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Advancing Our 2025 Non-Deforestation Journey

Palm oil is a highly versatile product, used as an ingredient in a wide range of applications, from food, to fuel and even personal care products. Despite being grown in a smaller area of the world compared to other commodities – chiefly, the tropical rainforests along the equator – palm oil is the most productive: more oil is extracted per hectare than any other plant-based oil.

As palm oil development has grown in recent years, it has put pressure on sensitive ecosystems and in areas

of high biodiversity value. The palm industry has rapidly evolved toward more sustainable practices that reduce the negative impacts on the land while promoting the well-being of workers and communities in the value chain.

At Bunge, we are committed to sourcing and processing traceable and certified sustainable palm oil. Even though we do not own plantations – we are a processor and trader, buying and processing palm oil from third parties and selling to customers and global markets.

The palm oil we deliver is reported to be produced in accordance with NDPE practices, which guide both our approach and help our customers deliver on their commitments for:

→ **No Deforestation**, which refers to no deforestation when developing land, conserving High Conservation Value (HCV) areas and High Carbon Stock (HCS) areas, complying with a no-burning policy and the reduction of GHG emissions.

→ **No Peat**, which bars new developments on peatland and encourages implementing best practices to manage existing plantations. Where possible, peat restoration is also implemented.

→ **No Exploitation**, which refers to not exploiting workers, children, local communities or small-scale growers in the production of palm oil.





Palm Oil Dashboard

General Facts

113+ million

hectares monitored through satellite and radar

71

Direct

1554

Indirect

Number of palm oil mills



Traceability and Verification



94.7% Traceability to mill



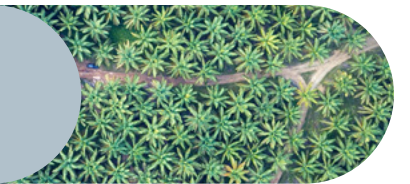
93.1% Traceability to plantation



78.3% Verified deforestation-free¹



93.6% Suppliers with NDPE commitments



Certification

40.3% Certified

59.7% Conventional

Certified volumes global (RSPO)



77.8% RSPO certified volumes EU



53.7% RSPO certified volumes North America



¹ "Verified Deforestation-Free (VDF)" refers to palm volumes that have been mapped and monitored and that use third-party data to verify the non-deforestation claims. The gap to reaching 100% is due to a lack of underlying data. However, with industry alignment through the Agri-Commodity Roadmap, suppliers have agreed to report deforestation-free volumes under the NDPE IRF methodology and attempt to ensure that all palm volumes are free of deforestation in 2025, helping us to reach our 100% VDF target.

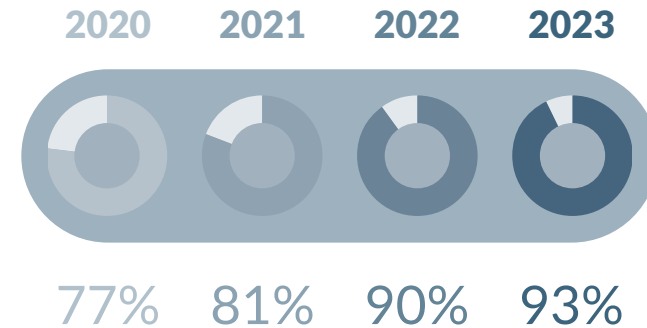
Traceability and Monitoring

Traceability is the cornerstone of more sustainable supply chains. Knowing where a product comes from – and the conditions in which it was grown – enables Bunge’s progress toward our Non-Deforestation Commitment.

To achieve a comprehensive view of the impact our value chain has and formulate effective non-deforestation plans, we are investing in the total traceability of our palm oil supply chain and collaborating with suppliers and customers. Over time we have strengthened relationships with suppliers and supported best practices so that we have consistently seen increased traceability each year.

Today, we have some of the highest traceability to plantation (TTP) numbers in the industry.

In 2023, 93.1% of our palm oil was traceable to plantation.



While we expect full transparency from our suppliers, it is important that we also create our own methods to monitor the supply chain and identify potential cases of deforestation or other sourcing policy violations.

Our partner Satelligence specializes in providing highly detailed, semi-automated satellite-based insights and actionable results over large regions. Satelligence has world-class expertise on scalable processing of radar and optical satellite images to assess patterns and trends in forests, agriculture and water.

We use satellite images of the regions where we have plantation maps and other supply chain-related

information – peat lands, forest reserves, mills – to detect if there is any deforestation taking place. On a biweekly basis, we receive alerts from Satelligence to detect land-use change.

Using our powerful geographic information system (GIS) platform and combining forest and peat maps with the latest Sentinel-2 and Landsat 7-8 satellite images, we are able to quickly alert and follow up with suppliers and stakeholders if necessary. Through our collaboration with our suppliers and the non-profit organization Earth Equalizer, we have the tools at hand to check for and act on instances of suspected deforestation.



Since January 2023, we have increased our monitoring area to cover our full global palm supply base, approximately **113.9 million hectares of land**, nearly a fourfold increase from the previous year.



Supplier Due Diligence and Engagement

We have developed a process to engage and support the suppliers who provide our palm oil to encourage them to adhere to our highest standards of sustainability and ethics and, at a minimum, comply with our [Bunge Sustainable Palm Oil Sourcing Policy](#).

