

# Bunge/Bunge Loders Croklaan Palm Oil Traceability Protocol

## Introduction

The objective of this protocol is to assure the completeness, and quality of collected palm traceability data and calculated traceability KPIs which are used internally as key input for sustainability activities, and published on Bunge/Bunge Loders Croklaan's Palm Oil Dashboard. The execution of this protocol is defined in Bunge/Bunge Loders Croklaan Palm Oil Traceability Procedure.

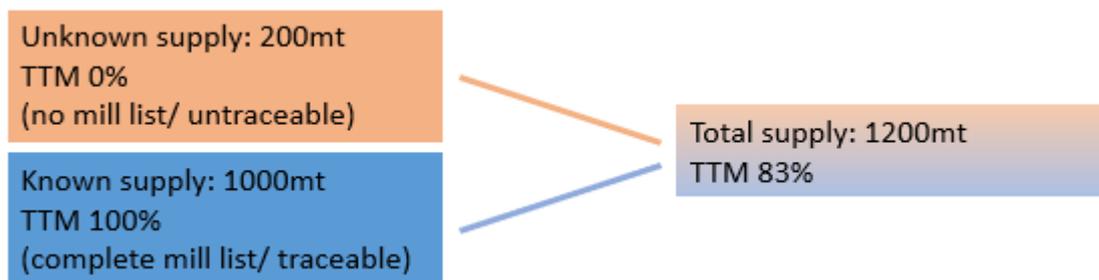
## Definitions

### Traceability to Mill

Volumes are traceable to mill (TTM) if they are supported by a list of mills and its respective % traceability to mill score. Mill lists can be shipment specific, or a mill list for the entire facility the volume was sourced from. As a minimum mill lists should contain mill names, parent company names and GPS coordinates. TTM scores are calculated using the formula:

$$\frac{\text{Volume of traceable palm oil}}{\text{Total vol. of palm oil (traceable and untraceable)}} \times 100 = \text{Percentage of traceable palm oil}$$

If a supplier sources from a combination of untraceable and traceable sources the traceability score is calculated as follows:



## Traceability to Plantation

Volumes are traceable to plantation (TTP), if either:

- i. The volume is supported by a percentage of traceability to plantation score, and a list of fresh fruit bunch (FFB) sources containing minimal information per FFB source type as shown in the table below.\*
- ii. The volume is supported by a self-declared supplier score which is based on equal or stronger minimum requirements for TTP as shown in the table below.
- iii. It is a RSPO SG volume with complete supporting documents.
- iv. The volume is supplied by a direct mill in Peninsular Malaysia with concession maps provided by the mill and/or an external source.

\* In addition, all new estate suppliers are required to provide shapefiles of concessions, and sub district information for smallholders is requested.

### Minimum requirements for Traceability to Plantation (TTP)

	Estate known planted area with > 50 Ha	Dealer Intermediate supplier and unknown planted area	Smallholder known planted area with < 50 Ha
Parent company name	x		
Name	x	x	
RSPO certification			
Address	x		
GPS coordinates	x		
% of FFB volumes supplied into the mill	x	x	x
Number of smallholders			x

TTP scores are calculated using the formula:

$$\frac{\text{Volume of traceable palm oil}}{\text{Total vol. of palm oil (traceable and untraceable)}} \times 100 = \text{Percentage of traceable palm oil}$$

### # of supplying mills direct and indirect sourcing mills

Direct mills are all mills from which we source directly. Indirect sourcing mills are mills that we source from via our trading partners. Total of supplying mills is the number of mills we sourced from. KPI is calculated by counting total number of mills we directly source from, total number of mills we indirectly source from, total number of all supplying mills.

### **% from sources with NDPE commitment**

All volumes from sources with an equal or stronger NDPE commitment than the set minimum requirements are considered under this KPI. The NDPE commitment status of suppliers is verified independently. KPI is calculated using the formula: % volume under NDPE commitment / total volume received.

### **% certified volumes sourced**

All certified volumes either certified as RSPO (MB/SG/IP) or ISCC are considered under this KPI. The % certified volumes sourced is calculated using the formula: certified volume received/ total volume received.

### **% volume actively monitored**

Areas that we monitor by using remote sensing are considered being actively monitored. KPI calculated using the formula: volume coming from monitored areas / total volume.

### **% verified deforestation free**

- i. To consider volumes verified deforestation free, these volumes must come from a supplier that has submitted maps of all its concessions at group level to Bunge or companies from which Bunge is sourcing indirectly
  - a. In case this supplier is also sourcing from external parties (other commercial estates and or smallholders these volumes have to be specified and in order to be considered verified deforestation free covered by concession maps.
- ii. These concessions are actively monitored
- iii. Deforestation free means no reported land use changes linked to deforestation
- iv. Verified deforestation free volumes are taken as a percentage of total volumes sourced by Bunge

## **Data Accuracy and Completeness**

Traceability is a minimum requirement for supplier qualification and traceability data requirements are explained during supplier onboarding.

To ensure accuracy and completeness of data we encourage our tier 1 suppliers to independently verify their traceability data. It is BLC's strategy to work with suppliers that have similar protocols in place, and are third-party verified or working with an implementation partner supporting their traceability work.

### **Quality Control of Received Traceability Data**

Submitted traceability data is checked on completeness and accuracy. In case of incomplete information, or conflicting data (with regards to prior collected or publicly available data) data is clarified with the supplier.

Quarterly data and summary reports are reviewed to ensure they conform to the requirements of this document before it gets published.

### **Records**

Collected purchasing data and traceability data is archived. The data is kept for minimum 3 years (digital copy).

## **Third-Party Verification**

Traceability as well as other KPIs listed in this document are subject to an annual third-party verification assessment by a third-party verification body that meets the below requirements:

- i. The third-party is recognized by a national public authority or an accreditation body which is a member of the International Accreditation Forum (IAF)
- ii. The third-party conducts verifications in conformity with ISO 19011 standard
- iii. The workflow of the certification process complies ISO/CE 17065:2012
- iv. The third-party has experience with the RSPO certification scheme

### **Verification Assessment**

For the verification assessment a sample methodology can be applied. The most suitable methodology can be selected by the auditee. However, this methodology should cover all key facilities over an audit cycle of 4 years and use a square root rationale for sample size selection. The methodology should be justified to and accepted by the selected verification body as being representative of the total number of facilities covered by the scope of the verification.

### **Upstream Verification Assessment**

The verification assessment may include upstream supply chain verification for suppliers that are not yet third-party verified or work with a third-party implementation partner that supports in implementing palm policies and commitments.

Upstream verification assessments are used to confirm complete data has been reported, and are considered in case:

- a.) The supplier fails to clarify data inconsistency during internal quality control or,
- b.) We notice that we routinely receive incomplete or inaccurate data type major inconsistency.

The upstream verification assessment includes only level of tier 1 suppliers. It is our direct suppliers' role to verify their tier 1 suppliers, and so forth.

### **Handling of Non-conformities**

Any identified non-conformity, minor or major, is to be addressed with an adequate corrective action. This includes immediate action to correct the specific non-conformity, as

well as developing and implementing timebound plans to avoid future similar non-conformities.

**Issuance of Attestation**

The verifier issues an attestation once verification is completed and all non-conformities have been closed. This serves as proof that the third-party verification assessment has been completed successfully. The attestation is valid for one year.