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## **Enriching Life Around** the Globe

### **EUROPE, MIDDLE EAST,**

Innovation Centers

**ASIA PACIFIC** 



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**Innovation Centers** 

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Procurement





## Intro

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"Protecting Human Rights throughout our supply chain is integral to the sustainability program at ADM. Working alongside our communities helps to create opportunities for engagement and collaboration. Our ongoing aspiration to achieve full transparency in our supply chains aids our understanding of suppliers' practices and compliance with our policies. By establishing a culture of respect and inclusion at our operations, we help to foster innovation and advancement."

Alison Taylor, Chief Sustainability Officer





In 2021, ADM published an update to our Human Rights Policy to improve clarity and align with the United Nations Guiding Principles (UNGP) framework. This policy has been translated into all major languages applicable to our supply chain. In 2022, we intensified our efforts to create a robust Human Rights Due Diligence Program.

In a world that is becoming increasingly interconnected and transparent, we strive to match that clarity and provide means to facilitate conversation and feedback. We have a protocol that outlines our workflow and response mechanism for addressing concerns and inquiries pertaining to deforestation or human rights violations in our supply chain and a procedure for Managing Non-Compliant Suppliers. Any stakeholder, internal or external, can raise concerns or inquiries through our ADMWay Helpline or by emailing responsibility@adm.com. We are committed to the protection of Human Rights Defenders, whistle-blowers, complainants, and community spokespersons, including those defined in the RSPO Human Rights Defenders Policy. Additionally, we work actively to eliminate slavery and human trafficking in our supply chains, and publicly report on those efforts in compliance with the California Transparency in Supply Chains Act of 2010 and UK Modern Slavery Act of 2015.

Through collaborations with suppliers, customers, NGOs, governments, and other resources, we work to stay current on local laws and regulations pertaining to Human Rights Due Diligence and evaluate how these practices can be applied in our supply chains on a global scale.

This report highlights the activities and result of our 2022 Human Rights efforts.







## Key Performance Indicators and Targets

Description	KPI	Target	Date
Source from suppliers committed to responsible sourcing of palm oil.	Volumes covered by a fully aligned HR Policy	100%	End of 2023
Ensure accurate supply chain mapping for all Human Nutrition suppliers.	% suppliers with country of origin mapped	95%	End 2023
Determine ADM's most salient Human Rights risks.	% of Human Rights risks with publicly disclosed action plans.	100%	End of 2023
Engage strategic and high-risk suppliers in outlined Supply Chain Due Diligence Standard Operating Procedure risk mitigation strategies.	% of suppliers successfully engaged	95%	End of 2025





## Supply Chain Due Diligence





## Supply Chain Due Diligence Program

In 2022, we intensified our due diligence program specifically to monitor and mitigate Human Rights risks in our supply chain. This cross functional approach has engaged multiple ADM groups to ensure that all types of purchasing is being accounted for.

#### THE SUPPLY CHAIN DUE DILIGENCE PROGRAM INCLUDES THE FOLLOWING:

- Development of a Supply Chain Due Diligence Standard Operating Procedure.
- Implementation of Human Rights Contract Clauses for all contracted suppliers.
- > An update to the Supplier Expectations Document to include detailed Human Rights provisions.
- Effective Supply Chain Mapping.
- Country, leverage, and product-based Risk Analysis for Human Rights issues.
- Risk mitigation strategies for High-Risk suppliers.
- Multi-team collaboration to embed Human Rights protections into multiple areas of business operations.

Through our efforts, we have achieved almost 90% traceability to country of origin of our Human Nutrition ingredients. We will continue to work closely with suppliers to effectively carry out the steps outlined in our Standard Operating Procedure.





## **Risk Assessment** Strategies

#### **Standard Operating Procedure**

ADM has been working this past year to develop a Human Rights Standardized Operating Procedure (HR SOP) for supplier engagement. The HR SOP will dictate how we assess risk and assign risk categories for all suppliers, as well as mitigation strategies and action plan development. As we continue to develop this framework, mitigating human rights risks will be at the forefront; working with our suppliers to assess and address risks and enables increases transparency collaboration to protect human rights throughout our supply chain.

