

Greenpeace
Attn.: Kiki Taufik & Richard George

Reference : Letter Greenpeace dated 19 December 2018
Place / date : Wormerveer, 8 January 2019
Subject : Eliminating deforestation from our supply chain

Dear Kiki,

On 19 December 2018, Greenpeace wrote to Bunge asking for an update on steps taken to eliminate deforestation from our palm supply chain. The letter of Greenpeace comes after Wilmar published a statement on this topic early December 2018.

On March 1, 2018, Bunge published its Sustainable Palm Oil Policy. Bunge adopted major elements of the IOI Group sustainable palm oil policy including the annex that was created by IOI group through consultation with Greenpeace in 2017. The Bunge sustainable palm oil policy and implementation annex includes specific language on elements dealing with eliminating deforestation from our supply chain. Our policy and annex will be leading in supplier engagement and addressing non-compliance.

Below the steps our company is taking in relation to the specific commitments raised in your letter dated 19 December 2018.

1. Identify all of the producer groups in its palm oil supply chain

- a. We have identified all supplier groups within our supply chain
- b. Supplier screening at group level is done with support of Aidenvironment
- c. Traceability to mill is continuously >95% for our global supply chain
- d. Traceability to plantation is now at 44% (palm oil) and 29% (palm kernel oil) and increasing

2. Map and monitor all of these producers at group level

- a. All direct suppliers are mapped and monitored (supported by Satelligence and our own ArcGIS system), see most recent updated [BLC's palm oil dash board](#)
- b. Aidenvironment has mapped 80% of all palm oil concessions also covering our indirect supply chain and Aidenvironment monitors these producer groups at group level

3. Adopt a "suspend then engage" approach when producer groups clear forest or peatlands

- a. [Bunge's palm policy](#) (March 2018) has explicit language on how to deal with suppliers involved in deforestation (annex article 2.3.1): *Bunge will issue a requirement to immediately cease development where clearing potential HCS, HCV or peat is detected by Bunge or its stakeholders. If a supplier does not*

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comply with a requirement to cease clearing issued by Bunge, we will cease to do business with them

4. Publish a protocol governing engagement with non-compliant producer groups

- a. [Bunge's palm policy](#) (March 2018) has explicit language on how to deal with breaches in policy compliance within our supply chain (article 2.3) for direct & indirect suppliers at group level
- b. [Bunge's palm policy](#) (March 2018) also addresses how to ensure policy compliance by potential new suppliers (annex article 2.5)

5. Disclose all non-compliant suppliers, including those identified through internal monitoring

- a. Non-compliant suppliers are listed on Bunge's grievance list that can be accessed through our palm oil dash board
- b. [Bunge's palm policy](#) (March 2018) explains our grievance procedure (annex article 2.4)

6. Require suppliers that cleared forest or peatland after December 2015 to restore, conserve and protect an equivalent area

- a. Where we find existing suppliers and prospective suppliers to be non-compliant with our policy, we require an action plan that will include appropriate conservation / compensation / restoration measures where applicable (from policy annex)
- b. Our cut-off date is February 2017 (initial launch of the policy)

Kind regards,



Ben Vreeburg
Director Sustainability