

EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

TEMPLATE FOR COMPANIES
ARCHER DANIELS MIDLAND (ADM)
REPORT SUBMITTED ON 26 JULY 2024

Type of business/sector <i>(E.g. retail, dairy)</i>	Sustainability dimension <i>(E.g. environmental, social)</i>	Code aspirational objective <i>(1-7)</i>	Individual commitments with baseline	Progress on KPIs and goals (qualitative and/or quantitative)	Additional information <i>(E.g. partnerships, geographical coverage, sharing best practices, links with other COM initiatives, with other reporting initiatives)</i>	Comments <i>(E.g. enablers, ideas on how to improve)</i>
Food processing	Environmental	3	We will go beyond net emissions on our commitment to reduce GHG emissions by pledging an absolute reduction in GHG emissions: 25% absolute reduction in Scope 1 + 2 GHG emissions over 2019 baseline by 2035 and 25% absolute reduction in Scope 3 GHG emissions	In 2023 we achieved 14,7% reduction of scope 1+2 emissions over the 2019 baseline. We also achieved a 7,7% reduction of scope 3 emissions over the 2021 baseline.	Find below the initiatives ADM is conducting to reduce our scope 1,2, and 3 emissions: <ul style="list-style-type: none"> • We have submitted Scope 1 + 2, Scope 3, and FLAG GHG emission reduction targets to SBTi for approval. • Three oilseeds facilities have successfully transitioned from coal to natural gas. 	

			over 2021 baseline by 2035 (By comparison, the EU-wide targets have 1990 as baseline).		<ul style="list-style-type: none"> • We have completed 59 projects aiming to reduce more than 280,000 mt CO2e annually. • We have expanded our regenerative agriculture program aimed at reducing on-farm emissions and sequestering carbon in the soil. We have engaged 2,800,000 acres globally, and our goal is to achieve 5,000,000 acres by 2025. • We work with upstream and downstream partners to improve the quality of data used in our calculations and develop collaborative efforts aimed at reducing emissions across the value chain. 	
Food processing	Environmental	3	We commit to reducing energy intensity by 15 percent over 2019 baseline and to increasing our renewable and low-carbon energy usage to 25% of total energy usage by 2035.	In 2023, we achieved 3.8% intensity reduction over the 2019 baseline and 6.4% usage of renewable and low-carbon energy.	<ul style="list-style-type: none"> • In 2023, we increased our renewable and low-carbon energy use through increased purchases of renewable energy certificates (RECs) and power purchase agreements (PPAs). We continued to invest in the use of biofuels in our mobile and stationary equipment and have made 	Renewable energy includes sources such as wind, hydro, and solar. Low-carbon energy includes zero- or low-emission sources such as biofuels, nuclear, natural gas with carbon capture and storage (CCS), and low-carbon

					<p>progress in our pursuit of technologies that will enable us to use onsite low-carbon fuels.</p> <ul style="list-style-type: none"> In 2023, ADM implemented 89 energy-saving projects across our business units. 	hydrogen and ammonia.
Food processing	Environmental	4	We will achieve an absolute reduction in our water withdrawal by 10 percent over 2019 baseline by 2035.		<ul style="list-style-type: none"> As part of our Strive 35 goals, we committed to develop a global water strategy focused on improving community well-being in priority watersheds, including water-stressed areas. We continue efforts to develop our strategy based on the vision and framework developed in 2022. In 2023, we focused our efforts on identifying the covered facilities, developing KPIs, and identifying partnerships and collaborations that support implementing water reduction and replenishment projects. Our water use reduction efforts are focused on 41 of our largest sites, which collectively account for more than 95% of our global water usage. We refer to these sites as our 	<ul style="list-style-type: none"> Water withdrawal consists of municipal water, surface water, well water, rain water and wastewater purchased from third parties. Our reduction efforts focus on reuse, recycle, and reclaim within our operations, which will allow us to make progress toward our goals and reduce our freshwater intake needs.

