



NON-DEFORESTATION POLICY



GRAINS & OILSEEDS PROGRESS REPORT

#4 MARCH 2018

YEAR 2

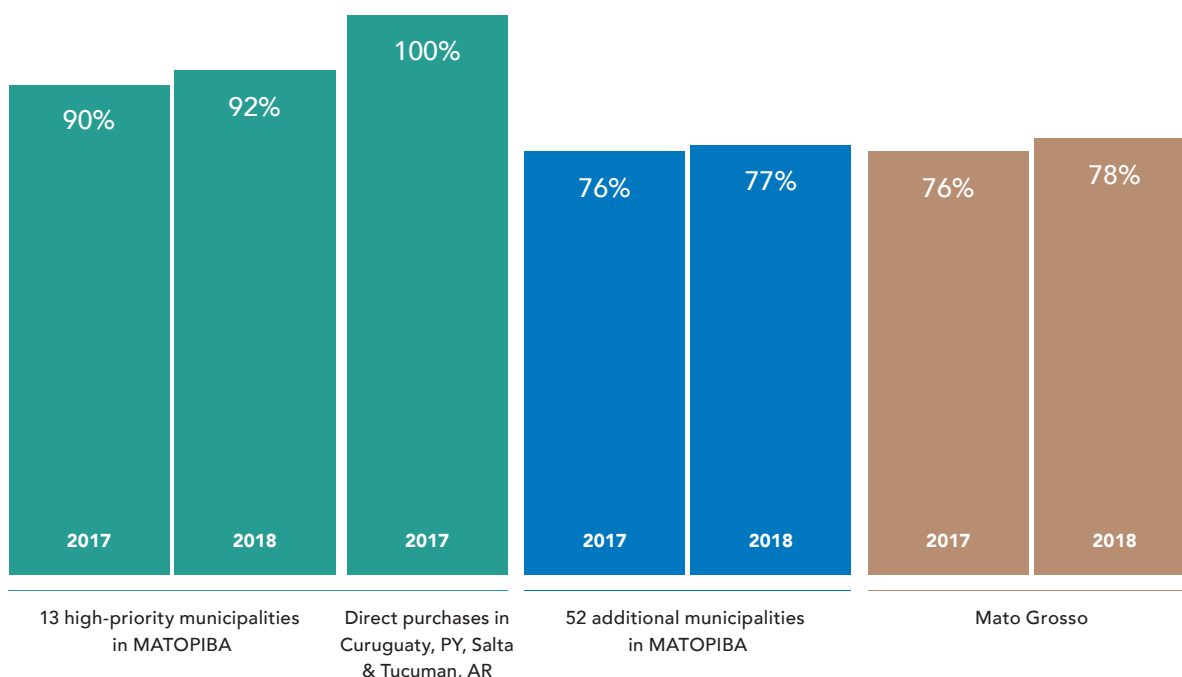
CREATING VALUE CHAINS FREE OF DEFORESTATION, WHILE RESPECTING COMMUNITY RIGHTS AND INCREASING TRACEABILITY AND TRANSPARENCY.

MAJOR ACHIEVEMENTS

STRATEGIES	DELIVERABLES	OBJECTIVE
Develop traceable supply chains	 <p>High traceability to farm* level over risky areas in Brazil:</p> <p>2017 2018 90% 92%</p> <ul style="list-style-type: none"> • 100% traceability to elevator for indirect sourcing • Flagging system implemented • Monitoring for deforestation over more than 8 million hectares of direct suppliers' farmland across more than 6,700 farms • More than 200 third party elevators monitored in a landscape approach 	
Expand origination in open land & go zones	 <p>Growth potential using agroideal.org</p> <ul style="list-style-type: none"> • Bunge has used the platform to run business plan scenarios • Site is being used by public • Updated maps and expanded geographic coverage coming soon 	
Incentivize sustainable expansion	 <p>Incentives for sustainable farming</p> <p>New partnerships being established to provide funds that will help farmers expand cropping, protect forested areas and restore legal reserves / areas of permanent protection on farm</p>	 <p>Eliminate deforestation in our supply chain, reaching full compliance between 2020 and 2025</p>

DEVELOP TRACEABLE SUPPLY CHAINS

TRACEABILITY OF DIRECT SOURCING BY VOLUME



MONITORING

6,770
DIRECT SOURCING
FARMS

98
MONITORED FARMS
SHOWED DEFORESTATION

8.67M
HECTARES OF LAND IN DIRECT SOURCING
WERE MONITORED AND CHECKED FOR
NEW DEFORESTATION ACTIVITIES

100%
MONITORING OF
3RD PARTY SUPPLIER
ELEVATORS IN RISK AREAS

Monitoring is a two step process:

