



# **ADM's Commitment to Protecting Forests, Biodiversity and Communities**

H1 2022 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 2022 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.





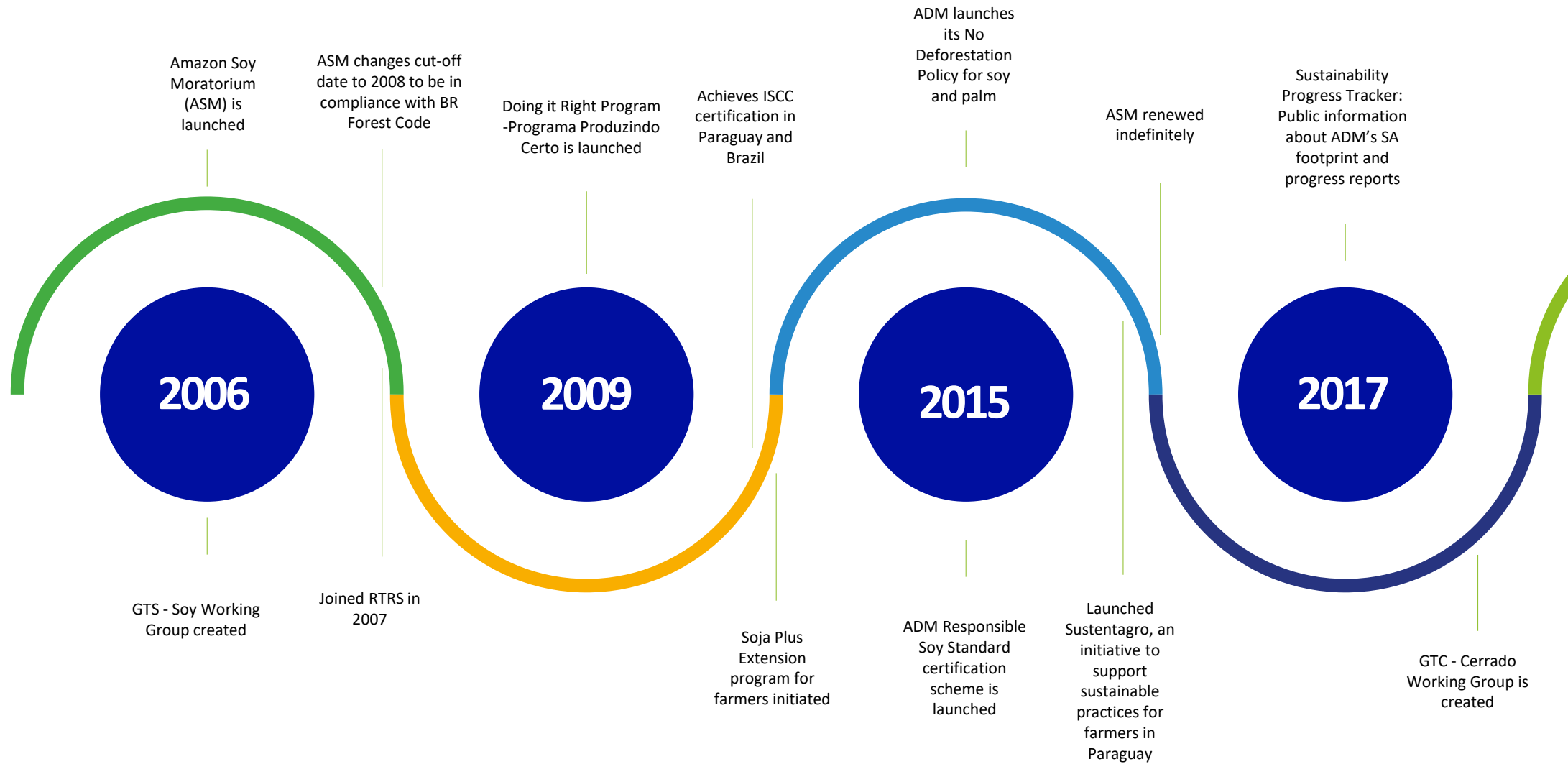
