Risk Factors Comparison 2024-03-12 to 2023-02-14 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

The ~~Company faces~~ risks ~~in~~ **described below, as well as the** ~~the~~ **other** ~~normal course~~ **information contained in this Annual Report on Form 10- K, should be carefully considered. Any one or more** of **such risks could materially and adversely affect the Company' s** business ~~as it executes its strategy while demonstrating strong corporate responsibility. Global~~ , ~~regional~~ **financial condition** , **results of** ~~and local events could have an adverse impact on its reputation,~~ operations, and **stock price and could cause actual results of operations and** financial **condition to vary materially** ~~performance. Management directs a Company- wide ERM Program, with oversight~~ from ~~the Company' s Board~~ **past or anticipated future results** of **operations** ~~Directors. The Company' s Audit Committee has the delegated risk management oversight responsibility~~ and **financial condition** ~~receives updates on the risk management processes and key risk factors on a quarterly basis~~ . **Additional** ~~The Company, through its business unit, functional, and corporate teams, continually updates, assesses, monitors, and mitigates these and other business and compliance~~ risks ~~in accordance with the ERM Program as monitored by the ERM Program team~~ and ~~Chief Risk Officer. The risk pillars~~ **uncertainties not presently known to the Company or** that ~~follow are~~ the **Company currently believes** ~~main risks that the ERM Program focuses on~~ to **be immaterial may also adversely affect the Company** ~~protect and enhance shareholder value and promote socially responsible behaviors through intentional risk mitigation plans based on management- defined risk limits. The areas of risk mitigation emphasis include operational efficiencies, strategic and economic factors, geopolitical relationships, environmental, social, and governance solutions, technological advancement and threat prevention, and financial and regulatory risks~~ . Operational Risks The Company is exposed to potential business disruption which could adversely affect the Company' s operating results. The assets and operations of the Company could be subject to unplanned downtime or extensive property damage and business disruption from various events which include, but are not limited to, equipment failure, raw material shortages, natural disasters, severe weather conditions, accidents, explosions, fires, or other unexpected outages. ADM is committed to resiliency but these efforts may not resolve emergencies timely or effectively, and the associated liability which could result from these risks may not always be covered by or could exceed liability insurance. **Item 1A. RISK FACTORS (Continued)** The Company' s operations rely on dependable and efficient transportation services, the disruption of which could result in difficulties supplying materials to the Company' s facilities and impair the Company' s ability to deliver products to its customers in a timely manner. The Company relies on access to navigable rivers and waterways in order to fulfill its transportation obligations more effectively. In addition, if certain non-agricultural commodity raw materials, such as water or certain chemicals used in the Company' s processing operations, are not available, the Company' s business could be disrupted. Any major lack of available water for use in certain of the Company' s processing operations could have a material adverse impact on operating results. Certain factors which may impact the availability of non- agricultural commodity raw materials are out of the Company' s control including, but not limited to, disruptions resulting from weather, high or low river water conditions, economic conditions, **border closures,** manufacturing delays or disruptions at suppliers, shortage of materials, interruption of energy supply, and unavailable or poor supplier credit conditions. **Transportation, inflationary impacts, and** ~~Item 1A. RISK FACTORS (Continued) Fluctuations~~ **fluctuations** in energy prices could affect the Company' s operating results. The Company' s operating costs and the selling prices of certain finished products are sensitive to changes in energy prices **, inflationary pressures, and certain logistic constraints** . The Company' s processing plants are powered principally by electricity, natural gas, and coal. The Company' s transportation operations are **partially** dependent upon **rail access,** diesel fuel and other petroleum- based products. Significant increases in the cost or access of these items, including any consequences of regulation or taxation of greenhouse gases, could adversely affect the Company' s production costs and operating results. The Company continues to use internal and external resources to identify opportunities and take action to reduce **associated impacts and** its energy intensity globally to meet its demand while mitigating the effects of climate change. Human capital ~~requirements~~ **availability** may not be sufficient to effectively support global operations. ADM' s global operations function with