

Response from Bunge to Public Eye report

17 June 2019

The Business & Human Rights Resource Centre invited Bunge to respond to the following items:

- Public Eye: “Agricultural Commodity Traders in Switzerland – Benefitting from Misery”, June 2019 (https://www.publiceye.ch/fileadmin/doc/Agrarrohstoffe/2019_PublicEye_Agricultural-Commodity-Traders-in-Switzerland_Report.pdf)
- Public Eye: “Switzerland’s role as an agricultural trading hub raises serious human rights issues”, 3 June 2019 (<https://www.publiceye.ch/en/media-corner/press-releases/detail/switzerlands-role-as-an-agricultural-trading-hub-raises-serious-human-rights-issues>)

Bunge sent the following response to the Resource Centre:

For more than 200 years Bunge has cultivated strong relationships with our stakeholders—from the communities where we operate to our employees, customers, business partners and suppliers worldwide. As we seek to feed a growing global population, we work to do so in a sustainable manner.

The report by Public Eye relies on both current material and sources up to two decades old. In the spirit of transparency and engagement, we are providing a response. First, Public Eye cites a 2018 Mighty Earth report on deforestation in Brazil’s Cerrado region, which mentions Bunge and peers including Cargill. This passing reference, and the Mighty Earth report itself, both fail to provide adequate context around a complex issue, which cannot be fully addressed by a single company.

In fact, Bunge has actively worked to reduce deforestation in key biomes for more than a decade. Since 2006, we have participated in the Soy Moratorium, supporting biodiversity corridors in the Cerrado and collaborating on sustainable zoning, promotion of best practices among farmers, and other activities. Bunge also belongs to the Soft Commodities Forum, a platform to build transparent and traceable soy supply chains in the Cerrado. In June 2019, SCF members, including Bunge, issued their first report on a common framework to disclose progress in curbing deforestation, which can be accessed here: <https://www.bunge.com/sustainability/SCF2019June.pdf>. Our disclosures spotlight what we believe are industry-leading commitments to a zero-deforestation supply chain between 2020-2025, with a variety of internal mechanisms in place to realize this goal.

The Public Eye report also criticizes Bunge for encroaching on the ancestral lands of the Jata Yvary indigenous community in Brazil’s Mato Grosso do Sul state. In doing so, it relies on an Oxfam report from 2013. The associated supplier contracts were created prior to Bunge’s acquisition of the Monte Verde Mill. Also, also those contracts were not

renewed by Bunge and expired in 2014. Finally, Bunge has incorporated new policies into our sourcing procedures to verify the status of land via Brazilian authorities.

As a company with a large footprint in Brazil, our success is deeply connected to the economy and well-being of local communities. We regularly hire individuals from indigenous communities, respecting their traditions and the governmental requirements for their employment terms. Bunge is committed to respecting labor and land use rights, and includes free, prior and informed consent as part of our sustainable agriculture policy, which you can view here: <https://www.bunge.com/sustainability/sustainable-agriculture>

The Public Eye report also raises certain additional points that warrant context and clarification. The report accuses Bunge, along with four other companies, of purchasing soybeans allegedly produced in an area embargoed by IBAMA, the Brazilian environmental agency. The amount in question is approximately 225 tons, a tiny fraction of Bunge's total annual purchases in Brazil of more than 24 million metric tons of grains. Regardless of amount, however, we have disputed the allegations and have filed a formal response with IBAMA, contesting its findings and providing Bunge's proper control documentation indicating that our contracts were with a farm and farmer that were not embargoed by IBAMA according to public records. We look forward to resolving the situation as soon as possible.

Additionally, the report refers to allegations of potential tax evasion in Argentina, involving Bunge and other companies. The Public Eye report quotes Bunge's 2018 Annual Report on Form 10-K, referring to income tax assessments that the company's Argentine subsidiary has received relating to the years 2006-09. However, the Public Eye report omits the following key sentence from the filing, which states: "Management, in consultation with external legal advisors, believes that it is more likely than not that Bunge will prevail on the proposed assessments... and intends to vigorously defend its position."

Deforestation and land use are multi-faceted issues tied to global market demand, economic development, property rights and other factors. We are committed to doing our part in driving continued progress on environmental stewardship in the agricultural sector, which requires the shared commitment and participation of multiple stakeholders, including governments, other industry players, civil society, customers and employees. Our latest global sustainability report meets GRI Core Standards, and our CDP scores for climate, forests and water are among the highest in the industry. Bunge is proud of our efforts on Sustainability, and of our focus and progress on these initiatives, which we will continue to push forward.