



ADM's Commitment to Protecting Forests, Biodiversity and Communities

H2 2022 Progress Report



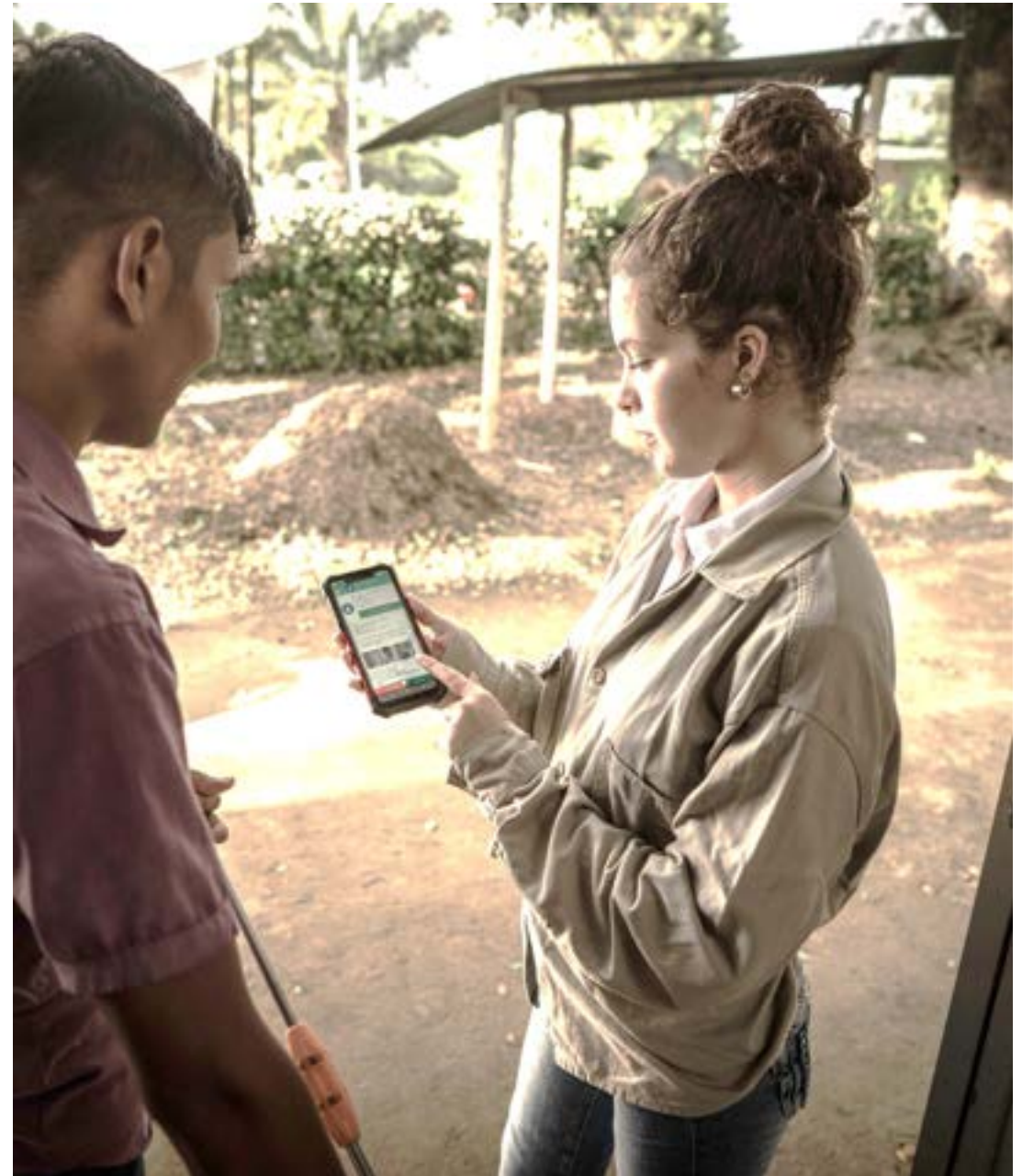
Introduction

Since ADM committed to its No Deforestation, No Peat, and No Exploitation (NDPE) policy for its soy and palm oil supply chains in March 2015, we have taken several steps in its palm sustainability program and have been working diligently with its stakeholders and suppliers to keep advancing in this journey.

Significant progress has been made over recent years. Highlights include:

- In 2020, we released a three-year action plan,
- In 2021, we updated our policy to Protect Forest, Biodiversity and Communities and internal procedures.
- In 2022, we delivered the Agricultural Sector Roadmap to 1.5°C, a sectoral action plan to decouple deforestation from our supply chains by 2025.

The H2 2022 Progress Report focuses on explaining the milestones achieved so far, in order to prepare the groundwork for the next stage of our journey.



