Our purpose

Creating connections to empower agriculture

Our values

**Integrity**
We set high standards and hold ourselves accountable.

**Inclusion**
We believe excellence and growth stem from diverse thinking.

**Safety**
We put the well-being of our people, customers and communities first every day.

**Cooperative spirit**
We work together for shared success and to strengthen our communities.

"Our sustainability journey will never end. We look to the future with optimism and excitement for what we will achieve together as part of a strong, sustainable cooperative system."
Our sustainability journey

Sustainability is not a new concept for those of us who live and work in agriculture. We care for the Earth, for our businesses and for each other in ways that look toward the future — not just protecting and preserving our resources, but striving to make our world a little better with every opportunity, every day.

At the same time, at CHS, we know we can do more. With this first-ever enterprisewide CHS Sustainability Report, you will get a glimpse of our efforts in our three sustainability fundamentals: environmental stewardship, community well-being and economic viability. The initiatives touched on here are just a few of the ways we are working to sustain our owners and customers, our employees, our communities, our company and the cooperative system.

As we continue to focus on sustainability, we invite you to join us. Help us identify how and where we can do better. Share your ideas for how to address those needs. Celebrate with us as progress is made.

Our sustainability journey will never end. We look to the future with optimism and excitement for what we will achieve together as part of a strong, sustainable cooperative system.

Jay Debertin
President and chief executive officer
Caring for our owners and our communities

Our cooperative system was built on providing value that comes from managing and maintaining resources and supporting our owners, customers and employees. Sustaining farm and ranch families, cooperatives and the communities where we live and work is the foundation of our purpose: Creating connections to empower agriculture.

Environmental Stewardship

- **Nutrient management**
  Responsible crop nutrient use to feed crops and improve soil health

- **Technology and innovation**
  Applying new technologies to enhance use of natural resources

- **Energy use**
  Effective, appropriate use of energy sources

- **Water**
  Efficient water use and protecting water resources

Community Well-being

- **Member education**
  Offering programs and resources to build owner skills and knowledge

- **Community engagement**
  Working together to strengthen communities

- **Community investment**
  Providing resources that help communities thrive

- **Health and safety**
  Providing safe, healthy environments

Economic Viability

- **Employee development**
  Investing in people to ensure we have the best talent to achieve results

- **Compliance**
  Understanding and following laws and ethical behavior

- **Economic performance**
  Financial results that help achieve business and enterprise goals

- **Owner return**
  Member-owners participate in financial success
What sustainability means for CHS

Creating connections to empower agriculture

Three fundamentals make up the CHS approach to sustainability: environmental stewardship, community well-being and economic viability. Those fundamentals reinforce how working to improve sustainability connects to our values of integrity, safety, inclusion and cooperative spirit and helps us fulfill our purpose of creating connections to empower agriculture.

Work is underway by CHS teams to establish baselines, noting areas of excellence and identifying opportunities for improvement. We will set realistic goals and performance indicators to track our progress as we enhance sustainability for our owners, our communities and the world.
Nutrient Management

Responsible crop nutrient use to feed crops and improve soil health

As a major U.S. crop nutrients supplier, CHS plays a critical role in promoting cost-effective and environmentally sound fertilizer use. From developing products that help fertilizers work more efficiently to participating in industrywide programs that help farmers control nutrient applications, CHS is focused on improving nutrient management.

Applying the 4Rs
CHS has long been an active participant in The Fertilizer Institute and its 4Rs of Nutrient Stewardship.

