



ADM Human Rights Policy Implementation

H2 2017 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 second half of 2017 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 2015-17: Milestones and Status

No.	Milestone	Status
1	Phase 1 - Analyze global human rights issues and identify high risk geographies.	Complete
2	Phase 2 - Analyze the ADM supply chain. Identify priority geographies, activities, and facilities with respect to Phase 1 issues and risks.	Complete
3	Phase 3 - Propose appropriate key performance indicators (KPIs) and gather metrics. Create training documents for use in communications and colleague training.	Complete
4	Phase 4 - Pilot the implementation process at a select ADM facility in the US.	Complete
5	Phase 5 - Prepare/schedule/determine implementation at sites identified in Phase 2. Include end-of-year program assessment, improvements, and reports utilizing KPIs.	Ongoing
6	Phase 6 - Create executive summaries and communications pieces for use in reporting and stakeholder discussions.	Complete
7	Update Policy to include definitions and the human right to water.	Complete

Supplier Engagement and Transformation

Assessments

ADM is a member of Sedex and hosts responsible sourcing audits conducted by 3rd 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.

In 2017, 36 ADM facilities hosted Sedex Members Ethical Trade Audits (SMETA). These facilities represent all four business divisions – Corn, Oilseeds, Ag Services, and WFSI. Audited facilities include –

Facility	Business Division	Country
Effingham Alliance Nutrition	Ag Services	USA
Golden Peanut Ashburn	Ag Services	USA
Golden Peanut Blakely	Ag Services	USA
Golden Peanut Comyn	Ag Services	USA
Golden Peanut Dawson	Ag Services	USA
Golden Peanut Seagraves	Ag Services	USA
Camilla Pecan	Ag Services	USA
Beech Grove Milling	Ag Services	USA
Charlotte Milling	Ag Services	USA
Chicago Milling	Ag Services	USA
Enid Milling	Ag Services	USA
Los Angeles Milling	Ag Services	USA
Atkinson Milling	Ag Services	USA
Nokomis Milling	Ag Services	USA
Mississauga Milling	Ag Services	USA

Port Colborne Milling	Ag Services	Canada
Winnipeg Milling	Ag Services	Canada
Decatur Bioproducts	Corn	USA
Cedar Rapids Corn Processing	Corn	USA
Columbus Corn Processing	Corn	USA
Decatur Corn Processing	Corn	USA
Marshall Corn Processing	Corn	USA
Peoria Corn Processing	Corn	USA
ADM Glycols	Corn	USA
Amylum Bulgaria	Corn	Bulgaria
Erith Ltd	Oilseeds	United Kingdom
Des Moines Oilseeds	Oilseeds	USA
Frankfort Oilseeds	Oilseeds	USA
Lincoln Oilseeds	Oilseeds	USA
Uberlandia	Oilseeds	Brazil
Valdosta Oilseeds	Oilseeds	USA
Decatur West Oilseeds	Oilseeds	USA
Pura Foods PackHall	Oilseeds	United Kingdom
Decatur East Plant	WFSI	USA
Lodi Specialty Ingredients	WFSI	USA
AM Todd Kalamazoo	WFSI	USA

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.

At the ADM facilities visited in 2017, 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.

Training

As part of our implementation plan, training is given to employees upon completion of onsite assessments. Our employees are in a position to identify 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.

ART: Children in Plantations Workshop in Sabah, Malaysia

During ADM's Sabah palm oil study tour and TFT engagement in Malaysia, ADM and TFT identified child protection as a key challenge. As a first practical step to address this issue, ADM supported the H2 2017 workshop "Children in the Plantations of Sabah: Stakeholder Consultation," co-convened by TFT, Wilmar, ADM, and Nestlé in September 2017. The workshop offered an opportunity for suppliers to engage in dialogue on the challenges and solutions regarding children in plantations. The workshop was successful with good engagement from both supply chain actors and industry experts. Approximately 50 participants attended, including directors, managers, and executive level staff from small, medium, and large plantations and mill companies in Sabah.

Attendees were informed of the risks related to children in plantation work and possible strategies to reduce the participation of children, including how to strengthen access to education. Concrete objectives of the workshop were:

- Re-socialise Malaysian sustainability certification requirements (MSPO) and companies' policy commitments concerning child labor;
- Seek inputs from participants as to the actual participation of children in plantation activities, and possible ways to address this; and
- Raise awareness and build capacity among the suppliers (participants) toward efforts to prevent child labor on site.



Insights: Experts from different companies and institutions presented to an audience of small, medium, and large palm oil growers and mill companies in Sabah.

Information from discussions was compiled in a summary report which acknowledges that some issues concerning children in the plantations of Sabah were found to be structural in nature, requiring regulatory and policy changes.

More information about the Children in Plantations work, including the Sabah workshop, can be found on the TFT website:

<http://www.tft-earth.org/stories/blog/children-in-plantations/>

Social Issues in Sourcing Regions

ADM renewed its commitment against 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 an Issues 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 an [Issues and Resolutions \(I&R\) 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. If ADM receives input through the I&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 [Issues and Resolutions Summary Table](#) on the Sustainability Progress Tracker, and regular progress updates will be provided.

Topics of Interest

Policy Update

ADM recently updated its Human Rights Policy. The Policy now includes a definition section which more clearly outlines what child and forced labor mean, in accordance with the International Labour Organization (ILO) definitions. This enables us to more clearly communicate our expectations and requirements. We have also added a condition to our policy which requires our suppliers to respect the human right to water and sanitation.

In recognition of our global supply chain, the updated policy has been translated into key languages and posted on our website.

2018 Human Rights Action Plan

In 2018, ADM will continue assessing direct operations through Sedex and employee training. Moving forward, efforts will shift from direct operations to implementation of our policy within our supply chain. We will build upon current supply chain efforts, including on-farm assessments as a part of ADM’s Responsible Soy program in South America; engagement in local producer community organizations, such as feed and grain industry groups in North America; and the Aggregator/Refiner Transformation (ART) program for palm in Malaysia and Indonesia. Using experience garnered from current programs, we will refine and focus our implementation efforts according to the following plan:

Topic	Milestones
Supplier Engagement and Transformation	-Communicate Human Rights Policy to direct suppliers. -Identify regional and local programs to support that improve the lives of farmers in our supply chain.
Monitoring and Verification	-Proactively track and contribute to resolving grievances using ADM’s Issues and Resolutions Mechanism. -Work through supplier/farm level action plan

As we broaden our focus to include our supply chain, we will work through the following 4 phase plan:

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. Use analysis to identify key focus areas.

Phase 2: Identify assessment methodology and implementation tools. Because suppliers range from small holder farms to large plantations to primary processing facilities, different tools and methodologies may be required for different suppliers to adequately assess the various operating scenarios.

Phase 3: Develop and carry out two pilot assessments to test farm-level assessment technologies. Pilot locations will be based on elevated risk from assessment in Phase 1, but due to active program implementation in coordination with our No-DPE efforts, the list of eligible locations will not include palm or South American soy.

Phase 4: Review pilot results and develop implementation plan and KPIs for conducting supplier assessments.

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 sixth public Progress Report. We welcome feedback and comments from our interested readers at responsibility@adm.com.