



ADM Commitment to No Deforestation

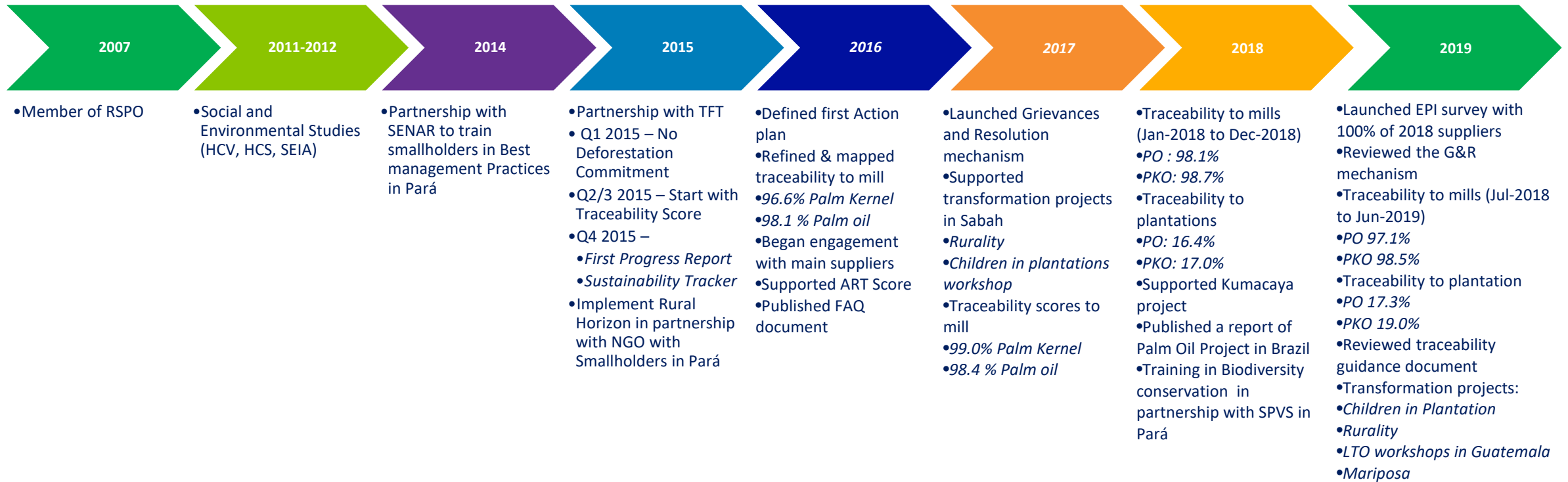
Policy Implementation

H2 2019 Palm Progress Report

Our Palm Footprint



Our Palm Journey



On May 7, 2015 ADM announced our Commitment to no Deforestation, No Peat and No Exploitation, and to building traceable and transparent agricultural supply chains that protect forests worldwide, with an initial focus on palm oil and soy.

Action Plan 2019 Progress



Transparency & Traceability

- Maintain high traceability scores to palm oil mills.
- Increase traceability scores to palm oil plantations.



Supplier engagement & Risk identification

- Engage with suppliers based on the Engagement for Policy Pmplementation (EPI) assessment results.
- Further review and update of the Grievance mechanism.



Transformation

- Expand our transformation activities supporting the MARIPOSA Project to bring sustainability knowledge and management practices to smallholder farmers in LATAM and strive for them to become certified producers.



Monitoring & Verification

- The EPI results showed supplier performance on several key sustainability areas

Transparency & Traceability

For the period Q2 2018 – Q2 2019



Supplier Engagement

Implementation of the EPI survey

ADM began implementation of the Engagement for Policy Implementation (EPI) survey with all its suppliers from 2018. The EPI survey is a tool provided by Earthworm Foundation (EF) that allows an understanding of each supplier's progress related to all aspects of an NDPE-compliant responsible sourcing program. EPI questions reflect current palm oil industry sustainability standards, thereby helping suppliers understand how to meet their customers' expectations.

With the exception of one supplier, all 2018 ADM suppliers agreed to participate in the survey. The process was implemented from March to June 2019.