# Our South American Soy Footprint

## Brazil, Argentina, Paraguay, Uruguay

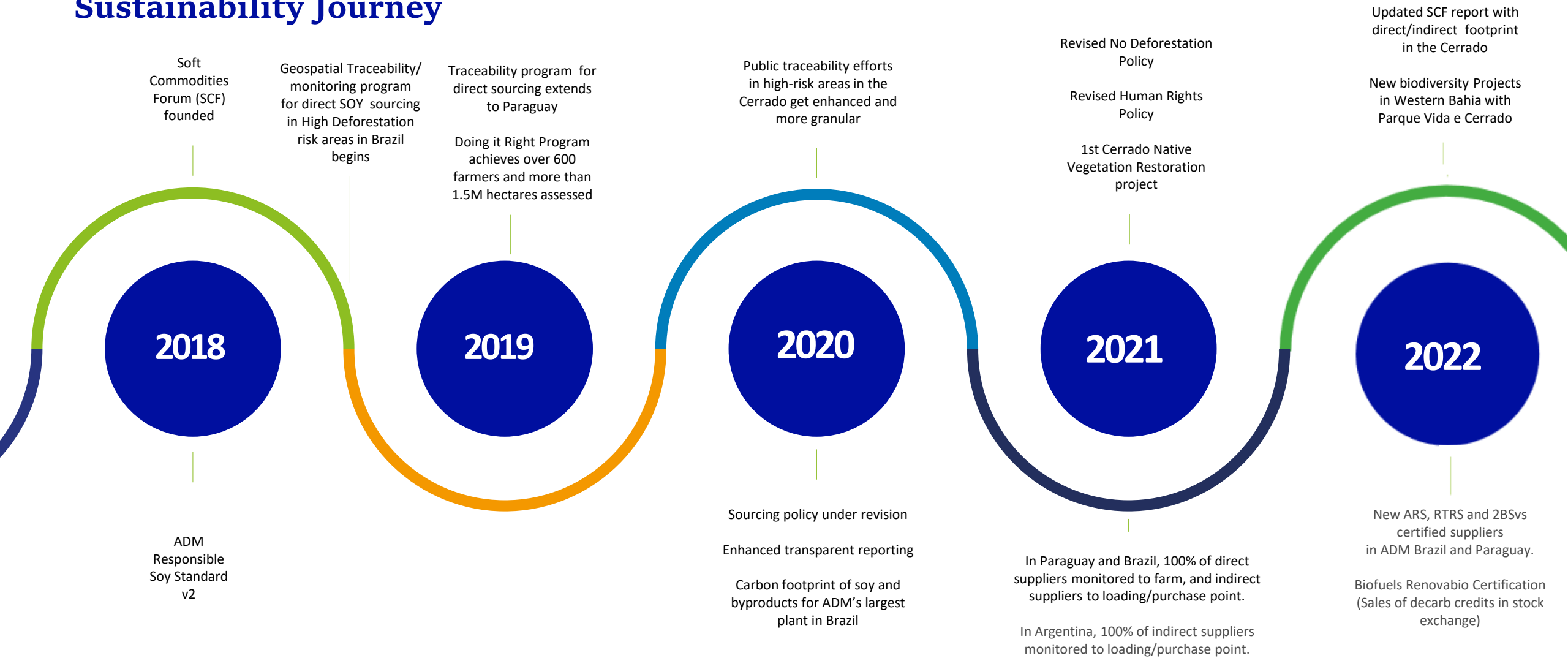
- Processing facilities in South America
- Origination and procurement facilities
- Trading office



