



# **ADM Commitment to No Deforestation**

H1 2020 Palm Progress Report

# 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. This progress report provides ADM's stakeholders with insights into the advancements and future actions of the policy implementation, enabling a transparent overview.

The activities and results shared in this report outline the period H1 2020 with regards to the four pillars of ADM's palm sustainability journey:

1. Supply Chain Traceability
2. Supplier Engagement
3. Monitoring & Verification
4. Reporting

The data shared within this report relates to ADM operations.

# Our Palm Footprint



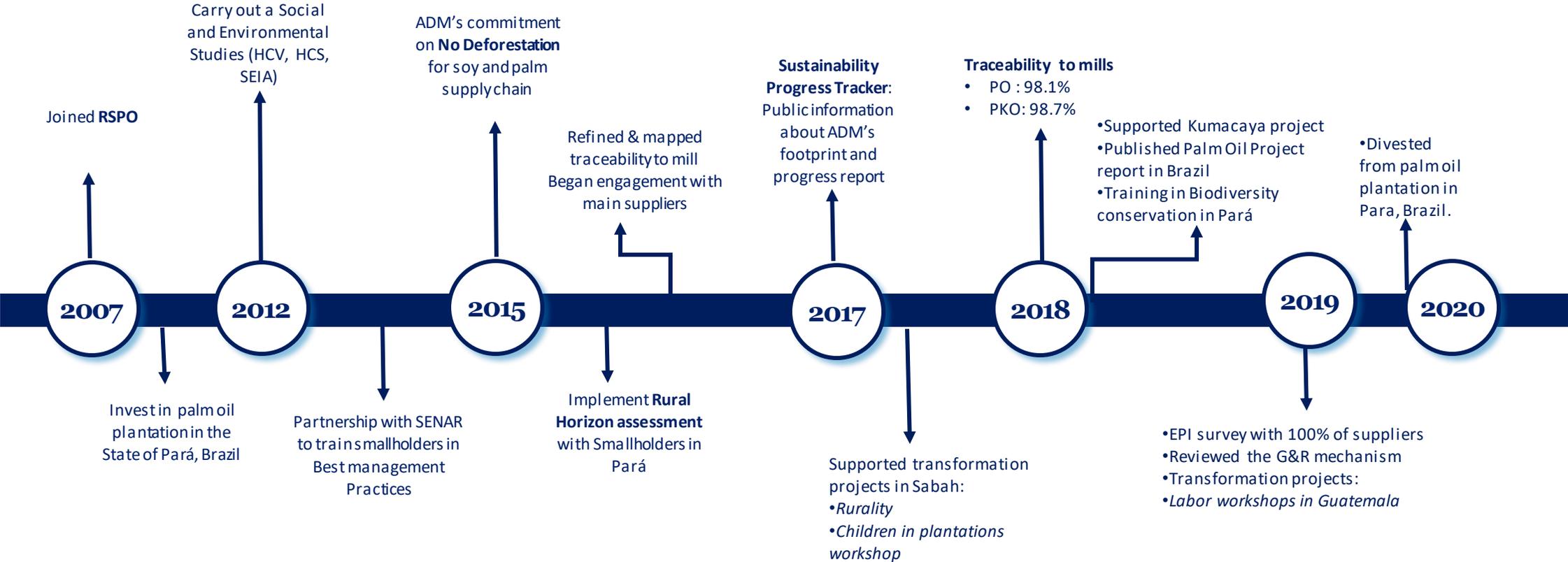
## Europe

- Processing facilities in Europe
- Facilities managed by Ol enex

## North America

- Processing facilities in the USA
- Facility managed by Stratas Foods

# Our Palm Sustainability Journey





**Supply Chain Traceability**



**Supplier Engagement**



**Monitoring & Verification**



**Reporting**



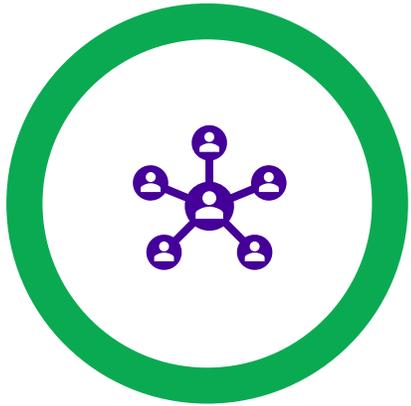


# Supply Chain Traceability

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- ADM's palm supply chain
- Traceability to mill and plantation
- Supply base risk assessment