ADM has been working closely with Sedex to connect to our direct suppliers via the Sedex platform. Risk mitigation includes many components, and social compliance audits and self-assessment questionnaires (SAQ) using a standardized methodology allows for active monitoring of our supplier's efforts. Linking to suppliers through Sedex provides visibility into our supply chain and insight into potential risks as well as our suppliers' corrective action plans. While we are actively looking to use Sedex as our standard method for assessment, we are also looking into comparable social compliance audits to allow flexibility for our suppliers to demonstrate compliance.

#### **Social Compliance Audits**

#### **EiQ Analysis**

Utilizing Elevate's EiQ tool, ADM began a risk-ranking process for commodities and countries. This comprehensive platform allows us to standardize risk ranking and scoring mechanisms, evaluate specific risks within different supply chains, monitor news and press, and ensure proper focus on salient human rights risks.



## Our DE&I Journey





## DE&I

Diversity, equity, and inclusion (DE&I) has been essential to ADM's journey to protect Human Rights in its own operations. In 2022, ADM appointed a Chief of People and Diversity Officer, as well as a Director of DE&I. ADM continues to strive towards gender parity, with a goal to achieve 50% gender parity among ADM's leadership structure by 2030. Throughout 2022, new and existing Employee Resource Groups (ERGs) helped bring colleagues together and create a sense of community for ADM employees.

*"I am proud of the progress ADM is making with Diversity, Equity & Inclusion. Every ADM colleague plays a role in creating a culture that allows differences to strengthen us."* 

Jennifer Weber, Chief of People and Diversity Officer





## Corporate Equality Index



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ADM proudly announced that it received a perfect score of 100 on the Human Rights Campaign Foundation's 2022 Corporate Equality Index, the nation's foremost benchmarking survey and report measuring corporate policies and practices related to LGBTQ+ workplace equality. ADM joins the ranks of over 840 major U.S. businesses that also earned top marks this year.



"Our goal at ADM is to create a culture that promotes inclusion across all roles and levels to cultivate innovation and growth throughout our company," said ADM Chairman and CEO Juan Luciano. "This achievement is a testament to the progress we have made in fostering that culture and reflects the deep commitment we have to support diversity not only in race, gender, ethnicity, religion, disability, sexual orientation, economic and educational backgrounds, but also in experiences, perspectives and interests for our nearly 40,000 colleagues worldwide.





## World's Most Ethical Companies List

ADM has been recognized by Ethisphere, a global leader in defining and advancing the standards of ethical business practices, as one of the 2022 World's Most Ethical Companies. This is the fourth consecutive year that ADM has been recognized on this list.

In 2022, 136 honorees were recognized spanning 22 countries and 45 industries. ADM is one of only six honorees in the Food, Beverage & Agriculture industry this year.

"Today, business leaders face their greatest mandate yet to be ethical, accountable, and trusted to drive positive change," said Ethisphere CEO, Timothy Erblich. "We continue to be inspired by the World's Most Ethical Companies honorees and their dedication to integrity, sustainability, governance, and community. Congratulations to ADM for earning the World's Most Ethical Companies designation."



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### ERGs

As part of our Diversity, Equity and Inclusion (DE&I) strategy, we support Employee Resource Groups (ERGs). Sometimes known as Affinity Groups, ERGs are voluntary, employee-led groups where colleagues with shared experiences, interests or goals can come together in a safe space to offer support, build a sense of community, and promote personal and professional development.

Our **Employee Resource Groups** have continued to grow – both in the number of active members in our Women's ERGs and with the introduction of four new groups: ERG de Afrodescendentes (Brazil), LGBTQIA+ ERG (Mexico), Multicultural ERG (EMEA), and Black Colleague Alliance (North America).

"I would say one of the best things I have seen from the ERG in 2022, is the ability to have open conversations and support from each other regarding challenges women experience in the workplace. Whether dealing with work life balance, imposter syndrome, or selecting the right mentor...it has become evident that we are all in this together and regardless of your role in the organization many of us have this in common and are willing to support each other to overcome our challenges. The Women's ERG has become a community within ADM and I am looking forward to the continued outreach in 2023."

