

A close-up photograph of a soybean plant with vibrant green leaves, set against a blurred background of more foliage. A white curved line graphic starts from the top right and curves down to frame the text below.

**2023 H2**  
Soy Progress Report



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# Introduction

ADM is working to reduce and mitigate South American soy supply chain risks through transparency & traceability, supplier engagement & risk identification, transformation, and monitoring & verification. Our commitment to deforestation-free soy is supported by four key pillars.



## 1. Supply Chain Assessment & Traceability

We evaluate sourcing processes to identify social and environmental risks in the supply chain. We work to ensure traceability for the entire supply chain.



## 2. Supplier Engagement

We prioritize clear communication with suppliers to promote sustainable supply chains. We require our suppliers to conduct their operations ethically, follow laws, and commit to our sustainability goals.



## 3. Monitoring & Verification

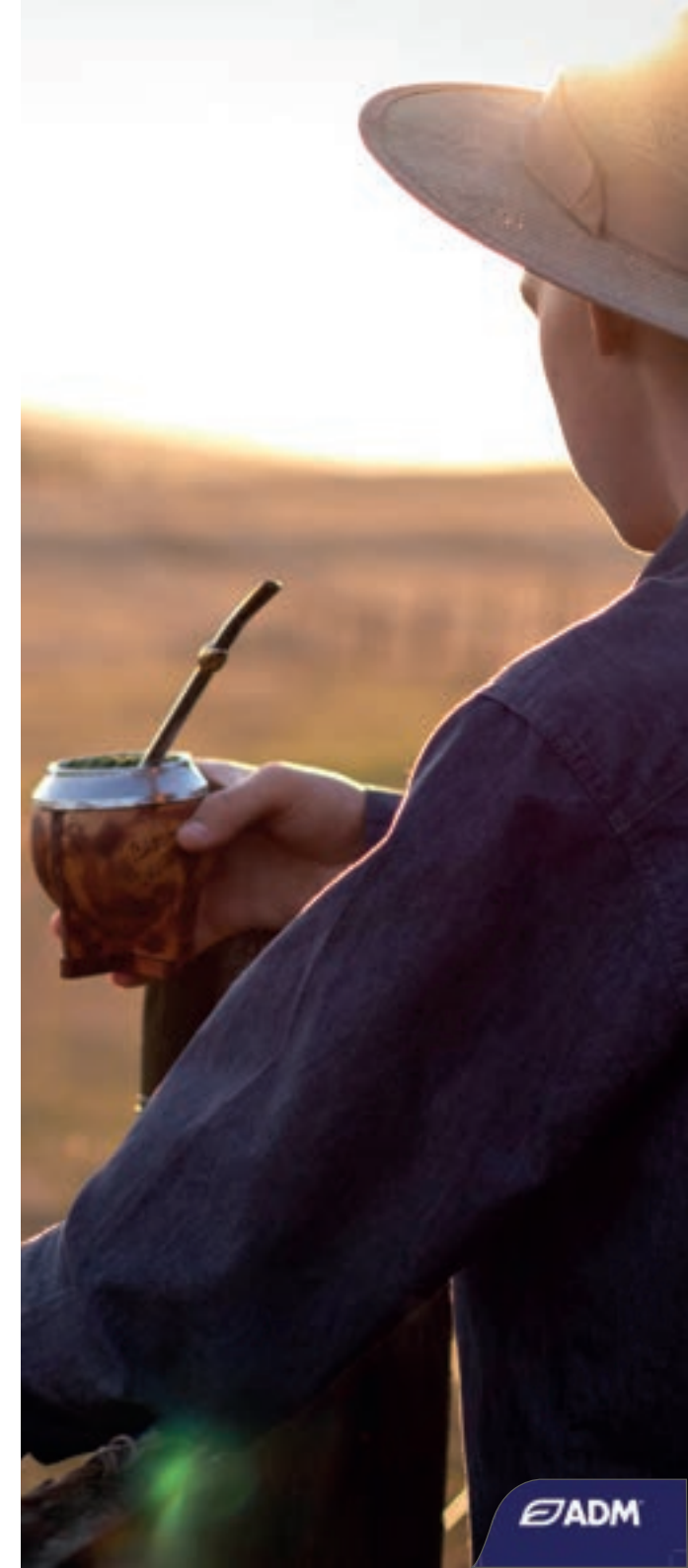
Regional and supply chain-based monitoring procedures are in place to check supplier's commitment and compliance with ADM policies.



## 4. Reporting

We acknowledge that transparent and periodic communication is an effective way of publicly demonstrating progress in our journey.

