



# ***ADM Human Rights Policy Implementation***

**H1 2018 Progress Report**

## Introduction

In 2014, ADM published our Human Rights Policy, which contains the minimum requirements to protect the rights, safety and well-being of all people, communities and resources in our direct operations and our supply chain. At ADM, we create long-term value by providing innovative, responsibly-sourced ingredients for a growing population. ADM colleagues are united through six values that demonstrate our insistence on achieving the right results, the right way: integrity, respect, excellence, resourcefulness, teamwork and responsibility. ADM's commitment to human rights embodies and reflects these company values, specifically respect, which we define as follows:

"We feel a deep and genuine regard for the safety and well-being of all people, communities and resources, and we treat them with care and consideration. We demonstrate trust and openness. And, we are good stewards of the environment."

Actions taken in the first half of 2018 will be reported under the following categories:

- Supplier Engagement and Transformation – supplier engagement in support of Human Rights
- Monitoring and Verification – monitoring of issues within the supply chain through implementation of an Issues and Resolutions mechanism
- Topics of Interest – other relevant activities in support of Human Rights within the industry

### Human Rights Action Plan 2018-20: Milestones and Status

No.	Topic	Milestone	Status
1	Supplier Engagement and Transformation	Communicate Human Rights Policy to direct suppliers.	Ongoing
2	Supplier Engagement and Transformation	Identify regional and local programs to support that improve the lives of farmers in our supply chain.	Ongoing
3	Monitoring and Verification	Proactively track and contribute to resolving grievances using our Grievance and Resolutions Mechanism.	Ongoing
4	Monitoring and Verification	Work through supplier/farm level action plan <ul style="list-style-type: none"><li>• Phase 1 – Update risk analysis to include geographic risk as well as commodity risk, taking into account the increased labor required for crops and regions that do not have mechanized farming technology.</li><li>• Phase 2 – Using analysis from Phase 1, identify assessment methodology and implementation tools.</li><li>• Phase 3 – Develop and carry out two pilot assessments to test farm-level assessment technologies.</li></ul>	Ongoing

		<ul style="list-style-type: none"> <li>Phase 4 – Review pilot results and develop implementation plan and KPIs for conducting supplier assessments</li> </ul>	
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## Supplier Engagement and Transformation

### Policy Communication

In Brazil, supplier contracts have been updated to include a clause prohibiting exploitation and human rights violations. All suppliers who have email addresses in their account profiles receive training documents prepared for ADM by TFT which outline our Human Rights Policy and the No Exploitation portion of our No-Deforestation Policy.

### Assessments

ADM is a member of Sedex and hosts responsible sourcing audits conducted by 3<sup>rd</sup> party auditors at our facilities around the globe. The human rights portion of these audits includes assessment of facility conditions; child labor; forced/bonded labor; eligibility for employment; ethical recruitment; safety; discrimination, harassment and abuse; compensation; freedom of association and collective bargaining; and indigenous populations and communities.

At the ADM facilities visited so far in 2018, 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. All findings were considered to be minor and low risk. ADM sustainability, legal, operations, and compliance teams work with the locations to identify and implement corrective actions.

In H1, ADM hosted 4 Sedex audits (SMETA 4-pillar) globally, in Canada, China, Turkey and the US. A list of audited facilities for 2018 will be included in our H2 update.

### Training

Our employees are in a position to identify human rights concerns due to frequent interaction and proximity with suppliers. Our training program covers warning signs of human trafficking and human rights violations and what to do if concerns are identified.

In H1 2018, ADM updated its internal training for new hires, and prepared training for the Board of Directors and employees of new acquisitions which will be completed in H2 2018. The new training information is simplified and standardized to be used in all geographies.

### Children in Plantations Workshop in Sabah, Malaysia

In H2 2017, ADM supported a multi-stakeholder [workshop](#) on Children in Plantations, convened in Sabah, Malaysia by Wilmar, Nestle, ADM, and TFT. This was the first collaboration in Sabah focused on hearing the challenges facing businesses regarding children and young people working in palm oil plantations. The workshop generated an honest and open dialogue among participants, and opened avenues for ongoing engagement and solutions related to children in plantations.

Sabah is a strategic location to address the issue of children and young persons impacted by palm oil operations, given the tens of thousands of foreign workers' children living there. The Humana Child Aid Society, an educational NGO in Sabah, estimates there are 40 children for every 1,000 hectares of plantation. Based on a 2009 figure of over one million hectares of palm plantation in Sabah, we can extrapolate the number of children in palm oil plantations in Sabah is approximately 40,000.