Molly Strader Fruit, Leader of the NA Women's ERG



## Community Impact





### Highlight: Concern Worldwide



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Concern Worldwide believes that no human potential should go unfulfilled due to poverty, disaster or crisis. Since 1968, Concern has worked with some of the world's most vulnerable communities to achieve lasting change. Their programs are designed to address the specific causes of extreme poverty in each community, but largely fit into one of the six categories: emergencies, displacement and refugees; health and nutrition; climate and environment; livelihoods and financial empowerment; education, and gender empowerment.

In 2019, ADM Cares announced a \$1M contribution to Concern Worldwide to create LEAF: Lifesaving Education and Assistance to Farmers program, a comprehensive, dualphased program to address malnutrition in Kenya and Ethiopia. After eighteen months of the first phase of our partnership, ADM LEAF directly impacted close to 50,000 individuals through lifesaving treatment of acutely malnourished children, as well as development of sustainable livelihoods for poor and vulnerable people to generate longterm income.

















Food & Nutrition are among the most basic human needs, but malnutrition is complex.



**Concern's approaches are based on specific** community needs, guided by a focus on:

- Women and children
- Community empowerment
- Innovation



**Concern pioneers cutting-edge solutions to help** address the multiple and interrelated causes of and contributors to poor nutrition outcomes. Two most notable innovations, both of which will be leveraged for ADM's LEAF program, include:

- Community Management of Acute Malnutrition (CMAM)
- Realigning Agriculture to Improve Nutrition (RAIN)





ADM LEAF prevents malnutrition through the promotion of sustainable agricultural techniques for poor and vulnerable people to generate long-term income. Also, the program increases the adoption of nutrition-sensitive and climate-smart agricultural production to promote longevity. Through the LEAF program, Concern specifically implemented program activities to alleviate high malnutrition levels by working with 60 community health volunteers on early detection and referral for malnutrition cases. In addition, ADM LEAF provided further programmatic support to the community through farming input, such as tractor subsidies, certified seeds, fuels subsidies, water pumping sets, and facilitated irrigation canal access for 300 farmers to increase crop production.

ADM LEAF also subsidizes the cost of accessing irrigation canal water by offsetting the costs for 50% of the target farmers who could not afford the cost paid to the National Irrigation Board (NIB) which owns the rights to the irrigation canal water. The Kenyan government has also agreed to a co-investment with the Tana River County Government Department of Agriculture providing farmers with 3,000 kg of certified seeds (mostly maize and green grams), and the distribution of pesticides targeted at the potentially devastating fall armyworm for 6,000 farmers.





Outreach to smallholder farmers to provide training and access to financing and equitable business opportunities have enhanced overall community livelihoods. Farmers enrolled in LEAF have increased production capacities through programs, reducing produce losses from 60% to 20%, and through enhanced irrigation, which helped farmers move from the river basins to higher ground, providing better opportunities for crops to thrive. What's more, roughly two-thirds of the total seeds planted in Tana River, Kenya were drought-resistant, affording better yields and incomes to the community. Farmer training, access to financial services, and implementation of vegetable planting in home gardens all provided additional support for local farmers to enhance well-being.

The ADM Cares Committee approved an additional \$400,000 contribution to continue LEAF Phase II in Kenya in 2021 and 2022. The contribution reached close to 10,000 farmers and impacted over 60,000 individuals. This program has allowed the communities of Tana River to maintain a basic level of food security, seeing approximately half of the farmers reaching self-sustainability without inputs from Concern. Kenyan government officials and local farmers have also invested in the LEAF partnership, which is not typically seen. LEAF II has been a tremendous program and a model for resilience in food security and nutrition with Kenya and all the Horn of Africa facing the worst drought in 4 decades.

