

ADM Commitment to No Deforestation, No Peat and No Exploitation Policy Implementation

2018 - 2019 Palm Oil Action Plan

In Partnership with [Earthworm Foundation](#) (formerly TFT)

Introduction

In March 2015, ADM committed to its No Deforestation, No Peat, and No Exploitation (No DPE) policy for its soy and palm oil supply chains. Since then, it has carried out its first phase of global initiatives to gain visibility in its palm oil supply chain. This action plan summarizes work in ADM's palm oil supply chain for 2018 and 2019.

Significant accomplishments on the No DPE policy implementation to-date include:

1st year:

- Launched implementation of ADM's No Deforestation Commitment
- Establish a methodology to engage suppliers and request traceability data
- Launched [Sustainability Tracker](#), and began to publish [traceability data](#) and [progress reports](#)
- Carried out an initial field assessment in the Palm oil project in smallholder project in Pará, Brazil

2nd year:

- Refined and mapped traceability process, including development of a guidance document
- Deepened supplier engagement on NDPE
- Developed [Grievances and Resolutions Mechanism](#), began to process and publish grievances
- ADM team field visit to Sabah, Malaysia, to deepening understanding of issues

3rd year:

- Initiated transformation work on the ground in Sabah, Malaysia:
 - [Rurality](#) (smallholder programs)
 - [Children in Plantations consultation](#)
- Integrated traceability process into ADM operations
- Achieved high levels of traceability to mill: 98% PO/97% PKO (2016Q3 - 2017Q2)
- Created new 2018 Palm Oil Milestones to guide NDPE implementation

4th Year:

- Continued/scaled-up support for Rurality and Children in Plantations work in Sabah, Malaysia
- Initiated on-the-ground third party monitoring project with [Kumacaya](#) in Riau, Indonesia
- Began to gather and publish plantation traceability data
- Global mapping and communication about ADM's PKE supply chain
- Responded to growing NGO campaigning
- Published the first report about ADM's palm oil plantation in Brazil
- Identified all direct suppliers and prioritized suppliers for engagement regarding compliance with the ADM No DPE Policy

ADM Palm Oil Action Plan for 2018-2019

Traceability and Transparency

- Continue to provide public updates of our action plan implementation, traceability scores, and list of mills in the ADM supply chain, based on our direct suppliers' disclosures
- Maintain traceability scores of at least 98% to palm oil mill globally for PO and PKO
- Determine a path forward to increase traceability to Plantation scores, and engage with ADM direct suppliers about plantation traceability

Grievance and Non-Compliant Suppliers

- Review ADM's current Grievance and Resolution process with the aim of continuing to improve implementation of the mechanism, better support addressing social and environmental non-compliance in ADM's palm supply chain, and provide timely updates to stakeholders
- Request information from direct suppliers about grievances, and clearly communicate ADM's expectations for resolving grievance to ADM's direct suppliers. Update ADM's grievance log on a monthly basis
- Follow up on grievances cases

Supplier Engagement and Transformation

- Implement the Earthworm Foundation (EF) Engagement for Policy Implementation (EPI) tool with direct suppliers covering 100% of the volume in ADM's supply chain, in order to gather information about NDPE implementation in ADM's supply chain, engage in dialogue with suppliers, and support development of direct supplier action plans/refinery roadmaps
- Carry out analysis of ADM's supply chain to identify priority social and environmental transformation projects for ADM to proactively support
- Source greater than 70% of global palm volume from refineries with Aggregator/Refiner Transformation (ART) plans underway

Monitoring and Verification

- Support an on-the-ground monitoring pilot project through [Kumacaya](#), implemented by EF
- Gather information about social and environmental monitoring within ADM's supply chain to identify gaps, and encourage suppliers to close monitoring and verification gaps

Milestones and Status

Topic	Milestone	Progress
Traceability	Maintain traceability scores of at least 98% to palm oil mill globally for PO and PKO.	Complete For July 2017 to June 2018 PO : 98.6% traceable PKO: 99.7% traceable
Traceability	Increase traceability to plantation	In progress For July 2017 to June 2018 PO : 15.5% traceable PKO: 14.5% traceable
Traceability	Establish communication with all direct suppliers to assess their efforts on traceability	In progress
Supplier Engagement & Transformation	Implement Engagement for Policy Implementation (EPI) with 100% of direct suppliers from 2018.	In progress
Supplier Engagement & Transformation	Source greater than 70% of palm volume from refineries with Aggregator/Refiner Transformation (ART) plans underway.	In progress For July 2017 to June 2018 PO: 49% ART Scores PKO : 72% ART Scores
Supplier Engagement & Transformation	Support on-the-ground transformation activities: <ul style="list-style-type: none"> o Rurality o Respect 	Ongoing
Monitoring & Verification	Proactively track and contribute to resolving grievances using ADM's Grievance and Resolution Mechanism.	Ongoing
Monitoring & Verification	Utilize "Kumacaya" as independent social-environmental monitoring and verification tool.	Ongoing
Monitoring & Verification	Evaluate and identify additional mechanism(s) for monitoring on-the-ground impacts.	In progress