food safety with customers around the world. For example, two top managers from Corporate Food Safety went to Shanghai to conduct a food safety seminar for quality assurance and operations managers who work for our customers.

Addressing animal health and welfare

The North American beef industry was shaken by fears of bovine spongiform encephalopathy (BSE), or mad cow disease, when BSE swept through Europe, then was found in North America. Cargill worked with Canadian and U.S. government officials to develop programs to help prevent and manage the disease in cattle herds and manage sick animals.



Sharing expertise in food safety

Cargill and America's Second Harvest have partnered for more than 15 years to strengthen food safety among the largest network of food banks. Cargill's food safety experts teamed with Second Harvest to revise and distribute safe food-handling and HACCP training manuals to 200 Second Harvest affiliates. Cargill also is supporting the Global Foodbanking Network activities in Ghana and Mexico.



Cargill's commitment to food safety extends throughout the supply chain.

A few years later, when the virulent H5N1 strain of avian influenza emerged in Asia as a threat to poultry flocks and human health, we formed an internal task force to analyze scenarios for global outbreaks, brought in world-class experts, and helped form a global consortium to teach thousands of small-scale poultry farmers about the disease, how it spreads and how to recognize it.

Cargill also held education sessions in Thailand and China and sponsored work by TechnoServe, a non-governmental organization, in Mozambique to provide farmers a stronger understanding of

avian influenza. That allowed them to protect themselves, their families, their birds and their livelihoods.

When Thailand suffered the world's first human deaths from avian influenza H5N1, Cargill trained Thai government officials to conduct real-time polymerase-chain reaction (PCR) testing for the deadly strain, donating testing kits until the government could secure its own supply.

To encourage collaboration on addressing avian influenza, Cargill and McDonald's led the creation of a public-private

Expanding animal health surveillance

Cargill and the Wildlife Conservation Society are working together to examine health links among humans, livestock, and wildlife, and to monitor for avian influenza and other wildlife diseases. Cargill committed \$1.5 million to expand a surveillance network for avian influenza in Indonesia and Vietnam, and introduce a grants program for animal health projects in Brazil.



Accessible, safe, nutritious food

partnership called SSAFE, which stands for Safe Supply of Affordable Food Everywhere. Specifically, SSAFE targets collaboration between intergovernmental agencies and private industry – two sectors that traditionally had minimal contact. One of its first actions was co-sponsoring a meeting in Bangkok, Thailand, involving the Food and Agricultural Organization of the United Nations, the World Bank and others. About 60 representatives from food companies, governments and non-governmental organizations shared their expertise in food safety and training.

The Bangkok meeting paved the way for the International Ministerial Pledging Conference on Avian and Human Pandemic

A Cargill lab technician tests eggs at our Sun Valley Thailand poultry facility.



Influenza in Beijing, China. A total of \$1.9 billion was pledged by attending countries to help affected countries fight outbreaks of avian influenza.

In 2006, Bio Economic Research Associates (Bio-Era), recognized Cargill with its “outstanding global leadership” award for its response to the global threat posed by H5N1 avian influenza. Other organizations honored with the award were The Wildlife Conservation Society and the United Nations.

Handling genetically engineered crops

Cargill recognizes the tremendous value of biotechnology and the potential it offers to help farmers more effectively feed and clothe the world. We also are aware of the reluctance with which some consumers and producers view biotech crops – and the challenges that governments face in regulating them.

We use our capacity for sourcing, identity preservation and logistics to give customers a choice, an opportunity to access the products they want, whether genetically modified or traditional.

One example is our Signature Growers™ program that enables specialty producers to link up with users of their grain. The program begins by designating select hybrid seeds. It prescribes an identity preservation protocol, from planting to delivery, that assures compliance with customer requirements. It also takes advantage of Cargill's long-term work to build global markets for differentiated grains.



Supporting business training for tortilla makers

Cargill is partnering with small, family-owned tortilla makers in Mexico to provide business services and skills for their long-term success. With the number of tortillerías increasing by 20 percent per year and demand for tortillas remaining steady, not all of them will survive. To help their tortilla customers, Cargill's white corn business is investing in training programs that bring modern business and food safety practices to these traditional businesses.

“Our experience with Cargill demonstrates that public private partnerships can be really effective in addressing some of the world’s most challenging nutrition issues.”

Jim Hershey, World Initiative on Soy in Human Health

Providing nutrition for children

Tackling nutrition and health is a colossal task. United Nations data indicates that more than 800 million people are undernourished – 25 percent of those are children. Through our businesses and our charitable giving, we aim to provide access to safe, nutritious, affordable food and stimulate markets that help families rise from poverty.

Cargill invests more than \$16 million each year to support programs that ensure children have access to nutritious food, clean water and quality education. One example is our global partnership with United Nations World Food Programme (WFP).

Between 2002 and 2006, we contributed \$2 million to support WFP’s school feeding and de-worming programs in parts of Central America and Africa. In 2007, we announced another three-year, \$3 million commitment to extend our partnership to parts of Java, Indonesia – bringing food, de-worming medication, hygiene instruction, and 125 new drinking water wells to schools serving more than 30,000 children.



Cargill and the United Nations World Food Programme are working together to bring food, medication and potable water to schoolchildren in Central America and Indonesia.

Even where food is plentiful, good nutrition can be a challenge. To help teach children to make healthy food choices, Cargill supports programs in partnership with the Centers for Disease Control, the CDC Foundation, American School Health Association, the National Institute on Media and the Family and others that promote nutrition education and physical activity in schools in the United Kingdom and United States.

Enhancing nutrition in Honduras

“There is a great need for protein security in many communities where up to 30 percent of children are stunted, malnourished and protein insecure. Cargill and WISHH have been working together in Honduras since 2003 to address these issues through innovative projects that have resulted in improved nutrition health among children and people living with HIV.”