					<p>Major Water Users Group (MWUG), and we measure water usage at these sites using a combination of flow meters and utility bills. We exclude once-through cooling water from our withdrawal numbers because we return the water to its original location with only a change in temperature.</p> <ul style="list-style-type: none">• Although we reuse and recycle water through various processes such as cooling tower recirculating, for calculation purposes we only include reuse water that has been processed in our onsite wastewater treatment facility.• To reduce the use of fresh water, we practice the three Rs: reduce, reuse and reclaim. Our sites have adopted best management practices for minimizing water use and maximizing its reuse before disposal. Further, we have advanced a number of reclaim operations where wastewater is further treated and returned for use within our facilities.	
--	--	--	--	--	---	--

					<p>Across our MWUG locations, we are regularly investigating new technologies that could increase water reuse and reclaim opportunities and further reduce our fresh water intake.</p> <ul style="list-style-type: none"> • In 2023, we joined the Business Leaders Open Call to Accelerate Water Action, committing to take bold action on water and calling on the global business community to join the effort. To inform our global water strategy, we will compare covered facilities to the CEO Water Mandate 100 priority basins to prioritize action areas. • In 2023, ADM Cares provided funding for several Water.org initiatives 	
Food processing	Environmental	4	We commit to 90 percent diverted waste from landfill over 2019 baseline by 2035.	In 2023, we improved our landfill diversion rate to over 86.1%.	<ul style="list-style-type: none"> • Launched in 2020, ADM’s best-in-class investment recovery program - now deployed worldwide - enables waste reduction and landfill avoidance through the reuse and recycling of surplus and idle assets. Built on circular economy principles and modeling 	

					<p>industry best practices, ADM's global investment recovery program provides our global network of manufacturing locations, crop procurement facilities and corporate offices a structured and standardized process coupled with enabling technologies to: identify surplus and idle assets; create internal visibility to those assets to transfer and reuse wherever possible; to recycle those assets if appropriate; or monetize the surplus assets through a structured process that minimizes environmental impacts and risks.</p> <ul style="list-style-type: none"> • ADM has a dedicated investment recovery team within our Global Procurement organization that leads the overarching program and strategy. • In 2023, the program proved to be an effective solution for recovering investments associated with procurement spend while contributing to ADM's waste diversion goals. Since inception, more than 7,600 	
--	--	--	--	--	--	--

					assets have been sold or transferred.	
Food processing	Economic	5	We reaffirm our pledge to achieve gender parity among ADM's senior leadership structure by 2030.	Since making this commitment in 2018, the Company has improved its gender parity among senior leadership from 21% to 31% in 2023.	<p>DE&I strategy focuses on three key areas: Recruitment; Advancement, Development & Retention; and Culture. To oversee and steer this strategy, we have established a global DE&I council.</p> <ul style="list-style-type: none"> • It is critical that all employees understand our commitment to DE&I. In 2023, 99.8% of colleagues completed DE&I training as a part of annual training requirements. • Globally, we support Employee Resource Groups (ERGs). These voluntary, employee-led groups allow colleagues with shared experiences, interests, or goals to come together in a safe space to offer support, build a sense of community, and promote personal and professional development. Our ERGs have continued to grow – both in membership and with the introduction of additional groups across our four regions (North America, APAC, EMEA and LATAM) to 	Beginning in 2022, the Company incorporated the achievement of gender parity and GHG emission goals to executive performance measurement to reflect the strategic importance of ESG to its business.

