



Bunge's response to Greenpeace call for delivering on corporate 2020 NDPE commitments including an update on companies with alleged non-compliance to NDPE commitment (as communicated by Greenpeace to several Consumer Goods Companies)

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Bunge's commitment to support its customers to deliver on 2020 NDPE commitments

In choosing our supply base, three core elements are at the heart of everything we do:

1. Ensure traceability and transparency within our supply base
2. Quantify and verify sustainability of our supply base
3. Demonstrate impact at landscape and/or social and/or labor level

The [Bunge Sustainable Palm Oil Sourcing Policy](#) is leading. The policy is applicable to all physical palm (kernel) oil, fractions and derivatives that Bunge sources, trades, processes and utilizes worldwide via existing and new suppliers.

Bunge uses the following "performance indicators" across our supply base and we will be monitoring progress on these:

- Committed to an NDPE policy and willing to collaborate in becoming compliant with Bunge's policy
- RSPO member (we report % of volume sourced as physical RSPO certified on our palm oil dash board)
- Committed to HCSA
- Ability to provide concession maps of its supply base
- Can demonstrate that the oil sourced originates from areas that are deforestation free
- Traceable to mill (TTM) and to plantations (TTP)



The Bunge Palm Oil supply chain consists of direct purchases from 3rd party mills (direct supply) and purchases from trading partners who in turn source palm oil from either own operations or 3rd party mills (indirect supply).

Elements of Bunge's strategy to work towards delivering on corporate 2020 NDPE commitments:

1. Supplier engagement with our direct mill supply base to achieve NDPE policy compliance

- 10% of Bunge's palm oil volumes is directly sourced from 3rd party mills. These 3rd party mills fall under the Bunge NDPE policy and supply into the Bunge Loders Croklaan refinery in Pasir Gudang (Peninsular Malaysia). 8% of the supplying 3rd party mills have been assessed by our implementation Partner Proforest. Another 24% of the supplying 3rd party mills have been assessed through other NDPE programs. To support our direct suppliers in becoming compliant with Bunge's palm policy, several workshops were conducted and BMP (Best Practice Management) projects initiated (e.g. peat, labor)
- On the labor aspect we have gained first-hand experience through IOI Group, minority shareholder of Bunge Loders Croklaan. No retention of passports, ensuring minimum wages are being paid and no recruitment fees are charged are key-elements of implementing free and fair labor practices

2. NDPE programs implemented by trading partners with indirect supply base of mills

- 85% of Bunge's palm oil volumes is indirectly sourced through trading partners with NDPE policies in place. We have great confidence in the NDPE programs implemented by our trading partners. We actively engage with our trading partners to review the implementation of their NDPE policies



3. **Detection and elimination of deforestation through remote monitoring programs and screening of indirect supplier groups**
- 30% of the PO volumes sourced are now verified deforestation free
 - Together with Aidenvironment we are mapping significant parts of our supply base
 - Satelligence is providing bi-weekly near real time alerts of Land Use Change and “hot spots” alerts for Peninsular Malaysia and Sabah
 - Aidenvironment has screened 80 parent companies (multiple 3rd party mills can be connected to one parent company) that supply to Bunge. The outcome will provide guidance for our engagement with these parent companies
 - Bunge sees the benefit of a collective industry effort to monitor HCV, HCS and peatlands and we have actively reached out to the World Resources Institute and industry peers to improve Global Forest Watch with radar technology. Bunge will contribute to this initiative. Over the last two years we have worked with near real time radar alerts but to make this method more actionable (follow up on alerts) industry wide collaboration is essential

4. **Grievance process for both direct and indirect suppliers as outlined in the annex of Bunge’s [Sustainable Palm Oil Sourcing Policy](#)**

When we initiate our grievance procedure we will:

- Issue a requirement to immediately cease development when clearing of potential HCS, HCV or peat is detected by Bunge
- Ensure that claims are investigated
- Engage with the supplier
- Agree on a time-bound-action plan

Details on the companies as listed by Greenpeace are provided in the next section of the statement



Greenpeace list of alleged companies

In December 2017, Greenpeace shared with us and several of our NDPE committed trading partners a non-public case report of 16 companies that were allegedly involved in deforestation. The case report, as well as the Greenpeace report “Moment of truth” provided details of these allegations. We have provided a response to Greenpeace for the allegations referenced in the case report. This latest list has several new companies without reference to specific allegations. We have asked for additional details and Greenpeace informed us that these cases are reported in the public domain. IOI Group, one of the new companies on the list, is mentioned because of the IOI-Pelita case. The Pelita case is well documented on several grievance lists (e.g. Bunge, IOI Group, RSPO).

Companies in Bunge’s **direct** supply chain

Company	Update	status
Felda / FGV	See grievance list Bunge	In our supply chain
Genting	Deforestation allegations PT PSM. In March 2017, Genting disposed PT PSM. One of Genting’s JV partners is linked to PT PSM. The BLC team in Malaysia will ask Genting to address these allegations with their JV partner	In our supply chain
IOI Group	IOI-Pelita case, see grievance list Bunge. IOI shared a detailed status update with Greenpeace	In our supply chain



TH Plantations (Lembaga Tabung Haji)	See grievance list Bunge	No longer in our supply chain *
Prosper Group / Tee family	The Tee family, shareholder of the Prosper Group, is said to be linked to Bewani Palm Oil in PNG. Bewani is linked to deforestation without having executed the relevant assessments. BLC team Malaysia is in contact with Prosper Group on this matter	In our supply chain
Wilmar	See grievance list Bunge / RSPO website	In our supply chain

Companies in Bunge's **indirect** supply chain

Company	Update	Status
Anglo Eastern Plantations	Trading partners reported moratorium is in place	In our supply chain
Austindo Nusantara Jaya	-	No longer in our supply chain *
Bumitama	Under investigation and/or engagement/monitoring through trading partners. Reporting via grievance lists trading partners	In our supply chain
Central Cipta Murdaya	Under investigation and/or engagement/monitoring through trading partners.	In our supply chain



	Reporting via grievance lists trading partners	
Ciliandra Fangiono	-	No longer in our supply chain*
First Resources	Under investigation and/or engagement/monitoring through trading partners. Reporting via grievance lists trading partners	In our supply chain
Citra Borneo Indah	-	No longer in our supply chain*
Djarum	Under investigation and/or engagement/monitoring through trading partners. Reporting via grievance lists trading partners	In our supply chain
DTK Plantation	-	Not in our supply chain
GAMA	-	Not in our supply chain
Hayel Saeed Group	-	Not in our supply chain
IJM Corporation	Trading partners reported moratorium is in place	In our supply chain
Indonusa	-	No longer in our supply chain*
Korindo	-	No longer in our supply chain*



Noble	-	Not in our supply chain
NPC Resources	-	No longer in our supply chain*
POSCO Daewoo	-	Not in our supply chain
Rimbuhan Hijua	Under investigation and/or engagement/monitoring through trading partners. Reporting via grievance lists trading partners	In our supply chain
Indofood	-	No longer in our supply chain*
Samling	-	No longer in our supply chain*
Sungai Budi	-	No longer in our supply chain*

*the mill lists as published by Bunge connect to shipments over the past 12 months. Suppliers that are no longer in our supply chain today, can therefore still appear on our mill lists

For questions and comments please send an email to ben.vreeburg@bunge.com