



Palm Responsible Sourcing Action Plan 2024 -2025



Introduction

In today's world, where environmental concerns and ethical practices are in the spotlight, responsible sourcing has become a critical aspect for businesses. This is especially true in the palm oil industry, which has faced significant criticism for its environmental and social impacts.

To address these challenges, in March 2015 ADM committed to its Policy to Protect Forest, Biodiversity and Communities. Since then, ADM made significant progress towards implementation which are articulated around four pillars:

1. Supply chain traceability
2. Supplier engagement
3. Monitoring & verification
4. Reporting

This document outlines a strategic framework for a responsible palm sourcing plan, accenting the actions for the period 2024-2025 and continuous improvement. By implementing this plan, ADM can demonstrate its commitment to environmental stewardship, respect for human rights, and the promotion of sustainable development in palm oil-producing regions. Through collective action and meaningful partnerships, we can navigate the complexities of the palm oil supply chain and pave the way towards a more sustainable and equitable future.

Agriculture Sector Roadmap to 1.5°C

- The Agriculture Sector Roadmap to 1.5°C is a multi-stakeholders initiative gathering industry key actors, committing on activities to limit deforestation and land use change connected to deforestation-linked-commodities.
- Hindering deforestation will reduce land-use-change emissions and enable to keep the 1.5°C target in the Paris Agreement within reach and tackle food crisis risks.

- 3 Pillars of this sectoral voluntary commitment for palm:
 - Commodity Implementation Plan
 - Drive transformation of commodity producing landscapes
 - Support Forest positive sector transformation

[Agriculture Sector Roadmap to 1.5°C](#)



Our Palm Footprint



● Processing facilities



Supply Chain Traceability

Goal	Approach	Actions	Alignment with the Agriculture Sector Roadmap
<p>Maintain high level of traceability to palm oil mill (TTM)</p>	<p>ADM does not own palm mills or plantations, nevertheless ADM traces its palm supply back to the mill and works closely with its direct suppliers to maintain a high level of traceability. To ensure reliability of data, the traceability process is verified by an independent third-party.</p>	<ul style="list-style-type: none"> • ADM will maintain its collaboration with direct suppliers to collect palm traceability data and will require traceability data for new suppliers. • ADM will continue to have an independent third party verify the efficacy of the internal traceability protocol and accuracy of data collected. 	<p>Commodity Implementation Plan – Supply Chain Mapping and Traceability</p>
<p>Increase traceability to palm plantation (TTP)</p>	<p>ADM does not own palm mills or plantations, nevertheless ADM strives to traces its palm supply back to the plantation and works closely with its direct suppliers to increase traceability to the plantation. ADM continues to improve its traceability to the plantation and is actively working with suppliers to attain full traceability of palm back to the plantation.</p>	<ul style="list-style-type: none"> • ADM will maintain and increase its collaboration with direct suppliers to collect palm traceability data to the plantation and will continue to require traceability data to the plantation to suppliers. 	<p>Commodity Implementation Plan – Supply Chain Mapping and Traceability</p>



Supplier & Stakeholder Engagement

Goal	Approach	Actions	Alignment with the Agriculture Sector Roadmap
<p>100% of palm volumes sourced from direct suppliers who have a responsible sourcing palm program</p>	<p>100% of palm volumes sourced from direct suppliers who have a publicly available NDPE policy, implementation plan, grievance management system, grievance log, deforestation monitoring, and publicly report progress against their time-bound implementation plan.</p> <p>ADM partner with an independent party to assess all its direct suppliers</p>	<ul style="list-style-type: none"> ADM will continue to assess all its direct palm suppliers and guide them towards industry best practices. An additional revision assessment will be conducted after supplier engagement to record suppliers' positive transformations. 	<p>Commodity Implementation Plan – Time-bound targets</p>
<p>Engage 100% of our direct palm suppliers in ADM human rights due diligence process</p>	<p>ADM has a Human Rights Policy that outlines its expectations regarding Human Rights across all supply chains. For palm, this also involves Supply Chain Mapping (see Supply Chain Traceability), Risk Assessment (see suppliers' assessment on responsible sourcing program), Risk Mitigation (see Landscape Transformation Projects, and Monitoring and Verification). The ADM Grievance mechanism remains public and available to alert on potential violation of Human Rights</p>	<ul style="list-style-type: none"> ADM will maintain its process and encourage suppliers to implement human-rights-related improvements and actions. 	<p>Commodity Implementation Plan – Time-bound targets</p>
<p>Invest in Landscape transformation projects</p>	<p>Through ADM Cares, ADM invests in projects that address social and environmental issues at production countries. Projects address the main sustainability-related issues in local landscapes such as land use change, education, social initiatives, and smallholder inclusion.</p>	<ul style="list-style-type: none"> Enhance ADM's palm oil supply chain through innovative partnerships to address social and environmental challenges in high risk/priority sourcing landscapes, 	<p>Drive transformation of commodity producing landscapes</p>



Monitoring & Verification

Goal	Approach	Actions	Alignment with the Agriculture Sector Roadmap
100% of palm volumes in the IRF “Delivering” category for deforestation	ADM commits to align with the Agriculture Sector Roadmap to 1.5°C, including the commitment to purchase 100% of palm volumes in the NDPE IRF “Delivering” category for deforestation by 2025.	<ul style="list-style-type: none"> ADM will work with its direct suppliers to improve ADM NDPE IRF score to the “Delivering” category for deforestation. It will imply increasing purchasing volumes from suppliers with good NDPE IRF score, encouraging suppliers to improve their NDPE IRF score, and require all suppliers to share their NDPE IRF profile. 	Support Forest-positive sector transformation
Monitor and verify suppliers to achieve responsible sourcing of palm oil.	ADM systematically pre-screens its potential future direct suppliers and current direct suppliers are assessed against industry best-practices. A satellite system enables detection of indirect suppliers' violations of ADM policies in plantations and enables ADM to react adequately.	<ul style="list-style-type: none"> ADM will continue screening, assessing, monitoring and verification of suppliers ADM traceability scores and ADM IRF score are verified by a third party and suppliers are encouraged to provide and verify their IRF scores. 	Commodity Implementation Plan – Monitoring and response



Reporting

Goal	Approach	Actions	Alignment with the Agriculture Sector Roadmap
ADM Palm Responsible sourcing progress report	ADM reports regularly on its progress on responsible palm sourcing program. Communicate transparently on progress, and update stakeholders on ADM's palm oil journey	<ul style="list-style-type: none">• ADM will maintain its collaboration with direct suppliers about their own palm responsible sourcing program and measure its alignment with our own commitment.• ADM will continue to make an independent third-party verification of the internal traceability protocol and reports.	Support Forest Positive Sector Transformation
Monitor and verify suppliers to achieve responsible sourcing of palm oil.	Regularly update grievance log and review the grievance process	<ul style="list-style-type: none">• ADM will maintain its grievance log and update processes as needed.	Commodity Implementation Plan – Monitoring and Response

Additional resources

- Sustainability reports are available on the [ADM Sustainability Webpage](#).
- Progress 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.

