

The Bunge logo features the word "BUNGE" in a bold, dark blue, sans-serif font. Above the letter "U" is a stylized icon consisting of three horizontal bars of varying lengths, resembling a grain or a stylized letter "B".

BUNGE

Soy from South America

Our 10th Progress Report



Soy from South America

Progress Report #10

We have a public commitment to reaching deforestation-free value chains by 2025, the most ambitious deadline at our scale in the industry. This commitment extends to regions where we operate including our direct and indirect soy sourcing from South America, and encompasses native vegetation conversion in the appropriate geographies, reconciling production with environmental, economic and social interests.

As part of our efforts, we:

1

Apply cutting-edge satellite technology capable of identifying changes in land use and soy planting on the over 9,000 farms we have mapped and monitored to date.

2

Work closely and engage with farmers to protect native vegetation and to support increasingly productive and sustainable value chains.

3

Collaborate actively in the sector to increase industry-wide transparency and to support the creation of fair compensation to farmers who commit to sustainable agricultural practices and avoid native vegetation conversion. Our intention is to discourage cases of conversion of new land into agriculture, and instead to foster expansion across areas already open for production.

“We do not believe that excluding ourselves from the areas of South America facing higher risk of deforestation is a sustainable approach to this matter. That’s why our teams have worked hard in the past years to build the industry’s most comprehensive monitoring system. It gives us unprecedented visibility into our supply chain, which is important because it allows us to take action and course correct on our partnerships as needed as we move toward our 2025 cutoff date. We are confident that this continues to be the right approach.”

Julio Garros, *President, Agribusiness Development, Operations & Milling*



The Most Critical Biomes

As the leading soybean processor in South America, we are focusing and investing a significant share of our sustainability and technology implementation efforts in this region, which is not only relevant for our business, but also considered home to vital landscapes for the global environment and climate.

The biomes of the Cerrado, the Amazon and the Grand Chaco, located in South America, are subject to pressure from agricultural expansion and are the focus of preservation efforts.

To better understand the situation on the ground, it is important to highlight that regions where we operate, such as the Cerrado and the Amazon in Brazil, and the Grand Chaco in Argentina and Paraguay, have very different natural characteristics, unique economically dependent communities and have distinct local legislation:

The Gran Chaco: Home to many different communities, the Gran Chaco is located in parts of Argentina, Bolivia and Paraguay. It is the largest area of native forest in Argentina and, despite the extreme natural environmental conditions, it is home to thousands of plant and hundreds of wildlife species. It also provides an environmental and bioclimatic balance for the continent. Bunge has sponsored sustainable management efforts with tools such as [Agroideal.org](https://agroideal.org), already applied in the Brazilian Cerrado. [Agroideal.org](https://agroideal.org) helps users to analyze and evaluate socio-environmental risks for the region's soy expansion. [\[Source\]](#)



The Amazon: The Amazon biome features rich, dense rainforest vegetation, savannah and diverse fauna. It is home to half of the world's biodiversity and its largest water basin, containing 20% of the planet's fresh water [\[Source\]](#). The biome extends to nine countries, and half of it is in Brazil- concentrated in the North and part of the Central-West of the country, including areas in nine Brazilian states. Currently, 75.7% of the biome in Brazil is preserved [\[Source\]](#). In the Amazon, 98% of the soy production is located in 95 municipalities, distributed among seven Brazilian states: Pará, Rondônia, Roraima, Amapá, and portions of Mato Grosso, Maranhão and Tocantins. There is an industry-wide Soybean Moratorium in place and no signatories to the Moratorium – which includes Bunge – will accept soybean cultivated on areas open after 2008. Bunge's purchases from the Amazon are audited under the Amazon Soybean Moratorium. See more on [page 37](#). [\[Source\]](#)

The Cerrado: Known as the Brazilian Savannah, the Cerrado is made up predominantly of small vegetation cover and has a continental tropical climate, with a dry season that may cause occasional wildfires. Currently, 52.5% of the native vegetation remains in the biome. The Cerrado covers around 25% of Brazil, encompassing twelve states with different levels of agricultural development. Only 8% of the Cerrado is planted with soy, and from this area, only 2% is linked to recent conversion of native vegetation after 2014. [\[Source\]](#)



Our Process

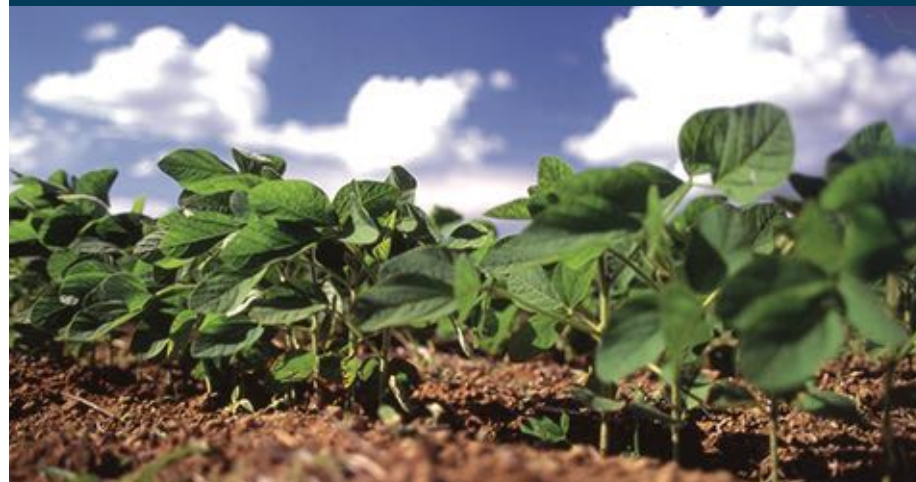
As part of our efforts, we track our purchases, and we strive to maintain strict oversight of socio-environmental conditions of our suppliers.