Our Footprint



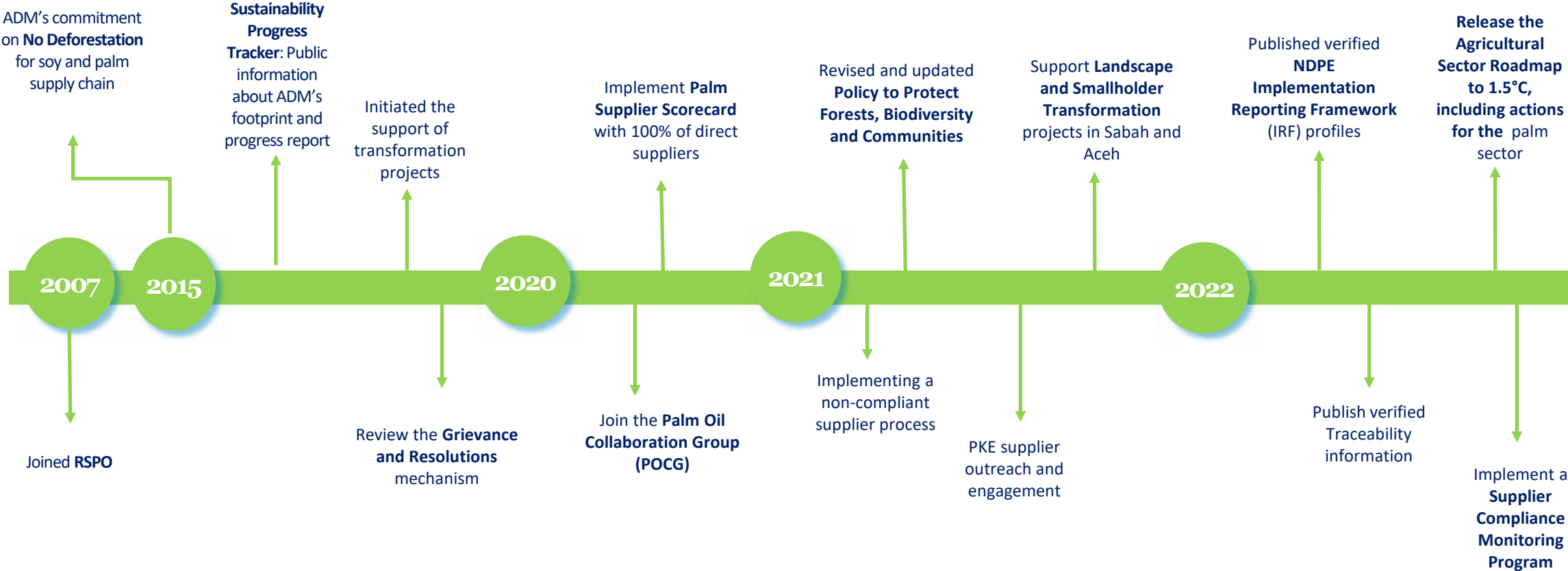
Europe

- Processing facilities in Europe
- JV Olenex

North America

- Processing facilities in the USA
- JV Stratas

Our Palm Sustainability Journey



Our Pillars

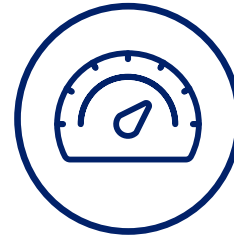
The activities and outcomes presented in this report outline the four pillars of the ADM Palm Sustainability Plan



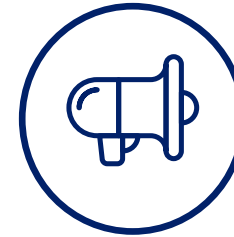
Supply Chain Traceability



Supplier Engagement



Monitoring & Verification



Reporting





Supply Chain Traceability

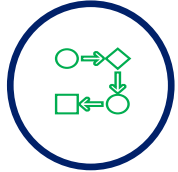
Goal: Maintain high visibility into ADM's palm supply chain



12 Direct Suppliers



Supply from 21 refineries

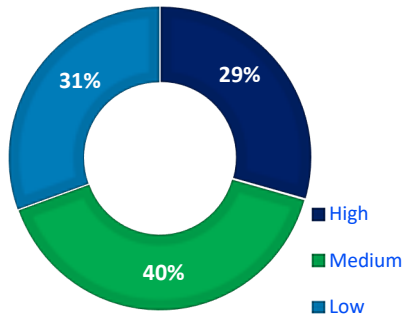


1744 Indirect Mills

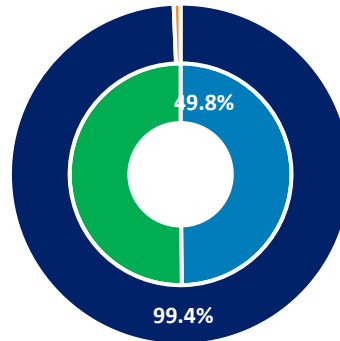


Traceability data verified by third-party

PERCENTAGE OF MILLS BY FOREST-RELATED RISK LEVEL

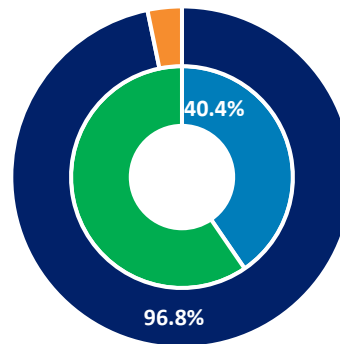
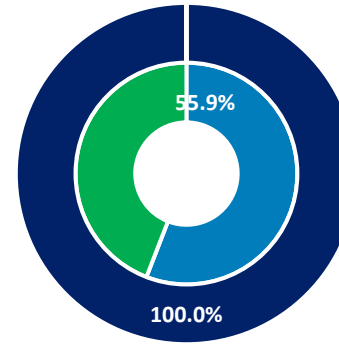