Unfortunately, the situation continues to deteriorate with communities in the Horn of Africa facing the immediate threat of starvation and suffering the worst consequences of a global climate crisis. Across the Horn of Africa, at least 36.1 million people were affected by severe drought in October 2022, including 24.1 million in Ethiopia, 7.8 million in Somalia and 4.2 million in Kenya. This represents a significant increase from July 2022 when an estimated 19.4 million people were affected.

The ADM Cares Committee and Concern Worldwide are discussing best, next steps and opportunities to expand programming like LEAF to other parts of the world.





### LEAF II

The LEAF II program has allowed the communities of Tana River to maintain a basic level of food security, seeing approximately half of the farmers reaching self-sustainability without inputs from Concern, a massive achievement within the crisis context. Target communities can be completely self-sufficient through irrigation systems, crop rotations, and nutritional education.

A community member and mother, Aisha, explains, "Hunger has now reduced, and we are able to eat at least three times a day with my family. My child is healthy too and out of the nutrition program since September. We no longer rely on one type of food."





## SDG Alignment





nutrition-rich agriculture opportunities)





(Farmers receiving technical extension training are practicing at least one form of climate smart agriculture)



(Small numbers of fruit trees are being planted on farms)



(Farmer incomes and regional development)



# Efforts in Ukraine







With a number of operations based in Ukraine and surrounding areas, ADM understood its responsibility to aid those impacted by the conflict in Ukraine. ADM has contributed 13 million dollars to support Ukrainian colleagues and those affected by the war. The contributions come from a mix of ADM Cares funding, Corporate Support, as well as colleague contributions. ADM has donated to various NGOs, including the World Food Programme, Doctors without Borders, and the Red Cross.



ADM has also donated directly to hospitals and medical centers, including a donation to the Institute of Traumatology & Orthopaedics, founded in 1919 in Kyiv, to help purchase medical equipment for operating on injured civilians. ADM colleagues in Ukraine visited the Institute of Traumatology & Orthopaedics to take delivery of the medical equipment and meet with hospital representatives. ADM also supported individual colleagues through emergency support such as lodging and relocation aid. Portable powers stations for Ukrainian colleagues, donated by ADM, provided critical electricity to colleagues in need. Each charging unit can power multiple essential devices for hours on end during a power outage, including refrigerators, ovens and heaters in addition to laptops and mobile phones. With attacks on Ukraine's energy infrastructure, many people in the country are experiencing power cuts, making the charging devices much needed sources of emergency power.









Perhaps, most notably, over \$3.3M was contributed by ADM Cares, matching colleague contributions to ADM's Rebuilding Lives Fund, which will help Ukrainian colleagues and their families with future rebuilding opportunities, illustrating the giving spirit of ADM's family to support our colleagues in need.

Efforts from ADM employees did not stop at monetary donations. Colleagues across Europe opened their homes and offices to displaced colleagues, offering support for those who had to make the decision to leave Ukraine.

Individual ADM sites across the world set up colleague-led fundraisers, from moving challenges where each mile walked, swam, biked, or ran corresponded with a donation, to partnerships with organizations that allowed Ukrainian children to receive gifts for the holidays.



## Monitoring and Verification





### Sedex

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 2022, 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 or forced labor of any kind was observed.

ADM sustainability, legal, operations, and compliance teams work with the locations to identify and implement corrective actions.

ADM also utilizes Sedex to understand their suppliers' sustainability journeys. We're continuing our efforts to get connected to all applicable suppliers on the platform.

In 2022, ADM conducted 29 SMETA audits across all 3 business units and in 9 countries.









### Grievances

In 2022, ADM received a total of 48 grievances; of those some were specific to human rights. All grievances have been addressed, and in any ongoing conflicts we are engaging the affected stakeholders. The most common Human Rights grievances were land disputes in South America. While ADM is not directly responsible for any land dispute cases, we are engaged as a member of the affected supply chain. No legal ramifications have resulted from these disputes, and local teams are addressing these conflicts with the accused suppliers. Indigenous rights and local laws protecting indigenous people continue to be upheld.

#### 2022 Grievances by Status









## Reporting



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

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





We welcome feedback and comments at responsibility@adm.com