trained individuals necessary for the processing, warehousing, and shipping of raw materials for products used in other areas of manufacturing or sold as inputs or products to third- party customers. The availability of skilled trade and production workers has been a specific focus for the United States manufacturing industry ~~. The pandemic has put further strain on manufacturing labor amid fears of the pandemic, childcare challenges, along with the re- allocation friction resulting in some of the workforce shifts from manufacturing positions~~ . The Company has various methods and tactics to mitigate potential shortfalls. The inability to properly staff manufacturing facilities with skilled trades and hourly labor due to a limited number of qualified resources could negatively impact operations. The Company may fail to realize the benefits of or experience delays in the execution of its growth strategy. As the Company executes its growth strategy, through both organic and inorganic growth, it may encounter risks which could result in increased costs, decreased revenues, and delayed synergies. Growth in new geographies outside the U. S. can expose the Company to volatile economic, political, and regulatory risks that may negatively impact its operations and ability to achieve its growth strategy. Expanding businesses where the Company has limited presence may expose the Company to risks related to the inability to identify an appropriate partner or target and favorable terms, inability to retain / hire strategic talent, or integration risks that may require significant management resources that would have otherwise been available for ongoing growth or operational initiatives. Acquisitions may involve unanticipated delays, costs, and other problems. Due diligence performed prior to an acquisition may not identify a material liability or issue that could impact the Company' s reputation or adversely affect results of operations resulting in a reduction of the anticipated acquisition benefits. Additionally, acquisitions may involve integration risks such as: internal control effectiveness, system integration risks, the risk of impairment charges related to goodwill and other intangibles, ability to retain acquired employees, and other unanticipated risks. The Company **may fail to realize the operational or financial benefits expected from acquisitions, which may impact the Company' s growth strategy. The Company** has limited control over and may not realize the expected benefits of its equity investments and joint ventures and may not be able to monetize the investments at an attractive value when the Company decides to exit the investments. The Company has $ 5. 5 billion invested in or advanced to joint ventures and investments over which the Company has limited control as to governance and management activities. Net sales to unconsolidated affiliates during the year ended December 31, ~~2022~~ **2023** were $ 7. ~~8~~ **0** billion. Risks related to these investments may include: the financial strength of the investment partner; loss of revenues and cash flows to the investment partner and related gross profit; the inability to implement beneficial management strategies, including risk management and compliance monitoring, with respect to the investment' s activities; ~~and~~ the risk that the Company may not be able to resolve disputes with the partners **; and the risk that the Company may not realize the operational or financial benefits expected from the investment** . The Company may encounter unanticipated operating issues, financial results, or compliance and reputational risks related to these investments. The Company mitigates this risk using controls and policies related to joint venture formation, governance (including board of directors' representation), merger and acquisition integration management, and harmonization of joint venture policies with the Company' s policies and controls. The Company faces risks related to health epidemics, pandemics, and similar outbreaks. ~~While ADM has effectively managed through~~ **The Company could be materially impacted in** the ~~risks arising from~~ **future if a more severe variant of** the ~~pandemic caused by the novel~~ coronavirus (COVID- 19) ~~, and has implemented mitigation actions across global operations that have had a positive impact on its customers, employees, local communities, and other stakeholders, the Company could be materially impacted in the future if a more severe variant~~ or other disease would arise causing disruptions far more severe than **previously** ~~the Company has recently~~ experienced. In such circumstances, ADM may be unable to perform fully on its contractual obligations, critical global supply chain and logistical networks may be affected, and costs and working capital needs may increase. These cost increases may not be fully recoverable or adequately covered by insurance. In addition, demand for certain products that ADM produces, particularly biofuels and ingredients that go into food and beverages that support the food services channels, could be materially impacted from a prolonged regional or global outbreak, leading to government- imposed lockdowns, quarantines, or