



ADM's Commitment to Protecting **Forests, Biodiversity and Communities**

2024 Palm Progress Report



Introduction

Since ADM committed to No Deforestation, No Peat, and No Exploitation (NDPE) in March 2015, ADM has been continuously reinforcing its commitment with actions and engagements, especially for the palm supply chain.

Palm generates revenue for millions of farmers, mostly located in Southeast Asia. ADM's sourcing requirements are defined in ADM's [Policy for Human-Rights](#) and [Policy to Protect Forests, Biodiversity and Communities](#).

In addition to participation in multi-stakeholder initiatives (e.g. POCG, RSPO) and improved supplier engagement, ADM has been updating its documentations to reflect industry best practices.

- [Policy Update](#) – Revision to integrate a No-Conversion commitment.
- [Palm Action Plan](#) – Structured according to ADM 4 pillars (Traceability, Supplier & Stakeholder Engagement, Monitoring & Verification, Reporting), this action plan sets goals and provides guidance towards 2025 in alignment with the Agriculture Sector Roadmap to 1.5°C degrees.

This 2024 Palm Progress Report looks back at ADM progress in the last year and illustrates the approach detailed in the Palm Action Plan.



Agriculture Sector Roadmap to 1.5°C

Reducing Emissions from Land Use Change

Agri-commodity companies are essential to executing the shift to a more sustainable future. Acknowledging their importance, 13 of the world's major agricultural commodities companies issued a joint declaration during COP26, agreeing to build a unified roadmap for greater supply chain action consistent with the 1.5°C path.

[Agriculture Sector Roadmap to 1.5°C \(tropicalforestalliance.org\)](https://www.tropicalforestalliance.org/)

Pillar 1



Accelerate supply chain action to reduce emissions from land use change

Sectoral and individual company action to reduce emissions from land use change

Pillar 2



Drive transformation of commodity producing landscapes

Play a key role in supporting the transition to forest positive land use management and commodity production

Pillar 3



Support forest positive sector transformation

Strive to break down barriers and drive sector transformation through dialogue and collaboration with governments, other value chain actors and the finance sector

Progress timeline

Nov 2022

- **COP 27**
Commit to setting emissions reductions targets including (LUC) based on science

Dec 2023

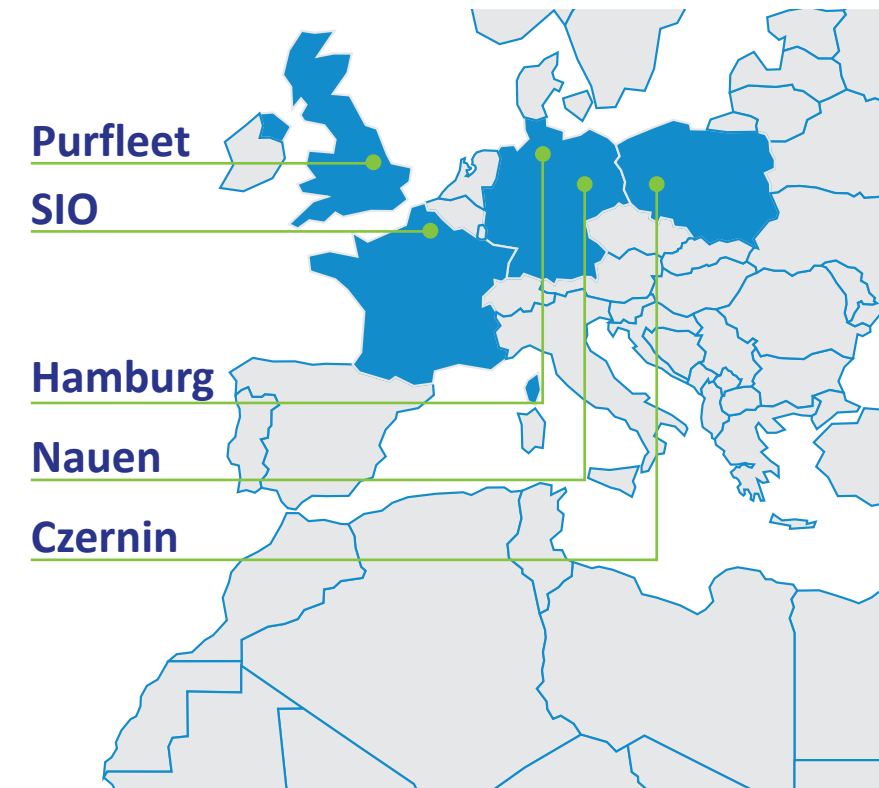
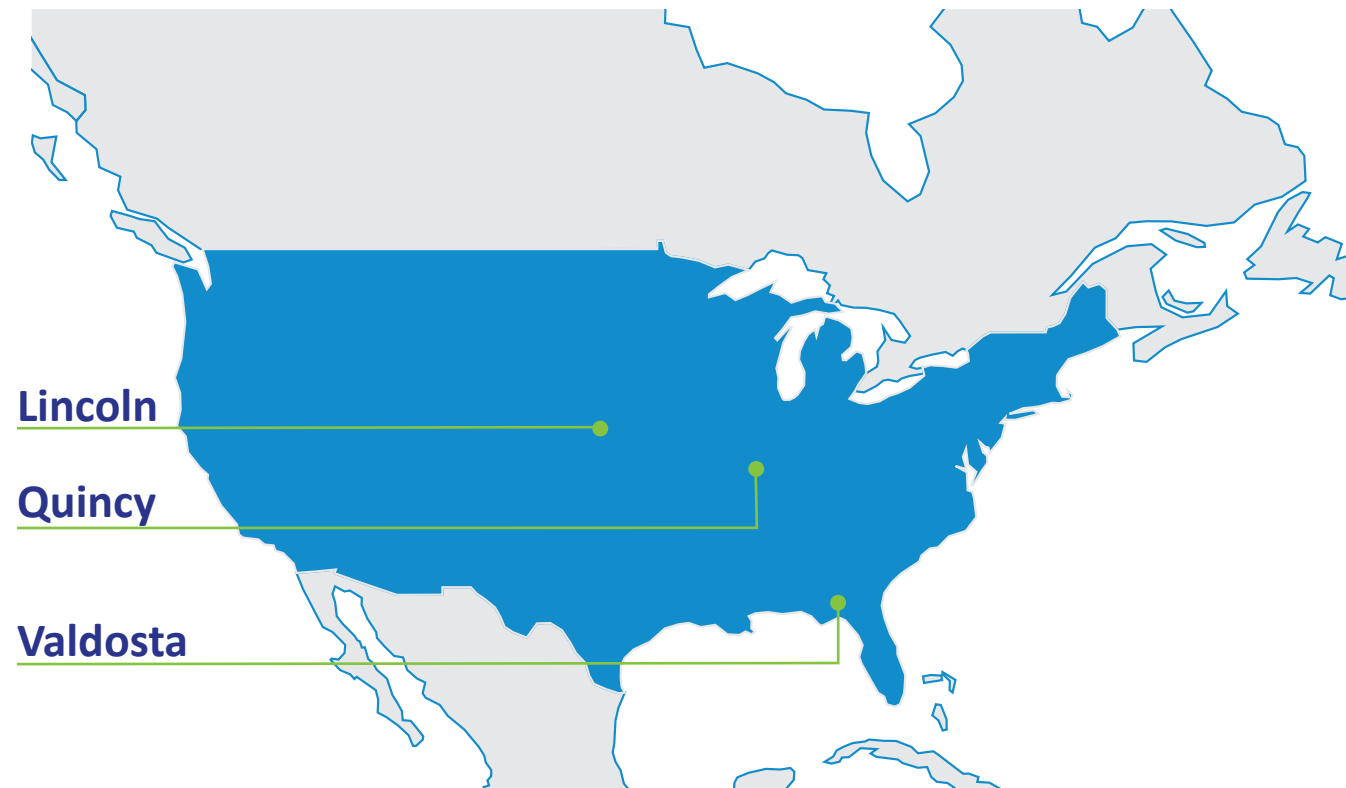
- **COP 28**
Progress reporting
- Progress reporting
Disclose emissions from LUC