In choosing our supply base, four core elements guide our decisions:

- seeking to source from suppliers with robust NDPE commitments and implementation plans;
- increasing the traceability to plantation for our purchases;
- using cutting-edge radar and satellite technology to monitor and assess land-use change on the over 113.9 million hectares of land cover that we observe;
- conducting appropriate risk-based due diligence and promptly logging any allegations of deforestation or exploitation that we are aware of in our public grievance tracker.

Our multi-pronged approach in relation to the palm oil value chain includes seeking suppliers' enrollment onto our policies, exercising due diligence of suppliers at the point of onboarding, following up on grievances and collaborating at the sector and government level.

We do not tolerate violations of our [Human Rights Policy](#) and other sourcing policies. Practices including risk-based human rights due diligence, employment verification, training and

monitoring of suppliers, are among the ways in which we seek to implement our commitment to respecting human rights and prohibiting abuses such as child labor or forced labor.

At Bunge, we believe all internal and external stakeholders play important and constructive roles in the implementation of policy. We are committed to an open and transparent approach to resolve grievances with the involvement of affected stakeholders.

Bunge has established a Grievance Procedure to support timely and transparent responses to stakeholders who identify issues or incidents in the Bunge supply chain that are not in line with the principles stated in the [Bunge Sustainable Palm Oil Sourcing Policy](#). Grievances include credible allegations of deforestation, ethics violations and instances of human rights abuses or exploitation. Our supplier due diligence process can result in the logging of grievances. Allegations received from stakeholders that are linked to our suppliers will be investigated and, if confirmed, logged at our public grievance tracker, and appropriately addressed or mitigated. They can be submitted through the following channels:

- Online through our global [Ethics and Compliance Helpline](#)
 - By phone: +1.866.921.6714 or +1.888.691.0773
- 🔍 For more information about our processes, see the [Grievance Process Flow](#).



Transforming the Palm Sector

Because of our position in the middle of the value chain, we focus our efforts on supporting best practices by our third-party suppliers and the mills from which we source palm oil.

This means actively collaborating with the sector through multi-stakeholder initiatives like the Roundtable on Sustainable Palm Oil (RSPO) and the Agri-Commodity Roadmap to align on definitions, cutoff dates and other industry standards that can be executed across the value chain to achieve the widest implementations possible. The Agri-Commodity Roadmap has been instrumental in shaping the future of palm oil sustainability and transparency in reporting. Companies in the palm value chain have agreed to sector-wide reporting on deforestation-free volumes, with the expectation that all parties will be deforestation-free in 2025, aligned with Bunge's industry-first commitment.

The use of the NDPE Independent Reporting Framework (IRF) – a reporting tool designed to help supply chain companies to understand and track progress on NDPE commitments across the production base for the volumes they buy – will enable this shift in public reporting. The NDPE IRF has become the standard method through which companies in the palm oil space report on their progress toward delivering deforestation- and exploitation-free volumes to customers. Bunge is an active participant and supporter of the framework and the network that is enabling its uptake by the sector.



Addressing Supplier Challenges to Reach a 100% Deforestation-Free Supply Chain

The Pasir Gudang team is successfully engaging suppliers in the region to understand and address their unique supply chain challenges and help them to deliver on NDPE expectations. This effort is resulting in improved supplier relationships and increased traceability, which will help us to meet our deforestation-free commitment in 2025.



Partnering with Musim Mas to Make Palm Value Chain More Sustainable in Indonesia

As most deforestation occurs outside corporate concession areas, programs with smallholder farmers are vital to non-deforestation progress. Bunge and Musim Mas believe broader sector collaboration is critical in addressing agriculture's impact on climate and empowering smallholders to be part of the solution.

To promote the use of sustainable practices among smallholder farmers in Indonesia, Bunge partnered with Musim Mas in 2023 to help form its sixth Train-the-Trainers Smallholders Hub. Smallholders Hubs train local government Village Extension Officers (VEOs). The VEOs, equipped with the knowledge about sustainable agronomic practices then share their expertise with smallholder farmers within their communities over time, resulting in enduring, long-term impacts.

The training covers good agricultural practices, business management and NDPE approaches to palm production.

The program aims to help smallholders increase yields and earnings from their existing farmland, improve their understanding of the environmental impacts of their activities and foster responsible practices. Furthermore, the partnership expects to facilitate market access and to raise awareness for certification programs such as Indonesia Sustainable Palm Oil and RSPO.

The aim is to train more than 1,000 smallholders in sustainable production of palm oil.

The partnership aligns with the Agriculture Sector Roadmap to 1.5 degrees convened by the Tropical Forest Alliance, designed to halt commodity-linked deforestation in line with the 1.5 degrees pathway while enhancing the livelihoods of smallholder farmers and supporting the sector's transformation toward forest-positive land-use management.

Bunge strives to be the preferred sustainable solutions partner for producers and customers. We believe that together with our customers, we can build sustainable supply chains by sharing our experiences to support the smallholder farmers, promoting the productivity, profitability and sustainability of their business. By adopting sustainable farming practices, smallholders can increase their yields and reduce their dependence on expanding into the forest areas.

– Ben Vreeburg, Bunge Senior Director of Sustainability