Commitment to the program includes:
• Providing 4R training for agronomists and farmers
• Serving on industry task forces to develop and support 4R practices
• Working with farmers on extensive soil testing to determine appropriate fertilizer application rates and monitor soil health
• Providing technology and services for variable-rate fertilizer application, which provides the right nutrient application rate for each acre, based on soil productivity, cropping plans and local conditions
• Participating in the 4R Acre initiative to encourage growers to apply 4R practices on more acres throughout the U.S.
• Introducing YieldPoint Advanced Soil Analytics to help growers and their agronomists view a more complete biological soil profile to determine precise nutrient needs and suggest other strategies to support soil health

The 4Rs

Right source
Matches fertilizer to crop needs

Right rate
Matches amount of fertilizer with crop needs

Right time
Makes nutrients available when crops need them

Right place
Keeps nutrients where crops can use them

Environmental Stewardship

Carbon Program Benefits Growers and the Earth
The CHS Carbon Program rewards growers for adopting climate-smart cropping practices. In collaboration with Bayer Crop Science, the program compensates growers who employ cover crops and conservation tillage practices that sequester and store carbon in soil.

The voluntary CHS Carbon Program gives farmers training and regular soil health updates on their enrolled acres. Program payments are made following verification.

Reduced CO₂ emissions in 2020 were equivalent to taking 8.9 cars off the road
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Nutrient Management
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Improving Fertilizer Efficiency
CHS agronomy teams have identified and developed a suite of enhanced efficiency fertilizer products to improve return on investment and reduce environmental effects of phosphorus and nitrogen applications. Key products include:
• Trivar™, one of a family of products containing Levesol®, a patented chelating agent that makes micronutrients more soluble and available to crops and improves uptake of phosphorus for improved nutrient efficiency
• N-Edge® nitrogen stabilizers, which dramatically reduce volatilization of applied nitrogen so more is available to feed crops

CHS Fleet Reduces Emissions
Changes in engine emission and diesel fuel technologies have allowed the CHS Transportation and Logistics fleet to cut nitrogen oxide and carbon monoxide emissions in half since 2004. Constantly updating specifications for new equipment and reengineering existing equipment has reduced vehicle weight, while investing in onboard technology to measure fuel consumption and efficiency is driving improvement. Future vehicle design changes are expected to improve aerodynamics and create further efficiencies and emissions reductions.

In South America, specifically in Brazil, CHS maintains a commercial logistics relationship with RUMO, a major transportation company. Together with CHS, RUMO is developing processes aimed at reducing carbon dioxide emissions. CHS Brazil is also conducting a project to evaluate replacing CHS fleet vehicles with electric or hybrid vehicles.

Transforming for Greater Efficiency
CHS Transportation and Logistics uses multiple approaches to improve efficiency to reduce fuel consumption and corresponding carbon emissions.
Restructuring the group in 2021 created an integrated, centralized organization with visibility to all dispatch and routing activities to minimize empty and out-of-route trips.

The Cenex® Automated Fuel Delivery program uses fuel tank monitors at farms and businesses, wireless communication and routing and distribution optimization models to fill tanks when needed, avoiding extra trips and customer concerns about running low on fuel during peak use periods.

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450,000 tons
of nitrogen fertilizer treated with enhanced efficiency products

Reduced CO₂ emissions in 2020 were equivalent to
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Technology and Innovation

Applying new technologies to enhance use of natural resources

While agriculture and CHS have been built by continual implementation of new technologies, the rate of technological advances is faster than ever. This report includes just a few recent examples of innovation and collaboration around technology.

CHS Innovation Hub
In 2020, CHS formalized the CHS Innovation Hub, a centralized effort to address problems with novel solutions. We are focusing on developing effective processes to arrive at those solutions by working with innovators and creative thinkers from within and outside agriculture.

After reviewing dozens of innovation ideas, we are piloting projects with 16 companies that are on the cutting edge of ag technology.

Monitoring Grain Quality
One example of work being done through the CHS Innovation Hub is a project to install remote sensing in grain storage and transportation channels. Using wireless sensors placed in grain during storage or transit, we are monitoring temperature, humidity and carbon dioxide levels. Machine learning based on this data will help us develop actionable insights and processes to help maintain grain quality from farm to customer.

Grand Farm
An investment and partnership with Grand Farm, a physical agricultural sandbox and ag tech ecosystem enabler, is giving CHS a new platform to identify, test and demonstrate technologies that will address on-farm challenges.