Jim Hershey, President of the World Initiative on Soy in Human Health (WISHH)





Cargill operates palm plantations in Indonesia and Papua New Guinea and is a member of the Roundtable on Sustainable Palm Oil.

Responsible sourcing

Responsible sourcing is a vital part of our commitment to corporate citizenship. We believe that economic development can be compatible with – and complementary to – environmental protection. Our stance on business conduct and integrity, labor practices and environmental standards is global, even when those standards exceed local requirements.

Promoting economic security and stability

In emerging economies we buy from small-holder producers, provide agricultural training and technology, support the development of farmer cooperatives, and help deliver better pricing systems and market access for the products farmers produce.

In Vietnam, we are involved in an effort to create a new cocoa industry for the country – a force for rural development. In Thailand, we are in a partnership to help farmers revitalize a primitive tapioca industry.

Cargill has become the buyer of choice in Romania among local farmers because we post market prices and maintain accurate scales at our buying points. Allowing growers to see the world price and understand how local prices are computed builds trust – and can boost their returns. This simply wasn't available to them in the past.

In the Voronezh region of central Russia, Cargill improved market access and created sustainable rural incomes. We helped 120 farms improve the quality of their malting barley and reduce crop waste. In turn, because the average farm in the area employs 100

people, incomes rose for approximately 12,000 people – an economic boost that affected entire communities.

In Hindi, “saathi” means “partner,” and it sums up our approach to sourcing grains in India. At our Saathi™ Centers throughout India, local farmers can sell their crops at rural warehouses where they are assured of transparent market information, scientific quality testing, accurate weights and immediate cash payments. This is a stark contrast to the traditional *mandi* – a crowded market where no prices are posted and crops are judged on the basis of visual inspection instead of scientific tests.

Price transparency also is a hallmark of our relationships with the 200,000 small family farms in East and Southern Africa that supply half of our cotton. We support those growers not only through fair buying practices, but also by providing technical support and microlending. In fact, 90,000 African cotton farmers attend our farmer meetings and training sessions each year.

We are finding ways to improve economic security in developed economies as well. In the United States, farmers told us their No.1 concern was the cost of healthcare. Our Cargill AgHorizons

Promoting better agricultural practices in Africa

High quality cotton, grown in a sustainable way, is essential to the economies and the livelihoods of farming communities in cotton-growing countries. By investing in the ginning business, Cargill has built closer relationships with cotton farmers and cooperatives to help them improve the quality and productivity of their crops and support better agricultural management practices. Today, Cargill works with more than 200,000 communal farmers and has established more than 400 cotton-buying stations in East and Southern Africa.





Cargill is finding unique ways to help farmer customers in North America address rising health insurance and education costs for their families.

business developed the Harvest Health™ program that contributes a portion of a farmer's grain sales to a health savings account for his or her family. This program has spawned the Harvest Scholars™ program, through which a portion of the value of the grain that farmers sell to Cargill is placed in college savings accounts for their families.

Promoting responsible labor practices

Cargill is one of the world's major originators and processors of cocoa beans. Although cocoa is grown in several areas throughout the world, West Africa produces nearly three-quarters of the

world's cocoa. Cocoa is grown almost entirely on small, mainly family owned, farms in rural areas across West Africa where the whole family may work together to grow cocoa, especially at peak times of the year such as harvest. We are concerned about the safety and well-being of children who may be involved in dangerous, excessive, abusive or forced work on farms, which is why we are committed to working toward a supply chain where no children are subject to these conditions.

We know that education plays a vital role in sensitizing communities about appropriate farm practices and safety for cocoa farmers and their families. Through our own farmer training programs, we are able to teach farmers to open cocoa-pods without the use of sharp machetes, apply pesticides in a safe and appropriate manner when children are not present, and educate farmers on the issue of child labor.

We encourage school attendance and safe farm practices as a means to ensure that children are not placed in dangerous situations. We are partnering with CARE to support school enrollment and child labor awareness programs in 30 communities in the Ashanti Region of Ghana. Our partnership with The European Institute for Cooperation and Development has led to 40 family farm schools for cocoa growing communities in Cameroon and Cote d'Ivoire.

Additionally, as part of a global cocoa and chocolate industry effort to address abusive child labor conditions in West Africa, we are working to design and implement a cocoa certification system that addresses abusive child labor conditions in the West African cocoa sector.



Defining sustainable agriculture

Cargill has joined with growers, non-governmental organizations and other industry partners to participate in The Keystone Center's Sustainable Ag Initiative. We subscribe to its definition that sustainable agriculture can meet the needs of the present while improving the ability of future generations to meet their own needs by:

- Increasing productivity to meet future nutritional needs while decreasing impacts on the environment
- Improving human health through access to safe, nutritious food
- Improving the social and economic well-being of agricultural communities



A Cargill crop surveyor visits farms to forecast the Ghana cocoa harvest and counsel farmers on harvesting and about child labor concerns.

In Brazil, unethical labor contractors called *gatos* prey upon hungry people in villages with high unemployment where many of these forced laborers end up in the country's charcoal industry. The charcoal they produce may find its way to be used as fuel in the furnaces that produce pig iron that Cargill trades to steel markets in the United States and Taiwan.

We expect our pig iron suppliers to certify that the charcoal used in their operations is produced responsibly, without coercive labor practices. These suppliers know that we reserve the right to terminate their contracts if we find they use forced labor.

Cargill adheres to a strict policy against the use of illegal, abusive or forced labor anywhere we do business in the world.