Building on our 2021 action plan, this report provides an assessment of the risks associated with our soy sourcing in the second half of 2023 (H2 2023).

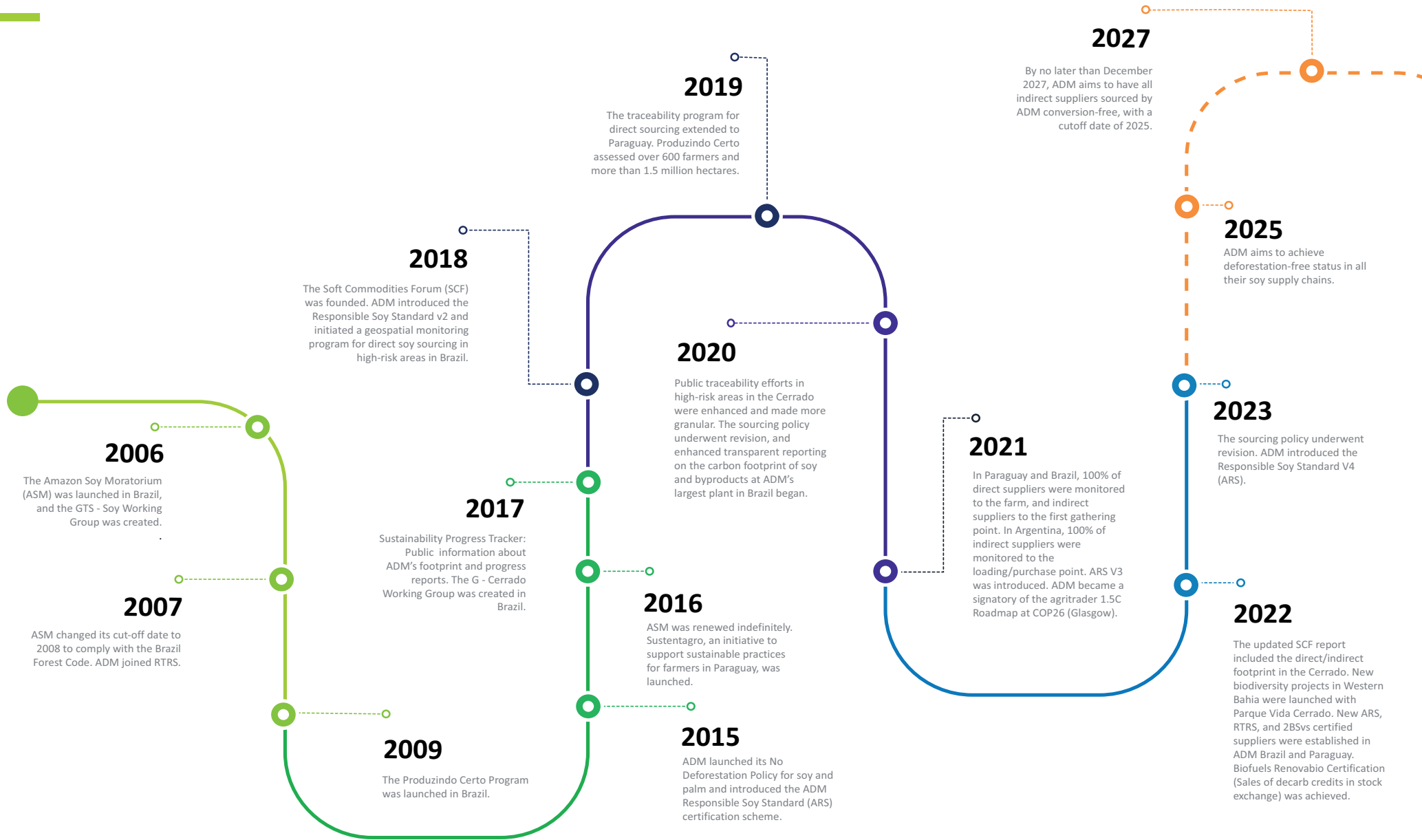


# Our South American Soy Footprint

Leveraging our unmatched capabilities, we strategically navigate the sourcing side of the global soy supply chain. We responsibly source soy from key countries: Argentina, Brazil, Paraguay, and Uruguay, empowering our customers with solutions that deliver a competitive advantage.



# Our Soy Sustainability Journey





# Supply Chain Assessment & Traceability



# Our Supply Chain Traceability

At ADM, we recognize that food sourced directly from nature plays a crucial role in promoting health and wellness globally, enriching cultural experiences through diverse flavors, and exploring innovative solutions in both human and animal nutrition. By creating value across the entire supply chain, we seize the opportunity to contribute to the development of a more sustainable food system. These are the fundamental steps we take to serve the world.