The 130-acre site near Fargo, N.D., contains test plots including trials of CHS seed, crop protection and enhanced efficiency fertilizer products. Eventually, the site will include an innovation center and collaboration spaces for start-ups and entrepreneurs.

Grand Farm Project Examples

- Real-time soil sensing
- Artificial intelligence for crop disease recognition
- Improved fertilizer efficiency
- Livestock feedbunk management
- Enhanced adjuvants for crop protection
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Real-time soil sensing
Artificial intelligence for crop disease recognition
Improved fertilizer efficiency
Enhanced adjuvants for crop protection
Livestock feedbunk management

Grand Farm Project Examples

Environmental Stewardship
Plug and Play
Partnership with internationally recognized innovation partners through the Plug and Play start-up accelerator is giving CHS a seat at the table with emerging ag technologies. In the first full year of involvement, CHS participated in more than 120 interactions with start-up companies and solidified its commitment to innovation through structured programs and best practices.

Next-generation Soil Sampling
CHS has partnered with Trace Genomics to launch Advanced Soil Analytics, a new soil analysis system that helps agronomists and crop producers know which pathogens are present in soil and the risk for crop impact. The system also measures organic carbon in soil.

Cooperative Ventures Launched
In November 2021, CHS and Growmark announced the formation of Cooperative Ventures, a new $50 million capital fund that will focus on creating advancements in breakthrough technologies for the agriculture industry. The fund will provide differentiated value to startups in the agricultural ecosystem by leveraging the expansive, connected networks, unparalleled access to the farm gate and proven success of the two agricultural cooperatives.

The fund has identified three core investment areas to maximize the impact of each investment: crop production, supply chain and sustainability.

Drones Take Flight
Drone technology is helping to gather data on sites from farm fields to grain storage facilities to improve decision-making, save time and reduce safety concerns.

Agronomists are using drones to help improve crop scouting while saving many hours walking through fields to assess crop development and crop protection needs. CHS is working to improve predictive modeling by partnering with Sentera to gain access to data management and analytics software to use drone-collected data in crop planning by integrating with popular farm management software systems.

At CHS grain export terminals and other facilities, drones with infrared cameras are flying over silos and grain bins to look for signs of structural problems. This eye-in-the-sky capability improves safety by avoiding the need to send people up on ladders or in equipment to make the same assessments.

Permanently installed cameras throughout facilities are providing real-time data, so site managers can quickly identify and address needed product movement roadblocks or repairs.

CHS participated in more than 120 interactions with start-up companies
Broadband Access
Bringing broadband communications access to rural America is critical to enable precision agriculture advances and to support education and health care. Through the American Connection Project, CHS is joining a coalition of 20 organizations to support internet connectivity and digital inclusion. The $50,000 CHS donation will help fund two-year paid full-time fellowships. The fellows will help increase broadband access and digital literacy for residents of rural communities in 12 states.

Precision Ag Education
Precision agriculture strategies help farmers improve return on their ag input investments and support soil health and overall farm sustainability. The CHS Foundation has made significant investments in university and technical school training programs to ensure farmers and cooperatives have access to skilled agronomists and technicians to support their precision ag efforts and to provide additional employment opportunities for young people planning careers in agriculture.

Cloud Computing
Transitioning to cloud-based computing is helping CHS transition to a more agile, sustainability technology platform.
- Cloud hosting cuts hosting costs by 25% compared with traditional data center hosting.
- Cloud computing reduces the CHS IT carbon footprint by at least 72%.
- Cloud computing with Amazon Web Services makes greater use of renewable energy.

Precision Ag 5-Year Impact
- 13 precision ag education programs supported
- $3.1 million invested in precision ag education programs
- 23,000 students involved in CHS Foundation-supported precision ag programs

Environmental Stewardship
Energy Use
From something as simple as a new lightbulb to a comprehensive system to track energy use, CHS is working to understand and manage how much and what type of energy is consumed in its facilities around the globe. While these efforts can help control costs to deliver greater owner return and improved economic performance, they also will help reduce greenhouse gas emissions and improve operational efficiency and employee health and safety.

