



**H1 2023**  
**Soy Progress Report**



# Introduction

In March 2021, ADM released its reviewed and updated Policy on Protecting Forests, Biodiversity and Communities. This progress report provides ADM's stakeholders with insights into the advancements and future actions of the policy implementation, enabling a transparent overview.

The activities and results shared in this report outline the period H1 2023 with regards to the four pillars of ADM's soy sustainability journey:

1. Supply Chain Traceability
2. Supplier Engagement
3. Monitoring & Verification
4. Reporting

The data shared within this report relates to ADM operations in South America.

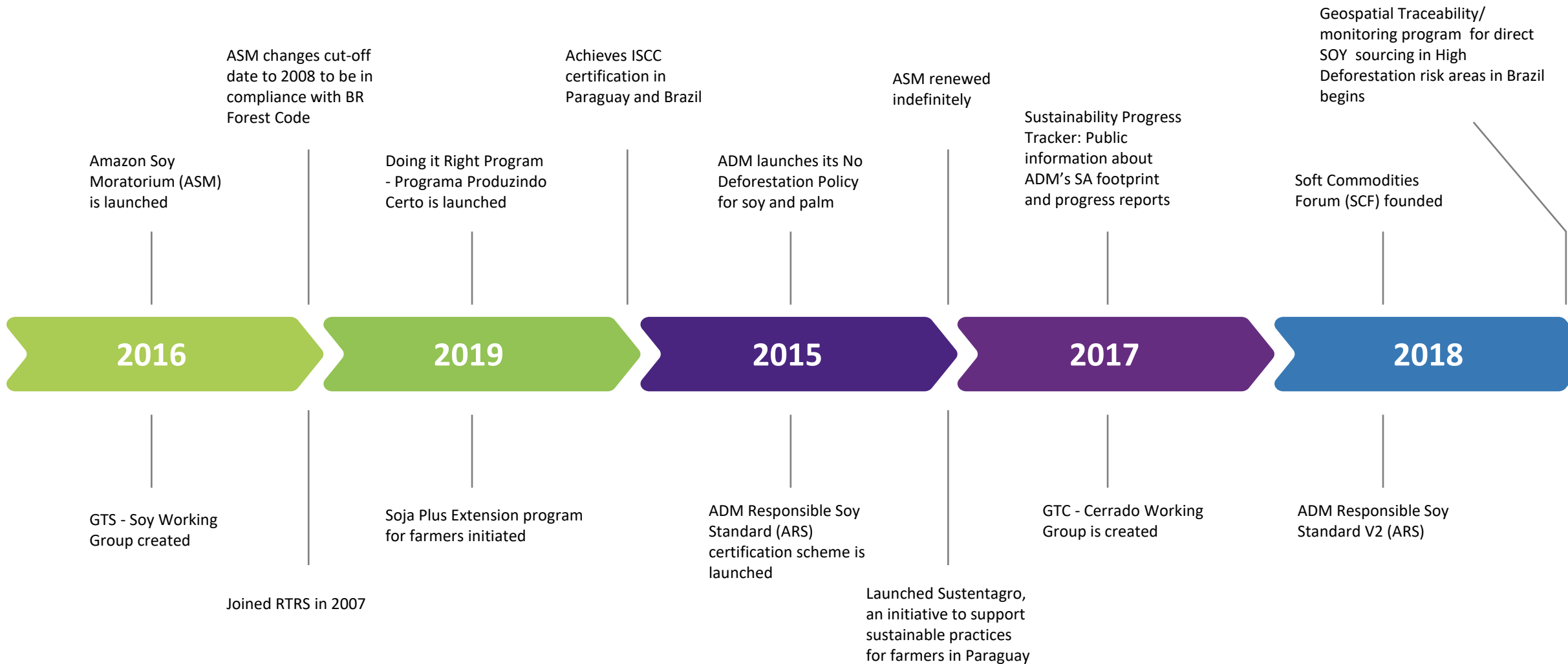
## Our South American Soy Footprint

Brazil, Argentina, Paraguay, Uruguay

- Processing facilities in South America
- Origination and procurement facilities
- Trading office