## 1 Land

- Sustainable and Regenerative Agriculture
- Protect Biodiversity
- Eliminate Deforestation

## 2 Grower Communities

- Smallholder Support
- Women's Empowerment
- No Exploitation/Human Rights

## 3 Transportation

- Alternative Fuel Vehicles
- Sea Charter for Ocean Freight
- U.S. EPA SmartWay Certification

## 4 Processing

- Environmental Footprint Reduction
- Carbon Capture and Storage
- Process Innovation

## 5 Product Portfolio

- Alternative Proteins
- Responsibly Sourced Commodities
- Fuels of the Future

## 6 Packaging

- Starch-enhanced Cardboard
- Bioplastics

## 7 Customer

- Food Safety Driven
- Customer Centered
- Quality Focused

# Our Soy Sustainability Commitment

As we strive to achieve a deforestation-free supply chain by 2025, our focus extends beyond direct suppliers to the complexities of indirect sourcing, particularly in high-risk areas. We are enhancing our systems to ensure traceability right back to the farm level, despite challenges posed by indirect sourcing. Through comprehensive risk assessments, precise traceability efforts, and rigorous monitoring protocols, we aim to ensure that all parts of our supply chain—both direct and indirect—adhere to our sustainability commitments and contribute effectively to environmental conservation.

## Navigating Complexity with Indirect Suppliers

In our supply chain operations, particularly in certain regions, a significant proportion of our sourcing is conducted through indirect suppliers. These indirect suppliers serve as intermediaries between us and the original producers, which can complicate traceability back to the farm level. This complexity arises because these intermediaries, for commercial reasons, often maintain confidentiality over their supplier details to protect sensitive business information.

## Advancing Traceability in High-Risk Areas

We are committed to enhancing traceability and transparency across our supply chain. Moving forward, we will intensify our efforts to develop and implement more effective methods to monitor and manage indirect sourcing volumes, particularly in high-risk areas. Our goal is to ensure that all parts of our supply chain, both direct and indirect, adhere to our sustainability commitments and contribute positively to environmental conservation.

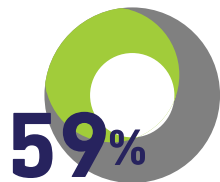




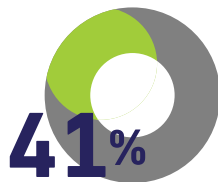
# South America Traceability 2023

In 2022, we achieved 100% traceability throughout our channels in Argentina, Brazil, Paraguay, and Uruguay. In 2023, utilizing satellite technology and through active collaboration with our grower communities, we are effectively monitoring deforestation and conversion free (DCF) soy. As we advance, we are engaging the entire value chain to enhance our practices through third-party verification.

