



# ADM Human Rights

## Policy Implementation

2019 Progress Report

# Action Plan 2019 Progress



## Supplier Engagement and Transformation

- Communicate Human Rights Policy to direct suppliers
- Identify and support regional and local programs that improve the lives of farmers in our supply chain



## Monitoring and Verification

- Proactively track and contribute to resolving grievances using the Grievance and Resolutions mechanism
- Review and update of the Grievance mechanism.
- Continue responsible sourcing audit program via Sedex



## Supply Chain Risk Assessment

- Work with ELEVATE to assess human rights risks in our supply chain
- Use assessment results to determine mitigation strategy

# Supplier Engagement

## Policy Communication

In addition to communicating our policies through our [Supplier Expectations](#), we have been working with our procurement teams to include specific language in supply contracts requiring compliance with our policies. For example, in Brazil, supplier contracts have been updated to include a clause prohibiting exploitation and human rights violations. Brazilian suppliers who have email addresses in their account profiles receive training documents that outline our Human Rights Policy and the No Exploitation portion of our No-Deforestation Policy.



# Supplier Engagement

## Support Regional and Local Initiatives

In 2019 through ADM Cares, we provided financial support to initiatives that support human rights in the communities in which we operate and/or source. These include:

- Education
  - Supporting Science Technology Engineering and Math (STEM) programming
  - Supporting scholarship funding ensuring opportunities for education for vulnerable populations
- Water and Sanitation
  - Supporting Water is Life
  - Working to provide water and sanitation in community schools in Peru and improve sanitation facilities in Paraguay
- Income Diversification
  - Supporting the One Acre Fund to help transform farming for Africa's smallholders
  - Palm Smallholders in Sabah, Malaysia (Earthworm Foundation) and Latin America (Mariposa)
- Food Security
  - Food drives, financial support, direct farmer assistance



# Monitoring & Verification

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 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 2019, ADM hosted Sedex audits (SMETA) at the following facilities:

Country	Site	ADM Business	Month
Turkey	Amylum Nisasta	Carbohydrate Solutions	February
United Kingdom	Erith	Oilseeds	March
United Kingdom	Pura	Oilseeds	March
Poland	WILD Polska	Nutrition	May
USA	Memphis	Oilseeds	July
USA	Alfrebro	Nutrition	July
USA	Peoria	Carbohydrate Solutions	September
USA	Marshall	Carbohydrate Solutions	October
Germany	WILD Eppelheim	Nutrition	November
Germany	WILD Berlin	Nutrition	November
Germany	WILD Nauen	Nutrition	November
USA	St. Louis	Carbohydrate Solutions	December
USA	Arbuckle	Oilseeds	December

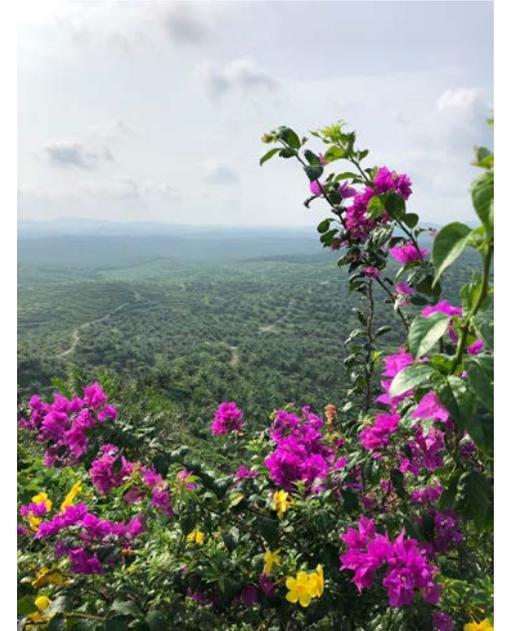


# Supply Chain Risk Assessment

ADM worked with ELEVATE to support its Human Rights Action Plan to conduct a supply chain risk analysis in 2018-2019. ELEVATE initially took a two-phased approach to segment ADM's complex and expansive supply chain. In the third phase, the analytical scope was expanded to include the vanilla bean supply chain after acquisition of Rodelle. This partnership supported our ability to gain deeper insight into inherent risks and challenges with sourcing based on country and commodity. The results of the analysis allowed us to consider a new tool selection strategy for a responsible sourcing program that would direct investment where ADM can have the biggest impact.

After completing a macro-level supply chain risk assessment, ELEVATE worked with ADM to conduct an in-depth supplier analysis. This second part of the assessment focused on specific commodities.

Analysis of the vanilla supply chain resulted in suppliers' scores being categorized into four quadrants based on inherent risks in the country-commodity combination and the leverage ADM has based on factors such as procurement volume and spend. Based on the sourcing geography vanilla suppliers are considered high or extreme risk. Based on ADM's relative leverage, vanilla suppliers are considered high leverage. ELEVATE recommended focus on the highest risk and highest leverage segment for risk management and mitigation. In 2020, ADM is committed to focusing first on these suppliers, particularly with regards to developing vanilla-specific sourcing policies and piloting supplier visibility and monitoring programs.





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