



Palm Oil Responsible Sourcing Policy

Effective Date: March 2015

Last Update/Review Date: May 2026

1. Purpose

This policy defines how ADM implements its [Policy to Protect Forests, Biodiversity and Communities](#) across the palm oil supply chains.

It establishes commodity-specific requirements for:

- No Deforestation, No Peat, No Exploitation (NDPE)
- Traceability and monitoring
- Supplier compliance

This policy should be read alongside ADM's [Policy to Protect Forests, Biodiversity and Communities](#). Where requirements are not specified in this policy, the provisions of the enterprise policy apply.

ADM will expand this approach over time to additional commodities as part of a phased implementation of responsible sourcing commitments.

2. Scope

This policy applies globally to all palm oil and palm oil products in ADM's own operations and across all supply chains in which ADM operates, all direct and indirect suppliers across the supply chain and all operations and majority-owned joint ventures.

Commodity-specific cutoff dates apply to palm oil from high-risk regions defined in this policy. Outside of these regions, ADM implements its commitments in alignment with its [Policy to Protect Forests, Biodiversity and Communities](#) and applicable local conditions.



3. High-Risk Areas

ADM employs a risk-based approach to the implementation of this policy, prioritizing action in sourcing regions with the highest exposure to deforestation and land conversion risks.

Based geospatial analysis, ADM has identified Southeast Asia and Latin America as priority regions for implementation.

In these areas, ADM applies enhanced requirements for traceability, monitoring, and supplier engagement to ensure effective risk mitigation and policy compliance.

4. Core Requirements

4.1. No Deforestation, No Peat, No Exploitation (NDPE)

ADM sources palm oil and palm oil products in accordance with the principles of No Deforestation, No Peat and No Exploitation (NDPE), aligned with internationally recognized standards and best practices. ADM requires that palm oil production in its supply chains results in:

- No development of High Conservation Value (HCV) or High Carbon Stock (HCS) areas;
- No development on peatlands, regardless of depth¹, and the utilization of best management practices for soils and existing commodity production on peatlands;
- No use of fire for land preparation;
- No hunting of rare, threatened or endangered species;
- Compliance with applicable environmental, labor, and land-use laws;
- Adhere to principles of respect for human rights, including FPIC and labor standards;
- Provision of accurate and timely information to support traceability and monitoring;
- Engagement with ADM to address risks or non-compliance; and
- Support continuous improvement toward NDPE compliance.

¹ ADM is committed to supporting RSPO Principles & Criteria section 7.7 and standards set forth in the RSPO manual on best management practices for existing plantations on peatlands.



4.2. Traceability and Monitoring

ADM applies a risk-based approach to traceability and monitoring, across both direct and indirect supply chains, reflecting differences in supply chain structure and NDPE related risks in sourcing regions.

Palm oil is traced to the mill level as a baseline, with available information on supplying plantations where possible. Traceability data is used to support due diligence, including the identification of sourcing origins, risk assessment and monitoring of compliance with NDPE requirements.

Sourcing is assessed using a supply base and landscape risk approach, including geospatial monitoring and the use of regional risk classifications and external data.

We prioritize monitoring and supplier engagement in higher-risk areas and will continue to strengthen traceability and supply chain transparency over time in line with industry practices.

4.3. Supplier Expectations

ADM requires suppliers to:

- Conduct social and environmental impact assessments (SEIA) before new plantings and, where relevant, after operations;
- Apply integrated pest management practices to minimize the use of synthetic chemicals, including pesticides and fertilizers;
- Respect the principles of Free, Prior and Informed Consent (FPIC), including the recognition of legal and customary land rights and the prevention of land grabbing;
- Manage complaints through a transparent grievance process, ensuring all allegations are investigated and supporting the protection of human rights defenders, whistleblowers, complainants, and community representatives; and
- Cooperate with ADM and relevant parties to ensure access to fair and equitable remediation.

5. Cutoff and Target Dates

ADM applies a deforestation-free cutoff date of December 31, 2015, with a target date of December 31, 2025, for implementation of these requirements. ADM will continue to strengthen its implementation timelines and approaches over time, including enhancing traceability, monitoring systems, and supplier engagement.



6. Implementation

ADM implements this policy through a continuous, risk-based due diligence framework, consistent with OECD-FAO guidance. This framework is designed to identify, assess, and address deforestation-related risks across ADM supply chains and is applied proportionately based on risk severity and likelihood.

Grievances related to this policy are managed in accordance with ADM's [Grievances and Resolutions Protocol](#) and [Managing Supplier Non-Compliance](#) Procedure. ADM reviews and assesses grievances in a transparent, inclusive, and fair manner, and determines appropriate follow-up actions, including engagement with relevant suppliers or stakeholders and the application of corrective or remedial measures where warranted.