# ADM's Palm Supply Chain



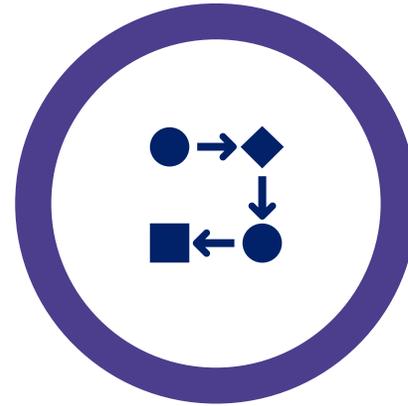
Number of direct suppliers

8



Number of refineries

21



Number of indirect mills

1,299



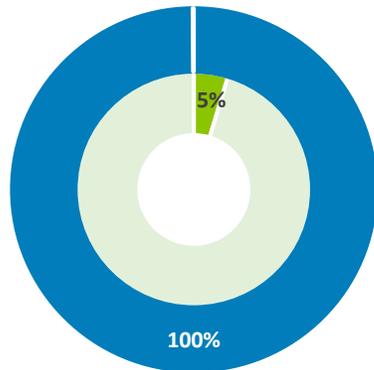
Traceability protocol verified through third-party

Reporting period Q3 to Q4 2019

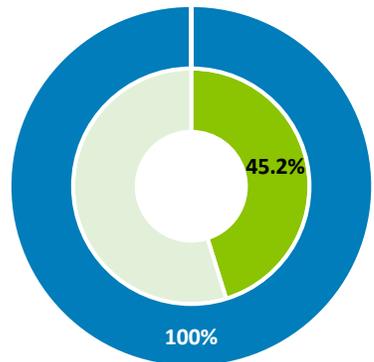
# Traceability Score by Geography

Traceable to Mill  Traceable to Plantation  Reporting period Q3 to Q4 2019

## Europe

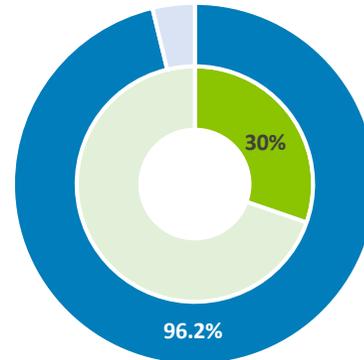


Palm Oil

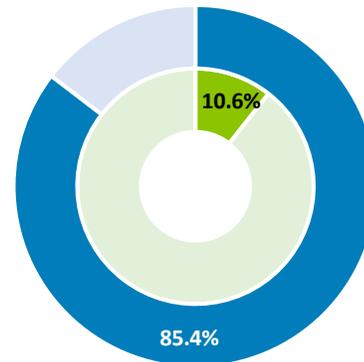