LED Lighting Benefits
Switching from conventional to LED lightbulbs in facilities from retail locations to the CHS grain export terminal in Myrtle Grove, La., is providing significant energy use savings, reducing emissions and reducing the need for employees to scale heights to service light fixtures. Similar results have been seen around the world, from U.S. CHS Country Operations facilities to CHS sites in Europe including grain silos at Constanta, Romania, and Oroshaza, Hungary.

LED Makes a Difference
Effect of switching to LED bulbs at two CHS retail sites (Fergus Falls and Glenwood, Minn.)
- $49,444 one-time project cost (including rebates)
- $34,697 projected annual electricity cost savings
- $297,530 10 years cumulative savings
- 172,646 kwh energy use reduction
- Equivalent to 100 trees planted
- 26 cars removed from the road
- 121,727 kg less C0₂ emissions

Refinery Operation Improvements
Updates in the CHS refinery in Laurel, Mont., are improving efficiency, reducing energy use and improving resulting product quality. One example:
- 15-25% less energy used
- $17,000+ annual cost savings
- Improved propane production process
Energy Use

Effective and appropriate use of energy sources

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Environmental Stewardship

Data Tracking Systems
CHS teams are building an enterprisewide solution to track scope 1 and 2 greenhouse gas emissions and energy use across the enterprise. A component of the company's environmental health and safety data management system, the tracking module will normalize energy efficiency based on production levels. Knowledge and insights from this extensive data set will help us pursue additional energy- and cost-saving opportunities.

Sustainability Lens on Capital Expenditures
Implemented with fiscal year 2022 planning, every capital investment proposed by CHS businesses must include anticipated positive impact on sustainability by reducing energy use (electricity or natural gas) and/or reducing carbon dioxide emissions. The expected result of approved investments will be tracked over time to determine actual benefits.

Fiscal Year 2021 Sustainability Benefits from Capital Investments

<table>
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<th>CHS Facility Type</th>
<th>Annual CO₂ Reduction (metric tons)</th>
<th>Electricity Savings (kwh)</th>
<th>Natural Gas Savings (btu)</th>
<th>Total Annual Savings</th>
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<td><strong>4,741,388</strong></td>
<td><strong>332,608</strong></td>
<td><strong>$1,985,329</strong></td>
</tr>
</tbody>
</table>

Energy from the Sun
In Brazil, CHS is leveraging participation in the Free Energy Market to reduce energy costs in company warehouses. The market allows companies to purchase electric energy directly from generators and trading companies. Future efforts will look to implementation of photovoltaic energy, which harnesses electrical energy produced by sunlight.

Propane Autogas Helps Schools Cut Emissions

CHS propane experts and member cooperatives are helping school districts cut costs and emissions by transitioning school buses to propane autogas. The CHS Propane-Powered™ Rebate Program has helped CHS customers add more than 50 propane autogas dispensers across the U.S., while helping more than 20 school districts purchase propane-powered school buses.

Controlling fuel costs is one major advantage of running propane-powered buses, plus propane power reduces greenhouse gas emissions, which helps improve air quality by decreasing harmful exhaust fumes. Propane autogas also helps buses start at colder temperatures, speeds interior bus heating and enhances safety by reducing noise so drivers can hear what's happening inside and outside buses.
Water

Efficient water use and protecting water resources

Reducing Aquifer Use
Water is a key element of refinery operations. The CHS refinery in McPherson, Kan., uses 3 million gallons of water every day for normal heating and cooling processes. The key water source for the refinery, the Equus Beds Aquifer, also provides drinking water for more than 500,000 residents in Wichita and other south-central Kansas communities.

To reduce demand on the aquifer, CHS refinery teams worked with McPherson city engineers to meet some of the refinery’s water needs by using city wastewater. A water treatment plant at the refinery employs filtration and reverse osmosis to purify city wastewater to acceptable standards for reuse by the refinery.

