



NON-DEFORESTATION POLICY

GRAINS & OILSEEDS UPDATE #3 SEPTEMBER 2017

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

RECENT ACHIEVEMENTS


Increased traceability of direct supply in Brazil; 90%+ in high-priority areas

Commenced supplier satellite monitoring program of 6,000+ locations

Supported development and launch of Agroldeal.org, a decision-support tool for sustainable agricultural expansion

Expanded communication of non-deforestation policy to farmers and stakeholders

IMPLEMENTATION APPROACH

STRATEGIES		DELIVERABLES		OBJECTIVE
Develop traceable supply chains	➔	Spatial mapping & supplier monitoring		 <p>Eliminate deforestation in our supply chain, reaching full compliance between 2020 and 2025</p>
Expand origination in open land & go zones	➔	Sustainable land-use planning maps	➔	
Incentivize sustainable expansion	➔	Preferential financing for compliant producers		

Click [here](#) for information about palm oil non-deforestation activities

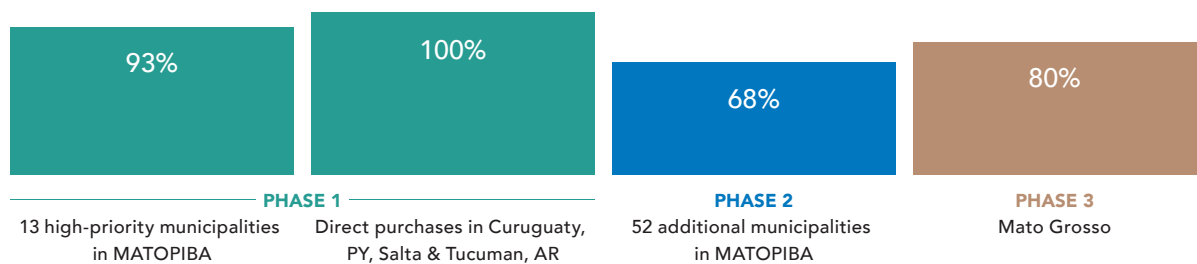


DEVELOP TRACEABLE SUPPLY CHAINS

Bunge has implemented a three-phase approach to increasing traceability of our soy supply in South America. Phase 1 targeted the highest-priority regions, where agricultural expansion has been most prevalent in recent years. Phases 2 and 3 expanded data collection across a larger portion of the Cerrado region.

Today, a significant share of Bunge's directly sourced volumes in these areas is traceable to the farm level. Volumes sourced from third parties are traceable to the elevator.

TRACEABILITY OF DIRECT SOURCING BY VOLUME



► **2018** | Forward-purchased volumes in Brazil for 2018 are currently tracking 90%+ traceable

MONITORING

To ensure we can identify if deforestation is occurring in our supply chain, Bunge has commissioned third party firms to conduct satellite monitoring of over 6000 farms and locations in Brazil, Paraguay and Argentina.

6000+
SITES MONITORED

The monitoring is a two step process:

- 1 Identify any incidents of deforestation against baseline imagery,
- 2 If any deforestation has occurred, reassess the relevant locations to check for soybean cultivation.

Bunge is monitoring three types of locations:



INDIVIDUAL FARMS WITH
DEFINED BOUNDARIES



AREA AROUND A FARM LOCATED
WITH A GPS COORDINATE



AREA AROUND A
THIRD-PARTY ELEVATOR



CULTIVATE OPEN LAND & "GO ZONES"

LAUNCH OF AGROIDEAL.ORG

In September, Bunge, The Nature Conservancy and a coalition of over 15 other companies, NGOs and government entities launched Agroideal.org, a decision support tool that facilitates the sustainable expansion of soy production in South America.

An open source tool with a user friendly interface, Agroideal.org enables users to create custom scenarios by integrating over 25 different data layers, including environmental, economic and social indicators, to identify, at different scales, lands suitable for agriculture. The tool currently covers all of the Brazilian Cerrado. Updates planned for later this year will expand coverage to the Argentinian and Paraguayan Chaco.

With Agroideal.org, users can direct sourcing, planting or investment strategies to areas that meet environmental pledges regarding the sustainable expansion of soybean production, reduce impacts and maximize agricultural and economic potential.

Bunge is currently utilizing Agroideal to explore sourcing scenarios for 2018 and beyond. Click [here](#) for more information.



Customized reports show low and high risk areas for expansion



CREATE INCENTIVES FOR SUSTAINABLE EXPANSION

Curbing deforestation requires more than purchasing restrictions imposed by a handful of companies. It requires contributions from everyone and environmental assets to be valued appropriately.

In the areas where Bunge operates, certain levels of deforestation are legal. By protecting lands beyond what is legally required, farmers forego economic opportunity. Providing compensation for conservation can ensure long-term environmental benefits.

Bunge continues to engage with potential investors and partners to develop incentive programs that will encourage and reward farmers for avoiding deforestation and intensifying agricultural production on existing lands.



ADDITIONAL COLLABORATION



BUNGE AND THE NATURE CONSERVANCY ARE PARTNERS IN A GROUNDBREAKING INITIATIVE FOR BETTER ENVIRONMENTAL GOVERNANCE AND LANDSCAPE PLANNING IN THE BRAZILIAN CERRADOS.

The 2017 launch of The Municipal Environment Portal (PAM) in the municipalities of Luiz Eduardo Magalhães, Formosa do Rio Preto and São Desiderio in Western Bahia, as well as Ruopólis in Pará improves transparency, communication and collaboration among farmers, local government, agribusiness companies and other stakeholders.

Developed over the course of a multi-year partnership, the PAM consolidates farm, regional environmental and other information into one easily accessible site that encourages and enables smarter, more sustainable land use planning. Local governments can monitor activity on all farms in their municipalities, track land use change, identify areas for preservation and promote the restoration of degraded land.

Bunge and TNC have also released a guide featuring best agricultural practices for farmers, with a focus on Mato Grosso. In the field, farmers now can access a comprehensive source of information through their smartphones.



COMMUNICATION

Bunge continues to communicate its non-deforestation commitment and implementation plans to farmers throughout our operations in South America.

To date, communications have reached thousands of farmers via:

Direct engagement at technical meetings, municipal outreach events, congresses and trade shows

Bunge social media and corporate Web sites

Direct mailings

Bunge E-commerce portals

Brochures and corporate sustainability reports

You can 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](#).