- We carry out daily checks of IBAMA's (the Brazilian government agency responsible for the environment and natural resources) lists of embargoed land to ensure we do not buy soybeans from farmland with illegal deforestation.
- We check for forced or compulsory labor in our suppliers' activities through the public list of the Brazilian Special Secretariat for Social Security and Labor.
- We suspend business with farmers who do not respect the Amazon Soy Moratorium or the Green Grain Protocol in Pará, both in the Amazon biome.
- We observe the Law on Environmental Protection of Native Forests (Law 26,331) in Argentina, which establishes the areas considered protected in the region, as well as guidelines for the use of soil for agricultural activities.
- We use farm monitoring systems hosted by an independent third party as a complementary way to check public databases in specific regions in Brazil in order to assess risks of unregulated farming. This technology assesses the socio-environmental compliance criteria of landowners and rural properties.
- We develop our own monitoring and verification systems, such as AceTrack. Through this technology, Bunge provides clients with tracking and product origin details.
- We leverage Agroideal.org, an open source tool developed with a coalition of 17 other organizations connected to the value chain in order to assess open land available for the expansion of soybean, mitigating the risk of indirect pressure for native vegetation conversion.

Improving Monitoring Through Greater Access to Rural Environmental Registry

The Brazilian Forest Code is a regulatory framework that has made major advances both for environmental conservation, and for the formalization of rural property documentation. One of the main features is that Brazilian farms must maintain natural vegetation standing, ranging from 20% to 80% of their land depending on the region. This means that while growing products on their land, Brazilian farmers are also required to preserve natural vegetation, potentially allowing biodiversity corridors throughout the rural landscape, as well as protecting water resources, soil health and micro-climates.

The Code also plays an important role in reconciling farming boundaries. The Rural Environmental Registry (CAR, in Portuguese) is one of the great achievements in this regard. This registration, which is mandatory for farms, maps land use on the property, whether it is for farming, forestry activities, or special conservation, as well as providing a geo-referenced shape of the farm.



With the use of CAR information, we are well positioned to understand what happens on farms and their boundaries. Bunge was a pioneer in satellite monitoring of areas at risk of deforestation with the support of CAR data collected from thousands of suppliers. For the few instances where CAR is not available, we use GPS coordinates to establish a monitoring radius. Bunge is a leading company in the sector that uses CAR data at this scale to obtain accurate information about our origination in Brazil, which is much more reliable than traceability accounted over only a single GPS point.



Traceability and Monitoring

Traceability is an important way to understand where our product originates and helps to provide assurances to our customers that we have insight into our supply chain. Soy volumes are classified as traceable when Bunge has information such as the Rural Environmental Registry (CAR) number, GPS coordinates, or complete location details of the property where the soy was produced.

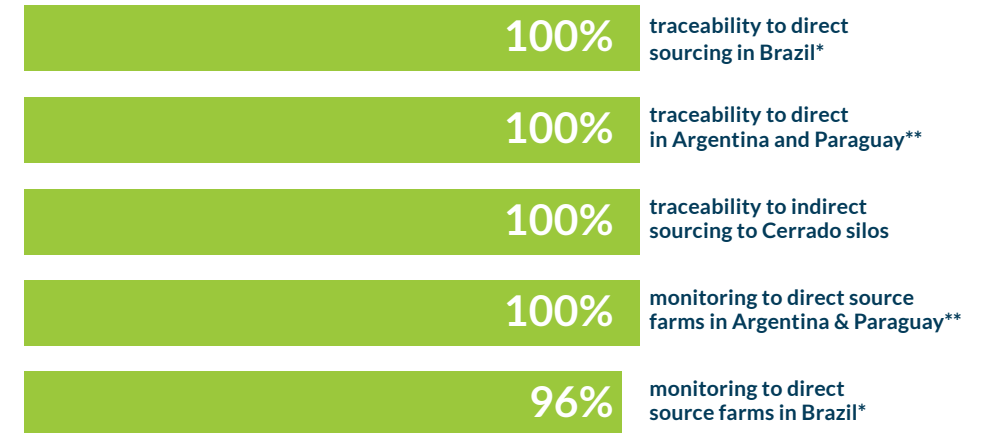
Bunge has achieved impressive traceability data for our direct purchases in South America – reaching 100% for Brazil and for high-risk regions of Argentina and Paraguay (Gran Chaco). In 2021, Bunge also began receiving third party verification of our traceability to farm, offering another layer of assurance. For indirect purchases, the company is 100% traceable to third party elevators in the monitored regions since 2018.

