



Human Rights Policy Implementation

2021 Progress Report

Introduction

In March 2015, ADM committed to its Respect for Human Rights policy. In 2021, we published an update of the policy to improve clarity and align with the United Nations Guiding Principles (UNGP) framework. We also ensured that 100% of our colleagues completed human rights training. Our updated policy outlines what drives the Human Rights Due Diligence process that we have developed.

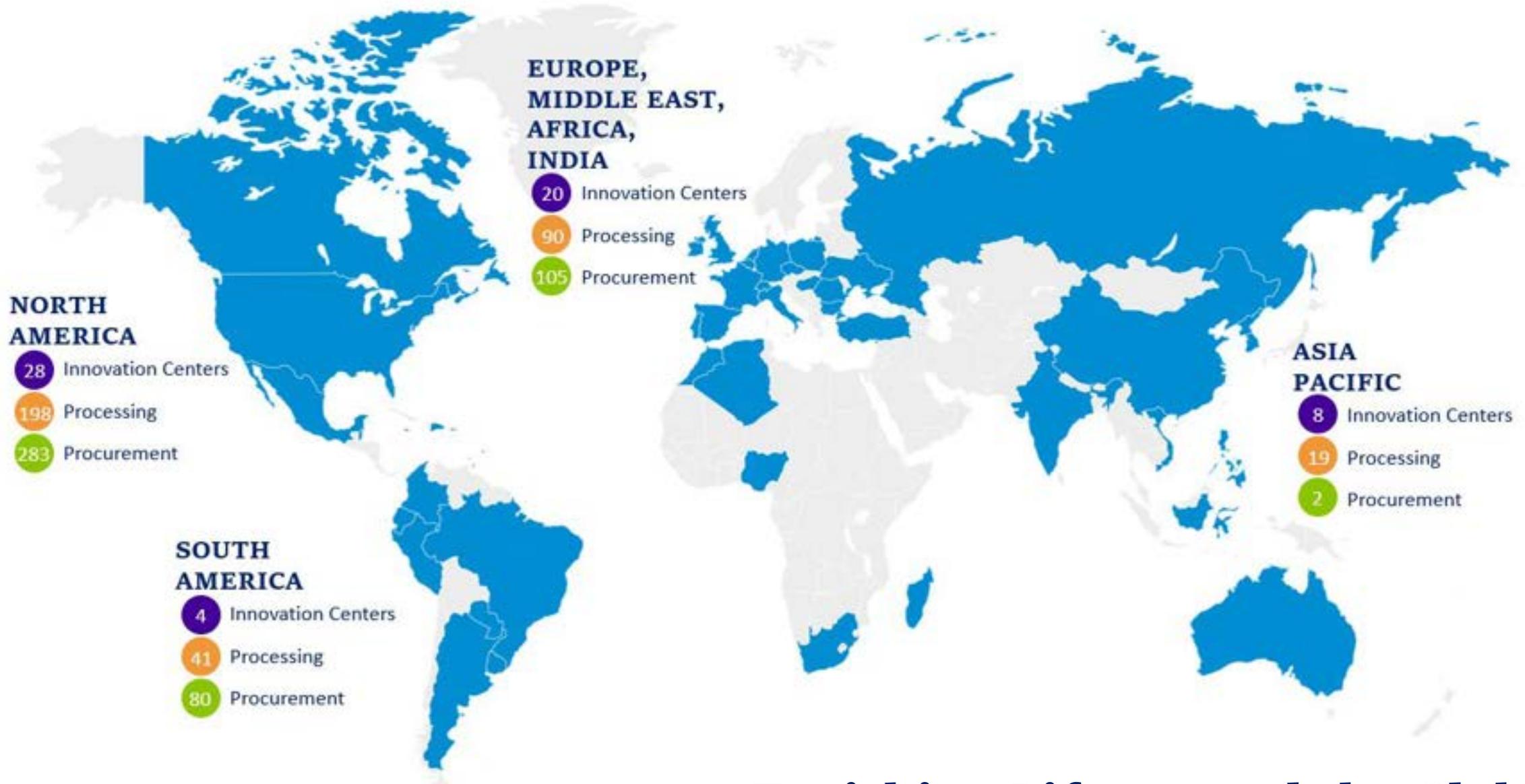
This report summarizes the activities and results of our 2021 efforts with regards to the four pillars of ADM's human rights journey:

**Supply Chain
Risk Assessment**

**Supplier
Engagement**

**Monitoring &
Verification**

Reporting



Enriching Life Around the Globe

Contents

<i>Introduction</i>	3
<i>The Global Human Rights Landscape</i>	6
<i>2022 Action Plan</i>	7
<i>Key Performance Indicators</i>	8
<i>Supply Chain Risk Assessment</i>	9
<i>Supplier Engagement & Transformation Projects</i>	12
Highlight: <i>SAVAN Vanilla Program</i>	17
<i>Monitoring and Verification</i>	21
<i>Reporting</i>	24



The Global Human Rights Landscape

2021 was a defining year in the realm of human rights. COVID-19 continued to impact the lives of everyone, especially the world's most vulnerable populations. Social movements around the world demonstrated the power of collective action and solidarity, while climate change impacts reminded us about the precarity of everyday life globally. These challenges highlight the importance of assessing and mitigating human rights risks throughout our entire supply chain at ADM and continue to guide our program implementation efforts.

Our updated Human Rights Policy, released in May last year, follows the UNGP framework. It confirms that we safeguard human rights through appropriate policies and implementation programs, conduct Human Rights Due Diligence, as well as ensure access to remedy through judicial and nonjudicial means.

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.

2022 Action Plan

New Initiatives

Our 2022 initiatives will help us to better develop Human Rights Action Plans for our entire supply chain. Based on our risk assessment, the following are Human Rights initiatives to be carried out in 2022:

- Development of a Human Rights Standard Operating Procedure
- Development of a Supplier Risk Assessment Protocol
- Expansion of the Sedex audit program with direct suppliers
- Active engagement with emerging Human Rights Due Diligence laws and regulations across value chain

Current Initiatives

The following actions are continuations of initiatives from previous years that remain relevant for 2022:

- Review of Madagascar vanilla SAQ and results of final 2021 audit report
 - Determine next steps, including future assessment plans and corrective actions
- Completion of Sedex audits at ADM facilities and address non-compliances in a timely manner

Key Performance Indicators and Targets

Description	KPI	Target	Date
Work with compliance, legal, and procurement teams to ensure new contracts include protection of human rights	% of new contracts with human rights clause	100%	End of 2022
Develop an ADM Human Rights Standard Operating Procedure (HR SOP) detailing supplier assessment, risk ranking, mitigation tiers, and action plan development	% of direct suppliers issued SOP	100%	End of 2022
Using methodology outlined in HR SOP, categorize direct suppliers and determine risk-based supplier audit requirements	% suppliers assessed	100%	End 2022
Ensure direct suppliers requiring audits in HR SOP complete audits	% of suppliers audited	95%	End of 2023
Ensure all direct suppliers are actively monitoring their human rights risks through an established due diligence process	% of direct supplier with human rights due diligence process in place	100%	End of 2023



Supply Chain Risk Assessment

1 Land

a. Sustainable Agriculture

- i. Grower partnerships
- ii. Education and outreach
- iii. No-Deforestation

2

Grower Communities

- a. Smallholder Support
- b. Women's Empowerment
- c. No Exploitation/ Human Rights

6

Packaging

- a. Sustainable Packaging
 - i. Starch-enhanced cardboard
 - ii. Bioplastics

3

Transportation

- a. Reduced Fleet Footprint
 - i. Biodiesel river transport
 - ii. Compressed Natural Gas (CNG) trucking
 - iii. Biodiesel trucking

5

Product Portfolio

- a. Sustainable, Secure, Nutritious Food Supply
 - i. Plant-based proteins
 - ii. Colors and flavors from nature
 - iii. Vitamins and supplements

4

Processing

- a. Environmental Footprint Reduction
- b. Carbon Capture and Storage
- c. Process Innovation



We are the foundation of food on tables over the world – 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 build a more sustainable food system and advocate for human rights globally.

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 increases transparency and enables collaboration to protect human rights throughout our supply chain.

Social Compliance Audits

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.

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.



**Supplier
Engagement and
Transformation
Projects**

Accessible Water and Sanitation for Huito Harvesting

Peru

This project connects ADM to Care, an organization that is helping us to provide fresh drinking water and sanitation facilities for schools in the villages of the Peruvian jungle that harvest Huito, a natural source for blue color which is a key ingredient for beverage application. In addition to water and sanitation, our contribution will **provide 750 grocery and cleaning kits to 750 families**. The kits will provide nutritious food for families, as well as face masks, alcohol wipes, hand sanitizer, and other essentials to help mitigate COVID-19 impacts and ensure general health and wellness for the community.

Lastly, ADM and Care will also work to continue to advance sustainable agriculture in the area by teaching and training famers in agronomy and appropriate harvest methods. The program also supports local farmers by assisting with organic and Rainforest Alliance certifications.



