ADM’s Commitment to Protecting Forests, Biodiversity and Communities

H2 2021 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 H2 2021 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 SouthAmerica.
Our South American Soy Footprint

Brazil, Argentina, Paraguay, Uruguay
- Processing facilities in South America
- Origination and procurement facilities
- Trading office

ADM’s Commitment to Protecting Forests, Biodiversity and Communities
Our Soy Sustainability Journey

2006
- GTS - Soy Working Group created

2009
- Joined RTRS in 2007
- ASM changes cut-off date to 2008 to be in compliance with BR Forest Code
- Doing it Right Program - Programa Produzindo Certo is launched

2015
- Achieves ISCC certification in Paraguay and Brazil
- ADM launches its No Deforestation Policy for soy and palm
- ADM Responsible Soy Standard certification scheme is launched

2017
- ASM renewed indefinitely
- Sustainability Progress Tracker: Public information about ADM’s SA footprint and progress reports
- Launched Sustentagro, an initiative to support sustainable practices for farmers in Paraguay
- GTC - Cerrado Working Group is created

GTS - Soy Working Group created

ADM’s Commitment to Protecting Forests, Biodiversity and Communities
Our Soy Sustainability Journey

- **2018**
  - ADM Responsible Soy Standard v2

- **2019**
  - Soft Commodities Forum (SCF) founded
  - Geospatial Traceability/monitoring program for direct SOY sourcing in High Deforestation risk areas in Brazil begins
  - Traceability program for direct sourcing extends to Paraguay
  - Doing it Right Program achieves over 600 farmers and more than 1.5M hectares assessed

- **2020**
  - Public traceability efforts in high-risk areas in the Cerrado get enhanced and more granular
  - Sourcing policy under revision
  - Enhanced transparent reporting
  - Carbon footprint of soy and byproducts for ADM’s largest plant in Brazil

- **2021**
  - Revised No Deforestation Policy
  - Revised Human Rights Policy
  - 1st Cerrado Native Vegetation Restoration project
  - 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.
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.
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.
2021 SOY
Sourced by region.

South America Purchase 2021

- Uruguay: 1%
- Argentina: 8%
- Brazil: 84%

ADM’s Commitment to Protecting Forests, Biodiversity and Communities
Traceability Focusing on the Cerrado Priority Regions

As a member of the Soft Commodities Forum (SCF), we committed and achieved in 2020 full traceability to farm for direct suppliers in the priority municipalities that account for almost 70% of all conversion within the Cerrado biome.
Traceability

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.

Setting and Achieving Meaningful Targets

<table>
<thead>
<tr>
<th>MATERIAL TOPIC</th>
<th>MILESTONE</th>
<th>PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traceability</td>
<td>Increase digital satellite farm maps (polygons) of direct soy suppliers</td>
<td>In progress</td>
</tr>
<tr>
<td></td>
<td>100% of suppliers in Paraguay</td>
<td>100% of suppliers in Mato Grosso (Brazil)</td>
</tr>
<tr>
<td></td>
<td>100% of suppliers in 25 priority municipalities of MATOPIBA (Brazil)</td>
<td>100% of suppliers in Mato Grosso do Sul (Brazil)</td>
</tr>
<tr>
<td>Monitor and Verification</td>
<td>100% of soy sourced from</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td>• Amazon Soy Moratorium</td>
<td>• Environmental and Social Impacts of Ingredient Supply Chain</td>
</tr>
<tr>
<td></td>
<td>• IBAMA embargoed areas</td>
<td>• Ingredient Sourcing</td>
</tr>
<tr>
<td></td>
<td>• National Pact for the Slavery Work Eradication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Pará Green Grain Protocol</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• ADM’s No Deforestation Policy for 100% of polygons</td>
<td></td>
</tr>
</tbody>
</table>
Supplier Engagement

Grievances mechanism
Projects
- Engagement and Transformation
Grievances & Resolutions

From 2019 through 2021, we have investigated over 248 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

Sustainable farming extension programs
Inclusive and continuous improvement through Best Management Practices (BMP) Programs

- ADM has supported extension programs for farmers since 2009

Program partners include:
- Produzindo Certo
- Sustenágil
- SOJA PLUS
- Parque Cerrado e Vida
- CETEDI
- A TodoPulmón

Highlights

ADM’s sustainable sourcing in South America includes on-farm assessments. To date, our BMP programs have assessed:

- Over 1,000 farmers
- More than 2,500,000 hectares
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, such as:

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.


CERTIFICATIONS
In South America ADM works with different certification standards: 2BSvs, ISCC, ARS, which promote the producer year after year the sustainable production of soy.
Native Vegetation Restoration projects

ADM Paraguay together with the NGO “A Todo Pulmon”, supported a reforestation project in Colonia Independencia, Guairá. During 2021, 50,000 native tree seedlings are being planted.

Parque Vida e Cerrado
In 2021, ADM Brasil began working with Parque Vida e Cerrado, a regional hub for restoration, scientific ideation and environmental education. Together, we have developed a project aiming to restore degraded areas in the Brazilian Cerrado.

The project will work with ADM suppliers to identify and develop restoration opportunities and plans that maximize biodiversity impacts. The first year, we will reforest 50 hectares with native seedlings and seeds.

One Tree
In 2021, working with One Tree, ADM sponsored the restoration of native vegetation to increase farmers’ legal reserves in Minas Gerais, Brazil. Working collectively with local communities, the One Tree project restored 2,300 hectares and planted over 18 tons of native seedlings.
Monitoring & Verification

Since 2018, specialized firms with GIS technology (satellite imaging) have been cross-referencing planted areas within the farm polygons of our direct suppliers in high-risk areas to determine if the soy being sourced is compliant with our Policy. Farms are also verified to make sure there are no environmental issues (embargoed areas), encroachment into protected areas or Indigenous Territories, or labor issues which violate our No Exploitation Policy. In our grievance log, we have investigated and responded to reports that were sent to ADM inquiring if soy from newly cleared areas in Brazil were in our supply chain. We are proud to say that none of those cases reported had links to the soy within our supply chain.


<table>
<thead>
<tr>
<th>Farms Blocked Due to Sourcing Criteria</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Embargoes (IBAMA/SEMA-MT)</td>
<td>30</td>
</tr>
<tr>
<td>Soy Moratorium</td>
<td>21</td>
</tr>
<tr>
<td>Para Green Grains Protocol</td>
<td>12</td>
</tr>
</tbody>
</table>
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 #14. We welcome feedback and comments at responsibility@adm.com

2021 Sustainability Report