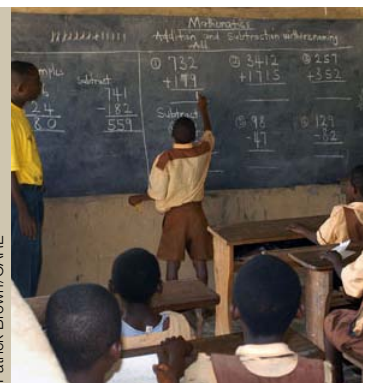
We also actively support organizations that address these labor issues, including Brazil's Citizens Institute of Charcoal, which inspected more than 900 charcoal suppliers to ensure that workers were not subject to abusive or coercive labor practices. Any companies found in violation are required by the Institute to correct their labor practices immediately.

In 2006, Cargill signed Brazil's National Pact for the Eradication of Slave Labor, which was developed by the Brazilian government, the International Labor Organization and the Ethos Institute of

Improving sourcing practices

"Cargill has helped fund a project in Ghana that is successfully working with groups of farmers and extension workers to improve cocoa productivity and also reduce reliance on child labor. The project focuses on enhancing the quality and relevancy of education opportunities for children and families engaged in cocoa production, while contributing to the long-term sustainability of cocoa farming."

From the 2007 CARE Report: "Galvanizing Communities to End Child Labor"



Patrick Brown/CARE

Social Responsibility. As a signatory to the Brazilian National Pact, Cargill honors the *Black* list published by the Brazilian federal government. The system, administered by the Labor Ministry and Public Prosecutor, monitors and audits claims against producers and industries suspected of illegal and abusive labor practices. Reporter Brasil, a non-governmental organization affiliated with the ILO, publishes the list and identifies producers who have failed audits on slave labor. Cargill will not do business with any supplier who appears on this list after failing remediation and appeal processes.

Balancing complex issues in the Amazon

The soybean industry served by our export terminal in Santarém, Brazil, has generated attention in the world press. The issues are complex. Farming in the Amazon could promote deforestation in one of the most important conservation areas of the world. Yet, around Santarém, forests were cut many decades ago for rubber and cassava plantations. And Santarém, a 346-year-old city of 260,000, is an impoverished area in need of economic development.

In 2003, Cargill opened a port terminal on the Tapajos River near the Amazon River. The facility was built at an existing port and primarily designed to ship grain barged to the facility from outside the state of Amazon. The terminal was designed to relieve significant overcrowding at Brazil's southern ports and give Brazilian farmers better access to world markets. State government officials asked Cargill to work with local farmers as well, even though production in the Santarém area provides only a small percentage of the soybeans passing through the terminal.

“The bottom line for the environmental community is that Cargill is too important to ignore. We work together or we hang separately.”

David Cleary, The Nature Conservancy

Cargill opposes further deforestation in the Amazon rainforest. To address concerns that the port could be contributing to deforestation in the Amazon, Cargill made two significant moves.

First, we helped organize the major soybean exporters in Brazil to support a two-year industry moratorium on purchasing soybeans from farmers who cut Amazon forest after July 2006. We are collaborating with industry associations and non-governmental organizations and the Brazilian government to map and monitor the rainforest ecosystem, helping to create zoning for agricultural and reserve lands.

Brazil's strict Forest Code requires that 80 percent of farmland in the Amazon be forest. But on most of the area farms, the land had been cleared many years before the arrival of today's farmers. To comply with the law, farmers will have to restore old pastures to forest or help compensate for future forest preservation. Farmers are not foresters, so they need some time and assistance to get into compliance with Brazil's Forest Code. They are working hard to improve a situation that most of them had no role in creating.



Engaging non-governmental organizations as partners

“Today, Cargill engages with a wide range of stakeholders on sustainable agriculture and performance standards. Cargill also supports cutting edge research on how to rehabilitate degraded lands for agriculture to increase production and reduce habitat loss. In a short time, Cargill has moved from being uncomfortable working with NGOs to seeing them as valued partners.”

Jason Clay, Senior Vice President, Markets, World Wildlife Fund

Cargill's other major action – which happened prior to the moratorium – was to partner with The Nature Conservancy. Cargill and The Nature Conservancy launched the Responsible Soy Project in 2004 to assist local farmers in the Santarém region – most of whom farm less than 400 acres (160 hectares) – in getting into compliance with the Forest Code.

Part of the project includes six reforestation demonstration sites administered by The Nature Conservancy – sites that showcase the possibilities of reforestation and provide living libraries to guide farmers. The Nature Conservancy, with Cargill support, also is working with individual farmers on reforestation plans, farm by farm.

In Santarém, Cargill will purchase soybeans only from farmers who are in compliance with the Forest Code or who are actively engaged with The Nature Conservancy to get into compliance. Growers who clear forested land or refuse to work on compliance have been identified and dropped from Cargill's list of approved suppliers.

With support from Cargill, The Nature Conservancy has established a monitoring system that allows Cargill to tell what is happening to the vegetation on all of the farms in the Santarém area that supply soybeans to Cargill's local terminal. Any deforestation is apparent.

There are areas of rainforest in the Amazon being unlawfully cut down. We believe that our presence and our policies can instead help promote responsible economic development.



Inspecting a native tree seedling in the Amazon rainforest

Helping shape responsible supply chains

Cargill is becoming increasingly engaged with a wide variety of stakeholders who share our interest in promoting responsible supply chains. In the past two years, we have joined the Round Table on Responsible Soy, the Roundtable on Sustainable Palm Oil, the Better Sugar Initiative, the Keystone Center's Sustainable Agriculture Initiative, among others. In these multi-sector coalitions, Cargill is working alongside non-governmental organizations, industry partners, government representatives, trade associations, producer groups and other stakeholders to identify responsible and sustainable agricultural practices and encourage their adoption around the world.

Conserving tropical rainforests

"Partnering with Cargill is both challenging and rewarding. Challenging because Cargill is a large and complex organization, and not all parts of it think or act the same way. Rewarding because there is nothing more important to tropical conservation than engaging the major players in the agribusiness sector and helping them improve their environmental performance."