Leveraging the learnings and success of the consultation, TFT developed three follow-up projects to catalyze industry transformation around children in plantations (Table 1). Grant funding from ADM Cares supports Projects #1 and #2, Socialization of the Children in Plantations Report and Mapping of Services for Vulnerable Children in the Plantations of Sabah. These projects will expand dialogue on Children in Plantations beyond the initial consultation, raising awareness and stimulating action across the industry.

*Table 1. Children in Plantations Projects Resulting from the TFT/Wilmar/Nestle/ADM Convened Consultation in H2 2017*

Project	Objective	Progress
<b>#1</b> - Socialization of Children in Plantations Report <b>Supported by ADM</b>	Socialize the Children in Plantations report to government agencies & NGOs in Sabah.	Full <a href="#">report</a> and <a href="#">info sheet</a> published, distributed at multi-stakeholder events.
<b>#2</b> - Mapping of services for vulnerable children in the plantations of Sabah <b>Supported by ADM</b>	Establish a database and map services provided by NGOs & other agencies available for vulnerable children in Sabah.	Week-long engagement with NGOs, governments, and consulate to understand services available to children in plantations. Compilation of relevant services will be published in Q4.
<b>#3</b> – Multi Stakeholder consultation on Children in Plantations of Sabah <b>Supported by other TFT members</b>	Further discuss the various issues faced by children in the plantations of Sabah, and generate greater collaboration between stakeholders.	A multi-stakeholder consultation was co-hosted by TFT and SUHAKAM (the Human Rights Commission of Malaysia). Two sessions were held (one with government agencies and another with NGOs) to discuss the issues, current efforts, and possible next steps regarding children in the plantations of Sabah.

### *Social Issues in Sourcing Regions*

ADM renewed its commitment prohibiting slave labor in Brazil with [InPacto](#) and a service agreement with [Agrotools](#) to monitor and ensure suppliers in Brazil are not part of the Slave Labor List issued by the Brazilian Ministry of Labor. As part of our No Deforestation collaboration, TFT developed two documents related to the No Exploitation portion of our policy. One of them raises supplier awareness of the most critical issues related to No Exploitation and Respect for Human Rights; the other is a consultation guide for country elevators sourcing soy in regions where there are social conflicts.

## **Monitoring and Verification**

### *Development of a Grievances and Resolutions Mechanism*

ADM believes that civil society and local stakeholders will play an important and constructive role in the implementation of the No DE Policy, as they offer valuable and independent contributions to the monitoring of supply chains, as well as detection and disclosure of issues.

In order to formalize this process, ADM maintains a [Grievances and Resolutions \(G&R\) Protocol](#), which enables any stakeholder to raise a grievance against ADM or any party in ADM's supply chain, and creates a direct forum for stakeholder dialogue. Any concerns can be sent to [responsibility@adm.com](mailto:responsibility@adm.com). If ADM receives input through the G&R Protocol, we will promptly notify the appropriate stakeholders and provide a fair and objective evaluation in a timely manner. Relevant issues and grievances will also be logged in the [Grievances and Resolutions Summary Table](#) on the Sustainability Progress Tracker, and regular progress updates will be provided.

## **Topics of Interest**

### *2018-20 Human Rights Action Plan Update*

The first phase of our Human Rights Action Plan kicked off with the solicitation and selection of a vendor to help us conduct an updated risk analysis. ADM selected ELEVATE to complete this assessment. The first round of our assessment will cover 15 commodities: corn, soybeans, wheat, canola, palm, peanuts, pecans, macadamias, almonds, oranges, lemons, pineapple, apples, grapes, and crystalline sugar. The assessment will include the farming practices of these commodities as well as where they are grown and whether ADM purchases them directly from the farm or through a third party.

Data collection and analysis will take place during H2 2018 with results finalized in early 2019.

Additional updates will be provided in the H2 2018 update report.

## **Conclusion**

In order to be a leader on human rights and to strive for positive impact, ADM will work to create positive and lasting influence within the commercial reach of its supply chains. We recognize that our opportunity for positive impact extends to the communities immediately surrounding ADM facilities and especially those that are engaged in agriculture and ag-related activities.

The focus on human rights abuses and the role that multi-national companies can play to mitigate and/or eliminate these abuses is growing and gaining ever more attention. Through our global reach, ADM wants to lead efforts where corporations have a role in protecting and dignifying the human existence. Of course, we know that we cannot do this alone. ADM encourages other global corporations to focus on business practices that are protective of human rights.

This is our seventh public Progress Report. We welcome feedback and comments from our interested readers at [responsibility@adm.com](mailto:responsibility@adm.com).