7. Continuous Improvement

ADM will continue to strengthen its approach to responsible sourcing by:

- Enhancing traceability across direct and indirect supply chains
- Improving monitoring and verification capabilities
- Supporting initiatives that promote conservation and sustainable land use
- Collaborating with suppliers, customers, and stakeholders to address systemic challenges

This includes advancing traceability, strengthening risk assessment methodologies, and supporting landscape-level initiatives in high-risk regions.

8. Definitions

- **Biodiversity:** The total variety of living organisms, including ecological interactions, populations and communities in which they live (FAO Term Portal).
- **Cutoff date:** Date after which deforestation of primary native vegetation renders a given area or production unit non-compliant with the policy of no deforestation or no conversion of native vegetation.
- **Deforestation:** Conversion of primary native forests to other land use independently whether human-induced or not (FAO, 2020).
- **Direct supplier for palm:** An aggregator that grows, purchases, or refines palm oil from palm oil mills or crushers and resells it to ADM under a direct commercial relationship.



- **Ecosystems:** All living things in a given area, as well as their interactions with each other, and with their non-living environments (weather, earth, sun, soil, climate, atmosphere). Each organism has a role to play and contributes to the health and productivity of the ecosystem as a whole.
- **Forest:** Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use (FAO, 2020).
- **Free, Prior and Informed Consent (FPIC):** In 2007, the UN General Assembly adopted the United Nations Declaration on the Rights of Indigenous Peoples, recognizing their rights and making specific mention of Free, Prior and Informed Consent (FPIC) as a pre-requisite for any activity that affects their ancestral lands, territories and natural resources.
- **High Carbon Stock (HCS):** Viable forest areas storing significant quantities of carbon, usually associated with high vegetation density. When HCS forests are removed, particularly when fire is used to clear land, the carbon contained in the forests is released into the atmosphere in the form of CO₂.
- **High Conservation Value (HCV):** A concept used to prioritize conservation efforts. Several factors can determine if a species (or ecosystem) is of high conservation value, for example: the endangerment, risk or uniqueness; the functional contribution and potential to provide ecosystem services; the extrinsic value to local populations and stakeholders. Because the value of biodiversity is subject to value judgement, conservation value should be defined through stakeholder engagement (FAO Term Portal).
- **High-risk areas:** Regions or biomes considered at risk for conversion of non-forest primary native vegetation that need protection. Southeast Asia and Latin America are ADM's currently defined high-risk areas for palm.
- **Indirect supplier for palm:** Palm oil mills and crushers, including mill and crusher groups, located further upstream in the supply chain without a direct commercial relationship with ADM.
- **Integrated Pest Management Practices:** An ecosystem-based strategy for crop protection that focuses on the long-term prevention of pests and their damage through



a combination of techniques such as biological control, habitat management, modification of agricultural practices, and the responsible use of pesticides only when necessary.

- **Ownership stake or equity stake:** The percentage of a business owned by the holder of a number of shares of stock in that company. For the purpose of the policy, it refers to ownership stake of more than 50% by ADM.
- **Peatland:** An area with a naturally accumulated peat layer at the surface. The simple definition of a peatland is an area where peat is found. Peat, or turf as it is often called in Ireland, is a type of soil that contains a high proportion of dead organic matter, mainly plants, that has accumulated over thousands of years. Close inspection can reveal the types of plants that grew, died and accumulated to form a piece of peat (FAO Term Portal).
- **Social and Environmental Impact Assessments (SEIA):** A process used to identify, predict, and evaluate the potential social and environmental effects of a proposed project or operation prior to decision-making.
- **Target date:** Date by which the company intends to have fully implemented its policy in a given supply chain.

9. References

- FAO, 2020. Global Forest Resource Assessment 2020. Terms and Definitions. FRA 2020, Rome. <http://www.fao.org/3/I8661EN/i8661en.pdf>
- Food and Agriculture Organization. (n.d.). FAO Term Portal. <https://www.fao.org/faoterm/en>
- OECD/FAO, 2023. OECD-FAO Business Handbook on Deforestation and Due Diligence in Agricultural Supply Chains, OECD Publishing, Paris. <https://doi.org/10.1787/c0d4bca7-en>
- RSPO, 2024. Principles and Criteria. https://rspo.org/library/lib_files/preview/107https://rspo.org/wp-content/uploads/1_PC-2024-Final-Draft.pdf

10. Contact Information

Concerns related to the application of this policy can be reported through the [ADM Way Helpline](#) or by contacting or Grievance and Resolution channel at responsibility@adm.com.