Income Diversification for Smallholder Farmers

Malaysia

ADM has been working closely with the Earthworm Foundation to implement programs to that **promote the livelihoods of smallholder farmers** in Malaysia. ADM has been a key supporter of Earthworm's Respect for Workers program in Malaysia since 2017. In 2021, ADM contributed to a project that aims to diversify the incomes of smallholder farmers in Sabah, Malaysia.

Through the program, smallholders are introduced to and empowered to implement various income diversification opportunities, in addition to planting and harvesting palm. The income diversification activities include developing hand-crafted items, goat farming and rearing, apiculture, and swiftlet farming, among others.



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.



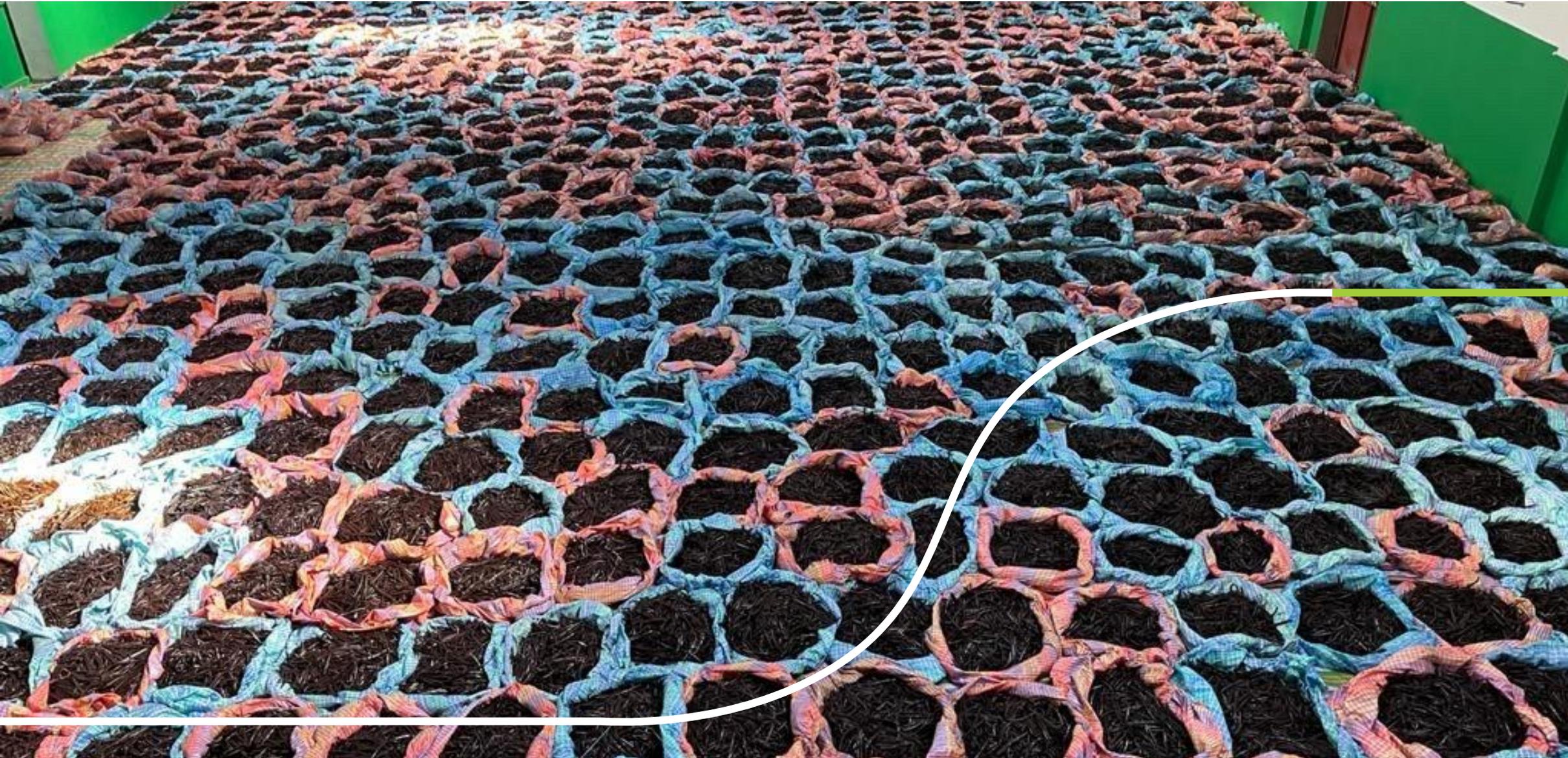
Hunger Relief for Vanilla Farmers

Madagascar

ADM's contribution to Fanamby , a non -profit organization based in Madagascar, will provide an estimated 135 tons of rice, feeding close to **6,102** beneficiaries . The rice donated will be purchased from ADM Rice and donated to local vanilla farmers in Madagascar to provide a key additional food source to area farmers and the community .