# Our Soy Sustainability Journey



# Our Soy Sustainability Journey

Traceability program for direct sourcing extends to Paraguay  
 Doing it Right Program achieves over 600 farmers and more than 1.5M hectares assessed

Public traceability efforts in high-risk areas in the Cerrado get enhanced and more granular

No Deforestation Policy revised  
 Revised Human Rights Policy  
 1st Cerrado Native Vegetation Restoration project

Updated SCF report with direct/indirect footprint in the Cerrado  
 New biodiversity Projects in Western Bahia with Parque Vida e Cerrado

Sourcing policy under revision  
 ADM Responsible Soy Standard V4 (ARS)

2019

2020

2021

2022

2023

Enhanced transparent reporting  
 Carbon footprint of soy and byproducts for ADM's largest plant in Brazil

In Paraguay and Brazil, 100% of direct suppliers monitored to farm, and indirect suppliers to loading/purchase point.  
 In Argentina, 100% of indirect suppliers monitored to loading/purchase point.  
 ADM Responsible Soy Standard V3 (ARS)  
 ADM became a signatory of the agritrader 1.5C Roadmap at COP26 (Glasgow)

100% traceability in Paraguay and Uruguay of soy indirect and direct suppliers.  
 in ADM Brazil and Paraguay.  
 Biofuels Renovabio Certification (Sales of decarb credits in Brazilian stock exchange)

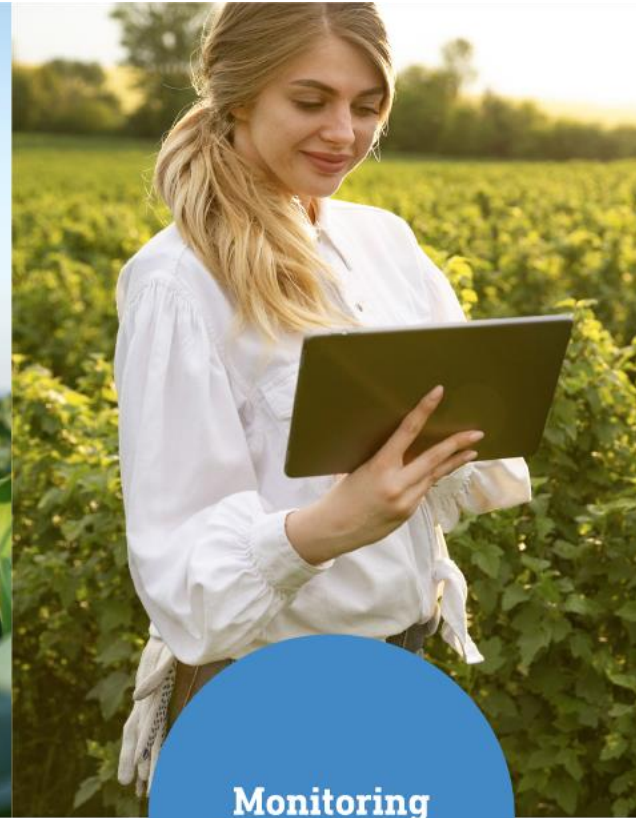




**Supply Chain  
Traceability**



**Supplier  
Engagement**



**Monitoring  
& Verification**



**Reporting**

# Supply Chain Traceability

- ADM's soy supply chain
- Soy sourcing in South America
- Traceability



## ADM is Integral to Building a More Sustainable Agricultural Value Chain

We are the foundation of food on tables the world over – flavoring culture, forwarding health and wellness, and venturing into new possibilities and discoveries for human and animal nutrition. Creating value through the entire supply chain gives us the opportunity to help build a more sustainable food system.



### 1. Land

- a. Sustainable and Regenerative Agriculture
  - b. Protect Biodiversity
  - c. Eliminate Deforestation
1. Land



### 2. Grower Communities

- a. Smallholder Support
  - b. Women's Empowerment
  - c. No Exploitation/Human Rights
2. Grower Communities



### 3. Transportation

- a. Alternative Fuel Vehicles
  - b. SeaCharter for Ocean Freight
  - c. U.S. EPA SmartWay Certification
3. Transportation



### 4. Processing

- a. Environmental Footprint Reduction
  - b. Carbon Capture and Storage
  - c. Process Innovation
4. Processing



