

The background of the entire page is a lush, green palm oil plantation. The palm trees are densely packed, and their fronds are vibrant green, creating a textured and layered appearance. The lighting is bright, suggesting a sunny day.

GLOBAL

PALM OIL

SOURCING

UPDATE

MARCH 2016

KEY FACTS

Committed to 100% traceable supply, respecting High Carbon Stock and High Conservation Value Areas, reducing greenhouse gas (GHG) emissions and protecting the rights of workers and local communities.

Q4 2015 global aggregate traceability to the mill reached 67%. Europe, North America and Brazil combined were 93%; Asia was 43%.

Became a member of The Forest Trust (TFT).

2016 goals of full traceability, launch of supplier verification, grievance mechanism and on-the-ground supply-chain-transformation activities.

BUNGE'S PALM OIL ACTIVITIES

Bunge procures palm oil and derivatives for our Food & Ingredients businesses in North America, Brazil, Europe and India. We trade physical palm oil in Asia and source palm oil for biodiesel in Europe. While Bunge does not own or operate plantations, we recognize the important role we can play in purchasing sustainable palm oil and encouraging its use more broadly.

Achieving our policy goals requires our suppliers to be aligned with our commitments. Many suppliers have responsible sourcing policies that match the rigor of ours; however, it is clear that each company is at a different stage of implementation. We are engaging directly with suppliers to close gaps and improve traceability and will support direct transformation activities on the ground within our supply chain this year.

PALM OIL POLICY AND COMMITMENTS

Bunge believes all agricultural value chains should be environmentally sustainable and economically beneficial to local communities. We believe sustainable palm oil must be produced in a manner that excludes the conversion of High Conservation Value or High Carbon Stock Areas, minimizes greenhouse gas (GHG) emissions, utilizes responsible agronomic practices and protects the rights of workers and local communities.

Our palm sourcing policy calls for Bunge to achieve 100% traceable supply to the mill level (and to the fresh fruit bunch level in sensitive areas) for all of the

palm oil and palm derivatives it trades, processes and utilizes in commercial and consumer products worldwide.

You can download our full policy [here](http://bunge.com/citizenship/sus_palm_oil.html).
(bunge.com/citizenship/sus_palm_oil.html)

In late 2015, Bunge announced a broad commitment to eliminate deforestation from all of our agricultural supply chains worldwide. We are now developing implementation plans for that commitment. We expect different crops and regions will require different solutions, timetables and methodologies.



100%

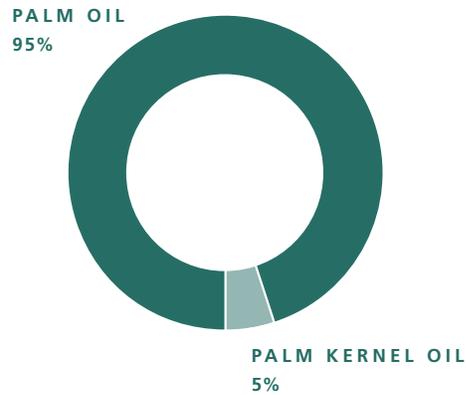
target for mill
traceability

TRACEABILITY

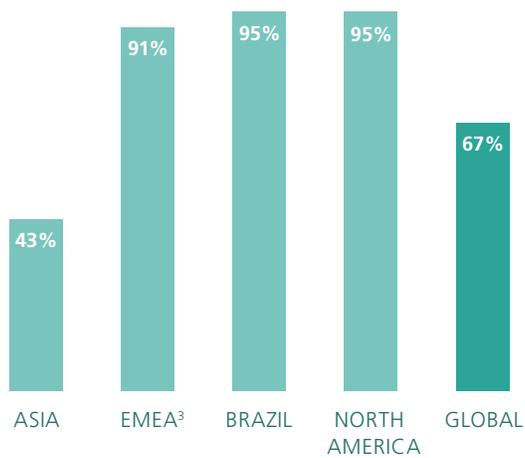
Visibility to the palm oil mill is a first step toward transforming our supply base. We are working with TFT to map our supply chain, identify risks and prioritize engagement with suppliers to improve practices on the ground.