# Our Soy Sustainability Journey



# Our Soy Sustainability Journey





**Supply Chain  
Traceability**



**Supplier  
Engagement**



**Monitoring  
& Verification**



**Reporting**



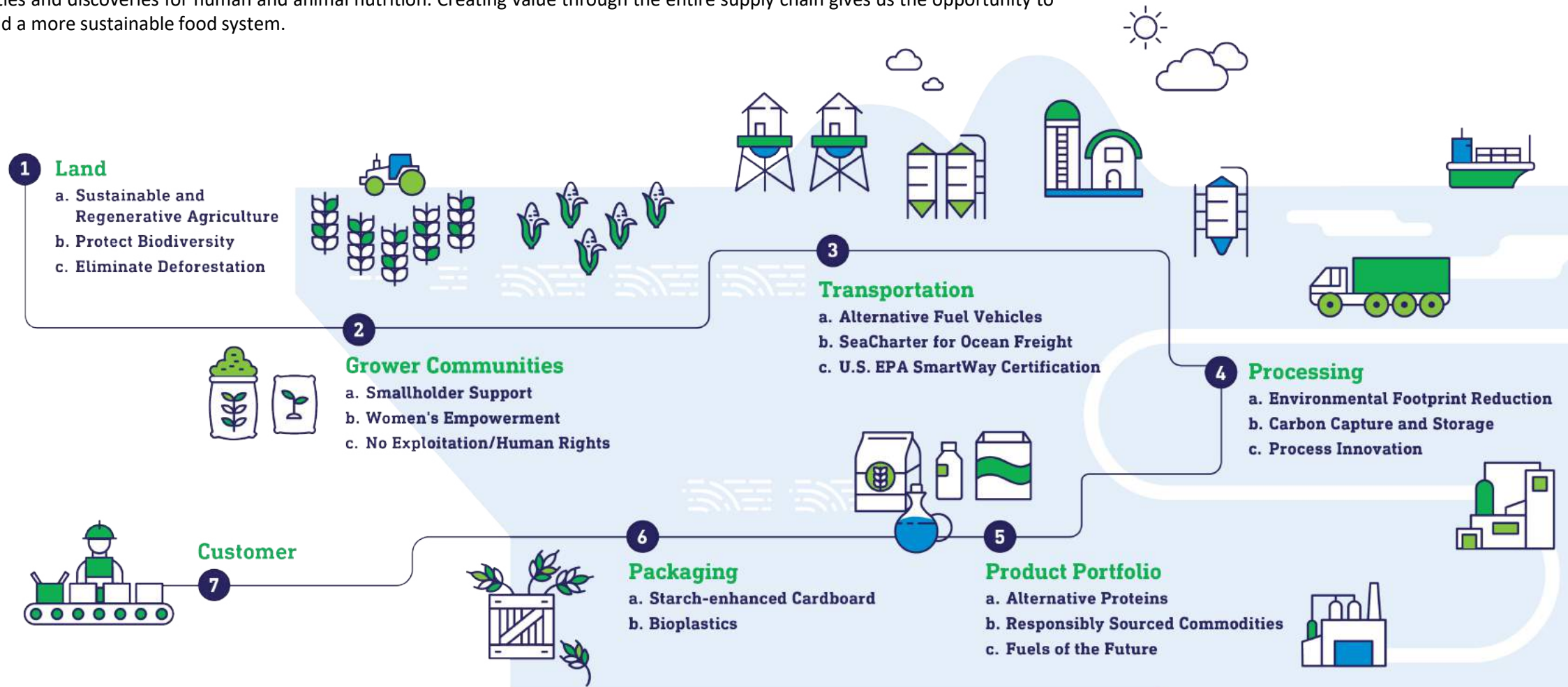


## Supply Chain Traceability

- ADM's Soy Supply Chain
- Soy Sourcing in South America
- Traceability

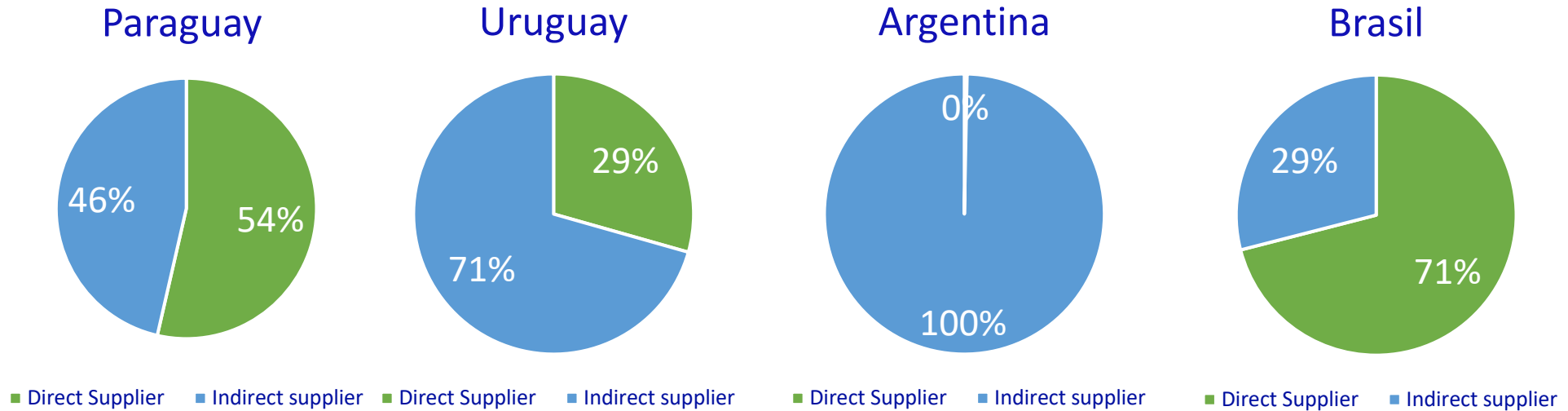
# ADM is Integral to Building a More Sustainable Agricultural Value Chain