### 5. Product Portfolio

- a. Alternative Proteins
  - b. Responsibly Sourced Commodities
  - c. Fuels of the Future
5. Product Portfolio



### 6. Packaging

- a. Starch-enhanced Cardboard
  - b. Bioplastics
6. Packaging

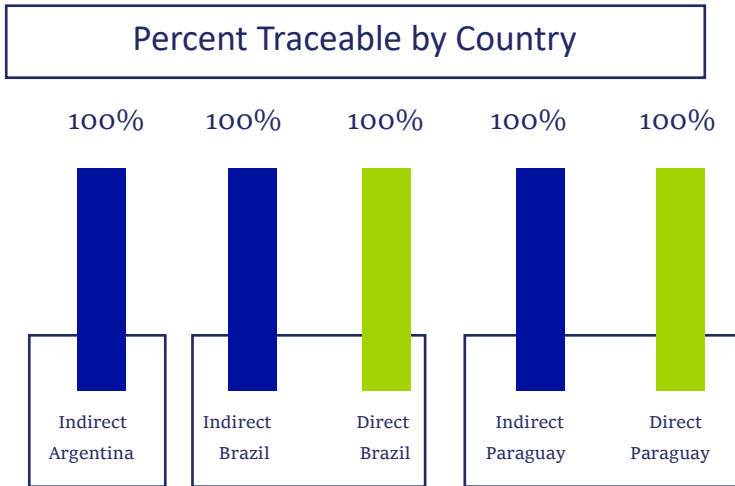
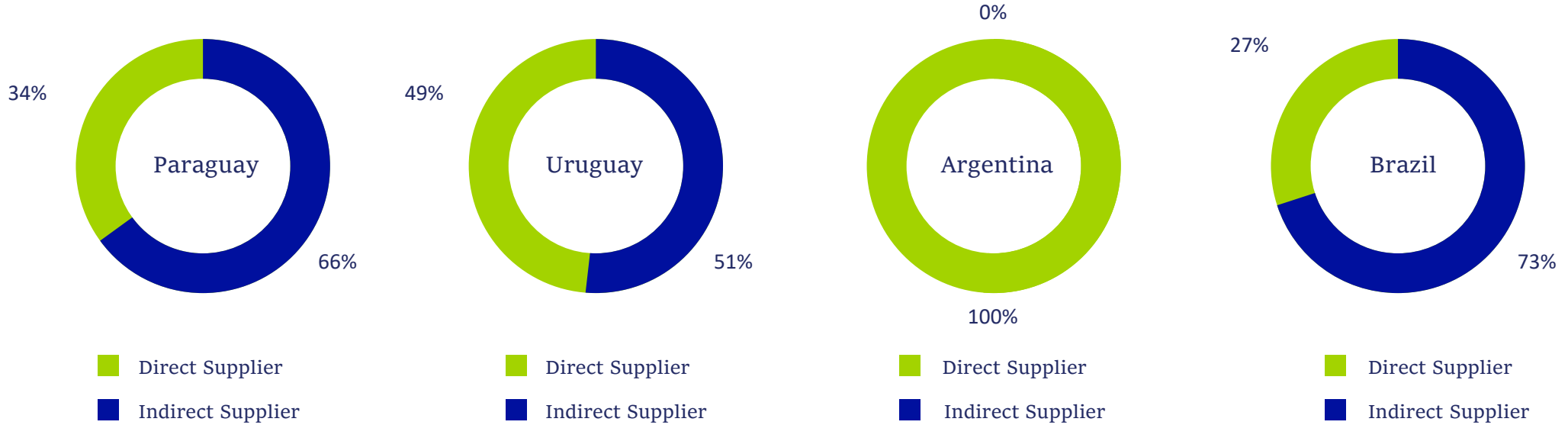