## Global Soy Sourcing



Soy Purchases from other Regions



Soy Purchases from South America

## Argentina

Source Channel



Soy Purchases from Indirect Suppliers

Traceability



Soy Purchases traced to Origin



DCF Average Soy Purchases from Suppliers\*

## Brazil

Source Channel



Soy Purchases from Direct Suppliers



Soy Purchases from Indirect Suppliers

Traceability



Soy Purchases traced to Origin



DCF Average Soy Purchases from Suppliers\*

## Paraguay

Source Channel



Soy Purchases from Direct Suppliers



Soy Purchases from Indirect Suppliers

Traceability



Soy Purchases traced to Origin



DCF Average Soy Purchases from Suppliers\*

## Uruguay

Source Channel



Soy Purchases from Direct Suppliers



Soy Purchases from Indirect Suppliers

Traceability



Soy Purchases traced to Origin

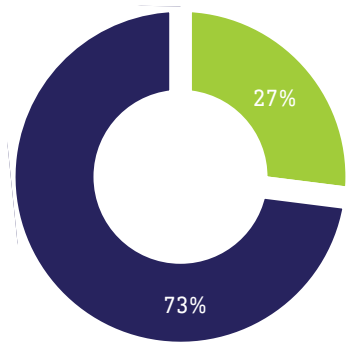
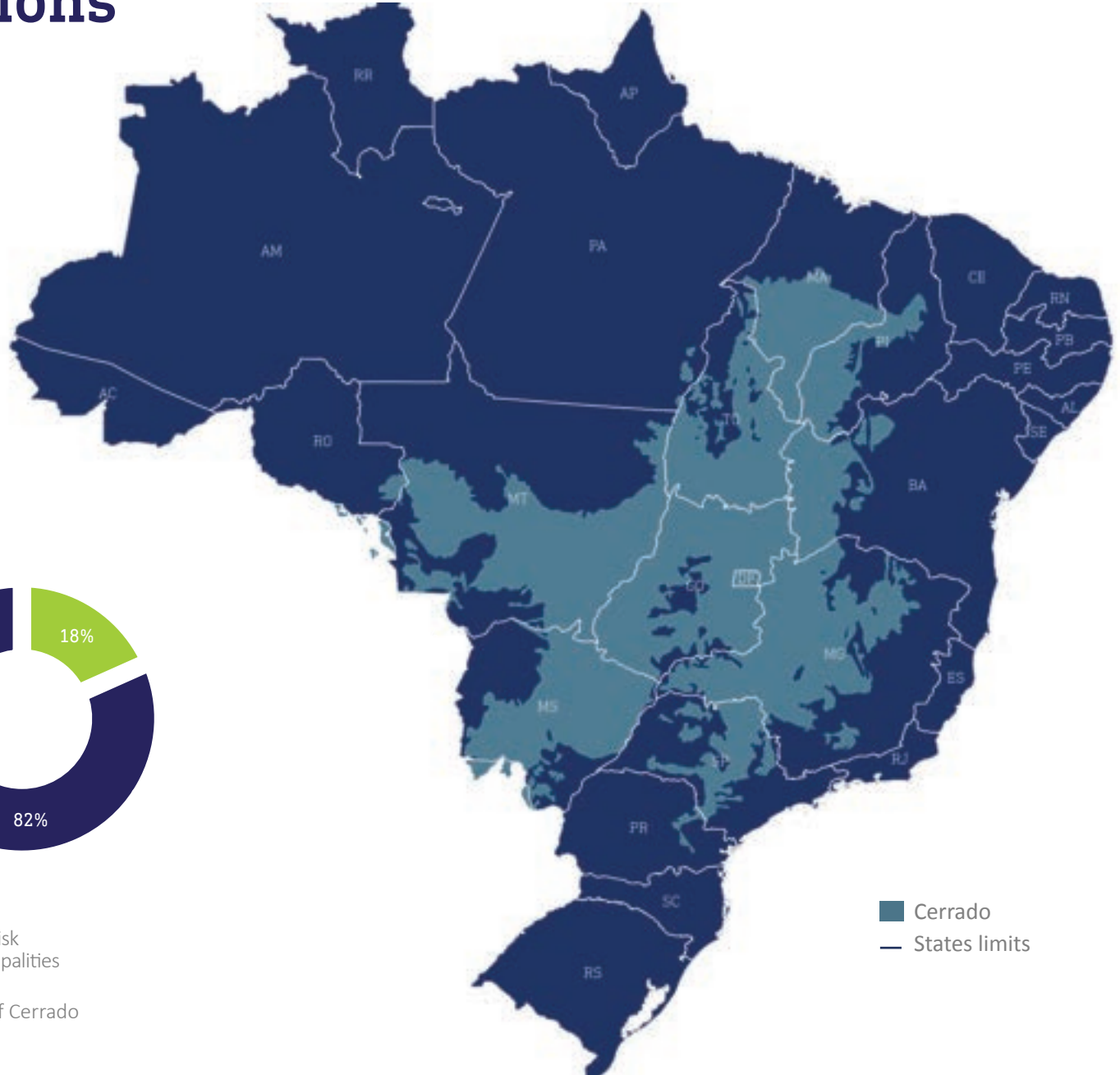


DCF Average Soy Purchases from Suppliers\*

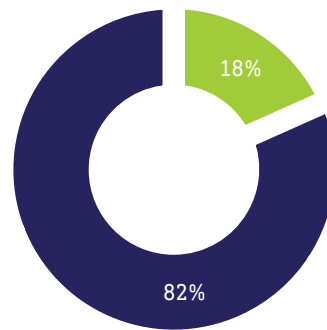
(\*) ADM verification methodology. Third party verification in process

# Cerrado Priority Regions

In Brazil, ADM and its peers are working to identify solutions to eliminate soy-driven deforestation and native vegetation conversion in the Cerrado biome. We are focused on improving the traceability of its soy supplies, this includes identifying and prioritizing municipalities based on various environmental and agricultural factors to better manage the risks associated with soy cultivation and its impact on land conversion.



■ Soy Sourced from other Biomes  
■ Soy Sourced From Cerrado



■ High Risk Municipalities  
■ Rest of Cerrado

■ Cerrado  
— States limits



# Supplier Engagement



# Transformation Projects

ADM's legacy of fostering sustainability and community growth across South America is reflected in our multifaceted initiatives that celebrate biodiversity, education, and environmental stewardship. Our efforts extend throughout the continent, from restoring native vegetation in Brazil's Cerrado to enhancing educational infrastructure in Argentina, nurturing environmental awareness in Paraguay, and revitalizing rural education in Uruguay. These initiatives exemplify ADM's integrated approach to corporate responsibility, where ecological conservation goes hand-in-hand with investing in the social fabric of the communities we serve, laying down roots for a resilient and sustainable future.