The partnership has reduced use of aquifer water by 30%, allowing the aquifer to more fully recharge and preserving fresh water for homes, businesses, livestock and crop irrigation.

Keeping Phosphorus in Place
Enhanced efficiency fertilizer technology developed and patented by CHS is helping to make phosphorus more available to developing crops, which improves return on input investment for crop producers and helps reduce phosphorus runoff risk to protect water sources. Trivar fertilizer additive containing patented Levesol uses three modes of action to improve phosphorus availability for better plant nutrition.
Member Education

Offering programs and resources to build owner skills and knowledge

Providing current market information, sharing new strategies for improving efficiency and offering opportunities to build leadership skills are just some of the ways CHS helps farmer-owners and cooperative leaders build skills and knowledge for personal and business success.

Around the Table

A sponsored content partnership with industry media called Around the Table brings weekly updates on key ag topics to owners across the country. Exposure through key media outlets from radio to websites to e-newsletters ensure that each weekly interview reaches target audiences in multiple ways.

In 2021, Around the Table Live webinars were introduced, featuring more industry voices and taking an in-depth look at current topics. The three webinars combined to involve nearly 400 owners for the one-hour programs, including answering questions from the audience.

7.2 million impressions made by each Around The Table interview
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Annual Meeting Education Sessions
Each CHS annual meeting includes education sessions giving owners a look at market trends, aspects of equity management, cooperative business management topics, resources for owners and more.

Encouraging New Leaders
Encouraging new leaders to step into roles at member cooperatives is key to sustainability of the cooperative system. In conjunction with the CHS annual meeting, cooperatives are encouraged to nominate young leaders to attend the CHS New Leaders Forum. They learn about the cooperative model and benefits of cooperative ownership, gain skills in advocacy and communication, interact with CHS leaders and network with other young leaders from around the U.S.

Leadership Conference
The biannual CHS Cooperative Leadership Conference brings together member cooperative directors and managers for team-building, learning and inspiration. Keynote speakers offer strategies to help local boards work together more effectively and plan for future success.

Cooperative Leadership Academy
In-person and virtual instructor-led training programs for member cooperatives through the CHS Cooperative Leadership Academy are a key element in building skills and capabilities throughout the cooperative system.

645 leaders attended the most recent CHS Cooperative Leadership Conference.
Community Engagement and Investment

Working together to strengthen communities and providing resources to help communities thrive

Strengthening communities where we live and work has always been our intention. Driven by local teams and by enterprisewide initiatives, we strive to provide meaningful employment, be a good corporate citizen and give back to communities.

Impact of Seeds for Stewardship (Fiscal Years 2019-2021)

- 113 improved ag safety
- 57 developed ag leaders
- 135 built more vibrant communities

$8.6 million combined giving by CHS Community Giving and CHS Foundation in fiscal year 2021.

Seeds for Stewardship
Partnering with member cooperatives in communities across the U.S., CHS provides matching grants through the Seeds for Stewardship program to strengthen communities.

$897,531 awarded between fiscal years 2019-2021

$1.8 million in cooperative contributions and matching grants since fiscal year 2017

Community Well-being

Community Engagement Objectives

- Increase employee volunteer hours reported by 20%
- Engage 500 employees in projects serving 20+ communities

$195,000 donated to MANRRS programming since 2010

1,553 students impacted by CHS contributions to MANRRS

$1 million committed to the National 4-H True Leaders in Equity program over the next three years, promoting diversity, equity and inclusion across 1,000 communities by training and empowering students to develop and implement community action plans that address and overcome barriers, driving change for themselves, their peers and their communities.

Spirit of Service
Each U.S. CHS employee receives 16 hours of paid time off each year to volunteer for community programs of his or her choice. In addition, many employees share hundreds of additional hours of their own time to make communities better as volunteer firefighters, youth group leaders and more.