Data on this page refer to Q4 2015 volumes.^{1,2}

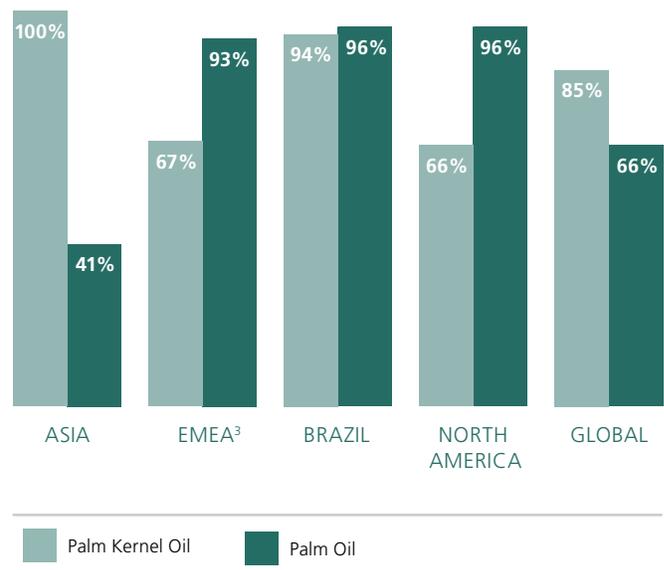
SHARE OF GLOBAL PALM OIL PRODUCTS HANDLED



MILL TRACEABILITY BY REGION (ALL PRODUCTS)



MILL TRACEABILITY BY REGION & PRODUCT



1. All traceability numbers are based on self-disclosed information provided by our suppliers. In some cases, the GPS coordinates of mills were shared with our partner TFT and not directly with Bunge.
2. Traceability levels may vary over time due to data availability, changes in sourcing or other issues.
3. Europe, Middle East & Africa.

CHALLENGES

1. Our palm sourcing in Asia poses the greatest challenge in fully applying our policy and reaching our near-term traceability goals.

This market has been historically slower to move to sustainable palm, and there is considerably less demand from consumers for sustainable products. This is particularly true in India, which represents 58% of our volume in Asia. Asia will be a focus of our ongoing activities.

2. We also have a trading business

in Asia. The fluid nature of the trading market makes full traceability to the mill challenging.

3. Applying our policy requires

collaboration with suppliers. We are engaging with our suppliers to communicate our policies and obtain necessary transparency. In the absence of substantive progress, some sourcing relationships will be reconsidered; we will do this in a transparent manner, following our non-compliant supplier policy.

GOVERNANCE

Sustainability governance at Bunge is overseen by regional and global cross-functional sustainability teams, a global sustainability council, and the Sustainability & Corporate Responsibility Committee of the Board of Directors.

Bunge established a global task force comprised of internal experts from each of our related businesses and regions to

manage palm oil sustainability activities.

The task force has been leading the implementation of Bunge's policy and collaboration with TFT and other parties. Recent activities have included engagement with suppliers and civil society and the development of policies and procedures.

PARTNERSHIP

Bunge joined TFT as a member in October 2015. We are partnering with the organization in three ways:

- 1. To establish a traceable supply,** by engaging with suppliers and enhancing our traceability data collection and interpretation;
- 2. To support our public disclosure;** and

- 3. To contribute to transformational activities on the ground in key areas**—helping suppliers evolve their operations to meet our policy requirements.

We expect these activities to include field assessments of palm oil mills, the development of transformation plans and participation in existing collaborative efforts such as spatial no-deforestation monitoring.

“Bunge has rolled up their sleeves and started the work of building the capacity and systems to implement their responsible palm policy inside their company. We can see the cooperation with their suppliers taking shape that will lead to transformation on the ground.”

—John Van’t Slot
Country Manager, TFT

NEXT STEPS

- 1. Traceability:** Reach full mill traceability.
- 2. Continue supplier engagement:** To date, we have engaged directly with suppliers covering 73% of our direct supply volume to understand and monitor their action plans toward compliance with their own and Bunge’s policies. In the coming weeks and months, we will have deeper discussions with these suppliers on specific issues that have been identified in their supply chains. We have also commenced engagement with the suppliers that cover the remaining 27% of our direct supply volume.
- 3. Launch a transparent grievance process** that allows issues in our supply chain to be raised and addressed.
- 4. Launch a supplier qualification and evaluation process** and begin piloting.
- 5. Investigate and commence on-the-ground supply-chain-transformation projects.**
- 6. Publish a progress report in Q3 2016.**