Dec 2025

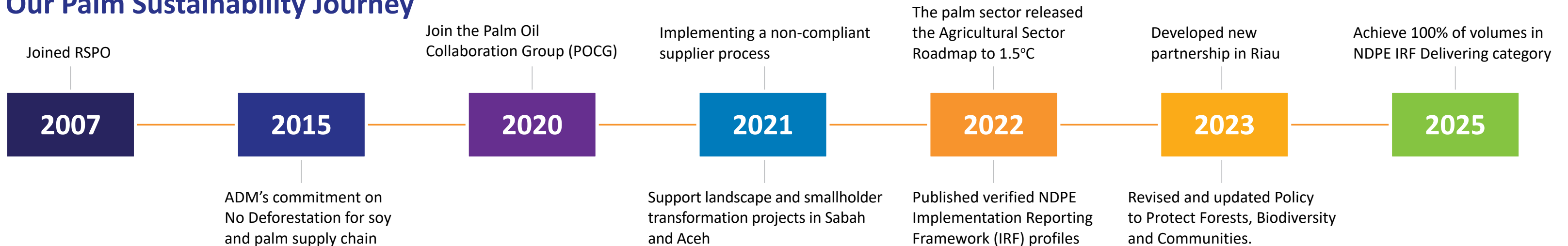
- 2025 targets completed for cattle, palm and soy

ADM Palm Oil Refineries

● ADM Refineries



Our Palm Sustainability Journey



Our Goals for Responsible Palm Sourcing



Supply Chain Traceability

- Maintain high level of traceability to palm oil mill (TTM)
- Increase traceability to palm plantation (TTP)



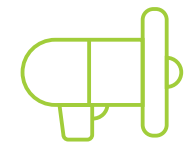
Supplier Engagement

- 100% of palm volumes sourced from direct suppliers who have a responsible sourcing palm program
- Engage 100% of our direct palm suppliers in ADM human rights due diligence process
- Invest in Landscape transformation projects



Monitoring & Verification

- 100% of palm volumes in the IRF “Delivering” category for deforestation
- Monitor and verify suppliers to achieve responsible sourcing of palm oil.



Reporting

- ADM Palm Responsible sourcing progress report
- Regularly update grievance log and review the grievance process

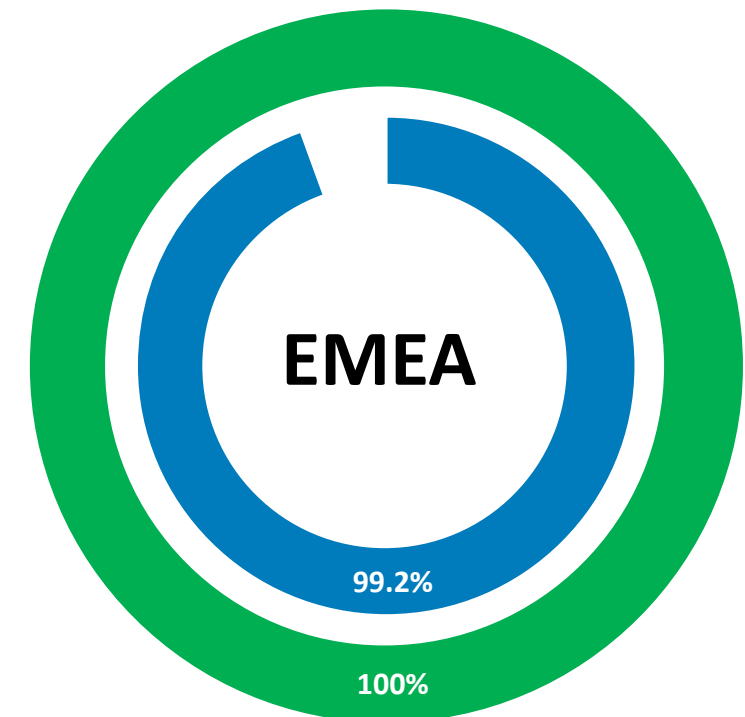
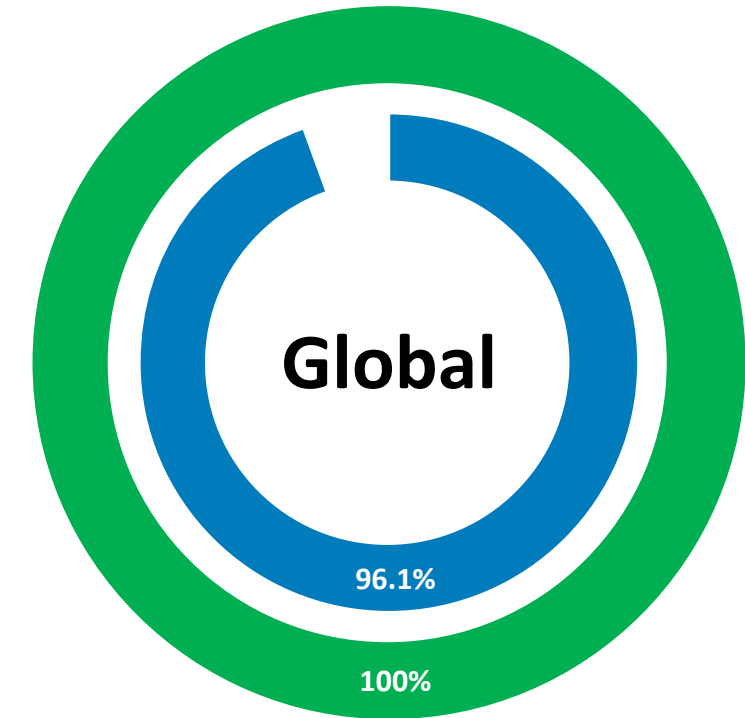
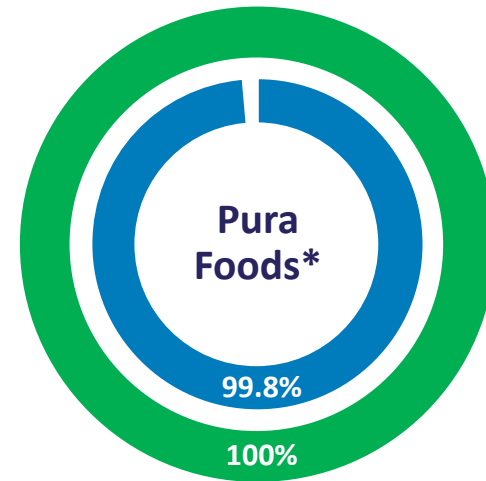
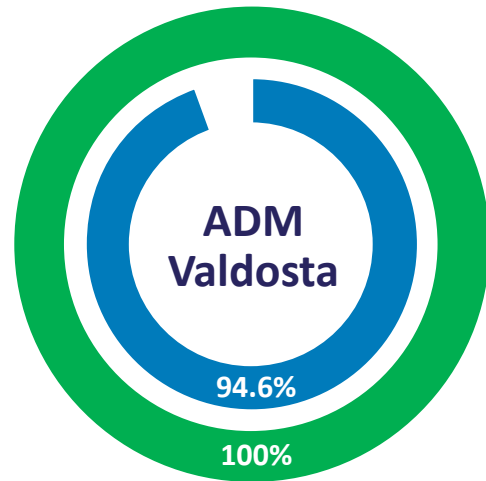
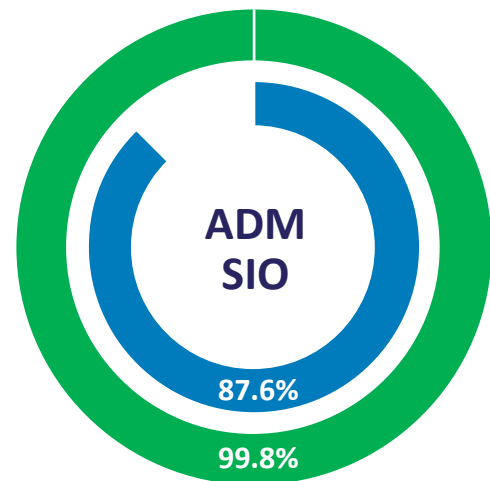
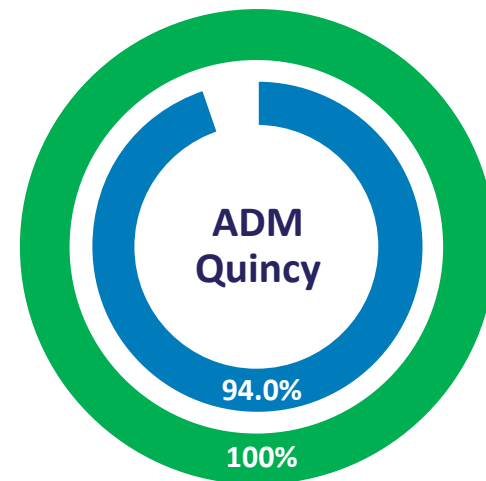
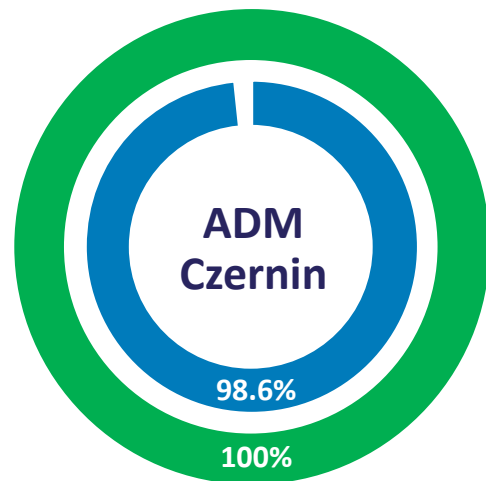
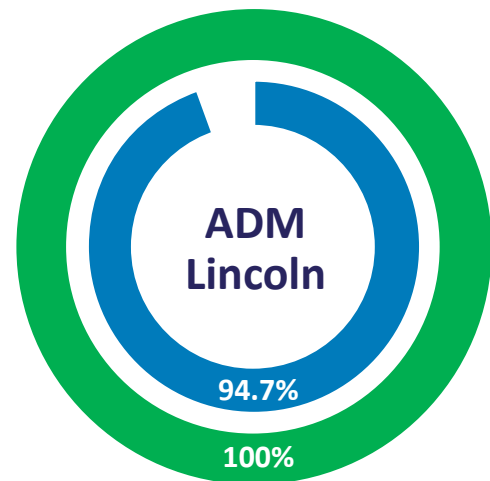