David Cleary, Director, Conservation Strategies – South America, The Nature Conservancy





Helping steward the Mississippi River

Environmental stewardship

Cargill's commitment to the environment grows from our vision to be the global leader in nourishing people. Food and feed depend upon clean water, clean soil, clean air and sunlight. Whether we are improving the performance of our operating locations or developing better agriculture practices with our farmer customers, we are finding ways to preserve and protect the environment.

We know that the health of our food and agriculture businesses, our customers, and our communities relate directly to wise stewardship of environmental resources. We are also very aware that our size and global footprint create high expectations for leadership in responsible environmental practices.

Reducing our footprint

Honoring the laws of the locations in which we are privileged to operate is the foundation of all that we do, but it also is not enough.

In a world of finite resources, we understand that the availability and affordability of essential inputs like water and energy are key concerns for the sustainability of our businesses. We also know that wise stewardship of environmental resources is not our challenge alone. We strive to build knowledge and understanding in our communities, and to bring services and products to the marketplace to help others reduce their environmental footprint.

More than a decade ago, Cargill launched "Water Matters," a comprehensive effort to raise awareness among our employees and in our communities about this precious commodity. With partners like The Conservation Fund, The Groundwater

Foundation, and Living Lands and Waters, thousands of Cargill employees have participated in more than 350 local water-quality protection, preservation and education programs in communities where we do business.

That work was followed by an aggressive undertaking beginning in 1998: measuring energy and water use and waste generation across our global asset base. In 2001, we adopted corporate goals to improve energy efficiency by 10 percent by 2005 and reduce waste generation by 30 percent.

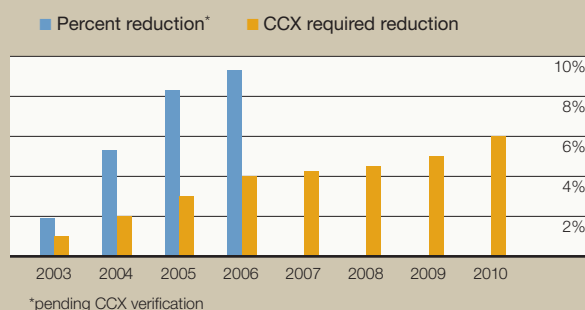
We met those goals, and established more aggressive goals for 2010:

- 20 percent gain in energy efficiency over baseline 2001;
- 10 percent of energy derived from renewable resources;
- 8 percent improvement in greenhouse gas (GHG) intensity over baseline 2006;
- 2 percent gain in freshwater use efficiency over baseline 2006.

In addition, we made a voluntary but legally binding commitment to reduce absolute GHG emissions from our U.S. locations by joining the Chicago Climate Exchange. That commitment

Cargill-Chicago Climate Exchange (CCX)

In joining CCX in 2007, Cargill committed to achieve a six percent reduction in greenhouse gas emissions at its U.S. operations by 2010, from a baseline of the company's average greenhouse gas emissions during 1998-2001.



Environmental stewardship

requires us to reduce emissions by 6 percent by 2010 from a 1998-2001 baseline, and to achieve annual milestones along the way.

Achieving environmental goals of this magnitude is a substantial undertaking, and particularly so for plants like ours that are already widely considered among the most efficient in our industries. We recognize that achieving these goals requires a substantial investment in technology, process improvement and behaviors. Corporate allocations totaling \$135 million for process-optimizing and energy-related work – separate and apart from our usual capital allocations processes – are producing results. Not only is this investment facilitating achievement of our goals, it has also produced energy cost savings of \$143 million in fiscal year 2007 alone.

Sharing our knowledge

As our environmental commitment has matured, we have taken our strong foundation in assuring compliance and managing risk to the marketplace – helping others to leverage the opportunities that reside in their own processes. The evolution of thinking – from assuring compliance to managing risk to leveraging opportunity – is worthy of a few examples.

Cargill Meat Solutions operates beef processing plants across the United States. Process water waste is treated in large lagoons. Due to the sulfur content of incoming water, the lagoons at one location risked exceeding air emission limitations for sulfur dioxide.

To address that situation, we installed giant tents over the lagoons to capture the biogas they emitted. That biogas is high

in methane content, a powerful greenhouse gas. Our engineers designed a means to condition the methane and use it as fuel in the processing plant boilers.

Those systems have now been installed at all plants, displacing 20-25 percent of all natural gas demand and reducing greenhouse gas emissions by 325,000 metric tons annually.

But that is not the end of the story.

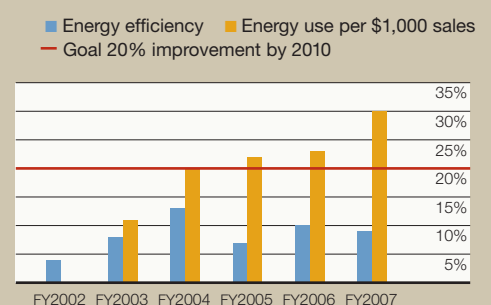
This technology is now the backbone of our carbon-credit-origination business. Methane capture from the breakdown of organic wastes is a recognized GHG reduction methodology under Kyoto's Clean Development Mechanism, and potentially creates tradable certified emission reduction credits. Cargill Environmental Finance takes our deep knowledge of this technology and Kyoto processes to our locations and our customers, and develops renewable energy resources and valuable carbon credits in the process.