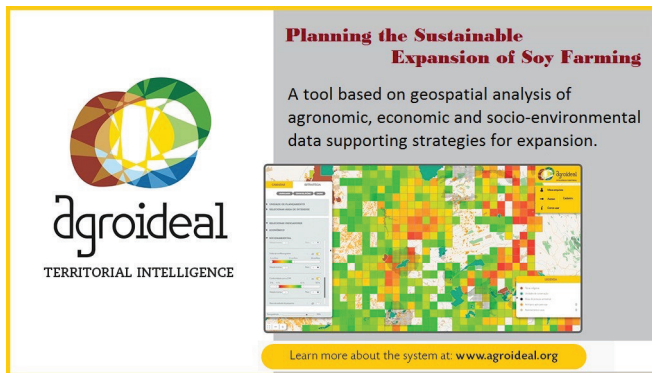
- 1** Identify incidents of deforestation against baseline imagery

Implementation of flagging system:
Out of 6,500 farms monitored in the Cerrado Biome, 97 suppliers' farms were yellow flagged due to recent deforestation.
In Argentina, 264 sourcing farms in areas of expansion were monitored and 1 yellow flag was identified.
- 2** If any deforestation has occurred, reassess the relevant locations to check for soybean cultivation

The landscape approach:
Areas of higher incidence of general deforestation are being prioritized for a joint effort via local engagement. Bunge is currently monitoring for occurrence of new crops over deforested areas among direct suppliers.

CULTIVATE OPEN LAND & "GO ZONES"

AGROIDEAL.ORG IN USE



Since its launch, Agroideal.org has been a valuable resource for a large number of users located primarily in important agricultural centers in Brazil. Statistics point to extended site visits, indicating that a variety of analytical models and analyses are being run by farmers, companies and other stakeholders in the agri-food chain. Specific usage information is not available due to encryption protocols and privacy protections.

Bunge has used the system in its own operations to identify opportunities and risks for its future sourcing. Initial results show positive, mid-term scenarios for expanding origination in a sustainable way.

The coalition of companies, NGOs and science entities involved in the development of Agroideal.org are working together to create updated and complementary mapping layers for the system. New maps developed by Embrapa are bringing valuable data layers to help identify actual, potential and expected crop yields. Information about the Amazon biome is being included and a new coalition of partners is working to expand Agroideal.org beyond Brazil. Later in 2018, the tool should cover important areas of Argentina and Paraguay.

CREATE INCENTIVES FOR SUSTAINABLE EXPANSION

An important pillar in the strategy to implement the Non Deforestation Policy is the use of incentives, which are currently being discussed with a range of possible partners. Bunge believes that imposing restrictions should not be the sole solution to stop legal deforestation related to agricultural expansion. Farmers willing to engage shall be compensated for their commitments.

Bunge is close to finalizing agreements with key partners, and details will soon be disclosed. These partnerships center around providing incentives for farmers who choose to expand, respect non-deforestation guidelines and value forest preservation.

Our objective is to continue the sustainable expansion of agricultural production. Our efforts will help demonstrate that future supply needs can be met by using land more efficiently and without the deforestation of natural habitats.

ADDITIONAL COLLABORATION

A FIVE YEAR PROJECT THAT HELPED IMPROVE AGRICULTURAL PRODUCTION IN THE CERRADO

"Sustainable Paths", a US \$4 million project implemented by Bunge and The Nature Conservancy, leaves a legacy of knowledge and tools, shaping the most important agriculture region in South America.



25,528
FARMS MAPPED

7 ENVIRONMENTAL PORTALS (PAMS)

The PAMs help municipalities to plan rural landscapes and monitor deforestation and legal compliance

14.6M HECTARES

Total mapped area includes 11 million hectares of native vegetation

17,000⁺ FARMS

Were enrolled in the Rural Environmental Registry (CAR)

The project was implemented throughout 19 municipalities in 3 states of Brazil. The municipalities in the project have high importance in terms of agricultural expansion.

EDUCATION AND TRAINING

A collection of techniques that help farmers conserve natural resources. 300 training hours provided to local technicians, 5 different brochures released to help legal compliance and one study published about water management.

GREEN TAXATION

Support for the creation of a green taxation model for Trairão (Pará) which allowed the municipality to have access to BRL 1 million in financial incentives.

CONTINUOUS ENGAGEMENT

Bunge is engaging with stakeholders. Recently the company took part in the following discussions:

Amazon Soybean Moratorium – Soy Working Group

Latin America Edible Oils Conference – speaker

Cerrado Working Group meetings

Prince of Wales International Sustainability Unit – deforestation summit

São Paulo Agribusiness Summit 2017 – keynote speaker

London Innovation Forum: "How business can tackle deforestation" – panelist

Learn more about Bunge's commitments, policies and strategies by visiting bunge.com/sustainability or by visiting our regional Web sites: [Bunge Brazil](#) and [Bunge Argentina](#).