Palm Kernel Oil

## North America

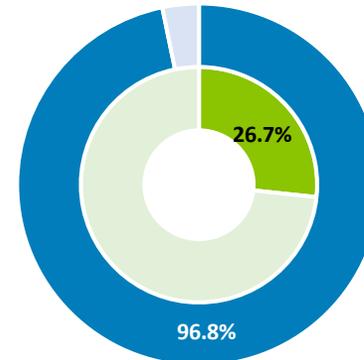


Palm Oil

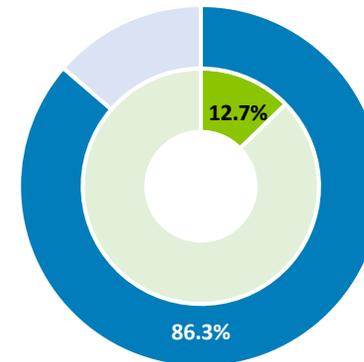


Palm Kernel Oil

## Global



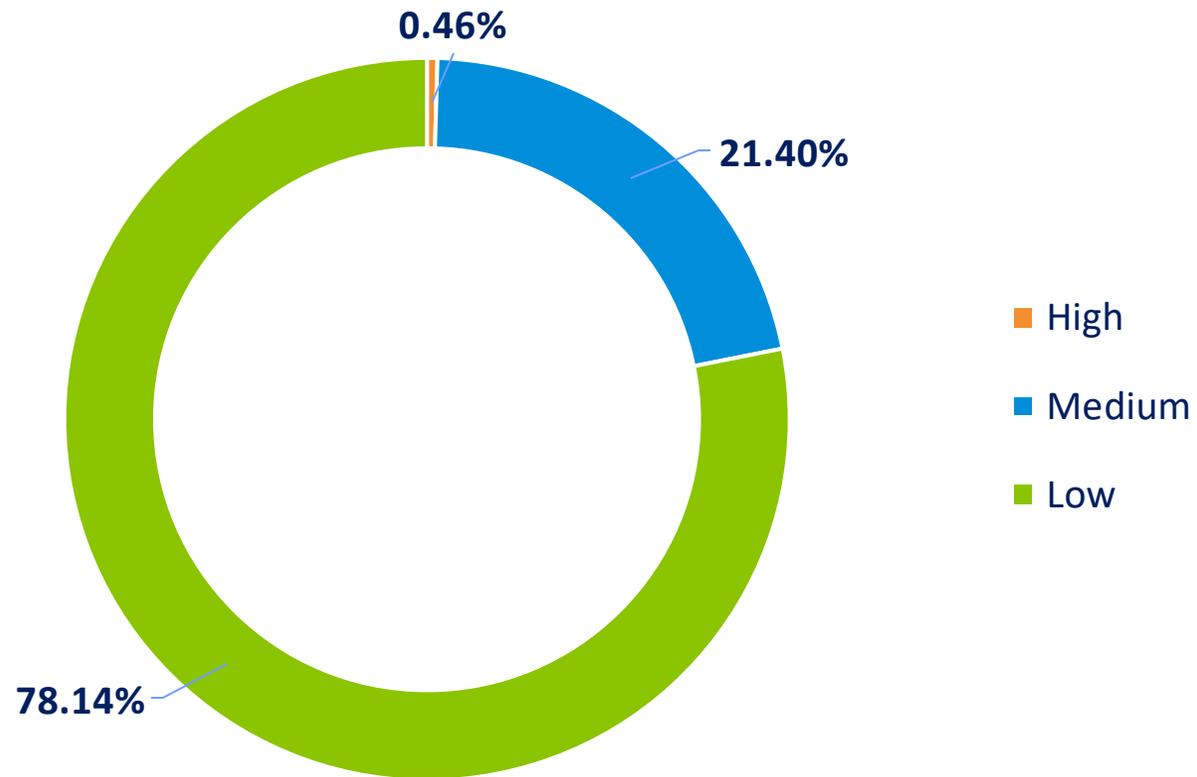
Palm Oil



Palm Kernel Oil

# Forest-related Risk Level

Percentage of mills by forest-related risk level



Results from the Global Forest Watch Pro Palm Risk Analysis Tool for reporting period Q3 to Q4 2019



# Supplier Engagement

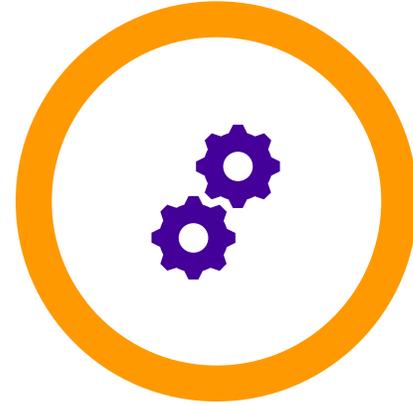
- Supplier Expectations
- Grievance Mechanism
- Transformation Projects

