



## Communication of Progress

21.03.2017 to 20.03.2018

# Communication of Progress

To our stakeholders:

This is the second year that we are submitting our CoP to the UNGC, and I am pleased to confirm that adm Group continues its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact's Ten Principles into our business strategy, culture and daily operations.

Yours sincerely,

Justin Barton

CEO

# Communication of Progress

**Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights**

**Principle 2: make sure that they are not complicit in human rights abuses**

adm respects and supports fundamental human rights and it continually works to minimise the risk of human rights abuses. adm's Global Employee Handbook sets out certain minimum standards in respect of the human rights of its employees, and its Supplier Code of Conduct sets out its minimum standards in respect of the human rights of supplier employees.

adm has a range of global Human Resources policies designed to safeguard the human rights of its staff, including Equal Opportunities, Harassment and Bullying Policy, Grievance and Disciplinary Procedures, Fair Competition Policy, and Time-Off Benefits (including Compassionate Leave, Religious Holidays, Ceremonies and Festivals, Working from Home and Time Off for Dependents).

adm sees it as vital to its compliance objectives to ensure that all its employees are informed about their social rights and practices, through various training activities of its global policies and procedures.

*Measurable outcomes:*

- In 2017 adm devised a compliance training programme for all staff, which includes specific training on Modern Slavery in the workplace, to further raise awareness of the risks of potential human rights abuses in its supply chain and to support its staff in ensuring such risks actively managed/mitigated throughout adm's business.
- In 2017 adm continued sourcing responsibly, and only worked with suppliers who signed the adm Supplier Code of Conduct which sets out its expectations with regards to Anti-Bribery and Anti-Corruption, Child Labour, Forced Labour and Human Trafficking, Working Conditions, Transparency and Environment.



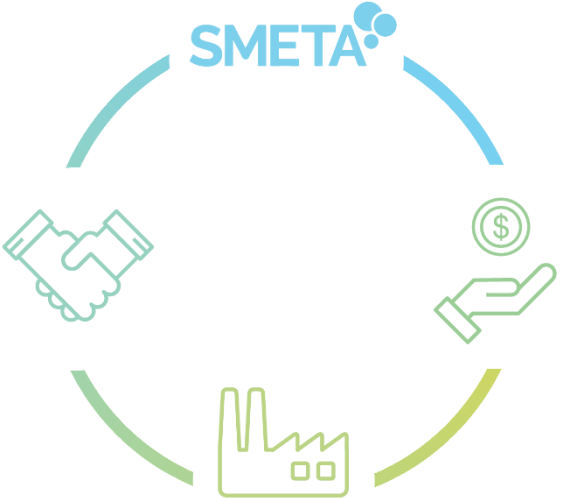
# Communication of Progress

**Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining**

adm continues to encourage its employees to make use of their rights to associate and bargain collectively (as stated in its Global Employee Handbook), in line with all applicable laws and regulations.

adm requires its suppliers to undergo Sedex Members Ethical Trade 4 pillar audits (“SMETA”), where one of the criteria is allowing the rights of workers to associate and bargain collectively. This condition is reviewed by adm’s CSR Managers and is treated as a critical non-compliance where it is not carried out, depending on the legal requirements of the country of the operating factory.

	GSC			EUROPE			AMERICAS		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Number of suppliers SEDEX registered	71	114	181	90	145	132	0	43	74
% of spend through suppliers SEDEX registered	79%	90%	94%	63%	80%	81%	0	86%	82%
Number of supplier SMETA audited	43	120	212	54	82	92	0	16	28
%of spend through suppliers SMETA audited	95%	98%	100%	52%	70%	76%	0	30%	37%



# Communication of Progress

## Principle 4: elimination of all forms of forced and compulsory labor

## Principle 5: the effective abolition of child labor

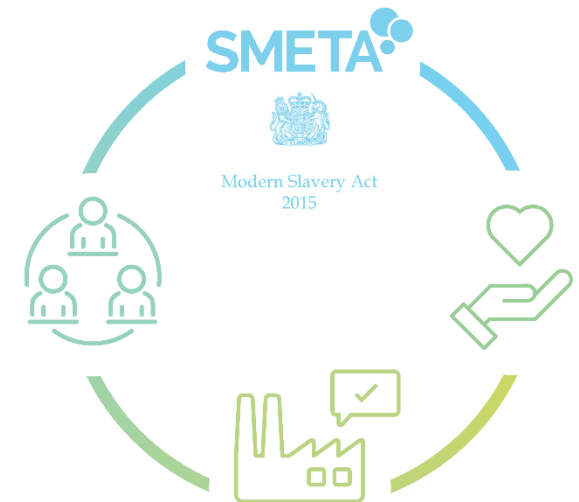
## Principle 6: elimination of discrimination in respect of employment and occupation

On commencement of employment, all adm employees are issued with a contract of employment detailing their terms and conditions of employment, along with a Global Employee Handbook which sets out further details of adm's Human Resources Policies and Procedures.

adm's Equal Opportunities, Harassment and Bullying Policy summarises adm's strategy for the elimination of discrimination in employment, and highlights that adm bases its decisions on merit and business needs rather than any other potentially discriminatory factor.

adm does not tolerate any form of forced, involuntary or child labour throughout its business and supply chain. To support this, adm requires all its suppliers to comply with its Supplier Code of Conduct and to go through social audits where child labour, forced labour and bonded labour have zero tolerance.