### 7. Customer



# South America Traceability 2023

## Soy Volumes by Geography

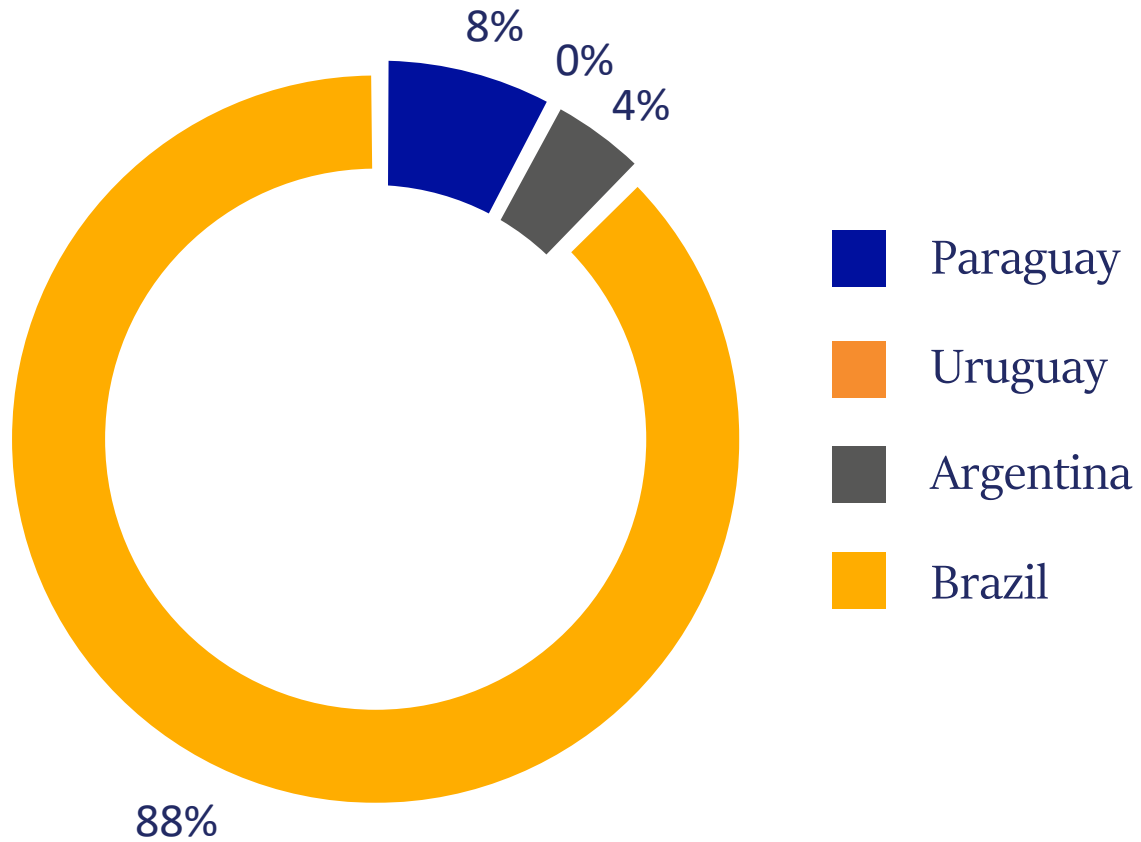


In Brazil, we have mapped 100% of our direct suppliers to farm (polygons). This database enabled us to measure our DCF (Deforestation + Conversion Free) footprint, which in 2020 was 97% DCF. As our baseline we used 2015, the year we launched our No Deforestation Policy.

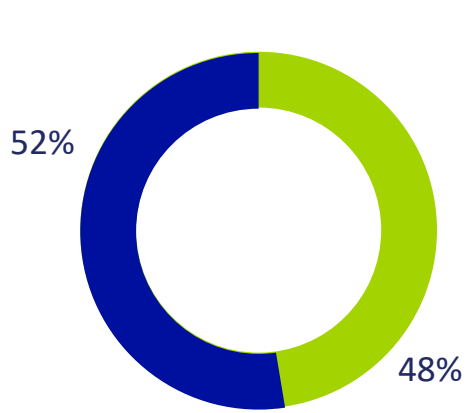
In Argentina we source indirectly from areas close to the export facilities.

\*Indirect suppliers include: silos, cooperatives, and producers associations.

