

## **Mighty Earth - Rapid Response Soy Report 4 - Right of Reply, September 2024**

Below are responses from key soy traders (ADM, ALZ Grãos, Amaggi, Bunge, Cargill, Cofco, and LDC) to questions from Mighty Earth about their links and commercial relationship to the seven case studies of deforestation in our new Rapid Response Soy Report.

### **ADM replied on September 12, 2024:**

We appreciate the time extension given to conclude the investigation of the cases described in your Rapid Response Report.

Before we publish the results of the investigation in our grievance log, we would like to share with you that the investigation concluded that none of the deforestation cases presented in the report is linked to soy ADM has sourced, or in breach of ADM' policies.

We reinforce our public commitments regarding deforestation and conversion.

### **ALZ Grãos replied on September 4, 2024:**

ALZ Grãos would like to inform that it does not have commercial relationships with the referenced properties.

In order to guarantee a responsible grain chain, ALZ Grãos' commercialization principles consolidate the implementation of its Sustainability Policy by vetoing the purchase of grains from areas that are subject to: environmental embargoes; Indigenous and Quilombolas Lands; Full Protection Conservation Units; non-compliant areas included in the Soy Moratorium list; areas of producers included in the Official Slave Labor List. Furthermore, ALZ Grãos requires, through a contractual clause, that suppliers comply with environmental legislation.

ALZ Grãos implemented a specialized geoprocessing tool for the traceability of its supply chain, optimizing the monitoring of grains commercialized directly or indirectly. With a database updated daily, the innovative technology provided rapid traceability advances for ALZ Grãos, reinforcing the monitoring and application of company principles.

One of the company's principles, according to its Policy, is to conserve biomes of proven high ecological value (such as the Amazon and Cerrado) with the intention of discouraging the conversion of native vegetation to alternative land use in MATOPIBA, Brazil, as ALZ Grãos' operational scope. The monitoring of deforestation and conversion of native vegetation is carried out at polygon level, with the above-mentioned geoprocessing tool and public geospatial database, as INPE's PRODES layers, and satellite images with different historical dates.

As a reporting mechanism, digital channels are made available to the public on the 'Contact us' area of the ALZ Grãos website, or via email to [contato@alzgraos.com.br](mailto:contato@alzgraos.com.br).

Finally, the company informs that its due diligence process to confirm the regularity of its purchases is continual. Thus, if there is evidence of non-compliance with ALZ Grãos policies in its business, the company will take appropriate measures, such as blocking or suspending the commercial relationship.

**Amaggi replied on August 30, 2024:**

Thanks for your email and for sending more information about the cases. Below you have our comments.

Please feel free to contact us if you have any further question.

About the farms linked with AMAGGI, the summary of our evaluation is:

Fazenda Novos Tempos & Fazenda Novos Tempos I, in the municipalities of Luís Eduardo Magalhães and Barreiras, state of Bahia, Cerrado biome, with 1,410 hectares of deforestation between November 2023 and July 2024 and 1,846 hectares of native vegetation atrisk (remaining area). The farm has a soy area of 2,860 hectares according to CAR records.

AMAGGI don't have operation in Bahia state, so no commercial relationship was identified between AMAGGI with the mentioned property after the deforestation.

AMAGGI has the commitment to remaining deforestation and conversion free (DCF) since 2008 for agricultural production at proprietary farms, ensuring expansion only in already open areas and having a 100% monitored and traced grain supply chain, that is deforestation and conversion Free (DCF) for agricultural production until 2025, considering all biomes, countries, and regions where it is present.

Besides that AMAGGI does not trade grain from production areas that have an impact on:

- Embargo by Ibama and state environmental agencies
- Indigenous lands and Fully Protected Conservation Areas
- Areas not in accordance with Green Protocol of Grains in Pará
- Areas deforested after 2008 in the Amazon biome not in compliance with the Soy Moratorium
- Transparency List of Slave Labor

To ensure that the socio-environmental criteria and commitments established are met, AMAGGI developed ORIGINAR 2.0, a platform that allows for the monitoring of the entire grain supply chain. To monitor producer's farms, AMAGGI uses high-quality satellite images, updated on a daily basis. Those images are used exclusively by the company and provide support to predictive monitoring, able to identify potential crop issues that would be difficult to identify without satellite use. All farms registered are monitored by the ORIGINAR 2.0 and the system has a tool to emit fire and deforestation alerts in case any incidents are identified in the area. Those are daily and monthly alerts that help in the territorial and socio-environmental management of properties. All grain purchase lots undergo the 2.0 ORIGINAR geospatial system, and only those 100% in compliance with AMAGGI's minimum trade criteria are able to progress to the following steps to receive grain.

If there are any kinds of restrictions are identified during purchase, the commercialization registration is automatically blocked by the system, and it can only be released upon confirmation from the Sustainability area that the purchase meets the company's socio-environmental demands. AMAGGI also supports producers with restrictions in their regularization process, through custom guidelines and based on a regularization plan.

The Sustainability area has a team of experts in socio-environmental assessments using geospatial tools, working independently from the Origin area, avoiding conflicts of interest. The company holds clear procedures for approval flows and levels, following the best compliance recommendations. AMAGGI's grain trading contracts are also supported by socio-environmental clauses.

To comply with the EUDR, AMAGGI developed an internal protocol and will not allow the origination of grains from deforested areas after December 2020 that have European Union as destination. The protocol covers all the regulation requirements, such as risk assessment and legal compliance, and establishes the tools to monitor and control volumes. ORIGINAR 2.0 will be the main grain traceability tool and other processes will also be maintained to guarantee a segregated logistics.