Supply Chain Traceability

ADM maintained its collaboration with direct suppliers and collected palm traceability to the mill and to the plantation information. This year again, an independent third party verified the reliability of the ADM-internal traceability protocol and accuracy of data collected.

[ADM Global Palm Oil Traceability Report](#)

Palm Oil Reporting period 2023



● Traceable to Mill ● Traceable to Plantation

* Does not include traceability information for feed products



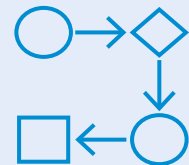
ADM's supply chain counts around 1634 mills. To that extent, ADM contributes indirectly to the economic development of communities and inclusion of smallholders. An accurate traceability of the palm supply chain enables ADM to identify mills which could be located in regions exposed to risks of deforestation. In order to minimize risks violations of ADM policies, ADM assesses its suppliers to ensure suppliers have the necessary mechanisms in place to fulfill ADM's responsible sourcing standards.



24 Direct suppliers



Supply from 42 refineries



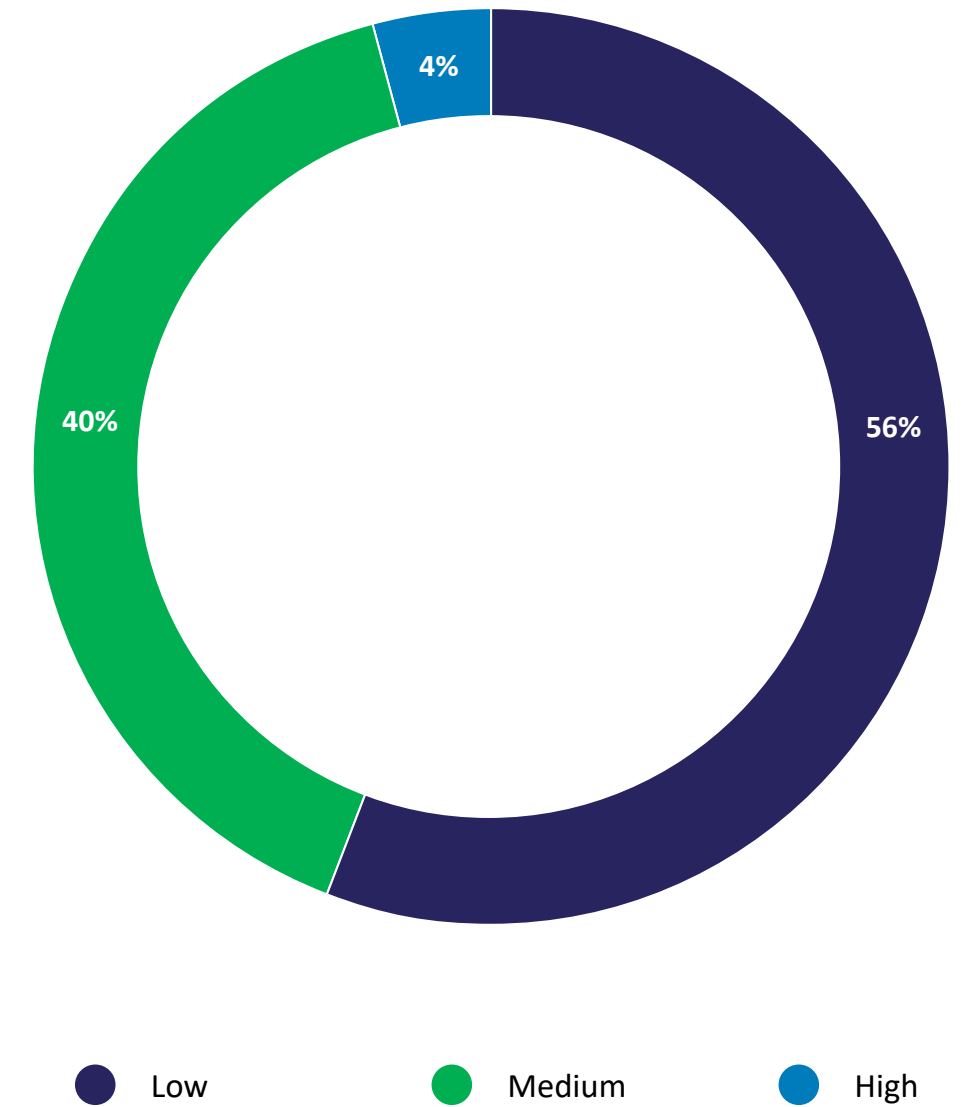
1635 Indirect mills



Traceability data verified

Percentage of Mills by Forest-Related Risk Level

Results of the 2023 Global Forest Watch Pro Palm Risk Analysis Assessment.





