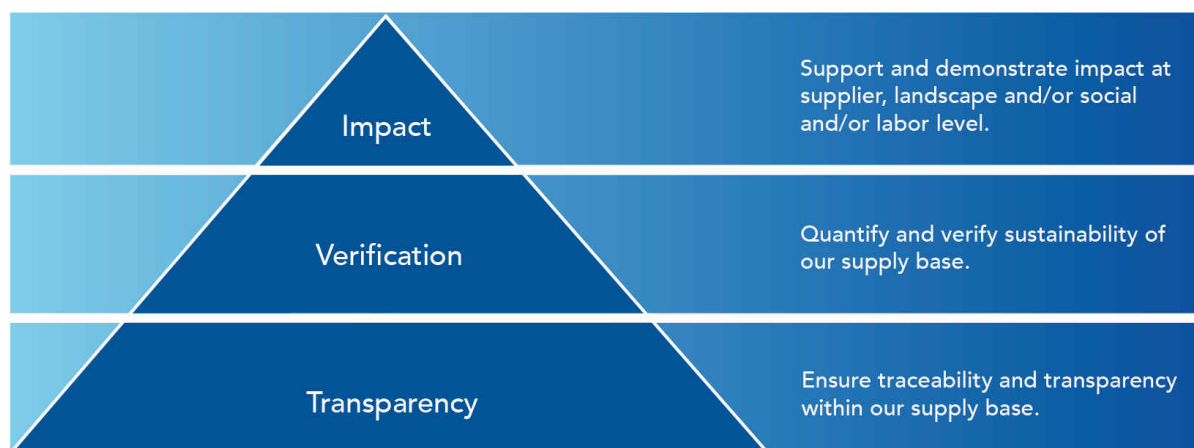


Bunge Loders Croklaan Palm Sustainability Activities

Our commitments are aligned with market expectations

Bunge Loders Croklaan commitments deliver on customer requirements and are raising the bar on key issues. We are committed to building supply chains that are transparent, verified sustainable and impactful on the ground.



This is in line with market expectations:

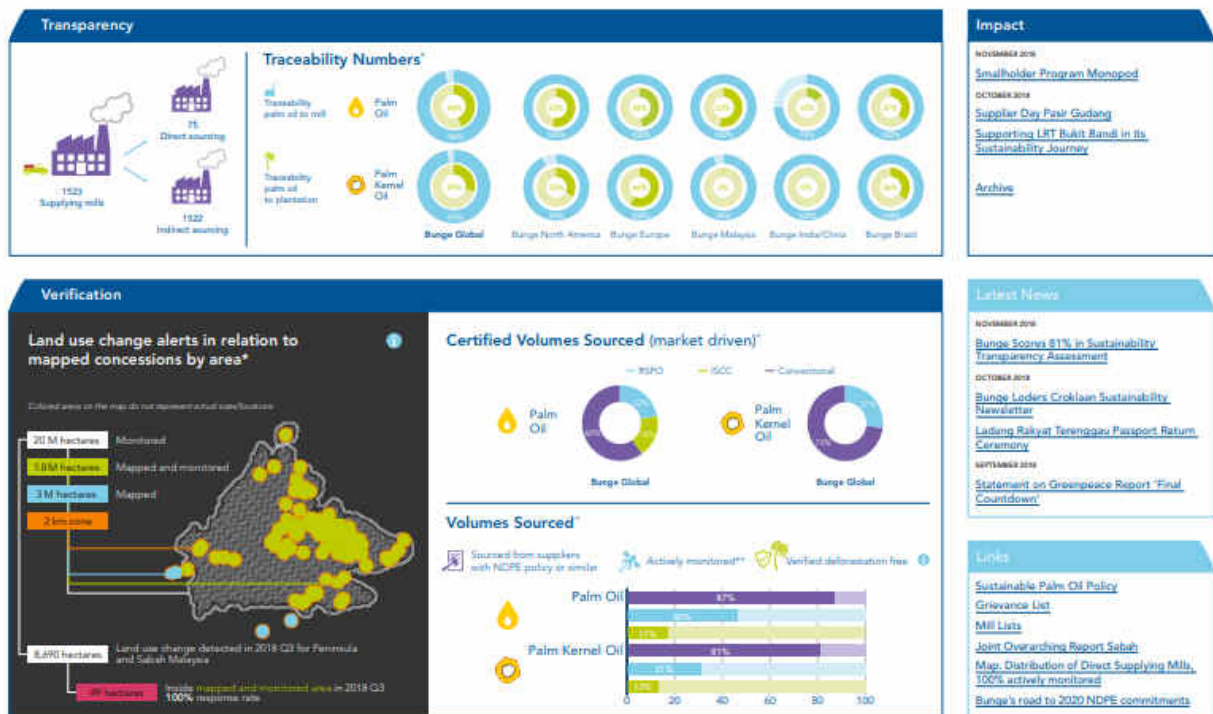
- Downstream customers expect supply chains that guarantee traceable and verifiably sustainable volumes.
- Customers, investors and other stakeholders increasingly demand Bunge's operations and supply chain management to have measurable and positive impacts on key challenges including deforestation and labor.

