



## **Managing Supplier Non-Compliance**

### **Introduction**

This document sets out a process to manage possible non-compliance with ADM's policies and to act upon any non-compliance issues. ADM will communicate to all suppliers that it will only accept material produced and controlled in accordance with its commitments.

ADM's non-compliance protocol supports its commitment to identify non-compliances and to resolve any issues diligently. ADM expects the same commitments from its suppliers. Such protocols should be extended to their entire supply chain, including their own operations and supplies purchased from other parties.

ADM aims to resolve non-compliance issues expeditiously without enabling or promoting further non-compliance. All verifiable non-compliance allegations will be investigated. The results of the investigation will define the actions to be taken, considering the severity of the non-compliance and the degree of influence that ADM has on the supplier.

ADM's goal is to leverage its influence positively to help address challenges and drive transformation on the ground. ADM believes that supplier engagement will be the first step in its work toward fulfilling its commitments and driving continuous improvement.

### **Governance and Leadership**

ADM has established an internal grievance committee, responsible for discussion and decision-making on grievance cases. The committee includes expertise in sustainability and commercial representatives and will engage legal compliance expertise when appropriate. When necessary, the leadership of ADM may be engaged in specific decisions. ADM's progress in implementing its policies is regularly reported to the Board of Directors.

### **Supplier Engagement**

ADM communicates its expectations to direct suppliers and requests their collaboration to fulfill its commitments along the entire supply chain.

ADM expects its suppliers to fully comply with applicable laws and to adhere to internationally recognized environmental and social standards, in addition to its [Code of Conduct](#) and policies. ADM will partner with suppliers to further develop their sustainability performance when needed. Where the company maintains long-term or recurring buying relationships with producers or primary processors, ADM will support these suppliers in achieving compliance.

ADM expects direct suppliers to continuously self-assess compliance with ADM policies. Direct suppliers are expected to raise concerns or seek clarification on any element of ADM policies with their ADM contact during creation of the procurement agreement. ADM expects direct suppliers to act in accordance with ADM policies and commitments and to require the same from their suppliers. ADM will engage with direct suppliers to support compliance of indirect suppliers through effective incentives, support mechanisms, and purchase control systems. In the event of actual or suspected non-compliance with ADM policies, ADM expects its direct suppliers to engage their direct suppliers (ADM's indirect supplier) to develop, implement, and monitor a time-bound implementation plan to achieve compliance, and to avoid or expeditiously address non-compliance.