Europe

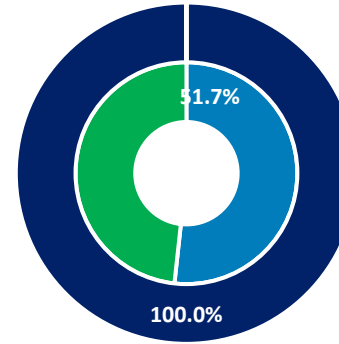


Palm Oil

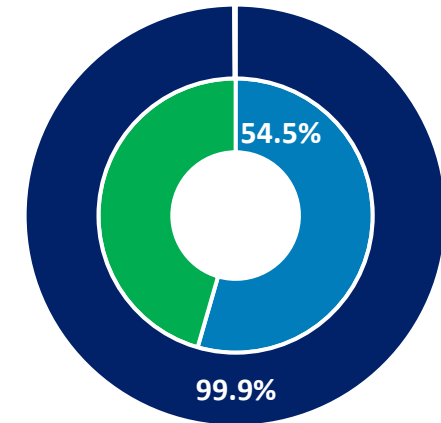
North America



Palm Kernel Oil



Global



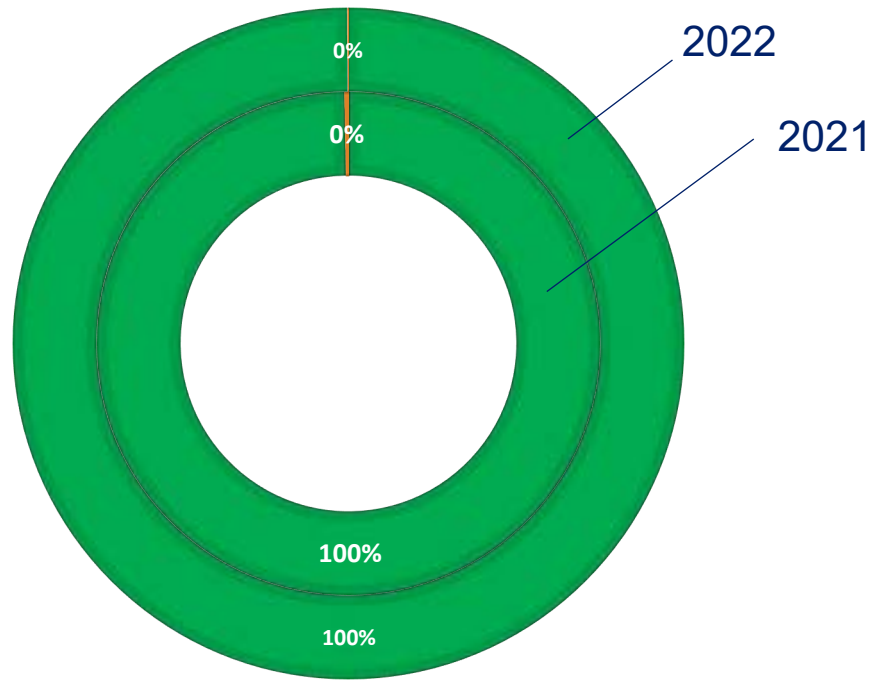
Traceable to Mill Traceable to Plantation Reporting period Q1 to Q4 2021



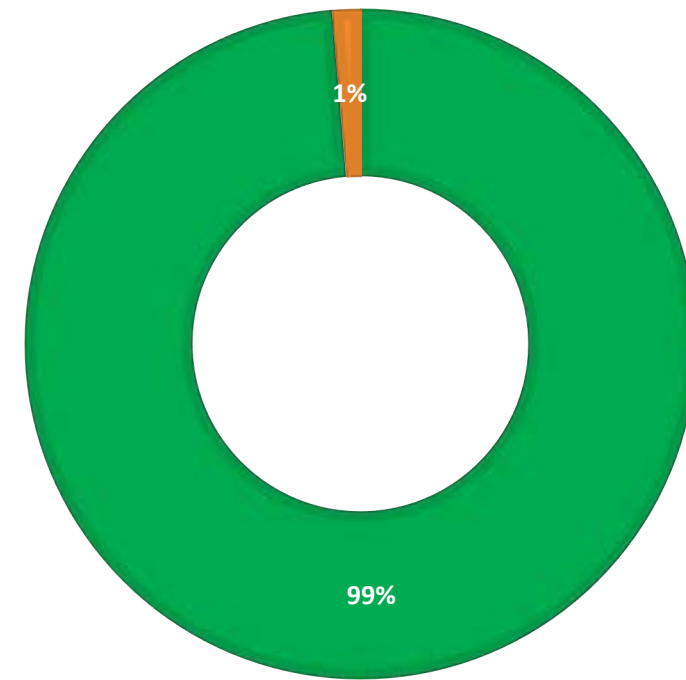
Supplier Engagement

Goal: Source from suppliers committed to responsible sourcing of palm oil

Policies



■ Volumes covered by a public NDPE policy ■ Volumes not covered by a public NDPE policy



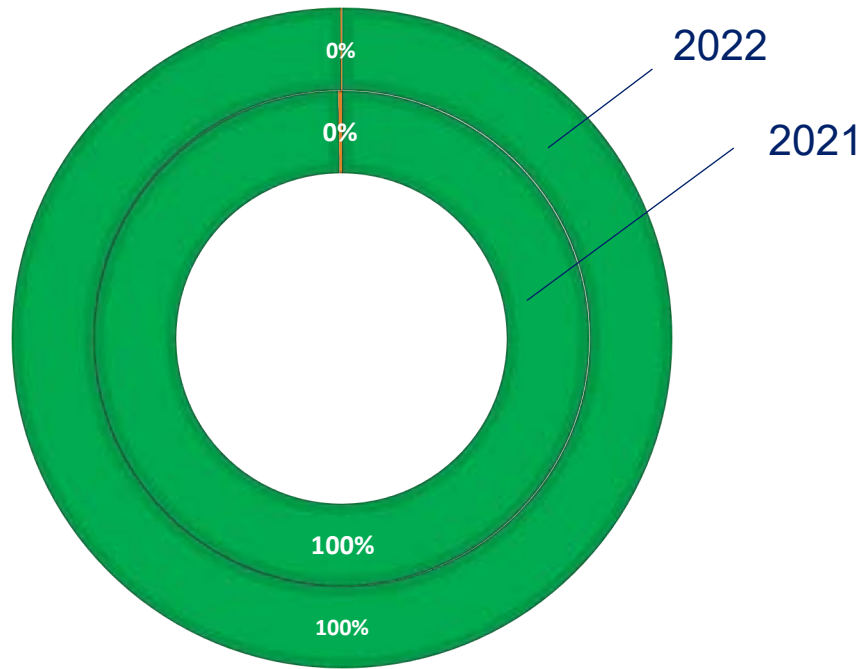
■ Volumes covered by a fully aligned HR Policy



