



## Our Commitment to No-Deforestation

**As one of the world's leading agricultural processors and food-ingredient providers, ADM commits to build traceable and transparent agricultural supply chains that protect forests worldwide.**

Though we are not a grower of crops, we work independently and with industry partners and other stakeholders to improve the quality of crops in the global supply chain, the lives of farmers and communities that grow them, and the environment we share.

This commitment is advanced through policies focused on palm and soy supply chains.

### **Palm Supply Chain Policies**

With rare exceptions, ADM is not a producer of palm oil and does not own palm plantations.<sup>1</sup> Virtually all of our palm oil is sourced through other companies. We nonetheless work closely with customers and industry stakeholders to help develop a more sustainable supply chain for palm oil, palm kernel oil and their derivatives. ADM hereby commits to the following standards in our palm oil supply chain:

1. No Deforestation of High Carbon Stock (HCS) Forests or High Conservation Value (HCV) Areas
2. No Development on Peatlands, regardless of depth
3. No Exploitation of People and Local Communities

#### **1. No Deforestation**

##### ***No Development in High Carbon Stock Forests<sup>2</sup>***

Our commitment classifies primary forests as well as High, Medium, Low Density and Regenerating forests as High Carbon Stock Forests. Young Scrub, Cleared/Open Land areas, existing plantations or other land already in agricultural production may be developed.

##### ***No Development in High Conservation Value Areas<sup>3</sup>***

We commit to preserving High Conservation Value land. ADM recognizes that in some instances, non-forest areas — particularly those with significant cultural or historical value — may also be considered High Conservation Value land. Such areas would fall within the scope of this policy.

##### ***No Burning<sup>4</sup>***

We maintain a no-burn policy as outlined in RSPO Principles & Criteria section 5.5. Within this framework, we will not accept the use of fire for the purpose of clearing land for palm production.

#### **2. No new development on peatland, regardless of depth**

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<sup>1</sup>With the cooperation of the Government of Brazil, ADM has entered into a collaboration with more than 250 smallholder farmers and their families to develop a small (12,000-hectare) sustainable palm venture in Pará, Brazil. We are also a minority stakeholder in two Indonesian palm joint ventures with Wilmar. ADM does not otherwise own palm plantations.

<sup>2</sup> ADM will use the High Carbon Stock Forest Approach as outlined in High Carbon Stock Forest Study Report available at: [http://www.greenpeace.org/international/Global/international/briefings/forests/2014/HCS%20Approach\\_Breifer\\_March2014.pdf](http://www.greenpeace.org/international/Global/international/briefings/forests/2014/HCS%20Approach_Breifer_March2014.pdf)

<sup>3</sup> ADM will use the Common Guidance developed by the HCV Network for the identification of these areas, available at: <https://www.hcvnetwork.org/resources/cg-identification-sep-2014-english>.

<sup>4</sup> ADM will follow the guidance laid out with in the RSPO commitment under Principles and Criteria section 5.5. The RSPO revised 2013 Principles and Criteria are available at: <http://www.rspo.org/file/revisedPandC2013.pdf>.



ADM will not accept new development of peatland, regardless of depth, for palm production. We remain committed to supporting RSPO Principles & Criteria Section 4.3 and the standards set forth in the RSPO manual on best-management practices for existing plantations on peatlands.

### 3. No exploitation of people and local communities

In accordance with our [Commitment to Respect Human Rights](#), we require that stakeholders in the ADM supply chain:

- Comply with all applicable laws and regulations;
- Never use child labor, or forced and/or bonded labor;
- Do not charge fees to job-seekers in exchange for employment, do not use labor brokers who charge such fees, and do not withhold collateral in the form of money, identification or other personal belongings—without workers’ consent—as a condition of employment;
- Have appropriate measures in place to ensure eligibility for employment;
- Maintain systems and procedures designed to keep workers safe and protect them from occupational hazards, harassment and abuse;
- Do not discriminate in employment-related decisions;
- Compensate workers in accordance with all applicable local laws and regulations—including those pertaining to age, minimum wage and hours worked—and provide working conditions that comply with applicable laws and industry norms;
- Respect workers’ rights, including contract, temporary and migrant workers, to the freedom of association and the right to collective bargaining;
- Facilitate the inclusion of smallholders into the supply chain;
- Respect land-tenure rights, and the rights of indigenous and local communities to give or withhold their free, prior and informed consent to operations on lands to which they hold legal or customary rights; and
- Work collaboratively with stakeholders to improve working, environmental and safety conditions in agricultural supply chains.

This policy and applies across all palm oil supply chains in which ADM operates, from direct suppliers back to the source (plantation and smallholder-sourcing region), and for all companies in which ADM holds an ownership stake.