100% of suppliers have a responsible sourcing policy

99% of suppliers publicly report progress on NDPE implementation

99% of suppliers have grievance mechanisms in place

94% of suppliers monitor for deforestation and exploitation



Transformation

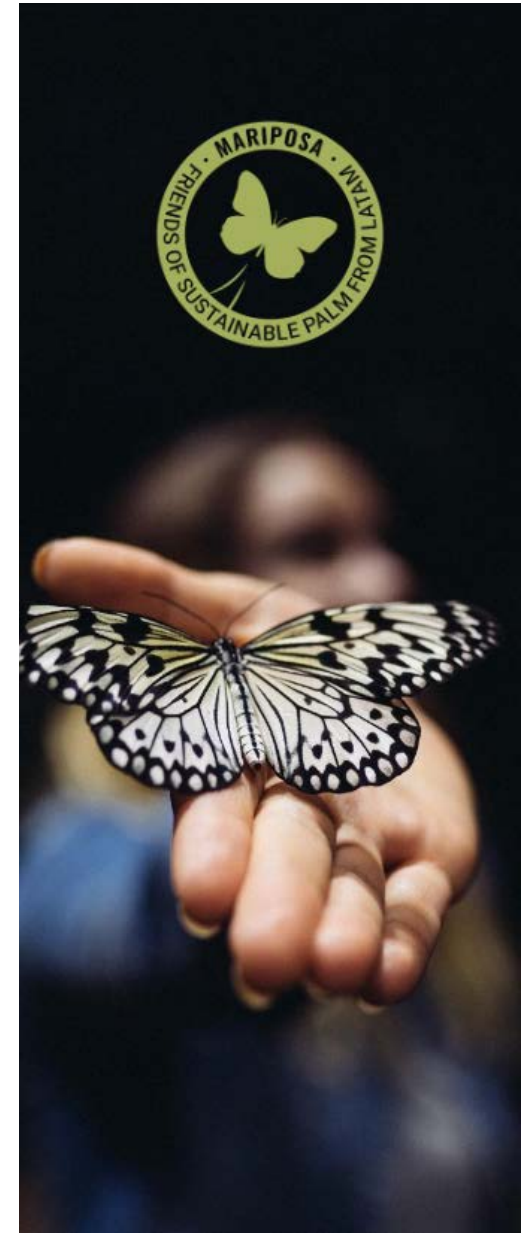
Mariposa

This project aims to create the opportunity for smallholder farmers in Latin America to gain knowledge about and engage in sustainable practices in the palm oil sector. By educating growers on market requirements for sustainable products, they gain understanding and have the opportunity to become sustainable entrepreneurs.

With the goal of having up to 900 smallholder farmers becoming certified producers, the project is quite ambitious and will require a set of facilitation steps. A mill or an external group manager will be appointed to organize, guide, monitor and control smallholders towards compliance with sustainability requirement.

The project also provides:

- Guidelines for group managers
- Training sessions
- Risk management tools
- Sustainability assessments and (pre-) certification audits



Monitoring & Verification

ADM engaged in a monitoring and verification assessment as part of the EPI by EF. The results of the assessment showed that 92% of palm oil volume sourced by ADM comes through direct suppliers who score an average of 76% on the monitoring and verification section.

The results showed ADM the performance of its direct supply chain actors, which in turn enables ADM to engage with suppliers on specific topics for future development.

Kumacaya Results

The community in Dosan Village has agreed to no longer expand palm oil plantations into forest areas and is protecting the forest through village regulation. The area has become a tourist attraction which will further add to income diversification of the locals. Palm oil farmers have learned about sustainable practices and will be able to sell their palm oil at a higher price as well as protect the environment around them.



Topics of Interest

In September 2019, ADM along with Wilmar and Nestlé conducted a field visit to plantations in Malaysia and Indonesia. Sustainability managers and analysts, as well as sourcing and purchasing specialists came together with field experts to discuss and take a look at the issues surrounding palm oil. Some of the issues highlighted during the visit were:

- Land use & property rights
- Biodiversity & deforestation
- Air pollution
- Labor conditions

Participants of the field visit discussed how these issues are addressed and how they can be further mitigated in the future.

At the end of 2019, ADM divested its ownership interests in the Pará palm plantations and will focus on supplier engagement to impact sustainability efforts through aligning supplier policies and codes of conduct.





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