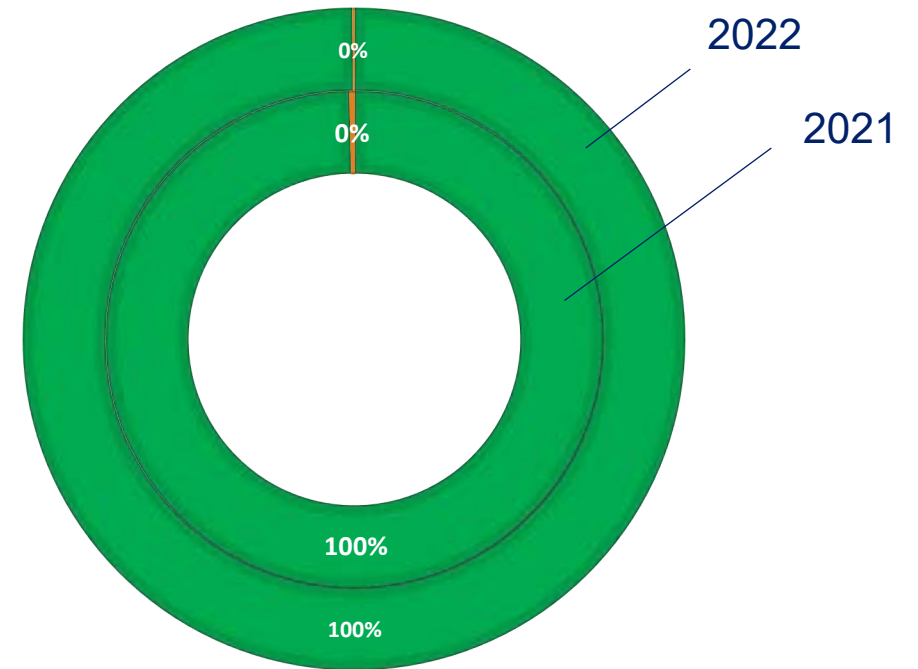
Supplier Engagement

Goal: Provide a transparent process for stakeholders to share concerns related to our palm oil supply chain.

Grievance Management



- Volumes covered by an internal grievance management procedure
- Volumes not covered by an internal grievance management procedure



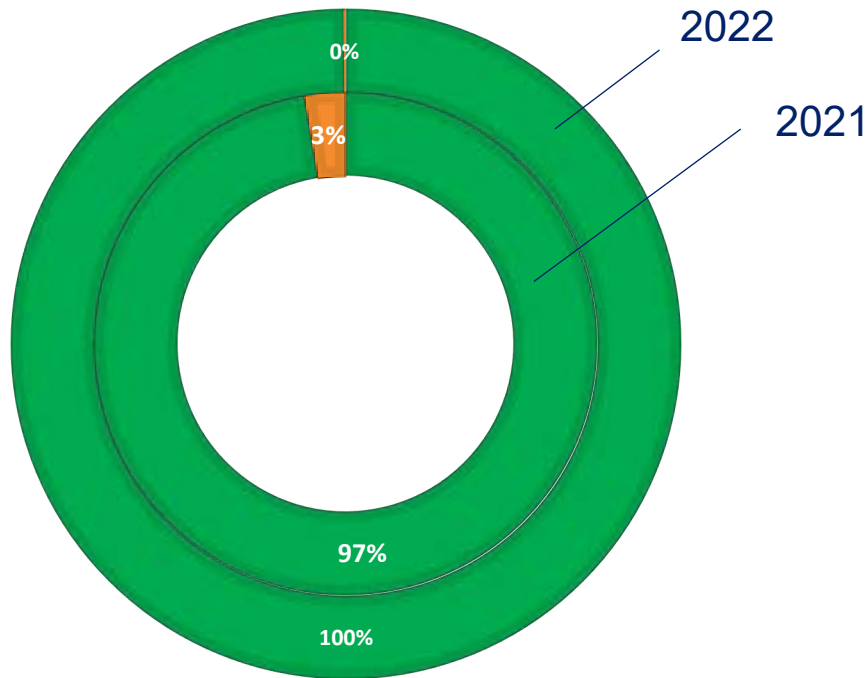
- Volumes covered under a public grievance log
- Volumes not covered under a public grievance log



