

An aerial photograph of a lush green palm oil plantation. The image is filled with the fronds of numerous palm trees, creating a dense, textured canopy. On the left side, there is a semi-transparent white rectangular box containing the title and subtitle. The overall color palette is dominated by various shades of green.

# Palm Oil

2021 Dashboard





# Palm Oil



Palm oil is an essential ingredient and the most widely used vegetable oil in the world. We are committed to sourcing and processing traceable and sustainable palm oil. We believe that all palm oil volumes must be produced in a manner that is legally compliant and traceable, that protects forests and biodiversity, reduces greenhouse gas emissions and has a positive social impact.

Given its importance to so many sectors, Bunge is committed to building a supply chain that reflects these beliefs and the principles cited in our policies, which is based on current best practice and informed by stakeholder input.

## TRACEABILITY

We believe traceability enables more responsibly sourced materials. It's what gives us greater control over our supply chain, right from the origin – and that means being able to more rigorously influence the sustainability, quality and food safety of palm oil for our customers. For several years, we have been on a journey towards high traceability for palm oil, and now have one of the highest traceability-to-plantation numbers in the industry.

Today, we are able to offer customers the option to purchase palm oil that is traceable to plantations and comes from sources with a “no deforestation, no peat, no exploitation” commitment, while delivering the highest standards in quality and food safety. Setting these high standards for the traceability of our palm oil allows us to be a more active, responsible and connected partner.

## SOCIAL POLICIES

It's also important to us that the production of palm oil and palm kernel oil has a positive social impact, respecting the rights of indigenous peoples, workers and local communities. Our [Code of Conduct](#) and our [Global Labor Policy](#) prohibit the use of forced labor or child labor in any form. We recognize that forced labor has been a significant concern in certain palm oil producing countries and have taken steps to vigorously address this issue and ensure our supply chain remains free of the scourge of forced labor.



# Aligning with NDPE Expectations & Practices

Our sustainability goals cannot be achieved in isolation, and we believe being a leading force in environmental protection across our global supply chains requires the collaboration of our stakeholders. Since Bunge does not source palm oil directly from plantations, third-party suppliers and mills are Bunge’s focus for transforming the industry and making sure palm oil is produced sustainably. By closely and actively engaging with our suppliers, we can support them in improving their standards and practices and deliver a positive impact.

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

- 1 Seeking to source from suppliers that have robust NDPE commitments and implementation plans.
- 2 Increasing the traceability to plantation for our purchases.
- 3 Using cutting edge radar and satellite technology to monitor and assess land use change on the over 30m hectares of land cover that we observe.
- 4 Conducting appropriate due diligence, and immediately logging any allegations of deforestation or exploitation that we are aware of in our public grievance tracker.

We deliver palm oil that is produced in accordance with NDPE practices, which guide not only our approach but also help support our customers to deliver on their commitments for:

**NO DEFORESTATION**, which refers to no deforestation when developing land, identifying and protecting High Conservation Value (HCV) areas and High Carbon Stock (HCS) areas, a no-burning policy and the reduction of GHG emissions.

**NO PEAT**, which refers to no new developments on peatland and encourages the use of best management practices on existing plantations on peat. Where possible, peat restoration is also implemented.

**NO EXPLOITATION**, refers to no exploitation of workers, children, local communities or small-scale growers in the production of palm oil.

## CERTIFICATION

Each year we certify or verify the sustainability of greater volumes of our palm. In 2021, 87% of our palm oil volumes were sourced from suppliers with robust NDPE commitments. Below are our palm certification standards.



You can find our sustainability certificates on our [certifications page](#).

## Mapping and Monitoring

Bunge has mapped its palm supply chain back to its origin at the mill. As part of our supplier due diligence process, suppliers are asked to provide detailed information in their sourcing base. We use satellite images of the areas where we have concession data and other supply chain related information – peat lands, forest reserves, mills –

to detect if there is any deforestation taking place. On a biweekly basis, we receive land use change alerts from Satelligence to detect this.



Our partner Satelligence specializes in providing highly detailed, semi-automated satellite-based insights and actionable results over large areas. They have world class expertise on scalable processing of radar and optical satellite images to assess patterns and trends in forests, agriculture and water.

From 2018 to 2021, we actively monitored more than 30 million hectares of land. Through our in-depth knowledge of our suppliers and our collaboration with Earth Equalizer, we have the elements at hand to check for and act on instances of suspected deforestation.





# Aligning with NDPE Expectations & Practices

## Positive Yields for ILHAM Smallholders

Smallholders play a critical role in the palm oil supply chain: 40% of the total worldwide palm oil production is ultimately provided by smallholders. In 2018, Bunge Loders Croklaan, IOI Corporation Berhad, Kerry Group and Kilang Kelapa Sawit Fortuna Sdn Bhd (Fortuna Mill) started Program ILHAM, a three year palm oil smallholder support program.

From providing trainings on best agricultural practices, to initiating socialization visits to distributing fertilizer, to performing foliar and soil sampling exercises, the program has led to a productive yield to the benefit of the smallholders.