## Argentina

In Argentina, ADM has selected three schools near its facilities for significant infrastructure donations. This initiative reflects ADM's investment in education and community welfare, aspiring to create sustainable improvements within Argentine communities.

## Uruguay

ADM Uruguay's partnership with Educate Uruguay aims to enhance rural education by providing essential resources, advanced technologies, and comprehensive training. This initiative is part of a broader effort by Educate Uruguay, a non-profit organization, to improve the public school system in rural areas by fostering an effective and affective connection between students and learning. Established in 2009, the organization has been instrumental in reducing educational disparities between rural and urban children through innovative and high-quality educational programs.

Educate Uruguay's approach places children and teachers at the heart of its educational model, emphasizing personal development and engagement with learning. The organization designs and implements various projects aimed at reimagining school environments and interactions, ensuring that rural education is not a disadvantage but a foundation for unlocking students' potential. Moreover, Educate Uruguay collaborates with national and international partners to integrate new technologies and teaching methodologies, enhancing the capabilities of both students and educators

Overall, ADM Uruguay's collaboration with Educate Uruguay supports these efforts by contributing resources that align with their mission to empower rural communities through education, find more about Educate [here](#)



# Transformation Projects



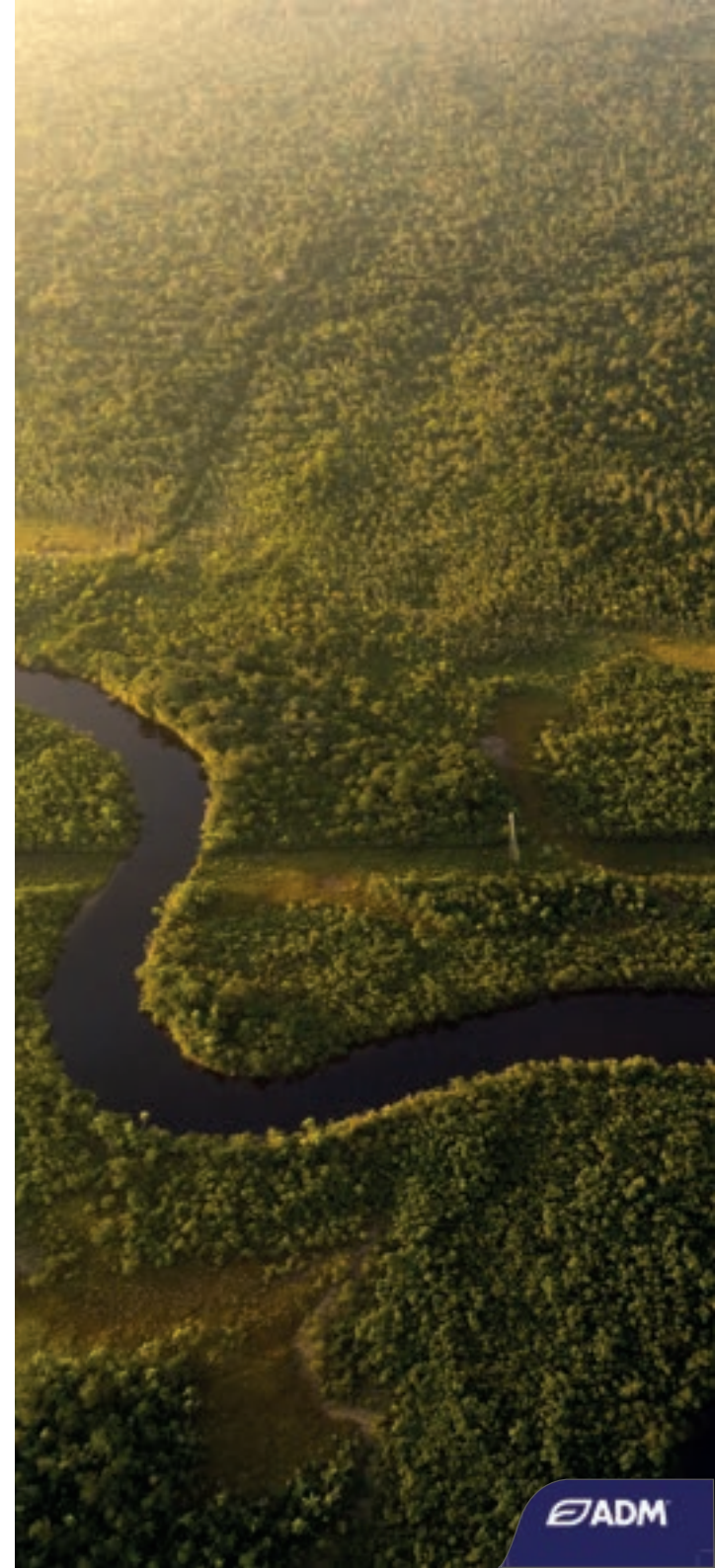
## Brazil

In 2023, we continued our efforts with Parque Vida Cerrado. ADM supported a project focused on restoration of habitats and biodiversity through methodology of tracking mammal species moving through farms in the region as well as a project working with local schools to support education and restoration activities.

ADM, Parque Vida, and local farmers developed a program to observe and track the movement of wildlife through farmland in the Cerrado. The study set up 25 trail cameras across five farms in Western Bahia, three in Barreiras and two in Luís Eduardo Magalhães. The project captured over 11,000 images and recordings from which project scientists were able to identify 32 different wild mammal species. Of the species identified, 11 are vulnerable or near threatened, including the maned wolf, jaguar, and giant anteater.

