

Whereas: Soy production is a leading driver of native vegetation conversion (NVC), including deforestation, in Brazil's Amazon and Cerrado regions. Converting native ecosystems to commodity agriculture drives systemic risks, like climate change and biodiversity loss, and undermines ecosystem benefits critical to agriculture, including soil protection, pollination, and precipitation patterns.

Bunge was linked to at least 48,725 hectares of absolute deforestation risk¹ since 2015 and to 16,942 fire alerts in 2020. According to Trase Financial, Bunge's absolute deforestation risk was 51 percent higher than any other trader in 2018.

Bunge's most significant reduction in deforestation exposure occurred after it joined the Soy Moratorium, an *industry-wide* agreement to stop buying soy grown on recently cleared land in the Brazilian Amazon. Yet Bunge has retreated from a similar multistakeholder agreement in the Cerrado, the biome adjacent to the Amazon, even though the vast majority of Bunge's absolute deforestation risk -- 95 percent -- is concentrated in the Cerrado.

Continued exposure may expose Bunge to material financial risks, including:

- Supply chain volatility: 43.6 percent of Bunge's Brazil trade volume comes from Cerrado, where large-scale conversion already disrupts weather patterns resulting in higher crop failure.
- Constrained access to capital: 4 of Bunge's 10 largest US and EU creditors have committed to help achieve zero net deforestation through their financing of soft commodity supply chains.
- Regulation: existing due diligence laws and developing EU legislation on NVC may limit Bunge's ability to sell Brazilian soy to one of its largest export markets, and may further constrain European banks from lending to companies linked to NVC.
- Market access loss: this year, 160 corporations and investors, including Bunge's customers and investors, petitioned Bunge to end native vegetation loss in the Cerrado after three years of soy industry inaction on multistakeholder initiatives.

Shortcomings in Bunge's policies contribute to continued NVC exposure. In contrast to industry best practices, Bunge:

- has not committed to eliminate the conversion of native vegetation (beyond forests) in its soy supply chains
- has not committed to stop sourcing soy from land cleared after 2020 in the Cerrado (in contrast to competitors SLC Agricola, CJ Selecta, and Caramuru)
- lacks timely supplier engagement plans in its non-compliance protocol
- has retreated from a multistakeholder agreement in the Cerrado

Resolved: Shareholders request Bunge issue a report assessing if and how it could increase the scale, pace, and rigor of its efforts to eliminate native vegetation conversion in its soy supply chain.

Supporting Statement: Proponents defer to management's discretion, but recommend assessment of the relative benefits and drawbacks of integrating the following:

- Commitment to eliminate the conversion of all native vegetation in soy supply chains;
- Cutoff dates in supply chains that perpetuate native vegetation conversion;

- Participation in industry sourcing agreements seeking to curtail native vegetation conversion in the Cerrado;
- Improved supplier management efforts, including engagement on supplier non-compliance, disclosing suspension criteria, and increased use third-party monitoring and verification.

¹ In the Proponent's opinion, this data also refers to native vegetation conversion risk.