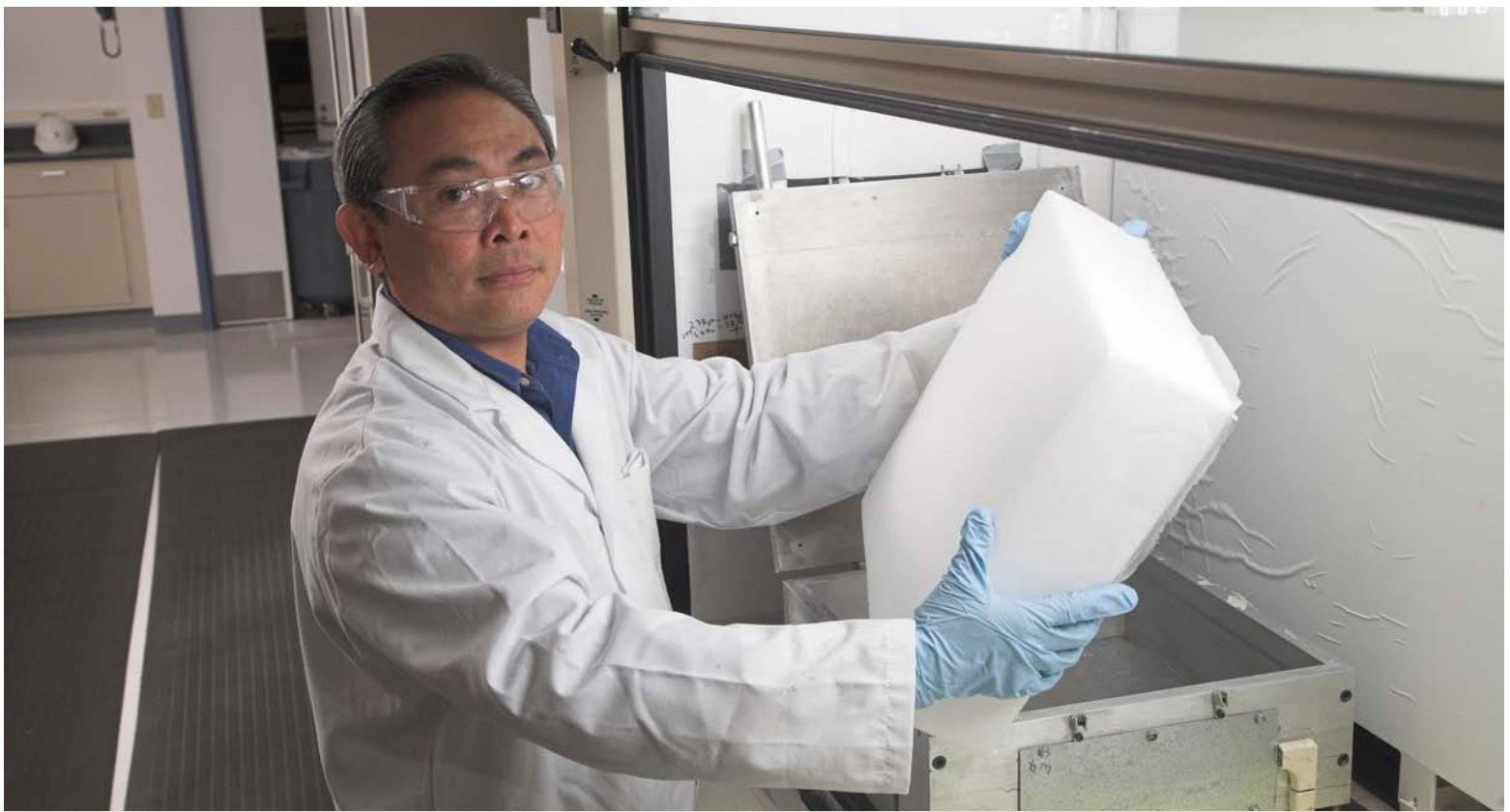
And we're finding other opportunities for sharing our engineering know-how in the marketplace.

We developed a proprietary library of knowledge on thermal energy and process modeling that helped our businesses improve their energy efficiency. That service is now extended to our customers and the broader marketplace by Cargill Process Optimization, another emerging business. In more than 100 internal and customer engagements, the group has produced documented, sustainable energy savings of 5 percent to 15 percent, effluent reductions of 5 percent to 25 percent, raw material savings of 2 percent to 5 percent, and capacity increases of 2 percent to 10 percent.

Cargill energy efficiency

Cargill's goal is to improve energy efficiency by 20 percent against fiscal year 2001 baseline, normalized for growth. Energy efficiency is measured as a function of both production and sales revenue, using two metrics.





Cargill's bio-based foam comes from soybeans and is catching the attention of furniture makers and auto manufacturers for its improved carbon footprint.

Bringing new products – and new questions – to the marketplace

Among our most widely recognized environmentally preferable products is our biodegradable polymer derived from corn. NatureWorks® resin can be crafted into rigid or flexible packaging, and Ingeo® fibers can be used for apparel or home furnishings with equal success.

Turning corn into plastic replaces petroleum in the plastic industry. It saves energy, using 68 percent less fossil fuel to produce than petroleum-based plastics. Adding to the favorable energy profile, NatureWorks offsets the energy used at its Blair, Nebraska, facility by purchasing renewable energy credits from wind and other certified “green” power sources which makes NatureWorks polymer the world’s first greenhouse-gas-neutral polymer, and makes NatureWorks one of the top 25 U.S. corporate consumers of green energy.

And because it is compostable, recyclable and easy to incinerate, NatureWorks polymer can reduce landfill waste by hundreds of millions of pounds per year.

NatureWorks made headlines when Wal-Mart pledged to replace 114 million conventional plastic food containers with our polymer, representing a reduction of 11 million pounds of greenhouse gas emissions. But overall, sales have been lower than we projected. The polymer market is still one where sales can be won or lost on fractions of pennies per pound.

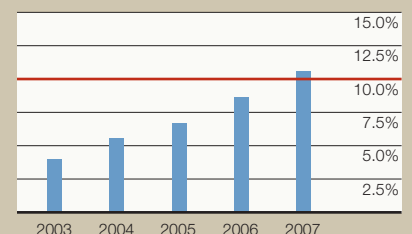
Despite these challenges, Cargill continues to invest in opportunities complementary to our core competencies and processes.