The grant is in partnership with Sahanala Madagascar, an association created by Fanamby and joined with ADM as SAVAN, Sahanala ADM Vanilla . SAVAN is focused on preserving the environment and improving farmers' incomes, healthcare, and food security . The association has created a network of more than **3,700** vanilla farmers and is an employee -owned cooperative that gives owner -incentive funds, based on vanilla sales, to each farmer - owner, along with the purchase price paid to farmers for their uncured vanilla beans . Additionally, the association provides agronomy training and education to help farmers increase incomes . The addition of rice as a food source for local vanilla farmers will help further their incomes for other necessities .





SAVAN Vanilla Program

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.

“We are grateful for our collaboration with Sahanala as we benefit from several advantages. Sahanala helps us open bank accounts for our revenue management, supports by providing rice at a good price, offers us materials for the protection and maintenance of our vanilla fields, and also provides us and our families with free medication and healthcare.”

- Ms. Lydia, Zoto Association Leader, Sahanala



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.



“In the next 10 years, I hope to build a high school for our children so they will no longer have to study far away from home, and a professional training center for our village to promote education and youth initiatives.”

- Ms. Lydia, Zoto Association Leader, Sahanala

In 2021, ADM focused its Respect for Human Rights implementation efforts on its vanilla supply chain through SAVAN. Partnering with ELEVATE, ADM:

- Developed a vanilla sourcing protocol in 2020;
- Disseminated a self-assessment questionnaire (SAQ) in 2021 based on the previously-developed protocol to allow growers to provide information on practices and conditions;
- Audited 370 growers and associations to assess conditions and validate SAQ responses; and
- Began preliminary review of SAQ responses to help develop an action plan for 2022-- this includes expanding the scope of the questionnaires and audits to ensure growers from all regions are given a voice.



80%

of the world's vanilla is
sourced from Madagascar



Monitoring and Verification

Sedex Responsible Sourcing Audits

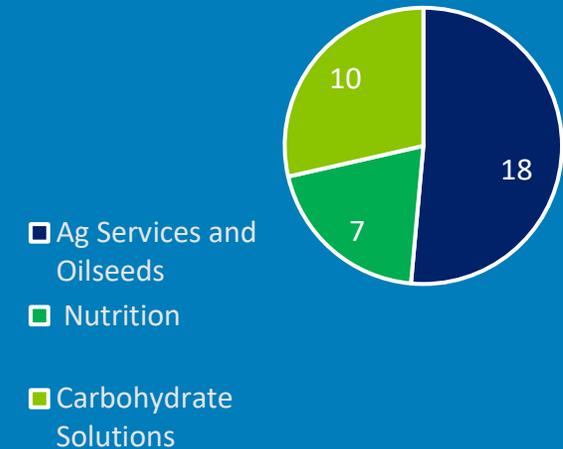
ADM is a member of Sedex and hosts responsible sourcing audits conducted by 3rd party auditors at our facilities around the globe.

At the ADM facilities visited in 2021, 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.

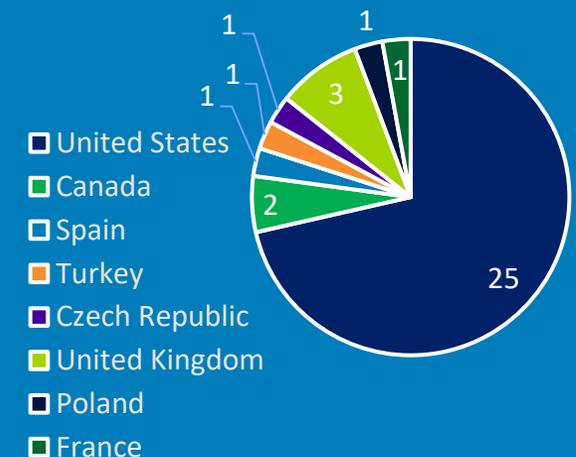
ADM sustainability, legal, operations, and compliance teams work with the locations to identify and implement corrective actions.

In 2021, ADM conducted 35 SMETA audits across all 3 business units and in 8 countries .

Audits by Business Unit



Audits by Country





Reporting

Reporting

- 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