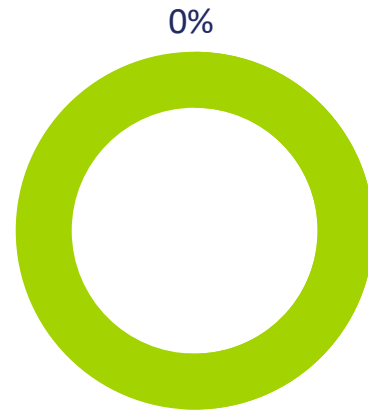
## South America 2023 SOY sourcing by country



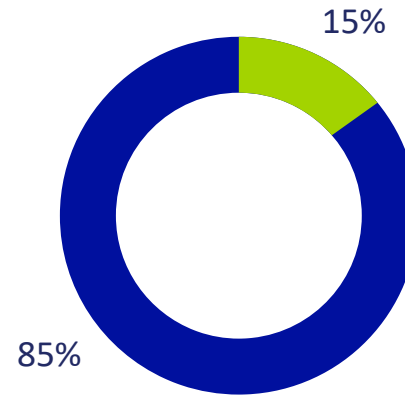
# Traceability Focusing on the Cerrado Priority Regions



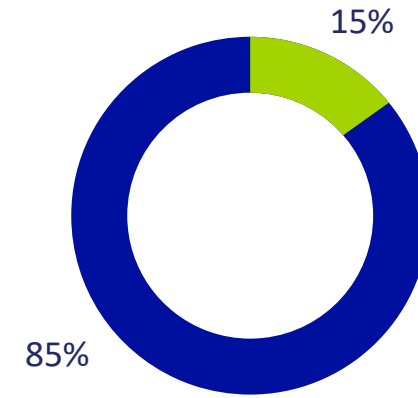
■ Cerrado  
■ Rest of Brazil



■ Traceable  
■ Not Traceable



■ High Risk Municipalities  
■ Rest of Brazil



■ High Risk Municipalities  
■ Rest of Brazil



As a member of the Soft Commodities Forum (SCF), we committed and achieved in 2021 full traceability to farm for direct suppliers in high risk municipalities that account for almost 70% of all conversion within the Cerrado biome.

# Why does geography matter when it comes to indirect suppliers?

Volumes sourced via indirect suppliers may represent a large share of our supply chain in certain regions where we operate. We acknowledge the challenge of obtaining traceability to farm in these cases, where there is an intermediary party that for commercial purposes has the right to preserve sensitive information regarding its suppliers.

However, we would also like to bring to the attention of our stakeholders that the vast majority of our indirect sourcing occurs in consolidated agricultural areas – with no more native conversion to soy – and therefore, pose no deforestation risks to the integrity of our supply chain.

Nevertheless, and even though many times these indirect suppliers also have no deforestation commitments in place, we will keep working to find better ways to track indirect volumes, especially in high conversion to soy risk areas where today we have a 5-12% share of indirect purchases.

## Soy

KEY TOPIC	GOAL	PROGRESS	TARGET DATE	SDG/SASB ALIGNMENT
Traceability to Origin*	100% of Direct suppliers in Brazil	 Achieved 100%	6/30/2021	<b>SDG/SASB ALIGNMENT</b> <b>2</b> ZERO HUNGER <b>6</b> CLEAN WATER AND SANITATION <b>8</b> DECENT WORK AND ECONOMIC GROWTH <b>13</b> CLIMATE ACTION <b>15</b> LIFE ON LAND ■Environmental and Social Impacts of Ingredient Supply Chain ■Ingredient Sourcing1
	100% of Indirect suppliers in high-risk areas in Brazil	 Achieved 100%	12/31/2021	
	100% of Indirect suppliers in Brazil	 Achieved 100%	3/31/2022	
	100% of Direct and Indirect suppliers in Paraguay	 Achieved 100%	12/31/2022	
	100% of Direct and Indirect suppliers in Argentina	 Achieved 100%	12/31/2022	