Supporting Diversity in Agriculture
For more than a decade, CHS and the CHS Foundation have been a corporate sponsor of MANRRS (Minorities in Agriculture, Natural Resources and Related Sciences), which works to enhance inclusion, achievement and advancement of all people in agricultural sciences.

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CHS employees in Europe volunteer at facilities for children with disabilities in Romania, participate in charity events in Ukraine and donated $50,000 to help nonprofit organizations purchase medical equipment to help local hospitals treat COVID-19 patients in Constanța, Romania, and Kiev, Ukraine.

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Health and Safety

Providing safe, healthy environments

Safety is one of the four CHS core values. Sustaining safe working environments for CHS employees and promoting health and safety in our communities is of the utmost importance to CHS. Continuous monitoring of safety metrics helps us measure our performance over time, targeting areas for improvement and gauging the value of new processes and equipment that support safety.

22% drop in OSHA recordable incidents from the three-year CHS average — the lowest level in company history

23% drop in vehicle crashes from the three-year CHS average — the lowest level in company history

Top 1% of the industry for commercial fleet crash rate per million miles driven — the lowest level in CHS history

COVID-19 Response

COVID-19 safety protocols were implemented with the start of the pandemic in early 2020 and constantly refined and updated as more was learned about transmission and effective prevention strategies. The top priority is employee safety, with additional emphasis on business continuity.

Farm Safety Support

CHS Community Giving provides funding and other support each year for safety camps for kids and grain bin safety training for farmers, cooperative employees and community first responders. CHS Seeds for Stewardship grants match funds contributed by member cooperatives to provide grain bin rescue equipment for communities.

Learning from Near Misses

Focusing on near misses and good catches, plus developing and employing a systematic risk assessment tool produced excellent results in terms of safer environments. By focusing attention on what could have been an accident and empowering employees to speak up and take action, many upgrades were made in facilities across CHS and employees gained heightened awareness of potentially hazardous situations and how to neutralize them before incidents can occur.

40 grants provided grain bin safety and rescue equipment for 160 communities in 2017-2019

$1.2 million donated since 2004 by CHS Community Giving to the Progressive Ag Foundation to support farm safety day camps for kids

29,950 kids were supported through CHS funding in 2017-2019
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Drivers in the CHS Transportation and Logistics fleet participate in a driver scorecard and performance management program using onboard technology to track speed, sudden starts and stops, and miles per gallon. This performance tracking helps enhance safety and is rewarded through driver performance incentives.

Nurse Scholar Program
Through AgriSafe, CHS supports the Nurse Scholar program, which provides training on health risks and concerns specific to agriculture. With better understanding of the symptoms and effective treatment related to those concerns, nurses serving rural areas can more confidently meet patient needs.

Health Training for Rural America
Providing information to help young people care for their health and addressing mental health concerns in rural America are two areas supported by CHS Community Giving. Through AgriSafe, CHS is supporting the Invest in Your Health program, a wellness initiative for high school and college students, and Total Farmer Health, which is training health care professionals and rural influencers to identify mental health concerns and link individuals to treatment resources.

Well-being Resources for Owners
CHS offers an online resource tool with links to national, regional and state health and well-being resources. The tool is designed to help farmers, ranchers and others in the cooperative system find support for recognizing and managing anxiety and stress.

Controlling Grain Dust
As CHS production in Europe has increased, so have dust emissions. To prevent impacting the community and the health of our employees with dust caused by grain transfer, we installed dust aspiration systems at grain intake pits and filter units on elevators and transit tanks at the Silotrans export terminal in Constanta, Romania. We also replaced leaking ducts and eliminated dust emissions from scale units.

160 nurses will be supported through the Nurse Scholar program over three years

1,500 students will receive Invest in Your Health training over three years

1,300 people received Total Farmer Health training over three years

160 nurses
1,500 students
1,300 people

Community Well-being
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Employee Development

Investing in people to ensure we have the best talent to achieve results

The cooperative system is based on people. Providing development opportunities for employees of CHS and for employees of local cooperatives through the CHS Cooperative Leadership Academy enables individuals and teams to meet personal and business goals, improves overall results and delivers more value for cooperative owners.