Parque Vida Cerrado and ADM also collaborated with two local schools to carry out environmental education workshops. Through the five workshops, the project engaged 21 teachers who then taught more than 460 students about restoration support and intervention activities. The students executed around 30 projects that benefited, their families, their community and the environment.

Learn about Parque Vida Cerrado at: [vidacerrado.org.br](https://vidacerrado.org.br)



# Transformation Projects



## Paraguay

The *Mitanguera Hesaipa Project* boldly advances a transformative vision, providing dynamic support to school-age children and adolescents from indigenous communities in Alto Paraná. At its core, the initiative propels workshops on hygiene, Body Mass Index (BMI) assessments, and deworming for 400 children and teenagers, making these activities engaging and enjoyable, directly addressing health disparities in remote areas.

The Ache community in Puerto Barra, faces limited access to health services, increasing risks for malnutrition and parasitic infections. With our support, the project is ambitiously pushing forward with essential services right where people needed it: dental and medical care, and educational monitoring.

With the help of the Future Generations Foundation and ADM, the *Mitanguera Hesaipa Project* commits to monthly food kit distributions as well, ensuring that children and adolescents maintain access to nutritious meals. The project advances using objective metrics like BMI as a baseline to accurately monitor health statuses. Through these measured efforts, we can directly intervene and support those in critical health ranges, safeguarding the future of these communities.

In addition, as happens every year, ADM has contributed to reforestation efforts by planting trees, with A Todo Pulmón further contributing to the conservation of Paraguay's natural resources.



# Global Partnerships for Sustainability

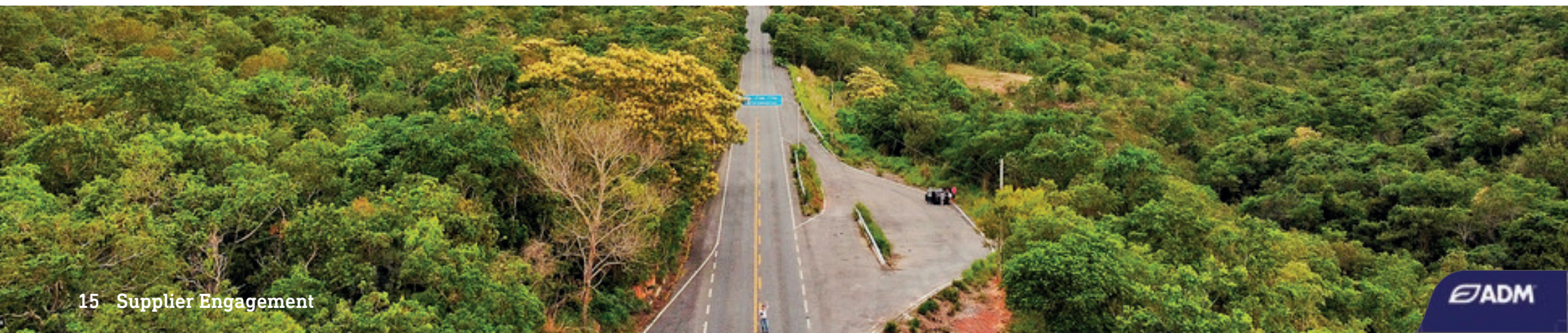
At ADM, our soy supply chain transformation strategy is deeply rooted in engaging with key stakeholders to foster ongoing improvement at all levels. Our active participation in global multi-stakeholder initiatives, particularly in the Soft Commodities Forum as part of the World Business Council for Sustainable Development, underscores our commitment to eradicating deforestation and exploitation. In South America, we reinforce this commitment through adherence to various certification standards which promote the sustainable production of soy year after year.