We developed an array of bio-based oils and lubricants suitable for industrial applications. We’ve also developed a bio-based wax, which is used not only as a substitute for paraffin in candles, but

Renewable energy

Cargill uses a variety of renewable energy sources including biogas, landfill gas, biofuels such as biodiesel, ethanol and tallow and biomass such as hulls and bagasse. Cargill has increased renewable energy use to over 10 percent of total demand.

— Goal 10% use by 2010



Environmental stewardship

also as a coating for boxes and containers. And in 2007, Cargill's BiOH™ polyol, a bio-based substitute for petroleum-based foams used in furniture applications, received the Presidential Green Chemistry Challenge Award from the U.S. EPA.

Biofuels made from renewable feedstocks – including corn, soybeans, wheat or cellulose – have captured worldwide attention. With \$1 billion invested in biofuel production, Cargill is the No. 4 producer of biofuels in the United States and has production facilities in Europe and Brazil.

Cargill is working with Fauna and Flora International on strategies for orangutan protection in the rainforest of Borneo's Gunung Palung National Park.



The booming market for biofuels, including ethanol and biodiesel, also raises important questions.

Biofuels generate increased demand for agricultural feedstocks such as corn, soybeans, cereals and sugarcane, providing opportunities for farmers and traders and the promise of greater energy security.

However, there is a pressing need for dialogue among governments, industry and the public to build understanding of how the world's need for affordable food and energy intersect. We aim to help develop a balanced, market-driven approach to ensuring an affordable food supply and a sustainable energy industry.

Confronting new challenges

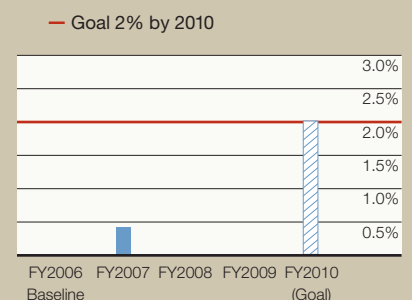
As we grow in sensitive environments around the world, we face new challenges in understanding the total impact of our business on society and the environment ... and in working with others to find the right balance between our commitment to supply a growing population's demand for safe and nutritious food and our commitment to protecting the environment.

Thirty-four Cargill businesses operate in countries identified as "biodiversity hotspots" by Conservation International. That's why we are working with key environmental organizations to understand how our activities may affect threatened species and ecosystems.

We bought our first oil palm plantation in 1995, spurred by worldwide enthusiasm for an oil source that is highly productive, free of trans fats, solidifies without hydrogenation and also

Freshwater efficiency

Cargill's goal is to improve freshwater efficiency by 2 percent against fiscal year 2006 baseline, normalized for production.



serves as a great feedstock for biofuels. Today we own 12 palm oil refineries around the world and operate 1 percent of the oil palm acreage in Indonesia and Papua New Guinea.

As a member of the Roundtable on Sustainable Palm Oil (RSPO), Cargill will not develop plantations on land classified as High Conservation Value Forest. Cargill is also one of 15 plantation operators voluntarily testing RSPO sustainability criteria. An assessment of our policies and practices will determine whether they meet the Roundtable's criteria.

Some of our palm plantations are in areas that are the home territory for magnificent and endangered creatures. In West Kalimantan, Indonesia, we are working with Fauna and Flora International to protect and monitor orangutan populations. At our Higaturu Plantation in Papua New Guinea, we have partnered with Conservation International to protect the last remaining habitat for the rare Queen Alexandra Birdwing Butterfly.

We also are working with Conservation International to assess the effectiveness of our efforts to address the impact of palm plantations on freshwater systems and the marine estuaries into which they drain. We want to know if our erosion controls and riparian buffer strips are effective at preventing sediments and nutrients from entering these sensitive waters.

Restoring habitat in San Francisco Bay

Vital habitat is not just found in the far reaches of the South Seas. In the shadow of San Francisco, California, the shores of San Francisco Bay provide a vital feeding or nesting ground for more than 280 species of birds, including several endangered species.

“My view is that oil palm is here to stay, so we want it to be as sustainable as possible. Cargill already is raising the bar on safety issues here. It can have the same effect on lessening any impact on the environment, but that process will take time.”

David Mitchell, Conservation International, Papua New Guinea

Cargill has long been a careful steward of the birds that have relied for 150 years on our salt ponds as habitat. When years of planning and engineering by our Salt team consolidated our San Francisco Bay operations on less than half of our original acreage, we saw a restoration opportunity.

Cargill sold 16,500 acres of our salt ponds and processing areas to a federal, state and private coalition at less than half of its appraised value, donating \$143 million to account for the rest of its worth. The transfer set the stage for one of the world's most ambitious wetland habitat restoration programs.

To help convert the salt ponds to other wetland habitats, Cargill employees helped map a scientifically sound path to restoration. The company actively participated in the challenging process of returning the wetlands to their natural state.

In April 2006, nearly 500 acres of former salt ponds opened to the tides of the San Francisco Bay – a proud moment for Cargill and its government and environmental group partners.

Conserving the world's largest butterfly

The only place in the world to find the endangered Queen Alexandra Birdwing Butterfly (QABB) is in the Oro Province of Papua New Guinea where Cargill operates an oil-palm plantation. Cargill has partnered with Conservation International to survey the QABB population to determine the habitat it needs to survive. The findings will inform land-use management plans and identify actions that can be taken to support conservation of the QABB.





Cargill employees lend their time and talent to thousands of organizations around the world.

Global stakeholders

Our most fundamental impact may be the relationships we build – with our employees, contractors, suppliers, partners, customers and neighbors around the world. Those relationships are at the core of our performance measures: engaged employees, satisfied customers, enriched communities and profitable growth.