CHS learning and development teams have created a community of practice across the company, building a common definition for employee development, sharing successful strategies and promoting appropriate investments through personal and team development. The overall goal is to establish a learning mindset at CHS.

Harnessing Technology

Responding to the global pandemic, CHS learning and development professionals quickly pivoted from primarily in-person training sessions to create a robust and comprehensive suite of training programs built around live online, instructor-led programming. The technology-forward approach delivers multiple benefits:

• Less time spent traveling and away from home
• Interactions with peers from around the world
• Shorter learning sessions enhance understanding of content
• New skills can be applied immediately for stronger retention

Employees Recognize Support

Results of all-employee surveys in 2019 and 2021 indicate employees see and appreciate efforts made at CHS to support their personal and career growth.

Extensive Portfolio of Learning Opportunities

• Personal development
• Leadership development
• Team performance
• Interpersonal skills
• Sales capabilities
• Customer service and support skills
• Change management
• Lean model
• Finance
• Information technology
• Human resources
• Legal and compliance
• Safety

CHS learning and development teams have created a community of practice across the company, building a common definition for employee development, sharing successful strategies and promoting appropriate investments through personal and team development. The overall goal is to establish a learning mindset at CHS.
Leaning into Lean
Across CHS, teams are applying the Lean mindset of continuous improvement to help drive change through enhanced efficiency and employee-led collaboration.

Employees Recognize Support
Results of all-employee surveys in 2019 and 2021 indicate employees see and appreciate efforts made at CHS to support their personal and career growth.

2021 Employee Sentiment vs. 2019 Responses

↑ My manager supports my efforts to **balance my work and personal life.**

↑ My manager provides an **atmosphere of open communication.**

↑ I am given the **opportunity to improve my skills** at the company.

↑ My direct supervisor **supports my skill and career development.**

Extensive Portfolio of Learning Opportunities
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- Interpersonal skills
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Team Learning
To raise awareness about sustainability topics to CHS Asia Pacific employees, the team participated in a global sustainability issues webinar by Zero Waste SG. The focus was on sustainability issues specific to the Asia Pacific region and included brainstorm concepts that could be used universally to improve sustainability. The team engaged in a fun workshop where they made reusable tote bags from used T-shirts.

83% of attendees said the CHS Foundations of Supervision program **improved their ability to do their jobs**

96% of employee graduates said the CHS Leading for Impact program **improved their ability to do their jobs**
Compliance

Understanding and following laws and ethical behavior

Acting on our core value of integrity, CHS continues to identify ways to enhance our ability to identify and proactively address potential compliance risks. These efforts are addressed across the company, involving every CHS employee and demanding ethical behavior by our suppliers.

**Code of Conduct**
The CHS Code of Conduct is routinely discussed at employee team meetings and each employee is required to take regular training on the code. A no-retaliation policy is in place to encourage employees to bring concerns forward and every concern is addressed promptly and thoroughly.

**Integrity Champions**
In 2020, CHS demonstrated its commitment to compliance and integrity by creating an integrity champions program in key international markets that gives employees additional communications and training to promote a culture of integrity, improve risk detection and strengthen the company’s first line of defense for compliance concerns.

**Trade Compliance**
Extra training and vigilance is required to understand and adhere to regulations around global trading. In fiscal year 2021, the CHS global trade programs team developed and implemented a case study-based training series for CHS employees involved with trading. The training not only addressed typical trade compliance risks, but empowered employees to help CHS be competitive in the complex regulated global marketplace with integrity and confidence.

**Transportation and Logistics Compliance**
Consistently performing in the upper echelon of U.S. commercial fleets for safety, CHS Transportation and Logistics teams are committed to complying with changing federal and state regulations while operating efficiently and safely. In-cab computer systems and paperless documentation help ensure compliance while keeping drivers focused on safe and timely operation.