other restrictions ~~damage and business disruption from geopolitical conflicts,acts of terrorism (e.g.purposeful adulteration of the Company' s products),and war.The assets and operations located in~~ the region affected by the ~~war~~ **conflict** in Ukraine are at an increased risk to property damage,inventory loss,business disruption,and expropriation **.The conflict could continue to impact global margins due to increased commodity,energy,and input costs** .The Black Sea region is a major exporter of wheat and corn to the world,and the disruption of supply **could** ~~may continue to~~ cause volatility in ~~volumes,~~ prices ~~,~~ and margins of these commodities and related products **.In addition to ADM' s operations,one of the Company' s joint ventures is also exposed to the same risks** .While the Company has a robust trade sanctions compliance program,there is a risk that ADM and ~~its related parties~~ . Strategic and Economic Risks Agricultural commodities, agricultural commodity products, and non- agricultural commodity raw materials the Company procures, transports, stores, processes, and merchandises can be affected by various factors beyond the Company' s control. The availability and prices of agricultural commodities are subject to wide fluctuations, including impacts from factors outside the Company' s control such as changes in market conditions, weather conditions, crop disease, plantings, government programs and policies, climate change, competition, and changes in global demand, which could adversely affect the Company' s operating results. The Company uses a global network of procurement, processing, and transportation assets, as well as robust communications between global commodity merchandiser teams, to continually assess price and basis opportunities. Management- established limits (including a corporate wide value- at- risk metric), with robust internal reporting, help to manage risks in pursuit of driving performance. Additionally, the Company depends globally on agricultural producers to ensure an adequate supply of the agricultural commodities. Reduced supply of agricultural commodities and rising costs of non- agricultural commodity raw materials could adversely affect the Company' s profitability by increasing the cost of raw materials and / or limiting the Company' s ability to procure, transport, store, process, and merchandise agricultural commodities and products in an efficient manner. High and volatile commodity and non- agricultural commodity prices can place more pressures on short- term working capital funding. Conversely, if supplies are abundant and crop production globally outpaces demand for more than one or two crop cycles, price volatility is somewhat diminished. This could result in reduced operating results due to the lack of supply chain dislocations and reduced market spread and basis opportunities. The Company has certain finished products, such as ethanol and biodiesel, which are closely related to, or may be substituted for, petroleum products, or in the case of ethanol, blended into gasoline to increase octane content. Therefore, the selling prices of ethanol and biodiesel can be impacted by the selling prices of gasoline, diesel fuel, and other octane enhancers. A significant decrease in the price of gasoline, diesel fuel, or other octane enhancers could result in a significant decrease in the selling price of the Company' s ethanol and biodiesel. The Company uses derivative contracts as anticipatory hedges for both purchases of commodity inputs and sales of energy- based products in order to protect itself in the near term against these price trends and to protect and maximize processing margins. The Company is subject to economic downturns and regional economic volatilities, which could adversely affect the Company' s operating results. The Company conducts its business and has substantial assets located in many countries and geographic areas. While ~~64 percent~~ **63 %** of the Company' s long- lived assets are located in the United States, the Company also has significant operations in both developed areas (such as Western Europe, Canada, and Brazil) and emerging market areas. One of the Company' s strategies is to expand the global reach of its core model, which may include expanding or developing its business in emerging market areas. Both developed and emerging market areas are subject to impacts of economic downturns, including decreased demand for the Company' s products, and reduced availability of credit, or declining credit quality of the Company' s suppliers, customers, and other counterparties. In addition, emerging market areas could be subject to more volatile operating conditions including, but not limited to, logistics limitations or delays, labor- related challenges, epidemic outbreaks and economic recovery, limitations or regulations affecting trade flows, local currency concerns, and other economic and political instability. Political fiscal instability could generate intrusive regulations in emerging markets, potentially creating unanticipated assessments of taxes, fees, increased risks of corruption, etc. Economic downturns and volatile market conditions could adversely affect the