# Supplier Engagement

- Grievance Mechanism
- Projects
- Engagement and transformation



## Grievances & Resolutions



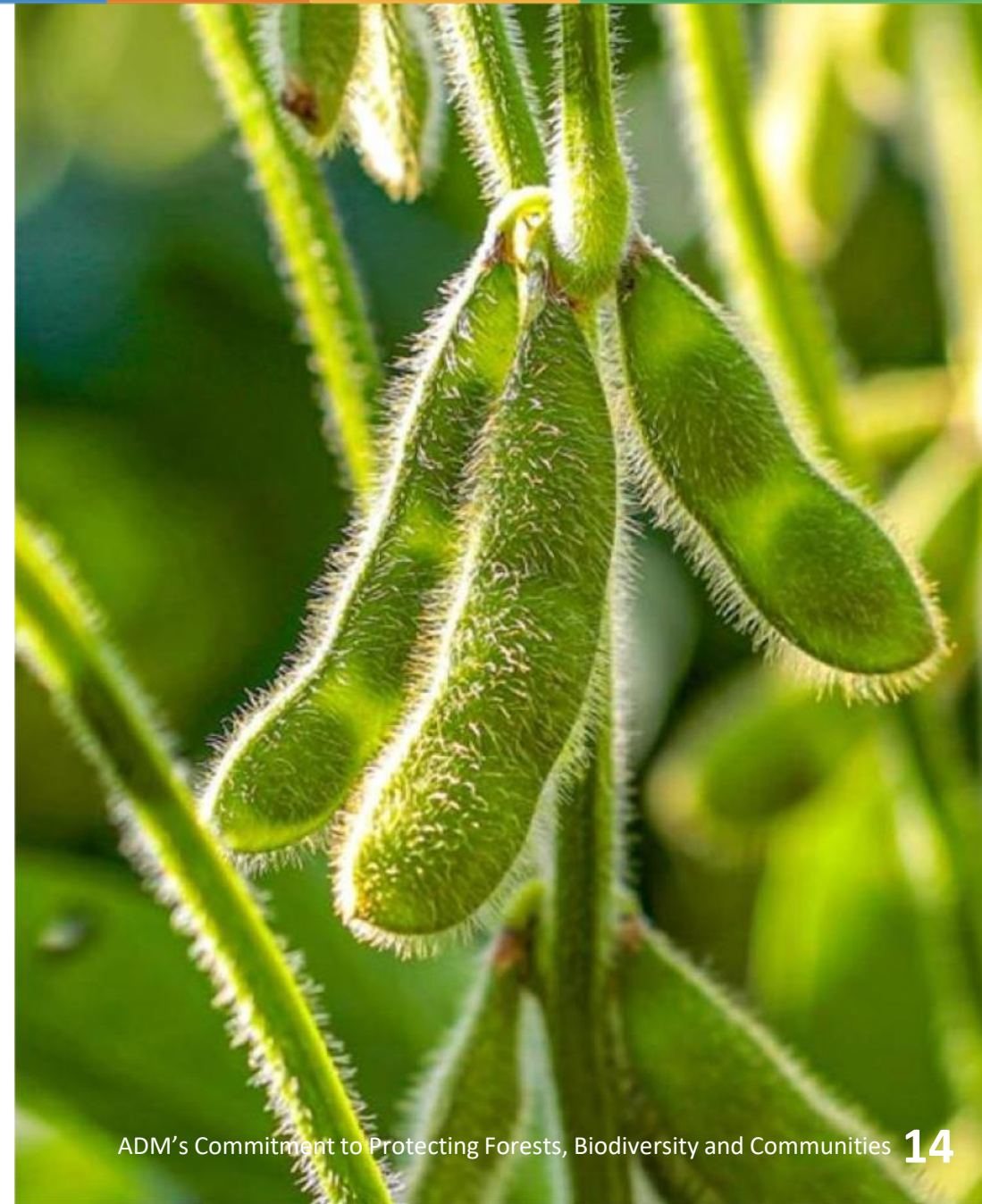
From 2019 through 2023, we have investigated over 254 allegations of deforestation and exploitation in our supply chain.



100% of grievances were investigated in accordance with our protocol and reported on our public grievance log.



0 cases investigated were linked to our soy supply chain or showed a non-compliance with our No-Deforestation Policy.





## Transformation Projects

### Program Partners Include:

- Produzindo Certo
- Agro Plus
- Parque Cerrado e Vida
- CETEDI Foundation
- A Todo Pulmón Organization
- Conin Foundation
- Sustainable farming extension programs
- Inclusive and continuous improvement through Best Management Practices (BMP) Programs



ADM has supported extension programs for farmers since 2009



## Engagement and Transformation

Our transformation strategy focuses on engaging with the most relevant stakeholders at each level of our soy supply chain in order to promote continuous improvement at every stage. We believe that every situation requires assessment and understanding of the facts, listening to the points of view of everyone involved. ADM participates in several multi-stakeholder initiatives worldwide that are leading the transformation of the soy supply chain.