Supplier Engagement

ADM has been making strong commitments on responsible palm sourcing and therefore needs to ensure the maturity of its palm suppliers in regards to Human Rights and Environmental Protections. Subsequently, direct palm suppliers, representing 93,5% of sourced volumes are annually assessed by a third-party on the robustness of their sustainability programs and ADM guides them towards industry best-practices.

Policy Commitment

100%

of volumes sourced originates from companies that have public NDPE Policy in place

100%

of volumes sourced originates from companies which policy includes verifiable time-bound targets and milestones. All these companies publicly report progress against their timebound implementation plan

Human Rights Protection

97,1%

of volumes sourced originates from companies that conduct human rights due diligence

99,7%

of volumes sourced originates from companies having public grievance log covering Human Rights Protection

No Deforestation

99,7%

of volumes sourced originates from companies that conduct deforestation monitoring

99,7%

of volumes sourced originates from companies that conduct supplier engagement and awareness-raising programs

82,5%

of volumes sourced originates from companies that directly support landscape and on-the-ground programs in high risk/priority production landscapes

NDPE IRF

99,4%

of volumes sourced originates from companies that report volumes through the NDPE IRF or are committed to it

81,4%

of volumes sourced originates from companies that committed to have 100% NDPE IRF Delivering volumes by 2025

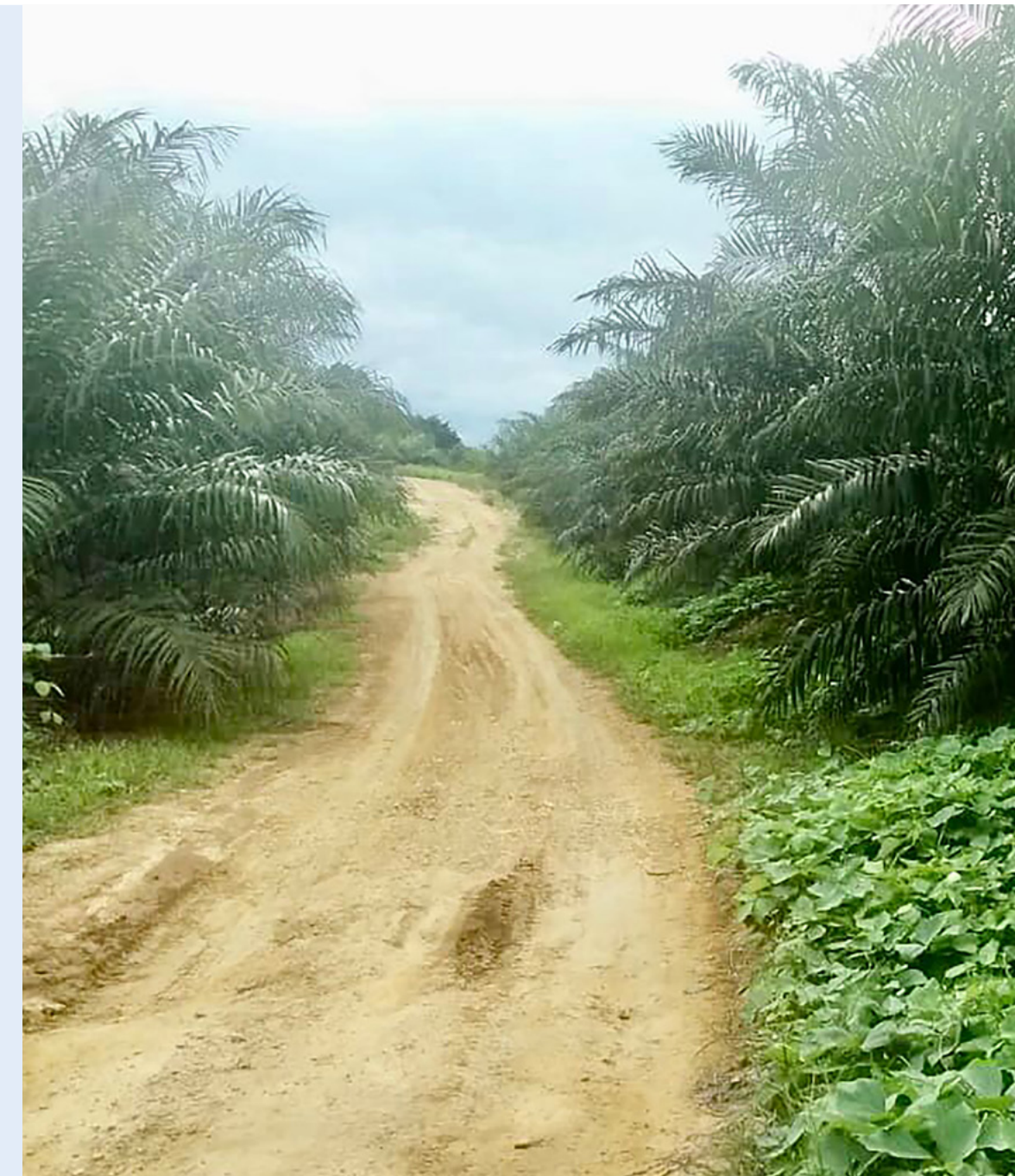
Environmental Protection

98,9%

of volumes sourced originates from companies that undertake environmental risk assessments of mills in their supply base

99,7%

of volumes sourced originates from companies having public grievance log covering Environmental Protection



Training and Engagement with suppliers on EUDR

In preparation for the upcoming European Union Deforestation Regulation, ADM and its partners have been organizing several seminars to equip suppliers with a comprehensive understanding of the requirements so they can continue marketing products into the European Union once the regulation comes into force in 2025.