However, as markets evolve and consumer trends become more focused, traceability is becoming table-stakes. That is why we have evolved our focus toward monitoring the farms in our direct supply chain.

Whereas traceability indicates our ability to locate the farm on a map, monitoring describes our ability to see and evaluate what is physically happening on the property. Our monitoring system is industry-leading in terms of its scale and depth, and is only possible due to the strong relationships we have developed with suppliers over the past century.

Importantly, Bunge even monitors farms that no longer supply us. We believe this is an important way to assess the prevalence of land use change across an agricultural region, and apply new landscape approaches to our engagement with farms.

We are aiming for 100% monitoring of direct source farms in the high-risk areas of South America before 2025. And we’re supporting indirect suppliers to achieve the same through the Bunge Sustainable Partnership, which we describe further on [page 34](#).



*Cerrado regions of Mato Grosso and Matopiba region (Maranhao, Tocantins, Piaui and Bahia states);
 **Chaco regions of Argentina and Paraguay



Our Flag System

As part of Bunge’s monitoring process, and as outlined in our [Grains & Oilseeds Commitment](#), our teams use a flagging system in order to analyze and engage with farmers when land-use change is identified on farms that Bunge sources from.

On the right is an explanation of the framework we use to engage with these farms, using a Yellow & Red flag system.

Beyond our own monitoring, we also offer public resources for stakeholders to raise concerns about land use changes in our supply chain. One of the most powerful is Bunge’s anonymous [hotline](#) which allows stakeholders to ask questions and raise issues related to our responsible sourcing policies.

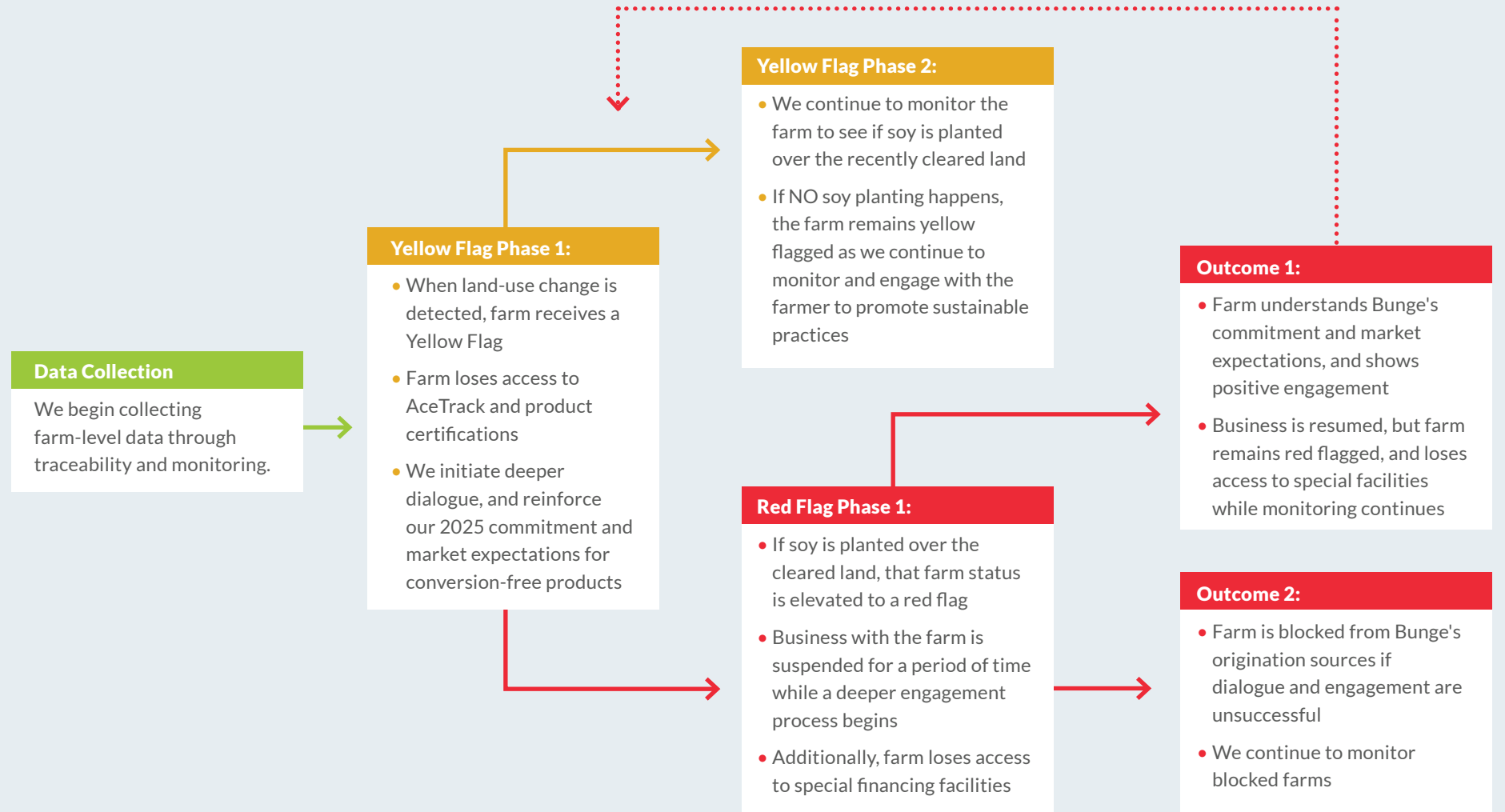
In anticipation of our 2025 commitment implementation, we are enhancing our approach to non-compliant farms, and are engaging with them to promote sustainable production. An upcoming progress report will describe a dedicated grievance process specifically for our non-deforestation commitment for soy, even as we continue to engage with stakeholders through existing channels.

