

December 22, 2023

Beatriz Balbin, Chief
Special Procedures Branch
United Nations Human Rights
Office of the High Commissioner

Via email: ohchr-registry@un.org

RE: Letter of October 26, 2023, to Bunge Loders Croklaan and Gregory Heckman (Ref: AL OTH 118/2023)

Dear Ms. Balbin:

Thank you for the letter of October 26, 2023, addressed to Mr. Gregory Heckman, regarding Ocho Sur P SAC (“Ocho Sur”), and the serious and important concerns outlined by the Working Group on the issue of human rights and transnational corporations and the four Special Rapporteurs (for the environment, human rights defenders, indigenous rights, and human rights regarding safe drinking water and sanitation respectively). As Bunge’s Chief Sustainability Officer and Government Affairs, and a member of the company’s Executive Leadership Team, let me begin by stating that we take the allegations outlined in your letter very seriously.

We very much welcome the opportunity to address these matters, as Bunge Loders Croklaan B.V. and other Bunge Loders Croklaan entities are subsidiaries of Bunge Global S.A., a Swiss-incorporated, U.S.-headquartered agribusiness company founded in 1818 which is committed to sustainability and respect for human rights, including respect for the rights of Indigenous Peoples. Bunge acquired a controlling interest in Loders Croklaan, a leading global producer of sustainable, premium quality tropical oils and fats in early 2018, with that segment of the business being known as Bunge Loders Croklaan and subject to Bunge global policies. Bunge then adopted a *Sustainable Palm Oil Sourcing Policy*, available publicly as per our commitment to transparency as noted in the [Bunge Sustainable Palm Oil Sourcing Policy](#). The Bunge entity that was supplied by Ocho Sur in the past was not Bunge Loders Croklaan B.V., but a different Bunge entity¹; Ocho Sur is no longer in Bunge’s supply chain by reason of the same concerns you have raised in your letter.

¹ The Bunge entity involved was Bunge Latin America, LLC, and in one isolated instance, Bunge Agronegocios Mexico, S.A. de C.V.

Our commitment to respecting and promoting universally accepted standards of human rights extends to our operations and across our supply chains. Though Bunge does not own farms or plantations, we recognize the possibility of negative human rights impacts in our supply chain and take our responsibility to respect human rights very seriously. Our Bunge corporate governance – such as our Bunge Values, our Corporate Code of Conduct, and our Supplier Code of Conduct – all clarify our commitment to responsible business conduct practices. Our Bunge Human Rights Policy sets forth our commitment to respecting human rights consistent with the *UN Guiding Principles on Business and Human Rights*, *OECD Guidelines for Multinational Enterprises*, *International Bill of Human Rights*, and *ILO Declaration on Fundamental Principles and Rights at Work*. As a global company we believe that we can play a positive role in advancing the well-being of our employees, customers, people working in our supply chains and in the communities where we operate. Additional details regarding Bunge’s responsible business conduct practices can be read in our [Bunge 2023 Global Sustainability Report](#) and our [Bunge Consolidated Modern Slavery Statement](#).

Following work to undertake a global human rights scan performed with support from Business for Social Responsibility (BSR), Bunge enhanced its governance and issued a global [Bunge Human Rights Policy](#) in early 2023. It sets forth Bunge’s commitment to respecting human rights consistent with the *UN Guiding Principles on Business and Human Rights*, *OECD Guidelines for Multinational Enterprises*, *International Bill of Human Rights*, and *ILO Declaration on Fundamental Principles and Rights at Work*. Among our commitment to human rights and no tolerance for forced labor, two paragraphs of the Human Rights Policy are particularly relevant to the Ocho Sur matter:

We respect the rights, culture and traditions of all stakeholders where we operate, including indigenous and land-connected peoples, and their interests in land, waters and the environment.

We do not tolerate threats, intimidation, or attacks against human rights defenders, and are mindful certain groups, including women and children, may be particularly vulnerable to negative human rights impacts in the locations where we operate.

Palm Supplier Due Diligence

Bunge’s direct suppliers of palm oil are advised of Bunge’s [Sustainable Palm Oil Sourcing Policy](#), which clarifies Bunge’s commitment regarding responsible environmental management, human rights, community development, traceability, and transparency. Direct suppliers must also answer a questionnaire and undergo a group level due diligence review, which includes a human rights component. This will regularly include a review of relevant permits, legal licenses, and concession maps (in shapefile format and where legally possible) for the potential supplier’s operations, as well as environmental impact assessments and HCS and HCV studies. Bunge then analyses the materials provided. Bunge also reviews publicly available information which can include information lodged with government agencies, satellite mapping information,

RSPO complaints and publicly available information. Where potential new suppliers have undertaken plantation development that is incompatible with the [Sustainable Palm Oil Sourcing Policy](#), our supplier due diligence process may result in the initiation of a grievance case and an implementation plan will need to be agreed prior to entering into contracts to receive oil originating from that supplier. We request our direct suppliers to observe similar due diligence measures and provide their findings prior to shipping oil from potential new indirect suppliers to Bunge. Bunge is also a member of the Roundtable on Sustainable Palm Oil (RSPO) and participates in the RSPO certification process which is meant to address both environmental and social concerns and focuses on traceability. See <https://rspo.org/certification> for a full explanation.

For our palm oil supply chain, action is taken on identified concerns, and if an issue is confirmed as a grievance, we begin application of our palm grievance procedure and document status updates via our public [Palm Grievance List](#). All the steps comprising our palm grievance procedure are published in our [Palm Grievance Process Flow](#), and these steps are taken, as necessary, to resolve the identified concern if the supplier is to remain in Bunge's supply chain. Confirmed grievances concerning indirect supply will necessarily involve engagement with the Tier 1 supplier(s), via a targeted process. Bunge's Palm Grievance Committee meets regularly to review these processes and matters.