					<p>include, depending on geographic relevance, Multicultural, Black Colleague, Hispanic, Veterans, and LGBTQIA+ affinity groups. Our ERGs welcome all – whether colleagues identify with an affinity group or want to show their support as allies.</p> <ul style="list-style-type: none">• In support of our commitment to a productive, diverse and inclusive workforce, we are a signatory to the CEO Action for Diversity & Inclusion™ and a member of Paradigm for Parity®.• At the industry level, ADM founded and currently participates in Together We Grow, a consortium of agricultural industry leaders united in a shared belief that American agriculture’s best days are yet to come. Emphasizing diversity and inclusion, Together We Grow works to build a modern workforce with the skills, experience and capabilities needed to keep pace with the growing world.	
--	--	--	--	--	---	--

<p>Food processing</p>	<p>Social</p>	<p>7</p>	<p>We aim to eliminate deforestation from all of our supply chains by 2025.</p>	<p>In 2023, 75% of our supply chain was deforestation-free.</p>	<ul style="list-style-type: none"> We believe sectoral consistency advances these efforts. It demonstrates to industry and farmers the importance of working together to end deforestation. We continue to participate in several sectoral and industry organizations related to no-deforestation, including: World Business Council for Sustainable Development’s Soft Commodities Forum, the Agriculture Sector Roadmap to 1.5°C signed at COP26, Vision Sectorial del Gran Chaco Argentino, and the Palm Oil Collaboration Group’s No Deforestation, No Expansion on Peat and No Exploitation (NDPE) Implementation Reporting Framework (IRF). <p>To meet our 2025 deforestation-free goal, we identified four key actions:</p> <ul style="list-style-type: none"> Conduct a comprehensive deforestation risk assessment for all commodity and ingredient supply chains. 	<p>To track progress toward this target, we are focusing on tracing and monitoring the supply chains of our high deforestation risk commodities based on the commodity-geography combination, including palm globally and corn, soy, and cotton in high-risk municipalities in South America. Sourcing of other commodities (e.g. wheat, canola, peanuts) and commodities from non-high-risk areas (e.g. Europe and North America) are included in the “low risk” category. Volumes of high-risk commodities are tracked by verification status: “deforestation-free” or “in progress.”</p>
-------------------------------	----------------------	-----------------	---	---	---	---

					<ul style="list-style-type: none"> • For high-risk supply chains, identify direct and indirect volumes and determine a method for traceability. • Develop monitoring protocols and supplier engagement plans to measure deforestation-free volumes. • Engage a third party to verify results. 	
Food processing	Social	7	We commit to becoming 100% conversion-free in the defined high-risk areas where we source directly by 2025. For indirect sourcing, we will achieve this goal by 2027.	As this is a new goal, we cannot report yet any progress.	<ul style="list-style-type: none"> • In 2023, ADM engaged an independent group of experts to assess the potential climate impacts of both deforestation and conversion of primary native vegetation linked to our commodity supply chains in South America. • Having already committed to deforestation-free supply chains by 2025, this assessment provided us a basis for creating our no-conversion commitment: we will avoid sourcing from converted habitats in high-risk areas after December 31, 2025. • The assessment used satellites and other data sources to develop maps of existing agricultural 	

					<p>areas and areas suitable for future agricultural use; carbon stocks of native vegetation; and pasture areas suitable for agricultural expansion.</p> <ul style="list-style-type: none"> • By evaluating the data and overlaying the maps, the study was able to determine areas at high-risk of conversion for agricultural use. • Because we already have a no-deforestation commitment in place, we focused on non-forest primary habitat conversion. The high-risk areas include the Brazilian Amazon, Cerrado, and Pantanal biomes, and the Paraguayan and Argentinian Chaco. • We have committed to avoid sourcing commodities produced on farms within these high-risk areas that have conversion of primary non-forest native vegetation after December 31, 2025. • For these high-risk biomes, we have adopted 	
--	--	--	--	--	---	--

					<p>December 31, 2025 as our cut-off date for conversion, and we aim to have systems in place to demonstrate compliance in our direct supply chains by that date and for our indirect supply chains by December 31, 2027.</p> <ul style="list-style-type: none">• In 2021, we began monitoring conversion of primary native vegetation in high priority areas in the Brazilian Cerrado, and since then, we've expanded to additional areas of Brazil.• As we approach the cutoff date, we will continue to expand monitoring and engage and educate our suppliers on our sourcing requirements.	
--	--	--	--	--	---	--