The chart below provides more details on actions taken against farms that did not comply with existing sourcing standards or our expectations.

Farms Blocked in 2020 Due to Sourcing Criteria

| | |
|--|------------|
| Deforestation in embargoed areas (IBAMA) | 111 |
| Amazon Soy Moratorium | 80 |
| Modern Slave Labor Regulations | 0 |
| Pará Green Grain Protocol | 96 |
| Bunge Sourcing Standards | 37 |
| Total farms blocked through 2020 | 324 |

Establishing 2020 as a baseline, over 95% of the monitored volumes we source from are deforestation and conversion-free, and we believe based on our risk assessment of the geography that future years will maintain this high percentage.



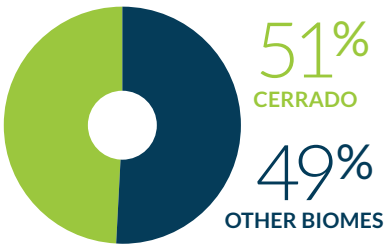
Protecting the Cerrado

Bunge has 100% traceability to its direct sourcing in the Cerrado and, since 2017, has implemented a leading high-tech monitoring system reaching over 8,300 farms in regions subject to higher risk of deforestation and native vegetation conversion in the biome*, encompassing 11.6 million hectares (28.6 million acres) of monitored farmland.

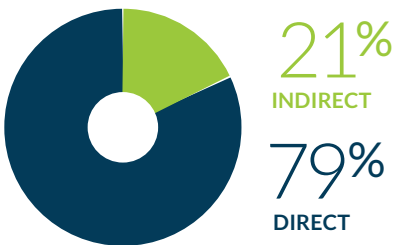
Our monitoring covers 96% of the volume of soybeans we buy directly, and even includes monitored farms that we no longer buy from. Our intermediate target is to achieve 98% of monitored volumes in the Cerrado, based on CAR/GPS data by the end of December 2021. We believe we are on track to meet this target.

*Cerrado in Mato Grosso, Maranhao, Tocantins, Piaui and Bahia States (MT+ MATOPIBA)

Soy Producing Regions in Brazil



Bunge's Direct & Indirect Sourcing in the Cerrado



Decreases in Soy Expansion in Brazil (in hectares)**



**[Source]

Bunge Sustainable Partnership

We have expanded our focus to indirect sourcing, as an important milestone towards the implementation of our commitment. As we already have 100% traceability to third party elevators, in 2021 Bunge started monitoring soybeans indirectly acquired within the Brazilian Cerrado. To advance this, the Company has launched the Bunge Sustainable Partnership, an unprecedented initiative by which Bunge will share its best practices and tools with grain resellers in the region. The program will help partners deploy supply chain verification systems, including the use of satellite imagery. With this initiative, Bunge became the first company to foster mass action in the Cerrado region to track indirect purchases, offering extensive benefits to the entire supply chain.

We are sharing our experience, methodologies and tools with partner resellers that are interested in implementing or improving the socio-environmental assessment with their suppliers. For geospatial monitoring, which involves the verification of soybean farming areas by satellite images, resellers may choose to implement their own systems, or use Bunge's existing system, which the company offers free of charge.