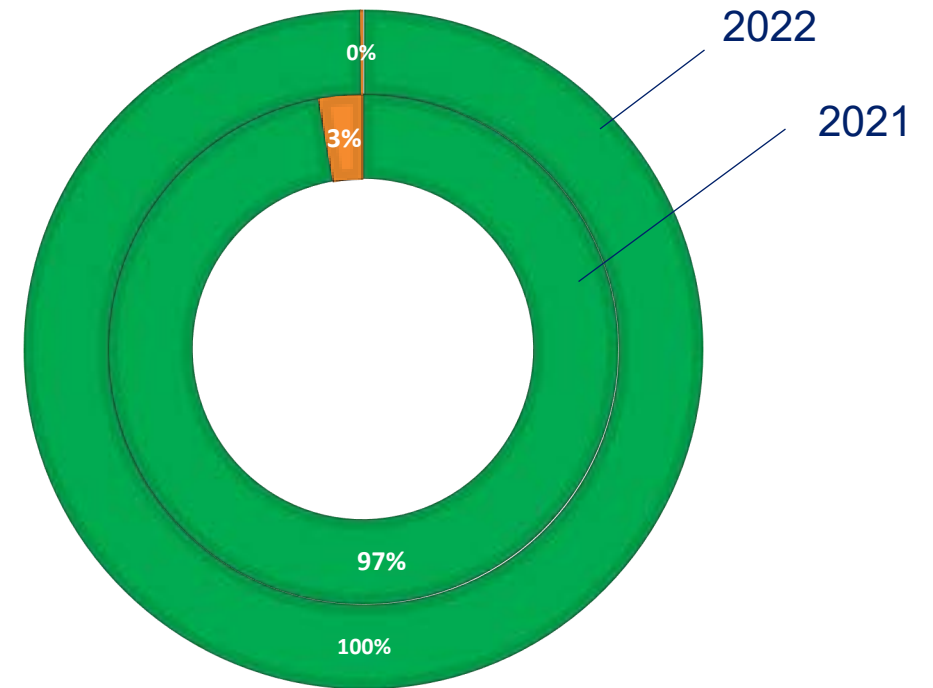
Supplier Engagement

Goal: Provide a transparent process for stakeholders to share concerns related to our palm oil supply chain.

Transparency & Reporting



- Volumes covered under public report of progress
- Volumes not covered under public report of progress



- Volumes under IRF reporting or committed to
- Volumes not reported under the IRF

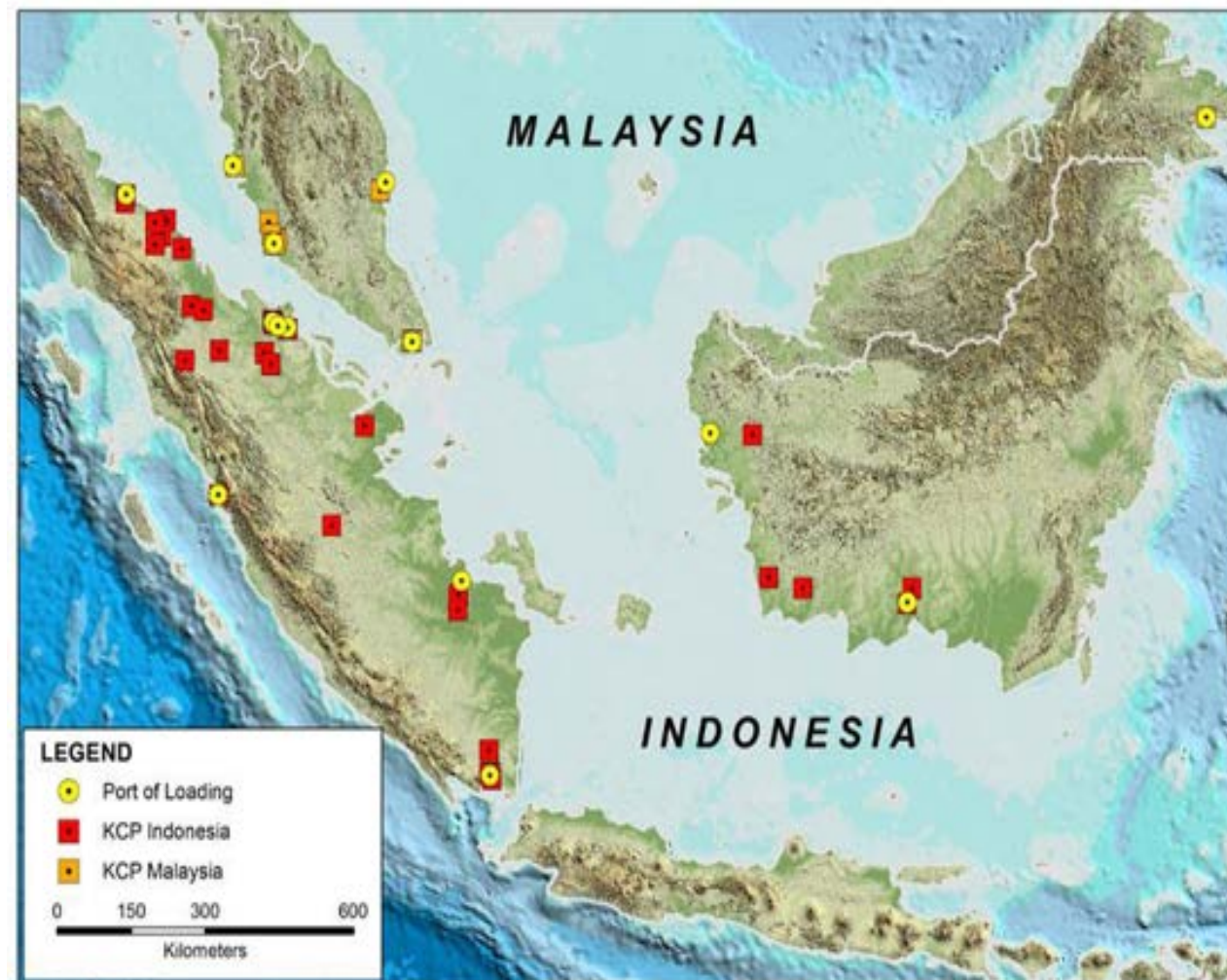
Palm Kernel Expeller (PKE) Supplier Engagement

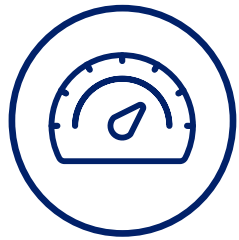
ADM has engaged with 100% of its direct PKE suppliers in Indonesia and Malaysia. The engagement process includes discussions on various sustainability topics including:

- ✓ ADM's responsible palm policies and commitments, including reduced deforestation risk
- ✓ Increasing traceability scores
- ✓ Assessing tier one suppliers using the palm scorecard

All of our suppliers have 100% traceability to the mill.