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.





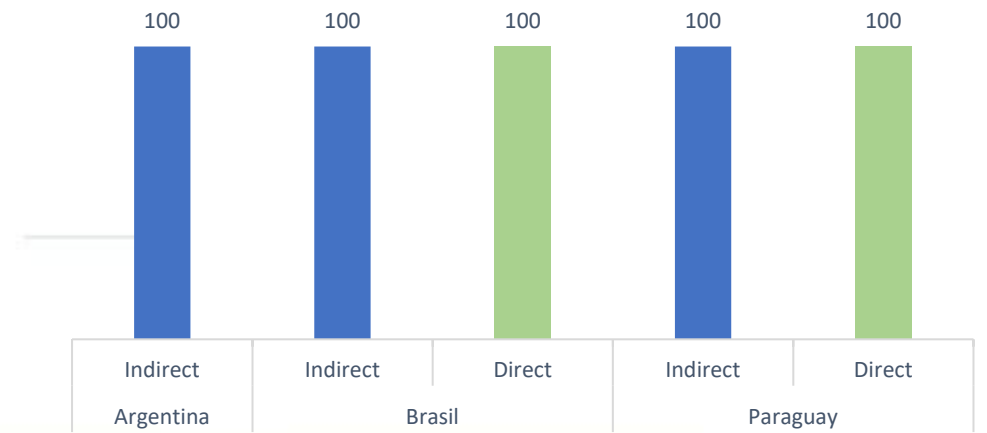
# South America Traceability 2022 Soy Volumes by Geography



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.

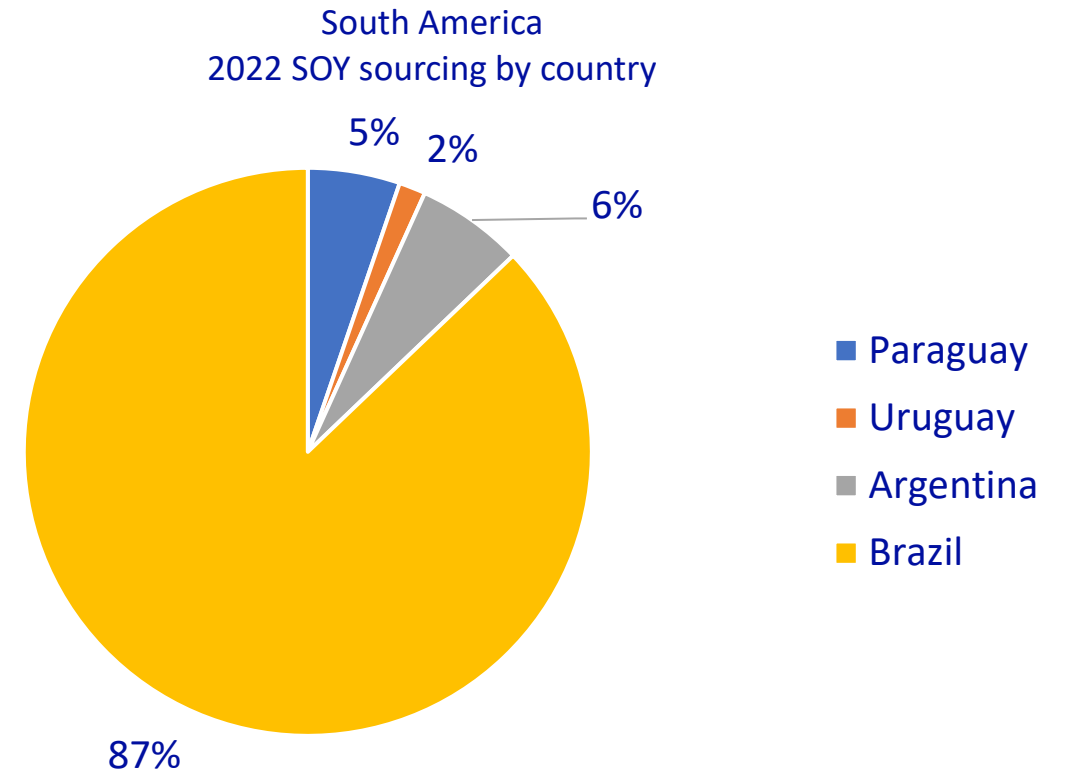
In Argentina we source indirectly from areas close to the export facilities.