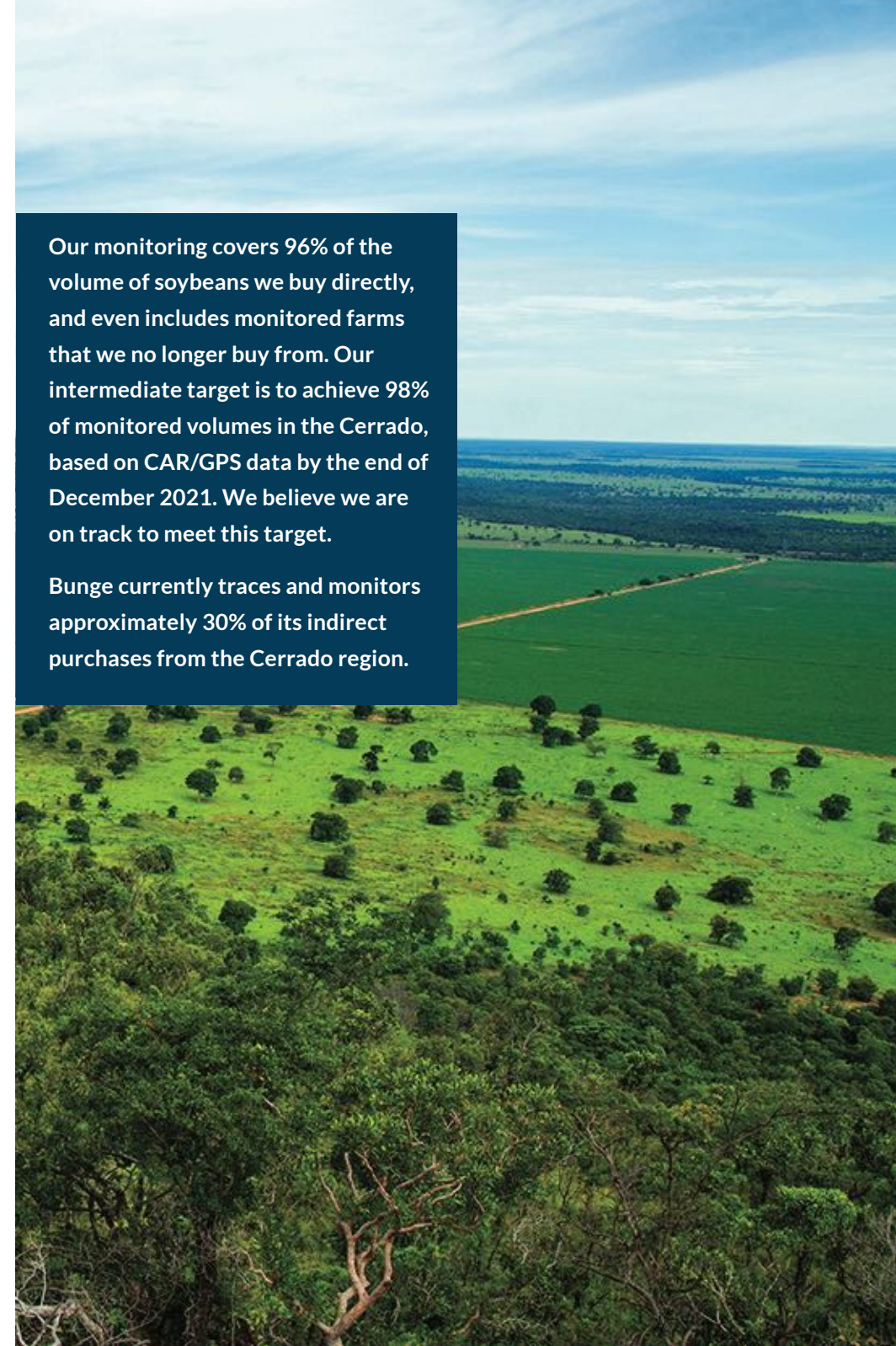
With the engagement of grain resellers from the Bunge Sustainable Partnership, the Company expects to achieve approximately 35% monitoring of the indirect volumes in the Cerrado by the end of 2021; 50% by end of 2022; and 100% by 2025.

Intermediate Indirect Sourcing Targets



Our monitoring covers 96% of the volume of soybeans we buy directly, and even includes monitored farms that we no longer buy from. Our intermediate target is to achieve 98% of monitored volumes in the Cerrado, based on CAR/GPS data by the end of December 2021. We believe we are on track to meet this target.

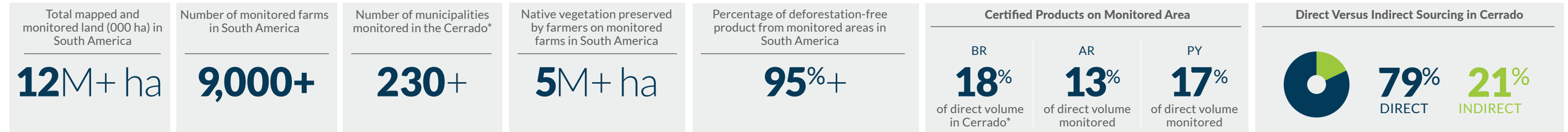
Bunge currently traces and monitors approximately 30% of its indirect purchases from the Cerrado region.



Our Progress

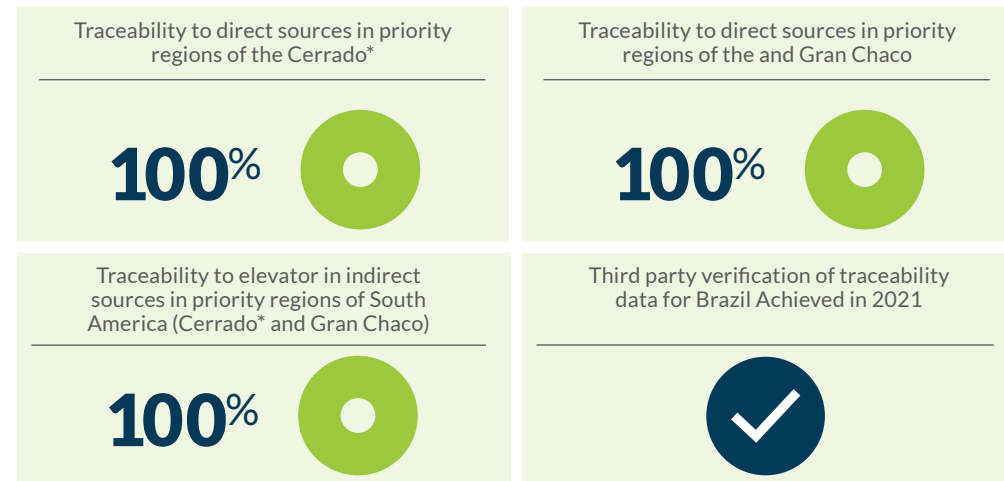
Bunge's 10th progress report for South America soy

Since 2016, Bunge has published nine reports offering unparalleled insight into our supply chain from the high-priority areas of South America – the Cerrado* in Brazil, and the Gran Chaco in Argentina and Paraguay. The data provided below represents the most transparent disclosure of soy origination and monitoring data in the industry.