Company' s operating results and ability to execute its long- term business strategies, although the nature of many of the Company' s products (i. e. food and feed ingredients) is less sensitive to demand reductions in any economic ~~downcycles~~ **downcycle** . The Company mitigates this risk in many ways, including country risk and exposure analysis, government relations and tax compliance activities, and robust ethics compliance training requirements. The Company has significant competition in the markets in which it operates and is subject to industry- specific risks which could adversely affect the Company' s operating results. The Company faces significant competition in each of its businesses and has numerous competitors, who can be different depending upon each of the business segments in which it participates. The Company competes for the acquisition of inputs such as raw materials, transportation services, and other materials and supplies, as well as for workforce and talent. Competition impacts the Company' s ability to generate and increase its gross profit as a result of the following factors: Pricing of the Company' s products is partly dependent upon industry processing capacity, which is impacted by competitor actions to bring idled capacity on- line, build new production capacity or execute aggressive consolidation; many of the products bought and sold by the Company are global commodities or are derived from global commodities that are highly price competitive and, in many cases, subject to substitution; significant changes in exchange rates of foreign currencies versus the U. S. dollar, particularly the currencies of major crop growing countries, could also make goods and products of these countries more competitive than U. S. products; improved yields in different crop growing regions may reduce the reliance on origination territories in which the Company has a significant presence; and continued merger and acquisition activities resulting in further consolidations could result in greater cost competitiveness and global scale of certain players in the industry, especially when acquirers are state- owned and / or backed by public funds and have profit and return objectives that may differ from publicly traded enterprises. To compete effectively, the Company focuses on safely improving efficiency in its production and distribution operations, developing and maintaining appropriate market presence, maintaining a high level of product safety and quality, supporting socially responsible and sustainable practices, promoting environmental responsibility, and working with customers to develop new products and tailored solutions. The Company is subject to industry- specific risks which include, but are not limited to: launch of new products by other industries that can replace the functionalities of the Company' s production; shifting consumer preferences; and product safety and quality. In the case of the Nutrition business, while maintaining efficient and cost- effective operations are important, the ability to drive innovation and develop quality nutritional and wellness solutions for human and animal needs are key factors to remain competitive in the nutrition market. Certain of the Company' s merchandised commodities and finished products are used as ingredients in livestock and poultry feed. The Company is subject to risks associated with economic, product quality, feed safety or other factors which may adversely affect the livestock and poultry businesses, including the outbreak of disease in livestock and poultry, for example African swine fever, which could adversely affect demand for the Company' s products used as ingredients in feed. In addition, ADM' s increased investment in the flavors and ingredients businesses exposes the Company to increased risks related to rapidly changing consumer preferences and the impacts these changes could have on the success of certain of the Company' s customers. The Company continually assesses opportunities and demand in various regions. The Company' s risk management strategies may not be effective. The Company has a Chief Risk Officer who oversees the ERM Program and regularly reports to the Board of Directors on the myriad of risks facing the Company and the Company' s strategies for mitigating those risks. The Company' s business is affected by fluctuations in agricultural commodity cash prices and derivative prices, transportation costs, energy prices, interest rates, foreign currency exchange rates, and equity markets. The Company monitors position limits ~~and~~ **,** counterparty risks **, and liquidity levels,** and engages in other strategies and controls to manage these risks. The Company regularly reports its aggregate commodity risk exposures to the Board of Directors through the ERM process. The Company has an established commodity merchandising governance process that ensures proper position reporting and monitoring, ~~limits~~ **limit** approvals, and executes training on trade compliance, commodity regulatory reporting controls, and other policies. The Company' s risk monitoring efforts may not be successful at detecting a significant risk exposure. If these controls and strategies are not