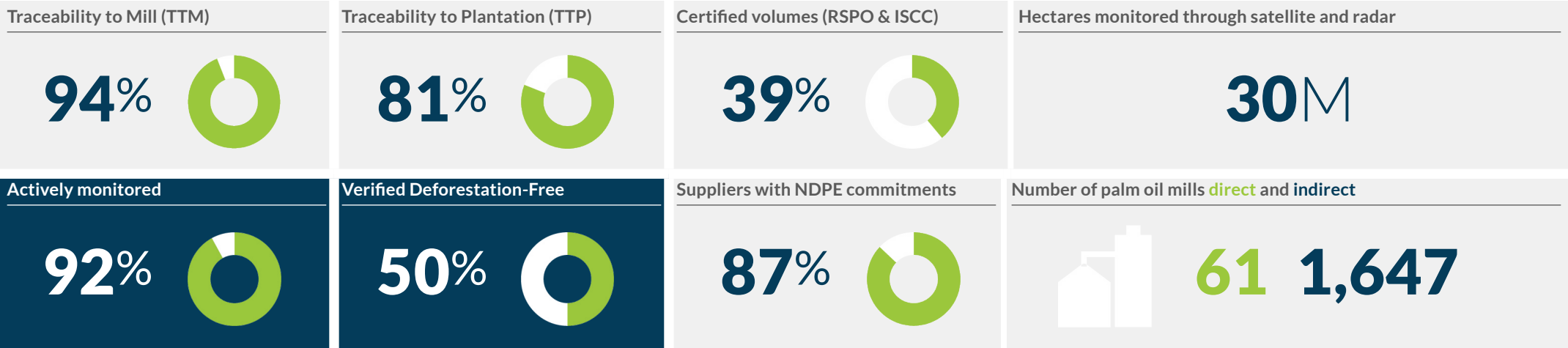
Earlier in 2021, a team conducted a foliar and soil resampling exercise in Kampung Basai, Beluran in Sabah, Malaysia alongside five farmers who were selected to monitor the progress of the program.

We are encouraged by the results, which showed an improvement in the foliar and soil nutrient levels, and will explore additional opportunities to support smallholders in the years ahead.



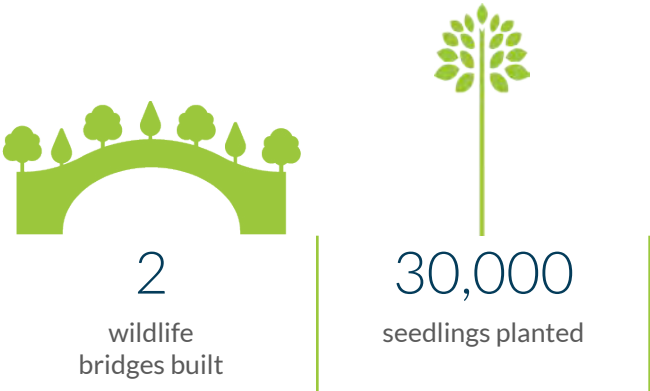


# Palm Oil Transparency & Traceability Dashboard



We define “actively monitored” when volumes are observed by Satelligence / EarthEqualizer via optical and radar satellites or if RSPO IP certified, and “verified deforestation-free” if the volumes are from suppliers that are not linked to active deforestation for palm oil development demonstrated through mapping and monitoring and third party verified data.

The Sabah state in Malaysia is one of the major palm producing regions of the world, and is rich in biodiversity. In order to ensure continued health of the natural ecosystems and the region’s wildlife sanctuaries, Bunge is supporting biodiversity corridors to ease the movement of wildlife around the palm plantations and through the natural vegetation, including planting native flora and building passageways.



# Supplier Due Diligence Process

Direct suppliers in our palm value chain are required to have complied with Bunge's Sustainable Palm Oil Policy from February 2017 and to be transparent about their operations. Prior to receiving deliveries of palm oil products originating from potential new suppliers, we strive to implement the following due diligence measures:

- Provide the potential supplier with a copy of Bunge's Sustainable Palm Oil Policy and advise them of the requirements for third party suppliers.
- Conduct a group-level risk review, to determine if the company's operations have the potential to involve non-compliance with our policy. This will include a review of the potential supplier's feedback on Bunge's policy commitments and our request for relevant permits, legal licenses and concession maps (in shapefile format and where legally possible) for the potential supplier's entire operations, as well as environmental impact assessments and HCS and HCV studies.
- Undertake a gap analysis to identify what material is missing, inadequate or unclear, and request additional material from the potential supplier.

- Fact-check claims by seeking publicly available information including information lodged with government agencies, satellite mapping information (e.g. through Global Forest Watch), RSPO complaints and information available online. Where potential new suppliers have undertaken plantation development that is incompatible with this policy after February 2017, appropriate conservation measures are required before entering into contracts to receive oil originating from that supplier. Where evaluation responsibilities rest with our trading partners (indirect supply), we will request our trading partners to observe similar due diligence measures and provide its findings prior to shipping oil from potential new suppliers to Bunge or its subsidiaries.

Once all elements are completed and our in-house questionnaire is completed online, the supplier is marked for approval.

## Engaging with Suppliers

Bunge takes a proactive and risk-based approach to engaging with its suppliers and monitoring for potential gaps in human rights governance, which can include audits on forced labor activities. Our multi-pronged approach includes: ensuring suppliers sign onto our policies; exercising due diligence at the point of onboarding suppliers; verifying through audits and certifications; following up on grievances; and collaborating at the sector and government level. For more information, [refer to a recently published report from Embode](#).





# Public Grievance Process

At Bunge, we believe that all internal and external stakeholders play important and constructive roles in the implementation of policy. We are committed to an open and transparent approach to resolve grievances with the involvement of affected stakeholders. Bunge has established a Grievance Procedure to ensure timely and transparent responses to stakeholders who identify issues or incidents in the Bunge supply chain that are not in line with the principles stated in the Bunge Sustainable Palm Oil Sourcing Policy.

Grievances include credible allegations of deforestation, ethics violations, and instances of human rights abuses or exploitation. Our supplier due diligence process can result in the logging of grievances. Allegations received from stakeholders that are linked to our suppliers will be investigated and, if confirmed, logged at our grievance tracker, and appropriately addressed or mitigated. They can be submitted through the following channels:

- Online: [via this link](#)
- Make a call: to +1.866.921.6714 or  
to +1.888.691.0773

To view the grievance flow, please visit [this link](#).

