



adm

**Communication of Progress**  
21.03.2019 to 20.03.2020

# Communication on Progress

To our stakeholders,

This is our fourth year submitting our Communication of Progress (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 CoP, we describe our actions to continually improve the integration of the Global Compact's Ten Principles into our business strategy, culture and daily operations. We have also integrated the Sustainable Development Goals (SDG) into our CSR Strategy, with a focus on Gender Equality (SDG 5) and Sustainable Consumption and Production (SDG12). Notable achievements include the continuance of our Global Online Compliance Training for all staff covering anti-bribery, modern slavery, anti-discrimination and business ethics, the outreach programmes supported and initiated by our staff globally and our continued work eradicating the risks of modern slavery in our supply chain as detailed in our Modern Slavery statement for 2018/19.

Yours sincerely,



Justin Barton

CEO

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**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 is continually working 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 suppliers' 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). In 2018/19, adm updated various policies to ensure these are up to date and embedded policies in its business through periodic internal communication and training.

In 2018/19, adm continued sourcing responsibly and only worked with suppliers who signed the 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. adm continues to strive to have a 100% socially compliant supply chain and requires all suppliers to be socially audited. adm accepts and encourages the SMETA (Sedex Members Ethical Trade Association) audit methodology. adm also accepts other social audits if it covers the 4 pillars of Labour Standards, Health & Safety, Environment and Business Ethics.

## **Measurable outcomes:**

Through various training initiatives of its global policies and procedures, adm strives to ensure that all staff respect human rights in their day to day business activities. adm is still growing and keeping all employees informed and up-to date with their social rights and practices remain in the foreground of adm's compliance objectives. adm is part of AIM-PROGRESS, which is a forum of leading FMCG manufacturers and common suppliers assembled to enable and promote responsible sourcing practices and sustainable supply chains. adm is in the Steering Group for Human Rights within AIM-PROGRESS.

# Communication on Progress

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

adm encourages 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 SMETA 4 pillar audits, where one of the check points is ensuring workers have the freedom of association and the right to bargain collectively. This point is reviewed by adm's CSR Managers and may be treated as a critical non-compliance where workers do not have such rights, depending on the legal requirements of the country of the operating factory.

### **Measurable outcomes:**

adm did not suffer any breaches in 2019. There were no breaches in the SMETA audits of the suppliers either.

# Communication on Progress

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

## Principle 5: the effective abolition of child labour

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. adm is also involved in social projects imbibing SDG 5 in their CSR projects. In 2019, adm partnered with DreamIT and provided laptops to three girls shelters in Mexico. adm also supported in the maintenance of one of the shelters.

adm has included indication of forced and child labour in its supply chain as a Zero Tolerance.

### Measurable outcomes:

adm published its annual Modern Slavery statement for 2018/19 (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.

Additionally, adm is a participant in the SSF (Sedex Stakeholder Forum) and the Forced Labour Workgroup. The members of this workgroup consist of auditors, NGOs, educators, brands and agencies who come together and have successfully developed a suite of Forced Labour Indicator Reports. This allows companies to identify risk areas in their own supply chain and to develop a proactive approach in managing and mitigating those risks.

adm has also been selected to become a member of the AIM-Progress Forum, which is a forum of leading Fast-Moving Consumer Goods (FMCG) manufacturers and common suppliers, who assembled to enable and promote responsible sourcing practices and sustainable supply chains. It is a global initiative supported and sponsored by AIM-Progress in Europe and GMA (Grocery Manufacturers Association) in North America. As active participants in this forum, adm is part of the Human Rights Steering group in AIM – P which advises the other working groups on all Human Rights matters in supply chains of this business sector.. This allows adm to assess and benchmark its business practices against best industry practices.

# Communication on Progress

## 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.

### Measurable outcomes:

In 2019, adm expanded its Human Resources capabilities and envisages further risk assessment, training and communication initiatives which will further embed these principles in its business culture.

Continue to increase our efforts in sourcing through key suppliers who support community impact initiatives including creating decent employment in impoverished areas and supporting women empowerment

# Communication on 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 policies, operational processes and procedures which ensure 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 on boarding 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 4 pillar audit to assess ongoing environmental compliance.

## Measurable outcomes:

adm Barcelona office went through a carbon emission assessment by Carbon Footprint Limited. adm revised our Sustainable Procurement Policy and Environmental Policy, which was communicated through the Group.

Our procurement hub in China was accredited to the ISO14001 standard. Our procurement hub in China was also FSC certified to continue our efforts to source wood and paper from sustainably managed forests.

We launched a packaging reduction initiative in our procurement hub in China which resulted in savings of 12.5 tonnes of plastic and 3.7 tonnes of polystyrene. **(Goal 2020 – roll this out across our other procurement hubs and supply partners?)**

We identified and launched a partnership with the Carbon Reduction Institute in order to continue to measure and offset the carbon footprint of the products we manufacture.

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## 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. adm also requires all employees to complete an online training programme annually, including modules on business ethics and anti-bribery.

### Measurable outcomes:

In situations where employees do become aware of alleged infringements or have any concerns about possible non-compliance with adm policies, they are equipped with the knowledge to escalate the matter to our whistleblowing officer, a trusted senior member of staff or via our ethics line which provides employees the opportunity to report the matter anonymously to an external whistleblowing line provider. Following a report, the necessary investigations will take place and the relevant actions will be taken to resolve the matter. Employees' who raise such concerns are always be protected from possible repercussions as set out in adm's Whistleblowing Policy. The number and procedure has been communicated in the different languages in the different offices around the world.

No infringements were reported in 2019.