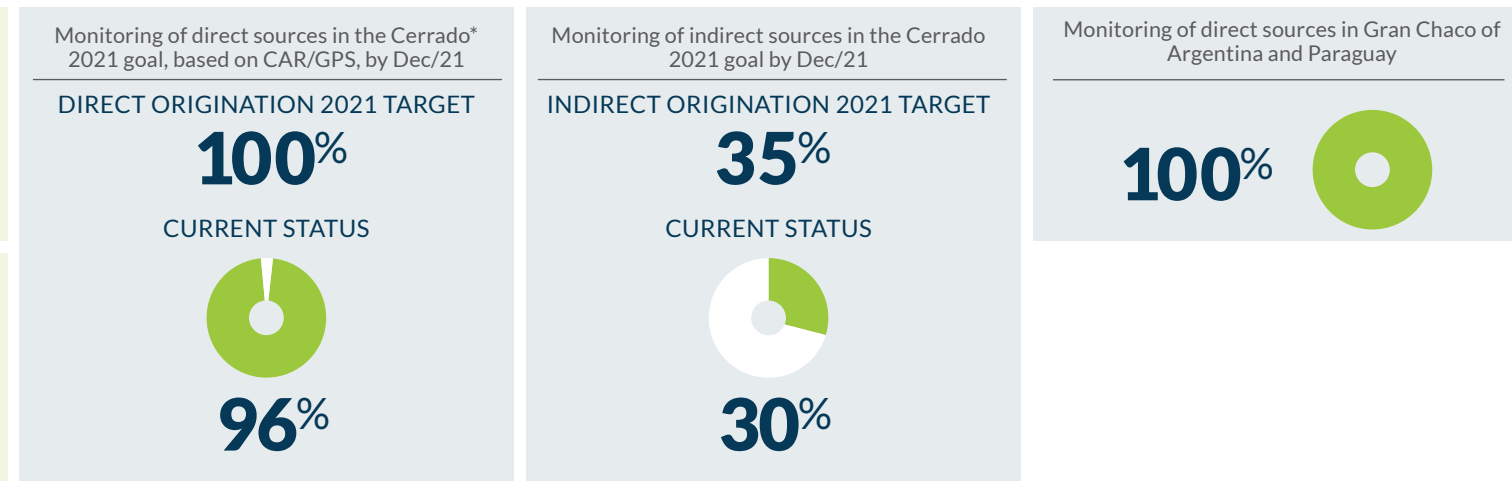
TRACEABILITY

Information such as the Rural Environmental Registry (CAR) number, GPS coordinates, or complete location details of the property where the soy was produced.



MONITORING

Our ability to see and evaluate what is physically happening on the property using technology and engagement tools.



SUPPLIER SCREENING



*The regions of the Cerrado facing higher risk of deforestation across the Brazilian States of Mato Grosso, Maranhao, Tocantins, Piaui and Bahia (MT+ MATOPIBA)