At the global level, we participate in the SCF (Soft Commodities Forum) along with other industry/trading companies members of the World Business Council for Sustainable Development (WBCSD) who share the same goals regarding No Deforestation and No Exploitation in their supply chains. Our objectives focus on defining common standards that will bring more transparency to the sector as a whole, and searching for financial incentives that will protect forested areas and/or promote the use of areas previously cleared land

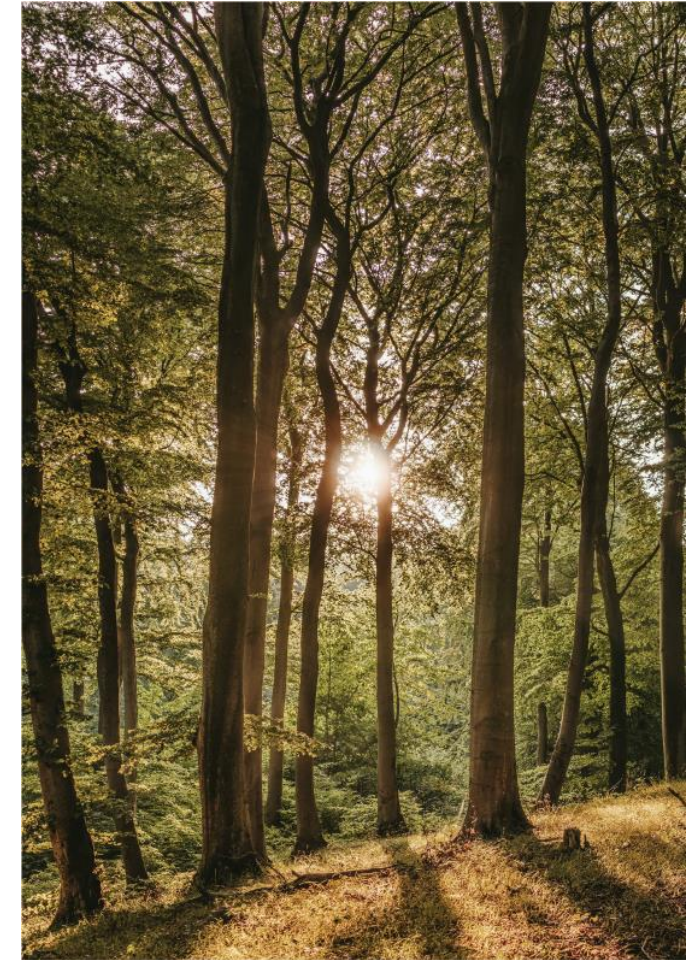
In 2020, the SCF worked together with Proforest, TNC and TFA to carry on a public consultation that selected a priority region that covers 61 municipalities in the Cerrado. Traceability efforts and landscape initiatives will focus in this geographic region.

For the complete June 2022 SCF report:

<https://www.wbcsd.org/Programs/Food-and-Nature/Food-Land-Use/Soft-Commodities-Forum/Resources/Soft-Commodities-Forum-Progress-Report-June-2022>

### CERTIFICATIONS

In South America, ADM works with different certification standards: 2BSvs, ISCC, ARS, RTRS, and SAI. These standards promote the sustainable production of soy year after year.





## Engagement and Transformation



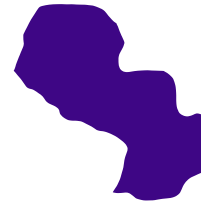
### Brazil

In celebration of ADM's 25th anniversary in Brazil, the company has undertaken a remarkable initiative by planting 25,000 trees of native species across various regions of the country. This environmentally conscious effort reflects ADM's commitment to sustainability and the preservation of Brazil's rich biodiversity.



### Argentina

In Argentina, ADM has identified three schools in close proximity to its operations to receive valuable donations for infrastructure improvement. By investing in education and the well-being of local communities, ADM aims to make a positive and lasting impact in Argentina.



