



Human Rights Policy Implementation

2020 Progress Report



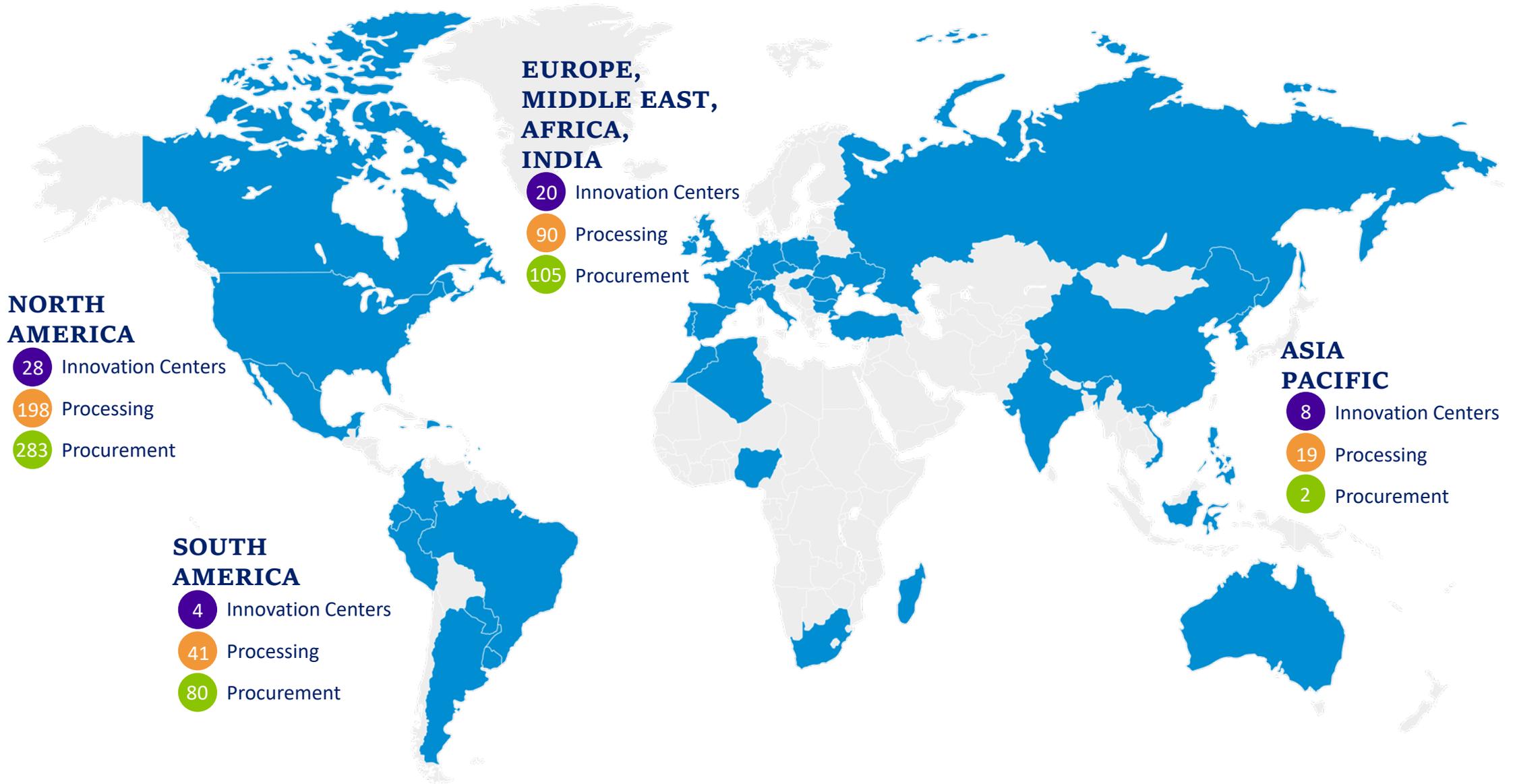
Introduction

In March 2015, ADM committed to its Respect for Human Rights policy. 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 2020 efforts with regards to the four pillars of ADM's human rights journey:

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

Enriching Life Around the Globe



2021 Action Plan

New initiatives based on risk assessment:

- Develop action plan for Asia (all supply chains)
 - Phase 1 – Direct supplier assessment and engagement
 - Phase 1a – China
 - Phase 1b – Rest of Asia
 - Phase 2 – Indirect supplier engagement through regional initiatives
- Develop action plan for Palm supply chain
- Include expanded module in annual colleague training on human rights, including trafficking

Continue with current initiatives:

- Review Madagascar vanilla SAQ and audit result final report
 - Determine next steps, including future assessment plan and corrective actions
- Complete Sedex audits at ADM facilities and address non-compliances in a timely manner
- Expand Sedex audit program with direct suppliers beginning with
 - Fruit/fruit products
 - Asia
- Finalize Human Rights Policy review and update

Key Performance Indicators and Targets

| Description | KPI | Target | Date |
|---|---|----------------------------------|-------------|
| Work with compliance and procurement to ensure new contracts include protection of human rights | % of new contracts with human rights clause | 80% (to allow for roll-out time) | End of 2021 |
| | | 100% | End of 2022 |
| Develop supply chain action plans | # of action plans | 2 (palm and Asia) | H1 2021 |
| Expand annual compliance training on human rights, including trafficking | % of employees completing training | 100% | End of 2021 |
| Address ADM hosted Sedex audit findings in a timely manner | % of findings closed within recommended timeframe | 100% | End of 2021 |
| Implement supplier audit program for manufacturers | % of suppliers completing Sedex audits | 100% of fruit suppliers | End of 2023 |
| | | 100% of suppliers in Asia | End of 2023 |
| Review and update Human Rights Policy | Updated Policy published | | Q1 2021 |



Supply Chain Risk Assessment



Supplier Engagement



Monitoring & Verification



Reporting



Supply Chain Risk Assessment



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.



Assessing Risk to Identify Implementation Pathways

ADM worked with ELEVATE to support its Human Rights Action Plan to conduct a supply chain risk analysis in 2018-2019. This partnership supported our ability to gain deeper insight into inherent risks and challenges with sourcing based on country and commodity. The results of the analysis allowed us to consider a new tool selection strategy for a responsible sourcing program that would direct investment where ADM can have the biggest impact.

After completing a macro-level supply chain risk assessment, ELEVATE worked with ADM to conduct an in-depth supplier analysis. This second part of the assessment focused on specific commodities.

Analysis of the vanilla supply chain resulted in suppliers' scores being categorized into four quadrants based on inherent risks in the country-commodity combination and the leverage ADM has based on factors such as procurement volume and spend. Based on the sourcing geography vanilla suppliers are considered high or extreme risk. Based on ADM's relative leverage, vanilla suppliers are considered high leverage. ELEVATE recommended focus on the highest risk and highest leverage segment for risk management and mitigation. In 2020, guided by the results from the risk assessment, ADM focused first on these suppliers, particularly with regards to developing vanilla-specific sourcing policies and piloting supplier visibility and monitoring programs.



Supplier Engagement



Transformation Projects

Palm LAB - Colombia

In this project, ADM supports the multi-stakeholder alliance of The Netherlands Oils and Fats Industry (MVO); Aceites S.A./Palmaceite S.A.; Colombian National Federation of Palm Growers (Fedepalma), and Solaridad, an international nonprofit.

The project aims to build a more inclusive palm oil value chain between Colombian smallholders, processors and international market through the development and implementation of a step-by-step, data-driven tool that will enable farmers and processors to plan, monitor and verify the uptake of labor practices as defined by the Voluntary Sustainability Standards (VSS) and corporate policies.

In phase of A of this project, an impact assessment was carried out, followed by steps to mitigating and remedying CSR impacts and risks through improved company policies and processes. The target group included **150 smallholders (45 women)** and **180 workers** directly (potential for 1500 in the region).

Child Risk Assessment Framework (CRAF) - Malaysia

Part of ADM's funding support to the Earthworm Foundation (EF) went toward creating this framework. CRAF aims to support palm oil producers in Malaysia to: identify potential risks faced by children in palm oil plantations; develop policies, procedures and interventions to minimize risk by responding in a timely manner to the identified potential risks; remediate adverse impacts discovered; review whether adequate measures have been taken to prevent, eliminate or reduce these risks; and make oil palm plantation sites and the surrounding areas a safe place to work and to live for children and for young people.

The [CRAF](#) consists of six toolkits that cover **key child rights** issues such as: child labor & young workers' safety in palm oil plantations; education & childcare; maternity protection, healthcare and nutrition; birth registration; child sexual exploitation, violence and abuse; and on-site safety, accommodation, water and sanitation.



Transformation Projects

Advancing Sustainable Agriculture in North Sumatra - Indonesia

ADM has also supported Conservation International Singapore since 2018. This program educates farmers in North Sumatra on ways to improve productivity while conserving critical forest areas, with a focus on palm oil.

The aim is to equip smallholder farmers with resources to boost yields and improve livelihoods of both farmers and community members. In addition to farmer training, the program will also educate community members about the importance of sustainable production and post-harvest handling best practices to maximize the economic impact of local farming.

