



ADM's Commitment to Protecting Forests, Biodiversity and Communities

H2 2023 Progress Report



Introduction

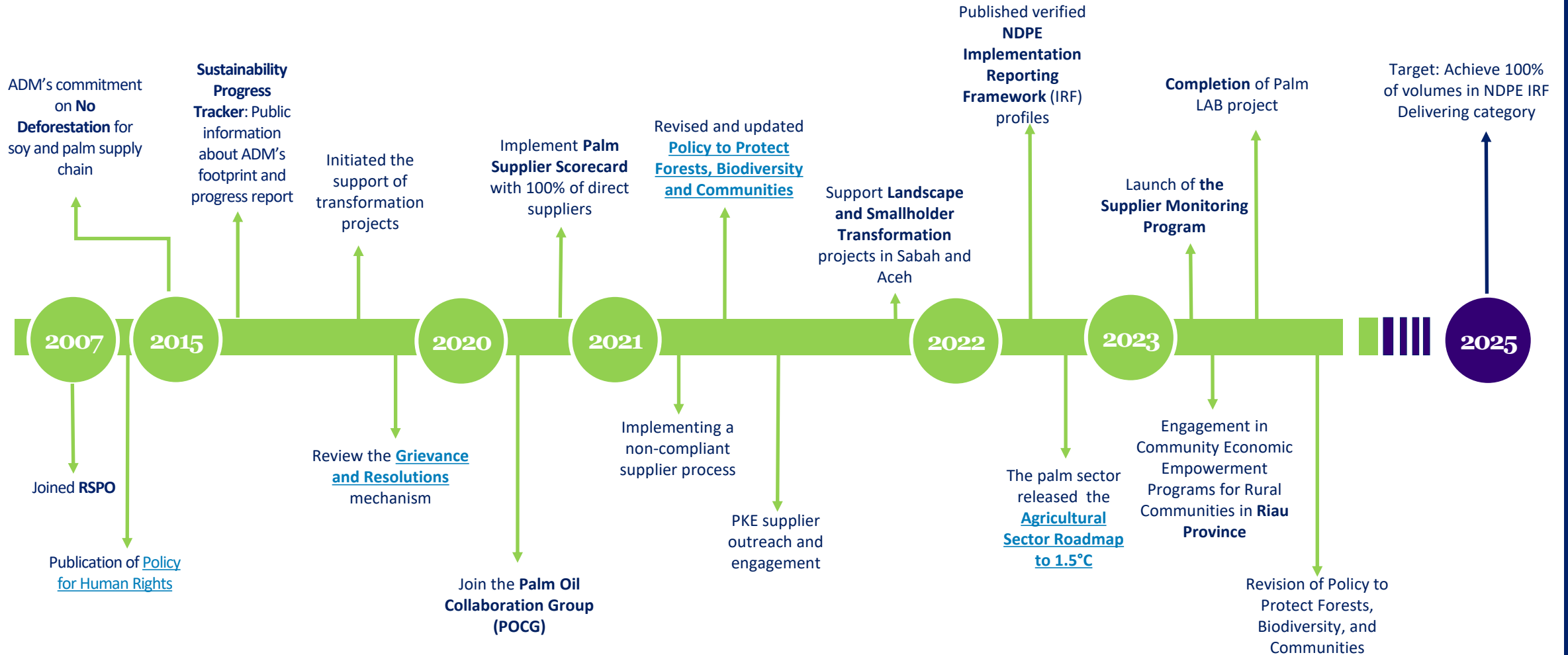
ADM Cares corporate social investment program aligns business strategies and sustainability objectives. Through this program, we work to sustain and strengthen our commitment to local governments, communities and civil society organizations to plan and implement long-term forest and livelihood positive actions.

This involves funding projects with partners working on innovative activities to address social and environmental challenges, especially sourcing landscapes and best practices on the ground, that aim to:

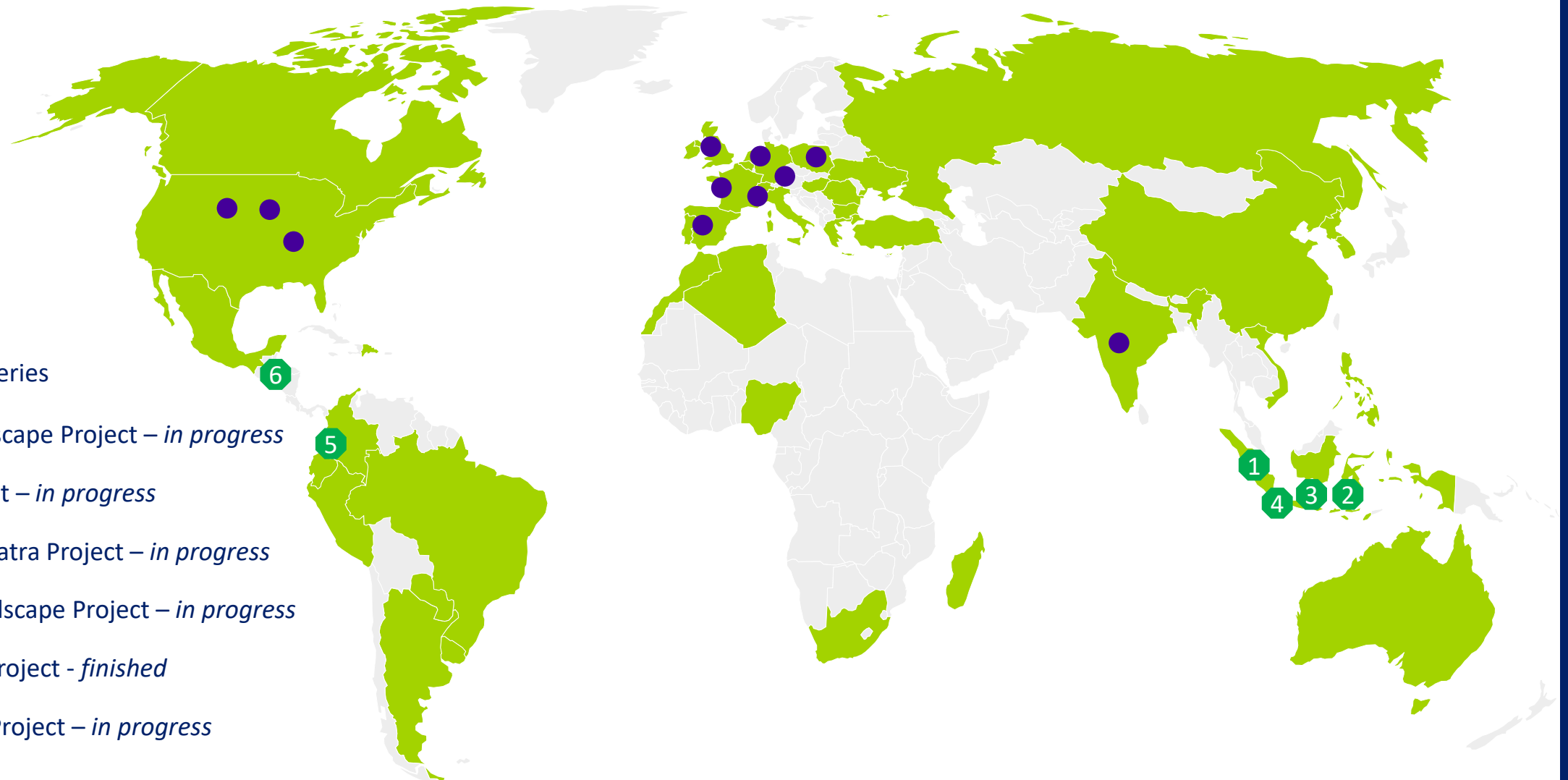
- Promote sustainable agricultural practices
- Encourage efforts to protect forests and biodiversity
- Address labor and human rights issues
- Improve livelihoods of smallholders and communities

This works in parallel with our commitment to align on the Agriculture Sector Roadmap towards 1,5°C by driving transformation towards community positive landscape.

Our Palm Sustainability Journey



Landscape projects supported by ADM Cares



- ADM Refineries
- ① Aceh Landscape Project – *in progress*
- ② Riau Project – *in progress*
- ③ North Sumatra Project – *in progress*
- ④ Sabah Landscape Project – *in progress*
- ⑤ Palm Lab Project - *finished*
- ⑥ Mariposa Project – *in progress*

Aceh Landscape co-funded Project

*Thriving communities, Resilient farmers, Protected and restored forests, Respected workers
Conducted by Earthworm Foundation, a collective effort with various funders*

Status quo and local situation:

- Aceh is home to the highly biodiverse Leuser Ecosystem, but current growing methods of some smallholders are not compatible with industry-standards and do not benefit the rural communities.
- This project aims to promote forest protection and restoration, government support and capacity building, support of rural workers and families, supply chain transformation, improve community rights, support farmer resilience and minimize carbon impact.

Achievements:

- 100% HCV/HCS areas identified in 6 companies
- 820 farmers trained on palm oil good agricultural practices (GAP)
- 8 communities agreed to protect HCV/HCS areas through participatory land use planning
- 34.957,4 ha protected forested areas (8 villages), based on PLUP
- 11 villages engaged through Participatory Mapping and Land Tenure Studies (PM-LTS)
- 2.373 workers directly and indirectly engaged via activities with companies and government

Next targets:

- Continue Forest protection initiatives (HCV/HCS assessments, Sustainability Policy writing and training to local companies)
- Continue developing conflict resolution processes for local communities
- Strengthen farmer resilience with training on alternative livelihoods and organic fertilizers

[Aceh, Indonesia - Earthworm](#)



Riau Landscape co-funded Project

Thriving communities

Conducted by Tzu Chi Foundation

Status quo and local situation:

- Rural communities are often characterized by poverty, limited access to resources, and lack of opportunities, especially for women.
- ADM will support Childcare Center (BPA) improvements for women in rural communities and open a Community Learning Center (CLC) in Riau Province.