Allegations Involving Ocho Sur

We are aware of the serious concerns related to Ocho Sur, and in October 2022 Bunge placed Ocho Sur on **No Trade** and **blocked** them from our supply chain. We took this action based upon allegations detailed publicly by the Interethnic Association for the Development of the Peruvian Rainforest (AIDSEP), which were reviewed pursuant to Bunge's Palm Oil Grievance Mechanism. The serious and unsolved nature of the allegations, the ongoing legal proceedings in Peru, and the results of our due diligence led to our blocking of any palm oil goods from Ocho Sur from Bunge's entire global supply chain.

In December 2021, Bunge was considering sourcing Peruvian palm oil from a new Tier 1 supplier, who in turned sourced from other suppliers. Bunge thus conducted due diligence on the supply chain of that Tier 1 supplier per our *Palm Oil Sourcing Policy* and identified concerns regarding Ocho Sur from a published article. The Tier 1 supplier indicated Ocho Sur denied having illegitimately appropriated the ancestral territory of the Indigenous community of Santa Clara de Uchunya and claimed that there was in fact good relations with the Community. Our Tier 1 supplier confirmed that Ocho Sur had been working with Proforest² to:

- Construct Sustainability Policy
- Elaborate Responsible Sourcing Policy

² Proforest is a non-profit group focused on working to support responsible production and sourcing of agricultural and forest commodities. See: www.proforest.net

- Evaluate Gap Assessment for RSPO Certification
- Use of the Platform for Involvement in Sustainability (SEP), which includes tools for tracing palm fresh fruit bunches

While it viewed the creation of such policies and actions as a positive development, Bunge continued to investigate the allegations against Ocho Sur.

In February of 2022, Bunge's Tier 1 supplier shared some clarifications from Ocho Sur regarding the allegations in the article. In March, Bunge's due diligence identified a further negative article with similar allegations. Bunge requested the Tier 1 supplier to confirm that Ocho Sur would work towards the aforementioned Sustainability Policy, Responsible Sourcing Policy, Gap Assessment for RSPO certification and the use of the platform for Involvement in Sustainability (SEP) as originally discussed. Additionally, Bunge requested of the Tier 1 supplier that it have Ocho Sur publicly share a detailed bi-monthly report for community and NGO engagement in the region and publish a monthly grievance list updates for allegations. In line with the UNGPs, Bunge thus sought to influence Ocho Sur towards remediation of the issues and responsible business practices.

In September of 2022, the Business & Human Rights Resource Centre informed Bunge of two open letters published by AIDASEP. In June of 2022, AIDASEP published "[Open Letter: AIDASEP demands urgent actions to the Peruvian State, international buyers of palm oil, the RSPO and international civil society against Grupo Ocho Sur's predatory and divisive practices](#)" and then in July, in response to Ocho Sur's response negating their concerns, further published "[Open Letter: AIDASEP repudiates Ocho Sur palm oil group intimidation, demands buyers step up to protect human rights and forests](#)".

Ocho Sur attempted to respond to AIDASEP's allegations, stating that it did not have any legal conflict with the Santa Clara de Uchunya Native Community regarding land ownership. As proof of this, they shared the document of the ruling of the Constitutional Court in favor of Ocho Sur. They also attempted to refute allegations in their open letter in the specialized magazine Agroperu. Ocho Sur claimed that it had a good relationship with the Santa Clara de Uchunya Native Community, including positive recognition.

Bunge did not consider Ocho Sur's response to be sufficient nor to have addressed the land claims (including FPIC), human rights and environmental claims. Further, the Peruvian Constitutional Court decision³ did not validate Ocho Sur's claims as it implied, but rather declined the review on jurisdictional grounds and urged the company towards further action.

Further, Bunge's internal monitoring system indicated that recent land clearing / deforestation had occurred inside and around Ocho Sur concessions.

³ The court decision is accessible at [Pleno.Sentencia 22/2022](#).

Thus, in October 2022, Bunge reached the conclusion that Ocho Sur must be blocked and prohibited from its entire supply chain globally, and informed its Tier 1 supplier accordingly that Bunge would not accept any palm oil products from Ocho Sur.

Since the date it prohibited Ocho Sur from its supply chains, Bunge has taken three additional steps aiming to prevent Ocho Sur palm oil from entering its supply chain inadvertently.

First, when we uncovered an isolated instance wherein Ocho Sur palm oil was being sold by a non-Peruvian Tier 1 supplier, we informed such supplier that Ocho Sur was prohibited from Bunge's supply chain, and that they were required to adhere to this prohibition. Bunge will continue to take such vigorous steps to address any such instances (even if inadvertent).

Second, Bunge updated our internal controls to enhance the ability to identify any Tier 1 supplier attempting to sell Bunge Ocho Sur palm oil and better enable Bunge to promptly halt such supply.

Third, Bunge obtained certifications from all suppliers of Peruvian palm oil to Bunge, that since the date they were informed of the prohibition by Bunge, that they have not supplied, and will not supply any Ocho Sur palm oil products to Bunge, as well as they will comply with applicable law and Bunge Policies.

In conclusion, Ocho Sur will remain a prohibited supplier for any Bunge purchases, direct or indirect, until the land claims of the Community, environmental issues, and human rights issues have been satisfactorily remediated and addressed in full.

We thank you again for the opportunity to engage with you on the importance of human rights, and sustainability, and to address the serious case presented by Ocho Sur and why they were blocked by Bunge globally. We trust this addresses your concerns, but please let us know if you have any further questions.

Sincerely,



Robert Coviello,
Chief Sustainability Officer and Government Affairs,
Bunge Global SA