This program has enabled the training of over **60 Farmer Field School (FFS) facilitators** that further reached over **700 smallholder farmers**. The FFS promotes Good Agricultural Practices among palm oil smallholders on sustainable land management practices for increased productivity. By focusing on better land management practices for increased productivity and income, forest clearing is significantly reduced by these communities.

Rurality - Malaysia

Since January 2018, the ADM Cares fund has been supporting this EF transformation project with the goal to diversify income of smallholders in the Sabah region of Malaysia. Smallholders are introduced, facilitated and empowered to implement various income diversification opportunities to ultimately increase their financial security and incomes at the household level.

Since the beginning of the project, **781 smallholders** were engaged on various diversification opportunities. As an outcome, a total of **65 smallholders** started income diversification activities, with an estimated **382 people** (from households) impacted.

Current diversification activities include handcrafted products, goat rearing, swiftlet farming, and *kelulut* (stingless bee) farming.



Transformation Projects

SAVAN Vanilla - Madagascar

Almost 80% of the world's vanilla is sourced from Madagascar, where it's produced and collected from villages in a complex supply chain. Through SAVAN, our joint venture partnership with Sahanala, we are the industry's first farmer-owned processor and exporter of vanilla beans, rooting our supply chain at the origin source.

Sahanala is a farmer-owned cooperative that has more than 4,000 vanilla farmers across 19 associations in Madagascar. The vertical supply chain eliminates unnecessary steps and stress from the vanilla typical supply chain, ensuring that farmers are directly engaged in the entire business model. Simplifying the collection ensures farmers receive more of the profits sales.

Our partnership with Sahanala doesn't begin and end with a sale. We also work together to implement industry-changing, farmer-focused social programs. ADM works with Sahanala to implement programs for reliable education, medical care and food security that help uplift the quality of life in a sustainable way for vanilla farmers. SAVAN bolsters an extension worker program that provides agronomy support and promotes farming best practices to help increase crop yields, improve vanillin content, and establish a more stable industry.

Each farmer association chooses how to allocate profits generated through the joint venture operations in ways that make the most immediate positive impact on their communities including community health offices, schools, and churches. To ensure food security, ADM Cares approved \$70,000 to provide rice for Sahanala farmers in the off-season covering 17,000 people including 4,410 farmers and their families.



Monitoring & Verification



Assessment and Auditing the Vanilla Supply Chain

In 2020, ADM focused its Respect for Human Rights implementation efforts on its vanilla supply chain, and specifically its joint venture, SAVAN.

Partnering with ELEVATE, ADM

- Developed a vanilla sourcing protocol;
- Designed a self-assessment questionnaire (SAQ) based on the protocol to allow growers to provide information on practices and conditions;
- Conducted outreach and deployed SAQ receiving responses from 1,000 growers; and
- Audited 63 growers and associations to assess conditions and validate SAQ responses.



Sedex Responsible Sourcing Audits

ADM is a member of Sedex and hosts responsible sourcing audits conducted by 3rd party auditors at our facilities around the globe.

At the ADM facilities visited in 2020, there were no fees charged to job-seekers in exchange for employment, and no collateral was taken in the form of money, identification or other personal belongings without workers' consent as a condition of employment by ADM or contracted companies. No human trafficking was observed. All findings were considered to be minor and low risk. ADM sustainability, legal, operations, and compliance teams work with the locations to identify and implement corrective actions.

In 2020, ADM hosted Sedex audits (SMETA) at the following facilities:

| Country | Site | ADM Business | Month |
|---------------|--------------------------------|------------------------|-----------|
| Argentina | GP Argentina | Ag Services & Oilseeds | December |
| Bulgaria | Amylum Bulgaria | Carbohydrate Solutions | February |
| United States | ADM Quincy | Ag Services & Oilseeds | January |
| United States | Golden Peanut Blakely | Ag Services & Oilseeds | January |
| United States | Golden Peanut Seagraves | Ag Services & Oilseeds | January |
| United States | ADM Milling – Mt Vernon | Carbohydrate Solutions | January |
| United States | ADM Charlotte | Carbohydrate Solutions | August |
| United States | Crosswind Petfoods Packaging | Nutrition | September |
| United States | Crosswind Petfoods Topeka | Nutrition | September |
| United States | Rodelle Fort Collins | Nutrition | September |
| United States | Crosswind Petfoods Kansas City | Nutrition | October |

Reporting



Reporting

Previous reports are available on the ADM palm [*Sustainability Progress Tracker*](#) webpage.

Grievance updates are available on the ADM [*Grievances & Resolutions*](#) webpage.

We welcome feedback and comments from at [*responsibility@adm.com*](mailto:responsibility@adm.com)