Transparency

We monitor progress using “performance indicators”:

- We are committed to full traceability and have reached a high level of traceability to mill (TTM) (95%+). We are further progressively increasing traceability to plantation (TTP) towards 100%. Mill lists are published online and from Q3 onwards we will publish mill lists per individual Bunge/ Bunge Loders Croklaan facility. From Q1 2019 onwards a third party will verify our traceability process annually.
- All scores (performance indicators) and our mill lists are publicly available on our quarterly updated [dashboard](#). Other scores beyond traceability are:
 - % volume from direct suppliers with robust NDPE policy
 - % of certified (RSPO & ISCC) volume sourced
 - % of volume actively monitored (volumes from Peninsular Malaysia and Sabah that we monitor remotely)
 - % of verified deforestation free volume (concessions mapped at group level; actively monitored and no deforestation observed)

Palm Oil Dashboard



* Numbers from July 2018 - September 2018. ** Monitored by Bunge/Inveco via licensed and/or satellite. Reporting of Land Use Change alert to weekly basis.

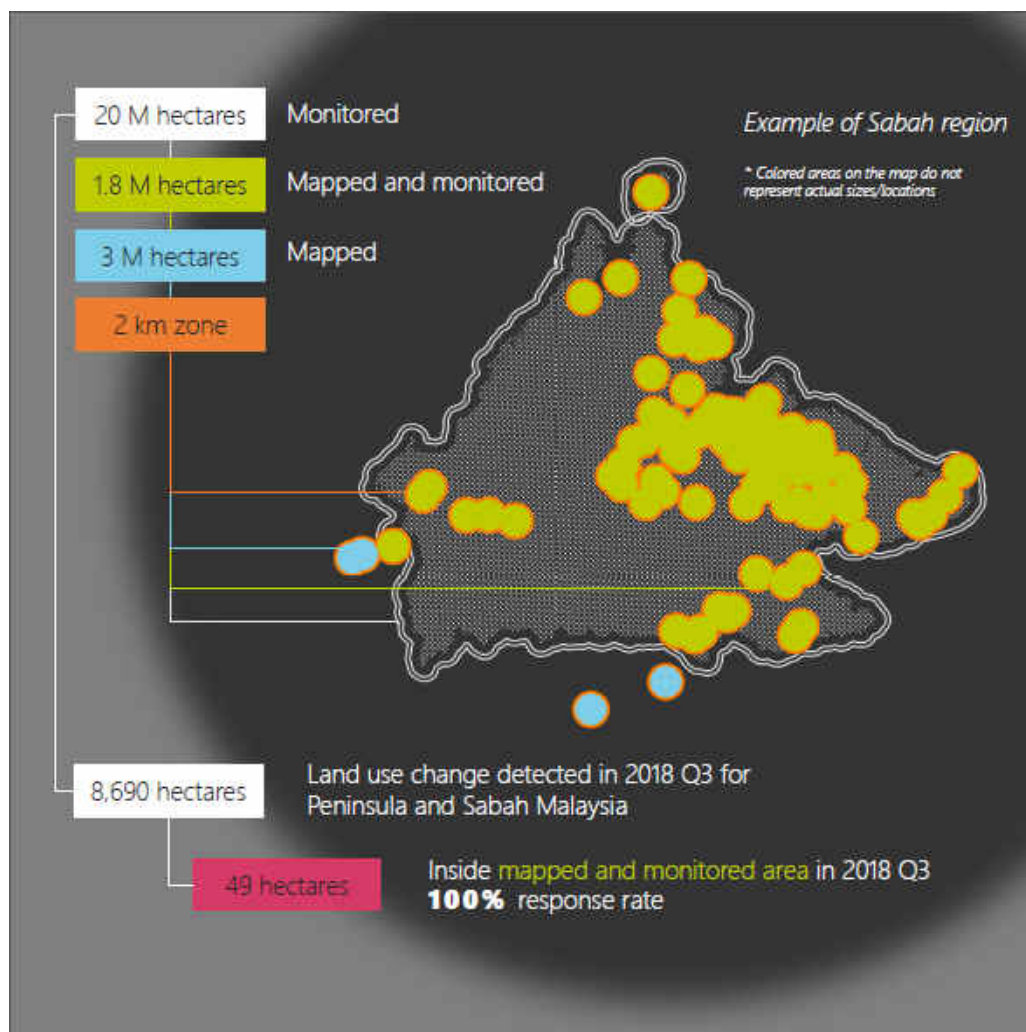
- Bunge ranked 10 out of 70 palm producers and traders in the latest [SPOTT transparency assessment](#) of Nov 2018, reaching a score of 81.1% higher transparency. We are also the highest ranked non-grower.