## Percent Traceable by Country





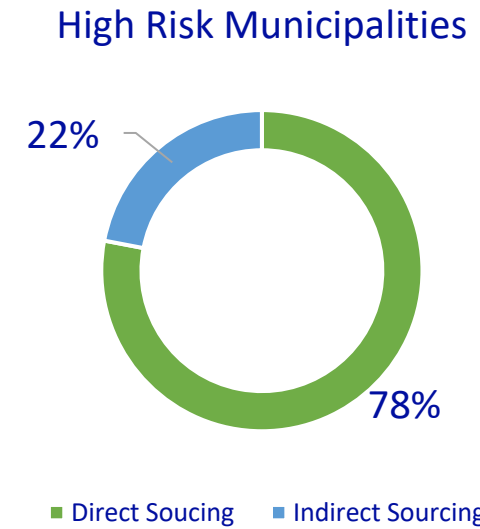
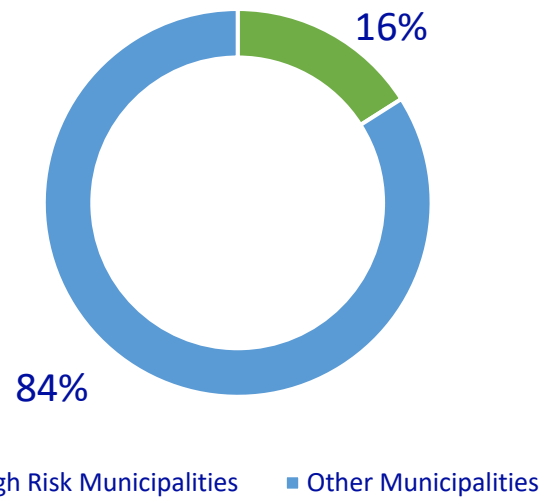
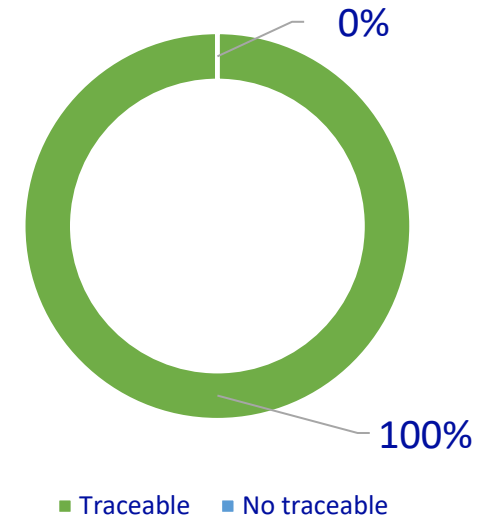
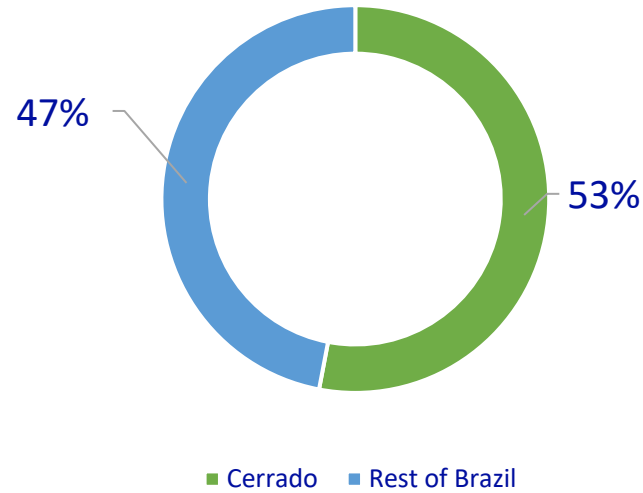
## 2022 SOY Sourced by region.