Achievements:

- ✓ BPA: Conduct an initial assessment for both determining demand and assessing BPA performance, training of 15 caregivers, improvement of the infrastructure in 14 BPAs
- ✓ CLC: Surveyed location and identification of farmer expert/facilitators completed.

Next targets:

- BPA: create and facilitate thematic training for caregivers and facilitators in all BPAs. Continue procurement of basic facilities in 35 BPAs.
- CLC: design construction at PT. BWLM, hire CLC coordinators, build and equip CLC, providing training on sustainable agriculture, showcase local products, promoting the use of CLC as a learning hub which promotes knowledge in sustainable agriculture, conduct assessment for farmer group.

In progress



North Sumatra Landscape co-funded Project

*Thriving Communities, Resilient farmers, Protected and restored forests
Conducted by Konservasi Indonesia*

In progress

Status quo and local situation:

- Palm oil is the most important agricultural commodity in production in North Sumatra and most of oil palm plantation areas are owned and operated by smallholder farmers. The North Sumatra Landscape is an area of global significance due to its high biodiversity levels, but deforestation still occurs.
- This project aims at developing alternative livelihoods through diversified agriculture and improving water, sanitation and hygiene standards for communities.

Achievements:

- ✓ A community awareness event on environmental sustainability and cleanliness was organized and approximately 100 attendees joined. Additionally, a waste collection initiative organized a river clean up and collected 1.455 kg of waste.
- ✓ Environmental education conducted for 190 students who learned about organic and inorganic waste and its management.
- ✓ 4.939 seedlings of bamboo and fruit seeds were distributed to 52 communities and plantings covered 39 ha. A community vegetable garden is being grown; vegetable sales revenues are reinvested into the community garden for its development.
- ✓ Following consultation with communities, pipe repairments and waste bins construction projects were rejected by communities and were therefore cancelled.



Sabah Landscape co-funded Project

In progress

*Thriving communities, Resilient farmers, Protected and restored forests, Respected workers
Conducted by Earthworm Foundation, a collective effort with various funders*

Status quo and local situation:

- The state of Sabah has among the most biodiverse forests in the world and is a large area for palm cultivation. Deforestation and Human-Rights can be challenges as Sabah is a remote area where the land is operated by smallholders.
- The Sabah Landscape project aims to transform palm supply chains by engaging in topics of sustainability practices, wildlife conflict, deforestation outside concessions, riparian zone management and labors issues.

Achievements:

- ✓ 9.500 ha of community land are covered by satellite monitoring against forest-loss
- ✓ Over 3.500 smallholders received training on good agricultural practices, income diversification, sustainability and conservation initiatives
- ✓ 1.700 workers indirectly reached by the labor-program. Additionally, 300 children benefit from the program.
- ✓ 25% of mills are 100% traceable to plantation, 23% of mills are progressing towards environmental and social commitments.

Next targets:

- Conserving HCV (high conservation values) areas: Achieving traceability to plantation and protecting workers wellbeing via multistakeholder engagements which leverage government initiatives such as MSPO.
- Farmer resilience activities in the deforestation hotspots; i.e. agroforestry and regenerative agriculture.

[A farmer-centric landscape model in Sabah, Malaysia - Earthworm](#)



Palm Lab co-funded Project

Respected workers

Conducted by Solidaridad and co-financed by RVO (Netherlands Enterprise Agency)

Status quo and local situation:

- Project started in 2020 and achieved in end-2023.
- In Colombia, the majority of oil palm growers (84%) operate as independent smallholders. This can lead to hazardous working practices and harm workers.
- This project aims to build a more inclusive palm oil value chain amongst small producers, processors and the international market. The project monitors and verifies the adoption of labor practices as defined by voluntary sustainability standards.

Achievements:

- ✓ Training activities for 150 producers and 180 workers
- ✓ An independent smallholder group was created and this group defined the structure of internal control systems and an elevated sustainability policy.
- ✓ Independent smallholder group is RSPO certified
- ✓ First gender analysis completed for the palm oil sector

[Project video](#)

[Additional information](#)



Mariposa Reforestation co-funded Project

Protect and restore forests in Guatemala

In partnership with GREPALMA: The Palm Grower Association of Guatemala

A project coordinated by OLENEX

In progress

Status quo and local situation:

- The project aims at the reforestation of 70 ha of fragmented riverbank in La Pasion River in Sayaxché, Guatemala. Currently used for agricultural purposes, the goal is to convert this area into a continuous forest conservation area. This project runs over two years and by its completion over 77.000 native trees will be planted.
- The focus is to create a long-term sustainability consideration in the community and collaboration between private and public actors in order to protect the forest and natural resources.

Achievements:

- ✓ The project started recently, actors gathered and agreed on key components and activities.

[Additional information](#)



Reporting

- Previous 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.
- We welcome feedback and comments from at responsibility@adm.com



Thank You