PKE Supply Base

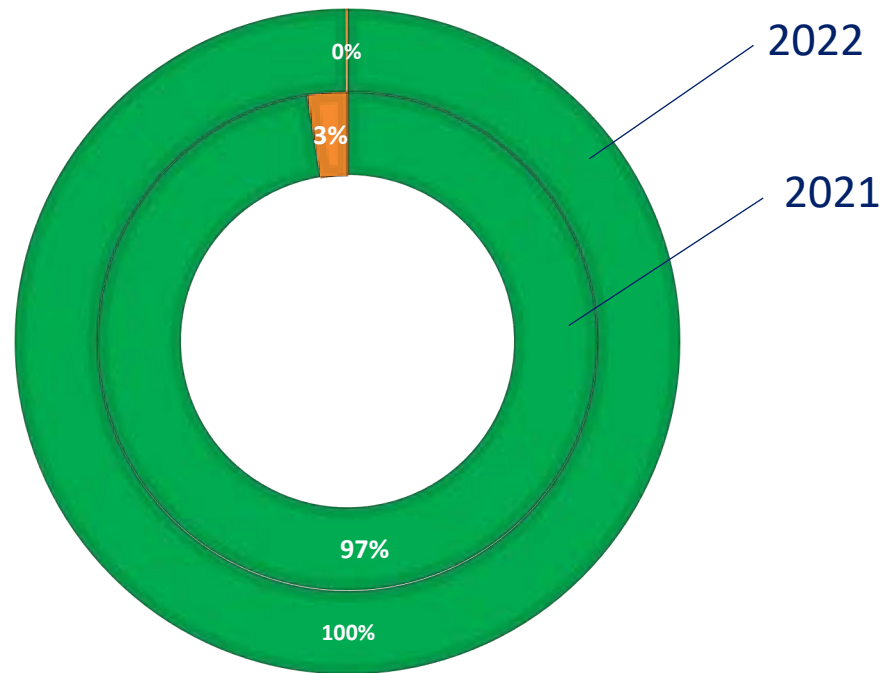




Monitoring & Verification

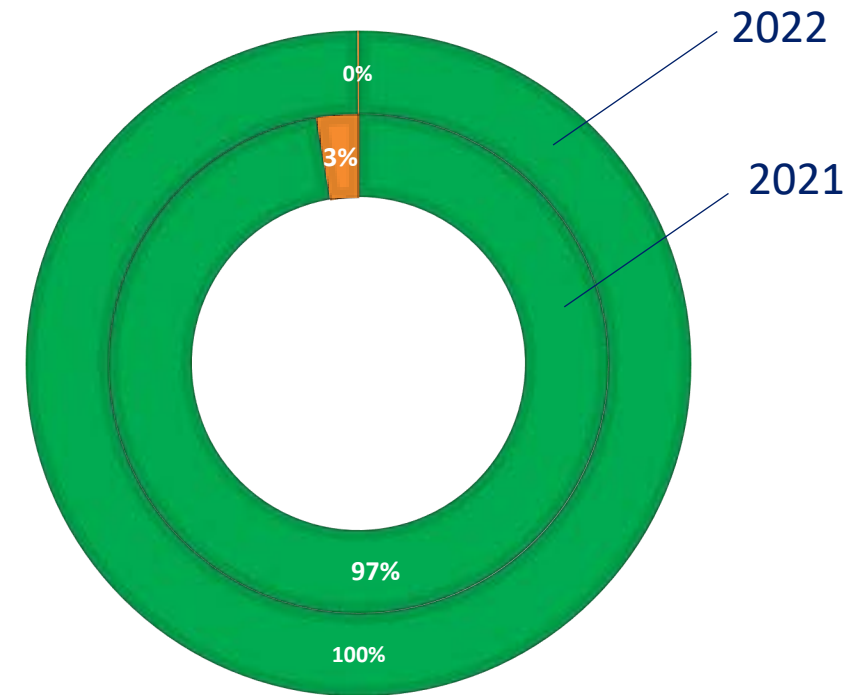
Goal : Monitor and verify direct suppliers' management and control systems are appropriate to achieve responsible sourcing of palm oil.

Deforestation Monitoring



- Volumes part of a system that conducts deforestation monitoring
- Volumes not monitored for deforestation