## Soft Commodities Forum

As of November 2023, the Soft Commodities Forum (SCF) has marked several key achievements in sustainable agriculture. Notably, we've disclosed deforestation- and conversion-free (DCF) soy sourcing for the second time from our focus municipalities, supported by third-party audits for robust data integrity. We've accelerated our engagement with 21 indirect suppliers, enhancing traceability and DCF sourcing, and reinforced our partnerships, particularly with the Consumer Goods Forum for forest-positive initiatives. Additionally, the Farmer First Clusters initiative has successfully enrolled 22 producers, covering over 144,000 hectares, demonstrating our collective progress toward sustainable farming practices. [Discover more in the 2023 SCF Report.](#)

## Certifications

Certifications go beyond compliance; they encapsulate our dedication to preserving natural habitats and advancing sustainable agriculture. Certifications such as 2BSvs, ISCC, ARS, RTRS, and SAI facilitate direct engagement with farmers, empowering them to take actionable steps towards environmental stewardship. This partnership is pivotal in maintaining regional biodiversity, curbing carbon emissions, and upholding the ecological integrity of the areas we touch, ultimately steering us towards a more sustainable future.





# Monitoring and Verification





# Grievances & Resolutions

ADM is dedicated to cultivating supply chains that align with our commitments. We encourage stakeholders with concerns or issues related to the implementation of our Policy to Protect Forests, Biodiversity and Communities, or our Human Rights Policy, to share their insights with us. This collaboration is crucial for our continuous improvement and adherence to these principles.



From 2019 through 2023, we have investigated over **255** allegations in Brazil 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.



Aside from the grievances we receive from 3rd parties, we also had over 1200 alerts from our MRV (monitoring and reporting systems) that preventively blocked suppliers not in compliance with our policies.



# Unlocking Supply Chain Transparency

At ADM, we actively address today's global nutrition challenges while strategically preparing for the future. By fostering strategic partnerships and continually enhancing our policies, ADM commits to maintaining the highest standards of environmental stewardship and human rights. This approach not only significantly impacts global nutrition but also drives our mission towards a sustainable future.

Our commitment to sustainability is demonstrated through strict adherence to environmental embargoes set by IBAMA, ICMBio, and SEMA-MT in Brazil. These measures are crucial for halting activities like deforestation and construction that could harm ecologically sensitive areas. By ensuring compliance, we not only aim to preserve biodiversity but also promote the sustainable use of natural resources.

As a signatory of the Soy Moratorium, this pact prevents the purchase of soybeans from areas in the Amazon deforested after July 2008, effectively reducing deforestation linked to soy farming. Recognized as a zero-deforestation model, the moratorium inspires similar initiatives across different sectors and remains essential for sustainable agriculture in Brazil and globally.

Furthermore, ADM actively combats slave labor conditions as defined under Brazilian law, which includes forced labor and degrading working conditions. The government's list publicizes entities employing slave labor, barring them from accessing financial resources and fostering a culture of compliance and accountability.

The figures below illustrate the farms we have excluded from our business dealings due to non-compliance with our sustainability criteria. Through strategic partnerships and continuous policy enhancements, ADM upholds the highest standards of environmental stewardship and human rights, making a substantial impact on global nutrition and sustainability.