**Implementation and Reporting:** This policy is effective immediately. We understand that our palm suppliers may need time to implement the provisions described. We therefore expect our suppliers to develop action plans to achieve compliance by Dec. 31, 2015. We will partner with stakeholders to improve the performance of suppliers who do not adhere to these policies, but who are willing to commit to taking appropriate, immediate action to correct their violations. We will not conduct business with suppliers who violate this policy repeatedly and refuse to take action to comply.

ADM has joined the The Forest Trust as a Palm Oil member, and as such will work closely with TFT to begin mapping our palm oil supply chain and expeditiously develop appropriate action plans to create a more sustainable, traceable supply chain. These plans will also incorporate information gathered in the course of our implementation of Our Commitment to Human Rights. We will publish the action plans and provide regular updates of our progress.



## **Soy Supply Chain Policies**

ADM does not grow soybeans, but rather purchases them primarily from third parties and cooperatives that combine crops from many growers. We commit to build a transparent, traceable soy supply chain that does not contribute to deforestation or exploitation. We recognize that this goal may be achieved in different ways in different countries and regions where we source, so we are currently working with partners and suppliers in a variety of ways:

### **1. ADM Responsible Soy Standard**

In March 2015, we will launch the ADM Responsible Soy Standard in Brazil on a pilot basis, with a group of growers participating in the initial implementation. We will work with expert third-party inspectors to conduct annual inspections that will assess growers based on their adherence to a broad set of social, environmental, legal and agronomic standards, including their labor practices, water and soil usage, solid waste management, observance of land rights, legal compliance, and the responsible use of fertilizers.

### **2. IBAMA Embargo**

In Brazil, ADM participates in the Brazil Institute of Environment and Renewable Natural Resources embargo. Under this agreement, surveillance of deforested areas is made by satellite imaging and, if a producer clears a small fraction of native vegetation on his property and plants soy in this area, all of the farm's production becomes ineligible for trading.

### **3. Brazilian Soy Moratorium**

We have joined with fellow industry participants to promote a sustainable supply chain for South American soybeans through our support of the Brazilian soy moratorium, which since 2006 has prohibited participants from trading, acquiring or financing soybeans from areas of the Amazon Biome that were deforested after July 2008.

In addition, ADM was the first company in South America to achieve the International Sustainability and Carbon Certification (ISCC) for soybeans by collaborating with growers in both Brazil and Paraguay to successfully complete exacting third-party audits.

We also work with Aliança da Terra—an NGO founded by farmers—to help Brazilian soy growers adopt sustainable agronomic practices. Under the Doing It Right program, soybean farmers allow ADT technicians to map their property and analyze their operations. From there, the organization develops a social and environmental action plan for the farmer and evaluates progress annually. To date, the project has resulted in the mapping of more than 600,000 hectares of soybeans.

### **4. No exploitation of people and local communities**

In addition to being a signatory to the National Agreement to Eradicate Slave Labor in Brazil, our [Commitment to Respect Human Rights](#), extends to all stakeholders in the ADM soy supply chain:

- Comply with all applicable laws and regulations;
- Never use child labor, or forced and/or bonded labor;



- Do not charge fees to job-seekers in exchange for employment, do not use labor brokers who charge such fees, and do not withhold collateral in the form of money, identification or other personal belongings—without workers’ consent—as a condition of employment;
- Have appropriate measures in place to ensure eligibility for employment;
- Maintain systems and procedures designed to keep workers safe and protect them from occupational hazards, harassment and abuse;
- Do not discriminate in employment-related decisions;
- Compensate workers in accordance with all applicable local laws and regulations—including those pertaining to age, minimum wage and hours worked—and provide working conditions that comply with applicable laws and industry norms;
- Respect workers’ rights, including contract, temporary and migrant workers, to the freedom of association and the right to collective bargaining;
- Facilitate the inclusion of smallholders into the supply chain;
- Respect land-tenure rights, and the rights of indigenous and local communities to give or withhold their free, prior and informed consent to operations on lands to which they hold legal or customary rights; and
- Work collaboratively with stakeholders to improve working, environmental and safety conditions in agricultural supply chains.

**Implementation and Reporting:** We will continue to comply with the terms of the Soy Moratorium and adhere to all other laws and regulations governing biodiversity and conservation in every jurisdiction where we operate.

Beginning in 2015, ADM will work with a third party expert to begin mapping our soybean supply chain against HCS forests, HCV areas and peatlands as defined above and expeditiously develop appropriate action plans to create a more sustainable, traceable soybean supply chain that protect these areas. These plans will also incorporate information gathered in the course of our implementation of Our Commitment to Human Rights. We will publish the action plans and provide regular updates of our progress.

This policy will be updated as circumstances and events warrant.

*March 2015*