AMAGGI has a confidential whistleblowing hotline, which is open 24/7 and can be accessed via a toll-free number, the company intranet or the website. Whistleblowing complaints are handled by an independent company, in Portuguese, Spanish or English, then referred to the Committee of Ethics & Business Conduct and the Corporate Security Department to be analyzed and investigated.

Finally, AMAGGI just launched the new progress report 2023 - TOWARDS A GRAIN CHAIN FREE OF DEFORESTATION AND CONVERSION OF NATIVE VEGETATION. You can access it at [Relatorio-Progresso-2023\\_EN.pdf \(amaggi.com.br\)](#).

### **Bunge replied on August 29, 2024:**

We write in response to your recent communication seeking information regarding Bunge's Brazilian soy supply chain.

We do affirm we monitor all possible impacts we might have in our supply chain, and we always follow decisions from legal official bodies. Nevertheless, if you believe that some of our policies are at breach, we kindly ask you to file directly a grievance through this hyperlink (<https://investors.bunge.com/resource/report-a-concern>) and you will receive responses as per the regular process.

Deforestation remains a critical concern for Bunge, and we continue our work to address deforestation risks through actions including advancing sustainable agriculture practices, promoting the use of internationally recognized certifications, and disincentivizing native vegetation conversion, among others. Bunge was one of the first signatories of the Amazon Soy Moratorium, an industry led initiative, and continues to respect the guidance under Abiove and Anec governances.

Regarding your question, the company is aware of the EUDR and is preparing all procedures to comply with the European regulation accordingly. We encourage you to read our 2024 Bunge Corporate Sustainability Report (<https://delivery.bunge.com/-/media/Files/pdf/2024-Bunge-Global-Sustainability-Report.ashx>) for more details on our important efforts and progress.

Bunge reinforces its commitment to promoting leading standards and to develop practical and sustainable approaches to help farmers, customers and communities around the world. This is part of our strategy, and we remain committed to this journey.

**Cargill replied on September 10, 2024:**

We are finalizing the investigation and if any irregularity is found, we will take appropriate measures.

At Cargill, we have an unwavering commitment to protecting vital ecosystems in South America and treating people with dignity and respect in the workplace and communities where we do business.

To protect South America's natural ecosystem, Cargill announced an accelerated timeline to eliminate deforestation and land conversion from our direct and indirect supply chains for in-country origination of row crops (soy, corn, wheat, and cotton) in Brazil, Argentina, and Uruguay by 2025.

We have robust procedures to ensure we are respecting social and environmental restrictions – Slave Labor, Soy Moratorium, Green Grain Protocol and Embargoes (from federal and state agencies), as well as respecting regulated indigenous areas, from which we do not source grains. We take all allegations seriously and investigate them in accordance with our soy grievance process. If a violation of our South America Soy Policy or any of Cargill's policies is found, we promptly act in accordance with our Supplier Code of Conduct.

Information about grievances and blocked farms in our South America soy supply chain are published on Cargill.com and in our ESG report.

Regarding the European Union's Deforestation Regulation, Cargill shares its objective of combating deforestation and forest degradation linked to producing agriculture commodities and products. It reflects many of Cargill's commitments to increasing transparency and traceability in our supply chains.

**COFCO replied on September 4, 2024:**

Thank you for the below query and the opportunity to provide input. We acknowledge the importance of this agenda and are committed to fulfilling our individual and sectoral commitments to deforestation and conversion free soy supply chains.

Among the CARs raised, we identified one with a commercial link through our monitoring. However, the area is in compliance with our sourcing policies, as we did not identify any soy cultivation on deforested areas, confirmed by our geomonitoring system, which includes alerts generated by the PRODES and DETER systems.

We acknowledge that traceability of indirect supply is a significant challenge for our industry, and our work towards achieving full traceability of our indirect supply chain is ongoing.

Regarding tracking these cases, we will add them to our formal grievance log, which is internal facing.

**LDC replied on March 5, 2024:**

Q: Please confirm if your company's monitoring system identified 1) fire and or 2) deforestation for the case outlined above.

A: These farms are not in LDC's direct or indirect supply chains.

Q: Please confirm if the farm name is a 1) direct or b) indirect supplier.

A: These farms are not in LDC's direct or indirect supply chains.

Q: Please state any commercial or other supply chain connection (seed and inputs supply, credit, joint venture, investment, etc.) with the farm listed above, and the timeframe of the relationship.

A: These farms are not in LDC's direct or indirect supply chains. LDC does not comment on behalf of independent, joint venture entities.

Q: Please outline the actions your company will take to investigate this case.

A: These farms are not in LDC's direct or indirect supply chains.

Q: Please outline the actions your company will take on completion of your investigations, specifying if the supplier has been added to a block or suspended supplier list.

A: These farms are not in LDC's direct or indirect supply chains.

Q: Is your company taking actions to enforce the Amazon Soy Moratorium? Please describe them.

A: LDC has been a member of the Brazilian Soy Moratorium since its inception in 2006. As such, LDC monitors suppliers and does not purchase soy from lands in the Amazon biome that were deforested after July 2008. This collaborative platform has significantly reduced deforestation in the Amazon that is attributable to soy cultivation.

Q: Please inform us how your company is planning to comply with the new European regulation (EUDR) to avoid imported deforestation through the international soy trade.

A: LDC is preparing for compliance with the EUDR, in collaboration with our suppliers, to meet specific EUDR requirements on:

- traceability to production plots;
- deforestation due diligence on production plots to ensure no deforestation since EUDR cut-off date; and
- physical segregation from conventional flows.

Q: Please submit this case to your formal grievance mechanism and ensure the complaints are publicly available.