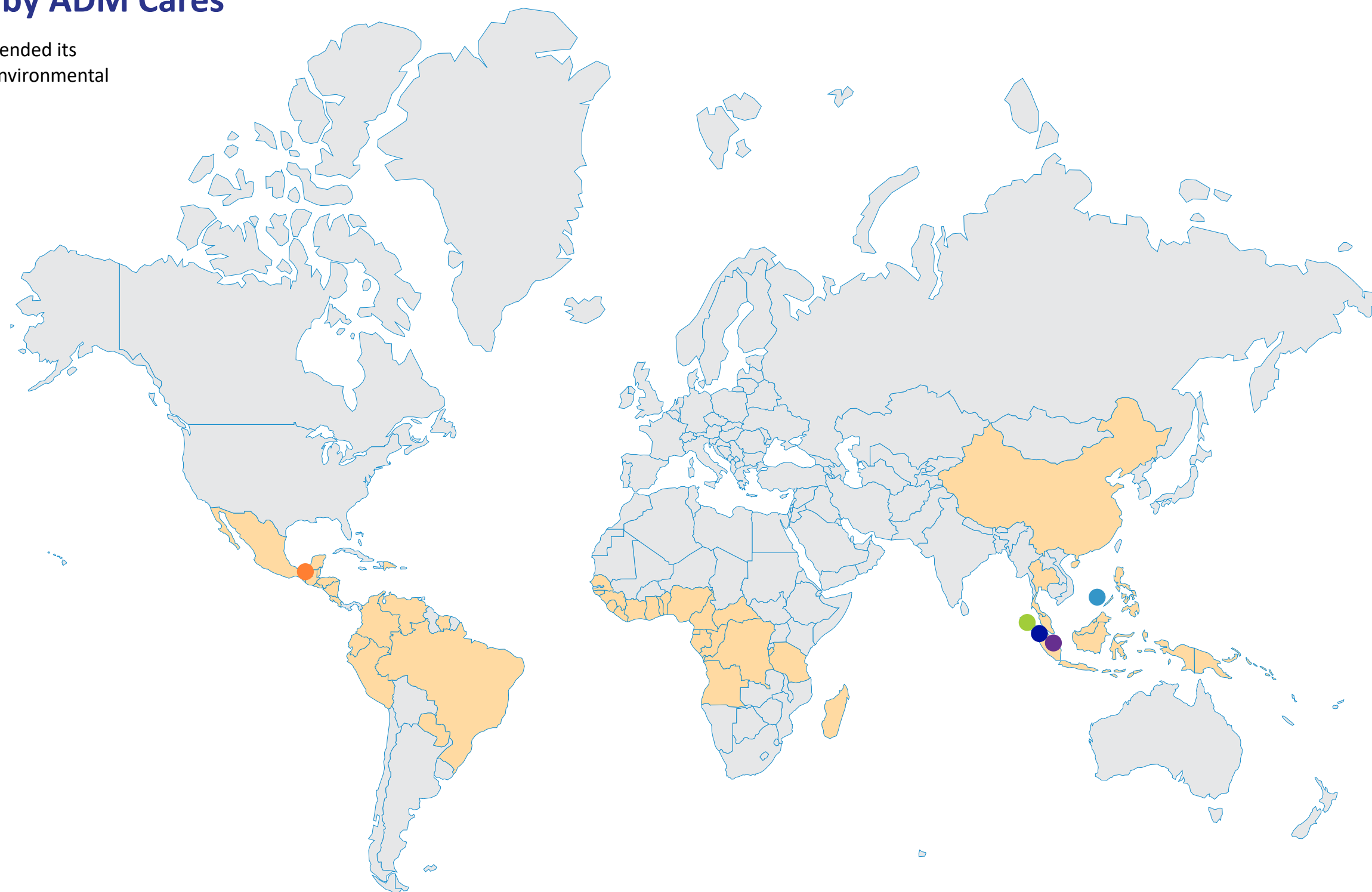


Seminar with ADM suppliers to engage on EUDR compliance

Landscape Projects Supported by ADM Cares

ADM kept on enhancing the palm oil supply chain and extended its innovative long-term partnerships to address social and environmental challenges in high risk/priority sourcing landscapes

- Aceh Landscape Project – in progress
- Riau Project – in progress
- North Sumatra Project – in progress
- Sabah Landscape Project – in progress
- Mariposa Project – in progress
- Palm Producing countries



[More details](#) on ADM Palm Landscape Projects

Zoom In: Riau Landscape Co-Funded Project

Thriving Communities Conducted by Tzu Chi Foundation and GAR

ADM's partnership with the Tzu Chi Foundation was initiated in October 2023 and aims at developing childcare and community learning centers.

- Increasing access to childcare has immediate and long-term benefits for women, their families, businesses and economies. Mothers can work and grow family incomes while quality education and appropriate nutrition is provided to children. Those centers also offer parenting support groups to share experiences and strengthen the link with local communities.
- Community Learning Centers (CLC) organize workshops to provide education on environmental topics and actively prevent deforestation in Riau, considered a deforestation-risk area. CLCs also contribute to local economic activity by developing handcrafted goods to diversify community members' revenues.
- ADM Cares funding supports the operations of the CLC as well as salaries of child caregivers. ADM Cares financial support will contribute to financing costs for 12 centers over 3 years.





Monitoring & Verification

ADM implements a systematic supplier screening-, assessing-, and monitoring-program that ensures suppliers are compliant with ADM responsible sourcing requirements. This includes supplier's scorecarding and continuous satellite verification by third parties.

ADM Supply Chain Due Diligence Program

ADM committed to maintain high integrity standards across its supply chain. A significant assessment and engagement work is being done annually for existing suppliers. Moreover, potential new suppliers need to go through a demanding Due Diligence process covering:

- Company profile including NDPE Policy, certification, legality, and subsidiaries.
- Environment checking such as deforestation history and liability, water and/or air pollution, etc.
- Human rights checking such as, labor issue, land conflict, indigenous people, etc.
- Supply chain risk.
- Grievances status.
- Additionally, we also check internally based on the scorecard information (attached) and online news.

Palm Supplier Scorecard

The palm supplier scorecard is an annual assessment of direct suppliers about their Policies, Traceability, Supply chain implementation plan, Monitoring and verification program, Landscape and sectoral engagement, Grievance management, Transparency & Reporting, and NDPE IRF progress.

Based on results of the scorecard, ADM engages with direct suppliers to implement time-bound actions to improve upstream activities.

Supplier Compliance Monitoring

The supplier compliance monitoring program began in January 2023. To facilitate ADM's stakeholder engagement process and create the structures necessary for positive supply chain transformation. In practice, Satellite monitoring is performed at plantation level to alert ADM on any violation of ADM's policies to protect Forest. These reports are updated frequently and have an immediate response to deforestation and peat conversion.

100%

of direct suppliers are committed to ADM policy for Human Rights and policy to Protect Forest, Biodiversity and Communities

100%

of mills in ADM supply chain are satellite monitored against deforestation, representing 15 millions hectares