successful in mitigating the Company' s exposure to these fluctuations, it could adversely affect the Company' s operating results. **Regulatory** ~~Environmental, Social, and Governance~~ Risks The Company ~~may be impacted~~ **is subject to numerous laws, regulations, and mandates globally which could adversely affect the Company' s operating results and forward strategy. The Company does business globally, connecting crops and markets in over 190 countries, and is required to comply with laws and regulations administered** by ~~carbon emission regulations in multiple regions throughout~~ the ~~globe~~ **United States federal government as well as state, local, and non- U** . ~~The~~ **S. governmental authorities in numerous areas including: accounting and income taxes, anti- corruption, anti- bribery, global trade, trade sanctions, privacy and security, environmental, product safety, and handling and** production of ~~the Company' s products uses materials that can create emissions of certain~~ regulated substances ~~,~~ **. The Company frequently faces challenges from U. S. and foreign tax authorities regarding the amount of taxes due** including ~~GHG emissions~~ **questions regarding the timing, amount of deductions, the allocation of income among various tax jurisdictions** . ~~Such~~ **Legislatures and taxing authorities in many jurisdictions in which ADM operates may enact changes to their tax rules. For example, the Organization for Economic Cooperation and Development (the " OECD "), the European Union, and other countries (including countries in which the Company operates) have committed to enacting substantial changes to numerous long- standing tax principles impacting how large multinational enterprises are taxed. In particular, the OECD' s Pillar Two initiative introduces a 15 % global minimum tax applied on a country- by- country basis and for which many jurisdictions have now committed to an effective enactment date starting January 1, 2024. ADM will continually monitor potential and**

enacted tax changes, including the implementation of Pillar Two legislation, in the countries in which the Company operates. The impact of these potential new rules, as well as any other changes in domestic and international tax rules and regulations, could have a material effect on ADM' s effective tax rate. Any failure to comply with applicable laws and regulations or appropriately resolve these challenges could subject the Company to administrative, civil, and criminal remedies, including fines, penalties, disgorgement, injunctions, and recalls of its products, and damage to its reputation. Regulations specifically affecting the agricultural sector and ~~regulated~~ -- **related** ~~emissions also include indirect emissions~~ **industries; regulatory policies or matters** that ~~occur in~~ **affect a variety of businesses; and taxation polices could adversely affect** the ~~value~~ **Company' s operating results. Agricultural production and trade flows are subject to government policies, mandates, regulations, and trade agreements, including taxes, tariffs, duties, subsidies, incentives, foreign exchange rates, and import and export restrictions, including policies related to genetically modified organisms, traceability standards, sustainable practices, product safety and labeling, renewable fuels, and low carbon fuel mandates. These policies** ~~chain~~ -- **can influence the planting of certain crops; the location and size of crop production; whether unprocessed or processed commodity products are traded; the volume and types of imports and exports; the availability and competitiveness of feedstocks** as **raw materials;** the ~~result~~ **viability and volume** of ~~activities from assets now owned~~ **production of certain of the Company' s products; and industry profitability.** ~~or~~ **For example, changes** ~~controlled by the Company. A number of jurisdictions where the Company has operations have implemented or are~~ in **government policies** ~~the process of implementing carbon pricing programs~~ or regulations **of ethanol** ~~to reduce GHG emissions impacting climate change~~ and **biodiesel** ~~rising sea levels~~ including, but not limited to, **changes in the Renewable Fuel Standard program under the Energy Independence and Security Act of 2007 in** the United States, **including** ~~Canada, Mexico,~~ the ~~European Union~~ **treatment of small refinery exemptions, can have** ~~and~~ - **an** ~~its member states, and China. In particular, the State of Illinois recently enacted legislation intended to eliminate carbon emissions by 2050. The Company' s operations located in countries with effective and applicable carbon pricing and regulatory programs, currently meet their obligations in this regard with no significant~~ impact on the ~~earnings and competitive position of the~~ Company **' s operating** ~~. It is difficult at this time to estimate the likelihood of passage, or predict the potential impact, of any additional legislation, regulations or agreements. Potential consequences of new obligations could include increased energy, transportation, raw material, and administrative costs, and may require the Company to make additional investments