# Supplier Expectations



Percentage of direct suppliers committed to responsible sourcing of palm oil

*100 %*

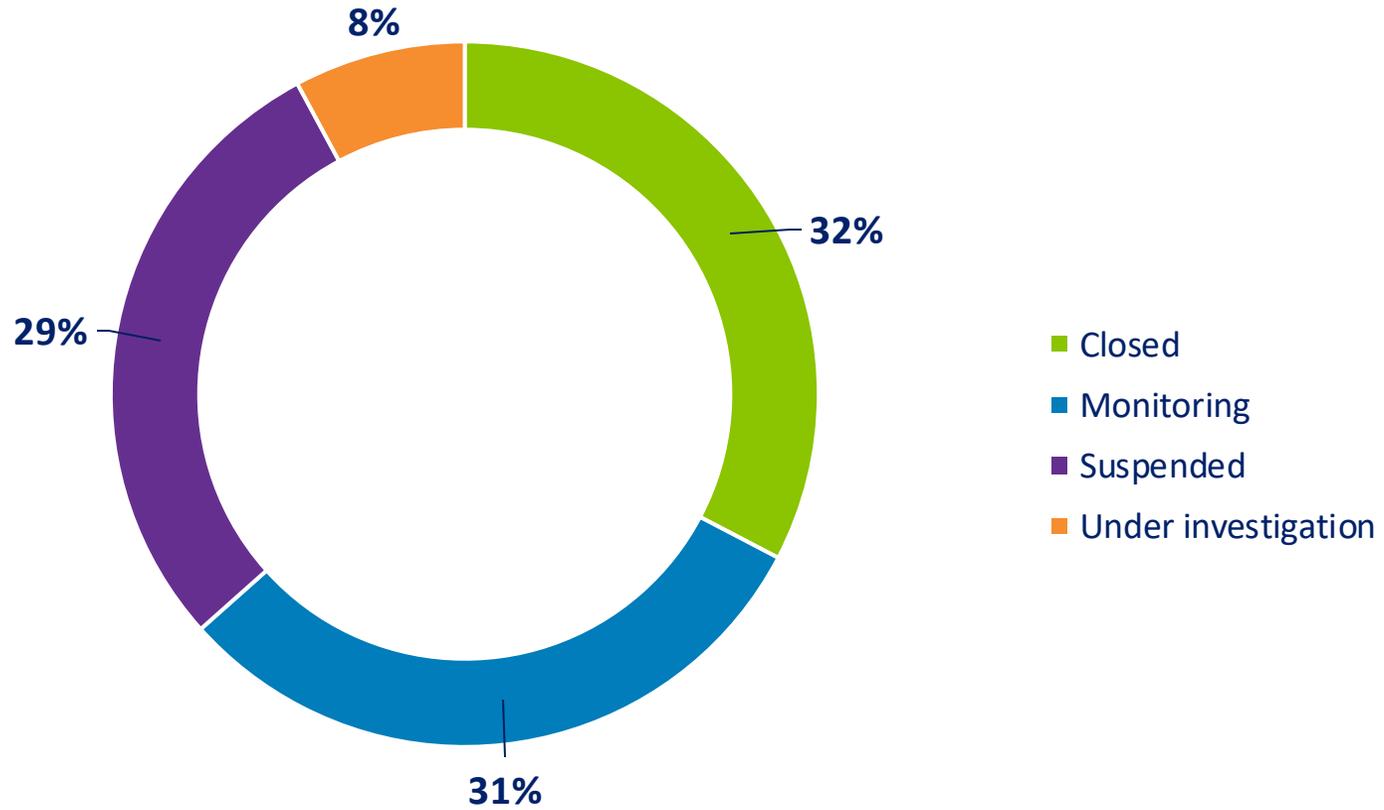


Percentage of direct suppliers with an implementation plan for responsible sourcing of palm oil

*95.43 %*

# Grievance & Resolutions

Percentage of Grievances per Status



Based on status of allegations listed in our grievance log as of June 30, 2020.

# Smallholder Transformation Projects

## 38

### smallholders assessed (pre-audits) in the first year

## 528

### smallholders participated in the first training session

#### MARIPOSA\*

The Mariposa project was launched in 2019 by Olenex to work with palm oil growers and processors in Latin America to transform the supply chain and make it more sustainable.

Mariposa is an innovative crowdfunding project that aims to train local palm oil farmers on sustainable farming practices to protect the environment.

#### Palm LAB - Labor Assessment Builder Program Colombia

In this project, ADM supports the multi-stakeholder alliance of The Netherlands Oils and Fats Industry (MVO); Aceites S.A./Palmaceite S.A.; Colombian National Federation of Palm Growers (Fedepalma), and Solaridad, an international nonprofit.