NDPE IRF Reporting – Crude Palm Oil

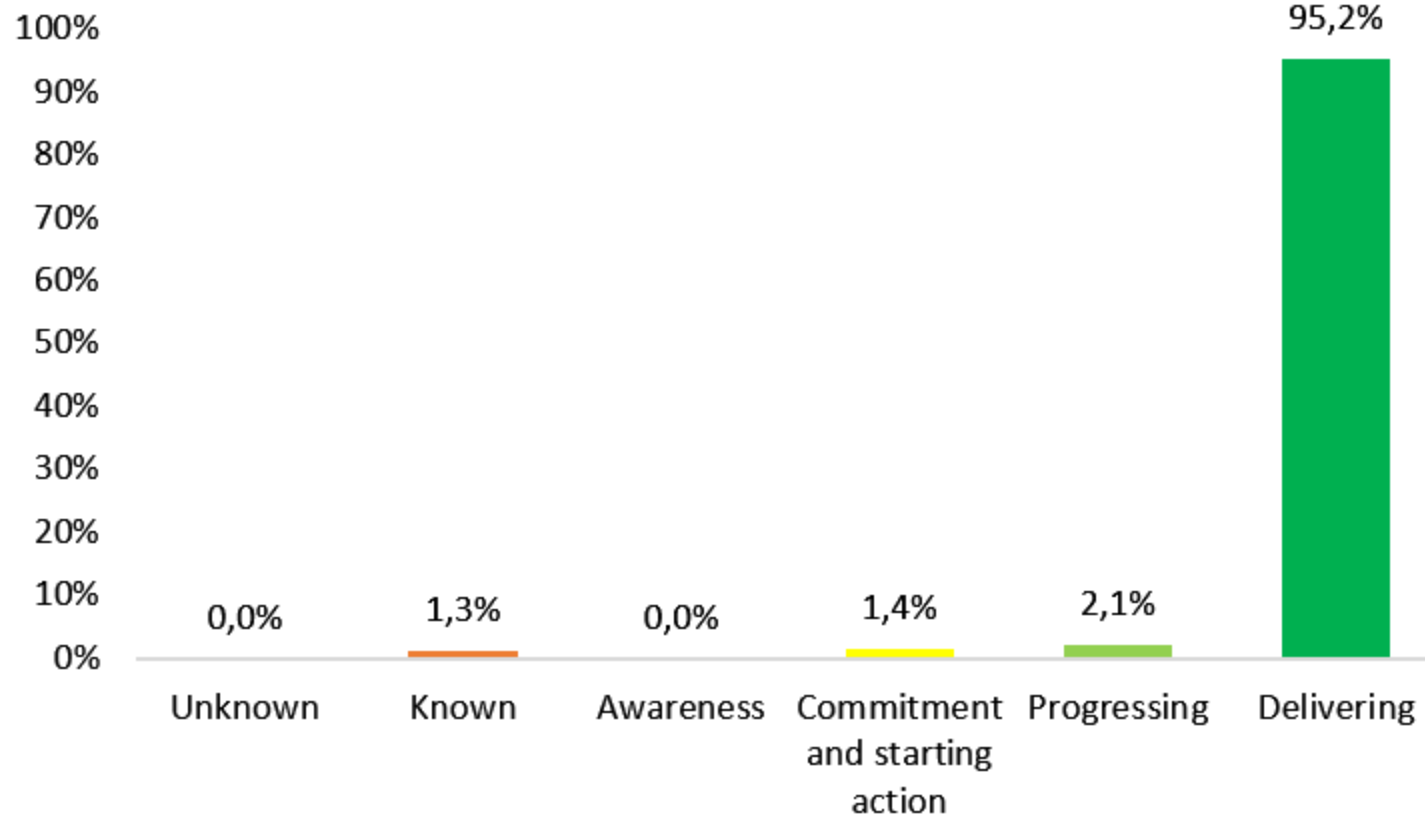
ADM continues to participate actively in the NDPE IRF Working Group to drive progress on reporting against NDPE criteria. ADM has engaged with all its direct suppliers on the provision and improvement of their respective NDPE IRF profiles. As a result of mutual collaboration and engagement with its suppliers, ADM NDPE IRF score in the “Delivering” category significantly improved by 72% between 2023 and 2024.

In June 2024, ADM underwent its annual verification of all its NDPE IRF profiles by an independent third-party. Volumes sourced from January to December 2023 were covered. The audit was conducted in accordance with the NDPE Data Verification Protocol.

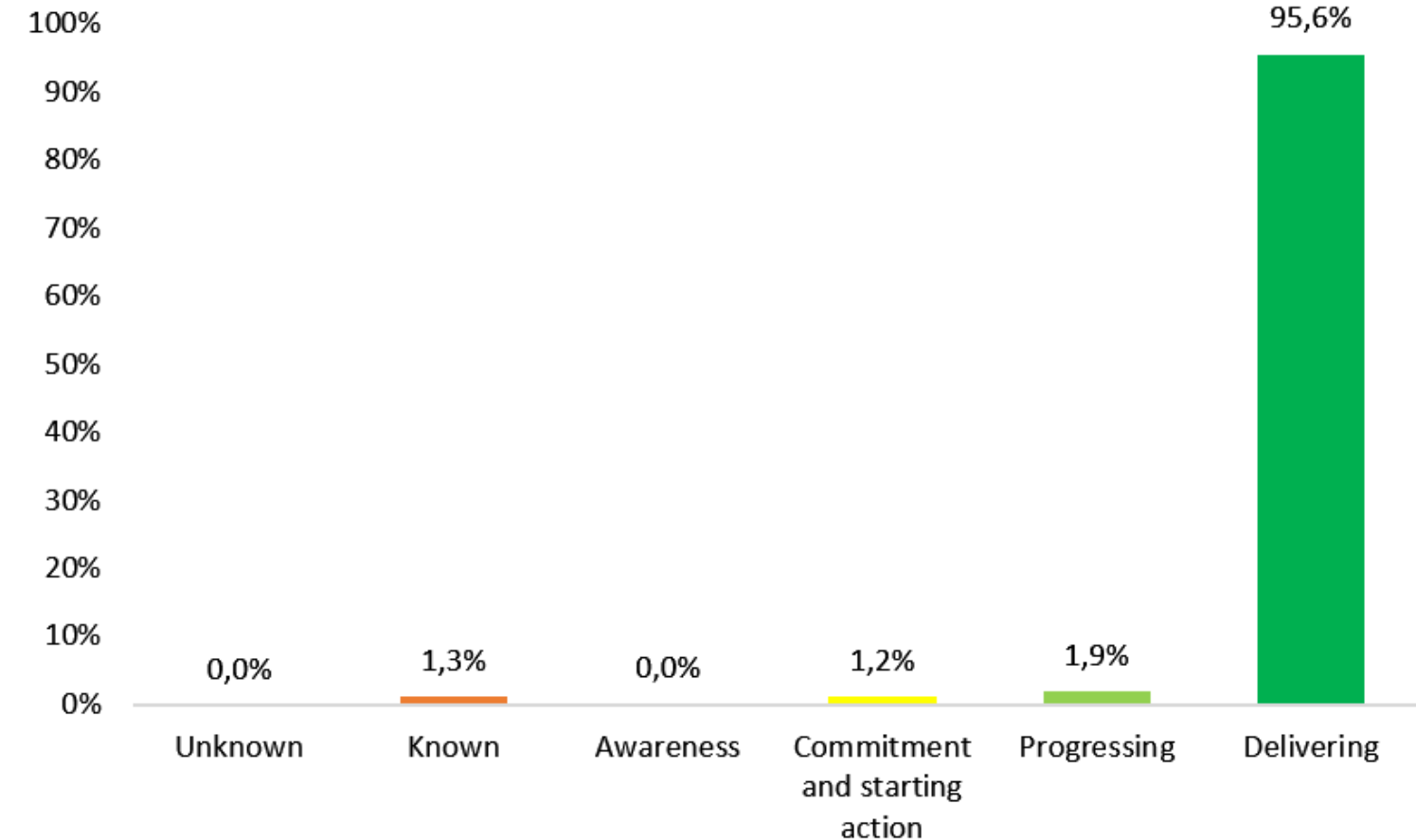
The NDPE IRF profiles per facility are available under the *Palm Oil Supply Chain Traceability* sections of [ADM’s Sustainability Policies & Reports](#) webpage.



No Deforestation progress at production level based on estimate of proportion of FFB from directly managed production (%)



No Peat progress at production level based on estimate of proportion of FFB from directly managed production (%)



