Introduction

In March 2015, ADM committed to its No Deforestation, No Peat, and No Exploitation (NDPE) policy for its soy and palm oil supply chains. Since then, ADM has taken several steps in its palm sustainability journey and has been working diligently with its stakeholders and suppliers to keep advancing in this journey.

This new action plan will guide ADM on how to achieve its commitments and implement its policies through its goals, actions, and structured reporting and tracking of KPIs.

This action plan will cover four pillars of ADM’s sustainability work with regards to its palm supply chain:

1. Supply chain traceability assessment
2. Supplier engagement
3. Monitoring & verification
4. Reporting
Our Palm Sustainability Journey

2007
- Invest in palm oil plantation in the State of Pará, Brazil

2012
- Join RSPO
- Carry out a Social and Environmental Studies (HCV, HCS, SEIA)

2015
- ADM’s commitment on No Deforestation for soy and palm supply chain
- Refined & mapped traceability to mill
- Began engagement with main suppliers

2017
- Implement Rural Horizon assessment with Smallholders in Pará
- Sustainability Progress Tracker: Public information about ADM’s footprint and progress report

2018
- Traceability to mills:
  - PO: 98.1%
  - PKO: 98.7%
- Supported transformation projects in Sabah:
  - Rurality
  - Children in plantations workshop
- Supported Kumacaya project
- Published Palm Oil Project report in Brazil
- Training in Biodiversity conservation in Pará
- EPI survey with 100% of suppliers
- Reviewed the G&R mechanism
- Transformation projects:
  - Labor workshops in Guatemala

2019
- Divested from palm oil plantation in Para, Brazil.

2020
- •EPI survey with 100% of suppliers
  •Reviewed the G&R mechanism
  •Transformation projects:
  •Labor workshops in Guatemala
Our Palm Footprint

Europe
- Processing facilities in Europe
- Facilities managed by Olenex

North America
- Processing facilities in the USA
- Facility managed by Stratas Foods
Action Plan

Supply Chain Traceability
- Map ADM’s palm supply chain
- Traceability to mill and plantation
- Supply base risk assessment

Supplier Engagement
- Supplier Expectations
- Grievance Mechanism
- Support Projects to Address Social and Environmental Issues

Monitoring & Verification
- ADM Palm Supplier Scorecard
- Tracking Continuous Improvement
- NDPE compliance

Reporting
- Communication on Progress Report
- Disclose relevant information about ADM’s palm supply chain
- Initiate the NDPE Integrated Reporting Framework (IRF) process
Supply Chain Traceability

Goal

- Maintain high visibility into ADM’s palm supply chain to reduce deforestation risk.

Actions

- Map direct and indirect suppliers to gain visibility of the supply base.
- Publish traceability information based on direct suppliers’ disclosures semi-annually.
- Engage with suppliers to further improve traceability to plantations in high-risk areas.
- Conduct risk assessments for ADM’s mill list with the PALM Risk Tool from Global Forest Watch (GFW).
- Develop action plans for high-risk areas.
- Obtain third-party verification of publicly-disclosed mill list.

KPI

- Traceability scores of palm oil/palm kernel oil to mill and plantation by geography.
- Number of direct suppliers and refineries per reporting period.
- Number of indirect mills identified in supply chain per reporting period.
- Number or percentage of mills listed by forest-related risk level per reporting period.
- Number or percentage of high-risk mills that are covered by action plans.
Supplier Engagement

Goal

• Source from suppliers committed to responsible sourcing of palm oil.
• Provide a transparent process for stakeholders to share concerns related to ADM’s palm oil supply chain.

Actions

• Engage with direct suppliers on responsible sourcing implementation progress.
• Investigate allegations and grievances raised by stakeholders according to ADM’s grievance protocol.
• Disclose progress and results of investigations through the updated log of grievances and resolutions.

KPI

• Number or percentage of direct suppliers committed to responsible sourcing of palm oil aligned with ADM’s policy.
• Average score of supplier Grievance Management System
• Number or percentage of direct suppliers with an implementation plan for responsible sourcing of palm oil.
• Number or percentage of grievances by category: under investigation, monitoring, suspended, closed.
Supplier Engagement

Goal

• Enhance ADM’s palm oil supply chain through innovative partnerships to address social and environmental challenges in high risk/priority sourcing landscapes and support best practices on the ground.

Actions

- Support projects and initiatives in high-risk/priority sourcing landscapes along the palm oil supply chain that aim to
  - Promote sustainable agricultural practices
  - Encourage efforts to protect forests and biodiversity
  - Address labor and human right issues
  - Improve livelihoods of smallholders and communities

KPI

- Maintain a Project Impact Tracker, reflecting achievements and challenges of field activities
- Define, monitor, and disclose KPIs specific to each project, such as the number of trainings carried out, number of smallholders reached, etc.
Monitoring & Verification

Goal

• Monitor and verify direct suppliers’ management and control systems are appropriate to achieve responsible sourcing of palm oil.

Actions

- Assess direct suppliers’ monitoring and control systems through the Palm Supplier Scorecard, periodically.
- Ensure high-risk sourcing areas in ADM’s supply base are being actively monitored.
- Address non-compliances where necessary. Possible actions to supplier non-compliance are engagement, suspension, or exclusion.
- Track and engage with suppliers to drive continuous improvement.

KPI

- Average score of suppliers on the Palm Supplier Scorecard.
- Percentage of supply base covered by active monitoring.
- Percentage of direct suppliers with a UNGP aligned human rights due diligence process in place.
- Percentage of certified sustainable palm oil sourced per region.
- Measure progress of suppliers’ supply chain implementation, monitoring and verification, landscape and sectoral engagement, grievance management, transparency and reporting.
Reporting

Goal

• Communicate transparent progress and update stakeholders on ADM’s palm oil journey

Actions

- Report progress on the palm oil action plan semi-annually.
- Publish updates of the mill list and traceability information semi-annually.
- Update grievance log monthly.
- Report using the No Deforestation, Peat, Exploitation Implementation Reporting Framework (NDPE-IRF) with direct suppliers to ensure all volumes are covered by the NDPE-IRF reporting.

KPI

- Reports available on the Sustainability Progress Tracker webpage.
- Traceability scores and mill list.
- Number or percentage of grievances by category: under investigation, monitoring, suspended, closed.
- Percentage of volumes covered by NDPE-IRF reporting.