Landscape engagement



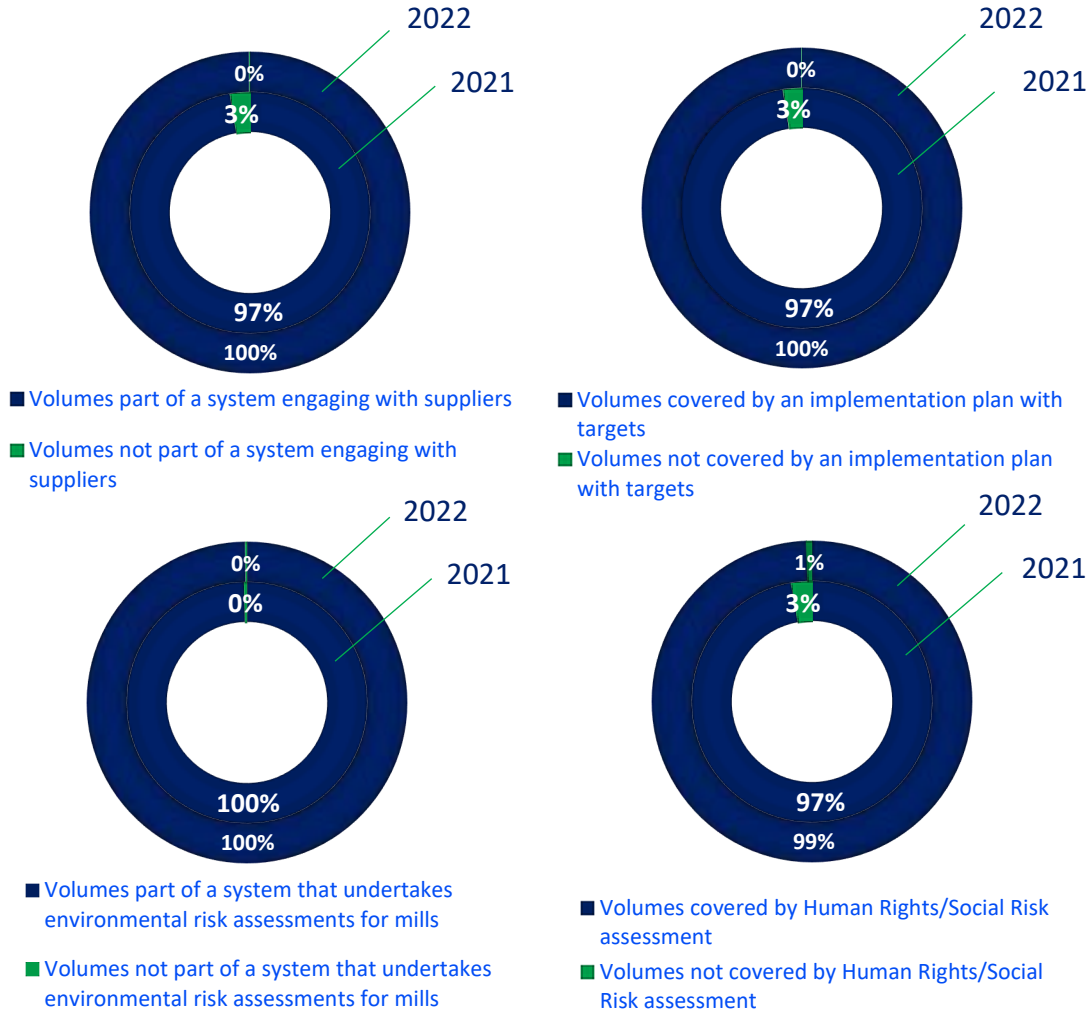
- Volumes part of a system supporting landscape programmes/initiative in high-risk production landscape(s)
- Volumes not part of a system supporting landscape programmes/initiatives in high-risk production landscape(s)



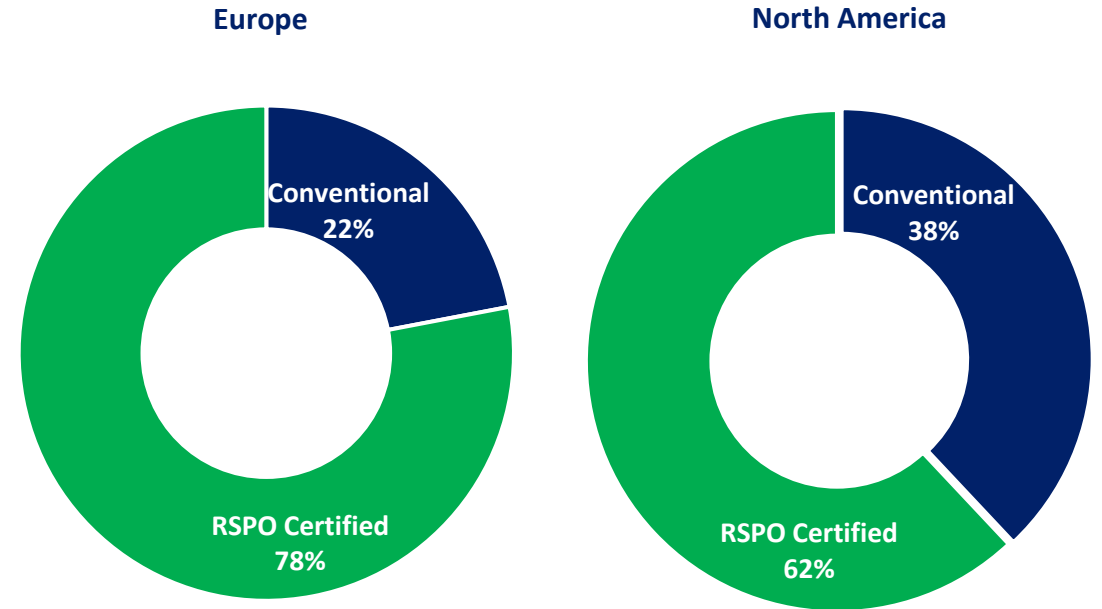
Monitoring & Verification

Goal : Monitor and verify direct suppliers' management and control systems are appropriate to achieve responsible sourcing of palm oil.