NDPE IRF Reporting – Palm Kernel Oil

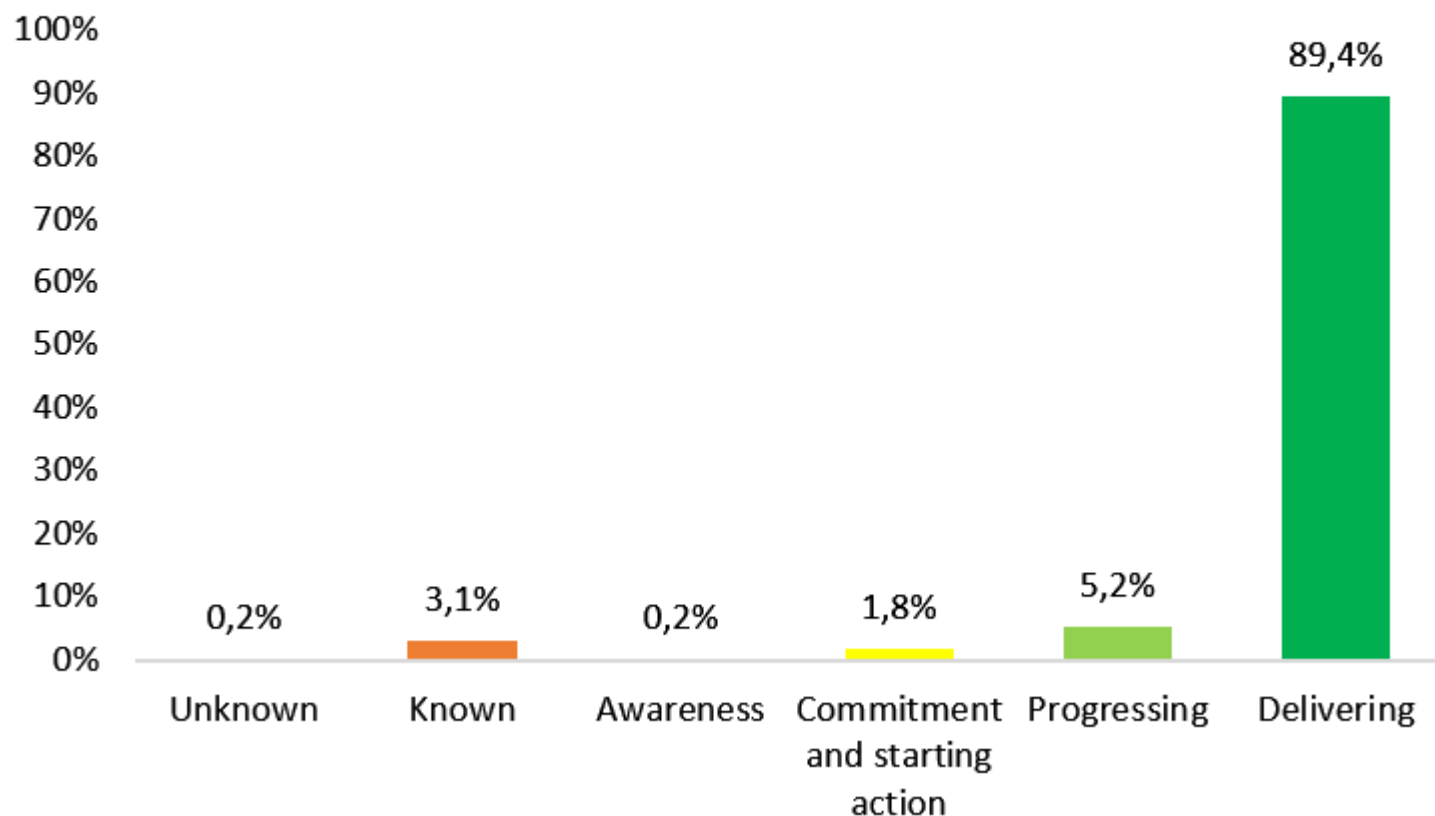
ADM continues to participate actively to the NDPE IRF Working Group to drive progress on reporting against NDPE criteria. ADM has engaged with all its direct suppliers on the provision and improvement of their respective NDPE IRF profiles. As a result of mutual collaboration and engagement with its suppliers, ADM NDPE IRF score in the “Delivering” category significantly improved by 63% between 2023 and 2024.

In June 2024, ADM underwent its annual verification of all its NDPE IRF profiles by an independent third-party. Volumes sourced from January to December 2023 were covered. The audit was conducted in accordance with the NDPE Data Verification Protocol.

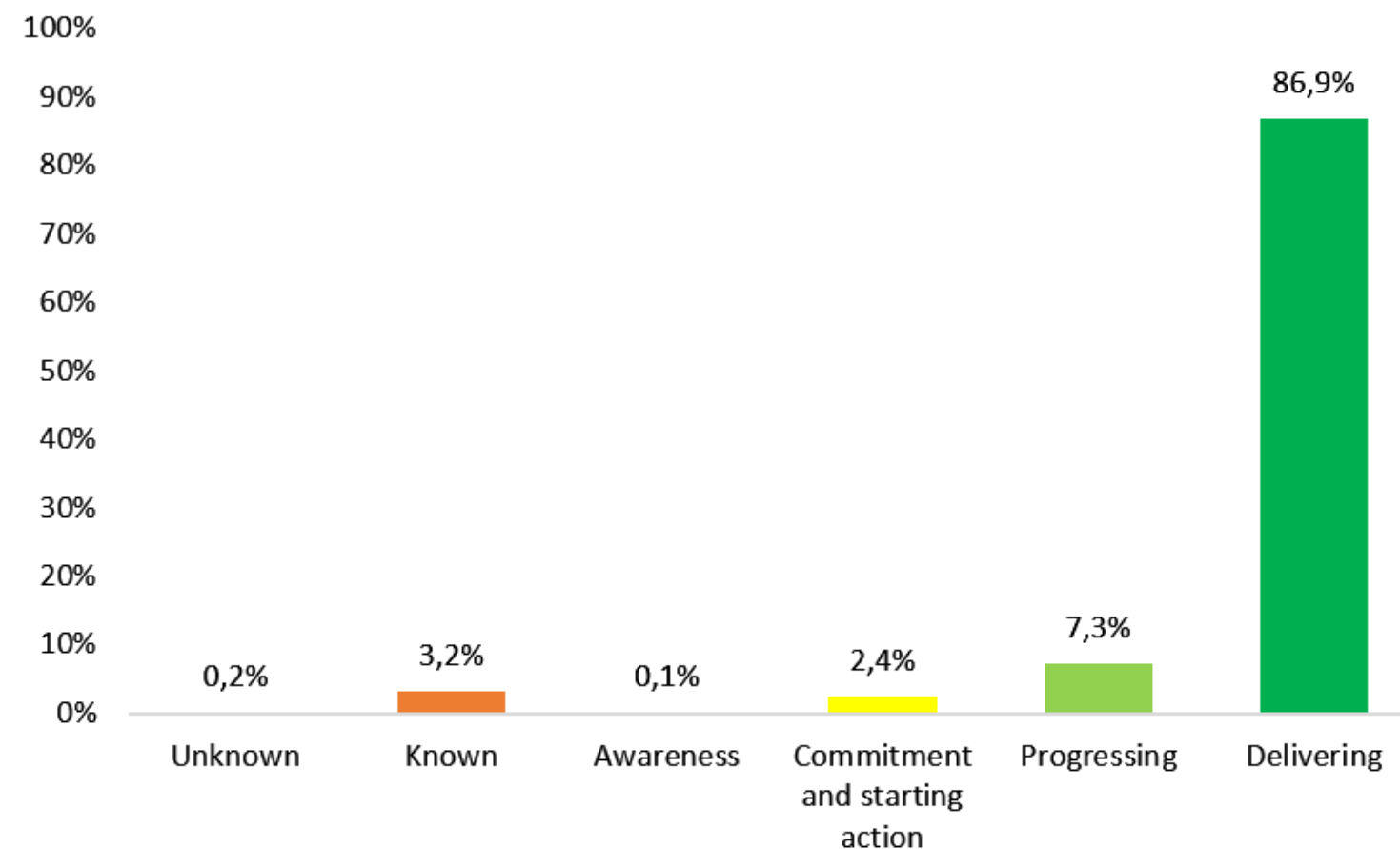
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No Deforestation progress at production level based on estimate of proportion of FFB from directly managed production (%)