## Traceability Focusing on the Cerrado Priority Regions

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.



# 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.

## Soy

KEY TOPIC	GOAL	PROGRESS	TARGET DATE	SDG/SASB ALIGNMENT
 <b>Traceability to Origin*</b>	100% of Direct suppliers in Brazil	 <b>Achieved</b>  100%	6/30/2021	     <ul style="list-style-type: none"> <li>• Environmental and Social Impacts of Ingredient Supply Chain</li> <li>• Ingredient Sourcing</li> </ul>
	100% of Indirect suppliers in high-risk areas in Brazil	 <b>Achieved</b>  100%	12/31/2021	
	100% of Indirect suppliers in Brazil	 <b>Achieved</b>  100%	3/31/2022	
	100% of Direct and Indirect suppliers in Paraguay	 <b>Achieved</b>  100%	12/31/2022	
	100% of Direct and Indirect suppliers in Argentina	 <b>Achieved</b>  100%	12/31/2022	

\* For full explanation, see page 24.





# Supplier Engagement

- Grievance Mechanism
- Projects
- Engagement and Transformation

# Grievances & Resolutions



From 2019 through 2022, 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**
- **Sustentável**
- **Agro Plus**
- **Parque Cerrado e Vida**
- **CETEDI Foundation**
- **A Todo Pulmón Organization**
- **Conin Foundation**

## 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.

For the complete Jun 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, SAI which promote the producer year after year the sustainable production of soy.





A wide-angle photograph of a lush green agricultural field, likely a soybean field, stretching towards a line of trees in the distance. The sky is a deep blue with scattered white clouds. The field is divided into rows by dark tracks, possibly from a tractor. The overall scene is bright and clear, suggesting a sunny day.

## Engagement and Transformation Projects

### **A Todo Pulmon**

Together with the NGO A Todo Pulmon, we are supporting in Paraguay indigenous communities, by providing technical assistance and inputs to create vegetable gardens that will complement their diets.

### **Caritas**

In Argentina ADM supports Caritas Foundation an organization that provides meals and food supplies to vulnerable communities.



# 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**



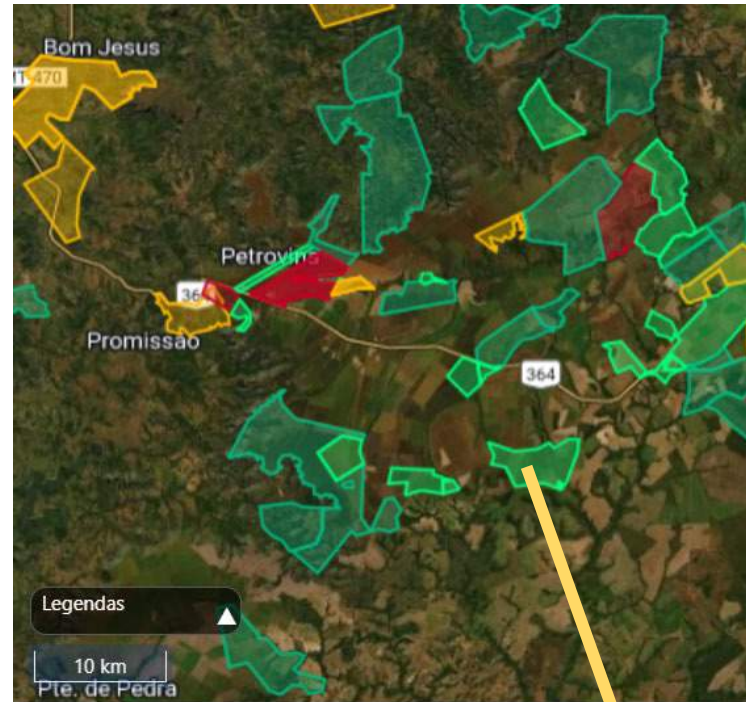
## Monitoring & Verification

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.

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

Farms Blocked Due to Sourcing Criteria	
Environmental Embargoes (IBAMA/SEMA-MT)	55
Soy Moratorium	26
Para Green Grains Protocol	15







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

2021 Sustainability Report

<https://www.adm.com/sustainability/sustainability-progress-tracker/soy>