Safety is our greatest responsibility

The clearest demonstration of our respect for our employees, contractors, suppliers, partners, customers and neighbors is an unyielding commitment to personal safety. Enabling all of us who work at or visit our locations to return home safely to our families and communities is our number one priority.

In 2005, Cargill set goals to achieve a reportable injury frequency rate of 3.0 by the end of FY 2010, a 35 percent improvement. Despite growth, which added 35 percent more workers to our family in remote parts of the world since that goal was established, we are on track to achieve that number.

We also are determined to deploy behavior-based safety systems to all 1,100+ Cargill locations by 2010. We expect these programs to build even greater awareness and ownership of safety among all employees. We also expect these programs to assist us in building safety as a value – an expectation that we will not let each other fail in our collective efforts to build safer workplaces and communities.

We have a single, strict set of safety expectations for Cargill businesses globally. As we expand the geographic reach of our

businesses, enforcing these expectations often requires us to build a safety culture from the ground up – one supervisor, one contractor and one employee at a time. Those are not small challenges. But we're making progress.

And as we move into new businesses, we must manage new threats to the safety of those who work for us where governmental and social services lack capacity to do so.

For example, as we built an oilseeds refinery in the remote and poverty-stricken port city of Paradip, India, we also built a culture of safety and respect for human life. We managed more than 1,500 contractors on-site, of various cultures and languages. Many arrived for work in bare feet. With focus on a few simple safety rules enforced absolutely, Cargill built that plant in less than a year, logging 2.1 million hours without a lost time accident and only six first-aid incidents. And we've seen our safety practices transfer to other locations in the community. At a nearby state-run port that receives crude oil for Cargill's refinery, workers now wear hard hats. And state officials have asked Cargill people to provide safety training in the community.

Cargill worldwide

Cargill has more than 158,000 employees in 66 countries.

North America
59,000 employees

Europe/Africa
25,000 employees

Asia/Pacific
35,000 employees

Latin America
39,000 employees

HIV/AIDS is a growing problem in the Oro Plains of Papua New Guinea where our Higaturu Oil Palm Plantation is located. Cargill is the largest employer in the province, with 2,700 employees on payroll, and 19,000 residents in company accommodations.

Working with the National Department of Health for Papua New Guinea and the Asian Development Bank, Cargill will help support health education in the schools and renovate clinics and provide health care workers with training on HIV services.

Upgrading the clinics in the area around the Higaturu plantation will not only help Papua New Guinea better understand and treat

Eighth grade students participating in an HIV/AIDS education class at Siroga School on the Higaturu palm plantation.



“If we don’t do something about HIV, we won’t have a workforce and we won’t have a business.”

Graham King, General Manger of Cargill’s Higaturu Plantation

existing cases of HIV in the region, but also prevent new cases and provide other health care services for the rural population.

Engaging our workforce – fostering a supportive atmosphere

Creating a safe, secure and healthy work environment goes beyond reducing physical hazards.

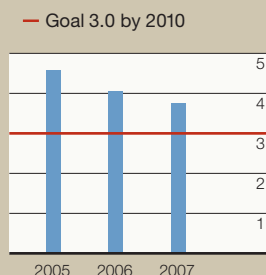
Cargill rises or falls on the actions of its employees. It is critical that we foster an environment that promotes motivated, engaged employees.

We are committed to maximizing the talents and capabilities of everyone who works for our company – regardless of race, religion, gender, age or sexual orientation – to create a non-threatening work environment for all employees.

Diversity Councils in North America involve employees in helping to create an equitable, safe and supportive business environment. The councils have established formal and informal mentoring programs, including a global partnership for mentoring women

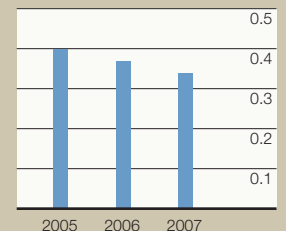
Reportable Injury Frequency Rate (RIFR)

Cargill’s goal is to reduce reportable injury rate to 3 reportable injuries per 200,000 hours worked. Reporting definition is based on United States Occupational Safety and Health Administration reporting criteria.



Disabling Frequency Rate (DFR)

Disabling Frequency Rate (DFR) measures lost time injuries per 200,000 hours worked. Reporting definition is based on United State Occupational Safety and Health Administration reporting criteria.



and a reverse mentoring program called Mentor Up that pairs middle management mentors with senior executives.

At our Sun Valley plant in England, it's not easy for some of our employees to be newcomers in a land where we have seen a tenfold increase in the number of foreign-born workers in the past three years. Most are from Eastern Europe or Africa, and many face challenges because they do not speak English.

Here we are helping those workers integrate more successfully into British society by offering English language classes.

At some of our cattle feeding and meat plant locations in the United States, managers take Spanish classes to help them communicate more effectively with employees, and the employees get free access to on-site English classes.

Cargill is being recognized for its work atmosphere. It repeatedly has been named one of the top 150 companies to work for in Brazil, where we employ 22,000 people, by Brazilian business magazine *Guia EXAME*. Hewitt Associates, the international HR firm, has named Cargill Honduras as one of the 25 best employers in Latin America no fewer than three times.

Employee attitudes are formally measured every 12 to 18 months. A company-wide employee engagement survey assesses how individual Cargill employees feel about the company and the facility where he or she works. The results of those engagement surveys affect managers' performance reviews, and they guide policy decisions all the way to the top.



Employees safely working at Cargill's vegetable oil refinery in Paradip, India.

In 2007, we completed our fifth cycle of measuring engagement around the company. The initial survey in 2001 established engagement at 50 percent – about average for Fortune 500 companies. Engagement has risen to 64 percent, and there is motivation to keep up the momentum. Research shows that performance measurably increases when 66 percent or more of employees respond as being engaged.

