

Message from the CEO

Impact on the ground

Prepared for Bunge's 2018 GRI Report

Bunge has been a part of the world's food and agriculture system for 200 years. Since 1818, as societies have grown and diets improved, as agricultural production has evolved, and the scale, diversity and value of the agribusiness industry have expanded, Bunge has been active in the fields, on the oceans, in cities, and at home, contributing to the growth and prosperity of the customers and communities we serve. As we start a third century of operation, the value of what we do and the ongoing success of our company will be measured increasingly by the demonstrable ways we can support economic growth, environmental conservation and social development.

Agriculture and food production are intertwined with some of the most significant sustainability issues facing society today. Agriculture generates 14% of global GHG emissions, and it is also at risk from climate change. Over 25% of the world's population, and a large share of its poorest people, work in agriculture. The industry provides vital economic opportunity, but is exposed to human rights issues. It is a large user of water, but is responsible for the nutrition and sustenance of everyone on the planet.

Expectations for improved practices and positive results are high. We need to reduce the inherent impacts of the sector, address business risks and tackle common challenges—deforestation, climate and water—to name a few material topics we highlight in our reporting. And we need to do so on an accelerating timetable, in the face of tangible consumer demand and in a rapidly evolving marketplace.

People want to relate to what they eat. They desire insights into their food and connections to origin. They are leveraging available data to research products, assess companies and make value-based purchasing decisions. In the U.S., for example, 87% of consumers are incorporating sustainability into their behaviors on a regular basis. Innovations, from genetics to new processing approaches, are increasing diversification. The intersection of specialized products and traditional commodity flows is becoming more fluid and dynamic. Companies like Bunge will need to deliver on multiple axes, and sustainability will run through everything.

Transparent, Verifiable and Impactful

The best approach for this type of environment is to build 21st Century value chains that are integrated from farm to consumer, more traceable, measurable, verifiable and impactful, which leverage the opportunities inherent in agriculture and food, tackle common challenges and meet the expectations of consumers.

We are making good progress. Today, our palm oil supply is over 95% traceable to the mill and 30% traceable to specific plantations. Our directly sourced soy in South America is approximately 90% traceable to farm in environmentally significant regions. Because we have a commitment to eliminating deforestation from our supply chains, we are monitoring thousands of farms, plantations and landscapes for land use change. We are delivering significantly higher volumes of certified products worldwide—nearly 40% of our palm oil—and we continue to develop systems to measure the sustainability footprint of the farms from which we source. When combined with metrics from Bunge’s own operations—we maintain goals to reduce the water, CO2, energy and waste intensity of production facilities—we can deliver verified products to customers.

Impact on the ground is a product of independent action and partnerships with stakeholders. Bunge has long been a driver of collaboration and we continue this work today. In 2017, we helped launch Agroideal.org, in partnership with The Nature Conservancy, WWF, peers and other groups. Agroideal.org is an online decision support tool that empowers companies, farmers and others in Brazil (and soon in Argentina and Paraguay) to select environmentally suitable areas to expand agricultural production. We also helped found the Cerrado Working Group and the Soft Commodities Forum, both of which are working to address deforestation in environmentally and agriculturally valuable parts of Brazil. We work with NGOs and customers in Southeast Asia to support smallholder palm growers and address labor issues. In the United States, we are commencing a watershed management program, which builds on a longstanding program of engagement with corn farmers.

Transparency is central to our approach. In addition to the information contained on this Web site, which follows the GRI methodology, we submit data to the forest, water and carbon programs of CDP, produce issue-specific reports on key topics, maintain a robust palm oil dashboard and publish regional reports for our operations in Argentina, Brazil and North America. We also report as a signatory of the UN Global Compact, the principles of which we support. We believe our efforts place us in the top tier of companies in our sector in terms of disclosure, and we intend to remain a leader.

Act, Conserve and Engage

All the above reflect Bunge’s ethos of Act, Conserve and Engage. If we live by this ethos, we believe we will be ideally positioned to tackle the issues of today and the opportunities and challenges of tomorrow. There is a long way to go, and it won’t be a straight path. There will be bumps to absorb and turns to navigate. But the direction is clear and so is Bunge’s commitment.

I invite you to learn more about our efforts and to follow our progress by reviewing the content of our reports and this Web site.

Thank you for your interest in Bunge.

Soren Schroder (Bunge Limited CEO, 2013-2018)