in its facilities and equipment. The Company has policies in place and has integrated climate specific risk into the enterprise programs and is identifying opportunities through mitigation efforts to expand responsible practices towards reducing its environmental footprint in a sustainable manner while ensuring compliance with laws and regulations. Food or feed risks derived from quality issues or off label product usage, occupational health and safety issues, and ineffective diversification programs may expose the Company to certain regulatory or reputational risks. The Company is subject to federal, state, and local regulations on manufacturing or labeling; socially acceptable and sustainable farming practices; environmental, health, and safety regulations; and customer product liability claims. The liability which could result~~ **results** ~~from certain of these risks may not always be covered by, or could exceed liability insurance related to product liability and food safety matters maintained by the Company~~ . The Company has a particularly strong capability...... to management systems, such as the International **trade** ~~Organization for Standardization or other recognized global standards. The Company' s sustainable practices require oversight and robust monitoring requirements. The Company has programs and policies in place (e. g., Corporate Sustainability Program; Commitment to Protecting Forests, Biodiversity and Communities; Environmental Policy; Strive 35 environmental goals; etc.) to expand responsible practices while reducing its environmental footprint and to help ensure compliance with laws and regulations. Implementation of these programs and policies sometimes requires the acquisition of technology or capital investments at a cost to the Company. Failure to comply with laws and~~ regulations can ~~have serious consequences, including civil, administrative, and criminal penalties as well as a negative impact on the Company' s reputation, business, cash flows, and results of operations. Financial Risks Limitations on access to external financing could~~ adversely affect **agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Regulations of financial markets and instruments, including** the ~~Company' s operating results due~~ **Dodd- Frank Act, Consumer Protection Act, and the European Market Infrastructure Regulation, create uncertainty and may lead** to **additional risks and costs, and could adversely affect the Company' s futures commission merchant business and** its ~~capital- intensive nature. The Company requires significant capital, including continuing access to credit markets, to operate its current business and fund its growth strategy. The Company' s working capital requirements, including margin requirements on open positions on futures exchanges, are directly affected by the price of~~ agricultural ~~commodities~~ **commodity** , which may fluctuate significantly and change...... routine communications with credit rating agencies regarding risk management practices ~~and diversifying sources of liquidity~~ . **Future government policies may adversely affect the supply** ~~Geopolitical Risks The Company faces risks related to international conflicts, acts~~ of ~~terrorism~~ **, demand** ~~or~~ **for** ~~war~~ , ~~or~~ **and prices of** ~~other~~ -- **the Company' s products; adversely affect** ~~geopolitical events, such as the conflict in Ukraine, and related sanctions and other~~ -- **the Company** ~~economic disruptions. ADM~~ ' s **ability** ~~assets and operations could be subject~~ to ~~extensive property damage and~~ **deploy adequate hedging programs; restrict the Company' s ability to do** business ~~disruption from geopolitical conflicts, acts of terrorism (e. g. purposeful adulteration of the Company' s products), and war. The assets and operations located~~ in the region affected by the conflict in...... there is a risk that ADM and its **existing** ~~related parties could trade with a sanctioned partner due to the number of sanctions taken against Russia. The Company may also face increased cyber risk given that Russia is known to have extensive capabilities to engage in cyber attacks. Trade receivables may be at risk of higher defaults,~~ and **target markets; and adversely** ~~other third- party risks could~~ affect ~~ADM' s ability to obtain inputs if suppliers are unable to perform or face insolvency, as certain supplies may not be attainable due to sanctions and / or restrictions on cross- border payment transactions. The Company could be materially impacted if, in the worst- case scenario, the conflict advances to other~~ -- **the** ~~countries. In such circumstances, trade policies and the~~ Company' s **revenues** ~~critical global supply chain~~ and ~~logistical~~