Enriching our local communities

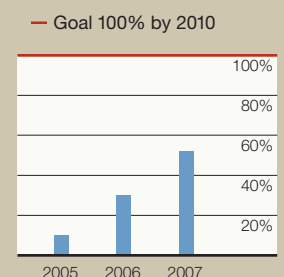
Being a good corporate citizen means being a good local citizen. Cargill has a culture of volunteerism – often in partnership with social-service agencies.

Our community support, more than \$37 million annually, focuses on three key areas:

- Nutrition and health
- Innovation in education
- Environmental stewardship

Behavior safety deployment

Cargill is committed to promoting safe work behaviors. Development of formal behavior safety processes includes management support, active employee engagement, observation/feedback and removing barriers to safe behaviors.



Global stakeholders

Funding for community involvement flows from several directions in the company. Individual businesses support community projects. Support from the Cargill Citizenship Fund augments many of those contributions and supports large, global partnerships. And Cargill Cares Councils – employee-led groups in Asia, Africa, Europe, and North and South America – target local business unit funds to benefit their local communities.

We have 225 Cargill Cares Councils on five continents. Each council chooses community projects to support, partners with local non-profit groups, raises funds for local efforts, secures corporate grants for key organizations, and harnesses the

Cargill's "Grain by Grain" nutrition and gardening program has reached more than 55,000 children in Brazilian schools.



volunteer energy of thousands of employees to help make our communities better places for our neighbors.

For example, more than 4,000 employees of our Sun Valley Central America meat businesses in Guatemala, Honduras, Nicaragua and Costa Rica have volunteered for community activities.

In Thailand, Cargill Cares teams have built more than 70 homes, including 49 after the 2005 tsunami that leveled towns along the Thai coast. The group's goal is to build more than 100 houses by 2010.

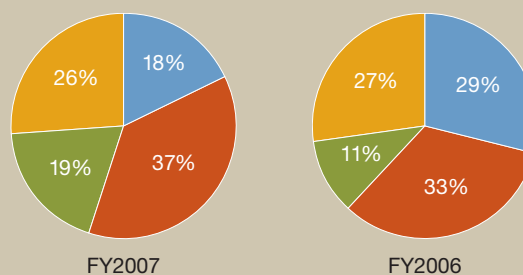
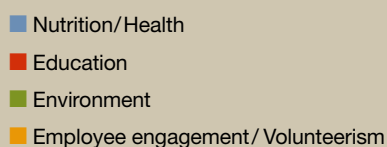
In 2007, the president of Honduras presented Cargill with the nation's first Socially Responsible Company award. The award, sponsored by FUNDARSE, the Honduran Corporate Social Responsibility Foundation, took into account business ethics, people practices, environmental responsibility, community action and responsible marketing. Cargill, with a score of 89 percent in the ratings, was the only entrant to exceed the award committee's threshold of 80.

In Vietnam, the country's labor newspaper named Cargill the "Best U.S. Company in Vietnam." It wrote: "There are foreign investors who pay attention to developing Vietnam's labor force and operating ethically. One such company is Cargill." In particular, the newspaper referred to Cargill's farmer-education projects and its effort to build six schools in rural areas. (The school-building effort has continued, and the count was up to 18 in 2007.)

Citizenship is hard to measure, but it is vital for success. Corporate citizenship is at the foundation of our business, our license to operate and our chance to reach out and make meaningful contributions to the world around us.

Cargill Citizenship Fund giving by focus area

Through the Cargill Citizenship Fund, Cargill supports programs and projects that improve nutrition and health, education and environmental stewardship in communities where Cargill has a presence.



Our vision

Our purpose is to be the global leader in nourishing people. **Our mission** is to create distinctive value. **Our approach** is to be trustworthy, creative and enterprising. **Our performance measures** are engaged employees, satisfied customers, enriched communities and profitable growth.

Our guiding principles

In all parts of the world, we are governed by Cargill's Guiding Principles. They serve as the foundation of our shared values and expected behavior of all employees:

1. Cargill will comply with the laws of all countries to which it is subject.
2. Cargill will not knowingly assist any third party to violate any law of any country, by creating false documents or any other means.
3. Cargill will not pay or receive bribes or participate in any other unethical, fraudulent or corrupt practice.
4. Cargill will always honor all business obligations that it undertakes with absolute integrity.
5. Cargill will keep its business records in a manner that accurately reflects the true nature of its business transactions.
6. Cargill managers and supervisors will be responsible that employees, consultants, and contract workers under their supervision are familiar with applicable laws and company policies and comply with them. Further, they will be responsible for preventing, detecting, and reporting any violations of law or Cargill policies.
7. Cargill employees will not become involved in situations that create a conflict of interest between the company and the employee.

Strategic partners

Cargill works with many exceptional organizations to improve nutrition and health, education and the environment in our communities. The list below includes the partners we have highlighted in this report, and their Web sites:

- America's Second Harvest – www.secondharvest.org
- CARE – www.care.org
- Centers for Disease Control and Prevention and the CDC Foundation – www.cdc.gov
- Conservation International – www.conservation.org
- Fauna and Flora International – www.fauna-flora.org
- Global Alliance for Improved Nutrition – www.gainhealth.org
- Global Foodbanking Network – www.globalfoodbanking.org
- Global Water Challenge – United Nations Foundation – www.globalwaterchallenge.org
- Living Lands and Waters – www.livinglandsandwaters.org
- Technoserve – www.technoserve.org
- The Conservation Fund – www.conservationfund.org
- The Groundwater Foundation – www.groundwater.org
- The Nature Conservancy – www.nature.org
- United Nations World Food Programme – www.wfp.org
- Wildlife Conservation Society – www.wcs.org
- World Initiative on Soy in Human Health – www.wishh.org
- World Wildlife Fund – www.wwf.org



Cargill Corporate Affairs

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