Supply Chain Implementation



RSPO Volumes

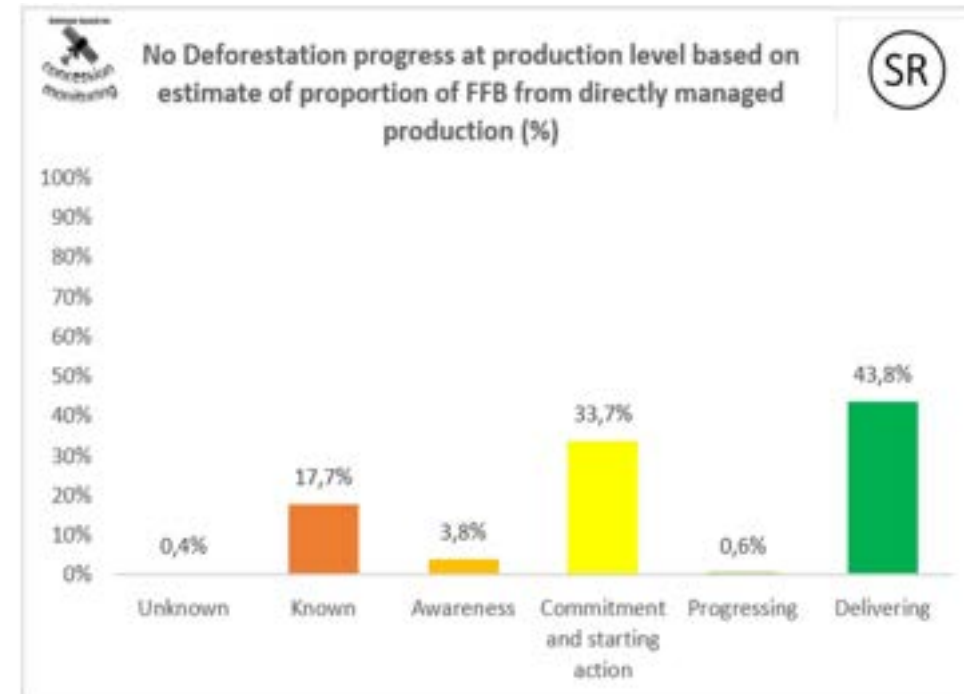
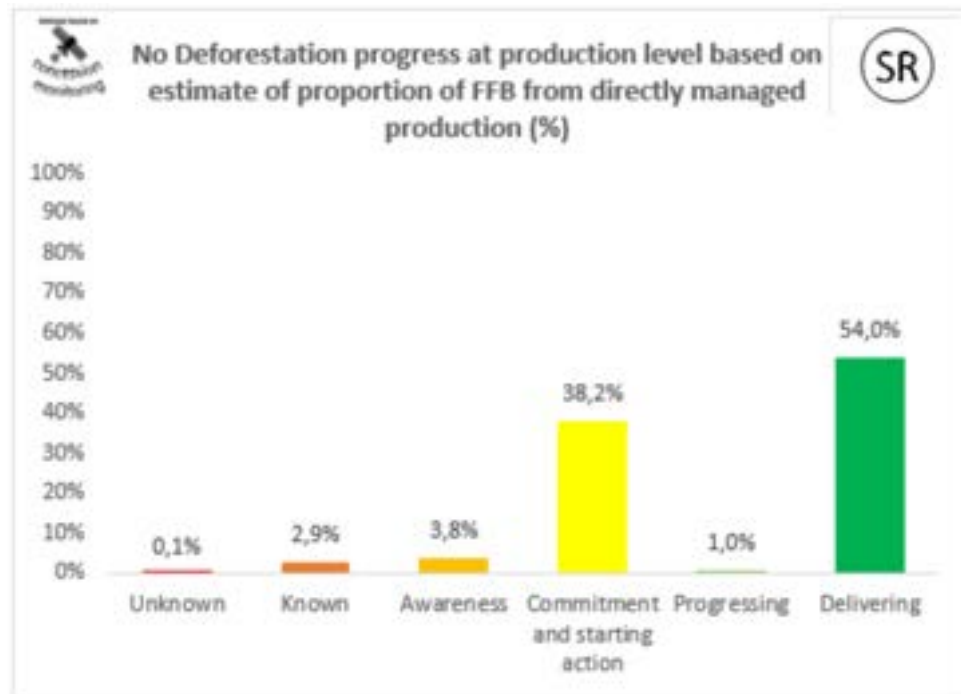


NDPE IRF Reporting

ADM continues to participate as an active member in the NDPE IRF Active Working Group to drive progress on reporting against NDPE criteria. ADM has engaged with all its direct suppliers on the provision of their respective NDPE IRF profiles.

In June 2022, ADM underwent verification of all its NDPE IRF profiles by an independent third-party. Volumes sourced from January to December 2021 were covered. The audit was conducted in accordance with the NDPE Data Verification Protocol.

The NDPE IRF profiles per facility are available under the *Palm Oil Supply Chain Traceability* sections of [ADM's Sustainability Policies & Reports](#) webpage.



Investing in Transformation programs



Colombia

Project: Palm LAB

Organisations:

Netherlands Oils and Fats Industry (MVO), Aceites/Palmaceite, Fedepalma, Solidaridad

Focus areas:

Smallholders, with focus on:

- Working Hours
- Informal Contracts
- Occupational H&S

Honduras

Project: Mariposa Project, WISSE

Organisations: Olenex/Wilmar & NES Naturaleza.

Focus areas:

- Smallholder training on NDPE, including workers rights and community rights

Impact:

- 306 Smallholders certified

Palm Oil Collaboration Group

Project: Social Issues Working Group NDPE IRF

Organisations: 38 companies

Focus areas:

- Deforestation
- Human Rights
- Traceability

Indonesia

Project: Advancing Sustainable Agriculture, Agroforestry, and Conservation in North Sumatra

Organisations: Conservation International.

- Sustainable agriculture
- Forest conservation
- Smallholder income

Impact:

- 150 smallholder farmers
- 10 ,000 ha of forested land

Malaysia

Project: Sabah Landscape

Organisations: Earthworm Foundation (EF)

- Resilient Farmers
- Forest Protection & Restoration
- Workers & Families
- Smallholder income

Impact:

- 868 smallholders reached to date (507 new farmers in Q3)
- 9,547 ha is currently being managed under the mitigation activities.

Malaysia

Project: Child Risk Assessment Framework (CRAF)

Organisations: Earthworm Foundation (EF)

- Child Rights
- Child Labour

Impact:

- 6 toolkits covering key child rights issues

Indonesia

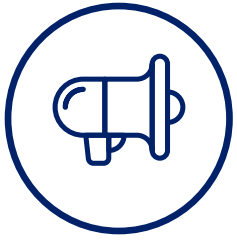
Project: Leuser Ecosystem – Aceh Province

Organisations: Earthworm Foundation (EF)

- Smallholder income
- Forest Conservation
- Biodiversity protection

Impact:

- 278 farmers trained
- 2,525.36 ha of forest area in 3 villages



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