~~networks could be affected, impairing the Company' s ability to satisfy contractual obligations and impacting working capital requirements. Insurance may not adequately cover these risks. In addition, provisions for certain products that ADM produces, particularly those that support the food services channels, could be materially impacted. The Company continues to monitor the conflict in Ukraine along with other political tensions and evaluate alternatives to mitigate the impacts of these risks. Political instability and changes in trade policies could negatively impact the Company' s financial results. The Company' s~~ operating results ~~could be affected by political instability~~ **. The Company' s strategy involves expanding the volume** and **diversity of crops it merchandises** ~~by changes in monetary, fiscal, trade,~~ and ~~environmental~~ **processes, expanding the global reach of its core model, expanding its value- added product portfolio, and expanding the sustainable agriculture programs and partnerships it participates in. Government** policies ~~, laws, regulations, and acquisition approvals, creating risks~~ including, but not limited to ~~: changes in a country' s or region' s economic or political conditions~~ , **antitrust** ~~local labor conditions~~ and **competition law, trade restrictions, food safety** regulations, **sustainability requirements,** and ~~safety and environmental regulations; reduced protection of intellectual property rights; changes in the regulatory or legal environment; restrictions on currency exchange activities; currency exchange fluctuations; burdensome taxes and tariffs; enforceability~~ **traceability** ~~of legal agreements and judgments; adverse tax~~ , **can impact** ~~administrative agency or judicial outcomes; and regulation or taxation of greenhouse gases. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities, and war, could limit~~ the Company' s ability to **execute this strategy successfully** ~~transact business in these markets. The Company has historically benefited from the free flow of agricultural and food and feed ingredient products from the U. S. and other sources to markets around the world. Increases in tariff and restrictive trade activities around the world (e. g., the U. S.- China trade relations dispute, Iran sanctions) could negatively impact the Company' s ability to enter certain markets or the price of products may become less competitive in those markets~~ . Technological Risks Information technology (IT) systems are subject to interruptions or failures which may affect the Company' s ability to conduct its business. The Company' s operations rely on certain key IT systems, some of which are dependent on services provided by third parties, to provide critical data connectivity, information, and services for internal and external users. These interactions include, but are not limited to: ordering and managing materials from suppliers; risk management activities; converting raw materials to finished products; inventory management; shipping products to customers; processing transactions; summarizing and reporting financial results of operations; human resources benefits and payroll management; and complying with regulatory, legal or tax requirements **. Additionally, legacy technologies are used to support significant business functions. The instability of aging legacy systems could diminish performance and elevate the risk of system failures, reduce compatibility with modern software, and impact growth initiatives** . The Company is implementing a new enterprise resource planning (ERP) system and integrating it with various third party service providers on a worldwide basis as part of its ongoing business transformation program, which ~~is~~ **will** ~~improving~~ **improve** the efficiency and effectiveness of certain financial and business transaction processes and the underlying systems environment. ~~This~~ **The new ERP system** will mitigate the instability of aging legacy systems ~~and manual processes~~ **as the Company transitions to the new 1ADM platform** . The Company' s IT systems, processes, and sites may suffer cyber security breaches, which could expose the Company to operational and various regulatory risks. Increased IT security and social engineering threats and more sophisticated computer crime, including advanced persistent threats, pose a potential risk to the security of the Company' s IT systems, networks, and services, as well as the confidentiality, availability, and integrity of the Company' s third party data. The Company is subject to a variety of laws and regulations in the United States and other jurisdictions regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data. Compliance with and interpretation of various data privacy regulations continue to evolve and any violation could subject the Company to legal claims, regulatory penalties, and damage to its reputation. The Company has put in place security measures **to endeavor** to prevent, detect, and mitigate cyber- based attacks, and has instituted control procedures for cybersecurity incident ~~responses~~ - **response** ~~and disaster recovery~~ plans for its critical systems. In addition, the Company monitors this risk on an ongoing basis to detect and correct ~~any~~ breaches, and reports metrics on the quality of the Company' s data security efforts and control environment to the highest level of management and to the Board of Directors. However, if the Company' s IT systems are breached, damaged, or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, or cyber- based attacks, and the Company' s ~~disaster~~ recovery ~~plans~~ **efforts** do not effectively mitigate the risks on a timely basis, the Company may suffer significant interruptions in its ability to manage its operations, loss of valuable data, actual or threatened legal actions, and damage to its reputation, which may adversely impact the Company' s revenues, operating results, and financial condition. ~~Regulatory~~ **Generative AI advancements are progressing at an unprecedented pace, which brings** ~~Risks~~ **risks that could** ~~The Company is~~ subject ~~to numerous laws, regulations, and mandates globally which could adversely affect~~ the Company ~~' s operating results and forward strategy. The Company does business globally, connecting crops and markets in over 190 countries, and is required~~ to **loss through various technical** ~~comply with laws and regulations administered by the United States federal government as well as state~~ , ~~local~~ **legal** , and ~~non~~ **opportunistic** - ~~U. S. governmental authorities in numerous areas including: accounting and income taxes, anti- corruption, anti- bribery, global trade, trade sanctions, privacy and security, environmental, product safety, and handling and production of regulated~~ -- **related** ~~substances. The Company frequently faces challenges from U. S. and foreign tax authorities regarding the amount of taxes due including questions regarding the timing, amount of deductions, the allocation of income among various tax jurisdictions, and further~~ risks ~~related to changing tax laws domestically and globally~~ . ~~Any failure to~~ **The pace of Generative AI and the** ~~comply~~ **complex** ~~with applicable laws~~ and **dynamic** ~~regulations or appropriately resolve these challenges could subject the Company to administrative, civil, and criminal remedies, including fines, penalties, disgorgement, injunctions, and recalls of its products, and damage to its reputation. Regulations specifically affecting the agricultural sector and related industries;~~ regulatory ~~policies or matters that affect~~ **environment subjects the Company to** a variety of **risks** ~~businesses; and taxation polices could adversely affect the Company'~~

~~s operating results. Agricultural production and trade flows are subject to government policies, mandates, regulations, and trade agreements, including taxes, tariffs, duties, subsidies, incentives, foreign exchange rates, and import and export restrictions, including policies related to genetically modified organisms, traceability standards, sustainable practices, product safety and labeling, renewable fuels, and low carbon fuel mandates. These policies can influence the planting of certain crops; the location and size of crop production; whether unprocessed or processed commodity products are traded; the volume and types of imports and exports; the availability and competitiveness of feedstocks as raw materials; the viability and volume of production of certain of the Company’ s products; and industry profitability. For example, changes in government policies or regulations of ethanol and biodiesel~~ including, but not limited to, **data privacy** ~~changes in the Renewable Fuel Standard program under the Energy Independence~~ and ~~Security~~ **security vulnerabilities** ~~Act of 2007 in the United States~~ , **unauthorized third** ~~including the treatment of small refinery exemptions, can have an impact on the Company’ s operating results. International trade regulations can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Regulations of financial markets and instruments, including the Dodd~~ - **party usage of** ~~Frank Act, Consumer Protection Act, and the European Market Infrastructure Regulation, create uncertainty and may lead to additional risks and costs, and could adversely affect the~~ Company ~~’ s futures commission merchant business~~ **data associated with training models, malicious use** and ~~its agricultural commodity~~ **advanced deceitful communication methods, missed innovation opportunities, and potential competitive disadvantages. Guidance for awareness and responsible Generative AI use to protect ADM data from a legal and ethical standpoint, along with technological development for opportunistic uses, monitoring, and oversight are important components of the Company’ s** risk ~~management practices~~ **mitigation approach** . ~~Future government policies may adversely affect the supply of, demand for, and prices of the Company’ s products; adversely affect the Company’ s ability to deploy adequate hedging programs; restrict the Company’ s ability to do business in its existing and target markets; and adversely affect the Company’ s revenues and operating results. The Company’ s strategy involves expanding the volume and diversity of crops it merchandises and processes, expanding the global reach of its core model, expanding its value- added product portfolio, and expanding the sustainable agriculture programs and partnerships it participates in. Government policies including, but not limited to, antitrust and competition law, trade restrictions, food safety regulations, sustainability requirements, and traceability, can impact the Company’ s ability to execute this strategy successfully.~~