Additionally, adm is an active participant in SSF (Sedex Stakeholder Forum), and part of the Forced Labour Workgroup. The members of this workgroup consist of auditors, NGO's, educators, brands and agencies who have come together and have successfully developed a suite of Forced Labour Indicator Reports. This allows companies using this platform, to identify risk areas in the supply chain and to develop a pro-active approach in managing and mitigating those risks.



# Communication of Progress

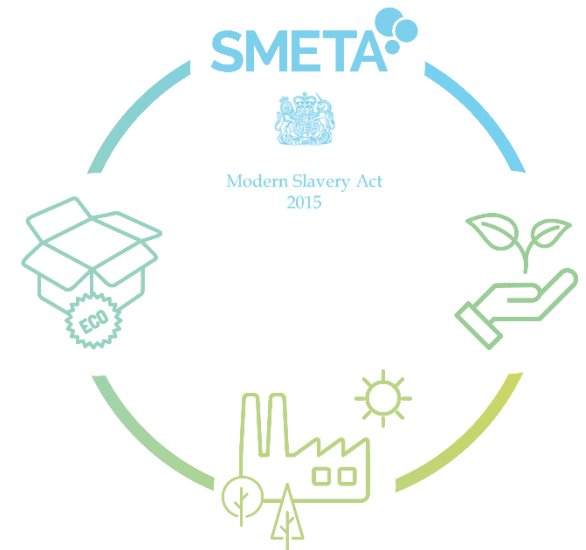
**Principle 4: elimination of all forms of forced and compulsory labor**

**Principle 5: the effective abolition of child labor**

**Principle 6: elimination of discrimination in respect of employment and occupation**

*Measurable outcomes:*

- adm has updated its supplier audits to SMETA 6.0 where a new section on Human Rights has been introduced and the questions around working hours/wages have been tightened.
- adm published its annual slavery and human trafficking statement for 2017 (pursuant to the UK Modern Slavery Act 2015) which specifically details the risk mitigation measures that adm has adopted in its supply chain to minimise the risk of slavery and human trafficking. adm is preparing its slavery and human trafficking statement for 2018 and will publish this within the first half of 2018.
- adm launched an online compliance training programme covering modern slavery and business ethics, which helps to support these values. Completion of this training programme is mandatory for all adm employees globally.
- In 2017 adm expanded its Human Resources capabilities and has planned further risk assessments, training and communication initiatives in 2018 which further embed these principles in its business culture.



# Communication of Progress

**Principle 7: Businesses should support a precautionary approach to environmental changes**

**Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility**

**Principle 9: encourage the development and diffusion of environmentally friendly technologies**

adm has in place many policies, as well as operational processes and procedures which, amongst other things, ensures that products are produced in compliance with applicable environmental regulations. For example, to support full compliance with the EU chemicals regime REACH (Registration, Evaluation, Authorisation and Restrictions of Chemicals), adm operates a REACH Control Process which must be followed to ensure that products do not contain any of the restricted chemicals as defined by the regulations.

adm also conducts factory surveys as part of the supplier onboarding process, through which it assesses a potential supplier's compliance with the Environmental Management Standard ISO 14001 to assess immediate and long term environmental impact of the organisations products and processes. Once a supplier has been onboarded, adm carries out SMETA audits, where its ongoing environmental compliance is further assessed.

*Measurable outcomes:*

- *Towards the end of 2017 adm launched a carbon emissions offsetting programme, this included planting trees in high-pollution areas around London. adm plans to expand this programme throughout 2018, showing its commitment to promoting greater environment responsibility.*



# Communication of Progress

**Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery**

adm condemns corruption in all its forms and will not tolerate it in its business or in those we do business with. adm’s anti-bribery and anti-corruption policy and its Supplier Code of Conduct outlines the company’s zero-tolerance attitude towards bribes and corruption. In the spirit of reinforcing these principles adm requires all employees, agencies and suppliers of goods or services to complete a declaration of compliance form.

In situations where employees do become aware of alleged infringing actions, this issue must be escalated to management or the legal or HR department (as appropriate) so that any necessary investigations can take place. Such employees’ interests would always be protected as set out in adm’s Whistleblowing Policy.

*Measurable outcomes:*

- adm requires all employees to complete an online compliance training programme pertaining to business ethics and anti-bribery. A newly-launched programme in 2017, the training is mandatory for all adm employees.





# Communication of Progress