**Fraud Prevention**
A cross-functional team developed and deployed a fraud risk assessment tool in 2021 to promote a consistent framework and streamlined process for engaging CHS businesses in fraud detection and prevention. Better understanding of fraud scenarios, the risk to CHS and how fraud can be mitigated has identified areas for improvement and supports more effective action to avoid costs related to real or attempted fraud.

**Purchase Assurance**
CHS Brazil periodically surveys producers receiving financing to ensure they are following prescribed guidelines and to confirm that a large portion of CHS grain purchases are made directly with producers who use SIMFAZ to monitor management of environmental, social and financial risks.

The Brazil team also controls all certificates, licenses and permits necessary for effective operations and compliance with sustainability and legal requirements. A new process helps identify and renew licenses and certifications that are about to expire, which helps prevent noncompliance.
Battling Deforestation

CHS Brazil supports entities that work against illegal deforestation and participates in preservation, reforestation and protection actions with Save Cerrado and SOS Mata Atlântica, including developing projects to plant native seedlings.

CHS teams in Brazil are participating in multiple programs to ensure soybeans and other crops sourced there are produced on existing agricultural acres and not on land recently cleared through unlawful deforestation of native vegetation. A number of actions and partnerships have been taken:

- Joining audit programs such as the Amazon Soy Moratorium, which requires grain traders to agree not to purchase soybeans from land cleared after 2008, and Green Grains from Pará, an agreement aimed at accountability for social and environmental aspects of the grain production chain to avoid the sale of products from illegally deforested areas.
- Participating in the Round Table on Responsible Soy (RTRS) Association, a global coalition of thought leaders with the goal of creating a certification standard for responsible soybean production, and Coalition Group (ABAG). Both entities support projects and promote initiatives against illegal deforestation.
- Developing a CHS regional policy on sustainability to include efforts to prevent deforestation.
- Implementing a satellite-enhanced data system that compiles data on environmental, social and legal issues related to soybean procurement in Brazil, for identifying whether the farmer/partner has any embargo or restriction resulting from illegal deforestation.
- Joining with nongovernment organizations such as SOS Mata Atlântica and Save Cerrado to preserve and restore native forests, especially in regions where CHS operates (Cerrado and Mata Atlântica biomes).
- Providing native plant seedlings to employees and their families for planting in areas around CHS storage facilities. Measures like this awaken ecological understanding within the team, promote a better quality of life for local citizens and encourage continuous compliance with environmental standards.

Lender Support for Sustainable Practices in Brazil

CHS received a low-interest “green” loan from Bank of America for Brazil operations — the first of its kind — in recognition of sustainable soybean sourcing practices. The financial support was provided based on work by the CHS team in Brazil to ensure soybeans purchased by CHS are not originated from land that has been illegally taken from the Amazon or Cerrado biomes. CHS pledged to continue following the Amazon Soy Moratorium and participating in the Round Table on Responsible Soy Association and to use third-party auditors to verify compliance.
Economic Performance and Owner Return

Member-owners participate in financial success and financial results help achieve business and enterprise goals.

As a cooperative, CHS supports its owners and rural communities by returning a portion of profits to its owners, which include cooperatives and farmer-owners throughout America.

Over the past five years, CHS has returned nearly $1 billion in cash patronage and equity to its owners. Diverse business segments, sound strategic direction and emphasis on adding value in its commodity-based businesses help CHS maintain strong revenues that allow cash returns to owners.

$1 billion in cash patronage and equity returned to CHS owners over the past 5 years.
CHS Board approved $150 million in cash returns in fiscal year 2022 for business done with CHS in fiscal year 2021.

**Revenues** ($ in billions)

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<th>Year</th>
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<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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**Net Income** ($ in millions)

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<th>2021</th>
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**Cash Returns** ($ in millions)

<table>
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<td>177.5</td>
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Cash patronage is distributed in the fiscal year shown and based on amounts using financial statements earnings from the prior fiscal year.