The project aims to build a more inclusive palm oil value chain between Colombian smallholders, processors and international market through the development and implementation of a step-by-step, data-driven tool that will enable farmers and processors to plan, monitor and verify the uptake of labor practices as defined by the Voluntary Sustainability Standards (VSS) and corporate policies.

The project will train 500 producers in improving labor conditions, promoting free, prior and informed consent to strengthen the social dialogue, providing mobile technologies to assess and monitor labor practices and completing formalized labor contracts for workers, helping farmers meet VSS.





# Monitoring & Verification

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- Tracking Continuous Improvement
- ADM Palm Supplier Scorecard
- NDPE Compliance

# Tracking Continuous Improvement

## Palm Supplier Scorecard

ADM is currently engaging in a palm supplier assessment, which will result in an overview of supplier performance through a scorecard tool.

The scorecards will link to recommended actions for each supplier and are intended to provide a basis for engagement. Improvement will be measured over time through the average score of suppliers.

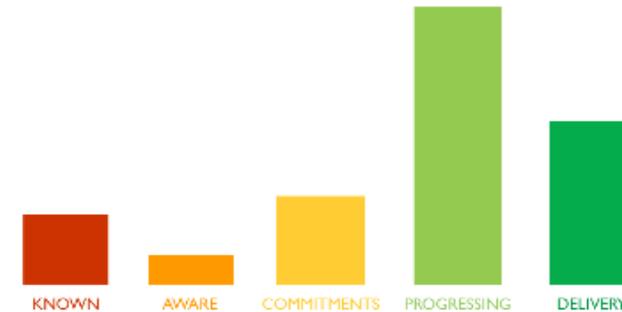
By the next reporting period, results of the first assessment will be available. ADM will be able to measure progress of suppliers' policies, traceability, supply chain implementation, monitoring and verification, landscape and sectoral engagement, grievance management, and transparency and reporting.



# NDPE Compliance

ADM is a participating member of the NDPE IRF Active Working Group to be at the forefront of driving progress while also being able to report on the percentage of its volumes that are delivering against NDPE criteria and will therefore be considered verified deforestation-free (VDF).

Currently, ADM is engaging with its suppliers to report under the NDPE IRF beginning the first half of 2021.



## NDPE Implementation Reporting Framework

For Palm Oil

### *What is the NDPE IRF tool?*

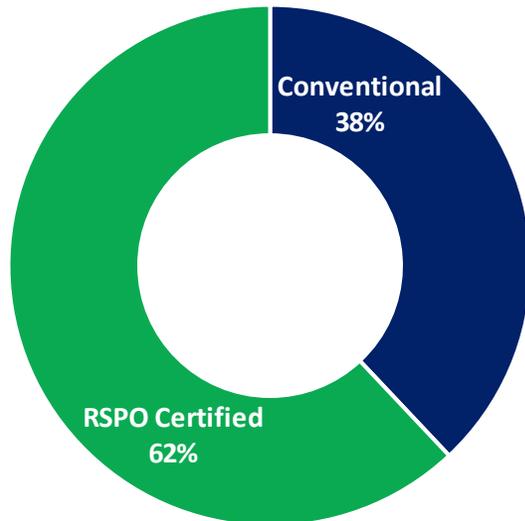
*The No-deforestation, No-peat, No-exploitation Implementation Reporting Framework (NDPE IRF) is a tool designed to enable companies along the palm supply chain to report on progress in delivering NDPE commitments.*

*For further information on the NDPE IRF, please visit: <https://ndpe-irf.net/>*

# Verification

ADM reports certified sustainable palm oil supplies using the volumes of PO and PKO certified by the Roundtable for Sustainable Palm Oil (RSPO). Certified supplies are driven by market demand.

## Europe



## North America





# Reporting

- Communication on Progress
- Disclose information to stakeholders

# Reporting

Previous reports are available on the ADM palm [Sustainability Progress Tracker](#) webpage.

Grievance updates are available on the ADM [Grievances & Resolutions](#) webpage.

Traceability scores are available on the ADM [Supply Chain Traceability](#) webpage.

This is our public Progress Report #12.

We welcome feedback and comments at [responsibility@adm.com](mailto:responsibility@adm.com)