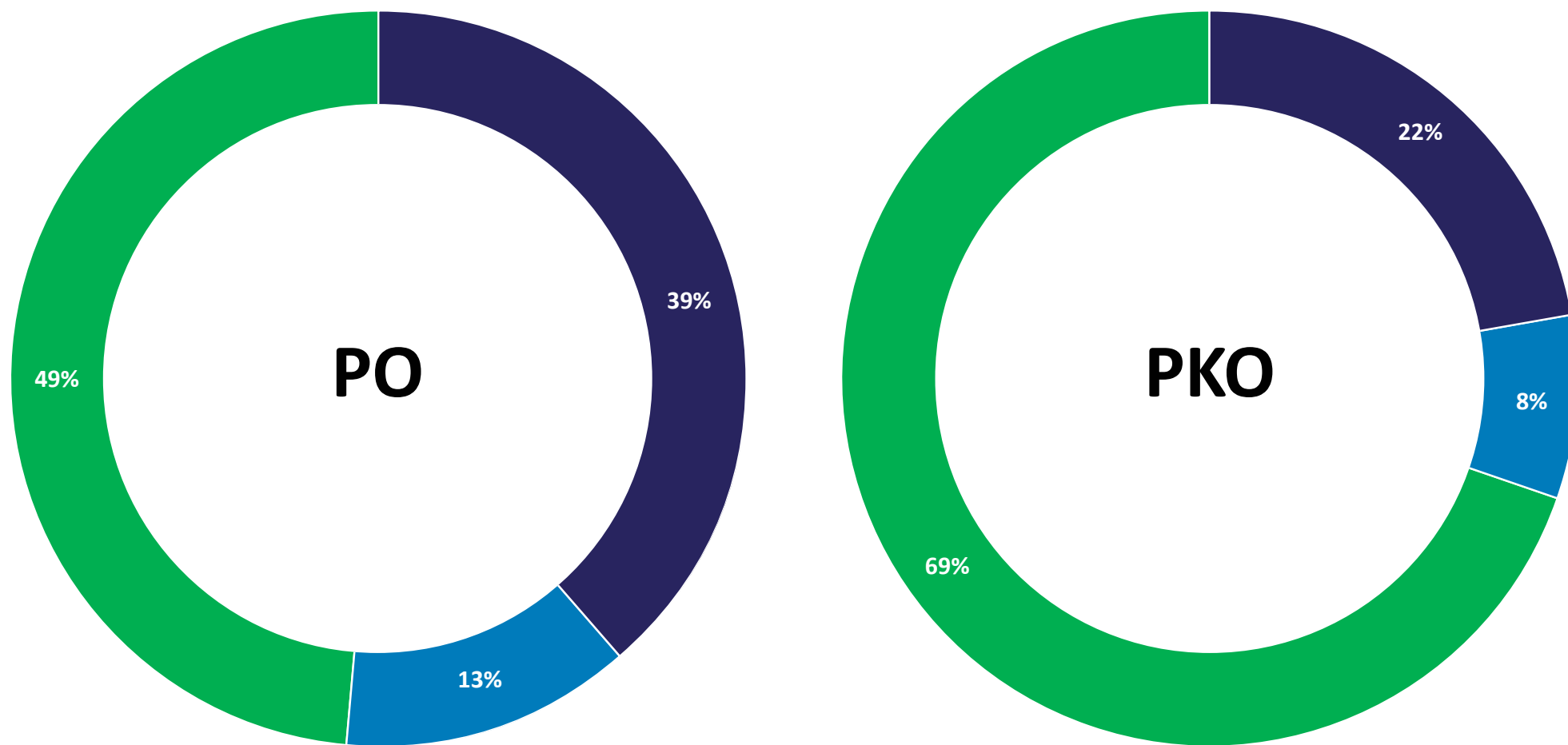


No Peat progress at production level based on estimate of proportion of FFB from directly managed production (%)



RSPO-Certified Volumes

Certified sustainable palm oil volumes are reported using the volumes of PO and PKO RSPO certified delivered to ADM for in 2023. ADM follows the market demand for RSPO-certified products.



● MB RSPO Certified
 ● SG RSPO Certified
 ● Conventional



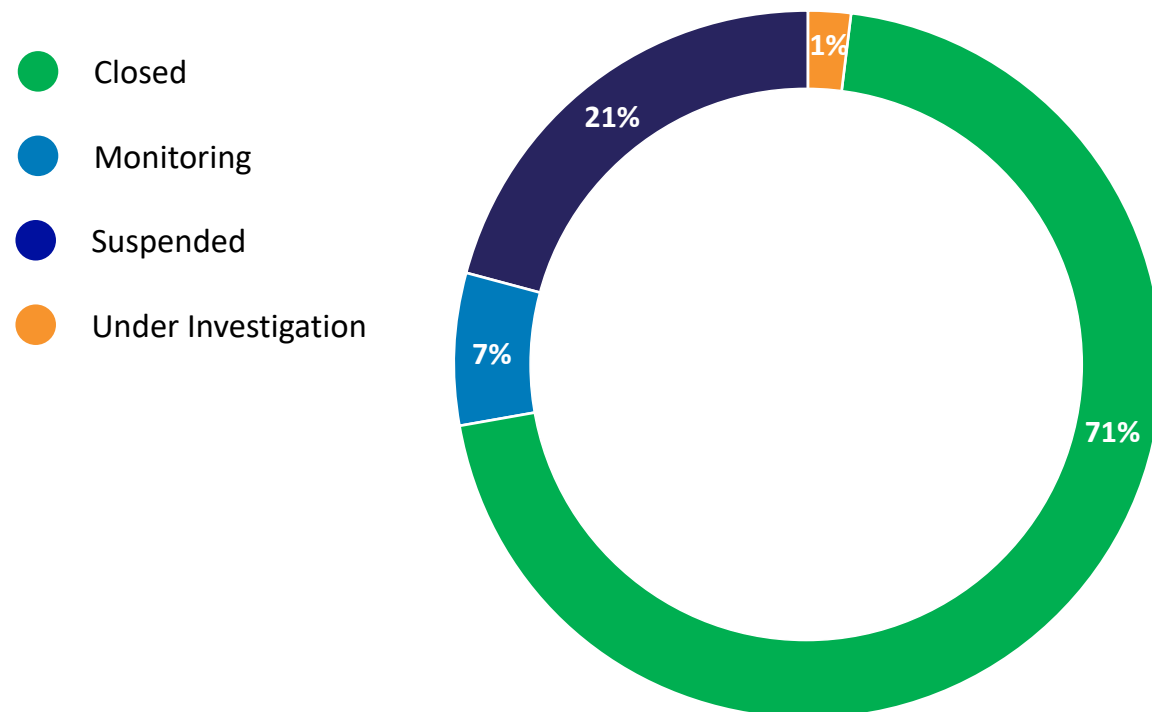
Reporting

Grievance Management

ADM improved its cooperation with a service provider to investigate on grievances. Thanks to our mutual efforts, it enabled to close some formerly-monitored grievances and reintegrate suspended suppliers that successfully completed a correction plan. Therefore, total closed grievances increased by 8 points of percentage.

All grievances submitted to ADM are investigated :
If allegations revealed to be true and ADM is somehow involved, ADM will react according to its [procedure for managing non-compliant suppliers](#), and engage with stakeholders following the OECD FAO causal relationship framework.

Percentage of Grievances by Status



ADM continued its collaboration with direct suppliers regarding their palm responsible sourcing program and measured their performance against ADM commitments. This collaboration is translated into yearly reports that are publicly available online and verified by independent third party.

- ADM strategy and approach to responsible palm sourcing is exposed in [2024 – 2025 Palm Oil Action Plan](#).
- 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.
- We welcome feedback and comments from at responsibility@adm.com.