Our Digital Tools and Incentives for Farmers

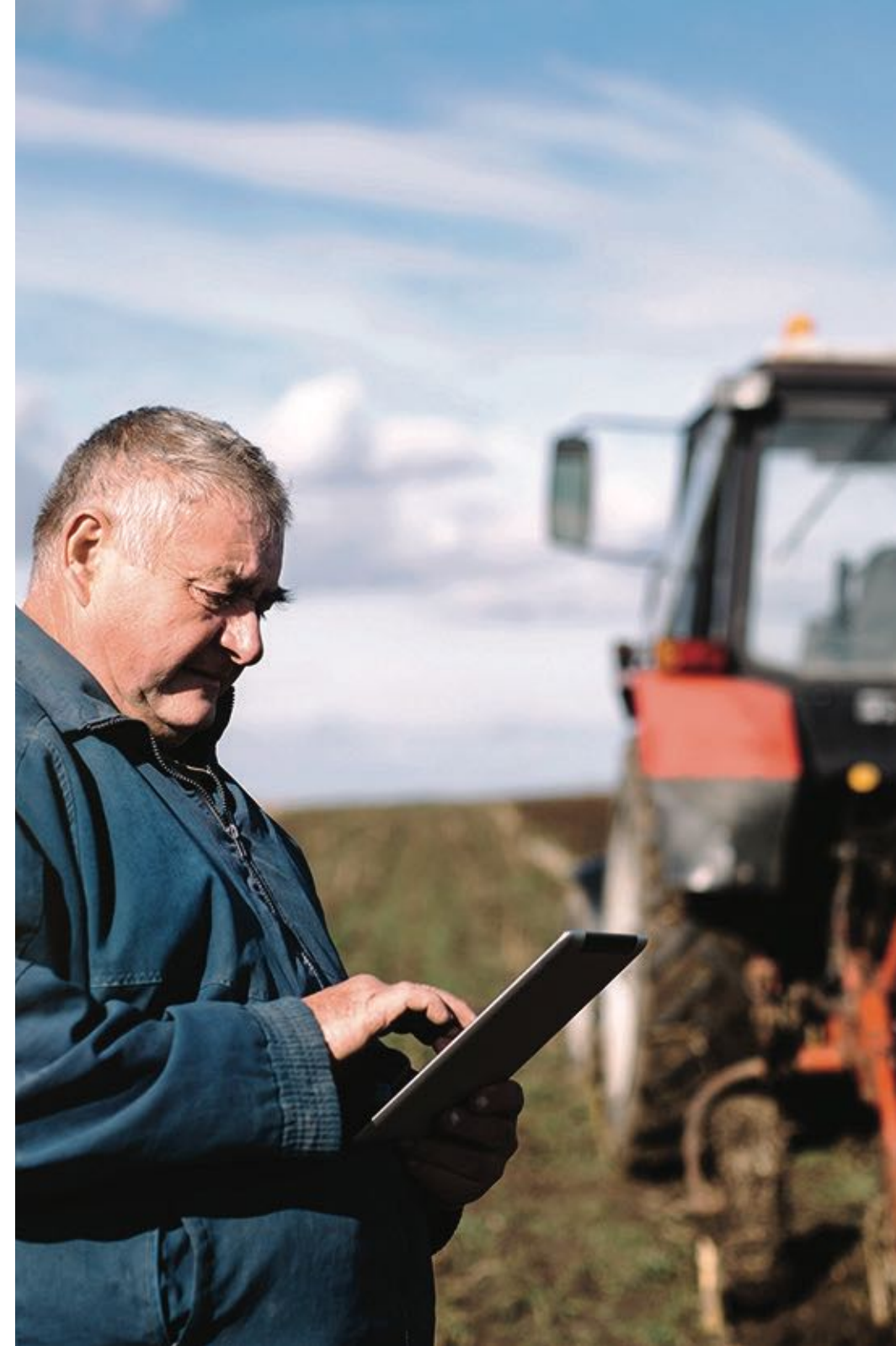
We pioneer the use of powerful tools and programs that enable sustainable expansion and incentivize best-in-class agricultural practices by providing digital solutions and incentives to farmers and indirect suppliers.

- **Agroideal.org** – A free, online tool allowing users to integrate agronomic, environmental and social data to make better decisions about how to sustainably expand agriculture production. This tool was developed by Bunge and the Nature Conservancy (TNC) in coalition with 16 other partners.
- **Agroapp Bunge** – A mobile application that acts as a hub of information and tools to support sustainable production, in addition to offering farmers easy access to the data of the Rural Environmental Registry (CAR) of their farms.
- **Long-term financing** – a USD \$50 million long-term facility available for Cerrado farmers. The program is designed to promote agricultural production without further deforestation or conversion of native vegetation, by providing long-term loans to farmers willing to commit to this approach. The facility is a partnership between Bunge, Santander Bank and the Nature Conservancy.
- **Soja Plus** – Through Abiove, we support Soja Plus, a program that offers training, supporting materials and technical assistance to participating farmers in Brazil. Since 2011, Soja Plus has offered courses to 6,500 farmers, and developed technical assistance for [2,465 farms, representing a production of 9.6 million tons of soybeans (8% of Brazilian oilseed production) - learn more at www.sojaplus.com.br

- **Brazilian Seal of Social Fuel (Selo Combustível Social)** – We are part of the National Biodiesel Production Program, an initiative of the Brazilian Federal Government, to promote the qualified insertion of smallholders into the biodiesel production chain.

| | 2018 | 2019 | 2020 |
|--|-----------|-----------|-----------|
| Originated volume (ton) | 171,000 | 157,564 | 174,000 |
| Families supported | 5,000 | 4,700 | 5,100 |
| Investment in technical assistance (R\$) | 1,918,498 | 1,935,908 | 2,129,566 |

- **Visec** - We are part of the Platform for the Sectoral Vision of Gran Chaco, a space promoted by the Nature Conservancy and CIARA with support from the Peterson Control Union to bring together the main origination, processing and agricultural commodity traders with the objective to reduce the environmental impacts associated with the production of soy and other crops in the Argentine Gran Chaco.
- **Preservation of the Gran Chaco Argentina** – In partnership with the Nature Conservancy, since 2019 we have worked with farmers, private companies, financial institutions and the Argentine government to implement sustainable production practices and systems in the region.



Preserving the Amazon

The latest report on the Amazon Soy Moratorium for the 2019/20 crop year shows that out of the 95 municipalities across seven states representing 98% of soy production in the Amazon biome, just 2% of the total soy grown in the biome during the last crop failed to comply with the no-deforestation requirement.

In this biome, through Abiove, we are also signatories to the Green Grain Protocol of Pará since 2014, which establishes socio-environmental guidelines for the purchase of grains in the Pará state. The Amazon Soy Moratorium and the Green Grain Protocol in Pará are audited by an independent third party, and Bunge complies with the requirements of both commitments.