### Paraguay

ADM's initiatives in Paraguay are focused on raising awareness among children about the importance of water and forests. Through training sessions held in schools, more than 250 students have benefited from valuable knowledge and insights. In addition, ADM has contributed to the reforestation efforts by planting 300 trees, further contributing to the conservation of Paraguay's natural resources.



### Uruguay

ADM Uruguay has partnered with Educate Uruguay, an esteemed organization that works tirelessly to support rural schools. By providing crucial resources, advanced technologies, and comprehensive training, ADM Uruguay and Educate Uruguay are transforming the educational landscape in rural areas. The program offered by Educate Uruguay focuses on empowering children and fostering a strong bond between them and the learning process. Simultaneously, it strives for continuous improvement by equipping teachers from the local communities with the necessary tools and knowledge to deliver high-quality education. Through this partnership, ADM Uruguay is actively promoting education and sustainable development in Uruguay.

## Biodiversity Engagement / Transformation Projects

### Parque Vida e Cerrado

ADM Brazil extended its partnership with Parque Vida e Cerrado, a local NGO focused on reforestation, scientific ideation and environmental education. Together, we have developed a project aiming to restore degraded native vegetation in soy farms in the Brazilian Cerrado.

The project is working with ADM suppliers in Western Bahia to identify and restore natural corridors along streams within farms to increase the protection of biodiversity. We have planted over 75,000 native seedlings and will be monitoring maned wolves which are native of the region. We expect these studies will bring new insights about the way they interact and behave in these landscapes. This info will later be reverted to local farmers and public schools, in order to bring consciousness and awareness.





## Monitoring & Verification

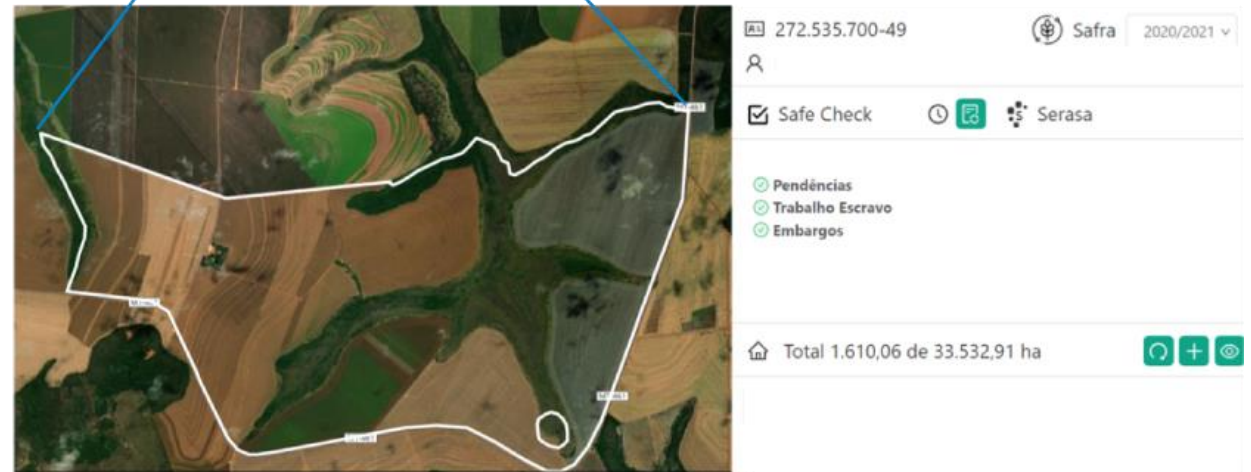


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<https://www.adm.com/sustainability/sustainability-progress-tracker/issues-and-resolutions>

IBAMA	64
SEMA	63
MORATÓRIA	56
PROTOCOLO VERDE DE GRÃOS DO PARÁ	30
TERRAS INDÍGENAS	1
TOTAL	208





# Reporting

- Communication on Progress
- Disclose Information to Stakeholders



## Reporting

Previous reports are available on the ADM soy Sustainability Progress Tracker webpage.

Grievance updates are available on the ADM Grievances & Resolutions webpage.

This is our public Progress Report #16.  
We welcome feedback and comments at  
[responsibility@adm.com](mailto:responsibility@adm.com)

***2022 Sustainability Report***  
***Sustainability Report 2023 (adm.com)***