**737**

Environmental Embargoes  
Ibama/ICMBio/  
SEMA-MT

**175**

Pará Green Grains Protocol

**141**

Soy Moratorium

**4**

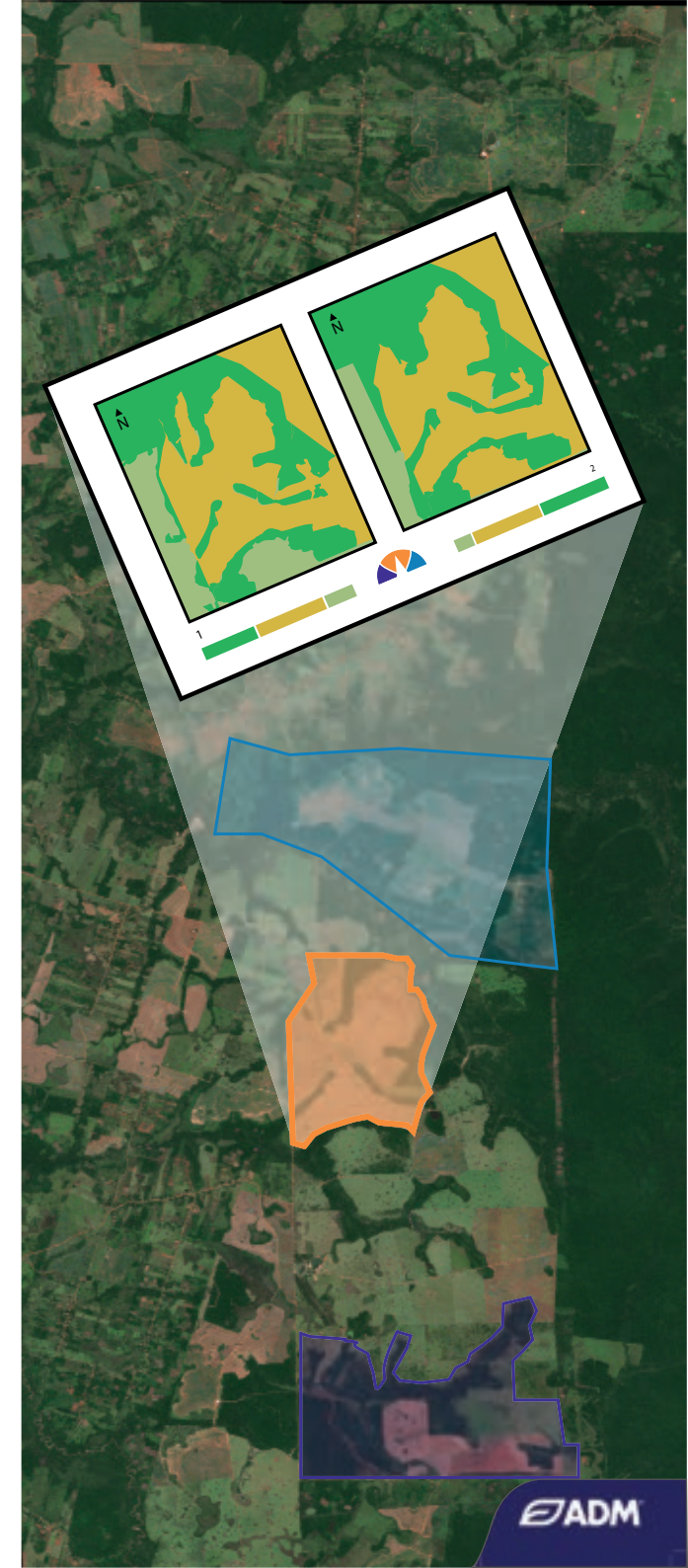
Traditional communities/  
Conservation Unit

**1**

Slave labor

**75**

Others





# Reporting



# Our Commitments and Reports

This section is an overview of our significant impact and historical reports. It features a grievance section that encourages stakeholder participation in the global nutrition chain. Additionally, our sustainability commitments outline the expectations for our colleagues, business partners, and contractors concerning our sourcing operations. Finally, the soy reports reflect our enduring commitment to transparency and information sharing.

## Grievances and Resolutions

Grievances may be submitted through the [ADM Way Helpline](#). To understand the stages of the grievance process, refer to the [Grievances and Resolutions protocol](#), which also provides detailed instructions on how to submit grievances. Learn how we manage potential non-compliance with ADM's policies in the [Managing Supplier Non-Compliance procedures](#). To track the status of grievances—whether they are under investigation, closed, or at another stage—please visit the [Grievances and Resolutions log](#).

## Sustainability Commitments and Policies

These policies establish clear standards that govern our approach to sourcing and the environment, employee conduct, and human rights. Read the [Policy to Protect Forest, Biodiversity and Communities](#) to understand in detail how we plan to eliminate deforestation from all our supply chains by 2025. To learn more about how this policy is being implemented in soy, visit [the Soy Action Plan](#). Our [Code of Conduct](#) outlines how we make a positive impact on the global nutrition chain, our people, and our community. We take care of people following the UN Guiding Principles on Business and Human's right, our [Human Rights Policy](#) demonstrate how we actively uphold these standard.

## South American Soy Progress Reports

Discover how this report has evolved over the years. From 2018 to the present, we are committed to providing detailed information for each crop campaign. Find our last Soy Progress Report [here](#), and for previous reports, please visit our [report web page](#).

To learn more on how we responsibly add value through the supply chain, please visit our [Sustainability web page](#). We welcome your feedback [responsibility@adm.com](mailto:responsibility@adm.com), thanks for reading our public Soy Progress Report #17.