In the Amazon, the increased number of fires in the past two years has become another area of attention from communities and leaders around the globe. Bunge condemns the use of fire as a method of clearing land for agriculture in the Amazon biome. Currently, 176 farms are blocked due to non-compliance with our voluntary commitments related to the Amazon Biome.

Consistent with our commitment as a signatory to the Amazon Soy Moratorium, we have been 100% deforestation-free in the Amazon biome since 2008. The Moratorium is a globally recognized voluntary commitment, which prohibits the purchase of soybeans from areas cleared after 2008. The initiative has mechanisms for monitoring the opening of areas for growing soybeans in the region, and auditing companies' purchases from the Amazon Biome.



Multi-Stakeholder Engagement Platforms

Scalable and permanent solutions to deforestation require collective action from value chain participants. For years Bunge has been a major driver of industry-wide collaboration and transformation. We are a founder and active member of the most important industry associations and platforms to find practical solutions to common sustainability challenges.

Active participation in South America includes: Abiove and its multi-stakeholder Cerrado Working Group (GTC); the Amazon Working Group (GTS); and the Visec (Platform for the Sectoral Vision of Gran Chaco).

In importing countries we are part of the Soft Commodities Forum, a World Business Council for Sustainable Development subgroup; The French platform Duralim; the Dutch Soy Platform, through our membership in the Netherlands Oils and Fats Industry Association (MVO); the Forum for Sustainable Protein Feed (FONEI) of the German Federal Office of Consumer Protection and Food Safety; and we support OVID (German Association of Oilseed Processors) by signing the respective discussion papers in order to maintain a constructive stakeholder dialogue.

Bunge is an active participant alongside the following multi-stakeholder organizations, among others:

- **Abiove** (Associação Brasileira das Indústrias de Óleos Vegetais)
- **Abia** (Associação Brasileira da Indústria de Alimentos)
- **ASAGA** (Argentinian Association of fats and oils) - Board Member
- **Capro** (Cámara Paraguaya de Procesadores de Oleaginosas y Cereales)
- **Carbio** (Cámara Argentina de Biocombustíveis)
- **Ciara** (Cámara de la Industria Aceitera de la Republica Argentina)
- **COCERAL** (European association representing the trade in vegetable oils and fats and agrosupply)
- **EBB** (European Biodiesel Board)
- **FEDIOL** (the European Union vegetable oil and protein meal industry association)

Cutoff Dates

A cutoff is the date after which deforestation or conversion renders a given area “off-limits” and non-compliant with no-deforestation or no-conversion commitments. Bunge is working with our industry peers and value chain partners to define an appropriate cutoff date for soy from high risk areas of South America. Unilaterally establishing a cutoff date in isolation from others creates risk for Bunge's business, and for advancing industry-wide transformation.

Progress on this front is already promising, and we are on track to meet our industry-leading 2025 commitment. Aggressive changes to Bunge's approach without broader industry engagement could result in farmers transacting with competitors who lack our robust commitment and dedication to finding sustainable solutions. The outcome would be a more fragmented industry approach, with slower progress in the high risk regions of South America.

Working With Industry Peers To Increase Transparency Across Supply Chains

Common challenges require industry-wide solutions. Platforms like the Soft Commodities Forum (SCF) offer peers a chance to build common definitions and standards for sustainability solutions in priority regions. Bunge is a founding member and active participant of this important initiative.

The SCF is working with its members to increase transparency across their supply chains, nurture effective collaboration and promote initiatives that balance environmental, social and economic interests. The focus of the group is currently on regions of the Brazilian Cerrado where deforestation poses higher risk, given its relevance for soy production and its biodiversity and ecosystem value. The SCF is committed to expanding its coverage from the original 25 priority municipalities which concentrates 44% of the risk of native vegetation conversion to soy in the entire biome.

The current 25 municipalities in the scope of the SCF represent 40% of the volumes purchased by Bunge in the entire Cerrado biome. Twice a year we disclose our origination data for the region, showing 100% traceability for direct sourcing (based on geo-referred farm boundaries from the CAR system).

In 2020, the SCF entered into two partnerships to engage with producers. In Bahia, it works with soy producers by identifying current agricultural practices to understand the challenges of more sustainable soy production. In Mato Grosso, the partnership supports production, conservation and inclusion (PCI) through a similar process.

Access the full report of the Soft Commodities Forum (SCF) [here](#).



Delivering Certified Products

Over 95% of our monitored volume is deforestation-free from a 2020 baseline. Nevertheless, we respect that some customers prefer to have alternative assurances. In addition to our customizable service AceTrack, connecting deforestation-free landscape to consumer markets, Bunge is also a leader in supplying deforestation-free products to the market, even going beyond current consumption demands.

% CERTIFIED PRODUCT FROM DIRECT SOURCING
IN PRIORITY REGIONS OF SOUTH AMERICA
(CERRADO AND GRAN CHACO)

18%

Brazil

13%

Argentina

17%

Paraguay

Certifications and standards from recent years:

- ISCC
- 2BSVS
- PRO-S
- PROTERRA
- RENEWABLE FUEL STANDARD
- RTRS