		Download data	Expand all categories	Assessment date: November 2018	Total: 53.5 / 66	81.1%
	> Sustainability policy and leadership				6 / 6	100%
	> Landbank, maps and traceability				5 / 7	71.4%
	> Deforestation and biodiversity				5 / 7	71.4%
	> HCV, HCS and impact assessments				2.5 / 3	83.3%
	> Peat, fire and GHG emissions				5.5 / 6	91.7%
	> Water, chemical and pest management				3.5 / 7	50%
	> Community, land and labour rights				12 / 14.5	82.8%
	> Certification standards				5 / 6.5	76.9%
	> Smallholders and suppliers				3 / 3	100%
	> Governance and grievances				6 / 6	100%

- We are developing new KPIs with which we can measure and communicate progress.
- We have a grievance process for both direct and indirect suppliers as outlined in the annex of our [Sustainable Palm Oil Sourcing Policy](#). Details on grievances are on our public grievance list, available via our [dashboard](#). The list is updated monthly or more frequently if required. We are in regular contact with our direct suppliers on all non-compliance issues we are aware of. We expect transparent and pro-active communication around grievances including relevant milestones that demonstrate progress towards resolving them.
- We are progressively mapping concessions within our supply chain at group level in collaboration with Aidenvironment and encourage suppliers to voluntarily publish maps of their concessions. Sharing group level concession maps is part of our supplier due diligence process and necessary to qualify as new palm supplier.

Verification

- We progressively increase verified, certified & compliant supply as % of total volume sourced (RSPO/ISCC), quarterly figures are available on our [dashboard](#). We actively support and stimulate the uptake of RSPO certified oil by our customers.
- We engage with our suppliers (mills, refiners and traders) to verify the progress they make with the implementation of NDPE commitments.
- Fast forward supplier compliance by supplier due diligence and selection. We are building a pool of known, pre-qualified and monitored suppliers and where necessary collaborate to enhance sustainability performance.
- We actively monitor Peninsular Malaysia and Sabah for land use changes with Satelligence and our own inhouse ArcGIS system since January 2017. The near real-time monitoring process is based on satellite imagery from both optical and radar satellites. Combination of land use change alerts with concession maps allows us to act immediately if any non-compliance with our policy occurs. Furthermore, it determines follow up actions and serve as a basis for calculation of specific KPIs.



Further details on [Monitoring the Bunge palm oil supply chain](#).

Impact

- We actively participate in several industry initiatives and networks such as RSPO, EPOA, WRI/GFW, and the Sustainable Landscape Working Group (Verified sourcing Areas), as we believe that industry collaboration accelerates the transformation of the palm oil sector.

For direct supply

To implement best practice:

- We conducted a mill prioritization process, and a series of mill assessments in Peninsular Malaysia and Sabah in collaboration with Proforest which informed content of supplier workshops. An example of implementation of best practices are passport return programs at mill level.
- We are implementing a timebound transformation plan (ART) for our Pasir Gudang refinery in collaboration with TFT and Proforest, that includes deep and broad engagement with its supply base. Focus points are deforestation and labor, specifically ethical recruitment and wages.
- We continue to work with our suppliers to ensure they become compliant with “No new development on peatlands regardless of depth and implementation of Best Management Practices (BMP) for existing plantations on peat” through workshops called the Peatland Roadshow. For this we collaborate with the Global Environment Centre (GEC).
- We are supporting conservation projects in Kinabatangan and have recently joined the [Pongo Alliance](#).
- We are running a study in collaboration with industry partners to better understand the dynamics around foreign recruitment in Peninsular Malaysia. The objective is to support suppliers in adopting best labor practices. Workshops and a conference based on outcomes of the study are scheduled for next year
- We have started smallholder projects with third party suppliers that feed into our refinery. More details available on our [dashboard](#).

For indirect supply

To ensure implementation of our policy:

- We work with trading partners that have similar policies and implementation projects in place.
- We take part in identified high priority landscape projects in Aceh Tamiang, Aceh Singkil (which are both part of the Leuser Ecosystem), as well as Riau.
- We are monitoring concessions of indirect suppliers through Satelligence and our in-house ArcGIS system.